

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
STONERIDGE LAKES SUBDIVISION – SECTION ONE**

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

This Declaration of Covenants, Conditions and Restrictions (the "Declaration") is made on the date hereinafter set forth by Stonewood Properties, L.P. (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of that certain property known as Stoneridge Lakes, Section One, a subdivision in Brazoria County, Texas, according to the map or plat thereof recorded in Volume 23, Pages 353 - 356 of the Plat Records of Brazoria County, Texas, and shall include the following Lots and Reserves:

LOTS

- Block 1, Lots 1-3
- Block 2, Lots 1-14
- Block 3, Lots 1-20
- Block 4, Lots 1-16

RESERVES

- Commercial Reserve A (1.660 Acres)
- Landscape Reserve B (0.163 Acres)
- Reserve C (0.363 Acres)
- Lake/Detention Reserve D (10.182 Acres)
- Park Reserve E (1.031 Acres)

All Reserves presently subject to this Declaration or subsequently subjected to this Declaration are, however, specifically excepted from Article III, Restrictions of Use. Commercial Reserve A shall be fully unrestricted, save and except the obligation of the owners of all commercial business and/or retail establishments located thereon to pay annual maintenance assessments to the Association, as more specifically designated hereinafter. Provided, however, that the Water Plant, mentioned hereinafter under Article II, Section 2.05, as well as all land encompassed and/or utilized thereby, shall be and at all times remain exempt from payment of any assessment whatsoever. Reserve C consists of a twenty feet (20') wide strip of land which is hereby dedicated in fee to the public for the (future) widening of County Road 48.

WHEREAS, it is the desire of Declarant to place certain restrictions, covenants, conditions, stipulations and reservations upon and against Stoneridge Lakes, in order to establish a uniform plan for the development, improvement and sale of such property, and to insure the preservation of such uniform plan for the benefit of both the present and future owners in said subdivision.

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon those above described lots in Stoneridge Lakes, Section One, the following reservations, easements,

restrictions, covenants and conditions applicable thereto, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the property, and which reservations shall run with the said property and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I.
Definitions

Section 1.01. "Association" shall mean and refer to the STONERIDGE LAKES COMMUNITY ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns.

Section 1.02. "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, as hereinafter defined, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 1.03. "Properties" shall mean and refer to that certain real property hereinbefore described, subject to the reservations set forth herein and/or in the subdivision plat, and any additional properties made subject to the terms hereof pursuant to the provisions set forth herein.

Section 1.04. "Lot" and/or "Lots" shall mean and refer to any plot of land as described above and all lots annexed pursuant to Section 11 of Article VI hereof, (exclusive of reserves and common area, if any).

Section 1.05. "Common Area" shall mean all property owned by the Association, for the common use and benefit of the owners.

Section 1.06. "Declarant" shall mean and refer to Stonewood Properties, L.P., its successors and assigns, if such successors and assigns are so designated in writing by Declarant as the successors and assigns of all of Declarant's rights hereunder.

Section 1.07. "Subdivision" shall mean and refer to the Properties and any additional properties which may hereafter be brought within the scheme of this Declaration pursuant to the provisions set forth herein and hereafter brought within the jurisdiction of the Association.

Section 1.08 "Public View" shall refer to any portion of a lot, improvement or other item located on a lot, that is visible from any street, right-of-way, or common area of the subdivision. "Private View" shall refer to any portion of a lot, improvement or other item located on a lot, that is not within public view but is visible from another lot.

Section 1.09. "Architectural Review Committee" and/or "ARC" shall mean and refer to the Stoneridge Lakes Architectural Review Committee provided for in Article IV hereof.

Section 1.10. "Lake" or "Lakes" shall mean and refer to the body of water to be located in the Common Area designated as Reserve D on the Plat of the Subdivision. All owners of Lots within any Section of Stoneridge Lakes may use said water area of the Lake as a Common Area, subject to the rules and regulations imposed for such use by the Developer or the Association as set forth herein.

Section 1.11. "Lakefront Lot" shall mean and refer to Lots adjoining any portion of the Lake Reserve D in the Subdivision.

Section 1.12. "Annexable Area" shall mean and refer to any additional property made subject to the jurisdiction of the Association pursuant to the provisions set forth herein, including, without limitation any other Sections of Stoneridge Lakes Subdivision, if any, Developer may plat, and any property adjacent to or in the proximity of the Property which the Developer may wish to include within the jurisdiction of the Association.

ARTICLE II.

Reservations, Exceptions, Easements and Dedications

Section 2.01. Recorded subdivision plat. The recorded subdivision plat of the Properties shall dedicate for use as such, subject to the limitations as set forth therein, the streets and easements shown thereon, and the restrictions applicable to the Properties, including without limitation, certain minimum setback lines. The dedications, limitations, restrictions and reservations shown on the recorded plat of the subdivision 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, whether specifically referred to therein or not.

Section 2.02. Easements. Declarant reserves for the public use, the easements and rights-of-way shown on the recorded subdivision plat of the Properties for the purpose of constructing, maintaining and repairing a system of electric lighting, electric power, telegraph and telephone line or lines, gas, water, sewers, cable television and any other utility Declarant sees fit to install or cause to be installed in, across, over and/or under the Properties. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the improvements. Neither Declarant nor any utility company using the easements herein referred to shall be liable for any damages done by them or their assigns, their agents, employees, or servants, to fences, shrubbery, trees or flowers or any other property of the Owner of the Lot covered by said easements.

Section 2.03. Title subject to easements. It is expressly agreed and understood that the title conveyed by Declarant to any of the Properties by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water, gas, storm sewer, electric lighting, electric power, telephone, telegraph or other utility purposes. The Owner of the respective Lot(s) shall not be deemed to separately own pipes, wires, conduits or other service lines running through its property which are utilized for or service other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for use, maintenance and enjoyment of his Lot.

Section 2.04. Use of Lake(s). The Lake area(s) shall be Common Area and shall be used by Owners in any Section of Stoneridge Lakes Subdivision, their invitee and guests for recreation and outdoor activities including, but not limited to, boating and fishing, as may be permitted and regulated by the Developer or the Association. The use of the Lakes shall be permitted and regulated by the Developer and, upon the Transfer Control Date, the Association and any Owner's failure to comply with such rules and regulations regarding use of the Lakes shall allow the Developer or Association, as the case may be, to suspend said Owner's use privileges of the Lakes. Further, the Lakes shall be subject to the following rules and regulations:

- (a) No gasoline, electric, diesel, battery operated or other motorized boats, jet skis, or

watercraft shall be permitted on the Lakes, and no wake (a 5 mph speed limit) shall be permitted on the entire Lake; and

(b) No motorized vehicles of any type shall be allowed to operate within the easement areas around the lakes except as necessary for mowing and maintenance,

(c) No piers or docks shall be constructed by individual property owners. Declarant may construct a pier to be owned and maintained by the Association, and enjoyed by all members and their families and guests.

(d) Chemicals, fertilizers and pesticides will not be used within ten (10) feet of the Lake Easement area. Members should be aware of the dangers involved with runoff into the water. Members and groundskeepers shall be expected to mow around the Lakes in a manner as to minimize the discharging of grass clippings from entering the water.

(e) Owners who have swimming pools will not be permitted to discharge or drain pool water into the Lakes. Hot tubs, spas, Jacuzzis, septic systems, and sewer treatment facilities are also prohibited from draining or discharging into the Lakes.

(f) The Developer, and upon the Transfer Control Date, the Board of Directors of the Association, shall have the right and authority to amend or modify these Rules and Regulations for the Lakes in the event it deems such amendment or modification to be in the best interest of the Subdivision; and

(g) The violation of any of these Rules and Regulations for the Lakes shall be cause for suspension of the violator's right to use the Lakes and other recreational facilities in the Subdivision for a period as may be determined by the Board of Directors of the Association.

Section 2.05. Reserve A - Water Plant. Certain areas designated within Reserve A on the Plat are to be used as a water plant by the Developer or its assigns. Any sanitary sewer easements around this area shall be designated and specified by the appropriate authority, in accordance with such laws, restrictions and regulations are pertinent.

Section 2.06. Drainage.

(a) Each Owner of a Lot agrees for himself, his heirs, legal representatives, assigns or successors-in-interest that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots in the Subdivision, and he will make adequate provisions for the drainage over his Lot (which provisions for drainage shall be included in the Owner's plans and specifications submitted to the Committee and shall be subject to the Committee's approval). For the purposes hereof, "established drainage" is defined as the drainage which existed at the time that the overall grading of the Subdivision, including landscaping of any Lot in the Subdivision, was completed by Developer.

(b) Each Owner (including Builders), unless otherwise approved by the Committee, must finish the grade of the Lot so as to establish good drainage from the rear of the Lot to the front street or from the building site to the front and rear of the Lot as dictated by existing drainage ditches, swales and Lakes constructed by Developer or Utility Districts for drainage purposes. No pockets or low areas may be left on the Lot (whether dirt or concrete) where water will stand following a rain or during watering. With the approval of the Committee, an Owner may establish an alternate drainage plan for low areas by installing underground pipe and area inlets or by installing an open concrete trough with area inlets, however, the drainage plan for such alternate

drainage must be submitted and approved by the Committee prior to the construction thereof.

(c) The Subdivision has been designed and constructed utilizing surface drainage in the form of ditches and swales and, to the extent these drainage ditches and swales are located in front, side or rear Lot easements, the Owners shall not re-grade or construct any improvements or other obstruction on the Lot which adversely affects the designed drainage flow. The Owner shall be responsible for returning any drainage swale disturbed during construction or thereafter to its original line and grade, and the Owner shall be responsible for maintaining the drainage ditches or swales appurtenant to said Owner's Lot in their original condition during the term of his ownership.

ARTICLE III. Use Restrictions

Section 3.01. Single-family residential use. All Lots within the Subdivision are hereby restricted exclusively to single-family residential use. No Lot shall ever be used for a business or commercial purpose. No lot may be used as means for public or private access to property that adjoins but is not a part of Stoneridge Lakes Subdivision. No structures shall be erected, placed or maintained on any Lot other than a single-family residence with accessory structures and buildings previously approved by the Architectural Review Committee. Not more than one single-family residence may be erected or installed on a Lot. No Owner shall use any Common Area, or use Owner's Lot or Residential Dwelling for any purpose that would (a) void any insurance in force with respect to the Subdivision; (b) make it impossible to obtain any insurance required by these Restrictions; (c) constitute a public or private nuisance, which determination may be made by the Board of Directors of the Association in its sole discretion; (d) constitute a violation of the Restrictions or any applicable law or (e) unreasonably interfere with the use and occupancy of the Subdivision by other Owners.

As used herein, the term "Residential Use" shall be construed to prohibit the use of Lots for a garage apartment, apartment houses or duplexes; and no Lot shall be used for any commercial or manufacturing purpose. The rental of a dwelling for occupancy as a residence shall not be construed as a commercial business. An owner may have a home office provided there are no advertising signs or regular visits by customers, clients or delivery services. No building of any kind or character shall be moved onto, or constructed on, any Lot within the Subdivision without written permission of the ARC. The use of a tent, travel trailer, RV, or camper, either as a weekend, temporary or permanent residence is prohibited. Nothing contained herein shall prohibit the use of an Unrestricted Reserve as shown on the Subdivision Plat from being used for commercial purposes.

Section 3.02. Size and Specifications. No residence, garage, carport, storage building, play structure, swimming pool or other improvement shall be commenced, erected, placed or maintained on any Lot, nor shall any addition to, or change, or alteration therein be made, until the construction plans, and specifications, and a plot plan showing the lot lines, easements and the location of all such structures and all appurtenances thereto, have been submitted to and approved by the ARC. All structures and improvements shall be designed and constructed to the specifications, and with materials and colors, as specified herein and as may additionally be required by the ARC. It is contemplated that Declarant or the Board of Directors of the Association will adopt architectural guidelines, which shall be enforceable in a like manner as the provisions of this Declaration. These restrictive covenants and provisions hereof establish the minimum required guidelines and shall not

be construed to limit the right of the ARC to establish additional guidelines that prohibit certain construction materials or techniques, require certain improvements, or make other specifications and requirements as it deems appropriate. A residence may not be lived in or occupied until the residence is 100% complete as per the Architectural Review Committee approved plans.

(a) "Conventional on site constructed single-family residence". Each dwelling shall not be less than 1,200 square feet of heated and air-conditioned space, exclusive of garage, and porches. In the case of multi-story dwellings the minimum size shall be 1,600 square feet with not less than 1000 square feet of heated and air conditioned space in the first floor. Each such dwelling constructed on a Lot shall have an attached or detached garage for one (1) or more cars, but not more than three (3) cars. The minimum roof pitch for the Dwelling or detached garage shall be five (5) feet by twelve (12) feet and all roofs shall be covered with composition shingles of a quality equal to or exceeding 20-year warranty. The exterior materials of the main residential structure shall be brick, stucco, stone or horizontal lap siding, unless otherwise approved in writing by the Architectural Review Committee. The Architectural Review Committee, at its sole discretion, is hereby permitted to approve deviations in any building area and building requirements herein prescribed in instances, which in its sole judgment, such deviation would result in a more common beneficial use. Such approvals must be granted in writing and when given will become part of this Declaration of Covenants, Conditions and Restrictions to the extent of the particular Lot involved

(b) "Move-on" housing such as manufactured homes, modular homes and all other "move-on" homes. All homes, regardless of age or condition, must be approved in writing by the ARC before placement on any Lot. In addition, manufactured homes, modular homes and all other "move-on" homes must observe and comply with the following restrictions and limitations, in addition to any other restrictions and limitations contained herein, to-wit:

(i) No home of less than 1,050 square feet of heated and air-conditioned space, or less than 24 feet in width shall be permitted, except that on lots 3 through 14 of Block 3 no home of less than 875 square feet of heated and air-conditioned space or less than 16 feet in width shall be permitted.

(ii) No home that is over four years old, at the time of move-in, shall be permitted.

(iii) All homes must have the wheels and tongue removed and be placed on a slab or upon block or piers.

(iv) All homes must be skirted within 21 days after placement on the Lot according to the guidelines of the ARC.

(v) All manufactured homes shall be anchored to the land in the manner prescribed by the Texas Department of Licensing and Regulation and/or any successor or additional regulatory authority.

(vi) Prior to the placement or positioning of a home on the Lot, a plot plan showing the property lines, easements, home location and other improvements, must be submitted to and approved by the ARC.

(vii) All homes shall be constructed with materials as required by the ARC. No metal siding or metal roofs will be allowed on the structure used for the primary residence.

(c). Garages and carports: Garages may be attached or detached, and for one, but not more than three cars, and not more than one story high. No more than two such structures may be constructed on one lot unless otherwise deemed appropriate by the ARC.

Primary Structure: A structure shall be deemed to be a "primary" if any portion of the structure is located in front of, or beside of, or within twenty five feet behind the residential structure. A primary structure must match the residential structure in construction design, siding material and color, and roof material and color.

Secondary Structure: A structure located more than twenty five feet behind the residence and located more than forty feet from the exterior property line on a corner lot, shall be deemed to be "secondary". The ARC shall have the authority to establish guidelines which allow the construction of a secondary structure that is not identical to the residence in design, material or color.

The driveway for each lot shall be constructed according to the standards set by the ARC. On corner lots, any driveway access from the side street must be specifically approved by the ARC except that Lot 1 Block 1 and Lot 1 Block 2 shall not have a driveway access onto Stoneridge Lakes Blvd.

(d). Storage buildings, playhouses and other structures shall not exceed thirteen feet in height and shall contain less than 250 square feet. No more than two such structures shall be placed on any lot unless otherwise deemed appropriate by the ARC. All such structures shall be appropriately maintained in a reasonably neat, attractive and well-kept manner. Failure to adequately maintain the appearance of such items shall constitute grounds for its removal, upon the request of the ARC.

Section 3.03. Timing of Construction or Placement.

(a) Construction of any conventional on-site constructed single-family residence on any Lot must be commenced within ninety (90) days of approval of construction plans and specifications by the Committee. Completion of construction of any such improvements must be accomplished within two hundred seventy (270) days following the commencement of construction. For the purposes hereof, the term "commencement of construction" shall be deemed to mean the date on which the first foundation forms are set. After commencement of construction, the work thereon shall be prosecuted diligently to the end that the same shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. The foregoing periods shall be extended in the event of and only for the duration of delays due to strikes, war, acts of God or other causes beyond the reasonable control of the builder or Owner. Additionally, failure to complete construction in a timely manner shall allow the Association to enter upon the lot and complete the construction at the cost and expense of the Owner of the Lot. All sums owing to the Association by reason of the foregoing shall constitute an assessment and shall be secured by a lien in the same manner as maintenance charges provided for in Article VI hereof.

b) "Move on" housing such as manufactured homes, modular homes, and all other "move on" homes shall be placed upon a Lot (including secure anchoring and skirting) within ninety (90) days of approval by the Committee. Completion of all exterior construction for "move on" housing including, but not limited to, garages, porches, decks, outbuildings, fences, and other appurtenances must be accomplished within one hundred eighty (180) days of their approval by the Committee. After commencement of construction, the work thereon shall be prosecuted diligently to the end that the same shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof. The foregoing periods shall be extended in the event of and only for the duration of delays due to strikes, war, acts of God or other causes

beyond the reasonable control of the builder or Owner. Failure to complete such construction in a timely manner shall allow the Association to enter upon the Lot and complete the construction at the cost and expense of the Owner of the Lot. All sums owing to the Association by reason of the foregoing shall constitute an assessment and shall be secured by a lien in the same manner as maintenance charges provided for in Article VI hereof.

Section 3.04. Setback and Location Requirements. The Residential Dwelling, and any garage, carport, or any other building of any kind, shall not be located nearer to the front property line or nearer to the side property line than the building setback lines shown on the Subdivision Plat. No part of any residence building, garage, or other building shall be located within any utility easement, or nearer than eight (8) feet to an interior side lot line or twenty five (25) feet to any exterior lot line on a corner Lot, except that a garage or other permitted accessory building located one hundred (100) feet or more from the front lot line may be a minimum distance of five (5) feet from an interior lot line. All storage buildings and other structures must be beside or behind the Residential Dwelling except that a one or two car garage may be placed in front of the residence provided the garage is constructed in a manner acceptable to the ARC. On Lakefront lots no structure shall be placed within 15' of the rear property line unless specifically approved by the ARC. For the purposes of this covenant, eaves, steps, and porches shall not be considered as a part of a building, provided however this shall not be construed to permit any portion of a building on a Lot to encroach upon another Lot.

Section 3.05. Annoyance or Nuisances. No activity, whether for profit or not, shall be carried on any Lot which is not related to single-family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be, or may become, an annoyance or a nuisance to the neighborhood. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. All buildings, residences, structures and other improvements shall be kept in a reasonably neat and attractive condition at all times, and shall be subject to such rules, regulations and/or guidelines as are duly adopted by the ARC and/or the Board of Directors of the Association.

Section 3.06. Temporary Structures. No structure of a temporary character, whether recreational vehicle, travel trailer, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, or for any other purpose, either temporarily or permanently; provided however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Properties in its sole discretion which may be necessary or convenient while selling Lots, selling or constructing residences and constructing other improvements upon the Properties. Such facilities may include, but not necessarily be limited to, sales and construction offices, trailers, storage areas, and signs.

Section 3.07. Signs and Billboards. Declarant, and such assigns as he may specifically designate, shall have the right during the initial sales of the subdivision lots to erect, install and maintain commercial sales offices, signs, and perform other sales activities on any of the Common Areas owned by the Association and any of the subdivision lots. Except for these signs owned by Declarant or its assigns, no sign, poster, advertisement or billboard or advertising structure of any kind other than a normal "For Sale" sign not to exceed five (5) square feet in total size may be erected or maintained on any Lot in said Subdivision. Declarant, or its assigns, and/or the Association will have the right to remove any sign, advertisement, billboard, or advertising structure that does not comply with the above, and in so doing shall not be subject to any liability of trespass, damages, or other tort in the connection therewith or arising with such removal. Declarant, its

successors and assigns, may adopt more specific and/or stringent rules, regulations and/or guidelines regarding the construction, placement, dimension and appearance of signs placed (or to be placed) within the Subdivision.

Section 3.08. Oil and Mining Operations. No oil drilling or oil development operation, 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 Lot. No derrick or other structure designed for use in boring for water, oil, or natural gas shall be erected, maintained or permitted upon any Lot.

Section 3.09. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as dumping ground for rubbish. Trash, garbage and/or other waste materials shall only be kept in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids, and such waste materials must be removed on a weekly basis by Owner or by an approved disposal service. Such facilities and containers for the storage or disposal of such waste materials shall be kept in clean and sanitary condition and shall not be located any closer to the street than the actual structure of the residence or garage, except for their temporary placement near the roadway on the day an approved disposal service is scheduled to remove such garbage. The burning of household garbage and/or any other type of refuse is strictly prohibited.

No Lot shall be used for the open storage of any materials whatsoever, which storage is visible from the street or lake, except that new building materials used in construction may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. All such materials, personal property, and other items shall be stored out of public view when not in use, it being the intent of Declarant herein to prohibit the storage of any type of materials and other items in open view.

Section 3.10. Fences. No hedge (in excess of three feet high), any wall, or any fence shall be erected or maintained nearer to the front Lot line than five feet (5') behind the plane of the front exterior wall of the residential structure on such Lot. No side or rear fence, wall, or hedge shall be more than seven feet (7') in height. All fences must be properly constructed of ornamental iron, wood, masonry or other such material as approved by the ARC, and be kept in good repair. No barbed wire, chicken wire, hog wire or T-bar post fences shall be placed on any Lot. The Developer, or the Association, shall have the right to require fencing placed on any portion of the lot within thirty (30') of the Lake Reserve D or Park reserve E, to conform to a specific construction standard and material. The plans for all fencing must be approved in advance by the ARC before installation. All fence lines must be mowed and kept clean of weeds, trash, and garbage at all times. All fences must be installed in a good and workmanlike manner, and be kept well maintained to prevent deterioration.

The Developer, or the Association, shall have the right, but not the obligation, to install, repair, replace, modify, paint and/or maintain fencing along any lot line within thirty (30') of the Lake Reserve D or Park Reserve E; and within the utility easement along the side lot line of any corner lot and within the Landscaping easement along County Road 48 and Stoneridge Lakes Boulevard; and may require fencing placed within these areas by the landowner to conform to a specific construction standard, color and material.

Ownership of any wall, fence or hedge erected as a protective screening on a Lot shall pass with title to the Lot, and it shall be the Owners responsibility to maintain said protective screening

thereafter. In the event of default on the part of the Owner or occupant of any Lot to maintain said protective screening and such failure continuing after ten (10) days written notice thereof, the Association, in its discretion, without liability to the Owner or occupant in trespass or otherwise, may enter upon said Lot and cause said protective screening to be repaired or maintained or do any other thing necessary to secure compliance with these restrictions, so as to place said protective screening in a satisfactory condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupancy of the Lot to pay such statement immediately upon receipt thereof, and all such payments by the Association, shall, likewise, be secured by a vendor's lien for the benefit of the Association in the same manner as the maintenance charges payable in accordance with Article VI herein. Plans and specifications shall be submitted as in the case with other structures, prior to installation of such screening.

Section 3.11. Mailboxes. The Declarant or the Committee, as the case may be, shall have the right to designate the exclusive design, motif, and materials for mailboxes to be placed in front of each Residential Dwelling.

Section 3.12. Maintenance.

(a) Lot and Yard: The landscaping of all lots shall require written approval of the Committee. All yards shall be landscaped with the landscaping to be completed within three (3) months after the Residential Dwelling is occupied. Owners shall submit landscaping plans which shall initially include the installation of a grass lawn, planted areas across the front of the Residential Dwelling including no less than ten decorative plants in no smaller than three gallon containers. The Owners or occupants of all lots shall maintain the minimum number of shrubs prescribed herein and shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner being certain to keep all weeds and grass cut to any adjacent roadway, including drainage ditches, and up to and including all fence lines. In no event shall any Owner or occupant use any lot for storage of materials and equipment, unless such items are concealed from public view or incident to the construction of improvements as herein permitted. All dead trees and shrubs shall be replaced by the property owner as quickly as practical, and in all instances, within thirty (30) days of the Association's request to do so.

(b) Residence and other structures: All structures must be maintained in acceptable manner as determined by the Association. Any structure, or part thereof, that is damaged, broken, rotting, peeling, unpainted, has visible mildew, or other disrepair, must be repaired, cleaned or repainted as appropriate, by the Owner. No portion of the residence or any other structure shall be painted or roofed in a color different from the original color of the residence when it constructed, unless such color has been approved by the ARC.

(c) In the event of default on the part of the Owner or occupant of any lot in observing the above requirements or any other requirements contained herein, such default continuing after fifteen (15) days written notice thereof, the Association or their assigns may, at their option, without liability to the Owner or occupant in trespass or otherwise, enter upon said lot and cause to be cut such weeds and grass; and remove or cause to be removed such garbage, trash and rubbish; and cause the structure to be repaired or cleaned; and do any other thing necessarily to secure compliance with these restrictions so as to place said Lot or structure in a neat, attractive, healthful and sanitary condition and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant agrees by the purchase or occupancy of the Property to pay such statement immediately upon receipt thereof, and all such payments shall be made to the Association in the same manner as the Maintenance Charges.

Section 3.13. Motor Vehicles. No motor bikes, motorcycles, motor scooters, "go-carts", four-wheelers, or other similar vehicles shall be permitted to be operated on the Properties, if, in the sole judgment of the Association, such operation, for reason of noise or fumes emitted, or by reason of manner of use, shall constitute a nuisance or jeopardize the safety of the Owners, their tenants and their families.

Section 3.14. Parking, Storage and Repair of Automobiles Boats Trailers and Other Vehicles.

(a) No motor vehicles shall be parked or stored on any part of any lot, easement, right-of-way, or any other areas unless such vehicle is concealed from public view inside a garage or other approved enclosure, except that passenger automobiles, passenger vans or pickup trucks that: are in operating condition; have current license plates, have current inspection sticker; and are in daily use as motor vehicles on the streets and highways of the State of Texas; may be parked in the driveway on such lot. The parking of any motor vehicle upon grass lawn surfaces, in the street, or in the right-of-way, is prohibited. Vehicles or trucks rated in excess of one and one-half tons shall not be allowed to park overnight anywhere within the subdivision.

(b) No recreational vehicle, motor home, trailer, boat, marine craft, commercial vehicle, hover craft, aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement, right-of-way, or any other area, except that one boat or trailer less than twenty two feet in length and six feet in height, may be kept on the premises provided: it is concealed from public view; is operable, clean and maintained in a "like new" manner; and the Owner keeps the area mowed, neat and clean. The ARC shall have the right to grant individual variances allowing the storage of one motor home or other recreational vehicle on the property, and in doing so may require owner to construct a garage, cover or improvements to screen the vehicle from public and private view. Any such variances granted shall be contingent upon the owner complying with all of the requirements imposed by the ARC pertaining to the variance including the improvement construction and location, as well as continued cleaning and maintenance of the vehicle and improvements.

(c) No repair work, dismantling or assembling of motor vehicles or other machinery or equipment shall be done or permitted on any street, driveway, or any portion of the Properties, unless such work is in an enclosed structure and concealed from public view, or unless such work is of a temporary nature. A "temporary nature" is defined as work that is completed in one day, or as otherwise defined by the ARC. No junk or abandoned vehicles shall be kept anywhere on the premises.

(d) This section shall not apply to any vehicle, machinery, or maintenance equipment temporarily parked and in use for the construction, repair or maintenance of the subdivision facilities or of a house or of any other structure

(e) The ARC shall have the authority to establish guidelines which modify and further define these requirements. If a complaint is received about a violation of any part of this section, the Association will be the final authority on the matter, and the decision of the Board of Directors shall be final and binding upon all owners. In the event of default on the part of any Owner or occupant of any Lot in observing the above requirements, the Association or their assigns may, at their option, without liability to the Owner or occupant in trespass or otherwise, cause the motor vehicle not in compliance herewith to be towed to a public storage facility selected by the Association. The Owner or occupant agrees by the purchase or occupancy of the Property to

pay any and all towing and storage fees for said motor vehicle, and all such payments shall be made to the Association in the same manner as the Maintenance Charges, and secured by the lien provided herein.

Section 3.15. Antennas and Satellite Dishes. No exterior antennas, aerials, satellite dishes, or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property unless approved in writing by the Architectural Review Committee, except that satellite dishes which are smaller than 19 inches in diameter, and concealed from public view, may be installed without ARC approval. Nothing herein shall be construed so as to violate any provision of the applicable Federal laws governing the installation and/or use of exterior antennas.

Section 3.16. Pets - Animal Husbandry. No animals of any kind shall be raised, bred, or kept within the Subdivision except as hereinafter provided. A reasonable number, not to exceed a total of four (4), of dogs, cats, or other household pets, may be kept on any Lot provided that: (a) they are not kept, bred, or maintained for commercial purposes; (b) they do not make objectionable noises, create any objectionable odor, or otherwise constitute an unreasonable nuisance in the opinion of the Association; (c) they are kept in a fenced yard or on a leash when walking with the Owner; (d) they are not an aggressive, violent breed, (e) they are not deemed to be a threat to the neighborhood, and (f) they are not in violation of any other provision hereof. No horses, cows, hogs, swine, goats, wild or exotic animals, poultry, or livestock of any kind may be kept on any Lot. Any pet, when not confined on the Owner's lot, must be leashed and accompanied by its Owner and such Owner shall promptly clean and remove the discharge and waste of such pet.

If a complaint is received about a violation of any part of this section, the Association will be the final authority on the matter. In the event any pet or animal becomes a nuisance in the sole opinion of the Association or the Declarant, the Owner shall remove the animal from the subdivision. The Association shall have the right, but not the responsibility, to remove, or cause to be removed, animals that are in violation of this Section, with the cost of such removal, plus interest thereon at the maximum rate permitted under the laws of the State of Texas, becoming a part of the assessment payable by said Owner and payment thereof being secured by the maintenance lien hereinafter retained.

Section 3.17. Swimming Pools. No swimming pool may be constructed on any Lot without the prior written consent of the ARC. Plans and specifications for the proposed pool shall be submitted to the ARC including a plot plat showing the location and dimensions of the pool and related improvements together with the plumbing and excavation disposal plan. Pools must be located behind the home and must provide complete and adequate fencing for safety purposes.

Section 3.18. Other Prohibited Items. The following items are prohibited unless concealed from public view: outside clotheslines or other facilities for drying clothes; window mounted air conditioners; children's playground equipment; antennas; or other items as defined by the ARC.

Section 3.19. Hunting and Firearms. Hunting, trapping, and discharge of firearms are expressly prohibited within the Subdivision.

Section 3.20. Exemption for Sale of Lots. Notwithstanding any provisions herein contained to the contrary, it shall be permissible for Declarant or the builder of any residence to maintain, during the period of construction and sale of Lots within the Subdivision, upon any portion of a Lot, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or

incidental to the construction and sale of improved lots, including, without limitation, a business office, storage area, construction yards, model units, and a sales office.

Section 3.21. Composite building site. The Owner of one or more adjoining Lots (or portions thereof) may consolidate such Lots or portions into one residential building site, with the privilege of constructing improvements on the resulting composite building site. Setback lines for the resulting composite building site shall be measured from the resulting interior property lines rather than from the lot lines shown on the plat to be recorded. The frontage of each composite building site at the building setback line shall not be less than the minimum frontage of the other Lots in the same block. Each composite building site shall be fully assessed as though each Lot were separately owned, it being the intent of Declarant that an assessment be paid for each Lot within the Subdivision.

Section 3.22. Underground electric service. An underground electric distribution system will be installed in that part of Stoneridge Lakes, designated Underground Residential Subdivision, which underground service area shall embrace certain Lots in Stoneridge Lakes. The Owner of each Lot in the Underground Residential Subdivision shall at his own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering on a customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each such Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/140 volt, three-wire, 60-cycle alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision upon Declarant's representation that the Underground Residential Subdivision is being developed for single-family dwellings of the usual and customary type, constructed upon the Properties, designed to be permanently located upon the Lot where originally constructed and built for sale to bona fide purchasers. Therefore, should the plans of Lot Owners in the Underground Residential Subdivision be changed so that dwellings of a different type will be permitted in such Subdivision, the company shall not be obligated to provide electric service to a Lot where a dwelling of a different type is located unless (a) Lot Owner has paid to the company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of such Lot, or the applicant for service, shall pay to the electric company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to service such Lot, plus (2) the cost of rearranging and adding any electric facilities serving such Lot, which rearrangement and/or addition is determined by the company to be necessary.

ARTICLE IV.
Architectural Review Committee

Section 4.01. Approval of building plans. No building, garage, deck, fence, wall, landscape embellishment, or other structure shall be commenced, erected, placed, or altered on any Lot, nor shall any exterior addition to or change or alteration therein be made until the construction plans and specifications describing the nature, kind, shape, height, materials, color, and a plot plan showing the location of same, have been approved in writing as to harmony of exterior design and color with existing structures and location with respect to topography and finished grade elevation, by the Architectural Review Committee. A copy of the construction plans and specifications and a plot plan, together with such information as may be deemed pertinent, shall be submitted to the Architectural Review Committee, or its designated representative, prior to commencement of construction. The Architectural Review Committee may require the submission of such plans, specifications, and plot plans, together with such other documents as it deems appropriate, in such form and detail as it may elect, at its entire discretion. The Architectural Review Committee shall have full and complete authority to approve construction of any improvement on any Lot, and its judgment shall be final and conclusive. Further, the Architectural Review Committee shall have no liability in connection with approval or rejection of plans or specifications, and a lack of approval or disapproval of plans shall never be construed or deemed as a warranty or representation concerning improvements constructed pursuant to such plans.

Section 4.02. Committee membership. Declarant shall establish the Architectural Review Committee by appointing three (3) individuals as members. The choice of these individuals shall be at the sole discretion of Declarant, and the initial members of the ARC are Elbert W. Roark, Edwin Roark and Kristi Roark. Subsequent to the establishment of the Architectural Review Committee, the members may, by majority vote, designate a representative to act for them. Declarant may from time to time, without liability of any character for so doing, remove or replace any members of the Architectural Review Committee as it may in its sole discretion determine. The current address of this committee is 1704 Sandy Lake, Friendswood, Texas 77546.

Section 4.03. Replacement. In the event of death or resignation of any member of said ARC, the Declarant, or his assigns, shall appoint a successor member or members, and until such member or members shall have been so appointed, the remaining member or members shall have authority to approve or disapprove plans, specifications, and plot plans submitted or to designate a representative with like authority. Declarant hereby retains its rights to assign, at any time, the duties, powers and responsibilities of the Architectural Review Committee to the Association. Said assignment shall be at the sole and absolute discretion of Declarant.

Section 4.04. Guidelines. The Architectural Review Committee may from time to time promulgate guidelines that further define and clarify the provisions of this Declaration, as well as address issues not specifically contained within this Declaration. Such guidelines shall be enforceable by the Association in the same manner as provided for the enforcement of this Declaration.

Section 4.05. Variances. Article III of this Declaration contains a number of provisions wherein the Architectural Review Committee is expressly granted the authority, in its discretion, to permit variances from the effect of a particular restrictive covenant. The Architectural Review Committee may require the submission to it of such documents and items (including, as examples but without limitation, written request for and description of the variances requested, plans, and specifications, plot plans and samples of materials) as it shall deem appropriate, in connection with its consideration of a request for a variance. If the Architectural Review Committee shall approve such request for a variance, the Architectural Review Committee may evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the

Lot(s) relative to which such variance has been requested, describing the applicable restrictive covenant(s) and the particular variance requested, expressing the decision of the Architectural Review Committee to permit the variance, describing (when applicable) the conditions on which the variance has been approved (including, as examples but without limitation, the type of alternate materials to be permitted, or the alternate fence height approved), and signed by a majority of the current members of the Architectural Review Committee (or by the Committee's designated representative if one has been designated under the authority contained in Section 2 above). Any request for a variance shall be deemed to have been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the Architectural Review Committee; or (b) failure by the Architectural Review Committee to respond within 20 days to the request for variance. In the event the Architectural Review Committee or any successor to the authority thereof shall not then be functioning, and/or the terms of the Architectural Review Committee shall not have succeeded to the authority thereof as herein provided, no variance from the covenants of this Declaration of Covenants, Conditions and Restrictions shall be permitted, it being the intention of Declarant that no variances be available except in the discretion of the Architectural Review Committee or, if it shall have succeeded to the authority of the Architectural Review Committee in the manner provided herein, the Board of Directors of the Association.

ARTICLE V.
Stoneridge Lakes Community Association, Inc.

Section 5.01. Membership and voting rights. Every Owner of a Lot, or Commercial Reserve, subject to a maintenance charge assessment by the Association 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. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation.

Section 5.02. The Association shall have two classes of voting membership:

Class A Class A members shall be Owners as defined in Section 1 of Article V (with the exception of the Declarant) and shall be entitled to one vote for each Lot owned. When more than one person holds 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. The Class B member(s) shall be the Declarant and shall be entitled to thirty (30) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;

(b) on January 1, 2012.

Section 5.03. Non-Profit Corporation. STONERIDGE LAKES COMMUNITY ASSOCIATION, INC., a non-profit corporation, has been organized; and it shall be governed by the Articles of Incorporation of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation.

Section 5.04. By-Laws. The Association may make whatever rules or bylaws it may choose

to govern the organization; provided, however, that same are not in conflict with the terms and provisions hereof.

Section 5.05. Inspection of records. The members of the Association shall have the right to inspect the books and records of the Association at reasonable times during normal business hours, in accordance with the pertinent provisions of the Texas Non-Profit Corporation Act.

Section 5.06. Insurance.

(a) Notwithstanding anything herein to the contrary, the Association's Board of Directors shall, as an expense of all Members, obtain blanket all-risk casualty insurance for all insurable improvements on the Common Area for the full replacement cost thereof, or if blanket all-risk coverage is not reasonably available, an insurance policy providing fire and extended coverage.

The Board may also obtain, as an association expense payable from assessments, (i) worker's compensation insurance, and the Board shall obtain such insurance if and to the extent required by law, (ii) directors' and officers' liability coverage, (iii) a fidelity bond or fidelity insurance on directors, officers, employees, and other persons handling or responsible for the Association's funds, and (iv) a public liability policy covering the Common Area, insuring the Association and its Members for all damages or injury caused by the negligence of the Association.

(b) Immediately after damage or destruction by fire or other casualty of all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and the repair or reconstruction of the damaged or destroyed property, to the extent insurance proceeds are available for such purpose. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. If insurance proceeds are insufficient to cover a repair or reconstruction, the Board may levy a special assessment to cover the shortfall, subject to the requirements of Section 4 of Article VI hereof. In the event that insurance proceeds are unavailable to repair or reconstruct the Common Area, the damaged or destroyed property shall be restored to its natural state.

(c) All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE VI.
Maintenance Assessments

Section 6.01. Creation of Lien and Personal Obligation of Assessments. Declarant, in the case of each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements or for repayment of funds borrowed and used in payment of capital improvements. Such assessments shall be established and collected as hereinafter provided. The annual and special assessments, together with interest and reasonable attorney's fees shall be a charge on the Lot and shall be a continuing lien upon the Lot against

which each such assessment is made. Each such assessment, together with interest, penalty, late charges and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. Mere acceptance of a deed to a Lot by an Owner shall impose a vendor's lien by Declarant for the purpose of securing payment of said charge and said vendor's lien shall be assigned to the Stoneridge Lakes Community Association, Inc. without recourse on Declarant in any manner for the payment of said charge and indebtedness.

Section 6.02. 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, to promote and preserve property values within the Subdivision, for the improvement and maintenance of the Common Areas, and as otherwise provided for within this Declaration and/or in accordance with the laws of this State. The responsibilities of the Association shall include, by way of example but without limitation, at its sole discretion, the installation, replacement, maintenance and/or repair of the following: parkways, walkways, steps, benches, picnic tables, swimming pool, restrooms, playgrounds, playground equipment, parking areas, entry signs, entry landscaping, entry gates or fountain areas, if any; mowing and maintaining rights-of-way, easements, esplanades, retention ponds, lakes, and other public areas, if any; construction and operation of all street lights; purchase and/or operating expenses of recreation areas; construction, maintenance, utility bills and other operating expenses for landscaping, lighting and irrigation equipment, and fencing; payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions, and conditions affecting the Properties to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employing professional property managers, policemen, security persons and/or watchmen, if desired; and, in doing any other thing necessary or desirable in the opinion of the Association's Board of Directors to keep the Properties in the Subdivision neat and in good order, or which is considered of general benefit to the owners or occupants of the Properties. It is understood that the judgment of the Board of Directors in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 6.03. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to a resident Owner, the maximum annual assessment shall be \$300.00 per Lot.

(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 by an amount equal to not more than ten percent (10%) above the previous year's assessment, by the Board of Directors, without a vote of the membership.

(b) From and after January of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased to an amount in excess of ten percent (10%) of the maximum assessment for the previous year by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for such purpose.

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

Section 6.04. Special Assessments for Capital Improvements. In addition to the annual assessment 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 assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 6.05. Notice and quorum for any action authorized under Section 3(b) and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3(b) and 4 shall be mailed (by U.S. first class mail) to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called the presence of members or of proxies entitled to cast sixty (60%) percent of all the votes of each class of membership shall constitute a quorum.

If the required quorum is not present at such meeting, the meeting shall be adjourned but another meeting may be called subject to the same notice requirement but the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum applicable in the case of the preceding meeting to each class of membership. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6.06. Rate of Assessment. All Lots in Stoneridge Lakes shall commence to bear their applicable maintenance fund assessment simultaneously as provided in Section 7 of this Article and Lots in Stoneridge Lakes, owned by Declarant are not exempt from assessment. Lots which are owned and/or occupied by resident Owners shall be subject to the annual assessment determined by the Board of Directors in accordance with the provisions of this Article. Unimproved lots, and Improved Lots, in Stoneridge Lakes, which are not owned and/or occupied by a resident and which are owned by Declarant, a builder, or a manufactured housing company, shall be assessed at the rate of one-fourth (1/4) of the annual assessment as fixed by the Board of Directors, for so long as they shall remain unoccupied. Upon occupancy by an owner or tenant, such Lot shall be assessed at the full rate. The rate of assessment for an individual Lot, within a calendar year, shall change as the character of ownership and the status of occupancy by a resident or occupant changes, and the applicable assessment for such Lot shall be prorated according to the rate required during each type of ownership.

Section 6.07. Date of commencement of annual assessments: Due Date. The annual assessments provided for herein shall commence as to all Lots in Stoneridge Lakes, on the first day of the month following the conveyance of the first Lot from Declarant to a resident Owner. The annual assessment shall be adjusted according to the number of months remaining in the then current 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 mailed (by U.S. first class mail) to every Owner subject thereto. The payment due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an Officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

Section 6.08. Effect of nonpayment 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 until paid at the rate of ten (10%) percent per annum. The Association may bring action at law against the Owner personally obligated to pay the assessment, or foreclose the lien against the Lot

involved. 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 6.09. Subordination of the lien to mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any institutional first mortgage existing at any time upon the particular Lot involved. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure (whether by exercise of power of sale or otherwise) 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, however, the respective owner(s) of such property shall remain personally liable for all assessments and related charges which accrue during their period of ownership. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but such lien shall exist as, and constitute, a separate and distinct charge and lien on each Lot.

Section 6.10. Owners' 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 dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be placed upon the Association or any portion of the Common Area. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each Class of members agreeing to such dedication or transfer has been recorded.

B. The Association shall have the right to suspend the voting rights and enjoyment rights of any Members, for any period during which any assessment owed by such member to the Association remains unpaid in excess of thirty (30) days.

C. The Association shall have the right to establish rules and regulate the use of Common Areas in any manner as it deems appropriate, including, but not limited to: type and manner of usage, hours of availability, designation of certain areas for special uses, prohibition of certain activities, and other limitations as it deems appropriate.

ARTICLE VII **Developer's Rights and Reservations**

Section 7.01. Period of Developer's Rights and Reservations. Developer shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association and the Lake and other Common Areas from the date hereof, until the earlier to occur of (i) the Control Transfer date or (ii) Developer's written notice to the Association of Developer's termination of its rights. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of a Lot by Developer to an Owner whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Area is conveyed by Developer. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Developer's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Developer's consent to any one such amendment shall not be construed as a consent to any other or subsequent amendment.

Section 7.02. Right to Construct Additional Improvements In Common Areas.

Developer shall have and hereby reserves the right (without the consent of any other Owner), but shall not be obligated, to construct additional improvements within the Common Area at any time and from time to time in accordance with this Declaration for the improvement and enhancement thereof and for the benefit of the Association and Owners. Developer shall, at Developer's sole discretion, convey or transfer such improvements to the Association and the Association shall be obligated to accept title to, care for, and maintain the same as elsewhere provided in this Declaration.

Section 7.03. Developer's Rights to Use Common Areas in Promotion and Marketing of the Property and Annexable Area. Developer shall have and hereby reserves the right to reasonable use of the Common Area and of services offered by the Association in connection with the promotion and marketing of land within the boundaries of the Property and Annexable Area. Without limiting the generality of the foregoing, Developer may erect and maintain on any part of the Common Area such signs, temporary buildings and other structures as Developer may reasonably deem necessary or proper in connection with the promotion, development and marketing of and within the Property and Annexable Area; may use vehicles and equipment within the Common Area for promotional purposes; and may permit prospective purchasers of property within the boundaries of the Property and Annexable Area, who are not Owners or Members of the Association, to use the Common Area at reasonable times and in reasonable numbers; and may refer to the services offered by the Association in connection with the development, promotion and marketing of the Property and Annexable Area. Further, the Developer may establish Rules and Regulations for the use of the Common Areas in the Subdivision.

Section 7.04. Developer's Rights to Grant and Create Easements. Developer shall have and hereby reserves the right, without the consent of any other Owner to the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easements, cable television systems, communication and security systems, drainage, water and other purposes incident to development, sale, operation and maintenance of the Subdivision, located in, on, under, over and across (i) the Lots or other property owned by Developer, (ii) the Common Area, and (iii) existing utility easements. Developer also reserves the right, without the consent of any other Owner or the Association to (i) grant or create temporary or permanent easements for access over and across the streets and roads within the Subdivision to and from other public roads for the benefit of owners of property, regardless of whether the beneficiary of such easements own property which is hereafter made subject to the jurisdiction of the Association and (ii) permit owners of property within the Annexable Area which is not made subject to the jurisdiction of the Association to use the recreational facilities of the Association and other Common Areas, provided that said owners pay to the Association their proportionate share of the cost of operating and maintaining said recreational facilities and Common Areas.

Section 7.05. Developer's Rights to Convey Additional Common Area to the Association. Developer shall have and hereby reserves the right, but shall not be obligated to, convey additional real property and improvements thereon, if any, to the Association as Common Area at any time and from time to time in accordance with this Declaration, without the consent of any other Owner or the Association.

Section 7.06. Annexation of Annexable Area. Additional residential property and common areas outside of the Subdivision including, without limitation, the Annexable Area, may, at any time and from time to time, be annexed by the Developer unto the real property which becomes subject to the jurisdiction and benefit of the Association, without the consent of the Owners or any

other party; provided, however, such additional residential property outside of the Annexable Area may be made subject to the jurisdiction of the Association by the Developer. The owners of Lots in such annexed property, as well as all other Owners subject to the jurisdiction of the Association, shall be entitled to the use and benefit of all Common Areas, including the Lake, that are or may become subject to the jurisdiction of the Association, provided that such annexed property is impressed with and subject to the annual and special Maintenance Charges imposed hereby.

ARTICLE VIII **Duties and Powers of Association**

Section 8.01. Duty to Accept All Property and Facilities Transferred by Developer. The Association shall accept title to all of the Common Areas and other real property, including any improvements thereon and personal property transferred to the Association by Developer, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated therewith (collectively herein referred to as "Functions"), provided that such property and Functions are not inconsistent with the terms of the Declaration. Property interests transferred to the Association by Developer may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by Developer shall be within the boundaries of the Property or Annexable Area. Any property or interest in property transferred to the Association by Developer shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, the terms of any declaration of covenants, conditions and restrictions annexing such property to the Common Area, and all easements, covenants, conditions, restrictions and equitable servitude or other encumbrances which do not materially affect the Owners authorized to use such property. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by the Developer shall impose upon the Association any obligation to make monetary payments to Developer or any affiliate of Developer including, but not limited to, any purchase price, rent, charge or fee. The property or interest in property transferred to the Association by Developer shall not impose any unreasonable or special burdens of ownership of property, including the management maintenance, replacement and operation thereof.

Section 8.02. Duty to Manage and Care for the Common Area. The Association shall manage, operate, care for, maintain and repair all Common Areas and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the Common Areas shall include, but not be limited to the following: establishment, operation and maintenance of a security system, if any, for the Subdivision; maintenance, repair and replacement of any drainage easements; mowing of street right-of-ways and other portions of the Subdivision; and management, maintenance, repair and upkeep of the Lake and Common Areas, if any.

Section 8.03. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

- (a) Own, maintain and otherwise manage all Common Areas and all facilities, improvements and landscaping thereon, and all other property acquired by the Association.

- (b) Pay any real and personal property taxes and other charges assessed against the Common Areas.
- (c) have the authority to obtain, for the benefit of all the Common Areas, all water, gas and electric services and refuse collection.
- (d) Grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Common Areas and the Property in general.
- (e) Maintain such policy or policies of insurance as the Board of Directors of the Association may deem necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members.
- (f) Have the authority to contract with a management company for the performance of maintenance and repair and for conducting other activities on behalf of the Association provided that such contract shall be limited to a duration of one (1) year, except with the approval of a majority of the Members entitled to vote. Any such management agreement shall provide that it will be terminable by the Association without a termination fee (with or without cause) upon thirty (30) days written notice by either party.
- (g) Have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Directors of the Association.

Section 8.04. Power to Adopt Rules and Regulations. The Association, through its Board of Directors, may adopt, implement, amend, repeal and enforce rules and regulations, guidelines, fines, levies, and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of the Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

Section 8.05. Power to Enforce Restrictions and Rules and Regulations. The Association and/or any Owner shall have the power to enforce the provisions of this Declaration, as well as any rules, regulations, guidelines and/or other governing documents, and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and/or tenant, guest, family member or invitee. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of all governing rules and regulations of the Association by any one or more of the following means: (i) By entry upon any property within the Subdivision after notice and an opportunity for hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice [written or oral] to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated thereon by the Owner or any other person), without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration and/or any rules and regulations; (ii) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration and/or any rules and regulations; (iii) by exclusion, after notice and an opportunity for hearing, of any Member, and/or tenant, guest, family member or invitee from use of any recreational facilities within the Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such person, unless the breach is a continuing breach, in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and an opportunity for hearing, of the voting rights of a Member

during and for up to sixty (60) days following any such breach by such Member or such member's tenant, guest, family member or invitee of a provision of this Declaration or any rule or regulation adopted by the Association, unless such breach is a continuing breach, in which case exclusion shall continue for so long as such breach continues; (v) by levying and collecting, after notice and an opportunity for hearing, an assessment against any Member for breach of this Declaration, which assessment shall reimburse the Association for the costs incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice and an opportunity for hearing, reasonable and uniformly applied fines and penalties, established from time to time by the Board of Directors and in such Board of Directors' sole discretion, from such member for breach of this Declaration or any rules or regulations by such Member or such member's tenant, guest, family member or invitee; and, (vii) by taking action itself to cure or abate such violation and to charge all costs and/or expenses thereof, if any, to such violating Member, plus all attorney's fees incurred by the Association with respect to exercising such remedy. Each day a violation exists shall be deemed a separate and distinct violation.

ARTICLE IX. **General Provisions**

Section 9.01. Term. These covenants shall run with the land and shall be binding upon all parties and all persons claiming under them for a period of forty (40) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by sixty six and two-thirds (66 2/3) percent of the then Owners of the Lots agreeing to change or terminate said covenants in whole or in part has been recorded. The terms and provisions of this Declaration of Covenants, Conditions and Restrictions may be amended at any time when an instrument setting forth said changes and signed by sixty six and two-thirds (66 2/3) percent of the then Owners of the Lots is placed on record in the Real Property Records of Brazoria County, Texas. Upon any violation or attempt to violate any of the covenants herein, it shall be lawful for the Association and/or any Lot Owner to prosecute appropriate proceedings at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to recover damages and/or other remedies for such violations. Failure by the Association or any Owner to enforce any covenant or restriction herein shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.02. Conflict. In the case of any conflict between the Articles of Incorporation of the Association and this Declaration of Covenants, Conditions and Restrictions, this Declaration of Covenants, Conditions and Restrictions shall control, and in the case of any conflict between the By-Laws of the Association and this Declaration of Covenants, Conditions and Restrictions, this Declaration of Covenants, Conditions and Restrictions shall control.

Section 9.03. Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not effect the validity or enforceability or any other provision.

Section 9.04. Mergers and Consolidations. The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that any such merger or consolidation shall have the consent (in writing or at a meeting duly called for such purpose) of those Members entitled to cast not less than two-thirds (2/3) of the vote of all

of the Members of the Association and the Developer.

Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, the properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or alternatively, the properties, rights and obligations of the other association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association will be subject to the covenants and restrictions established by this declaration within the Subdivision, together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions established by this Declaration, except as changed by amendment of this Declaration or by the plan of merger or consolidation. In the event of any inconsistency between the terms and provisions of this Declaration and the terms and provisions of any of the merger or consolidation documents, the terms and provisions of this Declaration shall control.

Section 9.05. Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purposes of this Declaration.

Section 9.06. Effect on Annexable Area. The provisions of this Declaration do not impose any restrictions whatsoever or otherwise encumber the Annexable Area, unless and until portions of the Annexable Area are made subject to the jurisdiction of the Association by a separate instrument executed solely by Developer or its successors and assigns and any lienholders, which instrument is recorded in the Real Property Records of Brazoria County, Texas.

Section 9.07. The Declarant reserves the right for a period of three (3) years from and after the date of recording of this instrument, without joinder or consent of any Owner or mortgagee, to amend this Declaration or the By-Laws by an instrument in writing duly signed, acknowledged and filed for record, for the purpose of resolving or clarifying any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or omissions herein, or to comply with requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veteran's Administration, or Federal Housing Administration, provided that no such amendment shall change the vested property rights of any Owner, except as otherwise provided herein.

Section 9.08. Annexation.

(a) Additional land or lands may be annexed to the Property with the consent of two-thirds (2/3) of each class of Members, and the approval of the owner(s) of the land to be annexed.

(b) Notwithstanding anything contained in Subparagraph (a) above, or any other provision herein, Declarant shall have the right, without the consent of any other Owners or any First Mortgagee, to bring within the scheme of the Declaration, in one (1) or more future stages, sections or additions, such additional lands or portions thereof as Declarant shall deem appropriate, within ten (10) years of the date of recording of this instrument. Further, any land annexed to the Property and subject to this Declaration may be acquired (by gift, purchase, or otherwise) and/or designated as Common Areas by the Association without the consent of any Owners or any First Mortgagee. Nothing in this Declaration shall be construed to represent that Declarant, or its successors or assigns, are under any obligation to add or annex additional lands to those subject to this Declaration.

(c) Any such additions shall be developed in a manner similar to the development of the Property in accordance with a general plan of development under which the architectural standards prevailing within the Property will be continued in such annexed lands, the dwellings or commercial structures to be constructed on Lots or Reserves (commercial) within such annexed lands will be similar to the residential dwelling or commercial structures constructed on the Property, and the Lots or Reserves within the annexed lands will become subject to assessment in the same manner as then prevailing for the Property. All the provisions of this Declaration shall apply to the lands being annexed with the same force and effect as if said lands were originally included in the Property subject to this Declaration.

(d) The additions authorized under this Section shall be made by filing of record:(a) Supplementary Declaration(s) of Covenants, Conditions and Restrictions with respect to the additional lands which shall (i) extend the scheme of the covenants and restrictions of this Declaration to such lands and (ii) provide, if applicable, that the proportionate ownership interests in the Common Areas of the Owners by virtue of Association membership immediately prior to the filing of such Supplementary Declaration shall be equal to the number of Lots and Commercial Units owned by such Owner divided by the total number of Lots and Commercial Units within the lands then subject to this Declaration after such annexation; and (b) a deed from Declarant to the Association which shall convey to the Association all of the area within such additions (except for the Lots or Commercial Units therein) as Common Areas for the benefit and use of the Owners, with reservation of Declarant's rights set forth herein.

EXECUTED this _____ day of _____, 2003.

DECLARANT: Roark Properties, Inc.,
General Partner for Stonewood Properties, L.P.
By Edwin Roark, President

The State of Texas }
 }
County of _____ }

Before me, the undersigned authority, on this day personally appeared Edwin Roark, President of Roark Properties, Inc., General Partner of Stonewood Properties, L.P., known to me as the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein indicated.

Given under my hand and seal of office on this _____ day of _____, 2003.

Notary Public, State of Texas

After Recording Please Return To:
Stonewood Properties, LP
1704 Sandy Lake
Friendswood, TX 77546