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THIS AGREEMENT IS SUBJECT TO ARBITRATION
AS PROVIDED BY ARTICLE VII HEREOF

DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR THE RETREAT AT GLEN HEATHER

THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §

THIS DECLARATION, made on the date hereinafter set forth by BABCOCK NORTH DEVELOPMENT CORPORATION, a Texas corporation, acting herein by and through its duly authorized Officer, hereinafter referred to as "Declarant";

WITNESSETH;

WHEREAS, Declarant is the owner of that certain property known as Lots 1-27 inclusive, Lots 80-89 inclusive, Lot 134 and Lot 137, Block 1, New City Block 17187, THE RETREAT AT GLEN HEATHER P.U.D. located in the City of San Antonio, Bexar County, Texas as described in Plat recorded in Volume 9502, Pages 105 and 106 of the Deed and Plat Records of Bexar County, Texas (the "Plat");

AND WHEREAS, it is deemed to be in the best interests of Declarant and any other persons who may purchase Lots within the "Properties" described herein that there be established and maintained a uniform plan for the improvement and development of the said Properties as a highly restricted and modern townhome subdivision of the highest quality.

NOW THEREFORE, Declarant hereby declares that all of the Properties described in Article I, Section 3, below shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the Properties and be binding upon all parties having any right, title or interest in the Properties, or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to THE RETREAT AT GLEN HEATHER HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to that certain real property described as Lots 1-27 inclusive, Lots 80-89 inclusive, Lot 134 and Lot 137, Block 1, New City Block 17187, THE RETREAT AT GLEN HEATHER P.U.D., City of San Antonio, Bexar County, Texas, according to the Plat. Other lots shown and depicted on the Plat but not enumerated in the preceding sentence shall not be included in the Properties unless such Lots are annexed to the Properties pursuant to the provisions of Article XIII hereof.

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Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the owners. The Common Area to be owned by the Association at the time of conveyance of the first Lot to an Owner other than Declarant shall refer to those areas of land (designated "Common Area") within the Properties, and designated as Lots 1, 134 and 137 on the Plat and the lands described in Exhibit "C" attached hereto, together with all improvements situated thereon, subject however, to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue hereof and/or by virtue of the recorded subdivision map.

Section 5. "Lot" shall mean and refer to each of the individual tracts of land or resubdivision of same, into which the Properties, excepting the Common Area, shall be divided for the location of "town-homes" thereon for individual use and ownership, as shown on the Plat.

Section 6. "Declarant" shall mean and refer to BARCOCK NORTH DEVELOPMENT CORPORATION, its successors and assigns, if such successors and assigns should acquire more than one Lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to make, publish and enforce reasonable Rules and Regulations for the use of the Common Area and any facilities situated thereon;

(b) The right of the Association to suspend the voting rights and right to use of the facilities owned or operated by the Association by the Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published Rules and Regulations;

(c) The right of the Association to grant or dedicate any part of the Common Area to any public agency, authority, or utility for any service of the Properties or any part thereof;

(d) The right of the Association to limit the number of guests of Owners using any portion of the Common Area and any facilities located thereon;

(e) The right of the Association, in accordance with its Articles of Incorporation or By-Laws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property. The rights of any such mortgages in such properties shall be subordinate to the rights of the Owners hereunder;

(f) The right of the Association to contract for exclusive services such as water, sanitary sewage and trash collection to each Lot; and,

(g) The right of the Association to charge reasonable fees for the use of any recreational facilities situated on the Common Area.

Section 2. Delegations of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on his Lot.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Declarant and every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting Rights. The Association shall have two (2) classes of voting memberships:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person hold an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B members shall be those individuals or entities who are herein defined as Declarant, and for each Lot owned they shall be entitled to three (3) votes on each matter coming before the members at any meeting or otherwise. When a particular Lot is owned by more than one such individual or entity, all such individuals or entities holding an ownership interest in that Lot shall be considered Class B members, however, for that particular Lot, they may be entitled to a total of no more than three votes on each matter coming before the members at any meeting or otherwise. The three votes for such Lot shall be exercised as they among themselves determine. Once a Lot is sold to an individual or individuals who would be classified as Class A members, the three votes attached to that Lot shall be extinguished. All Class B memberships shall cease and be automatically converted into Class A memberships on the first to occur of the following events:

- (i) When the total number of votes entitled to be cast by the Class A members at any meeting of the members or otherwise equals the total number of votes entitled to be cast by the Class B members; or
- (ii) Five (5) years from the date the Common Areas are transferred to the Association; or
- (iii) When the Declarant files in the Real Property Records a statement of its desire to convert its membership to Class A membership.

ARTICLE IV

COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a Deed therefor, whether or not it shall be so expressed in such Deed is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing vendor's lien upon the property against which each such assessment is made (the said vendor's lien covering each Lot being automatically transferred and assigned

by Declarant to the Association at the time Declarant completes the sale and conveyance of such Lot). Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Properties; the improvement, operation, administration, management, preservation and maintenance of the Common Area and any part thereof; the payment of all expenses and obligations lawfully incurred by the Association in connection with the Common Area or services for all Lots. The assessments shall also provide a reserve for the replacement of short lived items and to discharge property taxes (if any) due with respect to the Common Area and facilities. It is understood that the judgment of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds, shall be final and conclusive so long as said judgment is exercised in good faith.

Section 3. Basis for Assessment:

(a) Residential Units. Each townhome which has been conveyed to an Owner shall be assessed at a uniform rate in accordance with the formula contained in subsection (c) below. For the purpose of assessments, the term "Owner" shall exclude the Declarant, builder, contractor, investor, or other person or entity who purchases a Lot for the purpose of construction of improvements thereon for resale to an Owner.

(b) Declarant-owned Property. Declarant shall not be responsible for the payment of assessments relating to Lots owned by Declarant until the townhomes constructed or to be constructed upon such Lots are substantially completed. After a townhome is substantially completed and prior to the time it is occupied, the Declarant shall pay for each such townhome owned by Declarant ten percent (10%) of the amount of the general assessment for townhomes of comparable size.

(c) Amount of General Assessment. The final plans for the development of the Properties contain six (6) different floor plans, being described and having the approximate square footage set forth below:

Unit A	1195 square feet
Unit B	1317 square feet
Unit C	1652 square feet
Unit D	1520 square feet
Unit E	1610 square feet
Unit F	1808 square feet

The general assessment shall be applied to each townhome at a uniform rate based upon the number of square feet contained in each townhome, and each Owner shall pay, as his allocable share of the general assessment, an amount equal to the product of the total general assessment for all townhomes multiplied by a fraction having as its numerator the total square footage of such Owner's townhome and, as its denominator, the total square footage of all substantially completed townhomes situated upon the Properties (as described in Declarant's development plan). Declarant specifically reserves the right to amend Declarant's development plan for the Properties in order to revise the six of floor plans of townhomes which may be constructed upon the Properties.

Section 4. Annual Assessment. On January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual general assessment to be apportioned to each of the Lots in accordance with the rates provided above shall, for Phase I of the Retreat at Clean Weather, be \$100,000.00. The maximum annual assessment may be increased as hereinafter provided:

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than 10% (such percentage increase may be cumulative from year to year) above the maximum assessment for the previous year without a vote of the membership.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased by an amount in excess of 10% over the previous year's annual assessment upon 2/3rds affirmative vote of each class of members.

(c) Upon the annexation of additional Lots to the Properties as provided by Article XIII, the maximum annual assessment shall be adjusted in order to reflect the increase in costs reasonably anticipated by the Board of Directors incident to the increase in the Association's responsibilities and liabilities incurred as a result of the annexation of such Lots.

The Board of Directors shall fix the annual assessment at an amount not in excess of the maximum.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the vote or written assent of a majority of each class of members.

Section 6. Notice and Quorum For Any Action Authorized Under Sections 4 and 5. Any action authorized under Sections 4 or 5 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting. If the proposed action is favored by a majority of the votes cast at such meeting, but such vote is less than the requisite majority vote of the members, members who were not present in person or by proxy may give their assent in writing, provided the same is obtained by the appropriate offices of the Association not later than 30 days from the date of such meeting.

Section 7. Declarant's Obligation. In the event the maximum assessments (including increases allowable under Article IV, Section 4) are insufficient to cover the actual costs of maintaining the Common Area within the Properties, Declarant shall be obligated to provide the Association with the amount required to make up such deficit, until the earliest of the events set forth in Article III, Section 2, at which time the aforesaid obligations shall automatically terminate. Such obligation shall not, however, require Declarant to contribute additional funds required on account of any Owner's default in the payment of assessments or any losses on account of fire or other casualty or takings by eminent domain nor shall such obligation apply to liability of the Association on account of the negligence or tortious acts of its members, employees or agents.

Section 8. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month immediately following the conveyance of the Common Area to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period.

Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, furnish a certificate, signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid. The holder of any first mortgage on a Lot, and the governmental insurer or guarantor of such mortgage, shall be furnished with notice of any delinquency in the payment of assessments relating to such Lot which remains unsatisfied for a period of sixty (60) days.

Section 9. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 10% per annum or such higher rate as may, within legal limits, be set by the Association. The Association may bring an action at law against the Owner personally obligated to pay such assessment, or foreclose the lien against such Owner's Lot. Interest, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. Each such Owner, by his acceptance of a deed to his Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens. The liens provided for in this Section shall be in favor of the Association and shall be for the benefit of all Owners. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The Vendor's Lien securing payment of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages granted or created by the Owner of any Lot to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Lot. Sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot, and the Owner thereof, from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Insurance.

(a) The Board of Directors of the Association shall obtain and continue in effect blanket property insurance to insure the buildings, structures and improvements in the Common Area and the Association against risks of loss or damage by fire and other hazards as covered under standard extended coverage provisions, and said insurance may include coverage against vandalism.

(b) The Board of Directors of the Association shall obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees, and each Owner, from and against liability in connection with the Common Area and the use thereof by the Owners and their families, invitees and employees.

(c) Each Owner shall be responsible, at his own expense and cost, for obtaining his own personal insurance of the contents of his own townhome and garage or parking space, if any, including decorations, appliances, equipment, furnishings and personal property therein, and his personal property stored elsewhere on the Properties; and for his personal liability not covered by liability insurance for all Owners obtained as part of the common expense.

(d) The Board of Directors of the Association, or its duly authorized agent, shall obtain insurance for each Owner's townhome against loss or damage by fire or other hazards in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any hazard. All such insurance coverage shall be written in the name of the Association for the benefit of the townhome Owners and each Owner shall be provided a certificate

evidencing the insurance coverage of his townhome. Premiums for insurance obtained by the Board of Directors on individual townhomes shall not be part of common expenses but shall be an expense of the specific townhome or townhomes covered and a debt owed by the Owners thereof and shall be collectible by any lawful procedure permitted by the laws of the State of Texas. In addition, if said debt is not paid within thirty (30) days after notice of such debt, such amount shall automatically become a lien upon such Owner's Lot and shall continue to be a lien until fully paid. This lien shall be subordinate to the lien of any purchase money and/or improvement mortgages and shall be enforceable in the same manner as any lien created by failure to pay the general assessments.

In the event of damage or destruction by fire or other casualty to any townhome covered by insurance written in the name of the Association, the Board of Directors shall, upon receipt of the insurance proceeds and to the extent of such proceeds, contract to rebuild or repair such damaged or destroyed portions of the townhome to as good condition as existed formerly; provided, the Board of Directors shall not restore the contents of the damaged townhome including decorations, appliances, equipment, furnishings and personal property therein. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a Federal governmental agency, with the proviso agreed to by said bank or institution that such funds may be withdrawn only by signature of at least two (2) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. The Board of Directors shall advertise for sealed bids with any licensed contractors, and may then negotiate with any contractor, who shall be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed townhome or townhomes.

In the event the insurance proceeds are insufficient to pay all the costs of repairing and/or rebuilding to the same condition as formerly existed, the Board of Directors shall levy a special assessment against all Owners of the damaged townhomes in such proportions as the Board of Directors deems fair and equitable in the light of the damage sustained by such townhomes to make up any deficiency, except that a special assessment shall be levied against all Owners, as established by Art. IV, Sec. 5 above, to make up any deficiency for repair or rebuilding of the Common Area not a physical part of a townhome. In the event that such insurance proceeds exceed the cost of repair and reconstruction, such excess shall be paid over to the respective mortgagees and Owners of the damaged townhomes in such proportions as the Board of Directors deems fair and equitable in the light of the damage sustained by such townhomes.

(e) Each Owner shall obtain his own personal insurance on decorations, appliances, equipment, furnishings and personal property contained within his townhome.

(f) All costs, charges and premiums for all insurance that the Board of Directors authorizes as provided herein, except on the individual townhomes, shall be a common expense of all Owners and be a part of the general assessment.

(g) Upon written request to the Association identifying the name and address of the holder, insurer or guarantor and the description of the subject Lot, each holder of a first mortgage, or governmental insurer or guarantor of such mortgage, shall be given timely written notice of any casualty loss (or loss by taking through eminent domain) of the Properties or the Lot covered by such mortgage. Similar notice, ten (10) days in advance, shall be given in the case of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 12. Taxes. Each Owner shall directly render for taxation his own Lot and improvements and property thereon, and shall at his own cost and expense directly pay all taxes, levied or assessed against or upon his Lot and improvements and property thereon. The Association shall render for taxation

and, as part of the common expenses of all Owners, shall pay all taxes levied or assessed against or upon the Common Area and the improvements and property appertaining thereto.

Section 13. Utility Bills

(a) Obligation of the Owners: Each Owner shall have his separate electric and water meter and shall directly pay at his own cost and expense, for all electricity, water, sanitary sewer service, telephone service, cable television and other utilities used or consumed by him on his Lot.

(b) Obligation of the Association: The Association shall pay, as a common expense of all Owners, for all water, electricity and other utilities used in connection with the enjoyment and operation of the Common Area or any part thereof.

Section 14. Fidelity Bond. The Association shall maintain fidelity bond coverage for its officers, employees, agents, directors and volunteers. The total amount of such bond coverage shall be no less than a sum equal to three months' aggregate assessments on all Lots plus reserve funds.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made to any Lot (including landscaping and gardening of any portion of the Lot other than the fenced rear yard) until the plans and specifications showing the nature, kind, shape, heights, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

The provisions of the foregoing paragraph shall not apply, however, to the construction of the initial improvements upon the Properties by Declarant.

ARTICLE VI

MAINTENANCE AND REPAIRS

Section 1. Definition. In addition to maintenance upon the Common Area, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder as follows: paint, repair, replace (but not in the event of fire or other casualty loss normally covered by insurance on the premises) and care for roofs, gutters and downspouts (if any), exterior building surfaces, fences, trees, shrubs, grass, walks, water distribution system owned by the Association, and other exterior improvements. Such exterior maintenance shall not include: glass surfaces, enclosed patio or rear yard areas (if any), windows and doors and their fixtures of hardware, landscaping installed by Owner (if any), exterior light fixtures operated from a townhome, and air conditioning equipment, circuit breakers and switch panels, sewer, gas, water and electric power service lines located inside the Lot lines.

Section 2. Owner's Maintenance. Each Owner shall maintain and keep in repair the following equipment and lines located outside his townhome: air conditioning compressor and condenser, including

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pipes and electrical lines connecting same to the townhome, sanitary sewer line connecting the townhome to the sanitary sewer collection system, electric circuit breakers, any portion of water, natural gas and/or telephone service lines located on the Lot but not maintained by the water, gas and/or telephone companies; provided, however, that any lines, pipes, wires, conduits or systems running through a townhome which serve one or more other townhomes and which are not maintained by any utility company, shall be operated, repaired and maintained by the Association, and shall not be disturbed or relocated by an Owner without the written consent and approval of Declarant or the Association.

An Owner shall do no act nor any work that will impair the structural soundness or integrity of another townhome or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect the other townhomes or their Owners.

Section 3. Neglect of Owner. In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family or guests, invitees, employees or agents, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Owner's Lot is subject.

Section 4. Authority of Association. In the event an Owner shall fail to maintain his Lot and townhome as required hereby in a manner satisfactory to the Board of Directors, the Association, after approval by at least two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and any improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VII.

PARTY WALLS

Section 1. General Rules of Law To Apply. Each wall which is built as a part of the original construction of the townhomes upon the Properties and placed on the dividing line between the Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. If a wall which is intended as a party wall is situated entirely or partly on one Lot instead of on the dividing line between Lots, due to error in construction, such wall shall nevertheless be deemed to be on the dividing line and shall constitute a party wall for the purposes in this Article. Reciprocal easements shall exist upon and in favor of the adjoining Lots for the maintenance, repair and reconstruction of party walls.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against the elements.

Section 5. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators. Should any party refuse to choose an arbitrator within ten (10) days after written request therefor, the Board of Directors of the Association shall select an arbitrator for the refusing party.

ARTICLE VIII.

CONSOLIDATION OF LOTS

Any Lot or part thereof may be consolidated with any adjoining Lot or Lots to constitute a single Lot on which a townhome may be constructed, provided that the same shall be approved by the Architectural Control Committee. The consolidated Lot shall have the same number of votes in the Association as were appurtenant to the Lots so consolidated and shall be charged with assessments in the same manner and amount as such original Lots.

ARTICLE IX.

USE RESTRICTIONS

The Lots and the Common Area shall be occupied and used as follows:

Section 1. Residential Use. No Owner shall occupy or use his Lot or building thereon, or permit the same or any part thereof, to be occupied or used for any purpose other than as a private single family residence for the Owner, his family, guests and tenants of not less than 1,100 square feet of floor area, measured through the exterior walls of the building. No Lot shall be used or occupied for any business, commercial, trade or professional purposes, either apart from or in connection with the use thereof as a residence.

Section 2. Obstruction of Common Area. There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior written consent of the Board of Directors.

Section 3. Insurance. Nothing shall be done or kept in the Common Area which will increase the rate of insurance on the Common Area without the prior written consent of the Board of Directors. No Owner shall permit anything to be done or kept in the Common Area which will result in the cancellation of insurance on any part of the Common Area or which would be in violation of any law. No waste will be committed in the Common Area.

Section 4. Nuisances. No noxious or offensive activity shall be carried on upon any Lot, or the Common Area, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the other Owners. No repair work, dismantling or assembling of motor vehicles or any other machinery or equipment, shall be permitted in any street, driveway or yard adjacent to a street, or in the Common Area. No vehicle shall be parked on streets or driveways so as to obstruct ingress or egress by the Owners, their families, guests and invitees, except for the reasonable needs of emergency, construction, or service vehicles for a time limited to as briefly as possible. For a period not to exceed forty-eight (48) consecutive hours, family, guests and invitees of Owners of Lots, may park their vehicles in the guest parking areas, if any. Guest parking areas are not intended for use by the Owners for parking or

storing boats, trailers, camping units, or any personal vehicles, and the Board of Directors of the Association may insure the proper use of said areas in such legal manner as it deems necessary.

Section 5. Temporary Structures. No structures of a temporary character, trailer, basement, tent, shack, barn, servants quarters or other out buildings shall be used on any Lot at any time as a residence, either temporarily or permanently; nor shall any used residence or other used structure be moved onto any Lot. During the construction and sales period of the initial townhomes, the Declarant may erect and maintain such structures as is customary in connection with such construction and sale of such property, including, but without limitation, a business office, storage areas, construction yards, signs, model units and sales offices.

Section 6. Signs. No advertisement, poster or sign of any kind shall be displayed to public view on any Lot or building, except one sign of not more than five (5) square feet in area advertising the merits of the property for sale or rent. During construction and initial sales period of the townhomes, the Declarant may use other signs and displays to advertise the merits of the Properties for sale or rent.

Section 7. Oil and Mining Operations. No gas or oil drilling, gas or oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any of the Properties.

Section 8. Livestock and Poultry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats or other household pets, not to exceed a total of two (2) pets, may be kept, provided that they shall not become a nuisance and are not kept, bred, or maintained for any commercial purposes.

Section 9. Garbage and Refuse Disposal. No Lot shall be used or maintained as dumping ground for rubbish. Trash, garbage or other waste shall be kept screened by adequate planting or fencing so as to conceal them from public view. There is reserved in favor of the Association the determination of the method of garbage disposal, that is, whether it shall be through public authority or through private garbage disposal contractor(s). All equipment for the storage or disposal of such materials shall be kept in clean and sanitary condition.

Section 10. Sewage and Water. No sewage treatment system nor water well shall be permitted on any Lot.

Section 11. Use of Common Area. Except in enclosed areas on a Lot, no planting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Properties except such as are installed in accordance with the initial construction of the townhomes located thereon or as approved by the Association's Board of Directors or their designated architectural committee. Except for the right of ingress and egress and the right and easements of enjoyment as defined herein, the Owners are hereby prohibited and restricted from using any of the Properties outside the interior property lines of each Lot except as may be allowed by the Association's Board of Directors. It is expressly acknowledged and agreed by all parties concerned that this paragraph is for the mutual benefit of all Owners of the Properties, and any additions thereto, and is necessary for the protection of said Owners. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the Common Area and the exteriors and roofs of the townhomes, including but not limited to, parking areas and walks, shall be taken by the Board of Directors or by its duly delegated representatives.

Section 12. Outside Antennas. No exterior television or radio antennas of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Properties.

Section 13. Non-Discrimination. No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

Section 14. Annoyance. No activity shall be carried on upon any Lot or the Common Area which might reasonably be considered as giving annoyance to neighbors of ordinary sensibilities or which might be calculated to reduce the desirability of the Properties as a residential neighborhood, even though such activity be in the nature of a hobby and not carried on for profit. The Board of Directors of the Association shall have the sole and exclusive discretion to determine what constitutes an annoyance.

Section 15. Unsightly Objects. Each Owner shall keep clean and in good condition and repair the windows and interiors of his townhome and shall not permit garments, rugs, laundry or other unsightly items to extend from or be placed outside of his townhome, including but not limited to over windows or on patios and balconies. No aluminum foil or similar reflective material shall be used or placed over doors or windows. No Owner or other occupant of any townhome shall make any alteration, modification or improvement, nor add any awnings, patio covers or other devices to any townhome except with the written consent of the Association. No unsightly objects which might reasonably be considered to give annoyance to neighbors of ordinary sensibilities shall be placed or allowed to remain in any yard or on any patio or balcony. The Association shall have the sole and exclusive discretion to determine what constitutes an unsightly object.

Section 16. Leasing Restrictions. All leases and rental agreements for any Lot shall be in writing and specifically subject to this Declaration and the Bylaws of the Association. No Lot may be leased or rented for a period of less than thirty (30) days. Other than the foregoing, there shall be no restriction on the leasing of any Lot.

ARTICLE X.

EASEMENTS

Section 1. Construction. Each Lot and the property included in the Common Area shall be subject to an easement for encroachments created by construction, settling and overhangs, as designed or constructed by the Declarant. A valid easement for said encroachments and for the maintenance of same, so long as it stands, shall be and does exist. In the event any structure containing two (2) or more townhomes is partially or totally destroyed, and then rebuilt, the Owners so affected agree that minor encroachments of parts of the adjacent residential units on Common Areas due to construction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

Section 2. Utility, Emergency and Association. There is hereby created a blanket and perpetual easement upon, across, over, under and above all of the Properties for ingress, egress, installations, replacing, repairing and maintaining all utilities, including but not limited to, water, sewers, gas, telephones, electricity and cable television. By virtue of this easement, it shall be expressly permissible for the providing electrical and/or telephone company to erect and maintain the necessary poles and other necessary equipment on said property and to affix and maintain electrical and/or telephone wires, circuits and conduits on, above, across and under the roofs and exterior walls of said townhomes. An easement is further granted to all police, fire protection, ambulance, garbage and trash collector pick-up vehicles and all similar persons to enter upon the Common Area in the performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or cross over the Common Area and any Lot to perform the duties of maintenance and repair of the townhome or Common Area provided for herein. The Association is further granted a blanket and perpetual easement upon, across, over, under and above

all of the Properties for the purpose of installing, operating and maintaining an irrigation system serving the landscaping of the Properties. Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties except as initially programmed and approved by the Declarant or thereafter approved by Declarant or the Association's Board of Directors. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant or the Association shall have the right to grant such easement without conflicting with the terms hereof. The easements provided for in this Article shall in no way affect any other recorded easement on said premises.

Section 3. Use of Easements. Easements for underground utility services may be crossed by driveways and walkways provided the Declarant makes prior arrangements with the utility furnishing service. Such easements for underground services shall be kept clear of all other improvements, including building, patios, or other pavings, other than crossing walkways or driveways, and neither Declarant nor any utility Company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants, to shrubbery, trees, flowers, or other improvements of the Owner located on the land covered by said easements.

Section 4. Easements for Drainage. The Declarant reserves to itself and its successors and assigns a blanket easement and right on, over, and under the Properties for drainage of surface water. Such easement expressly includes an easement and right-of-way across and over each of the Lots and from Lot to Lot for the drainage of surface waters and each Owner, by accepting title to his Lot shall be deemed to have agreed that he shall take no action which would inhibit or hinder such surface water drainage or otherwise interfere with the easement for drainage herein provided.

Section 5. Access for Utility Services. Any fence constructed or erected upon any Lot at any time shall contain a gate to allow access from the Common Area to such Lot and each such Owner shall be deemed to have granted a perpetual irrevocable license and right of entry to the utility companies providing service to his Lot, and the agents and employees of such companies, to allow for the reading of meters for such service and for the maintenance and repair of equipment belonging to such utilities.

Section 6. Declarant's Easement to Remaining Portions of Subdivision. Declarant hereby reserves a perpetual non-exclusive easement and right-of-way over and across Lot 137, Block 1, New City Block 17187, The Retreat at Glen Heather P.U.D. for the purposes of providing vehicular, pedestrian and utilities access to other portions of the Retreat at Glen Heather P.U.D. not covered by the Properties herein described. Said easement, which shall be deemed automatically reserved by Declarant from its conveyance of the Common Area to the Association, shall inure to the benefit of Declarant and its successors and assigns.

Section 7. Declarant's Easement to Sewer Facilities. Declarant hereby reserves a perpetual non-exclusive easement and right-of-way out of Lots 86 and 137, Block 1, New City Block 17187, The Retreat at Glen Heather P.U.D., over and across the lands described in Exhibit "B" attached hereto, for connection to the sewer facilities situated within said Lot 137. Said easement and right-of-way shall inure to the benefit of Declarant and its successors and assigns.

Section 8. Changes and Additions to Easements. Declarant reserves the right to make minor changes and additions to the above easements, as to any Lot owned by it, for the purpose of efficiently and economically installing and operating above mentioned utilities.

ARTICLE XI.

MORTGAGES

Section 1. Notice to Association. An Owner who mortgages his Lot shall notify the Association giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Lots".

Section 2. Notice of Proposed Action The holders of all first mortgages against any Lot, and the governmental guarantors or insurers of such mortgages, shall be entitled to timely written notice of any proposed action of the Association or the Board which would require the consent of a specified percentage of such mortgage holders pursuant to the terms of this Declaration or the Bylaws of the Association.

Section 3. Taxes and Other Charges in Common Area. The Association shall immediately reimburse first mortgagees who may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area; or who may pay overdue premiums on hazard insurance policies covering the Common Area; or who may secure new hazard insurance coverage on the Common Area upon the lapse of a policy.

Section 4. Examination of Books. The Association shall permit all mortgagees to examine the books and records of the Association during normal business hours.

Section 5. Reserve Fund. The Association shall establish an adequate reserve fund for replacement of the Common Area property and fund the same by regular monthly payments rather than by special assessments. Such reserve shall be in the minimum amount of two months' estimated assessment for all Lots.

Section 6. Annual Audits. The Association shall furnish each mortgagee an annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association.

Section 7. Notice of Meetings. The Association shall furnish each first mortgagee upon request of such mortgagee, prior written notice of all meetings of the Association and permit the designation of a representative of such mortgagee to attend such meetings, one such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.

Section 8. Documentation. The Association shall make available to all Owners and lenders, and to holders, insurers and guarantors of any first mortgage, current copies of this Declaration as well as the Bylaws of the Association and all other rules concerning the operation of the Properties.

Section 9. Right of First Refusal. The right of an Owner to sell, transfer or convey his or her Lot shall not be subject to a right of first refusal or similar restriction.

Section 10. Notice of Condemnation or Eminent Domain. The Association shall furnish the holders of each mortgage covering any Lot, and the governmental guarantor or insurer of such mortgage, with timely written notice of any condemnation or eminent domain proceeding regarding all or any portion of a Lot or of the Common Areas and facilities and of any proposed acquisition of all or any part of such properties through condemnation or eminent domain proceedings.

Section 11. Consent of Mortgages Required.

Unless all of the first mortgages of residential Lots within the Properties (as the Properties may hereafter be expanded), have given their prior written approval, the Association shall not be entitled to:

(a) by act or omission seek to abandon, partition, subdivide, alienate, release, encumber, hypothecate, sell or transfer, real estate or improvements thereon which are owned, directly or indirectly, by such Association, for the benefit of the Owners (the granting of easements for public utilities or for other public purposes consistent with the intended use of such property shall not be deemed a transfer within the meaning of this clause);

(b) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

(c) by act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of townhomes, the exterior maintenance of townhomes, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the Properties;

(d) fail to maintain fire and extended coverage on insurable Common Area property on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement cost);

(e) use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of such improvements.

(f) use the proceeds from a taking by eminent domain payable to the Association for any purpose other than the reconstruction of the Common Area.

Section 12. Management Agreements. Any management agreement entered into by the Association will be terminable by the Association with or without cause upon not more than thirty (30) days' written notice, and the term of such management agreement will not exceed the period of one (1) year, renewable by agreement of the parties to such agreement for successive one (1) year periods.

Section 13. Delegations of Owner's Use of Common Area. Regarding an Owner's delegation of his rights of enjoyment to the Common Area and facilities as provided for in Article II, Section 2, of this Declaration, no such delegation shall work a severance of the rights of enjoyment of the Common Area and facilities from the ownership of a Lot, and any such delegation by any Owner shall automatically terminate upon conveyance of legal title to such Lot by said Owner.

Section 14. FHLMC, FNMA, FEA AND VA Regulations. Notwithstanding anything in this Declaration to the contrary, Declarant may amend this Declaration to conform with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Housing Administration, the Veterans Administration, or any similar duly constituted governmental authority or agency, by written instrument executed by Declarant only and recorded in the records of the County Clerk of Bexar County, Texas.

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ARTICLE XII.

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.

Section 3. Duration. The restrictions, rights, use easements and privileges of the Owners in and to the Common Area as provided for herein shall be deemed to be covenants running with the land of the Properties and shall be of perpetual duration. All other provisions, restrictions, covenants and conditions of this Declaration shall run with and bind the Properties, for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years.

Section 4. Amendments.

(a) The Declarant reserves and shall have the right at any time and from time to time, without the joinder or consent of any Owner or any other person, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record, for the purpose of correcting any typographical error, ambiguity or inconsistency appearing in in this Declaration, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration, and shall not impair the vested property rights of any Owner or his mortgages.

(b) With the exception to the amendments which may be made by the Declarant alone as herein provided, the consent of Owners having at least 75 percent of the votes in the Association and the approval of the holders of mortgages covering Lots which have at least 51 percent of the votes of the Lots subject to mortgages, shall be required to add or amend any material provisions of this Declaration or the Bylaws of the Association, which establish, provide for, govern or regulate any of the following:

- (i) Voting;
- (ii) Assessments, assessment liens or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Common Area (or townhomes if applicable);
- (iv) Insurance or Fidelity Bonds;
- (v) Rights to use of the Common Area;
- (vi) Responsibility for maintenance and repair of the several portions of the Properties;
- (vii) Expansion or contraction of the Properties or the addition, annexation or withdrawal of property to or from the Property;

- (viii) Boundaries of any Lot;
- (ix) The interests in the Common Area;
- (x) Convertibility of Lots into Common Areas or of Common Area into Lots;
- (xi) Leasing of Lots;
- (xii) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey his or her Lot;
- (xiii) Any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on Lots as defined by the rules and regulations of the Federal National Mortgage Association.

Any mortgage holder who receives a written request to approve additions or amendments to this Declaration or to the Bylaws of the Association who does not deliver or post to the party requesting approval of such additions or amendments a negative response within thirty (30) days shall be deemed to have approved such request.

Section 5. Rights of Mortgagees, Trustees or Lienholders. No violations of any of these restrictions, covenants or conditions, shall affect or impair the rights of any mortgagee, trustee or lienholder under any mortgage or deed of trust, or the rights of any assignee of any mortgagee, trustee or lienholder under any such mortgage or deed of trust.

Section 6. Dedications. The Plat, subject to the limitations set forth therein, establishes certain dedications, limitations, reservations and restrictions applicable to the Properties. Easements affecting the Properties are hereby reserved as shown on the recorded Plat referred to for the installation, operation and maintenance of utilities and drainage facilities. All dedications, limitations, restrictions and reservations shown on said Plat are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying said Properties or any part thereof.

Section 7. Federal Housing Administration/Veterans Administration Approval. As long as there exists a Class B membership, as such is defined in Art. III, Section 2, hereof, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration, if they have a loan guarantee outstanding on any portion of the Properties at the time such actions are taken, to-wit:

- (a) Annexation of additional properties;
- (b) Dedication of Common Area as provided in Art. II, Section 1(c) hereof; and
- (c) Amendment of this Declaration of Covenants, Conditions and Restrictions, as provided in Art. XII, Section 4, hereof.

Section 8. Condemnation. If part or all of the Common Area shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages shall be paid to the Association. The Board of Directors shall have the right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting such Common

Area. The Owners may by vote of 75%, or more, of the total votes hereunder, agree to distribute the proceeds of any condemnation or taking by eminent domain, to each Owner and his mortgagee, if any, as their interests may appear. In the event that the Owners shall not so agree, such proceeds shall be added to the funds of the Association, and the Association shall decide on whether or not to replace or restore, as far as possible, the Common Area so taken or damaged.

The Association shall give timely written notice of the existence of such proceedings to all Owners and their mortgagees, if any. The expense of participation in such proceedings shall be a common expense chargeable to the Owners.

Section 9. Resubdivision and/or Replatting of Other Portions of The Retreat at Glen Heather P.U.D. Declarant hereby reserves to itself, and to its successors or assigns (to whom the following right is specifically granted) the right, at any time, to resubdivide and/or replat any lands owned by Declarant (or its successors or assigns) within The Retreat at Glen Heather P.U.D. which is not included within the Properties described herein. Each Owner shall, by accepting the deed to his Lot, be deemed to have appointed Declarant as his attorney-in-fact for the purpose of effecting any such resubdivision and/or replatting; and the power herein granted to Declarant shall be, and is, a power coupled with an interest which shall survive the death or incapacity of the principal.

ARTICLE XIII.

ANNEXATION OF ADDITIONAL AREAS

Section 1. Additional Areas. Declarant hereby declares that it contemplates that at a future time or times, within five (5) years from the date hereof, the Properties may (but shall not be required to) be expanded by adding thereto additional real property comprising successive phases or units of The Retreat at Glen Heather P.U.D. Such additional phases or units of The Retreat at Glen Heather P.U.D. may include any or all property shown and depicted on the Plat as well as the remaining portion of Lot 7, NCS 14653, San Antonio, Bexar County, Texas consisting of 1.8 acres, more or less. Provided the structures on such additional property shall have been substantially completed and the design and construction of such structures shall be reasonably compatible with the structures completed on all previous phases of the Properties, such additional property may be annexed in whole or in part, from time to time, and at more than one time, in order that such additional property, and all improvements situated thereon, shall become a part of the Properties described and defined in this Declaration. All such annexations and additions, if any, shall not require the consent of the Association or any Owner or mortgagee except as provided by Article XII Section 7 hereof.

Section 2. Annexation Declaration. The annexation of additional land to the Properties shall become effective only in the event that Declarant shall file for record in the office of the County Clerk of Bexar County, Texas an Annexation Declaration substantially in the form attached hereto as Exhibit "A," which Annexation Declaration shall describe the real property annexed in each successive phase or part thereof, refer to this Declaration and specifically to this Article XIII and adopt the terms of this Declaration by reference. Declarant may cause to be recorded as many separate Annexation Declarations, consistent with the provisions of this Article XIII as may be desired by Declarant from time to time.

Section 3. Power of Attorney. Each Owner shall, by accepting the deed to his Lot, be deemed to have appointed Declarant as his attorney-in-fact for the purpose of effecting the annexation of additional lands to the Properties; and the power herein granted to Declarant shall be, and is, a power coupled with an interest which shall survive the death or incapacity of the principal.

Section 4. Effect of Annexation. Upon the recordation of the Annexation Declaration in compliance with the provisions of this Article XIII, this Declaration shall further apply to and affect all of the Properties described herein as well as all of the property described in any such Annexation Declaration and all of the Lots situated upon the Properties (as so expanded), and their then Owners, with the same effect as if the property described in the Annexation Declaration were originally subject to the provisions of this Declaration. Upon such annexation, the powers and responsibilities of the Association shall be co-extensive with regard to all of the Properties (as expanded), and the Association shall, pursuant to the provisions of this Declaration, constitute the Association for the entirety of the Properties (as expanded). The Association shall, after such annexation, continue to maintain one maintenance fund for the collection and disbursement of monies as required and permitted hereby for the Properties, and in all respects and meanings, the Properties (as expanded) shall be subject to, and operated in accordance with, the provisions of this Declaration.

Section 5. Membership in the Association. Upon the annexation of additional property by the recordation of one or more such Annexation Declarations in accordance with the provisions of this Article XIII, the Owners of all Lots so annexed shall automatically become members of the Association with the number of votes for each class of membership as herein provided and all Common Area upon the lands so annexed shall be the property of the Association and subject to maintenance and the control of the Association as herein provided.

Executed this 17th day of July, 1984.

BABCOCK NORTH DEVELOPMENT CORPORATION

BY: Robert E. Watts, Jr.

Robert E. Watts, Jr.

STATE OF TEXAS |
 |
 COUNTY OF BEXAR |

BEFORE ME, the undersigned authority on this day personally appeared Robert E. Watts, Jr., President of Babcock North Development Corporation, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

Given under my hand and seal of office this 17th day of July, 1984.



Jill Whitham Askins
 Notary Public, State of Texas

MS18h

JILL WHITHAM ASKINS
 My Commission Expires 2/22/88

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**EXHIBIT "A" TO DECLARATION OF RESERVATIONS,
COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE RETREAT AT GLEN HEATHER**

THE STATE OF TEXAS §
COUNTY OF BEXAR §

**ANNEXATION DECLARATION FOR
THE RETREAT AT GLEN HEATHER**

This Declaration is made _____, 19____, by _____,
hereinafter referred to as Declarant.

1. **Authority.** By virtue the provisions of Article XIII of that certain Declaration of Reservations, Covenants, Conditions and Restrictions for The Retreat at Glen Heather (the "Declaration") filed in Volume _____ at Pages _____ of the Official Records of Real Property of Bexar County, Texas, to which recorded instrument reference is hereby made for all purposes, Declarant reserved the right and authority to annex additional property to the Properties described therein, which additional property is described in Exhibit "A" attached hereto.

2. **Annexation.** Declarant, who is owner in fee simple absolute of the lands described in Exhibit "A" attached hereto and the buildings and all other improvements constructed or installed thereon, together with all easements, rights and appurtenances belonging thereto, hereby submits said lands, buildings and improvements to the covenants, restrictions, limitations, conditions and uses set forth in said Declaration which are hereby adopted by reference as well as the terms, provisions and requirements of the Articles of Incorporation and Bylaws of The Retreat at Glen Heather Homeowners Association.

3. **Effective Date.** This Annexation Declaration shall be effective upon the date of its recordation in the Official Public Records of Real Property of Bexar County, Texas. Owners of Lots in the areas so annexed shall, on such date, become members of The Retreat at Glen Heather Homeowners Association and subject to the assessments thereof. On such date The Retreat at Glen Heather Homeowners Association shall assume full responsibility for the maintenance of all annexed property in accordance with the terms of the Declaration.

EXECUTED on the date first set forth above.

DECLARANT:

By: _____

STATE OF TEXAS §
COUNTY OF BEXAR §

BEFORE ME, the undersigned authority, on this day personally appeared _____,
of _____, known to me to be the person whose name is
subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes
and considerations therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this the _____ day of _____, 19____.

Notary Public, State of Texas

EXHIBIT "B" TO DECLARATION OF RESERVATIONS, COVENANTS,
CONDITIONS AND RESTRICTIONS FOR THE RETREAT AT GLEN HEATHER

SEWER EASEMENT

0.045 acres (1954 square feet) of land out of Lot 86, Block 1, NCB 17187, The Retreat at Glen Heather P.U.D. as described by Plat recorded in Volume 9502, Pages 104 and 105 of the Deed and Plat Records of Bexar County, Texas;

Beginning: at a point being the southwest corner of said Lot 86, said point also lying on an east line of Lot 137, Block 1, NCB 17187 of said The Retreat at Glen Heather P.U.D.;

Thence: N 34° 52' 00" W, 16.00 feet with a west line of Lot 86 and an east line of lot 137 to a point;

Thence: N 55° 08' 00" E, 120.03 feet to a point being the northeast corner of Lot 86 at the east corner of Lot 87, Block 1, NCB 17187 of said The Retreat at Glen Heather P.U.D.;

Thence: with the east line of Lot 86 as follows:

S 34° 08' 46" E, 2.50 feet;

S 34° 52' 00" E, 16.00 feet;

Thence: with the south line of said Lot 86 and the north line of Lot 85, Block 1, NCB 17187, of said The Retreat at Glen Heather P.U.D., as follows:

S 55° 08' 00" W, 13.59 feet;

N 34° 52' 00" W, 2.50 feet;

S 55° 08' 00" W, 106.41 feet to the POINT OF BEGINNING, containing 0.045 acres (1954 square feet) of land, more or less.

AND

0.003 acres (112 square feet) of land out of Lot 137, Block 1, NCB 17187, The Retreat at Glen Heather P.U.D., as described by Plat recorded in Volume 9502, Pages 104 and 105 of the Deed and Plat Records of Bexar County, Texas;

Beginning: at a point on the east line of Lot 137, said point also being the southwest corner of Lot 86, Block 1, NCB 17187, of said The Retreat at Glen Heather P.U.D.;

Thence: S 55° 08' 00" W, 7.00 feet to a point on the east line of an existing sanitary sewer easement recorded in said The Retreat at Glen Heather P.U.D.;

Thence: N 34° 52' 00" W, 16.00 feet with the east line of said 16 foot sanitary sewer easement to a point;

Thence: N 55° 08' 00" E, 7.00 feet to a point on the east line of said Lot 137 said point also being a corner of said Lot 86;

Thence: S 34° 52' 00" E, 16.00 feet with the east line of said Lot 137 and a west line of said Lot 86 to the POINT OF BEGINNING, CONTAINING 0.003 acres (112 square feet) of land, more or less.

MIS10;

**EXHIBIT "C" TO DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR THE RETREAT AT GLEN HEATHER**

0.007 Acres (320 Square Feet) of land out of Lot 86, Block 1, N.C.B. 17187, The Retreat at Glen Heather P.U.D. as recorded by plat thereof in Volume 9502, Page 105 of the deed and plat records of Bexar County, Texas said 0.007 acres being more particularly described as follows, to-wit:

- Beginning:** at a point on the east right-of-way of Scot Glen said point also being the northwest corner of lot 85, Block 1, N.C.B. 17187 of said Retreat at Glen Heather P.U.D. and also the southwest corner of the herein described tract;
- Thence:** N 34° 52' 00" W, 16.00 feet along the east right-of-way of Scot Glen to a point, said point being the northwest corner of the herein described tract;
- Thence:** N 55° 08' 00" E, 20.00 feet to a point, said point being the northeast corner of the herein described tract;
- Thence:** S 34° 52' 00" E, 16.00 feet to a point, said point being the southeast corner of the herein described tract;
- Thence:** S 55° 08' 00" W, 20.00 feet to a point on the east right-of-way of Scot Glen and also the point of beginning, containing 0.007 acres (320 square feet) of land, more or less.

MIS18j



Return to:
 Marshall Steves
 Matthews + Branscomb
 106 S. St. Maps #800
 San Antonio TX 78205

1984 JUL 24 P 19

FILED IN OFFICE
 ROBERT D. GREEN
 COUNTY CLERK BEXAR CO.

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