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ADDENDUM TO THE MANAGEMENT CERTIFICATE FOR STONE LAKE HOMEOWNERS' ASSOCIATION, INC.

State of Texas §

County of Harris §

This addendum to the Management Certificate filed at Harris County under document #Y966956 300745660 on 12/15/2005 is to serve as notification that the address of the Managing Agent has changed to:

To: 1001 South Dairy Ashford, Suite 380, Houston, TX 77077
Phone#: 281-343-9178 Fax: 281-752-5482

Signed this 24 day of September, 2008

BY: Kathleen S. Able
Kathleen S Able Managing Agent

State of Texas §

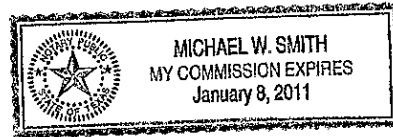
County of Harris §

This Instrument was acknowledged and signed before me on September 24, 2008 by Kathleen Able, representative of the Managing Agent of Stone Lake Homeowners' Association, Inc. on behalf of said Association.

After Recording Return To:

Michael W Smith
Michael W Smith
Notary Public, State of Texas

Spectrum Association Management, LP
Attn: K Able
1000 Central Parkway North, Suite 270
San Antonio, TX 78232



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ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

SEP 29 2008



Dorely B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

FILED FOR RECORD
8:00 AM

SEP 29 2008

Dorely B. Kaufman
County Clerk, Harris County, Texas

NOTICE
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**NOTICE OF DEDICATORY INSTRUMENTS
FOR
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The undersigned, being the authorized representative of Stone Lake Homeowners' Association, Inc., a property owners' association as defined in Section 202.001 of the Texas Property Code (the "**Association**"), hereby certifies as follows:

1. Property: The Property to which the Notice applies is described as follows:

Stone Lake, a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 393146 of the Map Records of Harris County, Texas.

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2. Restrictive Covenants. The description of the document(s) imposing restrictive covenants on the Property, and the recording information for such document(s) are as follows:

a. Documents:

- i. Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake; and
- ii. First Amendment of Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake.

b. Recording Information:

- i. Harris County Clerk's File No. T967416; and
- ii. Harris County Clerk's File No. U771777.

3. Dedicatory Instruments. In addition to the Restrictive Covenants identified in paragraph 2, above, the following documents are Dedicatory Instruments governing the Association:

- **Open Records Policy for Stone Lake Homeowners' Association, Inc.**
- **Records Retention Policy for Stone Lake Homeowners' Association, Inc.**
- **Payment Plan Policy for Stone Lake Homeowners' Association, Inc.**

This Notice is being recorded in the Official Public Records of Real Property Records of Harris County, Texas for the purpose of complying with Section 202.006 of the Texas Property Code. I hereby certify that the information set forth in this Notice is true and correct and that the Dedicatory Instruments attached to this Notice are either the originals or true and correct copies of the originals.

ER 056 - 59 - 1242

Executed on this 7th day of May, 2014.

STONE LAKE HOMEOWNERS' ASSOCIATION, INC. 10R

By: *Rick S. Butler*
Rick S. Butler, authorized representative

THE STATE OF TEXAS

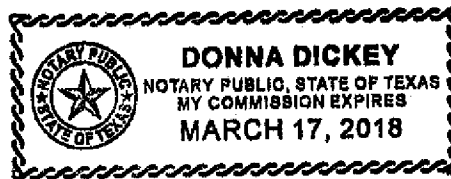
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COUNTY OF HARRIS

BEFORE ME, the undersigned notary public, on this day personally appeared Rick S. Butler, authorized representative of Stone Lake Homeowners' Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 7th day of May, 2014, to certify which witness my hand and official seal.

Donna Dickey
Notary Public in and for the State of Texas



Return to:
Rick S. Butler
ROBERTS MARKEL WEINBERG BUTLER HAILEY PC
2800 Post Oak Blvd., Suite 5777
Houston, Texas 77056

ER 056 - 59 - 1243

**OPEN RECORDS POLICY
FOR
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, David Kennedy, President of Stone Lake Homeowners' Association, Inc. (the "**Association**"), certify that at a meeting of the Board of Directors of the Association (the "**Board**") duly called and held on the 21st day of APRIL, 2014, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Open Records Policy was duly approved by a majority vote of the members of the Board:

RECITALS:

1. Chapter 209 of the Texas Property Code was amended to amend Section 209.005 to set forth open records procedures and to require property owners' associations to adopt and record open records policies consistent with the procedures set forth in the statute.
2. The Board of Directors of the Association desires to adopt an open records policy consistent with the provisions of Section 209.005 of the Texas Property Code.

POLICY:

It is the policy of the Association to make the books and records of the Association, including financial records, open to and reasonably available for examination by an Owner, or a person designated in a writing signed by the Owner as the Owner's agent, attorney, or certified public accountant (the "**Owner's Representative**") in accordance with the following provisions:

1. **Request.** An Owner or the Owner's Representative must submit a written request for access or information. The written request must:
 - a. be sent by certified mail to the mailing address of the Association or to the authorized representative of the Association as reflected on the most current Management Certificate of the Association filed of record in accordance with Section 209.004 of the Texas Property Code;
 - b. describe with sufficient detail the books and records of the Association that are requested; and
 - c. state whether the Owner or the Owner's Representative elects to inspect the requested books and records before obtaining copies or have the Association forward copies of the requested books and records.
2. **Election to Inspect.** If an inspection is requested, the Association shall send written notice to the Owner or the Owner's Representative of dates during normal business hours that the Owner or the Owner's Representative may inspect the requested books and records. Such written notice shall be sent on or before the tenth (10th) business day after the date the Association receives the request, unless the Association sends a notice to the Owner or Owner's Representative in accordance with Section 4 below.

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3. **Election to Obtain Copies.** If copies of the identified books and records are requested, the Association shall produce copies of the requested books and records on or before the tenth (10th) business day after the date the Association receives the request, unless the Association sends a notice to the Owner or Owner's Representative in accordance with Section 4.

4. **Inability to Produce Records Within 10 Days.** If the Association is unable to produce requested books and records on or before the tenth (10th) business day after the date the Association receives the request, the Association shall provide written notice to the Owner or the Owner's Representative that:

- a. informs the Owner or the Owner's Representative that the Association is unable to produce the requested books and records on or before the tenth (10th) business day after the date the Association received the request; and
- b. states a date by which the requested books and records will be sent or made available for inspection, which date shall not be later than the fifteenth (15th) business day after the date such notice is given.

5. **Extent of Books and Records.** The Association shall produce books and records requested by an Owner or an Owner's Representative to the extent those books and records are in the possession, custody or control of the Association.

6. **Time of Inspection: Copies.** If an inspection of books and records is requested or required, the inspection shall take place at a mutually agreed upon time during normal business hours. At the inspection, the Owner or the Owner's Representative shall identify the books and records to be copied and forwarded. The Association shall thereafter make copies of such books and records at the cost of the Owner and forward them to the Owner or the Owner's Representative.

7. **Format.** The Association may produce books and records requested by an Owner or an Owner's Representative in hard copy, electronic or other format reasonably available to the Association.

8. **Costs.** The Association may charge an Owner for the compilation, production or reproduction of books and records requested by the Owner or the Owner's Representative, which costs may include all reasonable costs of materials, labor, and overhead. Costs will be billed at the rates established by Section 70.3 of the Texas Administrative Code, as same may be amended from time-to-time. As of the date of this Policy, the rates set forth below are established by Section 70.3 of the Texas Administrative Code. Should the rates set forth in Section 70.3 of the Texas Administrative Code ever be different than in this policy (either through amendment or error by this policy) the then current rates set forth in Section 70.3 of the Texas Administrative Code shall control.

Labor for locating, compiling and reproducing records*	\$15.00 per hour
Copies (8½ x 11 and 8½ x 14)	\$0.10 per page
Oversize paper copies (11 x 17, greenbar and bluebar)	\$0.50 per page
Specialty papers (blue print and maps)	actual cost
Diskette	\$1.00
Magnetic tape or data or tape cartridge	actual cost
CD	\$1.00
DVD	\$3.00
VHS video cassette	\$2.50
Audio cassette	\$1.00
Other	At the rate provided for in Section 70.3 of the Texas Administrative Code

9. **Advance Payment of Estimated Costs.** The Association shall estimate the costs of compiling, producing and reproducing books and records requested by an Owner or an Owner's Representative on the basis of the rates set forth in Section 8 above. The Association may require advance payment of the estimated costs of compiling, producing and reproducing the requested books and records.

10. **Actual Costs.**

- 10.1. If the actual costs of compiling, producing and reproducing requested books and records are less than or greater than the estimated costs, the Association shall submit a final invoice to the Owner on or before the thirtieth (30th) business day after the date the requested books and records are delivered.
- 10.2. If the final invoice includes additional amounts due from the Owner, the Owner shall be required to pay the additional amount to the Association before the thirtieth (30th) business day after the date the invoice is sent to the Owner.
- 10.3. If the final invoice indicates that the actual costs are less than the estimated costs, the Association shall refund the excess amount paid by the Owner not later than the thirtieth (30th) business day after the date the invoice is sent to the Owner.
- 10.4. If the Owner fails to pay to the Association the additional amounts shown in the final invoice in accordance with Subsection 10.1 above, the Association may add the additional amount to the Owner's assessment account as an assessment.

* No labor will be charged if there are 50 or fewer pages unless the documents are in 2 or more separate buildings not physically connected to each other or in a remote storage facility.

ER 056 - 59 - 1246

ER 056 - 59 - 1247

11. Books and Records Not Required to be Produced.

11.1. Unless an Owner whose records are the subject of a request provides express written approval to the Association or unless a court order is issued directing either the release of books and records or that books and records be made available for inspection, the Association is not required to release or allow inspection of books and records that:

- a. identify the history of violations of dedicatory instruments of an individual Owner;
- b. disclose an Owner's personal financial information, including records of payment or nonpayment of amounts due the Association;
- c. disclose an Owner's contact information, other than the Owner's address; or
- d. disclose information related to an employee of the Association, including personnel files.

11.2. The Association is not required to release or allow inspection of ballots cast in an election or removal of Directors, except as required by a recount procedure in accordance with Section 209.0057 of the Texas Property Code.

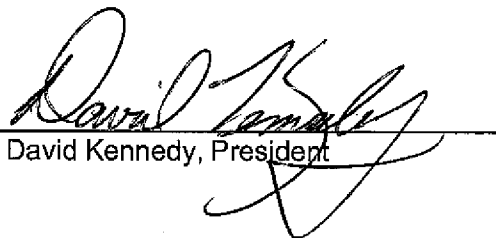
11.3. In addition, information may be released in an aggregate or summary manner that will not identify an individual property Owner.

12. Business Day. As used in this policy, "**business day**" means a day other than a Saturday, Sunday or state or federal holiday.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Open Records Policy was approved by the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Harris County, Texas.

TO CERTIFY which witness my hand this the 21st day of APRIL, 2014.

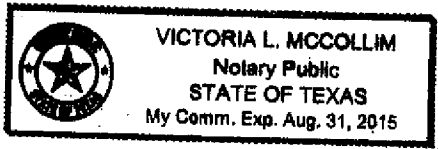
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.

By: 
David Kennedy, President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 21st day of April, 2014 personally appeared David Kennedy, President of Stone Lake Homeowners' Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

Victoria McCollim
Notary Public in and for the State of Texas



Return to:
Rick S. Butler
ROBERTS MARKEL WEINBERG BUTLER HAILEY, PC
2800 Post Oak Blvd., Suite 5777
Houston, Texas 77056

ER 056 - 59 - 1248

RECORDS RETENTION POLICY
for
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

I, David Kennedy, President of Stone Lake Homeowners' Association, Inc. (the "**Association**"), do hereby certify that at a meeting of the Board of Directors of the Association (the "**Board**") duly called and held on the 21ST day of APRIL, 2014, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Records Retention Policy was duly approved by a majority vote of the members of the Board:

RECITALS:

1. Chapter 209 of the Texas Property Code was amended to add Section 209.005(m) requiring property owners' associations to adopt a records retention policy and to set forth minimum retention periods for particular types of documents.
2. The new law became effective on January 1, 2012.
3. The Board of Directors of the Association desires to adopt a records retention policy consistent with the new law.

POLICY:

It is the policy of the Association to retain the records of the Association listed below for the periods of time set forth below. The Association is not required to retain any other records. As used herein, "**records**" means documents originated or obtained by the Association in connection with its operations, whether a paper document or a document in electronic form.

1. Retention Periods.

Record Description	Record Retention Period
a) Financial records (including budgets, financial reports, bank records, and paid invoices)	Seven (7) years
b) Account records (including records relating to assessments and other sums owed and paid to the Association and records relating to violations of any dedicatory instrument of the Association) of current owners	Five (5) years

ER 056 - 59 - 1249

c) Account records (including records relating to assessments and other sums owed and paid to the Association and records relating to violations of any dedicatory instrument of the Association) of former owners	One (1) year after the former owner ceases to own a lot in the subdivision
d) Contracts	Four (4) years after expiration or termination of the contract
e) Minutes of meetings of the Board of Directors	Seven (7) years
f) Minutes of meetings of the members	Seven (7) years
g) Federal tax returns	Seven (7) years
h) State tax returns, if any	Seven (7) years
i) Audit reports	Seven (7) years
j) Articles of Incorporation and Bylaws of the Association and all amendments; Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake and all amendments and supplements to the Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake; annexation documents; and deeds conveying real property to the Association	Permanently
k) Other dedicatory instruments of the Association not listed in (j), above, including, without limitation, Architectural Guidelines, Rules and Regulations and Policies	One (1) year after the date the document is rescinded or superseded by another document
l) Minutes and reports of committees	Seven (7) years
m) Insurance policies	Four (4) years after expiration or termination of the policy
n) Insurance claims and related documents	Four (4) years after the claim is resolved
o) Personnel records, excluding payroll records	Permanently
p) Payroll records	Five (5) years after the date of termination of employment
q) Reserve study	For the period of time covered by the study, plus two (2) years
r) Legal opinions issued by counsel for the Association	Permanently

s) Suit files	Seven (7) years after the date the suit is resolved
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2. Destruction of Documents.

The documents listed in Section 1 above, will be destroyed as soon as practicable when the applicable retention period expires. Other documents of the Association not listed in Section 1 above, will be destroyed when deemed appropriate by the Board of Directors of the Association. Destruction of paper documents shall be by shredding, bagging and trash pick-up, unless another method of destroying the documents is approved by the Board of Directors of the Association. Destruction of electronic documents shall be by deletion from hard disks and reformatting of removable disks.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Records Retention Policy was approved by a majority vote of the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Harris County, Texas.

TO CERTIFY which witness my hand this the 21st day of APRIL, 2014.

STONE LAKE HOMEOWNERS' ASSOCIATION, INC.

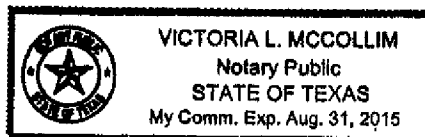
By: *David Kennedy*
David Kennedy, President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 21st day of April, 2014 personally appeared David Kennedy, President of Stone Lake Homeowners' Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

Victoria McCollum
Notary Public in and for the State of Texas

Return to:
Rick S. Butler
ROBERTS MARKEL WEINBERG BUTLER HAILEY, PC
2800 Post Oak Blvd., Suite 5777
Houston, Texas 77056



ER 056 - 59 - 1251

**PAYMENT PLAN POLICY
FOR
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, David Kennedy, President of Stone Lake Homeowners' Association, Inc. (the "Association"), certify that at a meeting of the Board of Directors of the Association (the "Board") duly called and held on the 21st day of APRIL, 2014, with at least a quorum of the Board members being present and remaining throughout, and being duly authorized to transact business, the following Payment Plan Policy was duly approved by a majority vote of the members of the Board:

RECITALS:

1. Chapter 209 of the Texas Property Code was amended to add Section 209.0062 to require property owners' associations to adopt reasonable guidelines to establish an alternative payment schedule by which an Owner may make partial payments for delinquent regular or special assessments or any other amount owed to the Association without accruing additional monetary penalties.
2. The new law relating to alternative payment schedules (i.e., payment plans) became effective on January 1, 2012.
3. The Board of Directors of the Association desires to adopt a payment plan policy consistent with the provisions of Section 209.0062 of the Texas Property Code.

POLICY:

It is the policy of the Association to provide an alternative payment schedule by which an Owner may make payments to the Association for delinquent regular or special assessments or other amounts owed to the Association without accruing additional monetary penalties, as follows:

1. **Applicability.** This policy only applies to delinquent regular assessments, special assessments or other amounts owed the Association prior to the debt being turned over to a "collection agent" as that term is defined by Section 209.0064 of the Texas Property Code.
2. **Term.** The term for a payment plan offered by the Association shall be a maximum of six (6) months, with the payments being in equal monthly amounts over the duration of the payment plan period.
3. **Payment Plan Agreement.** The Owner shall be obligated to execute a payment plan agreement ("**Payment Plan Agreement**") which sets forth the total amount to be paid, the term of the payment plan, the due date for and amount of each payment, and the address to which payments are to be mailed or delivered. A payment plan shall not be effective until the Owner executes the required Payment Plan Agreement.

ER 056 - 59 - 1252

ER 056 - 59 - 1253

4. **Sums Included in Plan.** The payment plan shall include all delinquent regular and/or special assessments and other sums owed to the Association as of the effective date of the Payment Plan Agreement. The payment plan shall not include any assessments which have not become due and payable to the Association as of the effective date of the Payment Plan Agreement. The Payment Plan Agreement shall provide that any assessments or other valid charges that become due and payable to the Association per the dedicatory instruments of the Association during the term of the payment plan must be paid in a timely manner.

5. **Grace Period.** There will be a grace period of three (3) business days from the due date for a payment. If a payment is not received at the address set forth in the Payment Plan Agreement by the close of business on the third (3rd) business day following the date on which the payment is due, the Owner shall be deemed to be in default of the Payment Plan Agreement.

6. **Administrative Costs and Interest.** The Association shall add to the delinquent assessments and other amounts owed to the Association to be paid in accordance with the Payment Plan Agreement reasonable costs for administering the payment plan, as follows: \$25.00 for the preparation of a Payment Plan Agreement and \$5.00 per payment for receiving, documenting and processing each payment. During the term of the payment plan, interest shall continue to accrue on delinquent assessments at the rate provided in the applicable Residential Deed Restrictions.

7. **Monthly Penalties.** During the term of the payment plan, the Association shall not impose any monetary penalties with respect to the delinquent assessments and other charges included in the payment plan, except as provided in Section 6. Monetary penalties include late charges and fees otherwise charged by the management company and/or Association and added to the Owner's account as a result of the account being delinquent, if any.

8. **Default.** If an Owner fails to make a payment to the Association by the end of the grace period applicable to the due date for that payment, the Owner shall be in default of the Payment Plan Agreement, at which point the Payment Plan Agreement shall automatically become void. The Association may notify the Owner that the Payment Plan Agreement is void as a result of the Owner's default, but notice to the Owner shall not be a prerequisite for the Payment Plan Agreement to become void. If the Association receives a payment after the expiration of the grace period and before the Association notifies the Owner that the Payment Plan Agreement is void, the Association may accept the payment and apply it to the Owner's account. The acceptance of a payment made by an Owner after the Payment Plan Agreement has become void shall not reinstate the Payment Plan Agreement.

9. **Owners Not Eligible for a Payment Plan.** The Association is not required to enter into a payment plan with an Owner who failed to honor the terms of a previous payment plan during the two (2) years following the Owner's default under the previous payment plan.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Payment Plan Policy was approved by a majority vote of the Board of Directors as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Harris County, Texas.

TO CERTIFY which witness my hand this the 21ST day of APRIL, 2014.

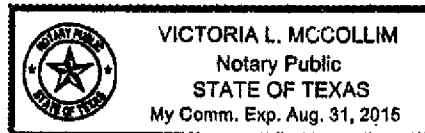
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.

By: David Kennedy
David Kennedy, President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 21st day of April, 2014 personally appeared David Kennedy, President of Stone Lake Homeowners' Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

Victoria M. Collum
Notary Public in and for the State of Texas



Return to:
Rick S. Butler
ROBERTS MARKEL WEINBERG BUTLER HAILEY, PC
2800 Post Oak Blvd., Suite 5777
Houston, Texas 77056

ER 056 - 59 - 1254

ER 056 - 59 - 1255

20140194212
Pages 14
05/08/2014 10:02:00 AM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees 64.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS

NOTICE
A

FIRST SUPPLEMENTAL
NOTICE OF DEDICATORY INSTRUMENTS
FOR
STONE LAKE HOMEOWNERS ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

The undersigned, being the authorized representative of Stone Lake Homeowners Association, Inc., a property owners' association as defined in Section 202.001 of the Texas Property Code (the "**Association**"), hereby supplements the "Notice of Dedicatory Instruments for Stone Lake Homeowners Association, Inc." ("**Notice**") recorded in the Official Public Records of Real Property of Harris County, Texas on May 8, 2014 under Clerk's File No. 20140194212, which Notice was filed for record for the purpose of complying with Section 202.006 of the Texas Property Code.

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1. Additional Dedicatory Instruments. In addition to the Dedicatory Instruments identified in the Notice, the following document is a Dedicatory Instrument governing the Association:
 - **Guidelines Relating to Rain Barrels and Rain Harvesting Systems, Solar Energy Devices, Storm and Energy Efficient Shingles, Flags, Religious Items, and Xeriscape Landscaping for Stone Lake Homeowners Association, Inc.**

This First Supplemental Notice is being recorded in the Official Public Records of Real Property of Harris County, Texas for the purpose of complying with Section 202.006 of the Texas Property Code. I hereby certify that the information set forth in this First Supplemental Notice is true and correct and the document attached to this First Supplemental Notice is either the original or a true and correct copy of the original.

Executed on this 18th day of July, 2014.

STONE LAKE HOMEOWNERS ASSOCIATION, INC. 10R

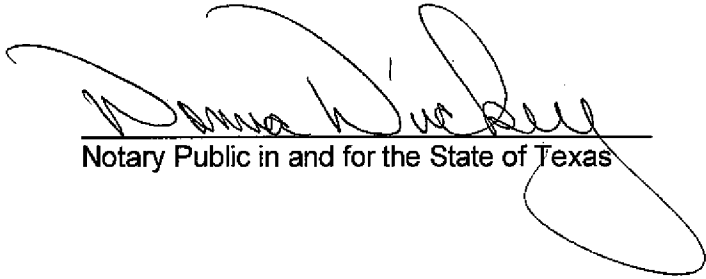
By: 
Rick S. Butler, authorized representative

ER 059 - 08 - 0444

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this day personally appeared Rick S. Butler, authorized representative of Stone Lake Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME on this the 18th day of July, 2014, to certify which witness my hand and official seal.



Notary Public in and for the State of Texas



Return to:
Rick S. Butler
ROBERTS MARKEL WEINBERG BUTLER HAILEY, PC
2800 Post Oak Blvd., Suite 5777
Houston, Texas 77056

ER 059 - 08 - 0445

**GUIDELINES RELATING TO RAIN BARRELS AND RAIN HARVESTING SYSTEMS,
SOLAR ENERGY DEVICES, STORM AND ENERGY EFFICIENT SHINGLES,
FLAGS, RELIGIOUS ITEMS, AND XERISCAPE LANDSCAPING**

for

STONE LAKE HOMEOWNERS ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I, David Kennedy, President of Stone Lake Homeowners Association, Inc. (the "**Association**"), do hereby certify that at a joint meeting of the Board of Directors of the Association (the "**Board**") and the Association's Architectural Control Committee ("**ACC**") duly called and held on the 10th day of June, 2014, with at least a quorum of the Board and ACC being present and remaining throughout, and being duly authorized to transact business, the following "Guidelines Relating to Rain Barrels and Rain Harvesting Systems, Solar Energy Devices, Storm and Energy Efficient Shingles, Flags, Religious Items, and Xeriscape Landscaping" was duly approved by a majority vote of the members of both the Board and ACC in attendance:

RECITALS:

1. Chapter 202 of the Texas Property Code was amended to add sections relating to rain barrels and rain harvesting systems, solar energy devices, storm and energy efficient shingles, flags, religious items, and drought-resistant landscaping and water-conserving natural turf.

2. The amendments relating to solar energy devices, storm and energy efficient shingles, flags and religious items became effective on June 17, 2011, the amendments relating to rain barrels and rain harvesting systems became effective on September 1, 2011, and the amendments relating to drought-resistant landscaping and water-conserving natural turf became effective on September 1, 2013.

3. The Board of Directors of the Association and the Architectural Control Committee desire to adopt guidelines relating to rain barrels and rain harvesting systems, solar energy devices, storm and energy efficient shingles, flags, religious items, and xeriscape landscaping consistent with the applicable provisions in Chapter 202 of the Texas Property Code.

GUIDELINES:

Section 1. Definitions. Capitalized terms used in these Guidelines have the following meanings:

- 1.1. **ACC** - The Architectural Control Committee for Stone Lake Homeowners Association, Inc., as identified in the Declaration.
- 1.2. **Declaration** - The Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake recorded in the Official Public Records of Real Property of Harris County, Texas under Clerk's File No. T967416, as amended.

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- 1.3. **Dedicatory Instrument (or dedicatory instrument)** - Each document governing the establishment, maintenance or operation of the properties within Stone Lake, as more particularly defined in Section 202.001 of the Texas Property Code.
 - 1.4. **Guidelines** - These Guidelines Relating to Rain Barrels and Rain Harvesting Systems, Solar Energy Devices, Storm and Energy Efficient Shingles, Flags, Religious Items, and Xeriscape Landscaping for Stone Lake Homeowners Association, Inc.
 - 1.5. **Stone Lake** - The residential development located in Harris County, Texas according to the map or plat thereof recorded under Clerk's File No. 393146 of the Map Records of Harris County, Texas.
 - 1.6. **Xeriscape Landscaping** - Drought-resistant landscaping and water-conserving natural turf.

Other capitalized terms used herein have the same meanings as that ascribed to them in the Declaration.

Section 2. Rain Barrels and Rain Harvesting Systems. Section 202.007 of the Texas Property Code provides that a property owners' association may not enforce a provision in a dedicatory instrument that prohibits or restricts a property owner from installing rain barrels or a rain harvesting system on the property owner's Lot. However, Section 202.007 of the Texas Property Code further provides that a property owners' association is not required to permit a rain barrel or rainwater harvesting system to be installed on a Lot in particular circumstances or restricted from regulating rain barrels and rain harvesting devices in specified manners.

The following Guidelines shall be applicable to rain barrels and rain harvesting systems in Stone Lake:

- 2.1. **ACC Approval.** In order to confirm the proposed rain barrel or rain harvesting device is in compliance with these Guidelines, Owners are encouraged to apply to the ACC for prior approval. The Association may require an Owner to remove a rain barrel or rain harvesting device that does not comply with requirements of these Guidelines.
- 2.2. **Location.** A rain barrel or rain harvesting system is not permitted on a Lot between the front of the residential dwelling on the Lot and an adjacent street.
- 2.3. **Color and Display.** A rain barrel or rain harvesting system is not permitted:
 - a. unless the color of the rain barrel or rain harvesting system is consistent with the color scheme of the residential dwelling on the Owner's Lot; or
 - b. if the rain barrel or rain harvesting system displays any language or other content that is not typically displayed by the rain barrel or rain harvesting system as it is manufactured.
- 2.4. **Regulations if Visible.** If a rain barrel or rain harvesting system is located on the side of the residential dwelling on the Lot or at any other location on the Lot that is visible from a street, another Lot, or a common area, the rain barrel or rain harvesting system must comply with the following regulations:

- a. Rain Barrel:
 - (i) Size: A maximum height of forty-two (42) inches and a maximum capacity of fifty (50) gallons.
 - (ii) Type: A rain barrel that has the appearance of an authentic barrel and is either entirely round or has a flat back to fit flush against a wall. A rain barrel must have a manufactured top or cap to prevent or deter the breeding of mosquitoes.
 - (iii) Materials: Wood, metal, polyethylene or plastic resin designed to look like an authentic barrel in brown or other earthtone color.
 - (iv) Screening: The rain barrel must be screened with evergreen landscaping to minimize its visibility from a street, another Lot, and common area, unless otherwise approved in writing by the ACC.
 - (v) Downspout: The downspout which provides water to the rain barrel must be the same color and material as the gutters on the residential dwelling. Further, the downspout must be vertical and attached to the wall against which the rain barrel is located.
- b. Rain Harvesting System: A rain harvesting system must collect and store the water underground. The portion of a rain harvesting system that is above-ground must appear to be a landscape or water feature. The above-ground portion of the rain harvesting system shall not extend above the surface of the ground by more than thirty-six (36) inches. The above-ground portion of the rain harvesting system must be screened with evergreen landscaping to minimize visibility from a street, another Lot, and common area, unless otherwise approved in writing by the ACC.

Provided that, the regulations in this Section 2.4 shall be applicable only to the extent that they do not prohibit the economic installation of the rain barrel or rain harvesting system on the Lot and there is a reasonably sufficient area on the Lot in which to install the rain barrel or rain harvesting system.

Section 3. Solar Energy Devices. Section 202.010 of the Texas Property Code provides that a property owners' association may not enforce a provision in a dedicatory instrument that prohibits or restricts a property owner from installing a solar energy device except as otherwise provided therein. As used in Section 202.010 of the Texas Property Code, "solar energy device" has the meaning assigned by Section 171.107 of the Tax Code, which defines the term as "a system or series of mechanisms designed primarily to provide heating or cooling or to produce electrical or mechanical power by collecting and transferring solar generated power". The term includes a mechanical or chemical device that has the ability to store solar-generated energy for use in heating or cooling or in the production of power.

The following Guidelines shall be applicable to solar energy devices in Stone Lake:

- 3.1. **ACC Approval.** The installation of a solar energy device requires the prior written approval of the ACC. Provided that, the ACC may not withhold approval if these Guidelines are met or exceeded, unless the ACC determines in writing that placement of the device as proposed constitutes a condition that substantially

interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities. The written approval of the proposed placement of the device by all Owners of property adjoining the Lot in question constitutes prima facie evidence that substantial interference does not exist.

- 3.2. **Location.** A solar energy device is not permitted anywhere on a Lot except on the roof of the residential dwelling or other permitted structure on the Lot or in a fenced yard or patio within the Lot.
- 3.3. **Devices Mounted on a Roof.** A solar energy device mounted on the roof of the residential dwelling or other permitted structure on a Lot:
- a. shall not extend higher than or beyond the roofline;
 - b. shall conform to the slope of the roof and have a top edge that is parallel to the roofline;
 - c. shall have frames, support brackets and/or visible piping or wiring that are silver, bronze or black tone, as commonly available in the marketplace; and
 - d. shall be located on the roof as designated by the ACC unless an alternate location increases the estimated annual energy production of the device by more than ten percent (10%) above the energy production of the device if located in the area designated by the ACC. For determining estimated annual energy production, the parties shall use a publicly available modeling tool provided by the National Renewable Energy Laboratory.
- 3.4. **Visibility.** A solar energy device located in a fenced yard or patio shall not be taller than or extend above the fence enclosing the yard or patio.
- 3.5. **Warranties.** A solar energy device shall not be installed on a Lot in a manner that voids material warranties.
- 3.6. **Limitations.** A solar energy device is not permitted on a Lot if, as adjudicated by a court, it threatens the public health or safety or violates a law.

Section 4. Storm and Energy Efficient Shingles. Section 202.011 of the Texas Property Code provides that a property owners' association may not enforce a provision in a dedicatory instrument that prohibits or restricts a property owner from installing shingles that:

- a. are designed to:
 - (i) be wind and hail resistant;
 - (ii) provide heating and cooling efficiencies greater than those provided by customary composition shingles; or
 - (iii) provide solar generation capabilities; and
- b. when installed:
 - (i) resemble the shingles used or otherwise authorized for use on property in the subdivision;
 - (ii) are more durable than and are of equal or superior quality to the shingles described below; and
 - (iii) match the aesthetics of the property surrounding the Owner's property.

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- 4.1. **ACC Approval.** In order to confirm the proposed shingles conform to the foregoing Guidelines, Owners are encouraged to apply to the ACC for prior approval. The Association may require an Owner to remove shingles that do not comply with these Guidelines.
 - 4.2. **Regulations.** The Declaration requires exposed roofing materials to be slate, tile or architectural type composition shingles or other material that is compatible in quality and appearance as approved by the ACC. Accordingly, when installed, storm and energy efficient shingles must resemble, be more durable than, and be of equal or superior quality to the types of shingles otherwise required or authorized for use in Stone Lake. In addition, the storm or energy efficient shingles must match the aesthetics of the Lots surrounding the Lot in question.

Section 5. Flags. Section 202.011 of the Texas Property Code provides that a property owners' association may not enforce a provision in a dedicatory instrument that prohibits, restricts, or has the effect of prohibiting or restricting a flag of the United States of America, the flag of the State of Texas, or an official or replica flag of any branch of the United States armed forces, except as otherwise provided therein.

The following Guidelines shall be applicable to flagpoles and the three (3) types of flags listed in Section 202.011 of the Texas Property Code:

- 5.1. **ACC Approval.** A flagpole that does not comply with all setbacks, above-ground flagpole stands and/or footings, and illumination under Section 5.6 must be approved by the ACC. Additionally, in order to confirm a proposed flagpole conforms to the following standards, Owners are encouraged to apply to the ACC for prior approval. The Association may require an Owner to remove flagpoles, flagpole footings, or flags that do not comply with these Guidelines.
- 5.2. **Flag of the United States.** The flag of the United States must be displayed in accordance with applicable provisions of 4 U.S.C. Sections 5-10, which address, among other things, the time and occasions for display, the position and manner of display, and respect for the flag.
- 5.3. **Flag of the State of Texas.** The flag of the State of Texas must be displayed in accordance with applicable provisions of Chapter 3100 of the Texas Government Code, which address, among other things, the orientation of the flag on a flagpole or flagstaff, the display of the flag with the flag of the United States, and the display of the flag outdoors.
- 5.4. **Flagpoles.**
 - a. Not more than one (1) freestanding flagpole or flagpole attached to the residential dwelling or garage (on a permanent or temporary basis) is permitted on a Lot.
 - b. A freestanding flagpole shall not exceed twenty (20) feet in height, measured from the ground to the highest point of the flagpole.
 - c. A flagpole attached to the residential dwelling or garage shall not exceed six (6) feet in length.
 - d. A flagpole, whether freestanding or attached to the residential dwelling or garage, must be constructed of permanent, long-lasting materials with a

finish appropriate to materials used in the construction of the flagpole and harmonious with the residential dwelling on the Lot on which it is located.

- e. A flagpole shall not be located in an easement or encroach into an easement.
- f. A freestanding flagpole shall not be located nearer to a property line of the Lot than the applicable setbacks as either shown on the recorded plat or as set forth in the Declaration. Provided, with the prior written approval of the ACC, a freestanding flagpole may be located up to five feet (5') in front of the front building setback line for a Lot.
- g. A flagpole must be maintained in good condition; a deteriorated or structurally unsafe flagpole must be repaired, replaced or removed.
- h. An Owner is prohibited from locating a flagpole on property owned or maintained by the Association.
- i. A freestanding flagpole must be installed in accordance with the manufacturer's guidelines and specifications.
- j. If the footing and/or stand for a freestanding flagpole extends above the surface of the ground, the ACC may require the installation of landscaping to screen the stand and/or footing from view.

5.5. **Flags.**

- a. Only the three (3) types of flags addressed in this Section shall be displayed on a freestanding flagpole. Other types of flags may be displayed on a wall-mounted flagpole as otherwise provided in architectural guidelines adopted by the Association or as otherwise permitted by the Association.
- b. Not more than two (2) of the permitted types of flags shall be displayed on a flagpole at any given time.
- c. The maximum dimensions of a displayed flag on a freestanding flagpole that is less than fifteen (15) feet in height or on a flagpole attached to the residential dwelling or garage shall be three (3) feet by five (5) feet.
- d. The maximum dimensions of a displayed flag on a freestanding flagpole that is fifteen (15) feet in height or greater is four (4) feet by six (6) feet.
- e. A displayed flag must be maintained in good condition; a deteriorated flag must be replaced or removed.
- f. A flag must be displayed on a flagpole. A flag shall not be attached to the wall of the residential dwelling or other structure on a Lot or a fence, or be displayed in a window of the residential dwelling or other structure on a Lot.

- 5.6. **Illumination.** Illumination of a flag is permitted but the lighting must be in-ground and have a maximum of 150 watts. High intensity lighting such as mercury vapor, high pressure sodium, or metal halide is not permitted. The lighting is required to be compatible with exterior lighting within the Subdivision and appropriate for a residential neighborhood. Lighting used to illuminate a flag shall be positioned in a manner so that the lighting is not directed toward an adjacent Lot or a street adjacent to the Lot and does not otherwise unreasonably affect an adjacent Lot.

- 5.7. **Noise.** An external halyard on a flagpole is required to be securely affixed to the flagpole so that it is not moved by the wind and thereby permitted to clang against the flagpole.

Section 6. Religious Items. Section 202.018 of the Texas Property Code provides that a property owners' association may not enforce or adopt a restrictive covenant that prohibits a property owner or resident from displaying or affixing on the entry to the owner's or resident's dwelling one or more religious items, the display of which is motivated by the owner's or resident's sincere religious belief, except as otherwise provided therein. Section 202.001(4) of the Texas Property Code defines "restrictive covenant" to mean any covenant, condition, or restriction contained in a dedicatory instrument.

The following Guidelines shall be applicable to the display of religious items in Stone Lake:

- 6.1. **ACC Approval.** As authorized by the Declaration and, therefore, allowed by Section 202.018(c) of the Texas Property Code, any alteration to the entry door or door frame must first be approved by the ACC.
- 6.2. **Location.** Except as otherwise provided in this Section, a religious item is not permitted anywhere on a Lot except on the entry door or door frame of the residential dwelling. A religious item shall not extend past the outer edge of the door frame.
- 6.3. **Size.** The religious item(s), individually or in combination with each other religious item displayed or affixed on the entry door or door frame, shall not have a total size of greater than twenty-five (25) square inches.
- 6.4. **Content.** A religious item shall not contain language, graphics, or any display that is patently offensive to persons of ordinary sensibilities.
- 6.5. **Limitation.** A religious item shall not be displayed or affixed on an entry door or door frame if it threatens the public health or safety or violates a law.
- 6.6. **Color of Entry Door and Door Frame.** An Owner or resident is not permitted to use a color for an entry door or door frame of the Owner's or resident's residential dwelling or change the color of an entry door or door frame that is not authorized by the ACC.
- 6.7. **Other.** Notwithstanding the above provisions: (i) the ACC shall have the authority to allow a religious statue, such as by way of example and not in limitation, a statue of St. Francis of Assisi or other religious item in a landscape bed or other portion of a Lot, and (ii) these Guidelines shall not prohibit or apply to temporary seasonal decorations related to religious holidays as otherwise permitted in Stone Lake.

Section 7. Xeriscape Landscaping. Section 202.007 of the Texas Property Code provides that a property owners' association may not include or enforce a provision in a dedicatory instrument that prohibits or restricts a property owner from using drought-resistant landscaping or water-conserving natural turf except as otherwise provided therein.

The following Guidelines shall be applicable to drought-resistant landscaping or water-conserving natural turf on Lots in Stone Lake:

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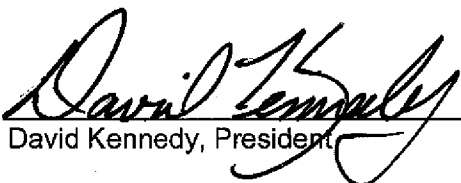
- 7.1. **ACC Approval.** The installation of drought-resistant landscaping and water-conserving natural turf requires the prior written approval of the ACC.
- 7.2. **Criteria.** A proposed installation of drought-resistant landscaping and water-conserving natural turf shall be reviewed by the ACC to ensure, to the extent practicable, maximum aesthetic compatibility with other landscaping in Stone Lake.
- 7.3. **General Requirements.** Full green lawns (turf) are, as a general rule, required in the front yard space and the space along the side of the residential dwelling on a Lot not enclosed by a fence. If a deviation from the general requirement is allowed, non-turf areas must be decomposed granite, hardwood mulch, crushed limestone, flagstone, or loose stone material as approved by the ACC. Concrete surfaces are limited to driveways and sidewalks. Non-turf materials may not be used in an area between a sidewalk and an adjacent street as the material is likely to wash out onto the street. The area within a particular Lot that may be non-turf shall be determined by the ACC; the non-turf area may vary from Lot to Lot depending upon the size and configuration of the Lot and the objective of preserving maximum aesthetic compatibility with other landscaping in the subdivision.
- 7.4. **Maintenance.** Xeriscape Landscaping is subject to the same requirements as other landscaping and must be maintained at all times to ensure an attractive appearance. Plants must be trimmed, beds must be kept weed-free and borders must be edged. Leaves and other debris must be removed on a regular basis so as to maintain a neat and attractive appearance. Perennials which die back during winter must be cut back to remove visible dead materials; this includes most ornamental grasses and other flowering perennials, which go dormant to the ground in winter.

In the event of a conflict between a provision in the Declaration for Stone Lake and a provision in these Guidelines that is based upon applicable law, the provision in these Guidelines shall control.

I hereby certify that I am the duly elected, qualified and acting President of the Association and that the foregoing Guidelines Relating to Rain Barrels and Rain Harvesting Systems, Solar Energy Devices, Storm and Energy Efficient Shingles, Flags, Religious Items, and Xeriscape Landscaping was approved by a majority vote of the Board of Directors and the ACC as set forth above and now appears in the books and records of the Association, to be effective upon recording in the Official Public Records of Real Property of Harris County, Texas.

TO CERTIFY which witness my hand this the 10th day of JUNE, 2014.

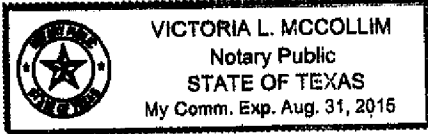
STONE LAKE HOMEOWNERS ASSOCIATION, INC.

By: 
 David Kennedy, President

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned notary public, on this 10th day of June, 2014 personally appeared David Kennedy, President of Stone Lake Homeowners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and in the capacity therein expressed.

Victoria McCollim
Notary Public in and for the State of Texas



Return to:
Rick S. Butler
ROBERTS MARKEL WEINBERG BUTLER HAILEY, PC
2800 Post Oak Blvd., Suite 5777
Houston, Texas 77056

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e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees 56.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS

S943484

Alamo Title Company #50
Title Agency Division

DEED RESTRICTIONS

517-79-1689

STONE LAKE

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THE STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

THAT, WHEREAS, STONE LAKE, L.L.P., a Texas limited liability partnership (herein referred to as "Developer"), is the owner of STONE LAKE, a subdivision situated in Harris County, Texas, according to the plat thereof recorded under Film Code No. 393146 of the Map Records of Harris County, Texas, said plat being incorporated herein for all purposes (the "Subdivision"), which Subdivision consists of three (3) reserves designated as Reserve "A", Reserve "B" and Reserve "C", and five (5) Blocks, containing a total of fifty-nine (59) Lots.

WHEREAS, Developer desires to create and carry out a uniform plan for improvements, development and sale of all of the tracts in the Subdivision; and, to that purpose, Developer hereby adopts, establishes and imposes the following declarations, reservations, protective covenants and limitations ("Restrictive Covenants") governing conveyance of all tracts in the Subdivision; and each contract or deed which may be hereafter executed with regard to any of the tracts in the Subdivision shall conclusively be held to have been executed, delivered and accepted subject to the following (regardless of whether or not the same are set out in full or by reference in said contract or deed):

1. Except for Reserves "A", "B" and "C", no Lot in the Subdivision may be divided into smaller tracts.

2. No owner of a Lot shall occupy or use his Lot or building thereon, or permit the same or any part thereof to be occupied or used for any purpose other than as a private single-family residence for the owner, his family, guests, and tenants, and no retail or commercial use shall be made of the same, or any portion thereof, provided, however, that Developer and its designated assignees may use one or more Lots, or the homes situated thereon as sales offices and/or furnished models. All buildings or structures on the Subdivision shall be of new construction. Notwithstanding the foregoing, an owner may use his home for his own private, professional use as long as such use does not supersede the primary use of the home as a residence or conflict with the intent of the Developer to have an essentially residential community. Any owner (or prospective purchaser) who desires to use his home for professional purposes must first apply, in writing, to the Board of Directors of the Association, as hereinafter defined, and request an exception to the residential use restriction. The Board of Directors, in their sole discretion, shall determine whether such professional use is compatible with the residential nature of the Subdivision, and if, and only if, a majority of the Board of Directors approves, in writing, the requested professional use, then the owner shall be permitted to use his home for the professional use specified by the Board of Directors. Approval, once given, shall be irrevocable so long as the owner's professional use conforms to the specific use approved by the Board of Directors. This exception to strictly residential use shall be narrowly defined and strictly enforced by the Board of Directors. In no way will permission be granted if the professional use requires non-residential visitation, requires the repair, production or manufacturing of any item or has

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any visibility or noise whatsoever evident from the exterior of the home. As used herein, the term "Board of Directors" shall mean and refer to the Board of Directors of the Association, as hereinafter defined, elected by the members in accordance with the terms and provisions of the Bylaws of the Association.

3. No mobile home, manufactured home, structure of a temporary character, tent, shack, barn, servants quarters, or other out building shall be used on any Lot at any time as a residence, either temporarily or permanently; nor shall any used residence or other used structure be moved onto any Lot. During the development and sales period of the Lots, the Developer may erect and maintain such structures as is customary in connection with such development and sale of such Lots, including, but without limitation, a business office, storage areas, construction yards, signs, model units, and sales offices.

4. As long as Developer owns any Lots in the Subdivision, no residence may be constructed in the Subdivision by any builders other than those approved in advance by Developer. Any residence constructed in the Subdivision shall be new construction with the exception of such decorative accessories as are customarily used by builders in the construction of new residences. All residences placed on all Lots shall contain not less than two thousand four hundred (2,400) square feet of living area, exclusive of porches breezeways and patios and garage.

All residences must include an enclosed garage (minimum of two car) architecturally similar to the residence. Each owner should construct ample room for storage of garden equipment, etc. so as to regularly park their vehicles under a carport, breezeway, porte cochere or in an enclosed garage. No parking is permitted on the street. The garage roof line height may not exceed the roof height of the residence. Additionally, side entry and rear entry garages are encouraged. Any front loading garage must be placed no closer than the rear of the residence unless screened by an architecturally enhancing carport with a minimum length of fifteen (15) feet.

All homes shall face the front of the Lot. The width of each home must be at least sixty (60) feet, excluding a front loading garage.

Plans for private swimming pools must be approved by the Architectural Control Committee. No above ground pools will be permitted other than temporary toddler pools under 18 inches high.

Each Lot owner must install his own private septic system and water well that is in accordance with all government regulations. No individual propane tanks will be permitted within the Subdivision, as a central propane system will be available to any Lot owner desiring propane.

No private piers will be allowed on the lake. Well houses must be constructed with architectural similarity to the main residence and must be placed behind the main residence.

Horse barns will be allowed only in Blocks 1, 2, 3 and 4. They must be constructed in accordance with the specifications drawn by the Architectural Control Committee.

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Servant quarters are permitted for bona-fide servants or immediate family (non rent paying) purposes. They must be constructed with architectural similarity to the residence.

All entries, driveways, sidewalks, circle driveways, etc. which cross drainage ways will be across an approved culvert as determined by Harris County or other governmental authority having jurisdiction. All culverts installed within the Subdivision must have safety-end treatment (with 3:1 slope). No owner may disturb the drainage or water flow of the Subdivision by blocking or impeding it in any manner. Furthermore, it is the Lot owner's responsibility to maintain and keep clean the drainage ways and culverts associated with his Lot.

All electrical service within the Subdivision shall be underground.

5. No building or structure shall be located on any Lot nearer than seventy-five (75) feet to the front Lot line. No building or structure shall be located on any Lot nearer than fifteen (15) to the side Lot line. No building, garage or other structures shall be located nearer to the front, side or rear Lot line than the respective front, side and rear setback distances specified for each Lot on the original or amended plat of the Subdivision.

Easements affecting all Lots in this Subdivision are reserved as shown on the recorded plat for installation and maintenance of utilities and drainage facilities. Developer may alter, make additions or deletions to any easements as may be necessary for the development of the Subdivision, for efficiency and/or for the comfort or necessity of providing services to the other Lot owners without written or oral consent of the Lot owner. Developer reserves the right of ingress and egress for itself, its agents and any governmental or utility representative to repair, maintain and/or install equipment necessary to provide services to any Lot owner.

6. No business or commercial structure of any kind or nature whatsoever shall be built on any portion of the Subdivision, except as provided in Paragraph 3 hereinabove.

7. No obnoxious or offensive activity may be carried on or conducted on the Subdivision, nor shall anything be done thereon which may be or become an annoyance or nuisance to adjoining property owners. No clothing or other materials shall be aired or dried within the Subdivision except in an enclosed structure so as not to be visible to the public.

8. All exterior improvements, including residences, garages, driveways, sidewalks, culverts, required lighting, and mailboxes, must be completed in a reasonable length of time. It is stipulated that a reasonable length of time for the completion of the exterior part of improvements, residence or other structure is six (6) months from the date the slab or foundation is poured or installed. The front yard of a Lot must be landscaped and sodded within 60 days after completion of construction of a residence on the Lot.

9. No building material of any kind or character shall be placed or stored upon any Lot until the owner is ready to commence improvements and then such material shall be placed within the

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property lines on the Lot or parcel of land upon which improvements are to be erected, and shall not be placed on the streets or between the curb and property line.

10. No sign of any kind shall be displayed to public view on any Lot or building except one sign of no more than six (6) square feet in area advertising the merits of the property for sale or rent. The Developer or the Association shall have the right (but not the obligation) to remove any sign, billboard or other advertising structure or device which is placed on any Lot or home in violation of this Paragraph and shall be entitled to assess the owner and recover all costs of such removal from the owner. During the construction and sales period of the Lots, the Developer may use other signs and displays to advertise the merits of the Lots for sale or rent, until such time as Developer has sold all Lots owned by it in the Subdivision.

Signage identifying the builder's company name and phone number may be placed on the Lot where he or she had contracted to build a home. The sign may not be any larger than six (6) square feet in size. The sign may be placed on the Lot in an attractive manner (not nailed to a tree) no earlier than the closing of the interim financing or 4 weeks prior to construction and must be removed no later than one week after occupancy. Subcontractors, such as pool contractors, electricians, plumbers, etc., may not erect signs during construction.

No "For Sale" signs may be placed on any unimproved Lot within two years from the date of purchase from Developer. Signs no more than 6 square feet may be placed on a Lot improved with a residential structure offering it for sale by owner or owner's agent. The Association may display signs at the common areas describing rules, hours, and other instructional information as deemed necessary.

11. Lot owners shall at all times maintain the Subdivision in a healthful, sanitary, neat and presentable condition. No trash, garbage, waste matter or debris of any kind shall be dumped or permitted to accumulate on said property. Prior to trash disposal and removal, trash, garbage, or other waste shall be temporarily kept in adequate containers which shall be maintained in a clean and sanitary condition and screened by adequate planting or fencing so as to conceal them from the public view.

12. Each Lot owner is bound and obligated through the purchase of any Lot, to maintain the same and any improvements thereon, at his expense, in a safe, neat and attractive condition and otherwise in compliance with these Restrictive Covenants. Additionally, owners are to mow and maintain ditches and easements in front, behind, and/or on the side of their Lot to the street or adjoining Lot or land. In the event that an owner should, in the opinion of the Developer or the Association, fail to comply with these Restrictive Covenants, Developer or the Association may (but are not obligated to) notify such owner in writing of such non-compliance. In the event such owner shall fail to eliminate any objectionable, detrimental or unattractive condition and otherwise fully comply with these Restrictive Covenants within fifteen (15) days after receipt of written notice from Developer or the Association, Developer or the Association shall have the right and power (but not the obligation) to enter upon such owner's property and perform any or all acts necessary to comply

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with these Restrictive Covenants. The owner shall be liable for the expenses incurred by Developer or the Association in such event shall be payable by such owner on demand and shall be secured by a lien in the same manner as the maintenance charge assessed against said property, as hereinafter provided. In the exercise of the aforementioned power neither the Developer nor the Association shall not be liable, and are hereby expressly released from any liability for trespass or other cause of action in connection with, or arising from such action.

13. No animals, livestock, poultry, dogs, cats and such may be kept or permitted on any Lot or any part of the Subdivision, except as pets for domestic use. Nothing herein contained shall ever be construed so as to permit the keeping of animals and pets where such keeping (a) is or may become a nuisance or obnoxious to the occupants of neighboring property, (b) is or may become a hazard to the health, welfare and well being of the community or (c) is for any commercial purpose. Horses may be kept in Blocks 1, 2, 3 and 4, but no more than one horse per acre may be kept (other than foals until their first birthday). No other large animals such as swine or cattle shall be kept on any part of the Subdivision except for sanctioned FFA projects.

All pets must be kept in a fenced area or on a leash or chain and are not permitted to roam. The Association has the right to adopt rules and regulations concerning the keeping of animals in the Subdivision and means to enforce such. At all times, owners of dogs and cats must be able to exhibit current rabies vaccination documentation from a licensed veterinarian.

14. No cess pools shall be dug or permitted on any part of the Subdivision. No sewage treatment system shall be permitted on any Lot.

15. No gas or oil drilling, gas or oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot.

16. No repair work, dismantling or assembling of motor vehicles or any machinery or equipment shall be done in any street, in the front or side yard of any Lot or in areas visible from adjoining properties. No vehicle shall ever be permitted to be parked on the front or side lawn within view of the public. Nor shall any operable or inoperable vehicles be parked on a driveway within view of the public without movement for more than forty eight hours during a period of seven consecutive days.

17. The Association has the right to adopt rules and regulations concerning the use of motor cycles, go-carts and similar motorized vehicles and may at its discretion eliminate their use if such operation creates a safety hazard, excessive noise or annoyance to the owners. No boat, luggage trailer, travel trailer, cattle trailer, or any other trailer, motor home, recreational vehicle or commercial use truck, self-propelled or towable equipment or machinery of any sort is to be parked on any Lot for more than twenty-four (24) hours unless said trailer or vehicle is stored in an enclosed garage or designated storage area behind the house, out of sight from the road. Except, however, that during construction of improvements on a Lot, necessary construction vehicles and equipment may be

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parked thereon from and during the time of necessity therefor. Only non-motorized boats and watercraft will be allowed in the Subdivision lake. All boats and watercraft must be stored out of view of the lake area when not in use.

18. No pistol, rifle (including gun or air rifle), shotgun or any other firearm or fireworks or bow and arrow or any other device capable of killing or injuring or causing property damage shall be discharged on any part of the Subdivision.

19. No owner shall build or permit to be built any open fires on his Lot or elsewhere in the Subdivision, provided, however, that the foregoing shall not be construed as precluding the use by any owner of his interior fireplace and safe outdoor cooking facilities, except during construction of the principal residence.

20. Any fences may be installed only with prior written approval of the Architectural Control Committee referred to in Paragraph 22 hereinafter. No chain link fences will be permitted on any Lot in this Subdivision. Only wrought iron fencing will be allowed on Lots 1-28 in Block 5, and must be black and constructed with 40 inch long 3/4 inch rods on 5 inch centers. For all other Lots in the Subdivision, white wood or vinyl 3 rail fencing will be allowed behind the residence. No fencing will be permitted in front of any residence within the Subdivision. Fencing around the Subdivision perimeter may be barbed wire. All fencing shall be maintained in a neat repaired manner.

21. No building or other improvements including without limitation, home, patio, decking, storage building, alterations, driveways, sidewalks, fences and outdoor lighting, shall be commenced, constructed, erected, placed or maintained on any Lot nor shall exterior addition to or alteration therein be made, unless and until (i) a preliminary site plan showing all dimensions, locations of buildings, entries, lighting and driveways on the property have been submitted to and approved in writing by the Committee, as defined hereinafter, and (ii) the final working plans and specifications referred to hereinafter have been submitted to and approved in writing by the Committee. After the preliminary site plan has been approved by the Committee, the final working plans and specifications for the work shown on the preliminary site plan shall be submitted for approval by the Committee as to compliance with the provisions of these Restrictive Covenants. However, the final working plans and specifications shall not be commenced until the preliminary site plan has been approved. The final working plans and specifications shall specify, in such form as the Committee may reasonably require the nature, kind, shape, height, exterior color scheme, material, and locations of the proposed improvements or alterations thereto. The Committee shall have the right, free of charge, to retain one (1) copy of the final working plans and specifications. In the event the Committee fails to approve or disapprove the preliminary site plan within fifteen (15) days after they have been submitted to the Committee for approval, approval thereof shall not be required and the provisions of this Paragraph will be deemed to have been fully complied with. Where any Lot owner has neglected to submit preliminary and/or final working plans and specifications for approval, failure of the Committee to exercise the powers granted by this provision shall never be deemed a waiver of the right to do so either before or after a building or other improvement on any Lot, or any exterior addition to or alteration thereof, has been completed.

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Where not otherwise specified herein, the Committee shall have the right to specify reasonable requirements for each building site as follows: tree removal and preservation, foundation, garage orientation, lighting, mailboxes (all of which must be of brick), building materials, siding and trim, and building design. The Committee shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed or meet its minimum construction requirements of architectural design requirements or quality, in the Committee's judgement.

22. The Architectural Control Committee (herein referred to as "Committee") shall be composed of up to three(3) members appointed by the Developer. The initial Committee shall be composed of John Peltier, Hank DeShazer and Al Mandola. Any member or members of the Committee may be removed, and a new member or members may be appointed in the event of the removal, death, incapacity, or resignation of any member of the Committee, by majority vote of the Committee. Any changes in the membership of the Committee shall be set forth in a recordable instrument and filed of record in the Official Public Records of Real Property of Harris County, Texas. A Successor to a member of the Committee shall have all of the duties and possess all of the powers of the member he replaces. A majority of the Committee may designate a representative to act for it and to perform any function which the Committee as a whole could perform, provided that the appointment or removal by the Committee of such a representative shall be by instrument in writing which shall be filed of record in the Official Public Records of Real Property of Harris County, Texas. Neither the members of the Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to these Restrictive Covenants. The Committee's approval of plans and specifications shall be in writing and shall be signed by at least two (2) members of the Committee or by the duly designated representative of the Committee.

The Committee, as well as other owners of Lots in the Subdivision, shall further have the authority to enforce any and all of the covenants and conditions set forth in these Restrictive Covenants against any person or persons violating or attempting to violate the same, and in furtherance of the foregoing, and not by the way of limitation, the Committee may institute proceedings at law or in equity to restrain violation of these Restrictive Covenants and to recover damages for the breach of violation thereof and attorney's fees in connection with the enforcement of these Restrictive Covenants.

23. Invalidation of any one or any part of these Restrictive Covenants by judgement or court order shall not affect any of the other provisions or parts of provisions which shall remain in full force and effect.

24. No member of the Committee, nor their heirs, successors or assigns shall be liable in damages to anyone submitting plans for approval, or to any owner or lessee of land affected by these Restrictive Covenants by reason of mistake in judgement, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve any such plans or in connection with consenting or failing to consent, approving or failing to approve any matter with respect to which the Committee may have authority under the terms hereof. Every person who

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submits plans to the Committee for approval agrees, by submission of such plans, and every owner or lessee of said property agrees, by acquiring title thereto, or a leasehold interest therein, that he will not bring any action or suit against the Committee, or any member of the Committee, their respective heirs, successors and assigns, to recover any such damages. The Committee may approve or disapprove any plan submitted and this decision is final for whatever reason. Although reason(s) for disapproval shall be stated, they may approve only in part, conditionally approve, or reject.

25. Without prior written approval of the Architectural Control Committee, no exterior television or radio antennas of any sort shall be placed, allowed, or maintained upon any portion of the exterior of the improvements to be located upon any Lot, other than an antenna system which would not be visible from any of the windows on any of the Lots, or from the streets adjacent to the such Lot.

26. Electric service to the Subdivision shall be governed by Houston Lighting & Power Company (the "Electric Company"). Developer has either by designation on the plat of the Subdivision or by separate instrument granted necessary easements to the Electric Company providing for the installation, maintenance and operation of its electric distribution system. The electric service to each dwelling unit shall be uniform in character and shall be exclusively of the type known as single phase, 240/120 volt, three wire, 60 cycle, alternating current.

27. Every owner of a Lot shall be a member of Stone Lake Owners Association, Inc., a Texas non-profit corporation (the "Association"). Membership shall be appurtenant to and may not be separated from ownership of any Lot. Any lienholder who acquires title to any Lot shall thereupon become a member of the Association.

The Association shall have two classes of voting membership:

CLASS A. Class A members shall be all owners of Lots, with the exception of the Developer, and shall be entitled to one vote for each Lot owned. The vote of any Lot owned by more than one person shall be exercised as they among themselves determine, or, in the absence of such determination, by a majority of such persons or entities, but in no event shall more than one vote be cast with respect to any Lot.

CLASS B. The Class B member shall be the Developer, and its successors, and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) The total votes outstanding in the Class A membership equals or exceeds the total votes outstanding in the Class B membership, or

(b) Five (5) years from the filing of these Restrictive Covenants in the Official Public Records of Real Property of Harris County, Texas.

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The purpose of the Association in general is to protect the general scheme of the development as evidenced by these Restrictive Covenants and to provide for and promote the health, safety, and welfare of the Owners, to set and collect the annual maintenance fund assessments and other fees or assessments and to administer said funds, to provide for the maintenance, repair, construction, preservation, upkeep, and protection of the common areas and facilities in the Subdivision and such other purposes as are stated in these Restrictive Covenants.

All of the privileges of membership, including voting rights and the use of the common facilities, are subject to: 1) being current in all assessments and fees established by the Association, and 2) being in compliance with the covenants, rules, and restrictions within these Restrictive Covenants as they currently exist or may be amended from time to time. Any member failing to meet one or both conditions may be denied their privileges of membership.

Any voting desired or required at any meeting shall be determined by a simple majority vote of those votes represented at such meeting EXCEPT for such actions and decisions that shall require the vote of a "Quorum of Members" as hereinafter provided. When the Board of Directors shall at their option determine that a major financial or business decision requires the vote of a "Quorum of Members," then such vote shall be at a meeting called for the purpose of taking such action. Such action must also take place at the regularly scheduled meetings of the Association provided, however, that written notice of any such meeting and the purpose thereof shall be sent 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 twenty percent (20%) of the outstanding Class A votes and the representation by presence or proxy of the Class B Member so long as it shall exist shall constitute a "Quorum of Members." If the required quorum is not present, another meeting may be called subject to the same notice requirement, and at the subsequently called meeting the quorum requirement shall be waived. No subsequent meeting shall be held more than sixty (60) days following the preceding meeting. Approval under the provisions of this Paragraph shall be made by simple majority of those votes represented at any meeting called for that purpose with both classes voting together unless specifically required otherwise by these Restrictive Covenants. The general membership of the Association shall have the right to bring any proposed action, review any past actions taken by the Association, or bring a petition for the recall of any Board or Committee members before a vote of the general membership for purposes of denying, amending, establishing, or affirming such action or recall. A meeting shall be called by the Board of Directors for the purpose of carrying out such vote upon the receipt of a "Petition for Referendum" properly signed by the persons holding fifteen percent (15%) of the outstanding Class A votes and signed by the Class B Membership, if it shall exist at the time. Voting under and pertaining to such referendum shall then take place according to all of the provisions of this Paragraph with notice of such meeting being mailed within fifteen (15) days of the receipt of said petition by the Board.

The Articles of Incorporation and By-Laws of the Association, along with these Restrictive Covenants shall establish the existence and authority of the Association. Such documents, as originally drawn by the Declarant may be duly amended from time to time according to the conditions specified in each document. The Association shall maintain a minutes book as provided

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for in the By-Laws of the Association. Said minutes book shall document the policy resolutions, administrative resolutions, special resolutions, and general resolutions in a manner that will provide for 1) referencing the actions of the Association over a period of years, 2) establishing a consistency in Board actions, and 3) for protecting the Owners from capricious and arbitrary actions by the Board.

All Directors or Committee Members shall be entitled only to such compensation as may be established by the Association and approved by a majority of a Quorum of Members, EXCEPT that all Directors and Committee Members shall be entitled to reimbursement for reasonable expenses incurred in the course of their duties. All compensation or reimbursements shall be made as a general expense payable out of the Maintenance Fund. The structure of the Association shall consist of the following formal Boards or Committees along with any other Boards or Committees that may be established from time to time by the Board of Directors:

- A. **BOARD OF DIRECTORS.** The Board of Directors shall be responsible for the affairs of the Association and shall have all the powers and duties necessary for the administration of the Association's affairs and as provided by law and may do all acts and things as are not by the Articles of Incorporation or Bylaws directed to be done and exercised exclusively by the members. The initial Board of Directors shall consist of three (3) Directors appointed by the Declarant and said Directors may be replaced at the discretion of the Declarant until they are replaced by elected Directors as hereinafter provided. At the FIRST regular annual meeting of the Association, two (2) Directors in addition to those appointed by the Declarant shall be elected. Following that election the Board shall consist of at least five (5) Directors elected for a one year term or until replaced at the next annual meeting of the Association. Any vacancies arising during the year in the position held by elected Directors shall be filled by appointment by the balance of the Board until the time of the next regular election. Any positions vacated by operation of a "Petition for Referendum" shall be filled by an election at the same meeting.
- B. **ARCHITECTURAL CONTROL COMMITTEE.** The Architectural Control Committee shall operate under the provisions of these Restrictive Covenants and shall be responsible for review of all plans for any improvement or action within the Subdivision which is subject to these Restrictive Covenants. The Committee shall also be responsible for monitoring compliance with all of the provisions of these Restrictive Covenants and may instigate any action necessary to bring about compliance.

In addition to the duties and powers enumerated in its Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the duties and powers of the Board shall normally include, but shall not be limited to, the following:

- A. The right of the Association acting through the Board to carry on all legal business functions and exercise all of the powers of a Texas non-profit corporation, subject only to such limitations as are expressly set forth in these Restrictive Covenants, including but not limited

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to the right to own, sell, grant, convey, lease, mortgage, or dedicate to any individual entity, or utility, any portion of or rights pertaining to any common areas, roads, or easements in favor of the Association; or to construct, purchase, lease, or contract for any additional property, facilities, equipment, etc.; or to borrow money for the purpose of constructing, improving, maintaining, or repairing said common areas or facilities, roads, or easements and in aid thereof to mortgage said property.

- B. The roads within the Subdivision will be owned and maintained by Harris County, Texas. The Board, however, shall be responsible for working with the County to see that all county right-of-ways and public easements within the Subdivision are adequately maintained by the County or other responsible entity. The Association shall specifically have the right to assist in said maintenance in any manner agreeable to the responsible entity, including but not limited to, performing needed repairs at Association expense.
- C. All of the common areas, common facilities, and easements in favor of the Association shall be operated, managed, and maintained in good repair for the benefit and enjoyment of all of the Owners and the cost therefrom, including payments on any existing mortgages on the common area or facilities conveyed to the Association by the Declarant, shall be a common expense to be paid out of the Annual Maintenance Fund Assessment.
- D. The Board shall have the right to enforce the provisions of these Restrictive Covenants by any legal and appropriate means, whether specifically defined in these Restrictive Covenants or not, for the benefit and protection of the scheme of the development as evidenced by these Restrictive Covenants.
- E. The Board shall also have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable (the "Association Rules") which may include the establishment of a system of fines and penalties. The Association Rules shall govern such matters in furtherance of the purposes of the Association, including, without limitation, the use of any common areas; provided, however, that the Association Rules may not discriminate among Owners, and shall not be inconsistent with these Restrictive Covenants. A copy of the Association Rules as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the Association Rules shall be delivered to each Owner. Upon completion of the notice requirements, said Association Rules shall have the same force and effect as if they were set forth in and were part of the Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby. The Association Rules, as adopted, amended or repealed, shall be available at the principal office of the Association to each Owner or other interested party upon request. In the event of any conflict between any such Association Rules and any other provisions of these Restrictive Covenants, the provisions of the Association Rules shall be deemed to be superseded by the provisions of these Restrictive Covenants to the extent of any such conflict.

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- F. The Board shall annually prepare an operating budget and capital budget and therefrom compute the Annual Maintenance Fund Assessment to be charged against each Lot. The Board shall also have the right, subject to the provisions of these Restrictive Covenants, to establish other fees or assessments that may from time to time be required or beneficial to the purposes of the Association, and the right to adopt procedures for the purpose of making, billing, and collecting the Assessments, user fees, and charges provided for herein, provided that the procedures are not inconsistent with the provisions hereof.
- G. The Board shall have the right to hire or contract with any person or entity for the performance of various duties and functions including, but not limited to, the employment of a manager or management company to perform all or any part of the duties and responsibilities of the Association.
- H. The Board shall have the right to delegate to Committees, officers, employees or agents any of its duties and powers except such powers which are nondelegable according to law. No such delegation, however, whether to a professional management company, the Architectural Control Committee or otherwise shall relieve the Association of its obligations to perform such delegated duty.

To the extent allowed by law, the Association shall indemnify every officer and director against any and all expenses, including counsel fees, reasonably incurred by, or imposed upon, any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to other on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights which any officer or director, or former officer or director, may be entitled. The Association may, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation.

The Association, to the extent available, shall obtain and continue in effect in its own name the following types of insurance so long as such amounts or type of insurance coverage are not, in the good faith judgement of the Board, prohibitively expensive or no longer necessary or appropriate for the protection of the Properties, the Association and the Members:

Fire and extended coverage insurance on all improvements owned or leased to the Association, the amount of such insurance to be not less than ninety percent (90%) of their aggregated full insurable value, meaning actual replacement cost exclusive of the cost of

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excavations, foundations and footings.

Other public liability, fidelity coverage, worker's compensation, officers' and directors liability insurance, and/or indemnity or other bonds shall be obtained and maintained where the Board shall deem necessary or beneficial to carry out the Association functions.

All of the cost, charges, and premiums for all insurance that the Board of Directors authorizes as provided herein shall be a common expense of all members and be a part of the Annual Maintenance Fund Assessment or a Special Assessment at the option of the Board. All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners and the Mortgagees as their interest may appear. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, other Owners, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only. It shall be the duty of the Board of Directors annually to conduct an insurance review to determine if the policies in force are adequate to meet the needs of the Association and to satisfy the requirements of this Paragraph. Nothing shall be done or kept in the Subdivision which would result in the cancellation of insurance or increase the rate of insurance on any property insured by the Association without the express written approval of the Board.

The members of the Association shall have the right to inspect the books and records of the Association at reasonable times during the normal business hours, and copies of all or any part of these Restrictive Covenants, or other documents pertaining to the business of the Association, shall be made available to all Members and any other person or entity having a valid interest in the Subdivision upon the request of such party. The Association shall have the right to charge reasonable fees for providing copies of said documents.

28. (a). The Developer, subject to the provisions of Subsection (b) of this Paragraph 28, for each Lot owned within the Subdivision, hereby covenants, and each owner of any Lot by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is conclusively deemed to covenant and agree as a covenant running with the land to pay to the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements, such assessments to be fixed, established, and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be secured by a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, also shall be the personal obligation of the owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such owner's successors in title unless expressly assumed by them. No owner shall be personally liable for any assessment made or becoming due and payable after his ownership terminates, provided the Association is given prior notice of such change of ownership, which notice must specify the name and address of the new owner.

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(b) No Lot owned by Developer shall be subject to any annual assessment or special assessment while it is owned by Developer unless and until a dwelling unit has been built thereon and six (6) months have expired since the substantial completion of such dwelling unit or the dwelling unit has been permitted to be occupied, whichever occurs first. It shall be the duty of each builder to notify the Association at the time a dwelling unit has been substantially completed or permitted to be occupied. The term "substantial completion" as used herein shall mean that the residence is ready for sale or occupancy, except for minor items which must be furnished, completed, corrected or adjusted. It shall also be the duty of each builder to notify the Association at the time a Lot is sold. The term "builder" for the purposes of these Restrictive Covenants is defined as any person, firm, corporation or other entity who is engaged in the business of building houses for sale or rental purposes, and not for his or its personal use or occupancy. Whenever a Lot owned by Developer becomes subject to assessment as provided for in this subsection, such Lot shall then be treated and assessed as any other Lot in this development which is subject to assessment.

(c) The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Subdivision, including the improvement and maintenance of all common areas, improvements, streets, paths, esplanades and easements and vacant Lots and also providing for lighting and fogging and doing any other thing necessary or desirable in the opinion of the Association to maintain or improve the Subdivision.

(d) Commencing January 1, 1998, the annual assessments shall be fixed at \$300.00 per Lot.

(i) From and after January 1, 1998, the maximum annual assessment may be increased by the Association effective January 1 of each year by not more than fifteen percent (15%) above the maximum assessment for the previous year, without a vote of the membership.

(ii) From and after January 1, 1998, the maximum annual assessment may be increased above the amount hereinabove authorized in subsection (i) only by the vote of at least fifty-one percent (51%) of the votes of both classes of members of the Association who are voting in person or by proxy at the annual meeting or at a special meeting duly called for the purpose of increasing the annual assessment.

(iii) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

(iv) The Board of Directors may decrease the annual assessment without ratification by or assent of the members of the Association.

(e) Annual assessments shall be collected on an annual basis and must be fixed at uniform rates for all Lots.

(f) Except as otherwise herein provided, as to each Lot, the annual assessment shall

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commence on January 1, 1998. Written notice of the annual assessment shall be sent to every owner subject thereto. Annual assessments shall be due and payable on January 31 of each calendar year. Lots purchased at any time will be subject to prorated annual assessments due payable at the time of purchase.

(g) Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the maximum non-usurious rate of interest per annum then allowable under the laws of the State of Texas, and the Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the Lot. Such lien may be enforced judicially or by foreclosure of the lien affecting the defaulting owner's Lot by power of sale retained by the Association, in like manner as a deed of trust on real property upon compliance with the Texas Property Code, as the same may be amended from time to time.

(h) In the event of a default hereunder, the owner also shall be required to pay the costs and expenses of legal proceedings and all reasonable attorney's fees. The Association shall have the power to purchase the Lot at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgement for unpaid assessments shall be maintainable without foreclosing or waiving the lien securing same. Each owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such owner personally for the collection of unpaid assessments as a debt.

(i) The annual assessment and the special assessments, as hereinabove provided for, shall each constitute and be secured by a separate and valid and subsisting lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements thereon, for the benefit of the Association. The liens securing the assessments provided for herein shall be subject and subordinate to (i) all liens for taxes or assessments levied by the City, County and State Governments or any political subdivision or special district thereof, and (ii) all liens (including vendor's liens, deeds of trust, mortgages and other security instruments) securing any loan for any part of the purchase price of a Lot and/or any improvements thereon and filed of record prior to the date when such charges and assessments become due and payable. No foreclosure or conveyance in lieu of foreclosure shall relieve the transferee from liability for any assessment thereafter for the lien herein granted, and the personal obligation of the foreclosed or transferring owner shall not be extinguished by any foreclosure or transfer.

(j) The annual and special assessment charge shall be a covenant running with the land. Such charge and the lien created thereby are hereby assigned to the Association (without a recourse on Developer in any manner for payment of such charge) which will collect all such annual and special assessments and will allocate and expend such funds. The judgement of the Association, its Board of Directors and its legal representatives in the expenditure of said funds shall be final so long as said judgement is exercised in good faith. This enumeration of the services for which assessment may be expanded carries no obligation to furnish any of such services except to the extent of funds actually received by the Association. None of the Association, its Board of Directors, or any Director shall

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have any liability to any person or entity under any theory or circumstance for any error of judgment, action or inaction of the Association, its Board of Directors or any Director.

29. If any Lot owner or their heirs or assigns shall violate or attempt to violate any of the restrictions and covenants herein contained, it shall be lawful for (but not the obligation of) the Developer or the Association, or their respective successor (s) to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate such restrictions and either to prevent him or them from doing or to recover damages or other dues for such violation, for the benefit of the Developer, the Association and their respective successor (s) and/or assign (s), or other owners, as their interests may appear. The Developer, the Association and their respective successor (s) and/or assign (s) may recover attorney's fees and other expenses in enforcing these Restrictive Covenants.

30. These covenants and restrictions shall run with the land and shall be binding upon all subsequent owners, their heirs and assigns, and all persons or parties claiming under them, for a period of twenty-five (25) years from the date these Restrictive Covenants are recorded, at which time they shall be automatically extended for successive ten (10) year periods unless an instrument signed by seventy-five percent (75%) of the then owners of Lots in the Subdivision covered by these Restrictive Covenants has been filed of record prior to the end of said twenty-five (25) year period, agreeing to change these covenants and restrictions in whole or in part. These Restrictive Covenants may be amended by an instrument signed by the owners of at least seventy-five percent (75%) of the Lots covered by these restrictions presently filed or as may be enlarged in the future. Any amendment must be recorded.

31. Developer reserves the right to assign or delegate all or any part of its rights or obligations hereunder to the Committee or the Association. Upon any such written assignment or delegation Developer shall be relieved of the rights and obligations so assigned or delegated. In the event that Developer no longer owns any portion of the Property for which Developer is not deemed to be an Owner, all rights and obligations of Developer hereunder, shall automatically be transferred to and assumed by the Association, and Developer shall automatically be relieved of same, without need of any written assignment or delegation.

32. The Developer shall have the right to bring within the Subdivision any additional property which is adjacent or in reasonable proximity to Stone Lake Subdivision in its sole discretion. Any additions authorized under this Paragraph shall be made by filing of record a Supplemental Declaration of Restrictive Covenants with respect to the additional property, which shall extend these Restrictive Covenants (as therein modified) to such property, executed by the Developer. Such Supplemental Declaration shall impose annual maintenance charge assessment on the property covered thereby, on a uniform basis, which fairly relates to the maintenance charge and assessment imposed by these Restrictive Covenants, and may contain such additions to or modifications of these Restrictive Covenants (applying to the specific property covered thereby only) as may be designated in such Supplemental Declaration. Depending on the manner in which such additional lands are developed ultimately, the services provided by the Association which relate to Stone Lake and to all

517-79-1705

or portions of such additional lands may vary in value or in kind.

33. The singular wherever used herein shall be construed to mean the plural where applicable, the pronouns of any gender shall include the other genders, and the necessary grammatical changes required to make the provisions hereof applicable to individuals, corporations, trusts, partnerships, or other entities shall in all cases be assumed as though in each case fully expressed.

34. If these Restrictive Covenants or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the general purposes and objectives of these Restrictive Covenants shall govern.

35. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any word, clause, sentence or provision appearing in these Restrictive Covenants shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provisions shall be supplied by inference.

36. The Developer shall have and reserves the right at any time and from time to time, without the joinder or consent of any other party, to amend these Restrictive Covenants by any instrument in writing duly signed, acknowledged, and filed of record for the purpose of correcting any typographical or grammatical error or any ambiguity or inconsistency appearing herein.

37. Any notice required to be sent to any Member or Owner under these Restrictive Covenants shall be deemed to have been properly sent when mailed, postage prepaid, registered or certified mail, return receipt requested, to the last known address of the person who appears as Member or Owner, as the case may be, on the records of the Developer or Association at the time of such mailing.

38. The invalidation of any one or more of the covenants, restrictions, conditions, or provisions contained in these Restrictive Covenants, or any part thereof, shall not affect any of the other covenants, restrictions, conditions, or provisions hereof, which shall remain in full force and effect.

39. In the event the approval or consent of the Developer, Association, Architectural Control Committee or Board of Directors is required under these Restrictive Covenants, such approval or consent must be obtained in writing to be effective unless expressly provided to the contrary herein.

40. Reference is hereby made to those certain "Stone Lake Architectural Control Guidelines", both narrative and graphic, issued and amended by Developer and/or the Committee from time to time, which describe the development objectives of Developer contemplated by these Restrictive Covenants and are incorporated herein for all purposes. Owner should obtain the "Stone Lake Architectural Control Guidelines" from Developer and/or the Committee prior to commencement of plans and specifications for any improvements on any Lot.

517-79-1706

EXECUTED THIS 2 day of April, 1998.

DEVELOPER:

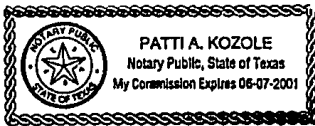
STONE LAKE, L.L.P. *12*

By: *Kerry Emmott*
Name: K. KERRY EMMOTT
Title: MANAGING PARTNER

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on April 2, 1998, by K. Kerry Emmott, managing partner of Stone Lake, L.L.P., a Texas limited liability partnership on behalf of said limited liability partnership.



Patti A Kozole
NOTARY PUBLIC in and for
THE STATE OF TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF FEDERAL OR STATE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS }
COUNTY OF HARRIS }
I hereby certify that this instrument was FILED in File Number _____
Sequence on the date and at the time stamped hereon by me; and was
duly RECORDED, in the Official Public Records of Real Property of
Harris County, Texas on

APR 3 1998

AFTER RECORDING RETURN TO
Alamo Title Company
Title Agency Division - TOMBALL OFFICE
990 Village Square (77375)
MAIL: P.O. Box 538
Tomball, Texas 77377



Beverly L. Hoffman
COUNTY CLERK
HARRIS COUNTY TEXAS

Beverly L. Hoffman
COUNTY CLERK
HARRIS COUNTY, TEXAS

98 APR -3 AM 10:51

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HOLD FOR TEXAS AMERICAN TITLE COMPANY

528-06-1333

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\$151.00

**RESTATED AND AMENDED
DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS**

FOR

STONE LAKE

*151
B*

**A RESIDENTIAL SUBDIVISION
IN
HARRIS COUNTY, TEXAS**

AFTER RECORDING RETURN TO:

~~WILLIAMS BIRNBERG & ANDERSEN, L.L.P.~~

~~Attn: Lou W. Burton~~

~~6671 Southwest Freeway, Suite 303~~

~~Houston Texas 77074-2284~~

~~(713) 981-9595~~

Barbara R. Robinson
COUNTY CLERK
HARRIS COUNTY, TEXAS

99 SEP 15 PM 1:30

FILED

Branch 575 (P.R)

**RESTATED AND AMENDED
DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR
STONE LAKE**

**A RESIDENTIAL SUBDIVISION IN
HARRIS COUNTY, TEXAS**

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**RESTATED AND AMENDED
DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS**

FOR

STONE LAKE

A RESIDENTIAL SUBDIVISION IN HARRIS COUNTY, TEXAS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

KNOW ALL BY THESE PRESENTS THAT:

WHEREAS, UNIVERSITY DEVELOPMENT, INC., a Texas corporation (hereinafter referred to as the "Declarant"), and the other parties joining herein are the owners of all that certain real property located in Harris County, Texas, as more particularly described in **Section 1.01** hereof; and Declarant and said parties desire to create and carry out a general and uniform plan for the improvement, development, maintenance, use and continuation of a residential community on the property as set forth in **Article I** hereof for the mutual benefit of the successors in title to Declarant which property will be conveyed subject to the covenants, conditions, restrictions, liens, charges and easements as herein set forth.

NOW, THEREFORE, in order to carry out a uniform plan for the improvement, development, maintenance, sale and use of the properties within the Subdivision as herein defined, it is hereby declared that all of the properties within the Subdivision shall be held, sold and conveyed subject to the following covenants, conditions, restrictions, easements, charges and liens (sometimes herein collectively referred to as "covenants and restrictions"), all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said properties. These covenants and restrictions shall run with said real property and be binding upon all parties having or acquiring any right, title, or interest in said real property or any part thereof, their heirs, predecessors, successors and assigns, and shall inure to the benefit of each Owner thereof.

Article I

Property Subject to This Declaration; Repealer

SECTION 1.01 Property Subject to Declaration. The real property which, by the recording of this Declaration, will be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration is that certain real property located in Harris County, Texas, more particularly described as follows, to wit:

STONE LAKE, an addition in Harris County, Texas according to the map or plat thereof recorded under Clerk's Film Code No. 393146, Map Records of Harris County, Texas.

SECTION 1.02 Annexation of Other Property. Declarant may annex additional real property in to and make same a part of the "Subdivision" (as hereafter defined) by amendment of this Declaration as provided in **Article XI** without the joinder or consent of any Owner or other Person. Any other real property may be annexed only upon approval by Owners of an amendment of this Declaration evidencing the annexation in accordance with applicable provisions of **Section 12.02**.

SECTION 1.03 Notice, Effective Date and Effect of Annexation. Whenever any real property is annexed as provided in **Section 1.02**, the annexation must be evidenced by filing of, and is effective from the date of filing of, the amendment evidencing the annexation in the Official Public Records of Real Property of Harris County, Texas. From and after the date of filing of the amendment evidencing the annexation, the real property covered thereby will be included within the "Subdivision" (as hereafter defined), and thereafter is fully covered by and subject to all terms and provisions of this Declaration (as amended).

SECTION 1.04 Repealer. This Declaration shall replace that certain instrument entitled "Deed Restrictions - Stone Lake" heretofore filed under Clerk's File Number S943484, and recorded under Clerk's Film Code Number 517-79-1689, *et seq.*, Official Public Records of Real Property of Harris County, Texas (the "Initial Declaration") in its entirety except to the extent this Declaration may be determined to be invalid or inapplicable to the Subdivision, or any Building Site therein or any part thereof, or any right, title or interest therein in which case the Initial Declaration shall apply and to that extent the Initial Declaration is hereby ratified and confirmed and shall continue in full force and effect.

Article II Definitions

Unless the context otherwise prohibits and in addition to other defined terms set forth herein, the following words and substantive provisions regarding same when used in this Declaration shall apply, mean and refer to the following:

SECTION 2.01 "Architectural Control Committee" or "ACC" means the committee established pursuant to Article IV of this Declaration.

SECTION 2.02 "Architectural Guidelines" means the procedural, aesthetic, environmental and architectural policies and procedures from time to time adopted by the Architectural Control Committee in accordance with Article IV hereof, regardless of nomenclature or manner of designation, and may include Rules and Regulations.

SECTION 2.03 "Association" means STONE LAKE HOMEOWNERS' ASSOCIATION, INC., a Texas non-profit corporation, to be incorporated for the purposes contemplated by this Declaration, and its predecessors, successors (by merger, consolidation or otherwise) and assigns.

SECTION 2.04 "Board" or "Board of Directors" means the Board of Directors of the Association.

SECTION 2.05 "Building Site" means a building site described by metes and bounds description and/or by reference to a Plat upon which one single family residence is or may be constructed. The term "Building Site" includes the footprint of the land within which each single family residence is located, and appurtenant land, if any, as may be conveyed to the first Owner thereof by Declarant, but does not include the footprint of land within which any other single family residence is located or land appurtenant thereto as conveyed by Declarant as aforesaid. The term "Building Site" also does not include Community Properties, and does not include commercial or other reserves so designated by a Plat, if any.

SECTION 2.06 "Bylaws" means the Bylaws of the Association, as from time to time amended in accordance with applicable provisions of the Bylaws.

SECTION 2.07 "City" means the City of Houston, Texas, and any other governmental authority with jurisdiction as to the subject matter to which the term refers in the context in which the term is used.

SECTION 2.08 "Community Properties" means:

2.08.1 all common areas so designated herein or by a Plat intended for the common use of Owners, including Restricted Reserves "A" (recreation area), "B" (detention pond) and "C" (lift station) on the initial Plat of the Subdivision as set forth in **Section 1.01**, but excluding any commercial or other reserves or areas not specifically designated as common areas;

2.08.2 all mail box areas so designated by Declarant or the Board as permitted by **Section 9.04**, including entry, access and exit areas regarding same;

2.08.3 all Subdivision Facilities; and

2.08.4 all other properties, real or personal, conveyed to or dedicated to the use of, or otherwise acquired by the Association for the common use and enjoyment of, the Association, together with all improvements thereon and appurtenances thereto.

SECTION 2.09 "Declarant" means UNIVERSITY DEVELOPMENT, INC., a Texas corporation, and its successors and assigns if such successors or assigns:

2.09.1 acquire all of the then remaining undeveloped or developed but previously unoccupied or unsold Building Sites within the Subdivision from Declarant for purposes of development and resale; or

2.09.2 are expressly designated in writings by Declarant as a successor or assign of Declarant hereunder, in whole or in part.

SECTION 2.10 "Declaration" means this Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake, and any lawful amendments thereto.

SECTION 2.11 "Development Period" means the period of time beginning on the date of recordation of this Declaration in the Official Public Records of Real Property of Harris County, Texas and ending on the earlier occurrence of either of the following events:

2.11.1 five years after the date of recordation of this Declaration in the Official Public Records of Real Property of Harris County, Texas; or

2.11.2 upon recordation of Declarant's statement in the Official Public Records of Real Property of Harris County, Texas, that the Development Period has ended or has been terminated by Declarant; provided, Declarant's statement may limit termination of the Development Period to specific functions, rights or responsibilities or expressly reserve unto Declarant specific functions, rights or responsibilities, either of which shall then survive filing of the statement of termination until terminated by expiration of the period stated in **Section 2.11.1** or as may be provided in a subsequently filed statement or statements; and provided further, for purposes of **Section 3.04** regarding conversion of Class B membership to Class A membership, the Development Period shall not be deemed to have terminated until expiration of the period stated in **Section 2.11.1** unless Declarant expressly states otherwise in Declarant's filed statement as to termination.

SECTION 2.12 "Emergency" means (i) any condition which may or does cause an imminent risk of infestation by termites, rats or other vermin, and any other health, fire or safety hazard, (ii) any condition which may or does cause waste of water or water infiltration to another Building Site, Community Properties and any improvements located thereon, and (iii) any other thing, condition or exigent circumstances which may or does present an imminent risk of harm or damage to a Building Site, Community Properties or any improvements thereon or to any Owners or occupants thereof. The determination of the Board, the ACC or their Related Parties that an emergency exists is final.

SECTION 2.13 "Governing Documents" means all documents and applicable provisions thereof as set forth in this Declaration, the Bylaws and Articles of Incorporation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the ACC and Board, and any lawful amendments to any of the foregoing.

SECTION 2.14 "Lot" means any of the numbered lots shown on a Plat.

SECTION 2.15 "Member" means every Person who is an Owner and holds a membership in the Association. Every Member which is not a natural person must designate a representative of such entity who is a natural person as provided in **Section 3.03**.

SECTION 2.16 "Owner" means:

2.16.1 the owner according to the Official Public Records of Real Property of Harris County, Texas, whether one or more Persons, of the fee simple title to a Building Site, including any mortgagee or other lien holder who acquires such ownership through judicial or non-judicial foreclosure or proceedings in lieu thereof, but excluding any Person holding a lien or other encumbrance, easement, mineral interest or royalty interest burdening title or otherwise having an interest merely as security for the performance of an obligation; and

2.16.2 as to an executory contract for conveyance until fee simple legal title is conveyed of record to the purchaser and notwithstanding any provisions in the contract to the contrary (i) the seller if the contract or notice thereof is not filed of record in which case the purchaser will be deemed a lessee and not an Owner or Member for purposes of the Governing Documents, and (ii) the seller and the purchaser if the contract is filed of record in which case the seller and purchaser are deemed to be joint Owners ("filed of record" herein meaning filed in the Official Public Records of Real Property of Harris County, Texas).

SECTION 2.17 "Person" means any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust, or other entity.

SECTION 2.18 "Plat" means the initial map or plat of the Subdivision as described in **Section 1.01**, all maps or plats of properties made a part of the Subdivision as provided in **Article I**, if any, hereafter filed in the Map Records of Harris County, Texas, and all lawful modifications, amendments and/or replats of any of the foregoing.

SECTION 2.19 "Prevailing Community Standards" means those standards of aesthetics, environment, appearance, architectural design and style, maintenance, conduct and usage generally prevailing in the Subdivision as reasonably determined by the Board or ACC at any given pertinent time and from time to time, including as to each particular Regulated Modification and each other matter or circumstance considered as of the date of the evaluation (i) prevailing standards as to harmony and compatibility with surrounding aesthetics, appearance and patterns of maintenance, harmony and compatibility with surrounding buildings, structures and other improvements, and harmony and compatibility with surrounding grades, topography, finished ground elevations, locations, colors, finishes, styles, workmanship, type and quality of materials and designs, and (ii) compliance with this Declaration and other applicable Governing Documents, and with applicable governmental laws, ordinances and regulations.

SECTION 2.20 "Regulated Modification" means (without implication that any particular matter is permitted or prohibited by this Declaration and without limitation as to **Article IV** hereof) the commencement, placement, construction, reconstruction or erection of, or modification, alteration, or addition to, any building, structure, improvement, thing or device, and any usage thereof, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing in the Subdivision as of the date of establishment of the Regulated Modification, excluding any such matters or activities conducted by the Association as to Community Properties, but including by way of illustration and not of limitation:

2.20.1 any building, garage, porch, shed, greenhouse, bathhouse, coup or cage, covered or uncovered patio, swimming pool, clothes lines, radio or television antenna, satellite dish, microwave and similar systems, fence, wall or other screening device, curbing, paving, wall, trees, shrubbery and any other landscaping, fountains, statuary, lighting fixtures, signs or signboard, or any temporary or permanent living quarters (including any mobile home) or any other temporary or permanent modification or alteration;

2.20.2 any change to the interior of a residence, garage and any other permitted outbuilding which in the sole opinion of the ACC materially affects the exterior appearance thereof;

2.20.3 an excavation, fill, ditch, diversion, dam, drainage system or other thing or device which affects or alters the flow of surface or subsurface waters to, from, upon or across any Building Site or any other portion of the Subdivision, or which affects or alters the flow of any waters in any natural or artificial stream, wash or drainage channel to, from, upon, under or across any Building Site or any other portion of the Subdivision;

2.20.4 any change in the grade of any Building Site or any other portion of the Subdivision, and any similar disturbance to the surface of the land within the Subdivision;

2.20.5 any erosion control system or devices permitted or required as to any Building Site or any other portion of the Subdivision; and

2.20.6 any other building, structure, improvement, thing or device, and any activities related thereto and any usage thereof, as specified from time to time by applicable Architectural Guidelines, whether temporary or permanent, which may affect, modify or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing in the Subdivision.

SECTION 2.21 "Related Parties" means and applies as follows:

2.21.1 Owners and Tenants. Tenants of each Owner are Related Parties of that Owner, and with respect to each such Owner and each such tenant Related Parties of each include (i) their respective family and other household members (including in particular but without limitation all children and other dependents), (ii) their respective guests, invitees, servants, agents, representatives and employees, and (iii) all other Persons over which each has a right of control or under the circumstances could exercise or obtain a right of control.

2.21.2 Association, ACC and Declarant. Related Parties of the Association, ACC and Declarant include their respective officers, directors, partners, co-venturers, committee members, servants, agents, representatives and employees regarding all acts or omissions related to any of the foregoing representative capacities.

SECTION 2.22 "Rules and Regulations" means the policies and procedures from time to time adopted by the Board of Directors regulating the maintenance, operation, use or occupancy of the Subdivision, including the Building Sites and Community Properties, in accordance with **Article VII** hereof, regardless of nomenclature or manner of designation, and may include Architectural Guidelines.

SECTION 2.23 "Subdivision" means STONELAKE, a residential community located in Harris County, Texas as more particularly described in **Section 1.01** hereof, and any other real property subjected to this Declaration as herein provided from time to time.

SECTION 2.24 "Subdivision Facilities" means all facilities and services built, installed, maintained, operated or provided by the Association for the general benefit of the Subdivision, INCLUDING WITHOUT LIMITATION BUT WITHOUT ANY REPRESENTATION, WARRANTY OR IMPLICATION WHATSOEVER THAT ANY PARTICULAR FACILITIES OR SERVICES WILL BE BUILT, INSTALLED, MAINTAINED, OPERATED OR PROVIDED, AND SUBJECT TO THE RIGHT OF DECLARANT DURING THE DEVELOPMENT PERIOD, AND OF THE BOARD THEREAFTER, FROM TIME TO TIME AND AT ANY TIME TO ADD TO, MODIFY OR DISCONTINUE ANY PARTICULAR FACILITY OR SERVICE:

2.24.1 all water purchased by the Association as a common expense;

2.24.2 any sanitary sewer facilities, any drainage or storm water facilities, any water pipelines, water sprinkler systems, water meters and related water lines and facilities and any other common or shared facilities, utilities or services constructed, owned, maintained or provided by the Association and specifically designated by Declarant or the Board to constitute a common facility, utility or service, excluding any such facility, utility or service which exclusively service each Building Site which must be maintained by the Owner of each Building Site as provided in **Section 6.02** or which are maintained by any governmental entity or utility company;

2.24.3 all Subdivision entry and other identification monuments and all perimeter fencing enclosing the Subdivision as originally constructed;

2.24.4 any patrol or security access limiting type services, structures or devices specifically obtained and maintained by the Association for such purposes, including without limitation any controlled access gates, guardhouses and related structures or devices;

2.24.5 all mail box areas so designated by Declarant or the Board as permitted by Section 9.06 of this Declaration;

2.24.6 any garbage or recycling collection, cable television, utilities or other services provided by or through the Association, and any structures or devices related thereto; and

2.24.7 any other facilities or services as from time to time so designated by Declarant or the Board.

Article III

Stone Lake Homeowners' Association, Inc.

SECTION 3.01 Organization. Stone Lake Homeowners' Association, Inc. (the "Association") has heretofore been organized and formed as a non-profit corporation under the laws of the State of Texas. The Association has full power, authority and standing to enforce all provisions of the Governing Documents. The principal purposes of the Association are the collection, expenditure and management of the funds and financial affairs of the Association, enforcement of all provisions of the Governing Documents, providing for maintenance, preservation and architectural control within the Subdivision, the providing of such Subdivision Facilities as herein permitted or required, and all other acts and undertakings reasonably incident to any of the foregoing or in

furtherance thereof as determined in the sole good faith opinions of the Board of Directors or Members.

SECTION 3.02 Board of Directors. The Association acts through a Board of Directors which manages the affairs of the Association as specified in this Declaration, the Bylaws and other applicable Governing Documents. Unless otherwise expressly required by law or other applicable provision of the Governing Documents, the Board of Directors shall exercise and have all rights, powers, authority and responsibilities of the Association. The Board is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the decisions of the Board as to any of the foregoing are final and conclusive.

SECTION 3.03 Membership.

3.03.1 Owners as Members. Every Person who is the owner of a fee simple title or undivided fee simple title interest applicable to any Building Site that is subject to this Declaration is a member of the Association. The Association is entitled to rely on the Official Public Records of Real Property of Harris County, Texas in determining such ownership, and may require submission to the Board of appropriate certified copies of such records as a condition precedent to recognition of ownership. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Building Site. Memberships shall be appurtenant to and may not be separated from ownership of any Building Site, and shall automatically pass with the title to the Building Site.

3.03.2 When Member Required to Designate Representative; Effect. Each Member which is not a natural person is required to designate one natural person to act on such Member's behalf in accordance with applicable provisions of the Bylaws and as otherwise determined in the sole opinion of the Board. A designation as aforesaid fully authorizes the designated representative to bind the designating party as to all matters. Any such representative may serve as a Director in accordance with the Bylaws.

SECTION 3.04 Voting Rights of Members.

3.04.1 Development Period. During the Development Period there will be two (2) classes of membership entitled to voting rights in the Association which are as follows:

(a) Class A: All Members of the Association other than the Declarant are Class A Members. DURING THE DEVELOPMENT PERIOD, CLASS A MEMBERS HAVE NO VOTING RIGHTS WHATSOEVER.

(b) Class B: Class B Members are Declarant. DURING THE DEVELOPMENT PERIOD DECLARANT SHALL HAVE ONE VOTE FOR EACH BUILDING SITE OWNED.

3.04.2 Post-Development Period. Upon termination of the Development Period, any remaining Class B membership will automatically convert to Class A membership. Thereafter there will be only one class of voting membership, and the Owner, whether one or more, of each Building Site will be entitled to one vote on each matter coming before the membership.

3.04.3 Multiple Owners. When more than one Person holds an ownership interest in a Building Site, all such Persons are Members, but in no event will they be entitled to more than one vote with respect to each particular Building Site owned. The single vote, approve, or consent of such joint Owners must be cast or given in accordance with the decision of a majority, or if such joint Owners cannot reach a majority decision, then none of the joint Owners will be permitted to vote, approve, or consent as to any such matter upon which a majority decision cannot be reached. The vote, approval or consent of any single Owner from among such joint Owners is conclusively presumed to be cast or given in accordance with the decision of the majority of the joint Owners and with their full authority.

3.04.4 Cumulative Voting Prohibited. Cumulative voting is prohibited as to any matter placed before the membership for a vote, including election of Directors.

3.04.5 Suspension of Voting Rights. Voting rights of any Member may or will be suspended for breach of the Governing Documents as provided herein or in the Bylaws or Articles of Incorporation, including without limitation, suspension as provided in **Section 5.08.1**.

SECTION 3.05 Inspection by Members of Books and Records. Subject to exclusions, protection of privileged and confidential communication and rules for inspection as set forth in the Bylaws, every Member of the Association, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose, at the expense of the Member.

SECTION 3.06 Limitation of Liability; Indemnification.

3.06.1 General. Except for intentional and willful misconduct, knowing violation of the law, or as otherwise required by the Texas Non-Profit Corporation Act (including Article 1396-2.22A thereof, as amended), no officer or Director of the Association is liable to the Association or its Members, and the Association and its Related Parties are not liable to any Member, for monetary damages or otherwise for: (i) any act or omission of an officer or Director within their official capacity; or (ii) any act or omission by or on behalf of the Association within the scope of its purposes. The Association shall indemnify and keep indemnified, and hold harmless, any current or former officer or Director to the fullest extent necessary to accomplishment of the foregoing and to the fullest extent otherwise allowed by law, and hold any such officer or Director harmless from and against all claims, demands, suits, judgements, court costs, attorney's fees attachments and all other legal action as contemplated thereby. All provisions of this **Section 3.06** also apply to all Association Committees and members thereof (current or former), including the Architectural Control Committee.

3.06.2 Security Services. The Association may from time to time engage in activities or provide Subdivision Facilities, including activities, devices or services intended to or which may have the effect of enhancing safety or security, including activities, devices or services limiting or controlling Subdivision access, or providing of patrol services or otherwise monitor activities within the Subdivision (including Community Properties), and may from time to time provide information through newsletters or otherwise regarding same (all such matters and all activities, services or devices of a similar nature or incident thereto herein referred to as, "*Security Services*"). Without limitation of **Section 3.06.1**, each Owner and their tenants covenant and agree with respect to any and all Security Services provided directly or indirectly by the Association as follows:

(a) SECURITY IS THE SOLE RESPONSIBILITY OF LOCAL LAW ENFORCEMENT AGENCIES AND INDIVIDUAL OWNERS AND THEIR TENANTS, AND THEIR RESPECTIVE RELATED PARTIES. Security Services may be provided at the sole discretion of the Board of Directors. The providing of any Security Services at any time will in no way prevent the Board from thereafter discontinuing, or from temporarily or permanently modifying, terminating or removing, any Security Services, in whole or in part.

(b) Any third party providers of Security Services are independent contractors, the acts or omissions of which are not imputable to the Association or its Related Parties.

(c) Providing of any Security Services may never be construed as (i) an undertaking by the Association or its Related Parties to provide personal security as to any Owner, tenant or their Related Parties, or as to any other Person, or (ii) a representation or undertaking that any Security Services will be continued, or (iii) a representation, guarantee or warranty that the presence of any Security Service will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause. WITHOUT LIMITATION OF THE FOREGOING, DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES SHALL NOT HAVE ANY DUTY WHATSOEVER TO WARN, ADVISE OR INFORM ANY OWNER, TENANT OR THEIR RELATED PARTIES AS TO CRIMINAL CONDUCT OF ANY KIND OR AS TO ANY OTHER MATTERS REGARDING OR RELATING TO SECURITY SERVICES, PAST OR PRESENT.

(d) Declarant, the Association and their Related Parties are not liable for, and each Owner, their tenants, and their respective Related Parties, must indemnify, keep indemnified and hold Declarant, the Association and their Related Parties harmless at all times from, any injury, loss or damages whatsoever, including without limitation any injury or damages caused by theft, burglary, trespass, assault, vandalism or any other crime, to any Person or property arising, directly or indirectly, from the providing or failure to provide any Security Services, or the discontinuation, modification, disruption, defect, malfunction, operation, repair, replacement or use of any Security Services.

(e) DECLARANT, THE ASSOCIATION AND THEIR RELATED PARTIES, HAVE NO DUTY, OBLIGATION OR RESPONSIBILITY OF ANY KIND WHATSOEVER TO WARN, ADVISE OR IN ANY OTHER MANNER INFORM ANY OWNERS, TENANTS, OR THEIR RELATED PARTIES, OR ANY OTHER RESIDENTS OR OCCUPANTS OF ANY BUILDING SITE OR COMMUNITY PROPERTIES, OR ANY LAW

ENFORCEMENT AGENCY, OR ANY OTHER PERSON AS TO ANY ALLEGED, SUSPECTED OR KNOWN CRIMINAL ACTIVITIES OF ANY KIND, CRIMINAL HISTORY OR BACKGROUND OF ANY PERSON, OR CRIMINAL INVESTIGATIONS BY LAW ENFORCEMENT AGENCIES OR BY ANY OTHER PERSON (ALL SUCH MATTERS, ACTIVITIES AND INVESTIGATIONS HEREIN REFERRED TO AS "CRIMINAL MATTERS"), regardless of whether the Criminal Matters involve the Subdivision, other areas in the vicinity or any other place or lands. The Association may (but has no obligation to) from time to time disclose and/or transmit information concerning Criminal Matters to Owners, tenants, and any other occupants of Building Sites and/or any Community Properties, to any law enforcement agencies, and to any other Person which the Association's officers, directors, agents, employees and other Related Parties in their sole discretion deem advisable. Each Owner and tenant by acceptance of any right, title or interest in any Building Site, and every Owner, tenant and occupant of a Building Site or any Community Properties by virtue of such occupancy, hereby consents, on their behalf and on behalf of their respective Related Parties, and on behalf of all other Persons coming upon a Building Site or any Community Properties at their invitation, or with their consent or permission, to any such disclosure and/or transmittal of information. Any such disclosure and/or transmittal of information shall in no way be deemed an undertaking to do so in the future, either as to the Criminal Matters then involved or as to any other current or future Criminal Matters. All other provisions of this Section apply to any disclosure and/or transmittal of information, and to any failure to disclose and/or transmit information, concerning Criminal Matters, including in particular but without limitation, the provisions of **Section 3.06.2(d)** regarding the indemnity obligations of Owners, their tenants and their respective Related Parties.

3.06.3 Liability Arising From Conduct of Owners. Each Owner, their tenants, and their respective Related parties must indemnify and keep indemnified, and hold harmless, Declarant, the Association, and their its Related Parties from and against all claims, damages, suits, judgments, court costs, attorney's fees, attachments and all other legal actions caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or their respective Related Parties.

3.06.4 Subsequent Statutory Authority. If the Texas Non-Profit Corporation Act, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code or any other applicable statute, state or federal, is construed or amended to further eliminate or limit liability or authorizing further indemnification than as permitted or required by this **Section 3.06**, then liability will be eliminated or limited and right to indemnification will be expanded to the fullest extent permitted by such construction or amendment.

3.06.5 No Impairment. Any repeal, amendment or modification of this **Section 3.06** may not adversely affect any rights or protection existing at the time of the amendment.

Article IV

Architectural Control Committee

SECTION 4.01 Organization; Compensation.

4.01.1 General. There is hereby established an Architectural Control Committee (herein sometimes referred to as the "ACC"). The ACC must be composed of either: (i) all members

of the Board of Directors; or (ii) an executive committee appointed by the Board of Directors formed and designated as the ACC by resolution adopted by the Board of Directors. The ACC may from time to time designate any one of its members to act in its stead.

4.01.2 ACC Executive Committee. If an executive committee is appointed by the Board of Directors to act as the ACC, then the provisions of this Section apply. Such executive committee must be composed of three or five persons. A majority of such persons must at all times also be Directors, but the remaining persons need not be Directors or Members. All such persons will serve at the discretion of the Board, and all of its decisions are subject to review and modification by the Board except as herein otherwise expressly provided. In the event of the death or resignation of any person serving on the ACC, the Board of Directors shall designate a successor or successors who will have all of the authority and power of his or their predecessor(s). Until such successor has been appointed, the remaining member or members have full authority to exercise all rights, duties and powers of the ACC.

4.01.3 Compensation. No person serving on the ACC is entitled to compensation for services performed; provided, the ACC may employ one or more architects, engineers, attorneys or other consultants, as approved by the Board of Directors, to assist the ACC in carrying out its duties, and the Association shall pay such consultants for services rendered to the ACC. Members of the ACC may also be reimbursed for reasonable expenses in such manner and amounts as may be approved by the Board of Directors.

SECTION 4.02 Function and Powers.

4.02.1 Submission of Plans Required. No Regulated Modification may be commenced, constructed, erected, placed, maintained or made upon any Building Site or within any part of the Subdivision unless and until complete plans and specifications have been submitted to and approved in writing by the ACC as to compliance with applicable Architectural Review Criteria as set forth in **Section 4.03**. Two complete sets of plans and specifications must be submitted with each request for approval. Any plans and specifications to be submitted must specify, in such detail and form as the ACC may reasonably require:

- (a) the location upon the Building Site or within the Subdivision where the Regulated Modification will occur or be placed;
- (b) the dimensions, nature, kind, shape, height, and color scheme of and all materials to be used in connection with the Regulated Modification;
- (c) appropriate information concerning structural, mechanical, electrical, plumbing, grading, paving, decking and landscaping details;
- (d) intended uses; and

(e) such other information, plans or specifications as may from time to time be required by applicable Architectural Guidelines, or in specific instances as may be requested or required by the ACC, which in the sole opinion of the ACC is reasonably necessary to fairly and fully evaluate all aspects of the proposed Regulated Modification.

4.02.2 Architectural Guidelines. The ACC may, from time to time, adopt, modify and delete such reasonable Architectural Guidelines applicable to the Subdivision, including Building Sites and Community Properties, as it deems appropriate to maintain or reasonably enhance Prevailing Community Standards of the Subdivision at the time of adoption. No prior notice of any kind to any Owner or any other Person need be given as to adoption or amendment of Architectural Guidelines. The ACC shall provide applicable Architectural Guidelines to Owners upon request. Architectural Guidelines shall be of equal dignity with, and shall be enforceable in the same manner as, the provisions of this Declaration, provided: (a) such Architectural Guidelines shall not be deemed a waiver, modification, or repeal of any of the provisions of this Declaration; and (b) such Architectural Guidelines shall not be enacted retroactively except that all repairs, modifications or maintenance performed subsequent to adoption shall be performed in such manner as to bring the Regulated Modification, so far as practicable, in compliance with all then applicable Architectural Guidelines.

4.02.3 Variances. The Board, by vote of two-thirds (2/3rds) of all members of the Board, may grant specific variances to Architectural Guidelines and to the architectural and use restrictions set forth in **Articles VII and VIII** of this Declaration as herein provided. A variance may be granted only with respect to specific instances upon written request therefor, is not binding with respect to any other request for a variance whether or not similar in nature, and does not constitute a waiver, modification or repeal of any of the provisions of this Declaration or other Governing Documents except for the limited purpose of and to the extent of the specific variance expressly granted. A variance may be granted only upon specific findings that the variance is necessary due to unusual circumstances which are reasonably beyond the control of the applicant to mitigate or rectify, and that the granting of a specific variance will not materially and adversely affect the architectural, aesthetic or environmental integrity of the Subdivision or the scheme of development therein. The good faith determination of the ACC that the conditions for granting of a variance have or have not been met are final.

SECTION 4.03 Architectural Review Criteria. The ACC will evaluate all submitted applications for ACC approval on the individual merits of the particular application, and based on evaluation of the compatibility of the proposed Regulated Modification with Prevailing Community Standards as of the date of submission of an application. The ACC must also use reasonable efforts to achieve consistency in the approval or disapproval of specific types of Regulated Modifications. To this end, consideration will be given to (but the ACC is not bound by) similar applications for architectural approval and the decisions and actions of the ACC with regard thereto.

SECTION 4.04 Submission and Response; Failure of ACC to Act; ACC Decisions.

4.04.1 Submission and Response. Applications for ACC approval and requests for variances are deemed submitted to the ACC only upon actual receipt. Lessees shall file applications or requests for variance in the name of their lessors, and shall also join therein. Where more than one Owner applies for approval or a variance, the delivery or mailing of a response to any one of the

Owners as aforesaid constitutes notice to all such Owners. All responses of the ACC are deemed given when delivered to the applicant or when deposited in the United States mail, with postage pre-paid and properly addressed to the applicant. If the ACC fails to respond within thirty days after receipt of a proper application, then no further compliance with this Article is required regarding the applicable application. If the ACC fails to respond to a request for variance within thirty days after receipt, then the request is automatically denied.

4.04.2 ACC Decisions. The ACC may fully approve any request for approval made pursuant to this **Article IV**, or the ACC may approve any such request subject to compliance with conditions stated in a conditional approval. A conditional approval is effective only upon full compliance with the stated condition(s). The ACC may disapprove any request for approval for any of the following reasons: (i) failure to comply with any applicable Architectural Review Criteria as set forth in **Section 4.03**; (ii) lack of sufficient information, plans or specifications as reasonably determined by the ACC to enable the ACC to fairly and fully evaluate the proposed Regulated Modification or the uses thereof; or (iii) failure to include any information, plans or specifications required by applicable Governing Documents, or as may be reasonably requested by the ACC. The ACC shall notify the applicant of its decisions in writing. Except for compliance with this Article, no action or omission of the ACC shall otherwise constitute a waiver as to any other provisions of this Declaration or preclude by estoppel or otherwise full enforcement thereof.

SECTION 4.05 Compliance With Laws and Governing Documents. Each applicant is solely responsible for insuring that, and nothing in the Governing Documents or any written decision of the ACC shall be construed as a covenant, representation, guaranty or warranty that, any proposed Regulated Modification will be in compliance with applicable governmental laws, ordinances or regulations (including building codes or permit or licensing requirements), or with applicable requirements of the Governing Documents.

SECTION 4.06 Inspection Rights. Upon reasonable notice (oral or written), any member of the ACC or the Board of Directors or their designated representatives may enter upon a Building Site without liability for trespass or otherwise for purposes of confirming compliance with any applicable provisions of the Governing Documents regarding a proposed Regulated Modification, the work in progress, and the completed Regulated Modification. Except for gross negligence, willful misconduct or knowing violation of the law, the Owner of any Building Site so inspected by the ACC is not liable for any personal injuries, death or property damage of or to any person or entity performing such inspection.

SECTION 4.07 Records of Architectural Control Committee. The ACC is not required to maintain records of any of its meetings. The ACC must keep and maintain records evidencing the final decision(s) of the ACC regarding all requests for approval and requests for variance for not less than four years. The ACC must also maintain a record of all current Architectural Guidelines, and must provide copies to Owners upon written request and at the Owner's expense.

SECTION 4.08 Liability of Architectural Control Committee. Except as provided in **Section 3.06**, neither the Association nor the ACC, nor their respective Related Parties are liable to any Owner, the Owner's tenants, the Related Parties of either, or to any other Person for any actions or failure to act or in connection with any approval, conditional approval or disapproval of any,

application for approval or request for variance, including without limitation, mistakes in judgement, negligence, malfeasance, or nonfeasance. No approval or conditional approval of an application or related plans or specifications and no publication of Architectural Guidelines may ever be construed as representing or implying that, or as a covenant, representation, warranty or guaranty that, if followed, the Regulated Modification will comply with applicable legal requirements, or as to any matters relating to the health, safety, workmanship or suitability for any purpose of the Regulated Modification. The provisions hereof are cumulative of the provisions of **Section 3.06**.

Article V
Maintenance Fund

SECTION 5.01 Obligation for Payments to Maintenance Fund.

5.01.1 Establishment of Maintenance Fund. There is hereby established a Maintenance Fund in to which will be paid all assessments as provided for herein. The Board is responsible for the collection, management, control and expenditure of the Maintenance Fund which must be deposited in accounts specifically designated for the Association as from time to time designated by the Board.

5.01.2 Types and Obligation for Payment of Assessments. Each Owner of a Building Site, by acquisition of any rights, title or interest therein or acceptance of an executory contract of conveyance, or a deed or other instrument of conveyance therefore, whether or not so expressed therein, covenants and agrees to pay to the Association regular or annual assessments, special assessments and specific assessments, all as herein set forth.

5.01.3 Purpose of Maintenance Fund. The Maintenance Fund must be used exclusively for the purpose of promoting the recreation, welfare, common benefit and enjoyment of the Owners and occupants of the Subdivision, including the maintenance of all Community Properties (including any maintenance required by the City or other governmental entity), the discharge of all obligations of the Association pursuant to this Declaration and other Governing Documents, and the doing of any other thing necessary or desirable in the opinion of the Board for accomplishment of any of the foregoing, including the establishment and maintenance of reserves for repairs, maintenance, taxes, insurance, and other charges, and the expenditure of funds for the benefit of other properties within the vicinity of the Subdivision if in the judgement of the Board the Subdivision will benefit thereby. The judgement of the Board in establishing any assessments and in the collection, management and expenditure of the Maintenance Fund is final and conclusive.

5.01.4 Personal Obligation; Transferees. In addition to the assessment lien herein established, each assessment is the personal obligation of each Owner of the Building Site charged therewith at the time liability for the assessment accrued notwithstanding any subsequent transfer of ownership. Except as provided in **Sections 5.01.5 and 5.07.3**, each Owner's transferee, whether by purchase, gift, devise or otherwise, and whether voluntary or by operation of law, is also jointly and severally liable for payment of all unpaid assessments owed to the Association at the time of transfer without prejudice to the rights of the transferee to recover from the transferor the amounts paid by said transferee.

5.01.5 Statement of Assessments. Any transferee (or prospective transferee upon presentment of an executed earnest money contract or other writing satisfactory to the Board) shall be entitled to a statement from the Association setting forth all assessments due as of the date of the written request. The request must be in writing, must be addressed to the Association and must be delivered by registered or certified mail, return receipt requested, or by personal delivery with receipt acknowledged in writing. The Board may set a reasonable charge for providing a statement of indebtedness, the payment of which is a condition precedent to the Association's obligation to provide same. Except for fraud or misrepresentation, if the Association fails to respond to a proper written request for a statement of indebtedness within ten business days after receipt of the request by the Association, and upon submission of a properly executed registered or certified mail return receipt or delivery receipt evidencing receipt of the request by the Association, upon transfer the transferee is not liable for, nor shall the Building Site transferred be subject to a lien for, any unpaid assessments against the Building Site accruing prior to the date of the written request.

SECTION 5.02 Administration of Maintenance Fund.

5.02.1 Assessment and Payment of Regular Assessments. Regular assessments are assessed on a monthly basis. EXCEPT AS OTHERWISE DETERMINED BY THE BOARD, REGULAR ASSESSMENTS ARE DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON OR BEFORE THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR. The Board may elect to collect regular assessments on a semi-annual, quarterly or monthly basis in which case such assessments shall be due and payable, in advance, on or before the first day of the applicable period.

5.02.2 Uniform Rates for Regular and Special Assessments. Except as provided in **Section 5.02.3**, regular and special assessments on all Building Sites must be fixed at a uniform rate, and must be determined on a per Building Site basis.

5.02.3 Declarant Rates. Until the first day of the month following expiration or termination of the Development Period, Declarant is obligated to pay assessments only as provided in **Section 11.08**. Thereafter Declarant will pay regular and special assessments at the rate of one-half of the full rate of assessment otherwise applicable as to any Building Site then owned or thereafter owned by Declarant.

5.02.4 Application of Payments. All payments made by or on behalf of an Owner for assessments (regular, special or specific) are deemed made upon the date of receipt of the payment by the Association or its designated representative. All payments received, including payments received in consequence of judicial or non-judicial foreclosure, will be applied (i) first to payment of all specific assessments owed to the Association with application to be made in inverse order of the specific assessments listed in **Section 5.06.1**, (ii) then to payment of all special assessments; and (iii) finally to payment of all regular assessments. Application within each category shall be on a first in, first out basis.

SECTION 5.03 Base Rate and Subsequent Computation of Regular Assessments.

5.03.1 Initial Base Rate of Regular Assessments. The full initial base rate of the regular assessment for 1999 per Building Site (and continuing during 1999 and thereafter unless

modified as herein provided) is THREE HUNDRED NINETY-NINE AND NO/100 DOLLARS (\$399.00) per Building Site per year, assessed at the rate of THIRTY-THREE AND 25/100 DOLLARS (\$33.25) per Building Site per month. UNLESS AND UNTIL OTHERWISE DETERMINED AS HEREIN PROVIDED, REGULAR ASSESSMENTS ARE DUE AND PAYABLE ANNUALLY, IN ADVANCE, ON THE FIRST DAY OF JANUARY OF EACH CALENDAR YEAR.

5.03.2 Subsequent Computation of Regular Assessments. The annual rate of regular assessment per Building Site as specified by **Section 5.03.1** may be adjusted from time to time as follows:

(a) The Board shall adopt a budget at least annually to determine sums necessary and adequate to provide for the expenses of the Association for the succeeding twelve month period (including funding of capital, contingency and other reserves). The Board shall set the annual rate of regular assessments based on the budget, and determine whether same will be payable annually, semi-annually, quarterly or monthly. At least thirty days written notice of such determinations must be given to Owners of all Building Sites if any change is made as to the due dates or amount of the annual rate of regular assessment. **THE FOREGOING NOTICE REQUIREMENT DOES NOT APPLY DURING ALL PERIODS OF TIME DURING WHICH A DELINQUENT ASSESSMENT ACCOUNT HAS BEEN TURNED OVER TO AN ATTORNEY FOR PROCEEDINGS TO COLLECT SAME.**

(b) Any change in the amount of the annual rate of regular assessment may be disapproved at a special meeting of the Members to be called upon the written and signed petition of the Owners of not less than one-third of the Building Sites then contained in the Subdivision and the vote to disapprove of the Owners of at least two-thirds of the Building Sites then contained in the Subdivision voting in person or by proxy at the special meeting. The petition to disapprove must be submitted to the Association not later than the thirtieth day after the date of the notice to Owners given as required by **Section 5.03.2(a)**. If a petition to disapprove is properly submitted, the Board shall call and conduct the special meeting within sixty days after the date of the notice. Notice of the results of the special meeting must be given to Owners of all Building Sites not later than the thirtieth day after the date of the special meeting. **NOTWITHSTANDING FILING OF A PETITION TO DISAPPROVE AS AFORESAID, ALL OWNERS MUST NONETHELESS PAY ASSESSMENTS IN ACCORDANCE WITH THE NOTICE GIVEN UNDER SECTION 5.03.2(a).**

(c) A petition to disapprove fails if either the Owners of two-thirds of the Building Sites then contained in the Subdivision do not approve the petition or a quorum is not obtained at the applicable special meeting in person or by proxy. If a petition to disapprove is approved, the amount of the annual rate of regular assessment in effect immediately prior to giving of the notice required by **Section 5.03.2(a)** will continue in effect; and in such event the notice of results of the special meeting must either refund or charge to Owners, without interest, in accordance with the change in the amount of the annual rate of regular assessment disapproved by Owners. Any such charge is due and payable not later than the thirtieth day after the date of the notice setting forth same.

SECTION 5.04 No Waiver or Release. Notwithstanding anything to the contrary herein, the omission or failure for any reason of the Board to determine an annual rate of regular assessment or to mail or deliver a notice of an annual rate of regular assessment or due date for payment thereof does not constitute a waiver, modification or release of an Owner's obligation to pay assessments as otherwise herein provided. Once established, an annual rate of regular assessment and the due date or dates for payment thereof continues in effect from year to year, and the Owners are obligated to pay such regular assessments accordingly unless and until a new annual rate of regular assessment is established as herein provided.

SECTION 5.05 Special Assessments. In addition to the other assessments authorized herein and in addition to the special assessment authorized by **Section 6.01.3**, the Board may levy special assessments at any time during each fiscal year for purposes of defraying, in whole or in part, any expenses not anticipated by the budget then in effect, or to replace part or all of any contingency, capital or other reserve fund. SO LONG AS THE TOTAL AMOUNT OF SPECIAL ASSESSMENTS ALLOCABLE TO EACH BUILDING SITE DOES NOT EXCEED FIVE HUNDRED DOLLARS (\$500.00) IN ANY ONE FISCAL YEAR, THE BOARD MAY IMPOSE THE SPECIAL ASSESSMENT WITHOUT VOTE OR APPROVAL OF ANY OWNER; PROVIDED, AT LEAST SIXTY DAYS WRITTEN NOTICE MUST BE GIVEN TO ALL OWNERS OF ANY SUCH SPECIAL ASSESSMENT, AND THE OWNERS MAY DISAPPROVE SAME IN THE MANNER PROVIDED IN SECTION 5.03.2 FOR DISAPPROVAL OF A CHANGE IN THE ANNUAL RATE OF REGULAR ASSESSMENT. Special assessments allocable to each Building Site exceeding the foregoing limitation will be effective only if approved by the Owners of a majority of the Building Sites then contained within the Subdivision. Special assessments are payable as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

SECTION 5.06 Specific Assessments.

5.06.1 Types. Specific assessments must be assessed against individual Building Sites and the Owner(s) thereafter at the time liability for same accrues as follows:

(a) Interest. Interest compounded monthly from the due date at the rate of the lesser of eighteen percent (18%) per annum or the maximum legal rate will be charged on all delinquent assessments, regular, special or specific, which are not paid in full within thirty days after the due date.

(b) Late Charges. A late charge in the amount of TWENTY-FIVE DOLLARS (\$25.00), or such other reasonable amount as from time to time determined by the Board, is hereby imposed as to any regular, special or specific assessment which is not paid in full within thirty days after payment of same is due.

(c) Compliance Costs. All expenses reasonably attributable to or incurred by reason of a breach or violation of or to obtain compliance with any provisions of this Declaration or other Governing Documents must be assessed against the Owner who occasioned the incurrence of such expenses, including reasonable attorney's fees whether incurred prior to, during the pendency of or after successful completion of any actions in a court of competent jurisdiction.

(d) Foreclosure of Assessment Lien. In the event of foreclosure of the Association's assessment lien as herein provided, the Owner is required to pay to the Association a reasonable rental as determined by the Board for the use of the Building Site and improvements thereon during the period of foreclosure, and the Board at its election is entitled to a receiver to collect same. The "period of foreclosure" commences on the date of posting for foreclosure in the event of non-judicial foreclosure, or on the date of entry of judgment granting foreclosure in the event of judicial foreclosure. The "period of foreclosure" continues through the first day of the month following the date of acquisition of actual possession by the purchaser at the foreclosure sale.

(e) Other Obligations. All other monetary obligations established by or pursuant to this Declaration or other Governing Documents which are intended to apply to one or several but not all Building Sites must be assessed against the applicable Owner(s). Such charges may include without limitation reasonable charges for providing a statement of assessments or indebtedness, charges for processing of applications for architectural approval, and any other charges otherwise permitted or authorized by law, including without limitation as permitted or authorized by Chapter 204 of the Texas Property Code.

5.06.2 Payment; Waiver. Specific assessments are due and payable immediately upon the occurrence of the event giving rise to liability for payment of same. Failure of the Association to impose or collect any specific assessment is not grounds for any action against the Association, or any Director, officer, agent or employee thereof, and does not constitute a waiver of the Association's right to exercise its authority to collect any specific assessments in the future. For good cause shown as determined in the sole opinion of the Board, the Board may waive, wholly or partially, imposition of any specific assessment; provided, any such waiver is conditioned upon payment in full of all remaining monetary obligations then owed to the Association or receipt of written commitment that same will be paid within a specified period of time.

SECTION 5.07 Lien for Assessments.

5.07.1 Establishment of Lien. All sums assessed against any Building Site pursuant to this Declaration, whether by regular, special or specific assessment as provided herein, are secured by a continuing lien on such Building Site in favor of the Association.

5.07.2 Perfection of Lien. The recordation of this Declaration constitutes record notice and perfection of the Association's continuing lien, effective from the date of recordation of this Declaration. No further recordation of a claim of lien or other notice of any type or kind whatsoever is required to establish or perfect such lien. To further evidence such lien, the Association may, but is not required to, prepare and file in the Official Public Records of Real Property of Harris County, Texas, written notice of default in payment of assessments in such form as the Board may direct.

5.07.3 Priority of Lien. The Association's continuing lien is superior to all other liens or encumbrances on each Building Site except:

(a) a lien for real property taxes and other governmental assessments or charges on a Building Site (a "Tax Lien") to the extent so required by law but not otherwise (it being the intent hereof that the Association's continuing lien is superior to any Tax Lien if permitted by law, including Section 32.05 of the Texas Tax Code);

(b) a lien securing payment of purchase money for a Building Site or work and materials used in constructing improvements on a Building Site (a "First Lien"), (i) as to and only as to assessments (regular, special or specific) the obligation for payment of which accrues from or after the applicable First Lien is duly recorded in the Official Public Records of Real Property of Harris County, Texas, and (ii) as to and only to the extent of unpaid sums secured by such First Lien;

(c) an extension of credit (commonly known as a home equity loan) made in accordance with and pursuant to Section 50(a)(6), Article XVI, of the Texas Constitution, as amended;

(d) a reverse mortgage made in accordance with and pursuant to Section 50(a)(7), Article XVI, of the Texas Constitution, as amended; and

(e) such other mortgages, deeds of trust, liens or other encumbrances to which the Board may from time to time by written agreement specifically and expressly agree, subject to such terms and conditions as set forth in the applicable written agreement.

5.07.4 Other Liens. Except as provided in **Section 5.07.3** or as otherwise expressly provided herein, all other Persons acquiring liens or encumbrances on any Building Site are deemed to consent that such liens or encumbrances are inferior to the Association's lien for assessments, as provided herein, whether or not consent is specifically set forth in, and notwithstanding any contrary provisions in, any instruments creating such liens or encumbrances.

SECTION 5.08 Effect of Nonpayment of Assessments.

5.08.1 Delinquency Date. Any assessments which are not paid by the due date are delinquent as of midnight of the due date.

5.08.2 Automatic Remedies. Except to the extent otherwise expressly agreed in writing by the Board, if any assessments are not paid by the due date, then:

(a) late charges, interest from the due date, and all compliance costs (including reasonable attorney's fees), all as set forth in **Section 5.06**, shall be added to and included in the amount of such assessment; and

(b) all voting rights of the Owner and all rights to use of all recreational facilities by the Owner, their tenants and their respective Related Parties will be automatically suspended until all assessments (including all specific assessments) are paid in full.

5.08.3 Elective Remedies After Notice. If any assessments are not paid within thirty days after the due date, then the Association may elect to exercise any or all of the following remedies without prejudice to any other rights or remedies, provided that notice and opportunity to be heard is first given:

(a) Acceleration of Assessments. The Association may accelerate, through the end of the year in which notice of default is given and for an additional twelve month period thereafter, all regular assessments, and any installments for special or specific assessments due or to become due during said period.

(b) Suspension of Services. In addition to automatic suspension of rights to use of recreational facilities as above provided, the Association may suspend until all assessments (including utility specific assessments and accelerated assessments, if any) are paid in full all other rights of the delinquent Owner, the Owner's tenants, and the Related Parties of either, to the usage of any and all other Community Properties and/or Subdivision Facilities.

(c) Impoundment of Rents. The Association may impound all rental income of the defaulting Owner as to the Building Site as to which assessments are delinquent. In the event of impoundment of rents, the affected Owner's tenant must pay all rentals coming due after notice is given of the impoundment to the tenant until otherwise notified in writing by the Association. In the event of impoundment of rents the Association will continue to collect the rents and apply same to payment of assessments until all delinquent assessments (regular, utility, special or specific, and including accelerated assessments, if any) are paid in full. After the Association is paid in full it will notify the affected Owner and their tenant of such payment in full and at such time remit any surplus in collected rents to the affected Owner, without interest.

5.08.4 Action for Debt: Foreclosure.

(a) Each Owner, by acquisition of any Building Site within the Subdivision or any right, title or interest therein, expressly grants to and vests in the Association (i) the right and power to bring all actions against each Owner, personally for the collection of all delinquent assessments as a debt; (ii) the right and power to foreclose the Association's continuing lien for assessments by all methods available for the enforcement of a mortgage, deed of trust or any other contractual lien, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale; and (iii) a continuing power of sale in connection with the non-judicial foreclosure of the Association's continuing lien for assessments as herein provided.

(b) By written resolution, the Board may appoint, from time to time, an officer, agent, trustee, or attorney of the Association (the "Trustee") to exercise the power of sale on behalf of the Association, including without limitation to deliver and file the notices required by Section 51.002 of the Texas Property Code (as amended), to conduct the sale and to otherwise comply with said statute. By written resolution the Board may from time to time, remove any such Trustee and appoint a successor or substitute Trustee without further formality than an appointment and designation in writing. Except as otherwise provided by this Declaration, the Association will exercise its power of sale pursuant to Section 51.002 of the Texas Property Code (as amended). The

Association has the right and power to bid on any Building Site at any foreclosure sale, and to acquire, hold, lease, mortgage, or convey the same.

(c) The filing of suit to collect any sums due hereunder or to foreclose the Association's continuing lien for assessments may never be considered an election so as to preclude exercise of any other rights or remedies, including without limitation foreclosure under power of sale before or after a final judgment. After foreclosure, the former Owner(s) will be mere tenants at sufferance of the purchaser(s), and the purchaser(s) may obtain immediate possession either pursuant to a judgment for foreclosure or by forcible detainer or eviction to be maintainable by the purchaser(s).

(d) Each owner, by acquisition of any Building Site within the Subdivision or right, title or interest therein, specifically covenants and stipulates as to each and every Trustee's foreclosure sale that the recitals in any appointment or designation of Trustee, any conveyance by the Trustee and any affidavit of the Trustee or the Association related thereto shall be full proof and evidence of the matters therein stated, all prerequisites of the foreclosure sale shall be presumed to have been performed, and the foreclosure sale made under the powers herein granted shall be a perpetual bar against the Owner(s) of the Building Site(s) sold and their heirs, executors and administrators, successors and assigns, and any Persons whatsoever claiming or to claim thereunder.

5.08.5 Extinguishment of Inferior Liens; Revival of Assessment Lien. Foreclosure of the Association's continuing lien for assessments terminates, extinguishes and forever discharges all inferior or subordinate liens and encumbrances (being all liens and encumbrances except as provided by **Section 5.07.3**) as to the affected Building Site. The foregoing applies to judicial and non-judicial foreclosure of the Association's continuing lien for assessments regardless of whether or not the holder of the inferior or subordinate lien or encumbrance is made a party to or given notice of any proceedings in connection therewith, including without limitation whether or not made a party to or given notice of any judicial foreclosure suit and any other proceedings in connection therewith. Notwithstanding the foregoing, if a defaulting Owner reacquires a Building Site within two years after foreclosure upon the Building Site by the Association or by any Person holding a lien superior to the Association's continuing lien, then the Association's lien shall be automatically revived at the time of reacquisition of ownership, effective as of the day before the applicable foreclosure and as to any assessments and any other indebtedness remaining due and unpaid to the Association.

SECTION 5.09 Effect of Foreclosure or Bankruptcy. The effect of judicial or non-judicial foreclosure of a lien which is superior to the Association's continuing assessment lien under this Declaration, or acceptance of a deed in lieu thereof, and the effect of the discharge of an Owner in bankruptcy is determined as of the first day of the month following the date of foreclosure, the date of signing of a deed in lieu which is accepted by the grantee or the date of filing of the bankruptcy in which the Owner is discharged, as the case may be (the "Discharge Date"). Foreclosure or acceptance of a deed in lieu does not relieve the former Owner from the personal obligation for payment of assessments due as of the Discharge Date, but does release the Association's continuing assessment lien as to and only as to said assessments except as otherwise provided in **Sections 5.07.3 and 5.08.2(c)**. The purchaser at foreclosure or grantee under a deed in lieu and an Owner discharged in bankruptcy is obligated to pay all assessments assessed or assessable from and after the Discharge Date, and the Association's continuing assessment lien fully secures payment of said assessments.

For purposes of the foregoing “assessments assessed or assessable” means (i) prorated regular annual assessments based on the number of months remaining in the calendar year in which the Discharge Date occurs regardless of whether the applicable regular annual assessment is payable in advance annually, semi-annually or quarterly, and (ii) any installments for special or specific assessments so payable which become due after the Discharge Date.

SECTION 5.10 Assessments as Independent Covenant. The obligation to pay assessments is a separate and independent covenant and contractual obligation on the part of each Owner. No off-set, credit, waiver, diminution or abatement may be claimed by any Owner to avoid or diminish the obligation for payment of assessments for any reason, including, by way of illustration but not limitation (i) by nonuse of any Community Properties or abandonment of a Building Site, (ii) by reason of any alleged actions or failure to act by the Association, or its officers, Directors, agents or employees, whether or not required under this Declaration or other Governing Documents, (iii) for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or (iv) by reason of any action taken by the Association, or its officers, Directors, agents or employees to comply with any law, ordinance, or any order or directive of any governmental authority, or pursuant to any judgment or order of a court of competent jurisdiction.

Article VI

Maintenance, Insurance, Casualty Losses and Condemnation

SECTION 6.01 Association Responsibilities.

6.01.1 Community Properties. The Association will maintain, repair and replace the Community Properties and keep same in good repair. This maintenance includes, without limitation, maintenance, repair, and replacement of all landscaping and improvements situated on the Community Properties. The foregoing does not apply to Reserve “B” (detention pond) or Reserve “C” (lift station) as designated on the initial Plat of the Subdivision as described in Section 1.01 to the extent maintenance, reconstruction or repair thereof is provided by any governmental entity or utility company.

6.01.2 Access and Other Rules and Regulations. Each Owner must afford to the Association and to its Related Parties, access through the Owner’s Building Site as is reasonably necessary for any maintenance, repair or replacement by the Association as contemplated by this Article. Owners shall comply with all directives and decisions of the Board in providing access for, and as to all other aspects of, all maintenance, repair or replacement to be provided by the Association pursuant to this Article, and otherwise fully comply with requests and directives of the Board and applicable Rules and Regulations as to same.

6.01.3 Owner’s Liability for Payment of Association Costs. Each Owner, their tenants, and their respective Related Parties are expressly prohibited from doing anything which (i) could or does increase the Association’s costs of insurance or result in cancellation or diminution in insurance coverage, (ii) could or does cause damage to or increase costs of maintenance, repair, replacement, obligations regarding the Community Properties, or any other areas maintained by the Association, or (iii) could or does increase costs of management or operation of any Community

Properties (including Subdivision Facilities) or discharge of any other obligations of the Association pursuant to this Declaration or other Governing Documents. Regardless of availability of insurance coverage, the Association may charge to each responsible Owner, as a specific assessment, all increased costs of insurance and all costs of maintenance, repair, replacement, management or operation and all other damages resulting, directly or indirectly, from the acts or omissions of an Owner, their tenants, or their respective Related Parties in violation of the foregoing provisions.

SECTION 6.02 Owner Maintenance Responsibilities.

6.02.1 General. All maintenance of each Building Site and all improvements thereon is the sole responsibility of the Owner thereof. Each Owner must maintain their Building Site and all improvements thereon at all times in such manner as to obtain and maintain Prevailing Community Standards on a continuing basis as may be more specifically determined by this Declaration and other Governing Documents, including as determined from time to time by duly adopted Architectural Guidelines and Rules and Regulations.

6.02.2 Residences and Other Improvements. Each Owner shall maintain the exterior of each Owner's residence, garage, and all other buildings, structures, fences, walls, recreational equipment and improvements located upon each Owner's Building Site, in an attractive, sound and well maintained condition, including proper maintenance and repair as needed of paint, bricks, siding, roofs, rain gutters, downspouts, exterior walls, driveways, parking areas and all other exterior portions of the Owner's residence and garage. Without limitation of the foregoing, each Owner shall provide proper repair and maintenance as and when needed as follows:

(a) the exterior paint on each Owner's residence must be maintained so that no portion thereof peels, scales or cracks excessively, and all painted portions remain neat and free of mildew and discoloration;

(b) the windows must be maintained so that no caulking thereon is chipped or cracked and no window panes are cracked or broken;

(c) all exterior doors, including garage doors, must be maintained, repaired, replaced and/or repainted as needed to prevent an unkept or unsightly appearance and such as to maintain same in proper working condition, including replacement as needed of damaged or dented garage door panels and any cracked or broken glass in any door;

(d) the exterior woodwork on each Owner's residence, and all windowsills, door jams and thresholds, framing, hinges, latches and locks, must be maintained so that it remains whole, sound, neat and fully operational;

(e) the roof on each Owner's residence must be maintained so that all shingles are properly secured, curled or damaged shingles are replaced and no worn areas or holes are permitted to remain;

(f) the rain gutters and downspouts on each Owner's residence, if any, must be maintained so that all are properly painted or treated to prevent rust and corrosion, are properly secured to roof, eaves, gables or exterior walls (as the case may be), are maintained without holes, and are promptly repaired or replaced if dented or otherwise damaged;

(g) all concrete areas on each Owner's Building Site, including sidewalks and driveway, must be maintained so that all cracks are appropriately patched or surfaced as they appear, expansion joints are maintained, repaired or replaced, as needed, and oil, grease and other stains are removed as they appear;

(h) all fences or walls erected on each Owner's Building Site must be maintained to prevent any listing or leaning, so that all broken or damaged members and all holes and cracks are repaired as they appear and so that no portion thereof is permitted to decay beyond normal weathering;

(i) any swimming pool, if approved by the Architectural Control Committee, must be properly maintained to prevent algae buildup, deterioration of surfaces and decking and any other unkept or unsanitary condition, and in accordance with applicable laws, ordinances and codes; and

(j) all recreational equipment, if approved by the Architectural Control Committee, must be maintained to prevent any unsightly or unkept condition, including for example but without limitation, proper maintenance of swing sets to prevent rust and corrosion, and proper maintenance of basketball goals to prevent rust and corrosion and by replacement as needed of torn or worn nets.

6.02.3 Adjacent or Adjoining Owners. No Owner or their tenant will allow any condition to exist or fail or neglect to provide any maintenance which adversely affects any adjoining or adjacent Building Site, or any improvements on any such Building Site.

6.02.4 Landscaping. All grass, shrubbery, trees, flower beds, vegetation and all other landscaping, either natural or artificial, on each Building Site must be maintained at all times in accordance with the seasons as reasonably necessary to obtain and maintain Prevailing Community Standards, including as reasonably necessary to maintain on a consistent and continuing basis a sanitary, healthful and attractive condition and appearance and to eliminate any condition which may create any unsanitary condition or become a harborage for rodents, vermin or other pests.

6.02.5 Utilities. All sewer, water, electrical, telephone and other utility lines, pipes, wires, conduit, systems, fixtures, equipment and facilities which are located on or within a Building Site, or which exclusively service that Building Site, must be maintained at all times by the Owner of that Building Site unless maintained by a governmental entity or utility company. Costs of maintenance of any such utilities servicing two or more Building Sites shall be uniformly and equally shared by the Owners of the Building Sites being serviced unless maintained by a governmental entity or utility company.

6.02.6 Dispute Resolution Among Owners.

(a) Any disputes among Owners regarding any rights or responsibilities pursuant to this Article may be submitted in writing to the Board. The Board also has full authority to direct submission of any dispute to the Board in writing. After notice and opportunity to be heard, the Board has full authority to resolve all such disputes, and its decisions as to same are final. The Board's authority includes without limitation (i) the right to direct the completion of any maintenance, repair or replacement and to allocate costs thereof among the disputing Owners, (ii) to authorize one of the disputing Owners or a third party to control the completion of the maintenance, repair or replacement, (iii) to order the disputing Owners to mediation or arbitration through a county dispute resolution center or similar organization or under the Rules of the American Arbitration Association, and (iv) to allocate among the disputing Owners all costs of the maintenance, repair or replacement and all costs (including attorney's fees) incurred in the dispute resolution process.

(b) Each disputing Owner must pay their allocated share of compliance costs (including attorney's fees) within thirty days after receipt of a statement for payment thereof. A final costs statement may be submitted by the Board or may be submitted by disputing Owners to the Board for resolution as above provided. If any Owner fails to pay their allocated costs as aforesaid, all such costs shall automatically be assessed as a specific assessment against the defaulting Owner as provided in **Section 6.03**. If one Owner has prepaid allocated costs of another and the prepaid sum is later collected by the Association, that sum (without interest if any) will be reimbursed to the Owner who prepaid same. All rights and remedies under this Section are cumulative.

SECTION 6.03 Right of Entry and Inspection; Owner's Default. In the event the Board or ACC determines that (i) an Owner may have or has failed or refused to discharge properly the Owner's maintenance obligations as provided in this Article, or (ii) the need for maintenance, repair, or replacement which is the responsibility of the Association hereunder may have or has been caused through the willful or negligent act or omission of an Owner, the Owner's tenants, or their respective Related Parties, then the Association may conduct inspections of any affected Building, the exterior of the residence and all other buildings thereon, and all other structures and improvements thereon (a "Compliance Inspection") and/or perform the repair, replacement or maintenance (the "Required Work") in accordance with the following:

6.03.1 If the Board or ACC determines that a violation of this Article may exist, the Board, ACC and their Related Parties may enter a Building Site, and all other buildings, structures and other improvements thereon, to inspect same and any and all exterior portions of the single family residence, garage and any other buildings located on the Building Site and to conduct a Compliance Inspection, including such investigative work as may be reasonably required to confirm that a violation does or does not exist. Except in the event of an Emergency, the Association must give written notice of the Association's intent to conduct a Compliance Inspection. The notice must state generally the nature of the suspected violations. The notice must also state the name, address and telephone number of a contact with whom to schedule a date and time for the inspection within ten days of the date of the notice (or such longer time as may be stated in the notice), and must state if a date and time is not so scheduled the Compliance Inspection may be conducted at any time within a specified period of time thereafter (which period of time may not exceed a ten day period within thirty days after expiration of the scheduling period).

6.03.2 Except in the event of an Emergency, the Association must give written notice of the Association's intent to provide Required Work. The notice must set forth the Required Work with reasonable particularity. The Owner of the Building Site to which the notice of Required Work pertains will have ten days within which to complete the Required Work as set forth in this notice, or, in the event the Required Work is not capable of completion within a ten day period, to commence the Required Work within ten days and to complete same within a reasonable time not to exceed thirty days unless otherwise specifically approved by the Board or ACC. The affected Owner must give written notice of the intent to commence the work and of the completion of Required Work stating in detail the Required Work intended to be commenced and the Required Work which has been completed. The Board or ACC, through their Related Parties, may also conduct a Compliance Inspection to confirm completion of all Required Work.

6.03.3 If any Owner fails to schedule an inspection pursuant to a Compliance Inspection notice, the Association has the right (but not the obligation), through its Related Parties, to enter a Building Site and thereupon to conduct the inspection as provided in **Section 6.03.1**. If any Owner fails fully to comply with a notice as to Required Work, the Association has the right (but not the obligation), through its Related Parties, to enter upon the Building Site and to do all things upon the Building Site, to the exterior of the residence and all buildings, and as to any structures and other improvements located thereon to commence and complete the Required Work.

6.03.4 In case of Emergency the Association has the right (but not the obligation), through its Related Parties, to immediate entry upon a Building Site, and the single family residence, garage and all other buildings, structures and other improvements thereon, and to otherwise immediately exercise all rights and remedies authorized by this Section as is reasonably necessary in the sole opinion of the Board or ACC to abate the Emergency, without prior notice. Upon abatement of the Emergency applicable provisions of this Section will then again apply.

6.03.5 The good faith determination by the Board or ACC as to the need for a Compliance Inspection and as to all aspects of Required Work is final and conclusive, and extends to any thing or condition as to such Building Site or which adversely affects any other Building Site or Community Properties. Neither the Association nor any of its Related Parties may be held liable for trespass or any other tort or claim for damages in connection with any actions or failure to act pursuant to this Section. The provisions hereof are cumulative of the provisions of **Section 3.06**.

6.03.6 All reasonable costs and expenses as to conducting of a Compliance Inspection if a violation is confirmed and in all events as to all aspects of Required Work which is performed by the Association pursuant to this Section, as determined in the sole opinion of the Board or ACC, will be added to and become a part of the specific assessment to which such Owner and the Owner's Building Site is subject, and is secured by the continuing lien hereby established against such Owner's Building Site.

6.03.7 The provisions of this Section also apply to any other violations of the Governing Documents as provided in **Section 10.02**.

SECTION 6.04 Casualty Losses.

6.04.1 Restoration by Association. Except as provided in **Section 6.04.4**, in the event of damage by fire or other casualty to the Community Properties or regarding any other matters as to which the Association has an obligation to maintain pursuant to this Declaration or other Governing Documents, or if any governmental authority requires any repair, reconstruction or replacement as to same, the Association must perform all repairs, reconstruction or replacement necessitated thereby (the "Casualty Work"). The Casualty Work must be such as will substantially restore the Community Properties to its condition prior to the casualty or as required by the governmental authority. Any insurance proceeds payable as to the Casualty Work must be paid to the Association.

6.04.2 Board Administration as to Restoration. The Board is hereby irrevocably appointed the agent for each Owner, each Owner's mortgagee, other named insureds and their beneficiaries and for any other holder of a lien or other interest in any Building Site or the Community Properties to adjust and settle all claims arising under any insurance policy purchased by the Association, to execute and deliver releases upon payment of claims, and to do all other acts and execute and deliver such other instruments as the Board deems reasonably necessary to submit, adjust, administer and settle any claims, including without limitation all matters regarding appointment of an insurance trustee and administration of any such trust. **NO OWNER IS EXEMPTED FROM PAYMENT OF ANY ASSESSMENTS, REGULAR, SPECIAL OR SPECIFIC, DURING ANY PERIOD OF REPAIR, REPLACEMENT OR RECONSTRUCTION.**

6.04.3 Specific Assessment of Excess Costs. Subject to **Section 6.04.4**, the Board shall levy a special assessment to cover all costs of repair, replacement and reconstruction in excess of insurance proceeds and available reserves. **THE BOARD SHALL DETERMINE THE AMOUNT OF ANY SUCH SPECIFIC ASSESSMENT AND THE TERMS FOR PAYMENT OF SAME, AND THE LIMITATIONS SET FORTH IN SECTION 5.05 SHALL NOT APPLY TO ANY SUCH SPECIFIC ASSESSMENT.**

6.04.4 Owners' Decision Not to Repair. Except for Casualty Work which is required by any governmental authority, the Owners may agree not to perform any Casualty Work. Any decision not to perform Casualty Work must be submitted to the Owners at a special meeting of Members called for that purpose, and must be approved by affirmative vote of the Owners of not less than ninety percent of the Building Sites.

6.04.05 Restoration by Owners.

(a) Required Repair or Replacement. Whether or not insured, and unless completely razed or removed as permitted by the next subsection, all damage or destruction by fire or other casualty to all or any portion of any improvements on a Building Site, including the residence and/or any appurtenant garage as originally constructed on a Building Site, must be repaired or replaced by the Owner thereof within seventy-five days after such damage or destruction; or, where repairs or replacements cannot be completed within seventy-five days, they must be commenced within such period and completed within a reasonable time thereafter as determined by the ACC. For good cause shown, the ACC may extend the foregoing periods.

(b) Other Casualty Losses. Whether or not insured, any building, structure, improvement and any other type of Regulated Modification which is damaged or destroyed and which is not repaired or replaced as provided by the above subsection must either be razed or removed in its entirety from the affected Building Site and the Subdivision within sixty days after such damage or destruction. This includes removal of any foundation as to any razed or removed building, structure or other improvement and such other restoration required such that after razing or removal Prevailing Community Standards are maintained. For good cause shown, the ACC may extend the foregoing periods.

(c) ACC Approval Required. The provisions of **Article IV** apply to all work and any other activities pursuant to the requirements of this Section.

SECTION 6.05 Association Insurance

6.05.1 Coverage. To the extent reasonably available the Association shall maintain the following insurance coverage:

(a) property insurance on all insurable Community Properties insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage, in a total amount of at least ninety percent of the replacement cost or actual cash value of the insured property as of the effective date and at each renewal date of the policy (exclusive of land, foundations or slabs, excavations and such other items usually excluded from insurance coverage);

(b) comprehensive liability insurance, including medical payments insurance, libel, slander, false arrest and invasion of privacy coverage, and errors and omissions coverage, in amounts determined by the Board and covering all occurrences commonly insured against for death, bodily injury, and property damage;

(c) worker's compensation to the extent required by law; and

(d) such other insurance as the Board deems appropriate.

6.05.2 Policy Provisions. Insurance policies required by **Section 6.05.1** must comply to the extent reasonably obtainable with the following:

(a) The insurer waives the right to subrogation under the policy against the Association, ACC, Declarant and any Owner, and all of their respective Related Parties, including any member of the household of an Owner.

(b) An act or omission by an Owner, unless within the scope of the Owner's authority on behalf of the Association, will not void the policy or otherwise invalidate or suspend coverage, or be a condition of recovery under the policy.

(c) If, at the time of a loss under the policy, there is other insurance in the name of an Owner which covers the same property covered by the policy, the Association's policy provides primary insurance and any other insurance is deemed excess coverage. In no event shall the insurance coverage obtained by the Association be brought into contribution with insurance of any Owner or their mortgagee unless otherwise required by law.

(d) Each Owner is an insured person under the policy with respect to liability arising out of the person's ownership of an undivided interest in any Community Properties or the person's membership in the Association, and the policy shall contain a cross liability endorsement under which the rights of a named insured will not be prejudiced with respect to any action against another named insured.

(e) Insurer waives any right of the insurer to repair, reconstruct or replace any damage or destruction if the Owners decide not to do so in accordance with **Section 6.04** regarding restoration by the Association, and in such event the insurer shall pay on the basis of an agreed amount endorsement as though a total loss had occurred.

(f) So long as Declarant owns any Building Site, Declarant shall be protected by all Association policies as an Owner.

(g) The insurer may not cancel, invalidate, substantially modify or refuse to renew the policy until at least sixty days after written notice of the proposed cancellation, invalidation, modification or nonrenewal has been mailed to the Association.

6.05.3 Administration of Claims. Fire and casualty policies shall be purchased in the name of the Association, the Owners and their mortgagees, as their interests may appear. A claim for any loss covered by any policy must be submitted by the Association and adjusted with the Association. The insurance proceeds for that loss shall be payable to an insurance trustee designated by the Board for that purpose if the designation of an insurance trustee is considered by the Board to be necessary or desirable, or otherwise to the Association, and not to any Owner or lienholder. The insurance trustee or the Association shall hold insurance proceeds in trust for the Owners and lienholders as their interests may appear. All repairs, replacements or reconstruction will be substantially similar to original construction.

6.05.4 Specific Assessments for Premiums and Other Costs. Premiums and all other costs of obtaining and maintaining all insurance required or permitted by this Section shall be deemed a specific assessment as to each Building Site and the Owner thereof. This specific assessment for insurance shall be assessed uniformly on a per Building Site basis, or in such other equitable manner as determined by the Board or as may be necessary for obtaining and maintaining insurance. This specific assessment for insurance shall be due and payable at such times and in such manner as determined by the Board. Without limitation of the foregoing, costs include all administrative costs attributable to all activities of the Association pursuant to this Section, and establishment and maintenance of reasonable reserves as determined by the Board to be necessary or appropriate to accomplishment of the purposes and intent of this Section.

6.05.5 Deductibles; Claims. The Board shall determine appropriate deductibles for all insurance policies. The Board may in its sole discretion determine whether or not any particular claim is to be made if the claim is less than the then applicable deductible taking into account (without limitation) such factors as adverse effects of claims made as to future coverage or costs thereof. Each Owner shall as a condition to the validity of any claim provide all information and documentation which is reasonably necessary to fully evaluate each claim. Each Owner shall be fully responsible for payment in full of each claim which does not exceed the then applicable deductible. Determinations by the Board as to the validity of any claim as to amount or otherwise, and as to any other matters pertaining to this Section are final and conclusive.

6.05.6 Unavailable Coverage; Additional Rules and Regulations. Neither the Association nor its Related Parties are liable for failure to obtain any insurance coverage or to otherwise comply with any other provisions of the Article VI regarding same if such failure is due to unavailability or to excessive costs as determined in the sole good faith opinion of the Board, or for any other reason beyond the reasonable control of the Board. The Board is specifically authorized from time to time to adopt and amend policies, procedures, rules and regulations to more fully effectuate the purposes and intent of the provisions of this **Section 6.05.**

SECTION 6.06 Owner's Insurance. Obtaining of liability and property insurance regarding and for Building Sites and all improvements thereon (including residences and appurtenant structures and the contents thereof) is the sole responsibility of the Owner(s) thereof. The Owner of each Building Site must maintain personal liability insurance and all-risk property and casualty insurance as required by this Section, and of such types and forms, in such amounts and with such deductibles, limits and other terms as from time to time established by applicable Rules and Regulations.

SECTION 6.07 Condemnation. If at any time all or any part of the Community Properties is taken (or conveyed in lieu of and under threat of condemnation by the Association acting on the approval of the Owners of a majority of Building Sites then contained within the Subdivision) by any authority having the power of condemnation or eminent domain, any award compensation or damages must be paid to the Association as trustee for all Owners. The board has the exclusive right to act on behalf of the Association with respect to the negotiation and litigation of the taking or condemnation issues affecting such Community Properties. The Association shall give timely notice of the existence of such proceedings to all Owners and their mortgagees, if any. The expense of participation in such proceedings shall be common expenses payable from the Maintenance Fund. The Owners may, by vote of the Owners of seventy-five per cent or more of all Building Sites, agree to distribute the proceeds of any condemnation or taking by eminent domain, to each Owner and their mortgagee, if any, as their interest may appear. In the event the Owners do not so agree, such proceeds must be added to the funds of the Association, and the Association shall decide on whether or not to replace or restore, as far as possible, the Community Properties so taken or damaged. If condemnation proceeds are insufficient to replace or restore any loss or damage, the Association may levy a special assessment as provided for in **Section 5.05** of this Declaration.

Article VII
Use Restrictions

SECTION 7.01 Residential Use; Group Homes; Treatment Facilities.

7.01.1 General. Each and every Building Site is hereby restricted to single family residential use only. No residence may be occupied by more than one single family.

7.01.2 No Business, Professional, Commercial or Manufacturing Use. No business, professional, commercial or manufacturing use may be made of any Building Site or any improvement located thereon, even though such business, professional, commercial or manufacturing use be subordinate or incident to use of the premises as a residence, and regardless of whether or not done for profit or remuneration. Notwithstanding the foregoing, a single family residence may be used for maintenance of a personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls, or for maintenance of one business office, but if and only if such business activity (i) does not involve use of any part of the applicable Building Site, or residence or other building or improvement thereon, by any Person other than the Owner or the Owner's tenant (but not both), (ii) is not detectable by sight, sound or smell from outside the residence and there is no other external evidence thereof (including signs, advertising, or contacts in person at the residence with clients or customers), (iii) does not involve the storage of any equipment, materials or devices other than as consistent with operation of a small business office, and in all events which are not hazardous and do not constitute any type of threat to health or safety or other nuisance, (iv) complies with all applicable City ordinances (including zoning ordinances) and any other governmental laws, rules, regulations and permitting or licensing requirements applicable to same, (v) is consistent with the residential character of the Subdivision, and (vi) does not cause any annoyance or unreasonable inconvenience to Owners or occupants of area Building Sites or any Community Properties.

7.01.3 Residential Use Only. Without limitation of the foregoing, as used in this Declaration the term "residential use" shall be construed to prohibit the use of any Building Site or the residence thereon for apartment houses or other type of dwelling designed for multi-family dwelling, or use for or operation of a boarding or rooming house or residence for transients, or the use of any permitted outbuilding as an apartment or residential living quarters.

7.01.4 Single Family Defined. As used in this Declaration the term "single family" means either: (i) husband and wife, their dependent children and their dependent parents, grandparents, grandchildren, brothers and sisters who are maintaining a common household and who are members of a single family related by blood, marriage or adoption; or (ii) one or more natural persons not so related but who are maintaining a common household in a single family residence on a nonprofit, noncommercial basis with a common kitchen and dining area; and (iii) the bona fide domestic servants of either. "Dependent Children" means the sons and daughters, by blood or adoption, of the husband and/or wife who do not maintain a separate residence, but does not include the children or any other relatives of the sons or daughters living at home. "Dependent parents, grandparents, grandchildren, brothers and sisters" means such relatives who do not maintain a separate residence and are not able to maintain a separate residence due to a physical or mental

impairment that substantially limits their ability to maintain a separate residence; and, in addition in the case of grandchildren, where their parents are similarly impaired or are deceased.

7.01.5 Maximum Occupancy. In addition to the limitations above set forth, in no event may a single family residence be occupied by more persons than the product of the total number of bona fide bedrooms contained in the single family residence multiplied by two. The number of bona fide bedrooms is based on the single family residence as originally constructed, plus any additional bedroom(s) which may thereafter be added which have been specifically approved by the ACC for such use, if any.

7.01.6 Group Homes; Day-Care Center; Treatment Facilities. To the fullest extent allowed by law, no Building Site or any part of the single family residence thereon may be used for the operation of a group home, half-way house, day-care center, rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar matters. The foregoing does not include a "community home" established and maintained pursuant to and in strict compliance with Chapter 123 of the Texas Health and Safety Code, and all applicable governmental licensing requirements, rules and regulations.

SECTION 7.02 Pets, Animals and Livestock.

7.02.1 Permitted Pets; Leashing Required. No animals, hogs, horses, livestock or poultry of any kind may be raised, bred, kept or maintained on any Building Site at any time except "Permitted Pets" which are dogs, cats or other usual household pets. Not more than five Permitted Pets are allowed per Building Site unless authorized in writing by the Board or applicable Rules and Regulations, and no Permitted Pets may be raised, bred, kept or maintained for commercial purposes. Subject to **Section 7.04**, the foregoing limitation on the number of Permitted Pets does not apply to hamsters, small birds, fish or other constantly caged animals which are continuously kept completely within a residence, nor shall it apply to require the removal of any litter born to a Permitted Pet prior to the time that the animals in such litter are three months old. All Permitted Pets must be kept on a leash or otherwise maintained under the control of their owner when not maintained in an enclosed yard from which the Permitted Pet cannot escape. The Board may adopt Rules and Regulations to further regulate Permitted Pets, including without limitation to further specify types of usual household pets to be included or excluded as Permitted Pets, regulations as to number or otherwise applicable to caged animals and areas outside a residence and/or an enclosed yard in the Subdivision where Permitted Pets are permitted or from which they are excluded. **NO PETS OF ANY KIND ARE PERMITTED UPON ANY COMMUNITY PROPERTIES EXCEPT TO THE EXTENT OTHERWISE EXPRESSLY PERMITTED BY APPLICABLE RULES AND REGULATIONS AND THEN ONLY IN STRICT COMPLIANCE THEREWITH, AND EXCEPT AS TO LEGITIMATE SEEING-EYE DOGS.**

7.02.2 Horses. Notwithstanding **Section 7.02.1**, not more than one horse may be maintained upon a Building Site for each acre contained within the applicable Building Site, but as to and only as to each Building Site located in Blocks 1, 2, 3 and 4 as so designated by the initial Plat

of the Subdivision as described in **Section 1.01**. The permitted horse or horses is/are in addition to the five Permitted Pets otherwise allowed, but in all other respects the provisions of this Section apply to horses.

7.02.3 Removal. As to any animals or livestock not permitted by this Section, and as to any Permitted Pet which is allowed to roam free, or which in the sole opinion of the Board endanger health or safety, make objectionable noise, or constitute a nuisance, annoyance or inconvenience to the Owners or occupants of other Building Sites, the Community Properties or any property located adjacent to or in the vicinity of the Subdivision, or which is otherwise raised, bred, kept or maintained in violation of this Declaration or applicable Rules and Regulations, the Board may cause any such animal, livestock or Permitted Pet to be removed from the Subdivision and may prohibit the return of any such Permitted Pet to the Subdivision. Removal as aforesaid will be at the sole expense of the responsible Owner or Owner's tenant and without liability of any kind whatsoever to the Association, including the ACC, their Related Parties, or any Person which the Board may direct to remove any such animal, livestock or Permitted Pet.

SECTION 7.03 Vehicles.

7.03.1 Prohibited Vehicles. No boat, mobile home, trailer, boat rigging, truck larger than a one ton pick-up, recreational vehicle, bus, unused vehicle, inoperable vehicle of any kind (including any vehicle requiring same which does not have both a current and valid license plate and current and valid state inspection sticker), and no unsightly vehicle as determined in the sole opinion of the Board, may be parked, stored or kept at anytime within the Subdivision, or on any driveway or upon any Building Site unless such vehicle is stored completely within a garage.

7.03.2 Parking. No vehicle of any kind may be parked, stored or otherwise permitted to remain at any time (i) on grass or any other similar portion of any Building Site or any other place within the Subdivision not intended customarily for use for parking of vehicles, or (ii) in such manner as to obstruct or impede sidewalk, driveway or street access. No vehicle of any kind may be parked, stored or otherwise permitted to remain overnight upon the parking area for any Community Properties. PERMITTED VEHICLES WHICH ARE OWNED BY OCCUPANTS OF EACH BUILDING SITE ("OCCUPANT VEHICLES") MUST BE PARKED EITHER IN THE GARAGE OF THE BUILDING SITE OCCUPIED BY THE OWNER OF THE OCCUPANT VEHICLE OR IN THE DRIVEWAY (OR OTHER PARKING COURT OR AREA) APPURTENANT THERETO, AND NOT IN ANY STREET.

7.03.3 Repair of Vehicles. No work on any vehicle within the Subdivision, or on any street in front or along the side or back of any Building Site, or on any Community Properties, or on any Building Site, may be performed at any time other than temporary emergency repairs or other work required in order to promptly remove an inoperable or disabled vehicle from the Subdivision or to and completely within a garage.

7.03.4 Vehicle Defined. As used in this Section, "vehicle" includes motor homes, boats, trailers, motorcycles, scooters, trucks, campers, buses, automobiles, all other "vehicles" as defined in Section 541.201(21) of the Texas Transportation Code (as amended), and such other devices as from time to time specified by applicable Rules and Regulations.

7.03.5 Presumptive Violations. Repairs or other work extended over a period exceeding eight hours is conclusively presumed not to be "temporary". Any vehicle is conclusively presumed to be "unused" or "inoperable" if the vehicle has not been operated outside the Subdivision for seven or more consecutive days or the vehicle has not been operated outside the Subdivision more than twice in any fourteen day period. The provisions hereof do not prejudice the right of the Association to otherwise establish a violation. The foregoing provisions do not apply to any vehicle completely stored within a garage. The Board may grant reasonable exceptions to the foregoing upon receipt of written request from an Owner or their tenant.

SECTION 7.04 Nuisance; Unsightly or Unkempt Conditions.

7.04.1 General. It is the continuing responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on such Owner's Building Site. No Building Site may be used, in whole or in part, for the storage of any property or thing that will cause such Building Site to appear to be in an unclean or untidy condition, or that will be obnoxious to the eye. No hobbies or activities which will cause disorderly, unsightly, or unkempt conditions, including without limitation the assembly or disassembly of or repair work on motor vehicles or other mechanical devices, may be performed within the Subdivision. There may not be maintained any plants, animals, devices, thing, use or activities of any sort which in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the residents of the Subdivision.

7.04.2 Nuisance or Annoyance. No substance, thing, or material may be kept upon any Building Site that will emit foul or obnoxious odors, or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive trade or activity may be carried on upon any Building Site, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Building Site. No spirituous, vinous, malt, medicated bitters, alcohol, drugs or other intoxicants may be sold or offered for sale on any part of any Building Site or any other place within the Subdivision. No Building Site or any part thereof may be used for any immoral or illegal purposes.

7.04.3 Pollutants; Hazardous Materials. Without limitation of any other provisions of this Section, no Owner or tenant, and Related Parties of either, shall dump grass clippings, leaves or other debris, detergents, petroleum products, fertilizers, or other pollutants or potentially hazardous or toxic substances, in any sewer system, water system, drainage ditch, stream, pond or lake within the Subdivision, or do any thing or maintain or permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, rules or regulations. Storage of gasoline, heating or other fuels, or of any hazardous or toxic materials upon any Building Site is strictly prohibited (except that up to five gallons of fuel may be stored upon a Building Site for emergency purposes and operation of lawn mowers and similar tools or equipment if properly kept and stored in a safe and non-hazardous manner). The foregoing does not place upon the Association or any of its Related Parties any obligation for enforcement of any applicable environmental, toxic or hazardous waste or similar laws, rules or regulations.

7.04.4 Disposal of Trash. No trash, rubbish, garbage, manure, debris or offensive material of any kind may be kept or allowed to remain on any Building Site, nor may any Building Site be used or maintained as a dumping ground for such materials. No incinerator may be maintained on any portion of the Subdivision, and disposal of any materials by incineration within the Subdivision is strictly prohibited. All trash and similar matter to be disposed of must be placed in cans or similar receptacles with tight fitting lids or plastic bags tied or otherwise tightly secured, and must be placed in an area adequately screened by planting or fencing from public view or within a garage except when placed for regular pickup as herein provided. Equipment used for the temporary storage and/or disposal of such material prior to removal must be kept in a clean and sanitary condition, and must comply with all applicable federal, state, county, municipal or other governmental laws and regulations. All such prohibited matter must be removed from each Building Site at regular intervals if not removed or removable by a regular garbage and sanitation service. Trash and garbage for pickup by a regular service must be placed in such area or areas as the Board may from time to time direct, or as the applicable garbage and sanitation service or provider may require; provided trash and garbage may not be placed for pickup earlier than eight (8) hours prior to a scheduled pickup day, and all receptacles therefor and any remaining trash and garbage must be removed from the pickup site by midnight of the pickup day. Any of the foregoing provisions may be modified, added to or deleted by applicable Rules and Regulations.

7.04.5 Authority to Cure. Upon the good faith determination of the Board that a violation of this Section exists, the Board may take such actions as it deems necessary to abate the violation in the manner provided in **Section 6.03** at the sole cost and expense of the violating Owner and, if applicable, their tenant.

SECTION 7.05 Sewage Systems; Water Wells; Propane Tanks. The Owner of each Building Site must install at the Owner's expense a private sewage system and water well to service the Owner's Building Site. An aerobic or hydroflow sewage treatment system must be utilized unless otherwise approved by the ACC. No drainage of any kind from any sewage system will be permitted to exist at any time into any street, road, alley, drainage ditch, detention pond, lake or other waterway, directly or indirectly. All sewage systems and all water wells must be installed, constructed, repaired, replaced and maintained at all times in accordance with applicable governmental laws, rules and regulations and applicable Rules and Regulations at the sole cost of the applicable Owner. Well houses must be architecturally compatible with Prevailing Community Standards and must be approved by the ACC. Privies and cesspools are strictly prohibited. Individual propane tanks are prohibited on any Building Site within the Subdivision as initially platted as a central propane system will be available to the Owner of any Building Sites desiring same.

SECTION 7.06 Rules of the Lake. The Board is specifically authorized to regulate all aspects of maintenance and usage of Reserve "A" (recreational area) and Reserve "B" (detention pond) as so designated on the initial Plat of the Subdivision as described in **Section 1.01**, provided (i) no swimming is permitted at any time in the detention pond, and (ii) no motorized boat or other motorized watercraft of any kind is at any time permitted on or in the detention pond, and (iii) no private piers are allowed on the detention pond, and (iv) only Owners or their tenants (including their single family members) are permitted to operate permitted boats and other watercraft on the detention pond, and (v) all permitted boats and watercraft must be stored wholly within a garage or within a permitted outbuilding as approved by the ACC at all times when same are not in active use. The area

between the Building Site line of each Building Site abutting the detention pond and the waters edge of the detention pond shall remain open and unobstructed for the use of residents of the Subdivision in accordance with applicable Rules and Regulations.

SECTION 7.07 Leases.

7.07.1 Restrictions. No Building Site may be leased other than for use as a single family residence as herein provided and defined. No Owner may lease a Building Site and attendant use of the residence and improvements thereon for transient or hotel purposes. No Owner may lease less than an entire Building Site and attendant use of the residence and improvements thereon. All leases: (i) must be in writing; and (ii) are specifically subject in all respects to all provisions of this Declaration and all other Governing Documents (whether or not expressly stated in the lease), and any failure by lessee to comply with this Declaration or any other Governing Documents will be a default under the lease.

7.07.2 Default. In the event of default under any lease due to violation of this Declaration or any other Governing Documents, the Board may (but has no obligation to) initiate any proceedings, actions or litigation under the lease to enforce compliance or to terminate the lease and/or for eviction. With regard to the foregoing, each Owner hereby irrevocably appoints the Board or its designated representative as their attorney-in-fact, agrees to indemnification in regard thereto to the fullest extent herein provided (including as set forth in Section 3.06) and agrees to be solely responsible for all costs thereof (including as provided in Section 5.06).

7.07.3 Joint and Several Liabilities. Lessor(s) and lessee(s) are jointly and severally liable for the observance and performance of all of the terms and provisions of this Declaration and all other Governing Documents, including without limitation joint and several liability for all damages, costs and expenses resulting from any violation, by either, or by their respective Related Parties, all fines and assessments imposed hereby and with respect to all other rights and remedies regarding enforcement of this Declaration and all other Governing Documents.

7.07.4 Surrender of Use of Community Properties by Lessor(s). During all periods of time during which a Building Site is occupied by lessee(s), lessor(s) automatically surrender all of lessors' rights as an Owner to the use of all of the Community Properties unto such lessee(s), including without limitation all rights of use of recreational facilities. The provisions of this Section do not impair the voting rights of the lessor(s), the right to inspect the leased premises or the exercise of any other rights or remedies customarily reserved for the protection of lessor(s).

SECTION 7.08 Unoccupied Residences. The Owner of a Building Site with an unoccupied residence, including any mortgagee in possession and any mortgagee obtaining title to a Building Site by foreclosure or by any deed or other arrangement in lieu of foreclosure, is liable for full observance and performance of all terms and conditions of this Declaration and all other Governing Documents, including in particular but without limitation: (i) proper maintenance of the Building Site and all improvements thereon; (ii) securing of the unoccupied residence, including fastening of windows and locking of all entry and garage doors, and maintenance of appropriate curtains or other permitted window covers in order to prevent unauthorized entry or use; and (iii)

such other maintenance as required to avoid an appearance of abandonment or other unsightly or unkept appearance.

SECTION 7.09 Undeveloped Building Sites. The Owner of any Building Site upon which a single family residence has not been constructed must maintain such Building Site in a neat, sanitary and attractive condition and in accordance with other applicable provisions of this Declaration and other Governing Documents, including without limitation, periodic and regular removal of trash and debris therefrom and mowing of grass and other vegetation thereon as necessary to prevent growth to more than eight inches (8") in height.

SECTION 7.10 Garage Usage. No portion of any garage may be diverted to any use other than the parking of vehicles and other generally accepted and customary usage of a garage. In particular but not in limitation of the foregoing, no portion of any garage may be used as a residence or a game room, or for any similar use as living quarters. Garage doors must be kept in a closed position when the garage area is not being actively used.

SECTION 7.11 Mineral Production. No drilling, development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Building Site, nor shall oil wells, tanks, tunnels, mineral excavation or shafts be permitted upon any Building Site. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Building Site.

SECTION 7.12 Rules and Regulations. The Board is hereby specifically authorized to promulgate, amend, modify and delete such reasonable Rules and Regulations applicable to the operation, use and occupancy of the Subdivision, including all Building Sites and Community Properties, as the Board may from time to time deem beneficial to the Subdivision. Such authority includes but is not limited to: **(i)** the right to limit, in addition to the provisions of **Section 7.03**, the type and size of vehicles permitted within the Subdivision, traffic and parking regulations and other traffic control procedures, and the maximum permissible noise levels of vehicles within the Subdivision; **(ii)** procedures and reasonable restrictions and limitations on the right to use Community Properties; and **(iii)** all procedural and substantive aspects for the establishment, levy, collection and payment of fines for any violations of the Governing Documents. Rules and Regulations are of equal dignity with and may be enforceable in the same manner as the provisions of this Declaration; provided:

7.12.1 Rules and Regulations may not be enacted retroactively (except that if any activity is subsequently covered by Rules and Regulations and such activity ceases after enactment of the Rules and Regulations covering same, then the Rules and Regulations will apply to the activity thereafter);

7.12.2 Rules and Regulations may not be incompatible with the provisions of this Declaration; and

7.12.3 Rules and Regulations will not become effective until thirty days after notice thereof is given to all Owners or such later date as stated in the notice (certification by the Association that proper notice was given in accordance with this Section to be conclusive absent proof of fraud).

Article VIII
Architectural Restrictions

SECTION 8.01 Type of Residence.

8.01.1 Single Family Residence. No building other than one single family residence not to exceed three stories which is to be occupied as a residence by one single family, an appurtenant garage and such outbuildings if and as may be approved in writing by the ACC may be constructed, placed or permitted to remain on each Building Site.

8.01.2 Garages and Garage Doors. All single family residences must have an enclosed attached or detached minimum two car parking garage. Each such garage must contain a minimum of four hundred (400) square feet of interior floor space. The garage must be architecturally similar and compatible to the appurtenant residence, including as to roof line and appearance. Except for porte-cocheres, carports on Building Sites are prohibited. All garages must be enclosed with permanent walls and their fronts enclosed with standard type overhead doors customarily used in the building industry which garage doors must be maintained in good working order at all times. Any replacement garage door must be approved by the ACC, and must be painted to match the color scheme of the residence as originally constructed or a subsequent color scheme which has been approved in writing by the ACC. Except for interior modifications of a garage wholly consistent with its use as a garage and which do not alter the use or exterior appearance of the garage as originally constructed, no modification of the interior or exterior of any garage as originally constructed is permitted without prior written approval of the ACC.

8.01.3 Horse Barns. Horse barns are permitted only upon Building Sites located in Blocks 1, 2, 3 and 4 as so designated by the initial Plat of the Subdivision as described in **Section 1.01**. No more than one horse barn is permitted per Building Site. No horse barn may be placed upon any Building Site until approval for same is obtained from the ACC in accordance with Article IV.

8.01.4 New Construction and Continued Maintenance Required. All residences, buildings and structures must be of new construction, and no residence, building or structure may be moved from another location to any Building Site without prior written approval of the ACC. All residences, buildings and structures must be kept in good repair, must be painted (as applicable) when necessary to preserve their attractiveness and must otherwise be maintained in such manner as to obtain and maintain Prevailing Community Standards.

8.01.5 Tents, Mobile Homes and Temporary Structures. No tent, shack, mobile home, or other structure of a temporary nature shall be placed upon any Building Site or elsewhere in the Subdivision. The foregoing prohibition does not apply to restrict the construction or installation of a single utility or similar outbuilding to be permanently located on a Building Site,

provided it receives the prior approval of the ACC. In addition, party tents or similar temporary structures may be erected for a limited period of time for special events with prior written approval of the ACC.

SECTION 8.02 Living Area Requirements. All single family residences, exclusive of porches and garages, must contain not less than two thousand two hundred (2,200) square feet.

SECTION 8.03 Location of Residences. No single family residence, appurtenant garage or other building (excluding any roof overhang, fireplace, chimney, bay window, steps or similar architectural detail which is part of a single family residence) may be located upon any Building Site **(i)** closer than fifty feet (50') as to Lots 7, 10, 11, 14, 18, 19 and 20 in Block 5 as so designated by the initial Plat of the Subdivision as described in **Section 1.01**, or closer than seventy-five feet (75') as to all other Building Sites from the front Building Site line of each Building Site, **(ii)** or closer than fifteen feet (15') from any side Building Site line, and **(iii)** except in accordance with building setback lines shown on any applicable Plat, or as established by this Declaration or applicable requirements of the City. Each single family residence must front to the street abutting the applicable Building Site.

SECTION 8.04 Construction Standards.

8.04.1 Applicability. Except as may be otherwise authorized in writing by the ACC and in addition to all other applicable requirements of this Declaration and other Governing Documents, initial construction of all single family residences and appurtenant structures must be in accordance with, and such residences or appurtenant structures must thereafter be maintained to the extent applicable in accordance with, the provisions of this **Section 8.04**.

8.04.2 Maximum Period for Completion of Construction. Upon commencement of construction of a single family residence, the work thereon must be prosecuted diligently to the end that the same will not remain in a partly finished condition any longer than reasonably necessary for completion thereof. In any event construction must be substantially completed within six months after pouring of the slab for a single family residence. The foregoing period will be extended in the event of and only for the duration of delays due to strikes, war, acts of God or other good causes beyond the reasonable control of the builder or Owner as determined in sole opinion of the ACC.

8.04.3 New Construction Materials Required. Only new construction materials (except for used brick if approved by the ACC) may be used.

8.04.4 Storage of Materials; Clean-Up. No building materials of any kind or character shall be placed or stored upon any Building Site more than thirty days before construction is commenced. Except as otherwise permitted by the ACC, all materials permitted to be placed on a Building Site shall be placed within the boundaries of the Building Site. Upon completion of construction, any unused materials shall be promptly removed from the Building Site and the Subdivision and in any event not later than thirty days after construction is completed.

8.04.5 Landscaping. All initial landscaping installed on any Building Site must be in accordance with the plans and specifications therefor approved by the ACC.

8.04.6 Driveways. Each Building Site must contain a driveway constructed from the garage to the abutting street. All driveways must be constructed of concrete or concrete pavers, or as otherwise approved by the ACC. All driveways which cross any drainage ditch or other drainage device must be constructed to keep the drainage ditch or other drainage device clear of obstructions to operation and maintenance, and in accordance with applicable provisions of **Section 8.04.08** and requirements of the City and any other applicable governmental authority.

8.04.7 Exterior Materials. Either (i) not less than fifty-one percent (51%) of the exterior wall areas of all residences or (ii) all of the first floor front and side exterior wall areas of all residences, excluding gables, windows and door openings, must be brick, stone, stucco, hardi-plank or equivalent. The remainder of the exterior wall areas of residences may be constructed of wood or composite siding. The ACC is expressly authorized to permit use of other materials or otherwise modify the foregoing requirements from time to time by Architectural Guidelines or as otherwise expressly approved.

8.04.8 Drainage.

(a) Drainage Devices. During the Development Period Declarant is hereby specifically authorized to excavate as necessary for and to establish, construct and maintain drainage swales, erosion control systems and such other things and devices, including Crossing Devices as set forth in the next subsection (herein referred to as "Drainage Devices") upon, over, across or under any part of the Subdivision, including any Building Site, as Declarant deems appropriate to properly maintain and control water drainage and erosion. Declarant may also authorize any builder of the initial single family residence on any Building Site to establish, construct and maintain Drainage Devices as aforesaid. Declarant hereby reserves for itself and authorized builders a blanket easement upon, over, under and across the Subdivision, including each Building Site, for purposes of establishment, construction and maintenance of Drainage Devices as aforesaid; provided, such easement may not be exercised and no Drainage Device may be established, constructed or maintained in any manner as to encroach upon the foundation or any other part of any single family residence or its appurtenant garage. **THE FOREGOING SHALL NOT BE CONSTRUED TO OBLIGATE DECLARANT OR ANY AUTHORIZED BUILDER TO ESTABLISH, CONSTRUCT OR MAINTAIN ANY DRAINAGE DEVICES OF ANY TYPE OR KIND WHATSOEVER, AND ANY REPRESENTATION, WARRANTY OR IMPLICATION AS TO SAME IS HEREBY SPECIFICALLY DISCLAIMED.**

(b) Crossing Devices. All entries, sidewalks, driveways and similar structures which cross any drainage ditches or ways must be across an approved culvert or similar device ("Crossing Devices") as approved by the City or other governmental authority having jurisdiction. Nothing may be done to obstruct, impede or impair the maintenance or operation of any Crossing Devices.

(c) Owner Obligations. Once established and for so long as continued maintenance thereof is reasonably necessary, all Drainage Devices shall remain unobstructed, and shall be properly maintained by each Owner of each Building Site to which same pertains. Each Owner must refrain from permitting any construction, grading and any other work, act or activity upon such Owner's Building Site which would obstruct, alter, divert, impede or impair the proper functioning

of any Drainage Device. In addition, each Owner must perform such work, act or activities and install and maintain such Drainage Devices (i) as is reasonably necessary to prevent so far as practical drainage from the Owner's Building Site to any other Building Site, and (ii) as needed to maintain so far as practical positive drainage away from the foundation of the residence located upon the Owner's Building Site. To obtain and maintain proper drainage, including as required by this Section, the Architectural Control Committee is hereby specifically authorized to require any Owner to construct, install and maintain such gutters and/or downspouts, drains, drainage lines and any other Drainage Devices as the ACC determines, either upon initial construction of any residence or other improvement, or at any time thereafter that circumstances reasonably require.

8.04.9 Garage Height. No garage may exceed in height the dwelling to which it is appurtenant.

8.04.10 Painting of Frame Construction. No structure of any kind or character which incorporates frame construction on the exterior may be erected on any Building Site unless such structure receives at least two coats of paint at the time of construction or the exterior is redwood or cedar material.

8.04.11 Roof Materials. Roofs of all residences must be constructed so that the exposed material is slate, tile or architectural type composition shingles, or such other material which is compatible in quality and appearance to the foregoing as may be approved by the ACC. Wood shingles of any type are prohibited on any residence, building or structure.

8.04.12 Gutters and Downspouts. Adequate guttering must be installed around roof lines and downspouts must be installed to promote drainage in accordance with **Section 8.04.8**.

8.04.13 Mail Boxes. Except for mailbox banks installed as provided by **Section 9.04**, all mail boxes and stands must be approved by the ACC and all stands must be constructed of brick, stone or stucco.

8.04.14 Pre-Fabricated Homes Prohibited. No mobile homes, modular homes, manufactured home or similar pre-fabricated residential structures of any kind is permitted upon any Building Site.

8.04.15 Compliance With Laws. All construction of any single family residence must be in compliance with applicable governmental laws, ordinances and regulations, including applicable building codes or permit or licensing requirements.

SECTION 8.05 Metal Buildings or Structures Prohibited. Subject to **Sections 8.06 and 11.07** no metal buildings of any kind are permitted anywhere within the Subdivision. The foregoing shall not prohibit incorporation of metal components in permitted buildings (such as stairs and studs) as approved by the ACC.

SECTION 8.06 Temporary Structures; Sales Office. Temporary buildings or structures shall not be permitted on any Building Site; provided, the Board may permit (and shall not unreasonably withhold or delay approval for) temporary toilet facilities, sales and construction offices

and storage areas to be used in connection with the construction and sale of residences at such locations as the Board may direct, and may authorize usage of garages as sales offices during the Development Period. During all times when a garage is used as a sales office, as aforesaid, there must be posted a conspicuous sign in such garage advising prospective purchasers that the area must be reconverted to and thereafter maintained as a garage upon the sale of the Building Site. At the time of the sale of a residence, any garage appurtenant to any residence used for sales purposes must have been reconverted to a garage.

SECTION 8.07 Building Site Resubdivision or Combination. Unless approved by Declarant in writing, no Building Site as originally conveyed by Declarant to any Person, including a builder, may thereafter be subdivided or combined with any other Building Site, or the boundaries thereof otherwise changed.

SECTION 8.08 Building Site Line Fences, Walls and Hedges. All fences and freestanding fence type walls and gateposts (sometime herein referred to as "Building Site Line Fencing"), whenever and wherever located on any Building Site, must comply with the following:

8.08.1 ACC Approval Required. No Building Site Line Fencing may be constructed, placed or maintained on any Building Site or any other place within the Subdivision without prior written approval of the ACC.

8.08.2 Maximum Height. No front yard Building Site Line Fencing may be more than six feet (6') in height and no other fencing may be more than eight feet (8') in height.

8.08.3 Composition. Wrought iron boundary line fencing is allowed on lake Lots 1 - 28, in Block 5 as so designated on the initial Plat of the Subdivision as described in **Section 1.01**. One gate is also permitted along the back Building Site line on each of the aforesaid Lots 1 - 28 which abutt the detention pond (Reserve "B"). The style and design of wrought iron fencing must be consistent as per ACC and otherwise comply with design and specification requirements as set forth in applicable Architectural Guidelines. Only three rail white wood or vinyl fencing is permitted on Building sites which back up to or abutt Mueschke Road. All other fencing shall be constructed of such materials as approved by the ACC.

8.08.4 Chain Link Fences Prohibited. No chain link type fencing of any type is permitted on any Building Site.

8.08.5 Ownership and Maintenance. Ownership of all Building Site Line Fencing passes with title to the Building Site. Each Owner must paint, stain and/or power wash, and must otherwise continuously maintain, all Building Site Line Fencing in a neat and attractive condition, in good repair and otherwise as to obtain and maintain Prevailing Community Standards.

SECTION 8.09 Antennas and Satellite Dish System. Except for one antenna that is designed to receive direct broadcast satellite service, including direct-to-home satellite services, that is one meter or less in diameter, and except to the extent otherwise required by the federal Telecommunications Act of 1996 or other applicable statutes, and subject to other applicable Architectural Guidelines as may from time to time be hereafter adopted, no antenna or other service for the transmission or reception of television, multi-media, telephone or security alarm signals, radio signals or any other form of electromagnetic radiation which is visible from outside of a residence

shall be erected, used or maintained on any Building Site without prior approval of the ACC. Any permitted antenna must, to the extent possible without causing substantial degradation of signal, be installed in such manner as not to be visible from any street or from the front of a residence. No radio signals, television, multi-media, telephone, or security alarm signals, or any other form of electromagnetic radiation shall originate from any Building Site which may unreasonably interfere with the reception of any television, multi-media, telephone, or security alarm, or radio signal on any other Building Site.

SECTION 8.10 Signs.

8.10.1 General. No signs, billboards, posters, banners, pennants or advertising devices of any kind, including without limitation business, professional, promotional or institutional signs, are permitted on any Building Site, or upon any residence, or within any residence if visible from the exterior of the residence, or within the Subdivision without the prior written consent of the ACC except as otherwise provided in this Section. The Board or ACC may remove or cause to be removed any sign, billboard, poster, banner, pennant or advertising device of any kind which is not approved as aforesaid or is otherwise prohibited under this Declaration or other Governing Documents and may dispose of same as debris without liability for trespass, conversion or otherwise.

8.10.2 Prohibited Signs. No sign is permitted which is vulgar, obscene or otherwise patently offensive to persons of ordinary sensibilities. Permitted signs must be professionally printed and prepared, and must be properly installed and maintained, to avoid unsightly appearance. The good faith determination of the Board or ACC as to any of the foregoing is final. No sign is permitted to be larger than four square feet. No sign may be illuminated. No sign may be placed on any Building Site closer than ten feet from any street or any side or back Building Site line, or within any traffic sight line area as defined in **Section 8.14**. No Owner (or their tenants, guests or invitees) is permitted to place any sign on another Owner's Building Site or upon Community Properties. Distressed, foreclosures and bankruptcy references are specifically prohibited.

8.10.3 Permitted Signs. To the extent required by law or in any event upon prior approval of the ACC, but subject to applicable provisions of **Section 8.11.2**, each Owner is permitted to place upon (and only upon) such Owner's Building Site **(i)** one sign advertising the particular Building Site on which the sign is located for sale or for rent, and **(ii)** "political signs" whereby such Owner is promoting a political candidate, party or issue. If permitted, the ACC may reasonably regulate the period(s) of time political signs may be permitted, and the number of permitted political signs and in relationship thereto their size and location. The ACC may (but is not obligated to) allow builders within the Subdivision to construct and maintain such signs, billboards, banners, pennants, and advertising devices as are customary in connection with the sale of newly constructed residential dwellings.

SECTION 8.11 Tree Removal. No living tree with a trunk diameter of six inches or greater shall be cut down or removed from any Building Site without the prior written approval of the ACC except for trees within the footprint of a single family residence to be constructed on the Building Site or within five feet thereof. Dead or damaged trees which may create a hazard to property or persons within the Subdivision must be promptly removed or repaired at the Owner's expense.

SECTION 8.12 Traffic Sight Line Areas. No fence, wall, hedge, tree, shrub planting or any other thing or device which obstructs sight lines at elevations between two and eight feet (2' & 8') above a street shall be permitted on any corner Building Site within the triangular area formed by the two (2) boundary lines thereof abutting the street and a line connecting them at points twenty-five feet (25') from their intersection, or within the triangular area formed by the boundary line abutting a street, the edge line of any driveway pavement and a line connecting them at points ten feet (10') from their intersection.

SECTION 8.13 Maintenance Of Utilities. All utility services intended to be provided to each single family residence as originally constructed, including without limitation water, sewage, electric and gas services, must be maintained by the Owner at all times when a residence is occupied.

SECTION 8.14 Air Conditioners. Except as approved by the ACC, no window, wall or exterior roof mounted type air conditioners or heating units, or any part thereof, and no air conditioners or heating units, or any part thereof, which is visible from any street will be permitted.

SECTION 8.15 Private Utility Lines. All electrical, telephone and other utility lines and facilities which are located on a Building Site and which are not owned and maintained by a governmental entity or a utility company must be installed underground unless otherwise approved in writing by the ACC, and must be maintained at all times by the Owner of the Building Site upon which same is located.

SECTION 8.16 Disposal Units. Each kitchen in a single family residence must be equipped with a garbage disposal unit, and same must at all times be kept in good working order and serviceable condition.

SECTION 8.17 Pools. Above-ground pools of every kind are prohibited upon any Building Site. In-ground pools may not be installed except with the prior written consent and approval of the ACC obtained as provided in **Article IV**.

SECTION 8.18 Excavation. The digging of dirt or the removal of any dirt from any Building Site is expressly prohibited except upon written approval of the ACC as may be necessary in conjunction with the landscaping of or construction on such Building Site.

Article IX Easements

SECTION 9.01 Incorporation of Easements. All easements, dedications, limitations, restrictions and reservations shown on any Plat and all validly existing grants and dedications of easements and related rights heretofore made or hereafter established as herein provided affecting the Subdivision or any Building Sites and filed in the Official Public Records of Real Property of Harris County, Texas, are incorporated herein by reference and made a part of this Declaration for all purposes 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 any Person covering any portion of the Subdivision, including any Building Site. In the event of any conflict between any of the foregoing filed after the date of filing of this Declaration and any provisions of this Declaration, the provisions

of this Declaration control. The foregoing shall not be construed as in any manner giving effect to any instrument of record other than in accordance with the instrument and applicable law.

SECTION 9.02 Egress/Regress to Public Way Required. All single family residences shall be constructed, and thereafter same and related improvements shall be maintained, such that a continuous and unobstructed means of egress and regress to a common public way is maintained in accordance with applicable building codes and ordinances of the City.

SECTION 9.03 Association and ACC Blanket Access Easement. The Association and ACC have a continuing non-exclusive easement upon, over, under and across each Building Site to the extent reasonably necessary for the performance of any of the functions or duties of the Association or ACC or exercise of any of their rights under this Declaration. Prior to exercise of such easement rights written notice must be given to the Owner or occupant of the affected Building Site stating the expected date of commencement of usage, the nature of the intended use and anticipated duration of such usage. The notice may be given either as permitted in **Article XII** hereof, or by affixing the notice to the front door of the residence on the applicable Building Site. The notice must be given at least ten days before the expected date of commencement of usage. In case of an emergency the right of entry and usage shall be immediate without notice, but in such case notice as aforesaid shall be given as reasonable soon as practicable.

SECTION 9.04 Governmental Functions, Utilities and Other Services.

9.04.1 Governmental Functions; Removal of Obstructions. A blanket easement is hereby granted to the City and other governmental authorities for access, ingress and egress upon, over and across any portion of the Subdivision and any Building Site in the performance of any official business without liability of any kind. **THE CITY IS ALSO SPECIFICALLY AUTHORIZED TO REMOVE OBSTRUCTIONS IF NECESSARY FOR EMERGENCY VEHICLE ACCESS, INCLUDING AS PERMITTED BY SECTION 9.04.2, AND TO ASSESS THE COST OF REMOVAL TO THE OWNER OF THE OBSTRUCTION.**

9.04.2 Service Vehicles. A blanket easement is hereby granted to all police, fire protection, ambulance and other emergency vehicles, to garbage and trash collection vehicles and other service vehicles and to all Association agents and employees in connection with any work or other duties as set forth in this Declaration upon, over and across any portion of the Subdivision and any the Building Sites in the performance of their duties. An easement is also specifically granted to the United States Post Office, its agents and employees upon, over and across any portion of the Subdivision or Building Site in performance of mail delivery or any other United States Post Office services.

9.04.3 Utilities. In addition to all other applicable easements as established herein or by any Plat, a private easement is hereby granted under any private street, motor court or driveway located within the Subdivision for purposes of erecting, installing, operating, maintaining, replacing, inspecting and removing any electrical, water, sewer, gas, cable television and any other utilities as determined by the Declarant during the Development Period or the Association thereafter, together with rights of ingress and egress to or from any such easement. This easement shall not include by implication or otherwise any appurtenant aerial easement.

9.04.4 Mail Box Banks. Declarant during the Development Period and the Board thereafter may establish exclusive and perpetual easements for the construction, placement, maintenance, repair and replacement of mail box banks designed to service two or more single family residences upon any Building site or elsewhere within the Subdivision, including entry, access and exit areas as to same; provided, no such mail box banks may be located in such manner as to encroach upon the foundation or any other part of any existing building (including any residence or garage).

9.04.5 Changes and Additions. At the sole election of Declarant during the Development Period and the Association thereafter, Declarant or the Association, as applicable, may grant, dedicate, reserve or otherwise create, at any time and from time to time, easements for public, quasi-public or private utility purposes, including, without limitation, gas, electricity, telephone, sanitary or storm, cable television and similar services, along, over, above, across and under the Subdivision and any Building Site; provided, such additional easements shall not be located in such manner as to encroach upon the footprint of any then existing residence (including any attached or detached garage) or any swimming pool.

SECTION 9.05 Title to Easements and Appurtenances Not Conveyed. Title to any Building Site conveyed by contract, deed or other conveyance may not be held or construed in any event to include the title to any easement established by this **Article IX**, including but not limited to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles, or conduits on or in any utility facility, service equipment or appurtenances thereto.

SECTION 9.06 Easements Perpetual. Easement rights established by or obtained pursuant to this **Article IX** may not, once established or obtained, be adversely effected by any amendment of this Declaration. The foregoing does not limit subsequent abandonment or other modification of easement rights in accordance with applicable instruments covering any easement, by consent or agreement of the affected parties, or as otherwise provided by law.

Article X Enforcement

SECTION 10.01 Strict Compliance Required. Each Owner and each Owner's tenants, by acquisition of any right, title or interest in any Building Site, covenant and agree to be bound by and to strictly comply with all restrictions, covenants, conditions and easements set forth in this Declaration and all other Governing Documents as same may from time to time or at any time be hereafter amended. The foregoing provisions apply regardless of whether or not any such Governing Documents are filed in the Official Public Records of Real Property of Harris County, Texas or any other public records except as otherwise expressly required by this Declaration.

SECTION 10.02 Enforcement.

10.02.1 General. The Association, its successors and assigns, and any Owner have the right to enforce observance and performance of all restrictions, covenants, conditions and easements set forth in this Declaration and in other Governing Documents, and in order to prevent

a breach thereof or to enforce the observance or performance thereof have the right, in addition to all legal remedies, to an injunction either prohibitive or mandatory.

10.02.2 Right to Inspect and Cure Defaults. The provisions of **Section 6.03** apply to any breach of this Declaration and any other applicable Governing Documents. In addition and without prior notice, the Association may photograph any violations or suspected violation at any time and otherwise obtain evidence to confirm the existence or non-existence of any suspected violation in any reasonable manner without liability in trespass or otherwise.

10.02.3 No Estoppel, Waiver or Liability. Failure of the Association or any Owner to enforce any of the provisions of this Declaration or any other Governing Documents will in no event be deemed a waiver of the right to do so thereafter (including without limitation as to the same or similar violation whether occurring prior or subsequent thereto). No liability may attach to the Association, or its officer, Directors, agents, employees or committee members, for failure to enforce any provisions of this Declaration or any other Governing Documents.

10.02.4. Cumulative Rights and Remedies. Each right and remedy set forth in this Declaration and any other Governing Documents is separate, distinct and non-exclusive, and all are cumulative. The pursuit of any right or remedy so provided for or by law shall be without prejudice to the pursuit of any other right or remedy, and the failure to exercise any particular right or remedy shall not constitute a waiver of such right or remedy or any other right or remedy.

SECTION 10.03 . Liability for Conduct of Others ("Related Parties"). Each Owner and the tenant of each Owner must ensure that their respective Related Parties strictly comply with all applicable provisions of this Declaration and all other Governing Documents. Each Owner is liable for all consequences of any such violation by the Owner's tenant and by Related Parties of the Owner, and each Owner and the Owner's tenant are jointly and severally liable for all consequences of any such violation by Related Parties of the tenant. To the same extent as aforesaid each Owner and each tenant must indemnify and hold harmless the Association and its Related Parties from any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, made or asserted by Related Parties of the Owner or the Owner's tenants attributable directly or indirectly, to any such violation, said indemnification to be secured and paid as provided in **Section 10.04**.

SECTION 10.04 . Obligation for Payment of Costs and Expenses Resulting from Violations. Each Owner and tenant of an Owner found to have committed, or who is responsible for, a violation or violations of any of the provisions of this Declaration or any other Governing Documents, is jointly and severally liable for payment to the Association for, and to indemnify and to hold and save harmless the Association and its Related Parties from, any and all claims, liabilities, damages, loss, costs, expenses, suits and judgments of whatsoever kind, including reasonable attorney's fees whether incurred prior to, during or after proceedings in a court of competent jurisdiction, incurred or attributable to any such violation(s), and must pay over to the Association all sums of money which the Association or its representatives may pay or become liable to pay as a consequence, directly or indirectly, of such violation(s). All such sums are assessed as a specific assessment, and are secured by the continuing lien established by **Article V** hereof. All such sums

are due and payable upon demand by the Association or its representative without the necessity of any other or further notice of any act, fact or information concerning the Association's rights or such Owner's or their tenant's liabilities under this Section; provided, in the case of indemnification the demand shall contain a statement setting forth the Association's payment or liability to pay the claim with sufficient detail to identify the basis for the payment or liability to pay.

SECTION 10.05 Notice and Opportunity to be Heard. Whenever this Declaration or other Governing Documents require notice and opportunity to be heard, the procedures set forth in this Section must be observed.

10.05.1 Notice of Violation. The party proposing to take the action (such as the Board, a committee, the Managing Agent, etc.) must give written notice of violation to the Owners and, if applicable, to the Owner's tenants according to the records of the Association (the "Affected Parties"). The notice must include (i) a general description of the matters complained of, (ii) all curative action requested and a time period within which curative action must be completed, and (iii) a statement advising that the Affected Parties are entitled to a hearing upon delivery of a written request in accordance with **Section 10.05.2** of this Declaration.

10.05.2 Time to Cure; Response. A notice of violation must allow at least ten days from the date of the notice within which to complete the curative action thereby required and to request a hearing. The ten-day period to cure may be shortened in the case of an Emergency. The Affected Parties may request a hearing only in writing and only by also stating in the request each claim or other matter which is disputed or contested and a general description of the basis for the dispute or contest. If no hearing is requested in writing as aforesaid it is presumed the Affected Parties do not dispute any matters set forth in the notice of violation.

10.05.3 Hearing. If a hearing is requested in writing as above set forth, all Affected Parties so requesting the hearing must be given written notice of the date, time and place for the hearing. At the hearing, the Affected Parties have the right, personally or by a representative, to give testimony orally, in writing or both, and to present such other relevant evidence as they may choose, subject to reasonable rules of procedure established by the party conducting the hearing to assure a prompt and orderly resolution of the issues. The hearing will be held in closed executive session, but the minutes of the meeting (or other written record) shall reflect the results of the hearing. The Affected Parties must be notified of decisions made in consequence of the hearing in the same manner in which notice of the hearing was given.

10.05.4 Appeal. Any decision made pursuant to **Section 10.05.3** by a party other than the Board may be appealed to the Board by filing a written notice of appeal with the Board within ten days after the Affected Parties are given notice of the decision. The Board shall then conduct a hearing within a reasonable time after the Board receives the notice of appeal, giving the same notice and observing the same procedures as were required for the initial hearing.

10.05.5 Limited Abatement of Enforcement. Except in the case of an Emergency or other exigent circumstances as determined in the sole opinion of the Board, enforcement proceedings are abated until after expiration of the curative period stated in the notice of violation, or if a hearing

is requested or an appeal properly made until ten days after notice of decisions made in consequence of the hearing or appeal is given.

10.05.6 Fines. After notice and opportunity to be heard fines may be imposed as specific assessments by the Board or ACC for any violation of this Declaration or other Governing Documents except non-payment of assessments. Except as otherwise provided by applicable Rules and Regulations, the Board or ACC shall fix the amount of a fine for each violation on a case by case basis not to exceed twenty-five dollars (\$25.00) per violation per day. Before any fine is imposed the Affected Parties must be given written notice allowing not less than ten days to cure the violation(s); provided, any fine may be imposed at the time of giving notice if written notice has been given to any of the Affected Parties of a similar violation within the preceding twelve month period.

SECTION 10.06 Filing of Notices of Non-Compliance. At any time the Board determines there exists any noncompliance with any provisions of this Declaration or other Governing Documents, the Board may at its option direct that a Notice of Noncompliance be filed in the Official Public Records of Real Property of Harris County, Texas covering the affected Building Site or Building Sites and the Owner(s) thereof at the sole cost and expense of such Owner(s). All such costs and expenses are due and payable upon demand, are deemed a specific assessment applicable to the affected Building Site(s) and are secured by the Association's continuing assessment lien.

Article XI Development Period

SECTION 11.01 Application. Notwithstanding any other provisions of this Declaration or any other Governing Documents to the contrary, the provisions of this **Article XI** apply during the Development Period (and thereafter as herein provided)..

SECTION 11.02 Appointment of Board and ACC; Authority of Association. During the Development Period, Declarant may appoint all members of the Board of Directors and ACC and is entitled to remove and replace any of same, and in all other respects to exercise all rights and authority of the Association and ACC as set forth in this Declaration and all other Governing Documents. Without limitation of the foregoing, any provisions hereof or of the Bylaws or any other Governing Documents regarding qualifications for members of the Board or ACC are hereby specifically declared inapplicable to Developer appointees during the Development Period. Without limitation of the foregoing, Declarant is specifically authorized during the Development Period to grant variances pursuant to **Section 4.02.4**.

SECTION 11.03 ACC Approval Not Required; Declarant's ACC Authority as to Initial Development of Lots. Declarant and any builder as so designated by Declarant are not required to obtain ACC approval or otherwise comply with any provisions of **Article IV** hereof until completion of the initial sale of each Building Site, whether or not the initial sale occurs during or after the Development Period. Declarant hereby reserves and retains full and exclusive authority of the ACC as to each Building Site until completion of the initial sale of each Building Site, including the right to charge and collect Architectural Review Fees as authorized by **Section 3.02**. As to each Building Site "completion of the initial sale" occurs upon substantial completion of the construction of a single family residence and related improvements upon the Building Site and the sale of the Building Site

to a Person other than Declarant or a builder for use and occupancy of the Building Site for a single family residence.

SECTION 11.04 Declarant as Member. Declarant will be deemed to be a Member of the Association for all purposes during the Development Period whether or not Declarant continues to own any Building Site.

SECTION 11.05 Community Properties.

11.05.1 Designation or Change as to Community Properties and/or Subdivision Facilities. REGARDLESS OF DESIGNATION BY ANY PLAT OR OTHERWISE DURING THE DEVELOPMENT PERIOD DECLARANT MAY DESIGNATE COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES, AND AT ANY TIME DURING THE DEVELOPMENT PERIOD MODIFY, DISCONTINUE, REDESIGNATE OR IN ANY OTHER MANNER CHANGE THE COMMUNITY PROPERTIES AND/OR SUBDIVISION FACILITIES.

11.05.2 Construction and Maintenance of Community Properties. During the Development Period Declarant may provide and construct such Community Properties as Declarant may desire at Declarant's sole cost and expense or in conjunction with and as part of the cost of construction of single family residences. Once provided or constructed, all costs and expenses of the operation, management, maintenance, repair and replacement of Community Properties, including all costs and expenses of insurance thereon, will be paid by the Association from the Maintenance Fund (either directly or by reimbursement to Declarant) regardless of whether or not title has been transferred or conveyed to the Association and regardless of whether or not any applicable contract, agreement or other arrangement for operation, management, maintenance, repair or replacement is in the name of, is procured through or has been transferred or assigned to the Association. The Association will also pay as aforesaid all costs and expenses, regardless of type and including procurement, as to service type Subdivision Facilities such as any patrol or garbage or recycling services.

11.05.3 Conveyance of Community Properties. Declarant may convey, transfer or assign any or all Community Properties to the Association during the Development Period, and must do so within a reasonable time after termination of the Development Period. ANY RIGHT, TITLE OR INTEREST TO ALL COMMUNITY PROPERTIES WILL BE TRANSFERRED, CONVEYED OR ASSIGNED TO THE ASSOCIATION ON AN "AS IS", "WHERE IS" AND "WITH ALL FAULTS" BASIS, AND, EXCEPT FOR SPECIAL WARRANTY OF TITLE BY, THROUGH OR UNDER DECLARANT, WITHOUT ANY COVENANT, WARRANTY, GUARANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING BUT NOT LIMITED TO (I) ANY IMPLIED COVENANTS UNDER SECTION 5.23 OF THE TEXAS PROPERTY CODE AND ANY WARRANTY OF CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR OR INTENDED PURPOSE. (II) THE NATURE AND CONDITION OF THE PROPERTY OR OTHER ITEMS TRANSFERRED, ASSIGNED OR CONVEYED, INCLUDING, WITHOUT LIMITATION, PHYSICAL OR ECONOMIC CHARACTERISTICS OF THE PROPERTY, THE WATER, SOIL AND GEOLOGY, THE SUITABILITY THEREOF AND OF THE PROPERTY OR OTHER ITEMS FOR ANY AND ALL ACTIVITIES AND USES, THE EXISTENCE OF ANY

ENVIRONMENTAL HAZARDS OR CONDITIONS THEREON (INCLUDING BUT NOT LIMITED TO THE PRESENCE OF ANY HAZARDOUS MATERIALS, SUBSTANCES OR CONTAMINANTS OF ANY KIND) OR COMPLIANCE WITH APPLICABLE ENVIRONMENTAL LAWS, RULES OR REGULATIONS; (III) THE NATURE AND EXTENT OF ANY RIGHT-OF-WAY, LEASE, POSSESSION, LIEN, ENCUMBRANCE, LICENSE, RESERVATION, CONDITION OR OTHERWISE; AND (IV) THE COMPLIANCE OF THE PROPERTY OR OTHER ITEMS TRANSFERRED, ASSIGNED OR CONVEYED OR ITS OPERATION WITH ANY LAWS, ORDINANCES OR REGULATIONS OF ANY GOVERNMENTAL ENTITY OR BODY. ALL SUCH COVENANTS, WARRANTIES, GUARANTIES AND REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, OR BY OPERATION OF LAW, ARE HEREBY EXPRESSLY DISCLAIMED, THE PROVISIONS OF SECTIONS 3.06 AND 11.11.3 FULLY APPLY AS TO SAME, AND THE PROVISIONS HEREOF SHALL APPLY REGARDLESS OF WHETHER OR NOT STATED IN ANY DEED, CONVEYANCE OR OTHER TRANSFER AS TO THE AFFECTED COMMUNITY PROPERTIES.

11.05.4 Use and Maintenance of Community Properties. So long as Declarant owns any Building Site within the Subdivision, Declarant and any builder as so designated by Declarant (i) have a non-exclusive easement appurtenant upon, over, under and across any and all Community Properties, and a non-exclusive right to use in any manner any part or all of the Community Properties as is reasonably necessary in Declarant's sole opinion for the development of the Subdivision and the development and sale of Building Sites therein, and (ii) may construct, maintain, expand, improve and repair any Community Properties, including without limitation any such matters regarding any thing or device relating to drainage within or which may otherwise affect the Subdivision, or any Building Site therein, or any properties adjacent thereto or in the vicinity thereof. THE FOREGOING SHALL NOT BE CONSTRUED AS IN ANY MANNER CONSTITUTING ANY REPRESENTATION, WARRANTY OR IMPLICATION WHATSOEVER THAT DECLARANT OR ANY BUILDER WILL UNDERTAKE ANY SUCH USAGE OR ANY SUCH CONSTRUCTION, MAINTENANCE, EXPANSION, IMPROVEMENT OR REPAIR, OR THAT IF AT ANY TIME OR FROM TIME TO TIME UNDERTAKEN THAT ANY SUCH ACTIVITIES WILL CONTINUE, AND ANY SUCH REPRESENTATION, WARRANTY OR IMPLICATION IS HEREBY SPECIFICALLY DISCLAIMED.

SECTION 11.06 Easements. Declarant and its agents or employees (including any builder, contractor or subcontractor) are entitled during the Development Period to use and exercise all easements set forth in this Declaration for, and Declarant may grant or exercise such additional easements for ingress, egress and usage as is reasonably necessary for, construction of single family residences, providing and development of utilities, Community Properties and/or Subdivision Facilities and any and all other "Developmental Activities" as defined in Section 11.11. Any part of a single family residence as originally constructed may be located or encroach upon any easement established by this Declaration so long as any such location or encroachment does not interfere with any actual usage as permitted by any applicable easement actually existing at the time of establishment of such location or encroachment.

SECTION 11.07 Sales Activities. During the Development Period Declarant has the right to transact any business reasonably necessary to development of the Subdivision (including all "Developmental Activities" as defined in **Section 11.11**), and to consummate the sale or rental of Building Sites and single family residences to be constructed thereon, and in connection therewith to maintain models, have signs, use without charge any part of any Building Site or residence located thereon which is not occupied by a resident and use without charge any Community Properties (including Subdivision Facilities).

SECTION 11.08 Assessments.

11.08.1 Right of Declarant to Set Rate. During the Development Period Declarant is entitled to change the annual rate of regular assessment as set forth in **Section 5.03.1** without the joinder, vote or consent of any Owner and without further formality than giving of notice thereof as provided in **Section 5.03.2**. Without limitation of the foregoing, the provisions of **Section 5.03.2** regarding disapproval of an annual rate of regular assessments is specifically declared inapplicable when the rate is set by Declarant under this Section.

11.08.2, Payment of Assessments by Declarant During Development Period.

(a) Notwithstanding anything to the contrary contained herein, or in the Declaration or in any other Governing Documents, all Building Sites owned by Declarant are exempt from payment of all assessments (regular, utility, special or specific) until the first day of the month following expiration or termination of the Development Period.

(b) In lieu of payment of assessments as aforesaid, Declarant will contribute to the Maintenance Fund during the Development Period an amount, if any, equal to the Actual Operating Expenses of the Association less all funds available to the Association regardless of source and regardless of any principles of accrual or other accounting which might otherwise be applicable, including without limitation all assessments (regular, utility, special and specific) received from all other Owners subject to payment of assessments plus all other income received by the Association from any source (such as, for example, interest income); provided, **DECLARANT SHALL NEVER BE REQUIRED TO CONTRIBUTE MORE THAN AN AMOUNT EQUAL TO THE FULL ANNUALIZED RATE OF REGULAR ANNUAL ASSESSMENTS WHICH WOULD OTHERWISE BE APPLICABLE TO DECLARANT'S BUILDING SITES.** "Actual Operating Expenses" means those expenses reasonably necessary for the discharge of the Association's functions and duties under this Declaration, but does not include capital expenditures (determined in accordance with generally accepted accounting principals), or any amounts paid or to be paid to capital, contingency or other reserves, or any prepaid items, inventory or similar expenses attributable to periods after expiration or termination of the Development Period. The determination of Actual Operating Expenses by Declarant is final and conclusive. Declarant will contribute to the Maintenance Fund as aforesaid from time to time as Declarant may determine. Annually, and upon expiration or termination of the Development Period, Declarant may offset any surplus funds of the Association against all contributions made by Declarant during the Development Period and demand repayment from such surplus funds up to the full amount of Declarant contributions, without interest.

SECTION 11.09 Notices to Declarant. All notices or other communications to Declarant, as required or permitted by this Declaration, any other Governing Documents or otherwise, must be given to Declarant's registered agent at its registered office, by personal delivery acknowledged in writing or by certified or registered mail, return receipt requested, or as otherwise directed by written notice of Declarant filed in the Official Public Records of Real Property of Harris County, Texas. Notices or other communications to Declarant are deemed given only upon actual receipt.

SECTION 11.10 Amendment of Governing Documents or Plat; Annexation.

11.10.1 Declarant's Reserved Rights. During the Development Period Declarant reserves the sole and exclusive right, without joinder or consent of, and without notice of any kind to, any Owner or other Person, to (i) amend, modify, revise or repeal, from time to time and at any time, this Declaration and any other Governing Documents, (ii) prepare, amend, modify, revise or repeal any Plat covering or to cover the Subdivision and (iii) annex and subject any other property to the scheme of this Declaration provided any such annexation is not inconsistent with the scheme of development contemplated hereby. During the Development Period, no other properties may be annexed or subjected to the scheme of this Declaration without the written consent of Declarant. Any such amendment, modification, revision, repeal or annexation shall be effective from and after filing of notice thereof in the Official Public Records of Real Property of Harris County, Texas except to the extent expressly otherwise provided in the notice.

11.10.2 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS DECLARATION TO THE CONTRARY, NO PROVISIONS OF THIS ARTICLE XI MAY BE AMENDED, MODIFIED, CHANGED OR TERMINATED EITHER DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD WITHOUT THE PRIOR WRITTEN CONSENT OF DECLARANT.

SECTION 11.11 Builder Approval Required. During the Development Period no residence or appurtenant garage may be constructed by any builder other than those approved in advance by Declarant.

SECTION 11.12 Limitation of Liability.

11.12.1 General. Without limitation of **Section 3.06** hereof, the decisions of Declarant regarding all developmental activities, management and operation of the Association and all other activities undertaken by Declarant pursuant hereto are final and conclusive; provided, Declarant will conduct all such activities in a manner consistent with the general scheme of development hereby established.

11.12.2 Developmental Activities. Declarant may or will be required during the Development Period to engage in construction activities upon multiple Building Sites or Community Properties, to store equipment or materials on multiple Building Sites or Community Properties, to create accumulations of trash and debris and to otherwise engage in activities and create conditions related to its initial development of the Subdivision, including the construction and sale of residences and any other improvements in the Subdivision (the "Developmental Activities"). Declarant will use

reasonable efforts to minimize the adverse effects of its Developmental Activities. However, Declarant is not liable to any Owner or tenant, or to the Association or ACC, or to any Related Parties of any of the foregoing, for any consequences of the reasonable conducting of its Developmental Activities. Further, Declarant may establish any reasonable regulations as to Owners and tenants, as to the Association and ACC, and as to any Related Parties of any of the foregoing, which Declarant deems appropriate to avoid hindrance or interference with its Developmental Activities, including limiting or denying access to areas of the Subdivision, designating temporary dumping sites, maintenance of metal buildings or structures and use of Community Properties and/or Subdivision Facilities in connection with its Developmental Activities.

11.12.3 NO REPRESENTATIONS OR WARRANTIES; INDEMNIFICATION.

(A) NO COVENANTS, REPRESENTATIONS, GUARANTIES OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OR BY OPERATION OF LAW, AND INCLUDING EXCLUSION OF ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY AND FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE, SHALL BE DEEMED TO BE GIVEN OR MADE BY DECLARANT, OR DECLARANT'S OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES, BY ANY PROVISIONS OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS REGARDING ANY DEVELOPMENT ACTIVITIES OR OTHERWISE. WITHOUT LIMITATION OF THE FOREGOING DECLARANT EXPRESSLY DISCLAIMS ALL COVENANTS, REPRESENTATIONS, GUARANTIES AND WARRANTIES, EXPRESS AND IMPLIED, AND BY OPERATION OF LAW (I) AS TO ANY FUTURE DEVELOPMENT, (II) FOR MANAGEMENT OR SUPERVISION OF BUILDING, CONSTRUCTION AND ALL OTHER WORK BY ANY BUILDER, VENDOR OR SUPPLIER NOT DIRECTLY EMPLOYED BY DECLARANT, INCLUDING ANY DUTY TO ENFORCE ANY PROVISIONS OF THE GOVERNING DOCUMENTS AS TO ANY SUCH PARTY, (III) THE NATURE, CONDITION, APPEARANCE, USE AND ALL OTHER MATTERS PERTAINING TO ANY PROPERTIES ADJACENT TO OR IN THE AREA OF THE SUBDIVISION, OR WHICH ARE NOT OTHERWISE SUBJECT TO THE GOVERNING DOCUMENTS, INCLUDING WITHOUT LIMITATION ANY OBLIGATION NOW OR IN THE FUTURE TO INCLUDE IN THE SUBDIVISION OR IN ANY MANNER TO OTHERWISE SUBJECT ANY SUCH PROPERTIES TO ANY PROVISIONS OF THE GOVERNING DOCUMENTS, (IV) THE MANAGEMENT OR OPERATION OF THE ASSOCIATION, (V) AS TO ENFORCEMENT OF ANY PROVISIONS OF THE GOVERNING DOCUMENTS AS TO ANY OWNER, TENANT OR ANY OTHER PERSON, AND (VI) AS TO ANY ENVIRONMENTAL HAZARDS OR CONDITIONS AFFECTING THE SUBDIVISION, INCLUDING ALL BUILDING SITES, COMMUNITY PROPERTIES AND RESERVES, OR AFFECTING ANY AREA OR ADJACENT PROPERTIES. IT BEING EXPRESSLY STIPULATED AND AGREED THAT SUCH ENFORCEMENT IS AT ALL TIMES THE SOLE RESPONSIBILITY OF THE ASSOCIATION AND/OR ANY AFFECTED OWNER.

(B) IN ADDITION TO AND WITHOUT LIMITATION OF SECTION 3.06, THE ASSOCIATION AND EACH OWNER HEREBY RELEASES DECLARANT FROM, AND THE ASSOCIATION AND EACH OWNER MUST HEREAFTER INDEMNIFY, PROTECT, DEFEND, SAVE AND HOLD HARMLESS DECLARANT, AND DECLARANT'S

EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, ATTORNEYS AND AGENTS FROM AND AGAINST, ANY AND ALL DEBTS, DUTIES, OBLIGATIONS, LIABILITIES, SUITS, CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, LOSSES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND EXPENSES AND COURT COSTS) IN ANY WAY RELATING TO, CONNECTED WITH OR ARISING OUT OF ANY OF THE MATTERS SET FORTH IN SECTION 11.05 AND IN THIS SECTION, INCLUDING WITHOUT LIMITATION THE COST OF ANY REMOVAL OF HAZARDOUS SUBSTANCES OR CONTAMINANTS OF ANY KIND FROM THE PROPERTY AND ANY OTHER REMEDIAL COSTS REGARDING ANY ENVIRONMENTAL HAZARD OR CONDITION, OR THE OWNERSHIP, LEASING, USE, CONDITION, OPERATION, MAINTENANCE OR MANAGEMENT OF THE PROPERTY, REGARDLESS OF WHETHER THE SAME ARISES OR ACCRUES DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD. THE PROVISIONS OF THIS SECTION (INCLUDING ITS INCORPORATION AS TO SECTIONS 3.06 AND 11.05) CONSTITUTE A COVENANT OF RELEASE AND INDEMNIFICATION RUNNING WITH THE LAND (INCLUDING EACH BUILDING SITE AND ALL COMMUNITY PROPERTIES), AND IS BINDING UPON EACH OWNER AND THEIR TENANT, AND THEIR RESPECTIVE FAMILY OR OTHER HOUSEHOLD MEMBERS, SUCCESSORS IN TITLE OR INTEREST, AGENTS, EMPLOYEES, REPRESENTATIVES, SUCCESSORS AND ASSIGNS.

Article XII
General Provisions

SECTION 12.01 Term. Subject to the provisions of **Sections 11.10 and 12.02**, these covenants, conditions, restrictions, reservations, easements, liens and charges run with the land and are binding upon and inure to the benefit of Declarant, the Association, all Owners, their respective legal representatives, heirs, executors and administrators, predecessors, successors and assigns, and all Persons claiming under them for a period of twenty years from the date this Declaration is filed in the Official Public Records of Real Property of Harris County, Texas, after which time said covenants, conditions, restrictions, reservations, easements, liens and charges will be automatically extended for successive periods of ten years each.

SECTION 12.02 Amendment.

12.02.1 By Owners. Except as otherwise expressly herein provided, the Owners of two-thirds (2/3rds) of the total number of Building Sites then contained within the Subdivision always have the power and authority to amend this Declaration, in whole or in part, at any time and from time to time; provided, during the Development Period no amendment is effective unless and until approved in writing by Declarant. In this Declaration and all other governing Documents the terms "amend", "amendment" or substantial equivalent mean and refer to any change, modification, revision or termination of any provisions of this Declaration or other Governing Documents.

12.02.2 By Association. The Board of Directors has the right in its sole judgment, from time to time and at any time, to amend this Declaration without joinder of any Owner or any other Person for the following purposes:

(a) to resolve or clarify any ambiguity or conflicts herein, or to correct any inadvertent misstatements, errors or omissions herein; or

(b) to conform this Declaration to the requirements of any lending institution; provided, the Board has no obligation whatsoever to amend this Declaration in accordance with any such lending institution requirements, and the Board may not so amend this Declaration if in the sole opinion of the Board any substantive and substantial rights of Owners would be adversely affected thereby; or

(c) to conform this Declaration to the requirements of any governmental agency, including the Federal Home Loan Mortgage Corporation, Federal National Mortgage Agency, Veterans Administration or Federal Housing Administration, and in this respect the Board shall so amend this Declaration to the extent required by law upon receipt of written notice of such requirements and request for compliance.

12.02.3 Method for Approval of Amendment by Owners.

(a) Notice of any proposed amendment must be given to Owners of all Building Sites at least ten days before circulation of the amending instrument or conducting of the special meeting as to same as provided in **Section 12.02.3(b)**. Unless a complete copy of the proposed amending instrument is included with the notice, the notice must set forth a reasonable summary of the proposed amendments and in that event a complete copy of the amending instrument must be mailed to any Owner promptly upon receipt by the Association of a written request for same.

(b) The Owner's approval of any amendment of this Declaration may be obtained **(i)** by execution of the amending instrument or a consent thereto by any Owner of each Building Site so approving, **(ii)** by affirmative vote, in person or by proxy, at a special meeting called for consideration of any such amendment, or **(iii)** by any combination of the foregoing.

(c) Any joint Owner may nullify the approval of another joint Owner only by filing of a written objection in the Official Public Records of Real Property of Harris County, Texas within ninety days after filing of the amending instrument. The certification of the Association's Secretary as to compliance with all prerequisites for amendment set forth herein is final and conclusive from and after two years after filing of the applicable amending instrument in the Official Public Records of Real Property of Harris County, Texas.

12.02.4 Effective Date. Any lawful amendment of this Declaration will be effective from and after filing of the amending instrument in the Official Public Records of Real Property of Harris County, Texas, or such later date as may be stated in the amending instrument.

12.02.5 NO IMPAIRMENT OF DECLARANT'S RIGHTS. NO AMENDMENT UNDER THIS SECTION MAY REMOVE, REVOKE OR MODIFY ANY RIGHT OR PRIVILEGE OF DECLARANT WITHOUT THE WRITTEN CONSENT OF DECLARANT.

SECTION 12.03 Notices to Association, ACC and Owners. Unless otherwise expressly provided herein, all notices or other communications permitted or required under this Declaration must be in writing and are deemed properly given if but only if given in accordance with the following:

2.03.1 Notices to Association or ACC. All notices or other communications to the Association or ACC during the Development Period must be given to Declarant as provided in **Section 11.09**. Thereafter, such notices or other communications must be given by (i) personal delivery acknowledged in writing, or (ii) certified or registered mail, return receipt requested, and by deposit in the United States mail, postage prepaid and addressed, to any member of the Board or ACC, to the Association's registered agent, or to the Association's Managing Agent as from time to time designated by the Board. Such notices or other communications are deemed given only upon actual receipt of same. In the event the Association or ACC disputes receipt of any notice or other communication, the original or a copy of the delivery acknowledgment or return receipt must be provided to the Association or ACC failing which the notice or other communication will be conclusively deemed not to have been received.

12.03.2 Notice to Owners. All notices or other communications to any Owner are deemed given upon personal delivery to or when deposited in the United States mail, postage prepaid and addressed to, the street address of the Owner's Building Site located within the Subdivision, or to the most current street address given by an Owner for purposes of notice as provided in **Section 12.03.3**. Where more than one Person is the Owner of a single Building Site, the mailing of any notices or other communications as aforesaid to any single Owner constitutes notice given to all such Owners.

12.03.3 Owner's Notice of Address Other Than Building Site Address Required. Any Owner may request any notices required or permitted hereby be mailed to an address other than such Owner's Building Site address by giving written and dated notice of the alternate address to the Association. Any such request will be conclusively deemed not to have been received unless the Owner produces the original or copy of the properly signed and dated return receipt request or delivery receipt acknowledgment. In the event of conflict in such requests by a single Owner or multiple Owners, the request last received shall control.

12.03.4 Change of Ownership. Written notice of change of ownership of a Building Site by sale or otherwise must be given to the Association within thirty days after the change. The notice must state the name and current mailing address of the current Owner(s), the date of acquisition of ownership, the names of all persons who will occupy the affected Building Site and their relationship and a general statement of the legal basis of the change of ownership (such as sale under deed or executory contract for conveyance).

12.03.5 Leasing. Written notice of leasing of or other change in occupancy of a Building Site must be given to the Association within thirty days after the change of occupancy. The notice must state name and current mailing address of the Owner(s), the date of change of occupancy, the names of all persons who will occupy the affected Building Site and their relationship and a general statement of the legal basis of the change of occupancy (for example under lease for one year term).

12.03.6 Notice of Liens, Status and Foreclosure; Notice of Default.

(a) Upon written request an Owner must provide to the Association a written statement setting forth the current holder of all mortgages, deeds of trust and other liens and encumbrances as to their Building Site for the purchase thereof, taxes thereon, and work and materials used in constructing improvements thereon, and as to each the nature of and loan, account or similar identifying number or other designation applicable to the mortgage, deed of trust or other lien or encumbrance.

(b) Upon written request the holder of any mortgage, deed of trust and any other lien or encumbrance pertaining to a Building Site must provide to the Association a statement of current status, including account or similar identifying number or other designation applicable to the mortgage, deed of trust or other lien or encumbrance, the nature of any current default and resulting current amounts due, if any, the nature of and current status of any enforcement proceedings, current payoff, and such other relevant information as may be set forth in the written request.

(c) The holder of any mortgage, deed of trust or other lien or encumbrance pertaining to a Building Site must give the Association written notice of acquisition of title by foreclosure or deed or other instrument of conveyance in lieu of foreclosure, or of the status of a mortgagee in possession, within thirty days after acquisition of such title or status. The notice must include name and mailing address, account or similar identifying number or other designation (such as REO No.) and such other relevant information as the Association may request in writing.

(d) The Association may (but is not required to) notify any credit bureau, and the holder (or purported or believed holder) of any right, title or interest in and any mortgage, deed of trust and any other lien or encumbrance pertaining to a Building Site as to any default under the Governing Documents, including delinquency in payment of assessments and any other monetary amounts due to the Association.

12.03.7 Other Information or Documentation. The Board may from time to time by written request require any Owner or their tenant to verify the information covered by **Section 12.03.3** through **12.03.6** by submission of such documentation and additional information as the Board may reasonably require.

12.03.8 Other Governing Documents. Applicable provisions of this **Section 12.03** also apply to notices or other communications permitted or required by other Governing Documents except as otherwise expressly provided in such other Governing Documents, and provided that notice given in accordance herewith is in all events sufficient regardless of contrary provisions in other Governing Documents.

SECTION 12.04 Managing Agent. The Board shall have the authority, from time to time and at any time, to retain, hire, employ or contract with any one or more Persons to provide management services to the Association, including discharge of such functions and duties of the Board and/or any officers or committees of the Association, as the Board may specify (any such Person herein referred to as a "Managing Agent"). Any Managing Agent shall be retained, hired,

employed or contracted for on such terms and conditions as the Board in its sole good faith judgment may determine; provided, the Board shall retain the right in all cases as to any Managing Agent to remove the Managing Agent, with or without cause, upon not more than sixty days notice.

SECTION 12.05 Conflicts In Governing Documents. In the event of any conflict in the Governing Documents which cannot be reasonably reconciled after application of rules of interpretation as provided herein or by law, this Declaration shall control over any other Governing Documents, and all other Governing Documents shall control in the following order of priority: (i) Architectural Guidelines; (ii) Rules and Regulations; (iii) Articles of Incorporation; (iv) Bylaws; (v) Board and Member resolutions; and (vi) all others.

SECTION 12.06 Interpretation. The provisions hereof are to be liberally construed to give full effect to their intent and purposes. If this Declaration or any word, clause, sentence, paragraph, or other part thereof shall be susceptible to more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration and the scheme of development thereunder shall govern. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. In particular and without limitation, the division of use restrictions under **Article VII** hereof and architectural restrictions under **Article VIII** hereof are for convenience of reference, it being the intent that all such provisions be given full effect in an integrated manner in light of the general purposes and objectives of this Declaration and the scheme of development accomplished thereby. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

SECTION 12.07 Severability. Wherever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person, particular circumstance or property shall be prohibited or held invalid, such prohibition or invalidity shall not extend beyond such Person, particular circumstance or property and shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

SECTION 12.08 Ratification. Stature Construction, Inc. and Rodriguez Investment Development Corporation, both Texas corporations, as Owners of one or more Building Sites within the Subdivision, and the current owner(s) and holder(s) of a lien or liens covering some or all of the Building Sites, have joined in and consented to this Declaration for purposes of subjecting the property to, and evidencing their agreement to and ratification of, all terms and provisions of this Declaration.

SECTION 12.09 Effective Date. This Declaration is effective from and after the date of filing of same in the Official Public Records of Real Property of Harris County, Texas.

In WITNESS WHEREOF, the undersigned, being the current sole Owner of all Building Sites initially subject to this Declaration, has executed this Declaration to be effective upon the date of filing of this Declaration in the Official Public Records of Real Property of Harris County, Texas.

(3)
/02

UNIVERSITY DEVELOPMENT, INC.
a Texas corporation

By: *George Kawaja, Vice-President*
GEORGE KAWAJA, Vice President

STATURE CONSTRUCTION, INC.
a Texas corporation

RODRIGUEZ INVESTMENT
DEVELOPMENT CORPORATION,
a Texas corporation

20

By: *Thomas P. Thibodeau*
THOMAS P. THIBODEAU, President

By: *Hilda Delgado Pres.*
HILDA DELGADO, President

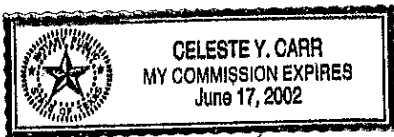
DECLARANT'S ACKNOWLEDGMENT

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the *Sept. 10th* day of *September*, 1999, by GEORGE KAWAJA, Vice President of UNIVERSITY DEVELOPMENT, INC., a Texas corporation, on behalf of the corporation.



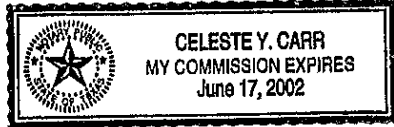
Celeste Y. Carr
NOTARY PUBLIC in and for the
STATE OF TEXAS
Name: *Celeste Y. Carr*
My Commission Expires: *06-17-02*

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the 10 day of September, 1999, by THOMAS P. THIBODEAU, President of STATURE CONSTRUCTION, INC., a Texas corporation, on behalf of the corporation.



Celeste Y. Carr
NOTARY PUBLIC in and for the
STATE OF TEXAS
Name: Celeste Y. Carr
My Commission Expires: 06-17-02

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the 10 day of September, 1999, by HILDA DELGADO, President of RODRIGUEZ INVESTMENT DEVELOPMENT CORPORATION, a Texas corporation, on behalf of the corporation.



Celeste Y. Carr
NOTARY PUBLIC in and for the
STATE OF TEXAS
Name: Celeste Y. Carr
My Commission Expires: 06-17-02

CONSENT OF MORTGAGEE

The undersigned, OMNIBANK, N.A., being the owner and holder of an existing mortgage or lien upon and against the land and property described as the Subdivision in the foregoing Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake, as such mortgagee and lienholder, does hereby consent to said Declaration as if the same had been recorded prior to the creation of such lien.

This consent will not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part thereof.

Signed and attested by the undersigned this the 9th day of September, 1999.

ATTEST: OMNIBANK, N.A.

By: Sandra Powell
Name: Sandra Powell
Title: Asst. V.P.

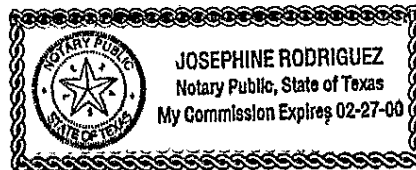
By: Patty Clark
Name: Patty Clark
Title: Vice President

STATE OF TEXAS
COUNTY OF HARRIS

§
§

This instrument was acknowledged before me on the 9th day of September, 1999, by Patty Clark, Vice President of Omnibank, N.A., a National banking Association, on behalf of said Association.

Josephine Rodriguez
NOTARY PUBLIC in and for the
STATE OF TEXAS
Name: _____
My Commission Expires: _____



hw1balunivstone lakevrest&am-restrictions
(990902) UNIV/STCNE

RECORDER'S MEMORANDUM

AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC

11-11-99

HARRIS COUNTY TEXAS
COUNTY CLERK

Bowly B. K. K...



SEP 15 1999

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS,
COUNTY OF HARRIS,
I hereby certify that this instrument was FILED in File Number
Sequence on the date and at the time stamped hereon by me; and was
daily RECORDED in the Official Public Records of Real Property of
Harris County, Texas.

528-06-1405

U153471

**AFFIDAVIT OF PROPERTY OWNERS' ASSOCIATION
(PURSUANT TO TEXAS PROPERTY CODE, SECTION 202.006)**

529-95-1044

Wade

PROPERTY OWNERS'

ASSOCIATION: STONELAKE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation

12/30/99 300354151 U153471 \$71.00

AFFIANT: GEORGE KAWAJA, Vice President of Association

PROPERTY DESCRIPTION:

STONE LAKE, an addition in Harris County, Texas according to the map or plat thereof recorded in Clerk's Film Code No. 393146, Map Records of Harris County, Texas

W

Affiant on oath swears that the following statements are true:

1. Affiant is over the age of eighteen, of sound mind and fully competent to make this affidavit. Affiant is the current vice president of the above designated property owners' association, and is a custodian of the records of said association. As such Affiant is duly authorized to make this affidavit on behalf of the association. Affiant has personal knowledge of the facts stated herein which are all true and correct.

2. Attached hereto are the originals or exact duplicates of the originals of each of the following instruments applicable to the above designated property owners' association and property which have not previously been filed of record: (A) articles of incorporation; and (B) bylaws.

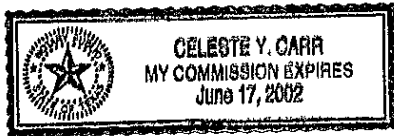
2/

George Kawaja

GEORGE KAWAJA, Vice President

SWORN TO AND SUBSCRIBED BEFORE ME by GEORGE KAWAJA, Vice President of Stone Lake Homeowners Association, Inc., on this the 30 day of December, 1999.

W



Celeste Y. Carr

NOTARY PUBLIC in and for the
STATE OF TEXAS
Name: Celeste Y. Carr
My Commission Expires: _____

AFTER RECORDING RETURN TO:

Lou W. Burton
Williams, Birnberg & Andersen, L.L.P.
6671 Southwest Freeway, Ste. 303
Houston, Texas 77074-2284
lwb\balgen\aff-poa-stonelake

FILED
1999 DEC 30 PM 4:07
HARRIS COUNTY CLERK
HARRIS COUNTY TEXAS
George L. ...



529-95-1045

The State of Texas
Secretary of State

NOV. 30, 1999

LOU W BURTON...WILLIAMS, BIRNBERG & ANDERSEN
6671 SOUTHWEST FRWY, STE 303
HOUSTON ,TX 77074-2284

RE:
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.
CHARTER NUMBER 01488480-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR
RESTATED ARTICLES OF INCORPORATION.

THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES AND THE
ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



A handwritten signature in black ink, appearing to read "Elton Bomer".

Elton Bomer, Secretary of State



529-95-1046

The State of Texas
Secretary of State

CERTIFICATE OF RESTATED ARTICLES
OF INCORPORATION

OF

STONE LAKE HOMEOWNERS' ASSOCIATION, INC.
CHARTER NUMBER 01488480

FORMERLY

STONE LAKE HOMEOWNERS ASSOCIATION, INC.

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT RESTATED ARTICLES OF INCORPORATION OF THE ABOVE
CORPORATION DULY SIGNED AND VERIFIED PURSUANT TO THE PROVISIONS OF THE
TEXAS NON-PROFIT CORPORATION ACT, HAVE BEEN RECEIVED IN THIS OFFICE AND
ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY
VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES
THIS CERTIFICATE OF RESTATED ARTICLES OF INCORPORATION AND ATTACHES
HERETO A COPY OF THE RESTATED ARTICLES OF INCORPORATION.

DATED NOV. 12, 1999



A handwritten signature in black ink, appearing to read "Elton Bomer".

Elton Bomer, Secretary of State

529-95-1047

FILED
In the Office of the
Secretary of State of Texas
NOV 12 1999

**RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
STONE LAKE HOMEOWNERS ASSOCIATION, INC.** Corporations Section

STONE LAKE HOMEOWNERS ASSOCIATION, INC., pursuant to the Texas Non-Profit Corporation Act, including Article 1396-4.06 thereof, adopts these Restated and Amended Articles of Incorporation which amend the initial Articles of Incorporation in their entirety except Article Seven which sets forth the incorporators, and which were adopted by a consent in writing signed by all current directors and by all Members entitled to vote with respect thereto (including consent as to each aforesaid amendment) and in conformity with the Texas Non-Profit Corporation Act. The initial Articles of Incorporation and all amendments and supplements thereto are superseded by the following Restated and Amended Articles of Incorporation which accurately set forth the articles of incorporation and all amendments thereto that are in effect to the date of signing hereof as set forth below:

ARTICLE I
Corporate Name

The name of the corporation is STONE LAKE HOMEOWNERS' ASSOCIATION, INC., hereinafter sometimes called the "Association".

ARTICLE II
Legal Status

The Association is a nonprofit corporation organized pursuant to the Texas Non-Profit Corporation Act.

ARTICLE III
Duration

The period of duration of the Association is perpetual.

ARTICLE IV
Purposes

The purposes for which the Association is organized are specifically and primarily to provide an organization consisting of the Owners of Building Sites within Stone Lake, a residential subdivision located within Harris County, Texas (the "Subdivision"), in accordance with and as more particularly described in that certain instrument entitled "Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake", as filed for record in the Official Public Records of Real Property of Harris County, Texas, as same may be from time to time amended (the "Declaration"), and in accordance with the Declaration to provide for the management, maintenance, preservation, operation and architectural control of the Subdivision and any additions thereto as may hereafter be brought within the jurisdiction of the Association, including for such purposes without limitation of the foregoing:

A. to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, the Bylaws and Articles of Incorporation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the Association's Board of Directors and Architectural Control Committee, and amendments to any of the foregoing (all such instruments sometimes herein referred to as the "Governing Documents");

B. to fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and other Governing Documents, and to pay all expenses in connection with such charges or assessments and all other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

C. to control the construction, reconstruction or alteration of any building or other improvement to be erected, maintained or altered upon any Lot, Building Site, tract, parcel, site or reserve within the Subdivision or otherwise subject to the jurisdiction of the Association;

D. to cause to be enforced the restrictions, covenants, conditions and easements imposed upon all or any part of the Subdivision by the Declaration and other Governing Documents;

E. to acquire (by gift, deed, lease or otherwise), own, hold, improve, operate, maintain, sell, lease, convey, dedicate for public use, otherwise dispose of and/or alienate real and personal property as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents;

F. to borrow money, and to mortgage, pledge, deed in trust or otherwise encumber, alienate or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred to conduct the lawful affairs of the Association;

G. to act in the capacity of principal, agent, joint venturer, partner, or otherwise as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents; and

H. to have and exercise any and all powers, rights and privileges which a corporation organized and existing under the Texas Non-Profit Corporation Act may by law now or hereafter have and exercise, including any and all powers, rights and privileges now or hereafter granted or permitted by the Declaration and other Governing Documents.

ARTICLE V Registered Office and Agent

The street address of the registered office of the Association is 2323 S. Shepherd Drive, Suite 1430, Houston, Texas 77019, and the name of its registered agent at such address is THOMAS P. THIBODEAU.

ARTICLE VI
Board of Directors

A. Development Period Directors. The number of Directors constituting the Development Period Board of Directors of the Association is three (3), and the names and addresses of the persons who are to serve as the Development Period Directors are:

<u>Name</u>	<u>Address</u>
Thomas P. Thibodeau	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019
George Kawaja	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019
Sonia Casimiro	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019

B. Subsequent Directors. The Development Period Directors as above provided will serve as Directors until their successors are elected and qualified as provided in the Association's Bylaws. The number of Directors shall be fixed by, or in the manner provided in, the Declaration and the Association's Bylaws; provided, the number of Directors shall not be less than three (3), and no decrease in the number of Directors as provided in the Bylaws shall have the effect of shortening the term of any incumbent Director.

ARTICLE VII
Incorporator

The names and street addresses of the original incorporators are:

<u>Name</u>	<u>Address</u>
Anthony T. Sortino	1431 Graham Drive, Suite 150 Tomball, Texas 77375
Jeff Marler	1431 Graham Drive, Suite 155 Tomball, Texas 77375
Ann Clanton	1431 Graham Drive, Suite 155 Tomball, Texas 77375

ARTICLE VIII
Membership

Every Person who is the "Owner" of a fee simple title or undivided fee simple title interest in any "Building Site" that is subject to the Declaration (as those terms are defined in the Declaration)

shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Building Site. Memberships shall be appurtenant to and may not be separated from ownership of any Building Site, and shall automatically pass with the title to the Building Site.

ARTICLE IX
Voting Rights of Members

A. Development Period. During the Development Period there will be two (2) classes of membership entitled to voting rights in the Association which are as follows:

(i) Class A: All Members of the Association other than the Declarant are Class A Members. DURING THE DEVELOPMENT PERIOD, CLASS A MEMBERS HAVE NO VOTING RIGHTS WHATSOEVER.

(ii) Class B: Class B Members are Declarant. DURING THE DEVELOPMENT PERIOD DECLARANT SHALL HAVE ONE VOTE FOR EACH BUILDING SITE OWNED.

B. Post-Development Period. Upon termination of the Development Period, any remaining Class B membership will automatically convert to Class A membership. Thereafter there will be only one class of voting membership, and the Owner, whether one or more, of each Building Site will be entitled to one vote on each matter coming before the membership.

C. Multiple Owners: When more than one Person holds an ownership interest in a Building Site, all such Persons shall be Members, but in no event shall they be entitled to more than one vote with respect to that particular Building Site. When more than one Person holds an ownership interest in a Building Site, the vote of all such joint Owners shall be exercised and controlled as provided in the Declaration.

D. Cumulative, Fractional and Split Voting Prohibited: Neither cumulative voting nor fractional or split voting shall be permitted as to any matter placed before the membership for a vote, including election of Directors.

E. Suspension of Voting Rights: Voting rights of any Member may be suspended for breach of the Governing Documents as that term is defined in and as otherwise provided in the Declaration.

ARTICLE X
Dissolution

In the event of the liquidation, dissolution or winding up of the Association, whether voluntary or involuntary, the Directors shall dispose of all property and assets of the Association, including, without limitation, all undistributed income earned thereon, after the payment, satisfaction and discharge of all liabilities and obligations of the Association, or the making of adequate provision

therefor in such manner as they, in the exercise of their absolute discretion, and by majority vote, shall determine; provided, such disposition shall be exclusively in the furtherance of the purposes for which the Association is formed, and the property and the assets of the Association shall not accrue to the benefit of any officer, Director, Member, or any individual having a personal or private interest in the affairs of the Association or any organization which engages in any activity in which the Association is precluded from engaging.

ARTICLE XI
Limitation of Liability; Indemnification

A. General. Except for intentional misconduct, knowing violation of the law, or as otherwise provided by the Texas Non-Profit Corporation Act (including Article 1396-2.22A thereof, as amended), no Director of the Association shall be liable to the Association or any of its Members, and the Association shall not be liable to any Member, for monetary damages or otherwise for any act or omission in the Director's capacity as a Director or any act or omission of the Association within the scope, of its purposes. The Association shall indemnify and keep indemnified any Director or former Director to the fullest extent necessary to accomplishment of the foregoing and to the fullest extent allowed by law, and hold any such Director or former Director harmless from and against all claims, demands, suits, judgments, court costs, attorney's fees, attachments and any and all other legal action or proceedings whatsoever as contemplated thereby. All provisions of this Article XI shall also apply to the incorporator herein named, to any officer or former officer of the Association, and to all Association committees and members thereof.

B. Liability Arising From Conduct of Owners. Each Owner, and each Owner's tenants, shall indemnify and keep indemnified, and hold harmless, the Association, and its officers, Directors, servants, agents and employees from and against all claims, damages, suits, judgments, court costs, attorney's fees, attachments and any and all other legal actions or proceedings whatsoever caused or arising, directly or indirectly, through the willful or negligent act or omission of an Owner, the Owner's tenants, or the family, guests, invitees, servants, agents or employees of either.

C. Additional and/or Subsequent Authority. To the fullest extent provided in other "Governing Documents" as that term is defined in the Declaration, and if the Texas Non-Profit Corporation Act, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code, or any other statute is enacted, construed or amended subsequently to the filing of these Articles of Incorporation to further eliminate or limit liability or further authorize indemnification than as authorized, permitted or required by this Article XI, then such liability shall be eliminated or limited and such right to indemnification shall be expanded to the full extent permitted by such other Governing Documents or by such statutory enactment, construction or amendment.

D. No Impairment. Any repeal or modification of this Article by the Members of the Association or otherwise shall not adversely affect any right or protection existing at the time of such repeal or modification.


ARTICLE XII
Amendment

These Articles of Incorporation may be amended from time to time, in any and as many respects as may be desired, as provided in the Texas Non-Profit Corporation Act.

IN WITNESS WHEREOF, the undersigned officer of the Association has executed these Restated and Amended Articles of Incorporation thereby affirming, ratifying and consenting thereto on this 15th day of September, 1999.

DATED: September 15, 1999

STONE LAKE HOMEOWNERS
ASSOCIATION, INC.

By: , President
GEORGE KAWAJA, President

RESTATED AND AMENDED BYLAWS

FOR

**STONE LAKE HOMEOWNERS
ASSOCIATION, INC.**

A TEXAS NON-PROFIT CORPORATION

(Effective September 15, 1999)

BYLAWS
OF
STONE LAKE HOMEOWNERS ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION

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RESTATED AND AMENDED BYLAWS**OF****STONE LAKE HOMEOWNERS
ASSOCIATION, INC.****A TEXAS NON-PROFIT CORPORATION****ARTICLE I****Name; Offices**

1.1 Name. The name of the corporation is STONE LAKE HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

1.2 Principal Office. The principal office of the Association shall be 2323 S. Shepherd Drive, Suite 1430, Houston, Texas 77019. The address of the principal office may be changed from time to time as shall be directed by resolution of the Board of Directors in accordance with the Texas Non-Profit Corporation Act. The Association may also have offices at such other places as the Board of Directors may from time to time designate or as its business may require.

1.3 Registered Office and Agent. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose business office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Association. The registered agent and address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II**Definitions**

2.1 Incorporation of Definitions. All definitions as set forth in Article II of the "Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake" heretofore filed on September 15, 1999 under Clerk's File No. T967416, Official Public Records of Real Property of Harris County, Texas (the "Declaration"), as amended, are hereby incorporated by reference herein. In addition to the foregoing and to any other definitions set forth in these Bylaws, the following term has the following meaning:

2.1.1 "Assessments" means any and all assessments, annual, special, specific or otherwise, and all other monetary obligation owed by any Member or Owner to the Association as provided for in, and in accordance with, the Declaration and any other applicable Governing Documents.

ARTICLE III

Membership; Voting Rights and Procedures

3.1 Membership; Voting Rights.

3.1.1 Owners as Members. As more fully described in the Declaration, every Person who is the owner of a fee simple title or undivided fee simple title interest applicable to any Building Site that is subject to the Declaration is a member of the Association, and as such shall have voting rights as set forth in **Section 3.04** of the Declaration (as amended).

3.2 When Member Required to Designate Representative; Effect. Each Member which is not a natural person is required to designate one natural person to act on such Member's behalf as herein provided. The designation must be by written and dated notice stating (i) the name and contact address, telephone number and the telecopier number, when available, of the designated representative, and (ii) the effective date of such designation which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The Association is not required to recognize any person as being authorized to represent or act on behalf of any Member which is not a natural person until such designation has been received by the Association. A designation as aforesaid fully authorizes the designated representative to bind the designating entity as to all matters, decisions and actions of the designated representative whether or not such authority is expressly stated in the written designation; provided, the Board may require any designated representative to show authority to act in such manner as the Board may reasonably require. Any designated representative may be changed from time to time in the same manner as required for original designation. In the event of conflict between designations, the most currently dated designation which has been received by the Association will control. Any such representative may serve as a Director as provided herein.

3.3 Suspension of Voting Rights. All voting rights appurtenance to ownership of a Building Site will or may be suspended in accordance with the following:

3.3.1 Automatic Suspension. All voting rights appurtenant to a Building Site are automatically suspended during any period of time any Assessments are owed to the Association and extending through the fifth banking business day after payment in full is received and deposited by the Association. During such suspension, no Owner of the affected Building Site is entitled to vote upon any matters coming before the membership.

3.3.2 Suspension After Notice. Upon not less than ten days written notice, the Board of Directors may suspend the voting rights appurtenant to any Building Site as to which the Owner or any occupant thereof, or their respective agents, employees, guests or invitees, are in violation of any provisions of the Governing Documents as determined in the sole good faith discretion of the Board of Directors. During such period of suspension no Owner of the affected Building Site is entitled to vote upon any matters coming before the membership. In the event of such suspension, any affected Owner is entitled to petition the Board of Directors in writing for

reinstatement of voting rights, and to be heard at a regular or special meeting of the Board of Directors thereon.

3.4 Good Standing. A Member is *not* in good standing during any period during which the Member's voting rights have been suspended, including any period during which any Assessments are owed to the Association.

3.5 Voting Procedures. Voting on any matter brought before the membership must be conducted in accordance with the following:

3.5.1 Right to and Manner of Vote. At all meetings of Members, voting may be in person or by proxy. Voting by proxy will be deemed voting in person for all purposes. Voting by Mail-In Ballot is permitted only as provided by **Section 3.5.2**.

3.5.2 Limited Right to Elect Directors by Mail-In Ballot. As to but only as to election of Directors, the Board of Directors may authorize and adopt procedures whereby Members may cast a ballot vote by mail, by facsimile transmission or by any combination of the two (herein referred to as a "Mail-In Ballot"). Voting as to election of Directors by Mail-In Ballot will be deemed voting in person only as to the election. To the extent applicable, references in these Bylaws to ballots also include Mail-In Ballots.

3.5.3 Form of Proxy or Ballot; Voting Procedures.

a. All proxies and ballots must be in writing, dated and signed by the Member giving or casting same, and must set forth the printed name(s) of the Member(s) and the address of each Lot and/or legal designation by section, block and lot reference to each Lot as to which voting rights are being exercised. An Owner of multiple Lots may execute a single proxy or ballot as to all Lots owned and thereby vote as to all such Lots (being one vote per Lot or such higher number of votes per Lot as may be provided in the Declaration).

b. Members may vote only by written proxy or ballot as to (i) election or removal of Directors by Members, (ii) amendment, modification, revision or repeal of the Declaration, Articles of Incorporation or these bylaws when a vote of the Members as to same is permitted or required, (iii) merger, consolidation or dissolution of the Association, (iv) sale, lease or exchange of all, or substantially all, the property and assets of the Association, and (v) any other matters as from time to time determined by the Board of Directors. As to any of the foregoing, only ballot type proxies which specify the matters to be voted on and which allow the Person giving the proxy an opportunity to determine the manner in which the proxy holder must vote are permitted. Subject to **Section 3.6.8** voice or show voting is permitted as to any other matters, and the use of general or blanket type proxies are permitted as to any such matters.

c. Proxies and Mail-In Ballots must be received by the Association by the date of the meeting to which same pertains, or such earlier date certain as stated therein or in the notice of the meeting which date certain may not be more than three banking business days prior to the meeting. The date is automatically extended in the case of continuation or

adjournment of the meeting to which same applies to the last banking business day prior to the date of the continued or adjourned meeting.

d. When acting pursuant to a proxy, each proxy holder must sign and date the original proxy or a copy thereof and any ballot cast pursuant thereto.

e. A proxy or ballot is valid only for the meeting to which same pertains, and as to all subsequent continued or adjourned meetings thereof provided the continued or adjourned meeting or meetings are held within one hundred twenty days after the date of the original meeting.

f. Any proxy or ballot which is not in writing and signed by the Member giving or casting same is invalid. Any undated proxy or ballot will be dated as of the date received by the Association. The validity of any proxy or ballot due to any other defect in form will be determined by the "Vote Tabulators" (as defined in Section 3.6.1) whose decisions thereon shall be final.

3.5.4 Revocation of Proxy or Mail-In Ballot. All proxies and Mail-In Ballots may be revocable, except to the extent otherwise permitted by law and expressly provided therein, until the call for voting upon the matters to which same pertain; provided, once delivered to the custody of the Association, no proxy or Mail-In Ballot may be revoked except in writing, either by printing "revoked" on same and signing and dating such notation, or by separate instrument which specifically identifies the proxy or Mail-In Ballot to be revoked and which is dated and signed; and any such revocation will be effective only if actually received by the Association prior to call for voting upon the matters to which the revocation pertains.

3.5.5 Voice or Show Votes. Except as provided in Section 3.5.3(b) or as otherwise required by the Declaration or law, the Members (or their proxy holders) may vote on any matters by voice, by rising or by show of hands as the Chairperson of the meeting shall direct.

3.6 Verification and Tabulation of Voting Results.

3.6.1 By Whom Verified. Except as hereafter provided, voice or show voting results as provided in Section 3.5.5 will be verified by the Chairperson of the meeting to which same pertains. Proxy or ballot voting results will be verified, tabulated and maintained by the Board of Directors, or by such other committee of three persons as may be designated by the Board of Directors (the "Vote Tabulators").

3.6.2 Verification of Right to Vote. Satisfactory proof of membership, or of a Member's good standing to entitle the Member to vote or any other qualifications necessary to the validity of a ballot or proxy may be required if in the sole good faith opinion of the Vote Tabulators reasonable doubt as to same exists.

3.6.3 Proxies or Ballots Confidential. No ballot or proxy may be inspected by any Person other than the Vote Tabulators, the Board of Directors and/or legal counsel to the

Association. The Vote Tabulators, the Board of Directors and/or legal counsel will inspect ballots and proxies solely for the purposes of validating same and tabulating the results of any vote of the membership, and the contents of same will be held in confidence by all such parties; provided, the Board of Directors may disclose the contents of proxies and ballots (including Mail-In Ballots) to the extent it shall in its sole opinion deem necessary to resolve any disputes as to same or as may otherwise be required by order of a court of competent jurisdiction.

3.6.4 Minimum Period of Retention of Ballots or Proxies. The Association shall maintain proxies and ballots for a minimum period of four years from the date of the meeting or other action to which same pertain after which time such ballots and proxies may be destroyed.

3.6.5 Announcement of Voting Results. The membership will be notified of the results of tabulation of any vote (i) verbally at the meeting to which same pertains, or (ii) after the meeting by written notice given to all Members as reasonably soon as practical after the meeting if only a tentative result can be determined at the meeting as provided in the following two Sections, as applicable. In either case, the final results will be made a part of the minutes of the meeting, but a specific count of the voting need not be included in the minutes.

3.6.6 Verification of Ballot or Proxy Votes. When tabulating any voting results at a meeting, the Vote Tabulators may disregard any proxy or ballot the validity of which is reasonably in doubt as determined in the sole opinion of the Vote Tabulators. If after tabulating the results of any vote of the membership disregarding any doubtful ballots or proxies, the results of such tabulation could not be changed even if all such doubtful ballots or proxies were counted as votes against the results otherwise obtained, a final tabulation will be announced at the meeting. If the results of any vote could be changed by counting the doubtful ballots or proxies as aforesaid, a tentative result will be announced at the meeting after which a final tabulation will be made as soon as practicable as provided in the next Section.

3.6.7 Verification of Tentative Results. When a tentative result has been announced at any meeting, the Vote Tabulators and/or legal counsel to the Association will make every reasonable effort to finally validate or invalidate all doubtful ballots and proxies. If in the sole good faith opinion of the Vote Tabulators and/or legal counsel to the Association a reasonably certain result cannot be announced due to the number of doubtful ballots and/or proxies, then such vote shall be declared void and the membership will be so notified.

3.6.8 Verification of Voice or Show Vote. If the Chairperson at any meeting is in doubt as to the results of any vote by voice, the Chairperson may call for verification by re-vote by rising or by show of hands, and/or as to either method require a specific count. If a specific count is taken, the results shall be made a part of the minutes of the meeting. Owners of a majority of Building Sites present at the meeting may vote to require verification of any voice vote in the same manner.

3.6.9 Limitations Period to Challenge Vote. AS A CONDITION PRECEDENT TO ANY SUIT OR OTHER PROCEEDINGS TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE, OR ANY OTHER MATTERS

PERTAINING TO THE VALIDITY OF ANY MEETING OF MEMBERS OR ANY VOTE OF THE MEMBERSHIP, WRITTEN NOTICE MUST BE GIVEN TO THE BOARD OF DIRECTORS, AND IF APPLICABLE TO THE ASSOCIATION'S MANAGING AGENT, WITHIN NINETY DAYS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING. THE NOTICE MUST SET FORTH THE BASIS FOR ANY CHALLENGE OR OTHER DISPUTE WITH SUFFICIENT DETAIL TO PROVIDE FAIR NOTICE AS TO THE BASIS. IN ADDITION, BUT WITHOUT LIMITATION OF THE FOREGOING, ANY SUIT TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE OR ANY OTHER MATTERS PERTAINING TO THE VALIDITY OF ANY MEETING OF THE MEMBERS OR ANY VOTE OF THE MEMBERSHIP MUST BE FILED IN HARRIS COUNTY, TEXAS WITHIN TWO YEARS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING.

ARTICLE IV

Meetings of Members

4.1 Annual Meeting. The first annual meeting of the Members of the Association will be held upon the earlier to occur of when called by Declarant or within ninety days following termination of the Development Period. Each annual meeting thereafter will be held during the month of September of each year, as determined by the Board of Directors, and at such place within Harris County, Texas as determined by the Board of Directors.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President, or by the Board of Directors, or by written petition signed by not less than the Owners of a majority of the Building Sites then contained in the Subdivision. Notice of the special meeting must be sent within thirty days after receipt of the request for call of same unless within the thirty-day period written notice is given to all parties calling same stating a proper reason or reasons why the meeting will not be so noticed either at all or within the thirty-day period, and in the latter case the written notice must state a reasonable period of time within which the meeting will be noticed.

4.3 Notice of Meetings. Written notice of each meeting of the Members must be given by, or at the direction of, the Secretary or such other person authorized to call the meeting, not less than ten nor more than sixty days before such meeting to each Member according to the records of the Association. Such notice must specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes of the meeting.

4.4 Quorum. The presence, in person or by proxy and whether or not in good standing, at any meeting of Members owning not less than one-tenth of the Building Sites then contained in the Subdivision constitutes a quorum for any action except as otherwise required by law, the Articles of Incorporation, the Declaration or these Bylaws. Once a quorum is established at any

meeting the quorum cannot thereafter be broken for that meeting by any Member leaving the meeting. If a quorum is not present or represented at any meeting, the meeting may be adjourned at any time and from time to time, without any further notice other than announcement at the meeting, until a quorum as aforesaid is present or represented, either by announcement by the Chairperson of the meeting or by vote of Members owning a majority of the Building Sites who are present in person or by proxy; provided, the adjourned meeting or meetings must be held within ninety days after the date of the original meeting. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

4.5 Majority Vote. The vote, in person or by proxy, of a majority of the votes actually cast at a meeting at which at least a quorum is (or was) present or represented shall be the act of the Members' meeting except as otherwise provided or required by law, the Articles of Incorporation, the Declaration, or these Bylaws. Any such act of a Member's meeting is binding upon all Members and Owners.

ARTICLE V

Board of Directors

5.1 Composition. The affairs of the Association shall be managed by a Board of three Directors. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws, provided the Board must at all times have not less than three Directors. **DECLARANT SHALL APPOINT ALL DIRECTORS UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.**

5.2 Qualifications. After termination of the Development Period, all candidates for election to the Board of Directors and all Directors after election, must meet the qualifications set forth in this Section, as applicable. **NONE OF THE PROVISIONS OF THIS SECTION 5.2 APPLY TO DIRECTORS APPOINTED BY DECLARANT DURING THE DEVELOPMENT PERIOD.**

5.2.1 Membership Required. All Directors must be Members of the Association. A designated representative appointed as provided in **Section 3.2** hereof may hold a directorship.

5.2.2 Good Standing Required. A Director is disqualified if the Director is not in good standing as provided in **Section 3.4**. The good faith decisions of the Board as to good standing is final.

5.2.3 Affiliation. No Member may be appointed or elected as a Director if as a result a majority of the Directors would be affiliated with a single Owner regardless of the number of Building Sites the single Owner may own. As used herein, "affiliated" means a Member that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the single Owner.

5.2.4 Designated Representatives as Directors. The representative of a Member designated as provided in Section 3.2 may be appointed or elected to a directorship provided that notice of the designation must be received by the Association at least ten days prior to the annual or other meeting at which such representative will stand for election or appointment. A designated representative serving as a Director may be replaced by the appointing entity upon written and dated notice stating (i) the name and contact address, telephone number and telecopier number, if available, of the replacement representative, and (ii) the effective date of the replacement, which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The representative being replaced retains full authority on behalf of the designating entity until the effective date for his/her replacement.

5.2.5 Candidate Representations. Any person accepting a nomination for election to the Board of Directors thereby represents by such acceptance that he or she meets the qualifications set forth in this Section, that he or she has a bona fide intent to serve for the full term to which election is sought and that he or she will diligently seek to, and will and is able to devote such time as is reasonably necessary to, discharge the duties and responsibilities of the directorship to which election is sought.

5.3 Term of Office. Each director shall be appointed or elected to one of three Directorship Positions designated as Positions One through Three, and once elected and qualified shall serve until their successor is elected and qualified. THE INITIAL BOARD OF DIRECTORS NAMED IN THE ASSOCIATION'S RESTATED AND AMENDED ARTICLES OF INCORPORATION OR SUCH OTHER PERSONS AS MAY BE APPOINTED BY DECLARANT DURING THE DEVELOPMENT PERIOD SHALL SERVE UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS, AND HAVE QUALIFIED. At the first annual meeting of the Members, two Directors will be elected for a two year term, being Directors to Positions One and Two if said first meeting is in an even numbered year and being Directors to Positions One and Three if said first meeting is an odd numbered year, and one Director will be elected to the remaining Directorship Position for a one year term. Thereafter, Directors will be elected for two year terms, Directors to Positions One and Two to be elected in each even numbered year, and a Director to Position Three to be elected in each odd numbered year.

5.4 Nomination; Election. Nominations for election to the Board of Directors will be made by the Board of Directors to the extent it is able to do so which nominees must be listed in or included with the notice of each annual meeting. Nominations may also be made from the floor at each annual meeting. Election to the Board of Directors must be by written proxy or ballot (including Mail-In Ballots). At each election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The person receiving the largest number of votes within each category of nominations for a Directorship Position shall be elected. Cumulative voting is not permitted.

5.5 Vacancies on Board of Directors.

5.5.1 Development Period. NOTWITHSTANDING SECTIONS 5.5.2 OR 5.5.3 HEREOF, DECLARANT HAS THE EXCLUSIVE RIGHT TO REMOVE ANY DIRECTOR AND TO FILL ALL VACANCIES ON THE BOARD OF DIRECTORS UNTIL TERMINATION OF THE DEVELOPMENT PERIOD AND UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.

5.5.2 Resignation, Death, or Incapacity. In the case of resignation, death, or incapacity to serve of any Director, the vacancy will be filled by the affirmative vote of a majority of the remaining Directors then in office though less than a quorum of the entire Board, or by vote of the sole remaining Director, and any Directors so elected will hold office until the next annual election occurring after their respective terms of office expire and until their successors are elected and have qualified.

5.5.3 Removal. Any Director may be removed, either for or without cause, at any special meeting of Members by affirmative vote of two-thirds of the votes actually cast at a meeting at which at least a quorum is present, in person or by proxy. The notice calling such meeting must give notice of the intention to act upon such matter. If the notice so provides, the vacancy caused by such removal may be filled at such meeting by affirmative vote of a majority of the votes entitled to be cast at the meeting at which the Director was removed, in person or by proxy. For cause, a Director may be removed at any special meeting of Directors by the affirmative vote of a majority of the remaining Directors. Without regard to the foregoing, any Director who is absent from three consecutive meetings of the Board or who is absent from three meetings of the Board during any one year, or any Director whose voting rights as a Member have been suspended as provided in the Declaration or these Bylaws, or any director who ceases to otherwise meet all qualification for directorship may be removed by the affirmative vote of a majority of the remaining Directors or by vote of the sole remaining Director. Unless otherwise provided in the notice of a meeting to remove a Director, vacancies caused by removal will be filled as provided in Section 5.5.2.

5.6 Compensation. No Director shall receive compensation for any services rendered to the Association in his or her capacity as a Director; provided, however, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties; and provided further, any Director may serve the Association in any other capacity as an agent or employee or otherwise and receive compensation therefore.

5.7 Powers and Duties of the Board of Directors. The Board of Directors shall exercise for the Association all powers, duties and authority vested in or delegated to this Association and not expressly reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, including without limitation all rights, powers and authority conferred by these Bylaws, the Declaration and all other Governing Documents, the Texas Non-Profit Corporation Act and Chapter 204 of the Texas Property Code, as amended. It shall also be the duty of the Board of Directors to:

- a. cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the Members at each annual meeting of the Members;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. to fix the amounts of Assessments and to take such actions as it deems appropriate to collect all Assessments due to the Association, and to enforce the liens given to secure payment thereof, all as more particularly described in the Declaration;
- d. procure and maintain such liability and hazard insurance as it may deem appropriate and as is reasonably available on any property or facilities owned by the Association, including insurance coverage required by the Declaration;
- e. cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and as is reasonably available; and
- f. in general, to manage the business and affairs in accordance with the Governing Documents.

5.8 Settlement of Claims. The Board of Directors is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the good faith decisions of the Board as to any of the foregoing is final and conclusive.

ARTICLE VI

Meetings of Directors

6.1 Place of Meetings. Meetings of the Board of Directors shall be held within Harris County, Texas, at such place as is specified by the officer or Directors calling a meeting. In the absence of specific designation, the meeting shall be held at the principal office of the Association.

6.2 Annual Organizational Meeting. Within thirty days after each annual meeting of Members, the Board of Directors shall hold an annual organizational meeting at such time and place as shall be agreed upon by a majority of the Directors for the purposes of (i) electing all officers of the Association, (ii) electing all Chairpersons of all Advisory Committees of the Association, (iii) electing all Chairpersons and all Vice Chairpersons of all Executive Committees; and (iv) the transaction of such other business as may be properly brought before it.

6.3 Regular Meetings. Regular meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors. Regular meetings of the Board of Directors may also be held in accordance with a regular schedule such as, for example, the second Tuesday of each month beginning at 7:30 o'clock p.m.

6.4 Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors.

6.5 Quorum; Majority Vote. A majority of the number of Directors constitutes a quorum for the transaction of business at any meeting. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present constitutes an act or decision of the Board.

6.6 Notice of Meetings. No notice of annual organizational meetings and other regular meetings of the Board need be given to any Director. Oral or written notice of all special meetings of the Board of Directors stating the place, date and time of such special meeting must be given or sent to each Director at least twenty-four hours before the special meeting. Notice of any meeting may be waived in writing before or after such meeting. Attendance of a Director at any meeting constitutes a waiver of notice thereof, except where the Director attends for the announced purpose, stated in writing, of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

6.7 Open Meetings. Except as provided in **Section 6.8** of these Bylaws, all meetings of the Board of Directors are open to all Members of the Association; provided, Members who are not on the Board may not participate in any deliberation or discussion unless: (i) such Member has filed a written request with any Director to be placed on the meeting agenda at least forty-eight hours prior to the meeting stating in such request the purpose or purposes of his or her attendance, and in such case the requesting Member's participation is limited to the stated purpose(s); or (ii) expressly so authorized by vote of the Board.

6.8 Executive Sessions. The Board of Directors may adjourn any meeting and reconvene in closed executive session to review, discuss and/or vote on any communications or documents not subject to inspection of Members and other business of a confidential nature as set forth in **Article X** hereof. The general nature of any and all business to be considered in executive session shall first be announced in open session.

6.9 Proxies. A Director may vote on any specific matters by a ballot type proxy which specifies all matters to be voted on and directs the manner in which the proxy holder must vote as to each such matter. No Director may vote pursuant to a general or blanket type proxy. No Director's proxy is valid unless dated and signed, and no such proxy is valid after ninety days from the date thereof. A Director attending a meeting by proxy may be counted for purposes of determining a quorum only as to the specific matters covered by the applicable proxy.

ARTICLE VII

Committees

7.1 Establishment. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, from time to time appoint, organize, re-organize and abolish such committees as it shall deem desirable subject to the following:

7.2 Executive Committees. The Board of Directors may designate such Executive Committees as it deems desirable. All Executive Committees must consist of three or five members, and a majority of all members of each Executive Committee must at all times be Directors of the Association. Executive Committees may exercise such authority of the Board of Directors in the business and affairs of the Association as the Board of Directors may by resolution duly delegate to it except where action by the Board of Directors is specified by law. The designation of such Executive Committees and delegation thereto of authority does not operate to relieve the Board of Directors, or any member thereof, of any responsibilities imposed upon any such member by law. All members of each Executive Committee shall be elected by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Any member of any Executive Committee may be removed for or without cause at any regular or special meeting of the Board of Directors whenever in the judgment of the Board the best interests of the Association will be served thereby.

7.2.1 Architectural Control Committee. Any Architectural Control Committee designated by the Board of Directors must be formed in accordance with applicable provisions of the Declaration.

7.2.2 Advisory Committees. The Board of Directors may for its convenience, and at its discretion, appoint one or more advisory committees. No such advisory committees may have any power or authority except to advise the Board of Directors. The Chairperson of each advisory committee must be appointed by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Other members may be appointed by the Board of Directors or Chairperson as directed by the Board, provided the Chairperson must promptly notify the Board of any appointments by the Chairperson. Any such committee will exist solely at the pleasure of the Board of Directors, and any member thereof may be removed at any time for or without cause by vote of a majority of a quorum of the Board.

7.3 Qualifications; Compensation. Except for Directors, members of any committees need not be Members of the Association. No member of any committee may receive any compensation for such membership except by way of reimbursement for reasonable expenses actually incurred by reason of such membership. The Board of Directors may employ such personnel as it deems necessary to assist any committee in accomplishing the committee's objectives and compensate such personnel in the capacity employed whether or not such personnel are also members of a committee.

7.4 Meetings; Reports. Each committee will hold its first regular meeting at such time and place as determined by the Chairperson thereof as soon as practicable after appointment of the Chairperson for the purposes of determining specific committee member responsibilities and specific committee goals and objectives consistent with all directives of the Board of Directors, including priorities among such objectives and methods and target dates for achieving same. If requested by the Board of Directors, the Chairperson shall submit a written summary of such first meeting to the Board or any member thereof. Each committee will conduct such other regular meetings, without notice or call, by the Chairperson or any two members thereof, or the President or Board of Directors of the Association, any such meeting to be held at such place and time as

designated by the party calling such meeting. A majority of the members of a committee constitutes a quorum, and the vote of a majority of a quorum at any meeting of the committee, or the written consent of all members of a committee, constitutes a valid act of the committee. Minutes of the meetings of each committee need not be maintained; provided, minutes and records must be maintained as to any authority of the Board of Directors actually exercised by an Executive Committee; and provided further, the Chairperson of each committee shall submit a written report to the Board in such form and at such times as the President or the Board directs setting forth the activities of the committee and any action recommended by the committee. In addition, each Chairperson must keep the Board fully advised at all times of all activities of the committee.

ARTICLE VIII

Officers and Chairpersons

8.1 Enumeration of Offices. The officers of this Association are a President, who must be at all times a member of the Board of Directors, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election; Term. The officers of this Association shall be elected annually by the Board at its annual organizational meeting, and each will hold office for one year and until his or her successor is elected and qualified unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.3 Resignation and Removal. Any officer may be removed from office at any time and with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or any member thereof, or to the President. Such resignation will take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation by the Board of Directors is not necessary to make it effective.

8.4 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy will serve for the remainder of the term of the officer he or she replaces.

8.5 Multiple Offices. The same person shall not simultaneously hold the offices of President and Secretary. Any two or more offices may otherwise be held by the same person.

8.6 Chairpersons for Member and Board Meetings. The President of the Association shall act as the Chairperson of all meetings of the Members and all meetings of the Board of Directors. In the President's absence, the Chairperson shall be, in the following order if any such officer is absent, the Vice President, Treasurer or Secretary; or in the event of absence of all officers, one of the remaining Directors shall be elected by majority vote of the Directors present at the Member or Board meeting to act as Chairperson.

ARTICLE IX

Duties of Officers and Chairpersons

9.1 President. The President shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign as President all leases, mortgages, deeds and other written instruments and shall co-sign with any other officer all checks and promissory notes which have been first approved by the Board of Directors unless the Board has authorized the signature(s) by lesser officers; and, subject to advice of the Board of Directors, shall have general supervision, direction, and control of the affairs of the Association, and shall discharge such other duties as may be required by the Board of Directors.

9.2 Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

9.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; give notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

9.4 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association, and report on and make the same available for inspection by Members of the Association as required by the Board, these Bylaws or the Declaration.

9.5 Other Officers. Such other officers as the Board of Directors shall create shall have such duties as directed or required by the Board.

9.6 Chairpersons. Chairpersons shall establish agendas for meetings, call to order and preside over meetings, verify quorums, call for and conduct voting and verify results thereof, resolve procedural disputes, decide who is entitled to the floor and limit the duration thereof as to any one person, establish limits on the period of time to be allowed for discussion of any given issue, motion or other matters, and in general shall supervise the orderly conduct of meetings and obtaining of correct expressions of the decisions made thereat. The Chairperson's determinations as to any of the foregoing matters shall be final so long as made in good faith.

9.7 Checks. Except as otherwise specifically authorized by the Board, all checks or similar drafts must be signed by at least two officers and as otherwise directed from time to time by the Board.

ARTICLE X

Books and Records

10.1 Inspection by Members.

10.1.1 General Right of Inspection. Any Member of the Association, on written demand stating the purpose of the demand, may make a reasonable examination of and copy, in person or by agent, accountant, or attorney, at any reasonable time for any proper purpose, the books and records of the Association relevant to the purpose stated in the demand, at the expense of the Member. Any such examination must be conducted at the office of the Association or at such other place in Harris County, Texas as the Board of Directors may prescribe. No books and records may be removed from the possession of the Association for any reason.

10.1.2 Exclusions. Notwithstanding Section 10.1.1, no Member or Member representative is entitled to examine any documents regarding and the Association has a privilege to refuse to disclose any confidential documents and communications regarding (i) any confidential communications by and between past or current legal counsel to the Association and the Board of Directors of the Association, or any officer, agent, employee, representative or committee of either, (ii) Member communications regarding alleged violation of any Governing Documents, (iii) any confidential communications as determined by the Board of Directors in accordance with Section 10.2 or as otherwise provided in the Declaration, and (iv) any communications privileged under the Texas Rules of Civil or Criminal Procedure, the Texas Rules of Civil or Criminal Evidence, and any other applicable rules, statute or law of the State of Texas or United States of America, including without limitation any communications subject to any lawyer-client privilege.

10.2 Confidential Communications. By vote of two-thirds of all Directors then in office, the Board of Directors may from time to time designate such books, records and communications confidential as the Board deems in its sole good faith opinion the best interests of the Association require be kept confidential, including without limitation confidentiality deemed necessary for the protection of the privacy rights of individual Members, consideration of competitive bids until a final bid is accepted, and matters where any conflict of interest exists between a Member and the Association and disclosure would detrimentally effect the interests of the Association.

10.3 Rules for Inspection. The Board of Directors may from time to time establish reasonable rules for inspection of any books and records of the Association with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when inspections may be made; and (iii) establishment as a specific assessment of the amounts of, and payment of, reasonable duplication, administrative and other costs of inspection the payment of which is a condition precedent to the right of any Member to examine and to obtain copies of any books and records.

ARTICLE XI

Amendment

11.1 By Declarant. DURING THE DEVELOPMENT PERIOD, DECLARANT HAS THE SOLE RIGHT TO AMEND, MODIFY, REVISE OR REPEAL THESE BYLAWS IN ACCORDANCE WITH THE DECLARATION WITHOUT JOINDER OR CONSENT OF, AND WITHOUT NOTICE OF ANY KIND TO, ANY OWNER, MORTGAGEE OR ANY OTHER PERSON.

11.2 By Association. The Association by vote of the Board of Directors may amend, modify, revise or repeal these Bylaws in the same manner and for the limited purposes provided for in the Declaration for amendment of the Declaration by the Board.

11.3 By Members. After the Development Period, these Bylaws may be amended or otherwise modified, revised or repealed, in whole or in part, at any annual or special meeting of the Members by the affirmative vote of two-thirds of the votes entitled to be cast by the Members present at a meeting of the Members at which a quorum is present, in person or by proxy. Any such amendment, modification, revision or repeal so adopted is binding upon all Members and all Owners.

11.4 Notice for Amendment by Owners. The notice for any meeting of the Members at which any amendment or other modification, revision or repeal of these Bylaws is to be considered must state such purpose, and must contain or be accompanied by a true and correct copy of the proposed amendment(s) or other modification(s), revision(s) or repeal(s), or a summary statement thereof. A true and correct copy of the complete text of all adopted amendments or other modifications, revisions or repeal must be delivered to all Members in the same manner as other notices to Members as soon as reasonably practicable after adoption.

ARTICLE XII

Miscellaneous

12.1 Notices. Unless otherwise expressly provided herein, all notices or other communications permitted or required under these Bylaws must be in writing and are deemed properly given if given in accordance with Article XI or Article XII of the Declaration, as applicable.

12.2 Telephone Meetings; Action Taken Without a Meeting.

12.2.1 Telephone Meetings. Directors, Members or committee members may participate in and hold any of their respective meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose

of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

12.2.2 Action Without Meeting. The Directors, or Members, or the members of any committee of the corporation have the right to take any action or make any decision in the absence of a meeting which they could take at a meeting by unanimous written consent of all of the Directors, Members, or committee members. The Directors, or Members, or the members of any committee may also take any action by a consent in writing signed by a sufficient number of Directors, Members, or committee members as would be necessary to take that action at a meeting at which such Directors, Members, or committee members were present and voted in accordance with Article 1396-9-10(c) of the Texas Non-Profit Corporation Act, as amended. Any action or decision approved as provided in this Section has the same effect as though taken at a meeting of the Directors, Members, or committee members.

12.3 Conflicts. In the case of any conflict between the Restated and Amended Articles of Incorporation and these Restated and Amended Bylaws, the Restated and Amended Articles of Incorporation control; and in the case of any conflict between the Declaration, these Restated and Amended Bylaws or the Restated and Amended Articles of Incorporation, the Declaration controls.

12.4 Interpretation. The provisions hereof are to be liberally construed to give full effect to their intent and purposes. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. Wherever the context requires, all words in these Bylaws in the male gender include the female or neuter gender, all singular words include the plural, and all plural words include the singular.

12.5 Severability. Whenever possible, each provision of these Bylaws shall be interpreted in such manner as to be effective and valid, but if the application of any provisions of these Bylaws to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions hereof are declared to be severable.

12.6 Power of Attorney. A Person may execute any instrument related to the Association by means of a written power of attorney if an executed copy of the power of attorney is filed with the Association to be kept with the corporate records. Any such power of attorney may be revoked only by expiration of a stated term expressly set forth in the power of attorney or by filing of a written revocation with the Association, and the Association is not required to determine or comply with any other conditions for termination.

12.7 Applicability of Bylaws. All present and future Members and Owners, tenants thereof, and their respective officers, agents, employees, guests or invitees, or any other Person occupying or residing within or upon the Subdivision or any Building Site or Lot or utilizing any

Community Properties in any manner, are subject to these Bylaws. The mere acquisition, occupancy, use or rental of any Building Site or Lot or utilization of any Community Properties constitutes acceptance and ratification of these Bylaws, and agreement to strictly comply therewith.

12.8 Waiver of Interest in Corporation Property. All real and personal property, including all Community Properties and all improvements located thereon, acquired by the Association shall be owned by the Association. A Member has no interest in specific property of the Association. Each Member hereby expressly waives the right to require partition of all or part of any and all such property.

12.9 Fiscal Year. The fiscal year of the Association may be established from time to time by the Board of Directors absent which same will begin on the first day of January and end on the thirty-first day of December of each year.

12.10 Effective Date. These Bylaws are effective from and after the 15th day of September, 1999.

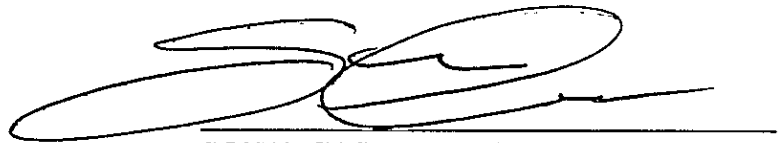
CERTIFICATION BY SECRETARY

I, the undersigned, SONIA CASIMIRO, do hereby certify:

That I am the duly elected and acting Secretary of STONE LAKE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and

That the foregoing Restated and Amended Bylaws of Stone Lake Homeowners Association, Inc., a Texas non-profit corporation, is a complete, true and correct statement of said bylaws duly adopted by unanimous written consent of all Members and all current directors of the Association dated September 15, 1999.

DATED: September 15, 1999



SONIA CASIMIRO, Secretary

fw\bba\univ\stone lake\ra-bylaws
(R991102) UNIV/STONE

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

DEC 30 1999

RECORDER'S MEMORANDUM
AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.



Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY TEXAS

The triangular area formed by the west and north boundary lines and a line connecting them at points sixty-five feet from the point of intersection of said west and north boundary lines of Lot One (1), Block Three (3), of STONE LAKE, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Clerk's Film Code No. 393146, Map Records of Harris County, Texas.

Nothing may be placed or maintained in the triangular easement areas by the Owner of either of the above described Lots or by any other Person, save and except with the prior written approval of the Association.

9.08 Landscape Easement. A private easement is hereby granted to the Association upon, under, over and across each of the Lots hereafter described for purposes of planting, cultivating and maintaining of trees and such other landscaping as may be determined from time to time by the Association. This easement shall extend along the length of each said Lot line which abuts Mueschke Road (and/or any road right-of-way for same), and inward from each said Lot line for a distance of twenty-five feet (25'). The Association must maintain all landscaping planted by the Association within the aforesaid landscape easement. Nothing may be placed in the easement by the owner of any Lot upon which same is located or by any other Person, save and except with the prior written approval of the Association. This landscape easement is more particularly described as follows, to-wit:

A strip of land twenty-five feet (25') in width lying adjacent to Mueschke Road (and/or any road right-of-way for same) of Lot One (1), Block One (1), and Lots One (1), Three (3), Four (4), Five (5), Seven (7), and Eight (8), Block Three (3), of STONE LAKE, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Clerk's Film Code No. 393146, Map Records of Harris County, Texas. ①

B. Section 12.03.2 of the Declaration is hereby deleted in its entirety and the following substituted in place thereof:

12.03.2 Notice to Owners and Tenants. All notices or other communications to any Owner are deemed given upon personal delivery to, or when deposited in the United States mail, postage prepaid and addressed to, the street address of the Owner's Building Site located within the Subdivision, or to the most current street address given by an Owner for purposes of notice as provided in **Section 12.03.3**. All notices or other communications to the tenant of any Owner shall be given to the tenant at the street address of the Lot located within the subdivision at which the

tenant resides, and is deemed given upon personal delivery to the tenant or when deposited in the United States mail, postage prepaid and addressed to the tenant at said address. Where more than one Person is the Owner of (or tenant residing at) a single Building Site, the mailing of any notices or other communications as aforesaid to any single Owner (or any single tenant) constitutes notice given to all such Owners (or tenants). Personal delivery may be acknowledged in writing either by the recipient or by a third party courier service. Good faith determination of ownership and mailing address by the Association or its Related Parties, and good faith effort by the Association or its Related Parties to comply with any other notice provisions of the Declaration or other governing documents shall be sufficient compliance notwithstanding the failure of any Owner or tenant to receive personal notice. Good faith certification by the Association's Secretary or other duly authorized agent that notice has been given to one or more Owners and/or tenants in accordance with the Declaration is final and conclusive.

III.

Integration and Ratification

The foregoing amendments to the Declaration are deemed to be a part of and are to be interpreted in accordance with the Declaration. All provisions of the Declaration not so amended are hereby ratified and confirmed in each and every particular, and will continue in full force and effect pursuant to the terms of the Declaration.

IN WITNESS WHEREOF, Declarant has executed this First Amendment of Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake on this 6th day of December, 2000.

UNIVERSITY DEVELOPMENT, INC.,
a Texas corporation
"Declarant"

By:



GEORGE KAWAJA, Vice-President

536-18-1931

ACKNOWLEDGMENT

STATE OF TEXAS

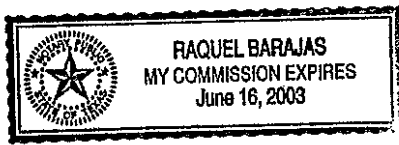
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COUNTY OF HARRIS

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This instrument was acknowledged before me on the 6th day of December, 2000, by GEORGE KAWAJA, Vice-President of UNIVERSITY DEVELOPMENT, INC., a Texas corporation, on behalf of the corporation.



Raquel Barajas
Notary Public, State of Texas
My Commission Expires: June 16, 2003

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW THE STATE OF TEXAS COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

DEC - 7 2000

AFTER RECORDING RETURN TO:

Mr. Lou W. Burton
Williams, Birnberg & Andersen, L.L.P.
6671 Southwest Freeway, Suite 303
Houston, Texas 77074-2284



Dorely B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

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FILED
2000 DEC - 7 PM 3:27
Dorely B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

AFFIDAVIT IN COMPLIANCE WITH SECTION 202.006
OF TITLE 11 OF THE TEXAS PROPERTY CODE

NOTICE
V666564

THE STATE OF TEXAS

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§

03/15/02 101779979 V666564

\$67.00

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Shannon Nogradi, who, being by me duly sworn to law, stated the following under oath:

"My name is Shannon Nogradi. I am fully competent to make this Affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct.

I am the Association Manager of Stone Lake Homeowners Association, Inc., a Texas Non-Profit Corporation (the "Association"). I am also a custodian for the records for the Association and I have been authorized by the Association's Board of Directors to sign this Affidavit.

The Association is a "property owners' association" as that term is defined in Title 11 of the Texas Property Code. The Association's jurisdiction includes, but may not be limited to Stone Lake Homeowners Association, Inc., Section 1 per the maps or plats thereof heretofore recorded in the Map Records of Harris County, Texas.

Attached hereto are the originals of, or true and correct copies of, the following dedicatory instruments, including known amendments or supplements thereto, governing the Association, which instruments have not previously been recorded:

- | | |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Association's Articles of Incorporation | <input checked="" type="checkbox"/> Association's By-Laws |
| <input type="checkbox"/> Association's Rules and Regulations | <input type="checkbox"/> Association's Architectural Control Committee Guidelines |
| <input type="checkbox"/> Articles of Merger | <input type="checkbox"/> Annexation Resolution |

The documents attached hereto are subject to being supplemented, amended or changed by the Association. Any questions regarding the dedicatory instruments of the Association may be directed to the Association at SCS Management, 7170 Cherry Park Drive, Houston, Texas 77095, telephone no.(281)463-1777.

SIGNED on this the 28th day of Dec, 2001
Shannon Nogradi

Printed Name: Shannon Nogradi

Position Held: Association Manager

VERIFICATION

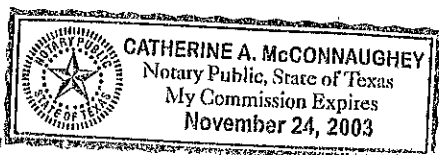
THE STATE OF TEXAS

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COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared Shannon Nogradi, who, after being duly sworn, stated under oath that he/she has read the above and foregoing Affidavit and that every factual statement contained therein is within his/her personal knowledge and is true and correct

SUBSCRIBED AND SWORN TO BEFORE ME, A Notary Public, on this the 28th day of Dec, 2001.



Catherine A. McConnaughey
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
STONE LAKE HOMEOWNERS ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

NOV 12 1999

Corporations Section

STONE LAKE HOMEOWNERS ASSOCIATION, INC., pursuant to the Texas Non-Profit Corporation Act, including Article 1396-4.06 thereof, adopts these Restated and Amended Articles of Incorporation which amend the initial Articles of Incorporation in their entirety except Article Seven which sets forth the incorporators, and which were adopted by a consent in writing signed by all current directors and by all Members entitled to vote with respect thereto (including consent as to each aforesaid amendment) and in conformity with the Texas Non-Profit Corporation Act. The initial Articles of Incorporation and all amendments and supplements thereto are superseded by the following Restated and Amended Articles of Incorporation which accurately set forth the articles of incorporation and all amendments thereto that are in effect to the date of signing hereof as set forth below:

ARTICLE I
Corporate Name

The name of the corporation is STONE LAKE HOMEOWNERS' ASSOCIATION, INC., hereinafter sometimes called the "Association".

ARTICLE II
Legal Status

The Association is a nonprofit corporation organized pursuant to the Texas Non-Profit Corporation Act.

ARTICLE III
Duration

The period of duration of the Association is perpetual.

ARTICLE IV
Purposes

The purposes for which the Association is organized are specifically and primarily to provide an organization consisting of the Owners of Building Sites within Stone Lake, a residential subdivision located within Harris County, Texas (the "Subdivision"), in accordance with and as more particularly described in that certain instrument entitled "Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake", as filed for record in the Official Public Records of Real Property of Harris County, Texas, as same may be from time to time amended (the "Declaration"), and in accordance with the Declaration to provide for the management, maintenance, preservation, operation and architectural control of the Subdivision and any additions thereto as may hereafter be brought within the jurisdiction of the Association, including for such purposes without limitation of the foregoing:

lee

A. to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, the Bylaws and Articles of Incorporation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the Association's Board of Directors and Architectural Control Committee, and amendments to any of the foregoing (all such instruments sometimes herein referred to as the "Governing Documents");

B. to fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and other Governing Documents, and to pay all expenses in connection with such charges or assessments and all other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

C. to control the construction, reconstruction or alteration of any building or other improvement to be erected, maintained or altered upon any Lot, Building Site, tract, parcel, site or reserve within the Subdivision or otherwise subject to the jurisdiction of the Association;

D. to cause to be enforced the restrictions, covenants, conditions and easements imposed upon all or any part of the Subdivision by the Declaration and other Governing Documents;

E. to acquire (by gift, deed, lease or otherwise), own, hold, improve, operate, maintain, sell, lease, convey, dedicate for public use, otherwise dispose of and/or alienate real and personal property as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents;

F. to borrow money, and to mortgage, pledge, deed in trust or otherwise encumber, alienate or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred to conduct the lawful affairs of the Association;

G. to act in the capacity of principal, agent, joint venturer, partner, or otherwise as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents; and

H. to have and exercise any and all powers, rights and privileges which a corporation organized and existing under the Texas Non-Profit Corporation Act may by law now or hereafter have and exercise, including any and all powers, rights and privileges now or hereafter granted or permitted by the Declaration and other Governing Documents.

ARTICLE V
Registered Office and Agent

The street address of the registered office of the Association is 2323 S. Shepherd Drive, Suite 1430, Houston, Texas 77019, and the name of its registered agent at such address is THOMAS P. THIBODEAU.

ARTICLE VI
Board of Directors

A. Development Period Directors. The number of Directors constituting the Development Period Board of Directors of the Association is three (3), and the names and addresses of the persons who are to serve as the Development Period Directors are:

<u>Name</u>	<u>Address</u>
Thomas P. Thibodeau	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019
George Kawaja	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019
Sonia Casimiro	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019

B. Subsequent Directors. The Development Period Directors as above provided will serve as Directors until their successors are elected and qualified as provided in the Association's Bylaws. The number of Directors shall be fixed by, or in the manner provided in, the Declaration and the Association's Bylaws; provided, the number of Directors shall not be less than three (3), and no decrease in the number of Directors as provided in the Bylaws shall have the effect of shortening the term of any incumbent Director.

ARTICLE VII
Incorporator

The names and street addresses of the original incorporators are:

<u>Name</u>	<u>Address</u>
Anthony T. Sortino	1431 Graham Drive, Suite 150 Tomball, Texas 77375
Jeff Marler	1431 Graham Drive, Suite 155 Tomball, Texas 77375
Ann Clanton	1431 Graham Drive, Suite 155 Tomball, Texas 77375

ARTICLE VIII
Membership

Every Person who is the "Owner" of a fee simple title or undivided fee simple title interest in any "Building Site" that is subject to the Declaration (as those terms are defined in the Declaration)

shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Building Site. Memberships shall be appurtenant to and may not be separated from ownership of any Building Site, and shall automatically pass with the title to the Building Site.

ARTICLE IX
Voting Rights of Members

A. Development Period. During the Development Period there will be two (2) classes of membership entitled to voting rights in the Association which are as follows:

(i) Class A: All Members of the Association other than the Declarant are Class A Members. DURING THE DEVELOPMENT PERIOD, CLASS A MEMBERS HAVE NO VOTING RIGHTS WHATSOEVER.

(ii) Class B: Class B Members are Declarant. DURING THE DEVELOPMENT PERIOD DECLARANT SHALL HAVE ONE VOTE FOR EACH BUILDING SITE OWNED.

B. Post-Development Period. Upon termination of the Development Period, any remaining Class B membership will automatically convert to Class A membership. Thereafter there will be only one class of voting membership, and the Owner, whether one or more, of each Building Site will be entitled to one vote on each matter coming before the membership.

C. Multiple Owners: When more than one Person holds an ownership interest in a Building Site, all such Persons shall be Members, but in no event shall they be entitled to more than one vote with respect to that particular Building Site. When more than one Person holds an ownership interest in a Building Site, the vote of all such joint Owners shall be exercised and controlled as provided in the Declaration.

D. Cumulative, Fractional and Split Voting Prohibited: Neither cumulative voting nor fractional or split voting shall be permitted as to any matter placed before the membership for a vote, including election of Directors.

E. Suspension of Voting Rights: Voting rights of any Member may be suspended for breach of the Governing Documents as that term is defined in and as otherwise provided in the Declaration.

ARTICLE X
Dissolution

In the event of the liquidation, dissolution or winding up of the Association, whether voluntary or involuntary, the Directors shall dispose of all property and assets of the Association, including, without limitation, all undistributed income earned thereon, after the payment, satisfaction and discharge of all liabilities and obligations of the Association, or the making of adequate provision

therefor in such manner as they, in the exercise of their absolute discretion, and by majority vote, shall determine; provided, such disposition shall be exclusively in the furtherance of the purposes for which the Association is formed, and the property and the assets of the Association shall not accrue to the benefit of any officer, Director, Member, or any individual having a personal or private interest in the affairs of the Association or any organization which engages in any activity in which the Association is precluded from engaging.

ARTICLE XI
Limitation of Liability; Indemnification

A. General. Except for intentional misconduct, knowing violation of the law, or as otherwise provided by the Texas Non-Profit Corporation Act (including Article 1396-2.22A thereof, as amended), no Director of the Association shall be liable to the Association or any of its Members, and the Association shall not be liable to any Member, for monetary damages or otherwise for any act or omission in the Director's capacity as a Director or any act or omission of the Association within the scope, of its purposes. The Association shall indemnify and keep indemnified any Director or former Director to the fullest extent necessary to accomplishment of the foregoing and to the fullest extent allowed by law, and hold any such Director or former Director harmless from and against all claims, demands, suits, judgments, court costs, attorney's fees, attachments and any and all other legal action or proceedings whatsoever as contemplated thereby. All provisions of this Article XI shall also apply to the incorporator herein named, to any officer or former officer of the Association, and to all Association committees and members thereof.

B. Liability Arising From Conduct of Owners. Each Owner, and each Owner's tenants, shall indemnify and keep indemnified, and hold harmless, the Association, and its officers, Directors, servants, agents and employees from and against all claims, damages, suits, judgments, court costs, attorney's fees, attachments and any and all other legal actions or proceedings whatsoever caused or arising, directly or indirectly, through the willful or negligent act or omission of an Owner, the Owner's tenants, or the family, guests, invitees, servants, agents or employees of either.

C. Additional and/or Subsequent Authority. To the fullest extent provided in other "Governing Documents" as that term is defined in the Declaration, and if the Texas Non-Profit Corporation Act, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code, or any other statute is enacted, construed or amended subsequently to the filing of these Articles of Incorporation to further eliminate or limit liability or further authorize indemnification than as authorized, permitted or required by this Article XI, then such liability shall be eliminated or limited and such right to indemnification shall be expanded to the full extent permitted by such other Governing Documents or by such statutory enactment, construction or amendment.

D. No Impairment. Any repeal or modification of this Article by the Members of the Association or otherwise shall not adversely affect any right or protection existing at the time of such repeal or modification.

ARTICLE XII
Amendment

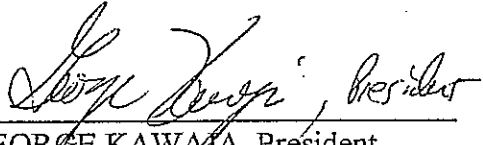
These Articles of Incorporation may be amended from time to time, in any and as many respects as may be desired, as provided in the Texas Non-Profit Corporation Act.

IN WITNESS WHEREOF, the undersigned officer of the Association has executed these Restated and Amended Articles of Incorporation thereby affirming, ratifying and consenting thereto on this 15th day of September, 1999.

DATED: September 15, 1999

STONE LAKE HOMEOWNERS
ASSOCIATION, INC.

By:



GEORGE KAWAJA, President

lwb\ba\univ\stone lake\rest&am-artincorp
(R990915) UNIV/STONE

RESTATED AND AMENDED BYLAWS

FOR

**STONE LAKE HOMEOWNERS
ASSOCIATION, INC.**

A TEXAS NON-PROFIT CORPORATION

(Effective September 15, 1999)

BYLAWS

OF

STONE LAKE HOMEOWNERS ASSOCIATION, INC.

A TEXAS NON-PROFIT CORPORATION

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(R991028) UNIV/STONE

549-15-615

RESTATED AND AMENDED BYLAWS

OF

STONE LAKE HOMEOWNERS
ASSOCIATION, INC.

A TEXAS NON-PROFIT CORPORATION

ARTICLE I

Name: Offices

1.1 Name. The name of the corporation is STONE LAKE HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

1.2 Principal Office. The principal office of the Association shall be 2323 S. Shepherd Drive, Suite 1430, Houston, Texas 77019. The address of the principal office may be changed from time to time as shall be directed by resolution of the Board of Directors in accordance with the Texas Non-Profit Corporation Act. The Association may also have offices at such other places as the Board of Directors may from time to time designate or as its business may require.

1.3 Registered Office and Agent. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose business office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Association. The registered agent and address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Definitions

2.1 Incorporation of Definitions. All definitions as set forth in Article II of the "Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake" heretofore filed on September 15, 1999 under Clerk's File No. T967416, Official Public Records of Real Property of Harris County, Texas (the "Declaration"), as amended, are hereby incorporated by reference herein. In addition to the foregoing and to any other definitions set forth in these Bylaws, the following term has the following meaning:

2.1.1 "Assessments" means any and all assessments, annual, special, specific or otherwise, and all other monetary obligation owed by any Member or Owner to the Association as provided for in, and in accordance with, the Declaration and any other applicable Governing Documents.

ARTICLE III

Membership: Voting Rights and Procedures

3.1 Membership: Voting Rights.

3.1.1 Owners as Members. As more fully described in the Declaration, every Person who is the owner of a fee simple title or undivided fee simple title interest applicable to any Building Site that is subject to the Declaration is a member of the Association, and as such shall have voting rights as set forth in Section 3.04 of the Declaration (as amended).

3.2 When Member Required to Designate Representative: Effect. Each Member which is not a natural person is required to designate one natural person to act on such Member's behalf as herein provided. The designation must be by written and dated notice stating (i) the name and contact address, telephone number and the telecopier number, when available, of the designated representative, and (ii) the effective date of such designation which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The Association is not required to recognize any person as being authorized to represent or act on behalf of any Member which is not a natural person until such designation has been received by the Association. A designation as aforesaid fully authorizes the designated representative to bind the designating entity as to all matters, decisions and actions of the designated representative whether or not such authority is expressly stated in the written designation; provided, the Board may require any designated representative to show authority to act in such manner as the Board may reasonably require. Any designated representative may be changed from time to time in the same manner as required for original designation. In the event of conflict between designations, the most currently dated designation which has been received by the Association will control. Any such representative may serve as a Director as provided herein.

3.3 Suspension of Voting Rights. All voting rights appurtenance to ownership of a Building Site will or may be suspended in accordance with the following:

3.3.1 Automatic Suspension. All voting rights appurtenant to a Building Site are automatically suspended during any period of time any Assessments are owed to the Association and extending through the fifth banking business day after payment in full is received and deposited by the Association. During such suspension, no Owner of the affected Building Site is entitled to vote upon any matters coming before the membership.

3.3.2 Suspension After Notice. Upon not less than ten days written notice, the Board of Directors may suspend the voting rights appurtenant to any Building Site as to which the Owner or any occupant thereof, or their respective agents, employees, guests or invitees, are in violation of any provisions of the Governing Documents as determined in the sole good faith discretion of the Board of Directors. During such period of suspension no Owner of the affected Building Site is entitled to vote upon any matters coming before the membership. In the event of such suspension, any affected Owner is entitled to petition the Board of Directors in writing for

reinstatement of voting rights, and to be heard at a regular or special meeting of the Board of Directors thereon.

3.4 Good Standing. A Member is *not* in good standing during any period during which the Member's voting rights have been suspended, including any period during which any Assessments are owed to the Association.

3.5 Voting Procedures. Voting on any matter brought before the membership must be conducted in accordance with the following:

3.5.1 Right to and Manner of Vote. At all meetings of Members, voting may be in person or by proxy. Voting by proxy will be deemed voting in person for all purposes. Voting by Mail-In Ballot is permitted only as provided by Section 3.5.2.

3.5.2 Limited Right to Elect Directors by Mail-In Ballot. As to but only as to election of Directors, the Board of Directors may authorize and adopt procedures whereby Members may cast a ballot vote by mail, by facsimile transmission or by any combination of the two (herein referred to as a "Mail-In Ballot"). Voting as to election of Directors by Mail-In Ballot will be deemed voting in person only as to the election. To the extent applicable, references in these Bylaws to ballots also include Mail-In Ballots.

3.5.3 Form of Proxy or Ballot; Voting Procedures.

a. All proxies and ballots must be in writing, dated and signed by the Member giving or casting same, and must set forth the printed name(s) of the Member(s) and the address of each Lot and/or legal designation by section, block and lot reference to each Lot as to which voting rights are being exercised. An Owner of multiple Lots may execute a single proxy or ballot as to all Lots owned and thereby vote as to all such Lots (being one vote per Lot or such higher number of votes per Lot as may be provided in the Declaration).

b. Members may vote only by written proxy or ballot as to (i) election or removal of Directors by Members, (ii) amendment, modification, revision or repeal of the Declaration, Articles of Incorporation or these bylaws when a vote of the Members as to same is permitted or required, (iii) merger, consolidation or dissolution of the Association, (iv) sale, lease or exchange of all, or substantially all, the property and assets of the Association, and (v) any other matters as from time to time determined by the Board of Directors. As to any of the foregoing, only ballot type proxies which specify the matters to be voted on and which allow the Person giving the proxy an opportunity to determine the manner in which the proxy holder must vote are permitted. Subject to Section 3.6.8 voice or show voting is permitted as to any other matters, and the use of general or blanket type proxies are permitted as to any such matters.

c. Proxies and Mail-In Ballots must be received by the Association by the date of the meeting to which same pertains, or such earlier date certain as stated therein or in the notice of the meeting which date certain may not be more than three banking business days prior to the meeting. The date is automatically extended in the case of continuation or

adjournment of the meeting to which same applies to the last banking business day prior to the date of the continued or adjourned meeting.

d. When acting pursuant to a proxy, each proxy holder must sign and date the original proxy or a copy thereof and any ballot cast pursuant thereto.

e. A proxy or ballot is valid only for the meeting to which same pertains, and as to all subsequent continued or adjourned meetings thereof provided the continued or adjourned meeting or meetings are held within one hundred twenty days after the date of the original meeting.

f. Any proxy or ballot which is not in writing and signed by the Member giving or casting same is invalid. Any undated proxy or ballot will be dated as of the date received by the Association. The validity of any proxy or ballot due to any other defect in form will be determined by the "Vote Tabulators" (as defined in Section 3.6.1) whose decisions thereon shall be final.

3.5.4 Revocation of Proxy or Mail-In Ballot. All proxies and Mail-In Ballots may be revocable, except to the extent otherwise permitted by law and expressly provided therein, until the call for voting upon the matters to which same pertain; provided, once delivered to the custody of the Association, no proxy or Mail-In Ballot may be revoked except in writing, either by printing "revoked" on same and signing and dating such notation, or by separate instrument which specifically identifies the proxy or Mail-In Ballot to be revoked and which is dated and signed; and any such revocation will be effective only if actually received by the Association prior to call for voting upon the matters to which the revocation pertains.

3.5.5 Voice or Show Votes. Except as provided in Section 3.5.3(b) or as otherwise required by the Declaration or law, the Members (or their proxy holders) may vote on any matters by voice, by rising or by show of hands as the Chairperson of the meeting shall direct.

3.6 Verification and Tabulation of Voting Results.

3.6.1 By Whom Verified. Except as hereafter provided, voice or show voting results as provided in Section 3.5.5 will be verified by the Chairperson of the meeting to which same pertains. Proxy or ballot voting results will be verified, tabulated and maintained by the Board of Directors, or by such other committee of three persons as may be designated by the Board of Directors (the "Vote Tabulators").

3.6.2 Verification of Right to Vote. Satisfactory proof of membership, or of a Member's good standing to entitle the Member to vote or any other qualifications necessary to the validity of a ballot or proxy may be required if in the sole good faith opinion of the Vote Tabulators reasonable doubt as to same exists.

3.6.3 Proxies or Ballots Confidential. No ballot or proxy may be inspected by any Person other than the Vote Tabulators, the Board of Directors and/or legal counsel to the

Association. The Vote Tabulators, the Board of Directors and/or legal counsel will inspect ballots and proxies solely for the purposes of validating same and tabulating the results of any vote of the membership, and the contents of same will be held in confidence by all such parties; provided, the Board of Directors may disclose the contents of proxies and ballots (including Mail-In Ballots) to the extent it shall in its sole opinion deem necessary to resolve any disputes as to same or as may otherwise be required by order of a court of competent jurisdiction.

3.6.4 Minimum Period of Retention of Ballots or Proxies. The Association shall maintain proxies and ballots for a minimum period of four years from the date of the meeting or other action to which same pertain after which time such ballots and proxies may be destroyed.

3.6.5 Announcement of Voting Results. The membership will be notified of the results of tabulation of any vote (i) verbally at the meeting to which same pertains, or (ii) after the meeting by written notice given to all Members as reasonably soon as practical after the meeting if only a tentative result can be determined at the meeting as provided in the following two Sections, as applicable. In either case, the final results will be made a part of the minutes of the meeting, but a specific count of the voting need not be included in the minutes.

3.6.6 Verification of Ballot or Proxy Votes. When tabulating any voting results at a meeting, the Vote Tabulators may disregard any proxy or ballot the validity of which is reasonably in doubt as determined in the sole opinion of the Vote Tabulators. If after tabulating the results of any vote of the membership disregarding any doubtful ballots or proxies, the results of such tabulation could not be changed even if all such doubtful ballots or proxies were counted as votes against the results otherwise obtained, a final tabulation will be announced at the meeting. If the results of any vote could be changed by counting the doubtful ballots or proxies as aforesaid, a tentative result will be announced at the meeting after which a final tabulation will be made as soon as practicable as provided in the next Section.

3.6.7 Verification of Tentative Results. When a tentative result has been announced at any meeting, the Vote Tabulators and/or legal counsel to the Association will make every reasonable effort to finally validate or invalidate all doubtful ballots and proxies. If in the sole good faith opinion of the Vote Tabulators and/or legal counsel to the Association a reasonably certain result cannot be announced due to the number of doubtful ballots and/or proxies, then such vote shall be declared void and the membership will be so notified.

3.6.8 Verification of Voice or Show Vote. If the Chairperson at any meeting is in doubt as to the results of any vote by voice, the Chairperson may call for verification by re-vote by rising or by show of hands, and/or as to either method require a specific count. If a specific count is taken, the results shall be made a part of the minutes of the meeting. Owners of a majority of Building Sites present at the meeting may vote to require verification of any voice vote in the same manner.

3.6.9 Limitations Period to Challenge Vote. AS A CONDITION PRECEDENT TO ANY SUIT OR OTHER PROCEEDINGS TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE, OR ANY OTHER MATTERS

PERTAINING TO THE VALIDITY OF ANY MEETING OF MEMBERS OR ANY VOTE OF THE MEMBERSHIP, WRITTEN NOTICE MUST BE GIVEN TO THE BOARD OF DIRECTORS, AND IF APPLICABLE TO THE ASSOCIATION'S MANAGING AGENT, WITHIN NINETY DAYS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING. THE NOTICE MUST SET FORTH THE BASIS FOR ANY CHALLENGE OR OTHER DISPUTE WITH SUFFICIENT DETAIL TO PROVIDE FAIR NOTICE AS TO THE BASIS. IN ADDITION, BUT WITHOUT LIMITATION OF THE FOREGOING, ANY SUIT TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE OR ANY OTHER MATTERS PERTAINING TO THE VALIDITY OF ANY MEETING OF THE MEMBERS OR ANY VOTE OF THE MEMBERSHIP MUST BE FILED IN HARRIS COUNTY, TEXAS WITHIN TWO YEARS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING.

ARTICLE IV

Meetings of Members

4.1 Annual Meeting. The first annual meeting of the Members of the Association will be held upon the earlier to occur of when called by Declarant or within ninety days following termination of the Development Period. Each annual meeting thereafter will be held during the month of September of each year, as determined by the Board of Directors, and at such place within Harris County, Texas as determined by the Board of Directors.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President, or by the Board of Directors, or by written petition signed by not less than the Owners of a majority of the Building Sites then contained in the Subdivision. Notice of the special meeting must be sent within thirty days after receipt of the request for call of same unless within the thirty-day period written notice is given to all parties calling same stating a proper reason or reasons why the meeting will not be so noticed either at all or within the thirty-day period, and in the latter case the written notice must state a reasonable period of time within which the meeting will be noticed.

4.3 Notice of Meetings. Written notice of each meeting of the Members must be given by, or at the direction of, the Secretary or such other person authorized to call the meeting, not less than ten nor more than sixty days before such meeting to each Member according to the records of the Association. Such notice must specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes of the meeting.

4.4 Quorum. The presence, in person or by proxy and whether or not in good standing, at any meeting of Members owning not less than one-tenth of the Building Sites then contained in the Subdivision constitutes a quorum for any action except as otherwise required by law, the Articles of Incorporation, the Declaration or these Bylaws. Once a quorum is established at any

meeting the quorum cannot thereafter be broken for that meeting by any Member leaving the meeting. If a quorum is not present or represented at any meeting, the meeting may be adjourned at any time and from time to time, without any further notice other than announcement at the meeting, until a quorum as aforesaid is present or represented, either by announcement by the Chairperson of the meeting or by vote of Members owning a majority of the Building Sites who are present in person or by proxy; provided, the adjourned meeting or meetings must be held within ninety days after the date of the original meeting. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

4.5 Majority Vote. The vote, in person or by proxy, of a majority of the votes actually cast at a meeting at which at least a quorum is (or was) present or represented shall be the act of the Members' meeting except as otherwise provided or required by law, the Articles of Incorporation, the Declaration, or these Bylaws. Any such act of a Member's meeting is binding upon all Members and Owners.

ARTICLE V

Board of Directors

5.1 Composition. The affairs of the Association shall be managed by a Board of three Directors. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws, provided the Board must at all times have not less than three Directors. **DECLARANT SHALL APPOINT ALL DIRECTORS UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.**

5.2 Qualifications. After termination of the Development Period, all candidates for election to the Board of Directors and all Directors after election, must meet the qualifications set forth in this Section, as applicable. **NONE OF THE PROVISIONS OF THIS SECTION 5.2 APPLY TO DIRECTORS APPOINTED BY DECLARANT DURING THE DEVELOPMENT PERIOD.**

5.2.1 Membership Required. All Directors must be Members of the Association. A designated representative appointed as provided in Section 3.2 hereof may hold a directorship.

5.2.2 Good Standing Required. A Director is disqualified if the Director is not in good standing as provided in Section 3.4. The good faith decisions of the Board as to good standing is final.

5.2.3 Affiliation. No Member may be appointed or elected as a Director if as a result a majority of the Directors would be affiliated with a single Owner regardless of the number of Building Sites the single Owner may own. As used herein, "affiliated" means a Member that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the single Owner.

5.2.4 Designated Representatives as Directors. The representative of a Member designated as provided in Section 3.2 may be appointed or elected to a directorship provided that notice of the designation must be received by the Association at least ten days prior to the annual or other meeting at which such representative will stand for election or appointment. A designated representative serving as a Director may be replaced by the appointing entity upon written and dated notice stating (i) the name and contact address, telephone number and telecopier number, if available, of the replacement representative, and (ii) the effective date of the replacement, which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The representative being replaced retains full authority on behalf of the designating entity until the effective date for his/her replacement.

5.2.5 Candidate Representations. Any person accepting a nomination for election to the Board of Directors thereby represents by such acceptance that he or she meets the qualifications set forth in this Section, that he or she has a bona fide intent to serve for the full term to which election is sought and that he or she will diligently seek to, and will and is able to devote such time as is reasonably necessary to, discharge the duties and responsibilities of the directorship to which election is sought.

5.3 Term of Office. Each director shall be appointed or elected to one of three Directorship Positions designated as Positions One through Three, and once elected and qualified shall serve until their successor is elected and qualified. THE INITIAL BOARD OF DIRECTORS NAMED IN THE ASSOCIATION'S RESTATED AND AMENDED ARTICLES OF INCORPORATION OR SUCH OTHER PERSONS AS MAY BE APPOINTED BY DECLARANT DURING THE DEVELOPMENT PERIOD SHALL SERVE UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS, AND HAVE QUALIFIED. At the first annual meeting of the Members, two Directors will be elected for a two year term, being Directors to Positions One and Two if said first meeting is in an even numbered year and being Directors to Positions One and Three if said first meeting is an odd numbered year, and one Director will be elected to the remaining Directorship Position for a one year term. Thereafter, Directors will be elected for two year terms, Directors to Positions One and Two to be elected in each even numbered year, and a Director to Position Three to be elected in each odd numbered year.

5.4 Nomination; Election. Nominations for election to the Board of Directors will be made by the Board of Directors to the extent it is able to do so which nominees must be listed in or included with the notice of each annual meeting. Nominations may also be made from the floor at each annual meeting. Election to the Board of Directors must be by written proxy or ballot (including Mail-In Ballots). At each election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The person receiving the largest number of votes within each category of nominations for a Directorship Position shall be elected. Cumulative voting is not permitted.

5.5 Vacancies on Board of Directors.

5.5.1 Development Period. NOTWITHSTANDING SECTIONS 5.5.2 OR 5.5.3 HEREOF, DECLARANT HAS THE EXCLUSIVE RIGHT TO REMOVE ANY DIRECTOR AND TO FILL ALL VACANCIES ON THE BOARD OF DIRECTORS UNTIL TERMINATION OF THE DEVELOPMENT PERIOD AND UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.

5.5.2 Resignation, Death, or Incapacity. In the case of resignation, death, or incapacity to serve of any Director, the vacancy will be filled by the affirmative vote of a majority of the remaining Directors then in office though less than a quorum of the entire Board, or by vote of the sole remaining Director, and any Directors so elected will hold office until the next annual election occurring after their respective terms of office expire and until their successors are elected and have qualified.

5.5.3 Removal. Any Director may be removed, either for or without cause, at any special meeting of Members by affirmative vote of two-thirds of the votes actually cast at a meeting at which at least a quorum is present, in person or by proxy. The notice calling such meeting must give notice of the intention to act upon such matter. If the notice so provides, the vacancy caused by such removal may be filled at such meeting by affirmative vote of a majority of the votes entitled to be cast at the meeting at which the Director was removed, in person or by proxy. For cause, a Director may be removed at any special meeting of Directors by the affirmative vote of a majority of the remaining Directors. Without regard to the foregoing, any Director who is absent from three consecutive meetings of the Board or who is absent from three meetings of the Board during any one year, or any Director whose voting rights as a Member have been suspended as provided in the Declaration or these Bylaws, or any director who ceases to otherwise meet all qualification for directorship may be removed by the affirmative vote of a majority of the remaining Directors or by vote of the sole remaining Director. Unless otherwise provided in the notice of a meeting to remove a Director, vacancies caused by removal will be filled as provided in Section 5.5.2.

5.6 Compensation. No Director shall receive compensation for any services rendered to the Association in his or her capacity as a Director; provided, however, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties; and provided further, any Director may serve the Association in any other capacity as an agent or employee or otherwise and receive compensation therefore.

5.7 Powers and Duties of the Board of Directors. The Board of Directors shall exercise for the Association all powers, duties and authority vested in or delegated to this Association and not expressly reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, including without limitation all rights, powers and authority conferred by these Bylaws, the Declaration and all other Governing Documents, the Texas Non-Profit Corporation Act and Chapter 204 of the Texas Property Code, as amended. It shall also be the duty of the Board of Directors to:

- a. cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the Members at each annual meeting of the Members;
- b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c. to fix the amounts of Assessments and to take such actions as it deems appropriate to collect all Assessments due to the Association, and to enforce the liens given to secure payment thereof, all as more particularly described in the Declaration;
- d. procure and maintain such liability and hazard insurance as it may deem appropriate and as is reasonably available on any property or facilities owned by the Association, including insurance coverage required by the Declaration;
- e. cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and as is reasonably available; and
- f. in general, to manage the business and affairs in accordance with the Governing Documents.

5.8 Settlement of Claims. The Board of Directors is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the good faith decisions of the Board as to any of the foregoing is final and conclusive.

ARTICLE VI

Meetings of Directors

6.1 Place of Meetings. Meetings of the Board of Directors shall be held within Harris County, Texas, at such place as is specified by the officer or Directors calling a meeting. In the absence of specific designation, the meeting shall be held at the principal office of the Association.

6.2 Annual Organizational Meeting. Within thirty days after each annual meeting of Members, the Board of Directors shall hold an annual organizational meeting at such time and place as shall be agreed upon by a majority of the Directors for the purposes of (i) electing all officers of the Association, (ii) electing all Chairpersons of all Advisory Committees of the Association, (iii) electing all Chairpersons and all Vice Chairpersons of all Executive Committees; and (iv) the transaction of such other business as may be properly brought before it.

6.3 Regular Meetings. Regular meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors. Regular meetings of the Board of Directors may also be held in accordance with a regular schedule such as, for example, the second Tuesday of each month beginning at 7:30 o'clock p.m.

6.4 Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors.

6.5 Quorum; Majority Vote. A majority of the number of Directors constitutes a quorum for the transaction of business at any meeting. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present constitutes an act or decision of the Board.

6.6 Notice of Meetings. No notice of annual organizational meetings and other regular meetings of the Board need be given to any Director. Oral or written notice of all special meetings of the Board of Directors stating the place, date and time of such special meeting must be given or sent to each Director at least twenty-four hours before the special meeting. Notice of any meeting may be waived in writing before or after such meeting. Attendance of a Director at any meeting constitutes a waiver of notice thereof, except where the Director attends for the announced purpose, stated in writing, of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

6.7 Open Meetings. Except as provided in Section 6.8 of these Bylaws, all meetings of the Board of Directors are open to all Members of the Association; provided, Members who are not on the Board may not participate in any deliberation or discussion unless: (i) such Member has filed a written request with any Director to be placed on the meeting agenda at least forty-eight hours prior to the meeting stating in such request the purpose or purposes of his or her attendance, and in such case the requesting Member's participation is limited to the stated purpose(s); or (ii) expressly so authorized by vote of the Board.

6.8 Executive Sessions. The Board of Directors may adjourn any meeting and reconvene in closed executive session to review, discuss and/or vote on any communications or documents not subject to inspection of Members and other business of a confidential nature as set forth in Article X hereof. The general nature of any and all business to be considered in executive session shall first be announced in open session.

6.9 Proxies. A Director may vote on any specific matters by a ballot type proxy which specifies all matters to be voted on and directs the manner in which the proxy holder must vote as to each such matter. No Director may vote pursuant to a general or blanket type proxy. No Director's proxy is valid unless dated and signed, and no such proxy is valid after ninety days from the date thereof. A Director attending a meeting by proxy may be counted for purposes of determining a quorum only as to the specific matters covered by the applicable proxy.

ARTICLE VII

Committees

7.1 Establishment. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, from time to time appoint, organize, re-organize and abolish such committees as it shall deem desirable subject to the following:

7.2 Executive Committees. The Board of Directors may designate such Executive Committees as it deems desirable. All Executive Committees must consist of three or five members, and a majority of all members of each Executive Committee must at all times be Directors of the Association. Executive Committees may exercise such authority of the Board of Directors in the business and affairs of the Association as the Board of Directors may by resolution duly delegate to it except where action by the Board of Directors is specified by law. The designation of such Executive Committees and delegation thereto of authority does not operate to relieve the Board of Directors, or any member thereof, of any responsibilities imposed upon any such member by law. All members of each Executive Committee shall be elected by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Any member of any Executive Committee may be removed for or without cause at any regular or special meeting of the Board of Directors whenever in the judgment of the Board the best interests of the Association will be served thereby.

7.2.1 Architectural Control Committee. Any Architectural Control Committee designated by the Board of Directors must be formed in accordance with applicable provisions of the Declaration.

7.2.2 Advisory Committees. The Board of Directors may for its convenience, and at its discretion, appoint one or more advisory committees. No such advisory committees may have any power or authority except to advise the Board of Directors. The Chairperson of each advisory committee must be appointed by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Other members may be appointed by the Board of Directors or Chairperson as directed by the Board, provided the Chairperson must promptly notify the Board of any appointments by the Chairperson. Any such committee will exist solely at the pleasure of the Board of Directors, and any member thereof may be removed at any time for or without cause by vote of a majority of a quorum of the Board.

7.3 Qualifications; Compensation. Except for Directors; members of any committees need not be Members of the Association. No member of any committee may receive any compensation for such membership except by way of reimbursement for reasonable expenses actually incurred by reason of such membership. The Board of Directors may employ such personnel as it deems necessary to assist any committee in accomplishing the committee's objectives and compensate such personnel in the capacity employed whether or not such personnel are also members of a committee.

7.4 Meetings; Reports. Each committee will hold its first regular meeting at such time and place as determined by the Chairperson thereof as soon as practicable after appointment of the Chairperson for the purposes of determining specific committee member responsibilities and specific committee goals and objectives consistent with all directives of the Board of Directors, including priorities among such objectives and methods and target dates for achieving same. If requested by the Board of Directors, the Chairperson shall submit a written summary of such first meeting to the Board or any member thereof. Each committee will conduct such other regular meetings, without notice or call, by the Chairperson or any two members thereof, or the President or Board of Directors of the Association, any such meeting to be held at such place and time as

designated by the party calling such meeting. A majority of the members of a committee constitutes a quorum, and the vote of a majority of a quorum at any meeting of the committee, or the written consent of all members of a committee, constitutes a valid act of the committee. Minutes of the meetings of each committee need not be maintained; provided, minutes and records must be maintained as to any authority of the Board of Directors actually exercised by an Executive Committee; and provided further, the Chairperson of each committee shall submit a written report to the Board in such form and at such times as the President or the Board directs setting forth the activities of the committee and any action recommended by the committee. In addition, each Chairperson must keep the Board fully advised at all times of all activities of the committee.

ARTICLE VIII

Officers and Chairpersons

8.1 Enumeration of Offices. The officers of this Association are a President, who must be at all times a member of the Board of Directors, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election; Term. The officers of this Association shall be elected annually by the Board at its annual organizational meeting, and each will hold office for one year and until his or her successor is elected and qualified unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.3 Resignation and Removal. Any officer may be removed from office at any time and with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or any member thereof, or to the President. Such resignation will take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation by the Board of Directors is not necessary to make it effective.

8.4 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy will serve for the remainder of the term of the officer he or she replaces.

8.5 Multiple Offices. The same person shall not simultaneously hold the offices of President and Secretary. Any two or more offices may otherwise be held by the same person.

8.6 Chairpersons for Member and Board Meetings. The President of the Association shall act as the Chairperson of all meetings of the Members and all meetings of the Board of Directors. In the President's absence, the Chairperson shall be, in the following order if any such officer is absent, the Vice President, Treasurer or Secretary; or in the event of absence of all officers, one of the remaining Directors shall be elected by majority vote of the Directors present at the Member or Board meeting to act as Chairperson.

ARTICLE IX

Duties of Officers and Chairpersons

9.1 President. The President shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign as President all leases, mortgages, deeds and other written instruments and shall co-sign with any other officer all checks and promissory notes which have been first approved by the Board of Directors unless the Board has authorized the signature(s) by lesser officers; and, subject to advice of the Board of Directors, shall have general supervision, direction, and control of the affairs of the Association, and shall discharge such other duties as may be required by the Board of Directors.

9.2 Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

9.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; give notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

9.4 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association, and report on and make the same available for inspection by Members of the Association as required by the Board, these Bylaws or the Declaration.

9.5 Other Officers. Such other officers as the Board of Directors shall create shall have such duties as directed or required by the Board.

9.6 Chairpersons. Chairpersons shall establish agendas for meetings, call to order and preside over meetings, verify quorums, call for and conduct voting and verify results thereof, resolve procedural disputes, decide who is entitled to the floor and limit the duration thereof as to any one person, establish limits on the period of time to be allowed for discussion of any given issue, motion or other matters, and in general shall supervise the orderly conduct of meetings and obtaining of correct expressions of the decisions made thereat. The Chairperson's determinations as to any of the foregoing matters shall be final so long as made in good faith.

9.7 Checks. Except as otherwise specifically authorized by the Board, all checks or similar drafts must be signed by at least two officers and as otherwise directed from time to time by the Board.

ARTICLE X

Books and Records

10.1 Inspection by Members.

10.1.1 General Right of Inspection. Any Member of the Association, on written demand stating the purpose of the demand, may make a reasonable examination of and copy, in person or by agent, accountant, or attorney, at any reasonable time for any proper purpose, the books and records of the Association relevant to the purpose stated in the demand, at the expense of the Member. Any such examination must be conducted at the office of the Association or at such other place in Harris County, Texas as the Board of Directors may prescribe. No books and records may be removed from the possession of the Association for any reason.

10.1.2 Exclusions. Notwithstanding Section 10.1.1, no Member or Member representative is entitled to examine any documents regarding and the Association has a privilege to refuse to disclose any confidential documents and communications regarding (i) any confidential communications by and between past or current legal counsel to the Association and the Board of Directors of the Association, or any officer, agent, employee, representative or committee of either, (ii) Member communications regarding alleged violation of any Governing Documents, (iii) any confidential communications as determined by the Board of Directors in accordance with Section 10.2 or as otherwise provided in the Declaration, and (iv) any communications privileged under the Texas Rules of Civil or Criminal Procedure, the Texas Rules of Civil or Criminal Evidence, and any other applicable rules, statute or law of the State of Texas or United States of America, including without limitation any communications subject to any lawyer-client privilege.

10.2 Confidential Communications. By vote of two-thirds of all Directors then in office, the Board of Directors may from time to time designate such books, records and communications confidential as the Board deems in its sole good faith opinion the best interests of the Association require be kept confidential, including without limitation confidentiality deemed necessary for the protection of the privacy rights of individual Members, consideration of competitive bids until a final bid is accepted, and matters where any conflict of interest exists between a Member and the Association and disclosure would detrimentally effect the interests of the Association.

10.3 Rules for Inspection. The Board of Directors may from time to time establish reasonable rules for inspection of any books and records of the Association with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when inspections may be made; and (iii) establishment as a specific assessment of the amounts of, and payment of, reasonable duplication, administrative and other costs of inspection the payment of which is a condition precedent to the right of any Member to examine and to obtain copies of any books and records.

ARTICLE XI

Amendment

11.1 By Declarant. DURING THE DEVELOPMENT PERIOD, DECLARANT HAS THE SOLE RIGHT TO AMEND, MODIFY, REVISE OR REPEAL THESE BYLAWS IN ACCORDANCE WITH THE DECLARATION WITHOUT JOINDER OR CONSENT OF, AND WITHOUT NOTICE OF ANY KIND TO, ANY OWNER, MORTGAGEE OR ANY OTHER PERSON.

11.2 By Association. The Association by vote of the Board of Directors may amend, modify, revise or repeal these Bylaws in the same manner and for the limited purposes provided for in the Declaration for amendment of the Declaration by the Board.

11.3 By Members. After the Development Period, these Bylaws may be amended or otherwise modified, revised or repealed, in whole or in part, at any annual or special meeting of the Members by the affirmative vote of two-thirds of the votes entitled to be cast by the Members present at a meeting of the Members at which a quorum is present, in person or by proxy. Any such amendment, modification, revision or repeal so adopted is binding upon all Members and all Owners.

11.4 Notice for Amendment by Owners. The notice for any meeting of the Members at which any amendment or other modification, revision or repeal of these Bylaws is to be considered must state such purpose, and must contain or be accompanied by a true and correct copy of the proposed amendment(s) or other modification(s), revision(s) or repeal(s), or a summary statement thereof. A true and correct copy of the complete text of all adopted amendments or other modifications, revisions or repeal must be delivered to all Members in the same manner as other notices to Members as soon as reasonably practicable after adoption.

ARTICLE XII

Miscellaneous

12.1 Notices. Unless otherwise expressly provided herein, all notices or other communications permitted or required under these Bylaws must be in writing and are deemed properly given if given in accordance with Article XI or Article XII of the Declaration, as applicable.

12.2 Telephone Meetings: Action Taken Without a Meeting.

12.2.1 Telephone Meetings. Directors, Members or committee members may participate in and hold any of their respective meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose

of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

12.2.2 Action Without Meeting. The Directors, or Members, or the members of any committee of the corporation have the right to take any action or make any decision in the absence of a meeting which they could take at a meeting by unanimous written consent of all of the Directors, Members, or committee members. The Directors, or Members, or the members of any committee may also take any action by a consent in writing signed by a sufficient number of Directors, Members, or committee members as would be necessary to take that action at a meeting at which such Directors, Members, or committee members were present and voted in accordance with Article 1396-9-10(c) of the Texas Non-Profit Corporation Act, as amended. Any action or decision approved as provided in this Section has the same effect as though taken at a meeting of the Directors, Members, or committee members.

12.3 Conflicts. In the case of any conflict between the Restated and Amended Articles of Incorporation and these Restated and Amended Bylaws, the Restated and Amended Articles of Incorporation control; and in the case of any conflict between the Declaration, these Restated and Amended Bylaws or the Restated and Amended Articles of Incorporation, the Declaration controls.

12.4 Interpretation. The provisions hereof are to be liberally construed to give full effect to their intent and purposes. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. Wherever the context requires, all words in these Bylaws in the male gender include the female or neuter gender, all singular words include the plural, and all plural words include the singular.

12.5 Severability. Whenever possible, each provision of these Bylaws shall be interpreted in such manner as to be effective and valid, but if the application of any provisions of these Bylaws to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions hereof are declared to be severable.

12.6 Power of Attorney. A Person may execute any instrument related to the Association by means of a written power of attorney if an executed copy of the power of attorney is filed with the Association to be kept with the corporate records. Any such power of attorney may be revoked only by expiration of a stated term expressly set forth in the power of attorney or by filing of a written revocation with the Association, and the Association is not required to determine or comply with any other conditions for termination.

12.7 Applicability of Bylaws. All present and future Members and Owners, tenants thereof, and their respective officers, agents, employees, guests or invitees, or any other Person occupying or residing within or upon the Subdivision or any Building Site or Lot or utilizing any

Community Properties in any manner, are subject to these Bylaws. The mere acquisition, occupancy, use or rental of any Building Site or Lot or utilization of any Community Properties constitutes acceptance and ratification of these Bylaws, and agreement to strictly comply therewith.

12.8 Waiver of Interest in Corporation Property. All real and personal property, including all Community Properties and all improvements located thereon, acquired by the Association shall be owned by the Association. A Member has no interest in specific property of the Association. Each Member hereby expressly waives the right to require partition of all or part of any and all such property.

12.9 Fiscal Year. The fiscal year of the Association may be established from time to time by the Board of Directors absent which same will begin on the first day of January and end on the thirty-first day of December of each year.

12.10 Effective Date. These Bylaws are effective from and after the 15th day of September, 1999.

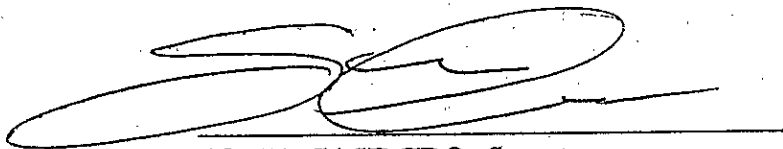
CERTIFICATION BY SECRETARY

I, the undersigned, SONIA CASIMIRO, do hereby certify:

That I am the duly elected and acting Secretary of STONE LAKE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and

That the foregoing Restated and Amended Bylaws of Stone Lake Homeowners Association, Inc., a Texas non-profit corporation, is a complete, true and correct statement of said bylaws duly adopted by unanimous written consent of all Members and all current directors of the Association dated September 15, 1999.

DATED: September 15, 1999



SONIA CASIMIRO, Secretary

hw\ba\univ\stone lake\ra-bylaws
(R991102) UNIV/STONE

FILE FOR RECORD
8:00 AM

MAR 15 2002

Dorothy L. Kayman
County Clerk, Harris County, Texas

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

MAR 15 2002



Dorothy L. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

Case
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V666582

MANAGEMENT CERTIFICATE

(In Compliance with Section 209.004 of Title 11 of the Texas Property Code)

03/15/02 101779997 V666582

\$9.00

11)

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Shannon Nogradi, who, being by me duly sworn according to the law, stated the following under oath:

"My name is Shannon Nogradi. I am fully competent to make this Affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct. I am the Association Manager of Stone Lake Homeowners Association, Inc., a Texas Non-Profit Corporation (the "Association")."

1. The name of the Subdivision is Stone Lake.
2. The name of the Association is Stone Lake Homeowners Association.
3. The recording data (i.e., Map or Plat reference) for each Section of the Subdivision is as follows:
 Section One (1) - V134526
 Section Two (2) - _____
 Section Three (3) - _____
 Section Four (4) - _____
 Section Five (5) - _____; and
 Section Six (6) - _____
4. The recording data for the Articles for each Section of the Subdivision is as follows:

5. The recording data for the Bylaws for each Section of the Subdivision is as follows:

6. The recording data for the Declaration (i.e., Deed Restrictions) for each Section of the Subdivision is as follows:
 Section One (1) - T967416
 Section Two (2) - _____
 Section Three (3) - _____
 Section Four (4) - _____
 Section Five (5) - _____; and
 Section Six (6) - _____
7. The recording data for the Architectural Control Guidelines for each Section of the Subdivision is as follows:
 N/A
8. Pertinent data regarding the Association and/or its manager is as follows:
 a) The Association's office is located at 7170 Cherry Park Drive, Houston, Texas 77095.
 b) The name and address of the Association's managing agent is
 SCS Management Services, Inc., 7170 Cherry Park Drive, Houston, Texas 77095.
 Telephone: (281) 463-1777 - Fax: (281) 463-0050 - E-mail: info@scsmgmt.com"

(21)
100
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549-91-0147

SIGNED on this the 28th day of Dec, 2001.

Shannon Nogradi
Printed Name: Shannon Nogradi
Position Held: Association Manager

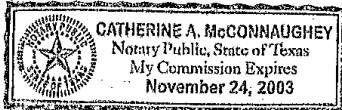
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VERIFICATION

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Shannon Nogradi, who, after being duly sworn, stated under oath that he/she has read the above and foregoing Affidavit and that every factual statement contained therein is within his/her personal knowledge and is true and correct

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public, on this the 28th day of December, 2001.



Catherine A. McConaughy
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

FILE FOR RECORD
8:00 AM

MAR 15 2002

Beverly B. Kayman
County Clerk, Harris County, Texas

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

MAR 15 2002



Beverly B. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

After recording, return to: SCS Management Services, Inc., 7170 Cherry Park Drive, Houston, TX 77095

Amend

**FIRST AMENDMENT
OF RESTATED AND AMENDED BYLAWS OF
STONE LAKE HOMEOWNERS ASSOCIATION, INC.**

[Handwritten signature]

13
B

STATE OF TEXAS §
 § KNOW ALL BY THESE PRESENTS THAT:
COUNTY OF HARRIS §

Pursuant to that certain instrument entitled "Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake" (the "Declaration") filed on September 15, 1999 under Clerk's File No. T967416, Official Public Records of Real Property of Harris County, Texas, including Section 11.10 of the Declaration, and Section 11.1 of the Restated and Amended Bylaws for Stone Lake Homeowners Association, Inc. (the "Bylaws"), **UNIVERSITY DEVELOPMENT, INC.**, a Texas corporation (hereinafter referred to as "Declarant") hereby amends the Bylaws as follows:

001-85-1395

I.

Sections 5.3 and 5.4 of the Bylaws are hereby deleted in their entirety and the following substituted in place thereof:

5.3 Directorship Positions; Term of Office. Directors will be appointed or elected to one of three Directorship Positions designated as Positions One through Three. The initial Board of Directors named in the Association's Articles of Incorporation or such other persons as may be appointed by Declarant during the Development Period will serve until the first meeting of Class A Members. At the first meeting of Class A Members, One Director will be elected to Directorship Position One for a two year term, and two Directors will be elected to Directorship Positions Two and Three for a one year term. Thereafter Directors will be elected for two year terms. Nominees receiving the largest number of votes will be elected as provided in the next Section.

5.4 Nomination; Election; Cumulative Voting Prohibited. Before each annual meeting of Members, the Board of Directors shall make reasonable efforts to obtain at least as many nominees for election to the Board as will be required to fill all Directorship Positions to be elected at the ensuing annual meeting. All such nominees must be listed in or included with the notice of each annual meeting. Nominations may also be made from the floor at each annual meeting. Election to the Board of Directors must be by ballot (including Mail-In Ballot) or proxy. At each election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. At the first meeting of Class A Members, the three nominees receiving the largest number of votes shall be elected, with the nominee receiving the largest number of votes to be elected to the two year term. Thereafter, the nominee or nominees receiving the largest number of votes shall be elected to the Directorship Position or Positions to be filled at the meeting. Cumulative voting is not permitted.

II.

The foregoing amendments to the Bylaws are deemed to be a part of and are to be interpreted in accordance with the Bylaws. All provisions of the Bylaws not so amended are hereby ratified and confirmed in each and every particular, and will continue in full force and effect pursuant to the terms of the Bylaws.

EXECUTED this 23rd day of July, 2003.

UNIVERSITY DEVELOPMENT, INC.,
a Texas corporation

By: Hilda Delgado Bues
HILDA DELGADO, President

Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

2003 JUL 24 PM 3:52

FILED

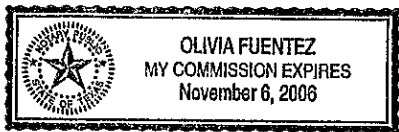
ACKNOWLEDGMENT

STATE OF TEXAS

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§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the 23rd day of July, 2003, by HILDA DELGADO, President of UNIVERSITY DEVELOPMENT, INC., a Texas corporation, on behalf of the corporation.



Olivia Fuentez
NOTARY PUBLIC in and for the
STATE OF TEXAS
Name: Olivia Fuentez

FAWp\LWB\BAUNIV\STONE LAKE\Corp\Docs\1 Am of Rest and Am Bylaws.wpd

251-58-145

Ret: Williams Binberg & Andersen
6611 Southwest Frey Ste 303
Houston TX 77074-2284

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me, and was duly RECORDED. In the Official Public Records of Real Property of Harris County, Texas on

JUL 24, 2003



Dorely L. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

Cert
1-7-04

MANAGEMENT CERTIFICATE

(In Compliance with Section 209.004 of Title 11 of the Texas Property Code)

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

X742694
07/06/04 200559836 \$9.00

BEFORE ME, the undersigned authority, on this day personally appeared Ginger Robinson, who, being by me duly sworn according to the law, stated the following under oath:

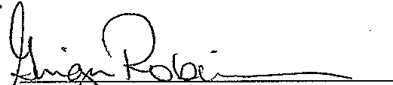
"My name is Ginger Robinson. I am fully competent to make this Affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct. I am the Association Manager of Courtyard Glen Homeowners Association, Inc., a Texas Non-Profit Corporation (the "Association")."

107 (2)
ll

1. The name of the Subdivision is Courtyard Glen.
2. The name of the Association is Courtyard Glen Homeowners Association.
3. The recording data (i.e., Map or Plat reference) for each Section of the Subdivision is as follows:
 Section One (1) - _____;
 Section Two (2) - N061260 _____;
 Section Three (3) - _____;
 Section Four (4) - _____;
 Section Five (5) - _____; and
 Section Six (6) - _____;
4. The recording data for the Articles for each Section of the Subdivision is as follows:
 _____;
5. The recording data for the Bylaws for each Section of the Subdivision is as follows:
W632119 _____;
6. The recording data for the Declaration (i.e., Deed Restrictions) for each Section of the Subdivision is as follows:
 Section One (1) - T967416 _____;
 Section Two (2) - G801425.H022980.J441383 _____;
 Section Three (3) - _____;
 Section Four (4) - _____;
 Section Five (5) - _____; and
 Section Six (6) - _____;
7. The recording data for the Architectural Control Guidelines for each Section of the Subdivision is as follows:
X420505 _____;
8. Pertinent data regarding the Association and/or its manager is as follows:
 a) The Association's office is located at 7170 Cherry Park Drive, Houston, Texas 77095.
 b) The name and address of the Association's managing agent is
 SCS Management Services, Inc., 7170 Cherry Park Drive, Houston, Texas 77095.
 Telephone: (281) 463-1777 -- Fax: (281) 463-0050 -- E-mail: info@scsmgmt.com"

107-108-109-110-111-112-113-114-115-116-117-118-119-120-121-122-123-124-125-126-127-128-129-130-131-132-133-134-135-136-137-138-139-140-141-142-143-144-145-146-147-148-149-150-151-152-153-154-155-156-157-158-159-160-161-162-163-164-165-166-167-168-169-170-171-172-173-174-175-176-177-178-179-180-181-182-183-184-185-186-187-188-189-190-191-192-193-194-195-196-197-198-199-200

SIGNED on this the 25th day of June, 2004.


Printed Name: Ginger Robinson
Position Held: Association Manager

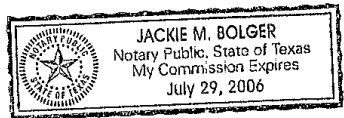
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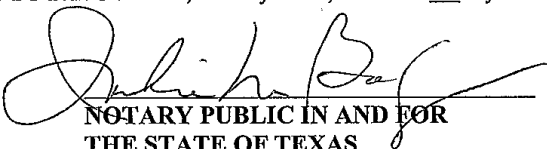
VERIFICATION

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Ginger Robinson, who, after being duly sworn, stated under oath that he/she has read the above and foregoing Affidavit and that every factual statement contained therein is within his/her personal knowledge and is true and correct

 SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public, on this the 25th day of June, 2004.



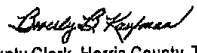

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped herein by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas on

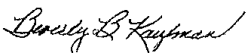
FILED FOR RECORD
8:00 AM

JUL - 6 2004

JUL - 6 2004


County Clerk, Harris County, Texas




COUNTY CLERK
HARRIS COUNTY, TEXAS

After recording, return to: SCS Management Services, Inc., 7170 Cherry Park Drive, Houston, TX 77095

*Cert
152*

**Management Certificate for
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.
(In Compliance with Section 209.004 of Title 11 of the Texas Property Code)**

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Spectrum Association Management, L.P., Managing Agent for STONE LAKE HOMEOWNERS' ASSOCIATION, INC., who, being by me duly sworn according to law, stated the following under oath:


(2)
see
"My name is AMY PITLOUN. I am the representative for the Managing Agent, Spectrum Association Management, L.P. I am fully competent to make this Affidavit. I have personal knowledge of the facts stated herein, and they are all true and correct. Spectrum Association Management, L.P. is the Managing Agent for STONE LAKE HOMEOWNERS' ASSOCIATION, INC., a Texas Non-Profit Corporation ('the Association')".

1. The name of the Subdivision is: Stone Lake.
2. The name of the Association is: STONE LAKE HOMEOWNERS' ASSOCIATION, INC.
3. STONE LAKE HOMEOWNERS' ASSOCIATION, INC. ASSOCIATION is a nonprofit corporation.
 - a. The Restated and Amended Articles of Incorporation of STONE LAKE HOMEOWNERS' ASSOCIATION, INC. were filed on or about November 12, 1999, in the Office of the Secretary of State of Texas. A copy of the Restated and Amended Articles of Incorporation is attached.
 - b. The Restated and Amended Bylaws for STONE LAKE HOMEOWNERS' ASSOCIATION, INC. were signed on September 15, 1999. A copy of the Restated and Amended Bylaws is attached.
4. The recording data (i.e., map or plat reference) for each Section of the Subdivision is as follows:
 - a. Plat recorded under County Clerk's Film Code No. 393146, Map Records of Harris County, Texas.

[Handwritten signature]

5. The recording data for the Declaration of Covenants, Conditions and Restrictions (i.e., deed restrictions) for each Section of the Subdivision is as follows:
- a. Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements. This document was filed on September 15, 1999, under County Clerk's No. T967416, and Film Code No. 528-06-1333, in the Official Public Record of Real Property of Harris County, Texas.
6. Administrative Resolutions of the Board of Directors for STONE LAKE HOMEOWNERS' ASSOCIATION, INC.
- a. Resolutions Adopted by Unanimous Written Consent of the Board of Directors of Stone Lake Homeowners Association, Inc. (Election of New Officers), recorded in the Book of Minutes on September 15, 1999. A copy of the Resolution is attached.
7. Pertinent data regarding the Association and/or its manager is as follows:
- Name: Spectrum Association Management, L.P.
(Managing Agent)
Representative: Amy Pitloun
Address: Spectrum Association Management, L.P.
1000 Central Parkway North, Suite 270
San Antonio, Texas 78232
Telephone number: (210) 494-0659
Telefax number: (210) 494-0887
E-mail address: contact@spectrumam.com
8. This certificate is filed of record in the county where the above described project is located. It should be valid until a Management Certificate is filed by another management company for the Association or until a termination of this Management Certificate is filed of record, whichever is sooner.
9. Other Information the Association Considers Appropriate: Prospective purchasers are advised to independently examine the Declaration, By-Laws, and all other governing documents of the Association, together with obtaining an official Resale Certificate and performing a comprehensive physical inspection of the lot/home and common areas, prior to purchase.

SIGNED on this the 6 day of June, 2005.


Printed Name: Spectrum Association
Management, L.P., Managing Agent
of STONE LAKE HOMEOWNERS'
ASSOCIATION, INC.

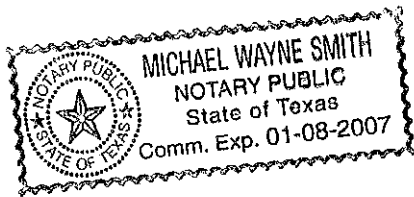
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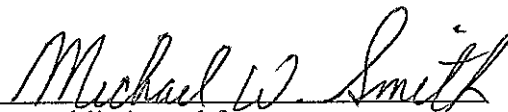
VERIFICATION

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared AMY PITLOUN, a Representative of Spectrum Association Management, L.P., Managing Agent of STONE LAKE HOMEOWNERS' ASSOCIATION, INC., who, after being duly sworn, stated under oath that she has read the above and foregoing Affidavit and that every factual statement contained therein is within her personal knowledge and is true and correct and she acknowledged to me that she executed the same for the purposes and consideration and in the capacity therein stated.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public, on this the 6 day of June, 2005.




Notary Public in and for
The State of Texas

After recording return to:

M. Susan Rice
M. Susan Rice, PC
3900 Essex, Suite 560
Houston, Texas 77027

727-001/stone lake/mgmt cert.



The State of Texas
Secretary of State

NOV. 30, 1999

LEO W BURTON...WILLIAMS, BIRNBERG & ANDERSEN
6671 SOUTHWEST FRWY, STE 303
HOUSTON ,TX 77074-2284

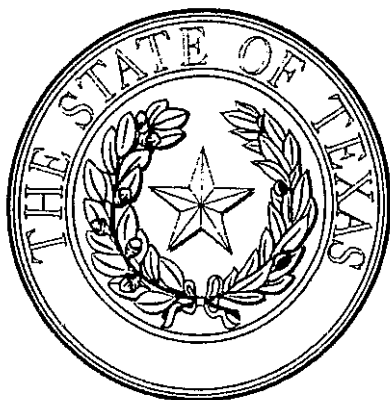
RE:
STONE LAKE HOMEOWNERS' ASSOCIATION, INC.
CHAPTER NUMBER 01488480-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR
RESTATED ARTICLES OF INCORPORATION.

THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES AND THE
ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



Elton Bomer, Secretary of State

SECRET



The State of Texas
Secretary of State

CERTIFICATE OF RESTATED ARTICLES
OF INCORPORATION

OF

STONE LAKE HOMEOWNERS' ASSOCIATION, INC.
CHARTER NUMBER 01488480

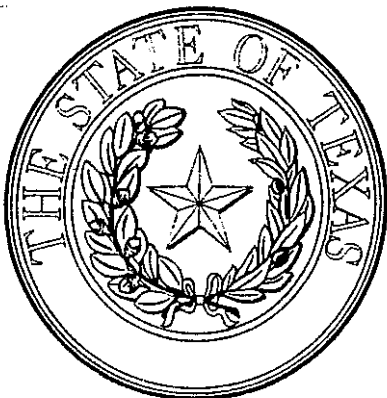
FORMERLY

STONE LAKE HOMEOWNERS ASSOCIATION, INC.

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,
HEREBY CERTIFIES THAT RESTATED ARTICLES OF INCORPORATION OF THE ABOVE
CORPORATION DULY SIGNED AND VERIFIED PURSUANT TO THE PROVISIONS OF THE
TEXAS NON-PROFIT CORPORATION ACT, HAVE BEEN RECEIVED IN THIS OFFICE AND
ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY
VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES
THIS CERTIFICATE OF RESTATED ARTICLES OF INCORPORATION AND ATTACHES
HERETO A COPY OF THE RESTATED ARTICLES OF INCORPORATION.

DATED NOV. 12, 1999



A handwritten signature in cursive script, appearing to read "Elton Bomer".

Elton Bomer, Secretary of State

11-015-40-0817

**RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF
STONE LAKE HOMEOWNERS ASSOCIATION, INC.**

FILED
In the Office of the
Secretary of State of Texas

NOV 12 1999

Corporations Section

STONE LAKE HOMEOWNERS ASSOCIATION, INC., pursuant to the Texas Non-Profit Corporation Act, including Article 1396-4.06 thereof, adopts these Restated and Amended Articles of Incorporation which amend the initial Articles of Incorporation in their entirety except Article Seven which sets forth the incorporators, and which were adopted by a consent in writing signed by all current directors and by all Members entitled to vote with respect thereto (including consent as to each aforesaid amendment) and in conformity with the Texas Non-Profit Corporation Act. The initial Articles of Incorporation and all amendments and supplements thereto are superseded by the following Restated and Amended Articles of Incorporation which accurately set forth the articles of incorporation and all amendments thereto that are in effect to the date of signing hereof as set forth below:

ARTICLE I
Corporate Name

The name of the corporation is STONE LAKE HOMEOWNERS' ASSOCIATION, INC., hereinafter sometimes called the "Association".

ARTICLE II
Legal Status

The Association is a nonprofit corporation organized pursuant to the Texas Non-Profit Corporation Act.

ARTICLE III
Duration

The period of duration of the Association is perpetual.

ARTICLE IV
Purposes

The purposes for which the Association is organized are specifically and primarily to provide an organization consisting of the Owners of Building Sites within Stone Lake, a residential subdivision located within Harris County, Texas (the "Subdivision"), in accordance with and as more particularly described in that certain instrument entitled "Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake", as filed for record in the Official Public Records of Real Property of Harris County, Texas, as same may be from time to time amended (the "Declaration"), and in accordance with the Declaration to provide for the management, maintenance, preservation, operation and architectural control of the Subdivision and any additions thereto as may hereafter be brought within the jurisdiction of the Association, including for such purposes without limitation of the foregoing:

A. to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration, the Bylaws and Articles of Incorporation of the Association, Rules and Regulations, Architectural Guidelines, all written decisions and resolutions of the Association's Board of Directors and Architectural Control Committee, and amendments to any of the foregoing (all such instruments sometimes herein referred to as the "Governing Documents");

B. to fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and other Governing Documents, and to pay all expenses in connection with such charges or assessments and all other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;

C. to control the construction, reconstruction or alteration of any building or other improvement to be erected, maintained or altered upon any Lot, Building Site, tract, parcel, site or reserve within the Subdivision or otherwise subject to the jurisdiction of the Association;

D. to cause to be enforced the restrictions, covenants, conditions and easements imposed upon all or any part of the Subdivision by the Declaration and other Governing Documents;

E. to acquire (by gift, deed, lease or otherwise), own, hold, improve, operate, maintain, sell, lease, convey, dedicate for public use, otherwise dispose of and/or alienate real and personal property as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents;

F. to borrow money, and to mortgage, pledge, deed in trust or otherwise encumber, alienate or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred to conduct the lawful affairs of the Association;

G. to act in the capacity of principal, agent, joint venturer, partner, or otherwise as the Association may deem necessary or appropriate and/or as provided in the Declaration and other Governing Documents; and

H. to have and exercise any and all powers, rights and privileges which a corporation organized and existing under the Texas Non-Profit Corporation Act may by law now or hereafter have and exercise, including any and all powers, rights and privileges now or hereafter granted or permitted by the Declaration and other Governing Documents.

ARTICLE V. Registered Office and Agent

The street address of the registered office of the Association is 2323 S. Shepherd Drive, Suite 1430, Houston, Texas 77019, and the name of its registered agent at such address is THOMAS P. THIBODEAU.

ARTICLE VI
Board of Directors

A. Development Period Directors. The number of Directors constituting the Development Period Board of Directors of the Association is three (3), and the names and addresses of the persons who are to serve as the Development Period Directors are:

<u>Name</u>	<u>Address</u>
Thomas P. Thibodeau	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019
George Kawaja	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019
Sonia Casimiro	2323 S. Shepherd Drive, Suite 1430 Houston, Texas 77019

B. Subsequent Directors. The Development Period Directors as above provided will serve as Directors until their successors are elected and qualified as provided in the Association's Bylaws. The number of Directors shall be fixed by, or in the manner provided in, the Declaration and the Association's Bylaws; provided, the number of Directors shall not be less than three (3), and no decrease in the number of Directors as provided in the Bylaws shall have the effect of shortening the term of any incumbent Director.

ARTICLE VII
Incorporator

The names and street addresses of the original incorporators are:

<u>Name</u>	<u>Address</u>
Anthony T. Sortino	1431 Graham Drive, Suite 150 Tomball, Texas 77375
Jeff Marler	1431 Graham Drive, Suite 155 Tomball, Texas 77375
Ann Clanton	1431 Graham Drive, Suite 155 Tomball, Texas 77375

ARTICLE VIII
Membership

Every Person who is the "Owner" of a fee simple title or undivided fee simple title interest in any "Building Site" that is subject to the Declaration (as those terms are defined in the Declaration)

shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate any Owner's membership. No Owner, whether one or more Persons, shall have more than one membership per Building Site. Memberships shall be appurtenant to and may not be separated from ownership of any Building Site, and shall automatically pass with the title to the Building Site.

ARTICLE IX Voting Rights of Members

A. Development Period. During the Development Period there will be two (2) classes of membership entitled to voting rights in the Association which are as follows:

(i) Class A: All Members of the Association other than the Declarant are Class A Members. DURING THE DEVELOPMENT PERIOD, CLASS A MEMBERS HAVE NO VOTING RIGHTS WHATSOEVER.

(ii) Class B: Class B Members are Declarant. DURING THE DEVELOPMENT PERIOD DECLARANT SHALL HAVE ONE VOTE FOR EACH BUILDING SITE OWNED.

B. Post-Development Period. Upon termination of the Development Period, any remaining Class B membership will automatically convert to Class A membership. Thereafter there will be only one class of voting membership, and the Owner, whether one or more, of each Building Site will be entitled to one vote on each matter coming before the membership.

C. Multiple Owners: When more than one Person holds an ownership interest in a Building Site, all such Persons shall be Members, but in no event shall they be entitled to more than one vote with respect to that particular Building Site. When more than one Person holds an ownership interest in a Building Site, the vote of all such joint Owners shall be exercised and controlled as provided in the Declaration.

D. Cumulative, Fractional and Split Voting Prohibited: Neither cumulative voting nor fractional or split voting shall be permitted as to any matter placed before the membership for a vote, including election of Directors.

E. Suspension of Voting Rights: Voting rights of any Member may be suspended for breach of the Governing Documents as that term is defined in and as otherwise provided in the Declaration.

ARTICLE X Dissolution

In the event of the liquidation, dissolution or winding up of the Association, whether voluntary or involuntary, the Directors shall dispose of all property and assets of the Association, including, without limitation, all undistributed income earned thereon, after the payment, satisfaction and discharge of all liabilities and obligations of the Association, or the making of adequate provision

therefor in such manner as they, in the exercise of their absolute discretion, and by majority vote, shall determine; provided, such disposition shall be exclusively in the furtherance of the purposes for which the Association is formed, and the property and the assets of the Association shall not accrue to the benefit of any officer, Director, Member, or any individual having a personal or private interest in the affairs of the Association or any organization which engages in any activity in which the Association is precluded from engaging.

ARTICLE XI

Limitation of Liability; Indemnification

A. General. Except for intentional misconduct, knowing violation of the law, or as otherwise provided by the Texas Non-Profit Corporation Act (including Article 1396-2.22A thereof, as amended), no Director of the Association shall be liable to the Association or any of its Members, and the Association shall not be liable to any Member, for monetary damages or otherwise for any act or omission in the Director's capacity as a Director or any act or omission of the Association within the scope, of its purposes. The Association shall indemnify and keep indemnified any Director or former Director to the fullest extent necessary to accomplishment of the foregoing and to the fullest extent allowed by law, and hold any such Director or former Director harmless from and against all claims, demands, suits, judgments, court costs, attorney's fees, attachments and any and all other legal action or proceedings whatsoever as contemplated thereby. All provisions of this Article XI shall also apply to the incorporator herein named, to any officer or former officer of the Association, and to all Association committees and members thereof.

B. Liability Arising From Conduct of Owners. Each Owner, and each Owner's tenants, shall indemnify and keep indemnified, and hold harmless, the Association, and its officers, Directors, servants, agents and employees from and against all claims, damages, suits, judgments, court costs, attorney's fees, attachments and any and all other legal actions or proceedings whatsoever caused or arising, directly or indirectly, through the willful or negligent act or omission of an Owner, the Owner's tenants, or the family, guests, invitees, servants, agents or employees of either.

C. Additional and/or Subsequent Authority. To the fullest extent provided in other "Governing Documents" as that term is defined in the Declaration, and if the Texas Non-Profit Corporation Act, Texas Miscellaneous Corporation Laws Act, Chapter 84 of the Texas Civil Practice and Remedies Code, or any other statute is enacted, construed or amended subsequently to the filing of these Articles of Incorporation to further eliminate or limit liability or further authorize indemnification than as authorized, permitted or required by this Article XI, then such liability shall be eliminated or limited and such right to indemnification shall be expanded to the full extent permitted by such other Governing Documents or by such statutory enactment, construction or amendment.

D. No Impairment. Any repeal or modification of this Article by the Members of the Association or otherwise shall not adversely affect any right or protection existing at the time of such repeal or modification.

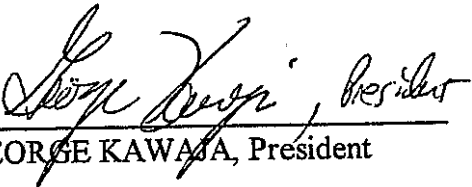
ARTICLE XII
Amendment

These Articles of Incorporation may be amended from time to time, in any and as many respects as may be desired, as provided in the Texas Non-Profit Corporation Act.

IN WITNESS WHEREOF, the undersigned officer of the Association has executed these Restated and Amended Articles of Incorporation thereby affirming, ratifying and consenting thereto on this 15th day of September, 1999.

DATED: September 15, 1999

STONE LAKE HOMEOWNERS
ASSOCIATION, INC.

By: , President
GEORGE KAWASA, President

\\b\ba\univ\stone lake\rest&am-art\incorp
(R990915) UNIV/STONE

RESTATED AND AMENDED BYLAWS

FOR

**STONE LAKE HOMEOWNERS
ASSOCIATION, INC.**

A TEXAS NON-PROFIT CORPORATION

(Effective September 15, 1999)

REF 015-40-0024

BYLAWS
 OF
STONE LAKE HOMEOWNERS ASSOCIATION, INC.
A TEXAS NON-PROFIT CORPORATION

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(R991028) UNIV/STONE

RESTATED AND AMENDED BYLAWS

OF

**STONE LAKE HOMEOWNERS
ASSOCIATION, INC.**

A TEXAS NON-PROFIT CORPORATION

ARTICLE I

Name; Offices

1.1 Name. The name of the corporation is STONE LAKE HOMEOWNERS ASSOCIATION, INC. (hereinafter referred to as the "Association").

1.2 Principal Office. The principal office of the Association shall be 2323 S. Shepherd Drive, Suite 1430, Houston, Texas 77019. The address of the principal office may be changed from time to time as shall be directed by resolution of the Board of Directors in accordance with the Texas Non-Profit Corporation Act. The Association may also have offices at such other places as the Board of Directors may from time to time designate or as its business may require.

1.3 Registered Office and Agent. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose business office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Association. The registered agent and address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Definitions

2.1 Incorporation of Definitions. All definitions as set forth in Article II of the "Restated and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Stone Lake" heretofore filed on September 15, 1999 under Clerk's File No. T967416, Official Public Records of Real Property of Harris County, Texas (the "Declaration"); as amended, are hereby incorporated by reference herein. In addition to the foregoing and to any other definitions set forth in these Bylaws, the following term has the following meaning:

2.1.1 "Assessments" means any and all assessments, annual, special, specific or otherwise, and all other monetary obligation owed by any Member or Owner to the Association as provided for in, and in accordance with, the Declaration and any other applicable Governing Documents.

ARTICLE III

Membership; Voting Rights and Procedures

3.1 Membership; Voting Rights.

3.1.1 Owners as Members. As more fully described in the Declaration, every Person who is the owner of a fee simple title or undivided fee simple title interest applicable to any Building Site that is subject to the Declaration is a member of the Association, and as such shall have voting rights as set forth in Section 3.04 of the Declaration (as amended).

3.2 When Member Required to Designate Representative; Effect. Each Member which is not a natural person is required to designate one natural person to act on such Member's behalf as herein provided. The designation must be by written and dated notice stating (i) the name and contact address, telephone number and the telecopier number, when available, of the designated representative, and (ii) the effective date of such designation which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The Association is not required to recognize any person as being authorized to represent or act on behalf of any Member which is not a natural person until such designation has been received by the Association. A designation as aforesaid fully authorizes the designated representative to bind the designating entity as to all matters, decisions and actions of the designated representative whether or not such authority is expressly stated in the written designation; provided, the Board may require any designated representative to show authority to act in such manner as the Board may reasonably require. Any designated representative may be changed from time to time in the same manner as required for original designation. In the event of conflict between designations, the most currently dated designation which has been received by the Association will control. Any such representative may serve as a Director as provided herein.

3.3 Suspension of Voting Rights. All voting rights appurtenance to ownership of a Building Site will or may be suspended in accordance with the following:

3.3.1 Automatic Suspension. All voting rights appurtenant to a Building Site are automatically suspended during any period of time any Assessments are owed to the Association and extending through the fifth banking business day after payment in full is received and deposited by the Association. During such suspension, no Owner of the affected Building Site is entitled to vote upon any matters coming before the membership.

3.3.2 Suspension After Notice. Upon not less than ten days written notice, the Board of Directors may suspend the voting rights appurtenant to any Building Site as to which the Owner or any occupant thereof, or their respective agents, employees, guests or invitees, are in violation of any provisions of the Governing Documents as determined in the sole good faith discretion of the Board of Directors. During such period of suspension no Owner of the affected Building Site is entitled to vote upon any matters coming before the membership. In the event of such suspension, any affected Owner is entitled to petition the Board of Directors in writing for

reinstatement of voting rights, and to be heard at a regular or special meeting of the Board of Directors thereon.

3.4 Good Standing. A Member is *not* in good standing during any period during which the Member's voting rights have been suspended, including any period during which any Assessments are owed to the Association.

3.5 Voting Procedures. Voting on any matter brought before the membership must be conducted in accordance with the following:

3.5.1 Right to and Manner of Vote. At all meetings of Members, voting may be in person or by proxy. Voting by proxy will be deemed voting in person for all purposes. Voting by Mail-In Ballot is permitted only as provided by Section 3.5.2.

3.5.2 Limited Right to Elect Directors by Mail-In Ballot. As to but only as to election of Directors, the Board of Directors may authorize and adopt procedures whereby Members may cast a ballot vote by mail, by facsimile transmission or by any combination of the two (herein referred to as a "Mail-In Ballot"). Voting as to election of Directors by Mail-In Ballot will be deemed voting in person only as to the election. To the extent applicable, references in these Bylaws to ballots also include Mail-In Ballots.

3.5.3 Form of Proxy or Ballot; Voting Procedures.

a. All proxies and ballots must be in writing, dated and signed by the Member giving or casting same, and must set forth the printed name(s) of the Member(s) and the address of each Lot and/or legal designation by section, block and lot reference to each Lot as to which voting rights are being exercised. An Owner of multiple Lots may execute a single proxy or ballot as to all Lots owned and thereby vote as to all such Lots (being one vote per Lot or such higher number of votes per Lot as may be provided in the Declaration).

b. Members may vote only by written proxy or ballot as to (i) election or removal of Directors by Members, (ii) amendment, modification, revision or repeal of the Declaration, Articles of Incorporation or these bylaws when a vote of the Members as to same is permitted or required, (iii) merger, consolidation or dissolution of the Association, (iv) sale, lease or exchange of all, or substantially all, the property and assets of the Association, and (v) any other matters as from time to time determined by the Board of Directors. As to any of the foregoing, only ballot type proxies which specify the matters to be voted on and which allow the Person giving the proxy an opportunity to determine the manner in which the proxy holder must vote are permitted. Subject to Section 3.6.8 voice or show voting is permitted as to any other matters, and the use of general or blanket type proxies are permitted as to any such matters.

c. Proxies and Mail-In Ballots must be received by the Association by the date of the meeting to which same pertains, or such earlier date certain as stated therein or in the notice of the meeting which date certain may not be more than three banking business days prior to the meeting. The date is automatically extended in the case of continuation or

adjournment of the meeting to which same applies to the last banking business day prior to the date of the continued or adjourned meeting.

d. When acting pursuant to a proxy, each proxy holder must sign and date the original proxy or a copy thereof and any ballot cast pursuant thereto.

e. A proxy or ballot is valid only for the meeting to which same pertains, and as to all subsequent continued or adjourned meetings thereof provided the continued or adjourned meeting or meetings are held within one hundred twenty days after the date of the original meeting.

f. Any proxy or ballot which is not in writing and signed by the Member giving or casting same is invalid. Any undated proxy or ballot will be dated as of the date received by the Association. The validity of any proxy or ballot due to any other defect in form will be determined by the "Vote Tabulators" (as defined in Section 3.6.1) whose decisions thereon shall be final.

3.5.4 Revocation of Proxy or Mail-In Ballot. All proxies and Mail-In Ballots may be revocable, except to the extent otherwise permitted by law and expressly provided therein, until the call for voting upon the matters to which same pertain; provided, once delivered to the custody of the Association, no proxy or Mail-In Ballot may be revoked except in writing, either by printing "revoked" on same and signing and dating such notation, or by separate instrument which specifically identifies the proxy or Mail-In Ballot to be revoked and which is dated and signed; and any such revocation will be effective only if actually received by the Association prior to call for voting upon the matters to which the revocation pertains.

3.5.5 Voice or Show Votes. Except as provided in Section 3.5.3(b) or as otherwise required by the Declaration or law, the Members (or their proxy holders) may vote on any matters by voice, by rising or by show of hands as the Chairperson of the meeting shall direct.

3.6 Verification and Tabulation of Voting Results.

3.6.1 By Whom Verified. Except as hereafter provided, voice or show voting results as provided in Section 3.5.5 will be verified by the Chairperson of the meeting to which same pertains. Proxy or ballot voting results will be verified, tabulated and maintained by the Board of Directors, or by such other committee of three persons as may be designated by the Board of Directors (the "Vote Tabulators").

3.6.2 Verification of Right to Vote. Satisfactory proof of membership, or of a Member's good standing to entitle the Member to vote or any other qualifications necessary to the validity of a ballot or proxy may be required if in the sole good faith opinion of the Vote Tabulators reasonable doubt as to same exists.

3.6.3 Proxies or Ballots Confidential. No ballot or proxy may be inspected by any Person other than the Vote Tabulators, the Board of Directors and/or legal counsel to the

Association. The Vote Tabulators, the Board of Directors and/or legal counsel will inspect ballots and proxies solely for the purposes of validating same and tabulating the results of any vote of the membership, and the contents of same will be held in confidence by all such parties; provided, the Board of Directors may disclose the contents of proxies and ballots (including Mail-In Ballots) to the extent it shall in its sole opinion deem necessary to resolve any disputes as to same or as may otherwise be required by order of a court of competent jurisdiction.

3.6.4 Minimum Period of Retention of Ballots or Proxies. The Association shall maintain proxies and ballots for a minimum period of four years from the date of the meeting or other action to which same pertain after which time such ballots and proxies may be destroyed.

3.6.5 Announcement of Voting Results. The membership will be notified of the results of tabulation of any vote (i) verbally at the meeting to which same pertains, or (ii) after the meeting by written notice given to all Members as reasonably soon as practical after the meeting if only a tentative result can be determined at the meeting as provided in the following two Sections, as applicable. In either case, the final results will be made a part of the minutes of the meeting, but a specific count of the voting need not be included in the minutes.

3.6.6 Verification of Ballot or Proxy Votes. When tabulating any voting results at a meeting, the Vote Tabulators may disregard any proxy or ballot the validity of which is reasonably in doubt as determined in the sole opinion of the Vote Tabulators. If after tabulating the results of any vote of the membership disregarding any doubtful ballots or proxies, the results of such tabulation could not be changed even if all such doubtful ballots or proxies were counted as votes against the results otherwise obtained, a final tabulation will be announced at the meeting. If the results of any vote could be changed by counting the doubtful ballots or proxies as aforesaid, a tentative result will be announced at the meeting after which a final tabulation will be made as soon as practicable as provided in the next Section.

3.6.7 Verification of Tentative Results. When a tentative result has been announced at any meeting, the Vote Tabulators and/or legal counsel to the Association will make every reasonable effort to finally validate or invalidate all doubtful ballots and proxies. If in the sole good faith opinion of the Vote Tabulators and/or legal counsel to the Association a reasonably certain result cannot be announced due to the number of doubtful ballots and/or proxies, then such vote shall be declared void and the membership will be so notified.

3.6.8 Verification of Voice or Show Vote. If the Chairperson at any meeting is in doubt as to the results of any vote by voice, the Chairperson may call for verification by re-vote by rising or by show of hands, and/or as to either method require a specific count. If a specific count is taken, the results shall be made a part of the minutes of the meeting. Owners of a majority of Building Sites present at the meeting may vote to require verification of any voice vote in the same manner.

3.6.9 Limitations Period to Challenge Vote. AS A CONDITION PRECEDENT TO ANY SUIT OR OTHER PROCEEDINGS TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE, OR ANY OTHER MATTERS

PERTAINING TO THE VALIDITY OF ANY MEETING OF MEMBERS OR ANY VOTE OF THE MEMBERSHIP, WRITTEN NOTICE MUST BE GIVEN TO THE BOARD OF DIRECTORS, AND IF APPLICABLE TO THE ASSOCIATION'S MANAGING AGENT, WITHIN NINETY DAYS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING. THE NOTICE MUST SET FORTH THE BASIS FOR ANY CHALLENGE OR OTHER DISPUTE WITH SUFFICIENT DETAIL TO PROVIDE FAIR NOTICE AS TO THE BASIS. IN ADDITION, BUT WITHOUT LIMITATION OF THE FOREGOING, ANY SUIT TO CHALLENGE OR OTHERWISE DISPUTE TABULATION OR VERIFICATION OF ANY VOTE OR ANY OTHER MATTERS PERTAINING TO THE VALIDITY OF ANY MEETING OF THE MEMBERS OR ANY VOTE OF THE MEMBERSHIP MUST BE FILED IN HARRIS COUNTY, TEXAS WITHIN TWO YEARS AFTER THE LATER TO OCCUR OF THE DATE OF THE APPLICABLE MEETING OR THE GIVING OF NOTICE AS TO A TENTATIVE VOTING RESULT ANNOUNCED AT THAT MEETING.

ARTICLE IV

Meetings of Members

4.1 Annual Meeting. The first annual meeting of the Members of the Association will be held upon the earlier to occur of when called by Declarant or within ninety days following termination of the Development Period. Each annual meeting thereafter will be held during the month of September of each year, as determined by the Board of Directors, and at such place within Harris County, Texas as determined by the Board of Directors.

4.2 Special Meetings. Special meetings of the Members may be called at any time by the President, or by the Board of Directors, or by written petition signed by not less than the Owners of a majority of the Building Sites then contained in the Subdivision. Notice of the special meeting must be sent within thirty days after receipt of the request for call of same unless within the thirty-day period written notice is given to all parties calling same stating a proper reason or reasons why the meeting will not be so noticed either at all or within the thirty-day period, and in the latter case the written notice must state a reasonable period of time within which the meeting will be noticed.

4.3 Notice of Meetings. Written notice of each meeting of the Members must be given by, or at the direction of, the Secretary or such other person authorized to call the meeting, not less than ten nor more than sixty days before such meeting to each Member according to the records of the Association. Such notice must specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes of the meeting.

4.4 Quorum. The presence, in person or by proxy and whether or not in good standing, at any meeting of Members owning not less than one-tenth of the Building Sites then contained in the Subdivision constitutes a quorum for any action except as otherwise required by law, the Articles of Incorporation, the Declaration or these Bylaws. Once a quorum is established at any

meeting the quorum cannot thereafter be broken for that meeting by any Member leaving the meeting. If a quorum is not present or represented at any meeting, the meeting may be adjourned at any time and from time to time, without any further notice other than announcement at the meeting, until a quorum as aforesaid is present or represented, either by announcement by the Chairperson of the meeting or by vote of Members owning a majority of the Building Sites who are present in person or by proxy; provided, the adjourned meeting or meetings must be held within ninety days after the date of the original meeting. At any such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

4.5 Majority Vote. The vote, in person or by proxy, of a majority of the votes actually cast at a meeting at which at least a quorum is (or was) present or represented shall be the act of the Members' meeting except as otherwise provided or required by law, the Articles of Incorporation, the Declaration, or these Bylaws. Any such act of a Member's meeting is binding upon all Members and Owners.

ARTICLE V

Board of Directors

5.1 Composition. The affairs of the Association shall be managed by a Board of three Directors. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws, provided the Board must at all times have not less than three Directors. **DECLARANT SHALL APPOINT ALL DIRECTORS UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.**

5.2 Qualifications. After termination of the Development Period, all candidates for election to the Board of Directors and all Directors after election, must meet the qualifications set forth in this Section, as applicable. **NONE OF THE PROVISIONS OF THIS SECTION 5.2 APPLY TO DIRECTORS APPOINTED BY DECLARANT DURING THE DEVELOPMENT PERIOD.**

5.2.1 Membership Required. All Directors must be Members of the Association. A designated representative appointed as provided in Section 3.2 hereof may hold a directorship.

5.2.2 Good Standing Required. A Director is disqualified if the Director is not in good standing as provided in Section 3.4. The good faith decisions of the Board as to good standing is final.

5.2.3 Affiliation. No Member may be appointed or elected as a Director if as a result a majority of the Directors would be affiliated with a single Owner regardless of the number of Building Sites the single Owner may own. As used herein, "affiliated" means a Member that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the single Owner.

5.2.4 Designated Representatives as Directors. The representative of a Member designated as provided in Section 3.2 may be appointed or elected to a directorship provided that notice of the designation must be received by the Association at least ten days prior to the annual or other meeting at which such representative will stand for election or appointment. A designated representative serving as a Director may be replaced by the appointing entity upon written and dated notice stating (i) the name and contact address, telephone number and telecopier number, if available, of the replacement representative, and (ii) the effective date of the replacement, which effective date may not be earlier than the later to occur of midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association. The representative being replaced retains full authority on behalf of the designating entity until the effective date for his/her replacement.

5.2.5 Candidate Representations. Any person accepting a nomination for election to the Board of Directors thereby represents by such acceptance that he or she meets the qualifications set forth in this Section, that he or she has a bona fide intent to serve for the full term to which election is sought and that he or she will diligently seek to, and will and is able to devote such time as is reasonably necessary to, discharge the duties and responsibilities of the directorship to which election is sought.

5.3 Term of Office. Each director shall be appointed or elected to one of three Directorship Positions designated as Positions One through Three, and once elected and qualified shall serve until their successor is elected and qualified. THE INITIAL BOARD OF DIRECTORS NAMED IN THE ASSOCIATION'S RESTATED AND AMENDED ARTICLES OF INCORPORATION OR SUCH OTHER PERSONS AS MAY BE APPOINTED BY DECLARANT DURING THE DEVELOPMENT PERIOD SHALL SERVE UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS, AND HAVE QUALIFIED. At the first annual meeting of the Members, two Directors will be elected for a two year term, being Directors to Positions One and Two if said first meeting is in an even numbered year and being Directors to Positions One and Three if said first meeting is an odd numbered year, and one Director will be elected to the remaining Directorship Position for a one year term. Thereafter, Directors will be elected for two year terms, Directors to Positions One and Two to be elected in each even numbered year, and a Director to Position Three to be elected in each odd numbered year.

5.4 Nomination; Election. Nominations for election to the Board of Directors will be made by the Board of Directors to the extent it is able to do so which nominees must be listed in or included with the notice of each annual meeting. Nominations may also be made from the floor at each annual meeting. Election to the Board of Directors must be by written proxy or ballot (including Mail-In Ballots). At each election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The person receiving the largest number of votes within each category of nominations for a Directorship Position shall be elected. Cumulative voting is not permitted.

5.5 Vacancies on Board of Directors.

5.5.1 Development Period. NOTWITHSTANDING SECTIONS 5.5.2 OR 5.5.3 HEREOF, DECLARANT HAS THE EXCLUSIVE RIGHT TO REMOVE ANY DIRECTOR AND TO FILL ALL VACANCIES ON THE BOARD OF DIRECTORS UNTIL TERMINATION OF THE DEVELOPMENT PERIOD AND UNTIL SUCCESSOR DIRECTORS HAVE BEEN ELECTED AT THE FIRST ANNUAL MEETING OF THE MEMBERS OF THE ASSOCIATION, AND HAVE QUALIFIED.

5.5.2 Resignation, Death, or Incapacity. In the case of resignation, death, or incapacity to serve of any Director, the vacancy will be filled by the affirmative vote of a majority of the remaining Directors then in office though less than a quorum of the entire Board, or by vote of the sole remaining Director, and any Directors so elected will hold office until the next annual election occurring after their respective terms of office expire and until their successors are elected and have qualified.

5.5.3 Removal. Any Director may be removed, either for or without cause, at any special meeting of Members by affirmative vote of two-thirds of the votes actually cast at a meeting at which at least a quorum is present, in person or by proxy. The notice calling such meeting must give notice of the intention to act upon such matter. If the notice so provides, the vacancy caused by such removal may be filled at such meeting by affirmative vote of a majority of the votes entitled to be cast at the meeting at which the Director was removed, in person or by proxy. For cause, a Director may be removed at any special meeting of Directors by the affirmative vote of a majority of the remaining Directors. Without regard to the foregoing, any Director who is absent from three consecutive meetings of the Board or who is absent from three meetings of the Board during any one year, or any Director whose voting rights as a Member have been suspended as provided in the Declaration or these Bylaws, or any director who ceases to otherwise meet all qualification for directorship may be removed by the affirmative vote of a majority of the remaining Directors or by vote of the sole remaining Director. Unless otherwise provided in the notice of a meeting to remove a Director, vacancies caused by removal will be filled as provided in Section 5.5.2.

5.6 Compensation. No Director shall receive compensation for any services rendered to the Association in his or her capacity as a Director; provided, however, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties; and provided further, any Director may serve the Association in any other capacity as an agent or employee or otherwise and receive compensation therefore.

5.7 Powers and Duties of the Board of Directors. The Board of Directors shall exercise for the Association all powers, duties and authority vested in or delegated to this Association and not expressly reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration, including without limitation all rights, powers and authority conferred by these Bylaws, the Declaration and all other Governing Documents, the Texas Non-Profit Corporation Act and Chapter 204 of the Texas Property Code, as amended. It shall also be the duty of the Board of Directors to:

a. cause to be kept a complete record of all its acts and corporate affairs, and to present a statement thereof to the Members at each annual meeting of the Members;

b. supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c. to fix the amounts of Assessments and to take such actions as it deems appropriate to collect all Assessments due to the Association, and to enforce the liens given to secure payment thereof, all as more particularly described in the Declaration;

d. procure and maintain such liability and hazard insurance as it may deem appropriate and as is reasonably available on any property or facilities owned by the Association, including insurance coverage required by the Declaration;

e. cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate and as is reasonably available; and

f. in general, to manage the business and affairs in accordance with the Governing Documents.

5.8 Settlement of Claims. The Board of Directors is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the good faith decisions of the Board as to any of the foregoing is final and conclusive.

ARTICLE VI

Meetings of Directors

6.1 Place of Meetings. Meetings of the Board of Directors shall be held within Harris County, Texas, at such place as is specified by the officer or Directors calling a meeting. In the absence of specific designation, the meeting shall be held at the principal office of the Association.

6.2 Annual Organizational Meeting. Within thirty days after each annual meeting of Members, the Board of Directors shall hold an annual organizational meeting at such time and place as shall be agreed upon by a majority of the Directors for the purposes of (i) electing all officers of the Association, (ii) electing all Chairpersons of all Advisory Committees of the Association, (iii) electing all Chairpersons and all Vice Chairpersons of all Executive Committees; and (iv) the transaction of such other business as may be properly brought before it.

6.3 Regular Meetings. Regular meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors. Regular meetings of the Board of Directors may also be held in accordance with a regular schedule such as, for example, the second Tuesday of each month beginning at 7:30 o'clock p.m.

6.4 Special Meetings. Special meetings of the Board of Directors will be held when called by the President of the Association or by any two Directors.

6.5 Quorum; Majority Vote. A majority of the number of Directors constitutes a quorum for the transaction of business at any meeting. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present constitutes an act or decision of the Board.

6.6 Notice of Meetings. No notice of annual organizational meetings and other regular meetings of the Board need be given to any Director. Oral or written notice of all special meetings of the Board of Directors stating the place, date and time of such special meeting must be given or sent to each Director at least twenty-four hours before the special meeting. Notice of any meeting may be waived in writing before or after such meeting. Attendance of a Director at any meeting constitutes a waiver of notice thereof, except where the Director attends for the announced purpose, stated in writing, of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

6.7 Open Meetings. Except as provided in Section 6.8 of these Bylaws, all meetings of the Board of Directors are open to all Members of the Association; provided, Members who are not on the Board may not participate in any deliberation or discussion unless: (i) such Member has filed a written request with any Director to be placed on the meeting agenda at least forty-eight hours prior to the meeting stating in such request the purpose or purposes of his or her attendance, and in such case the requesting Member's participation is limited to the stated purpose(s); or (ii) expressly so authorized by vote of the Board.

6.8 Executive Sessions. The Board of Directors may adjourn any meeting and reconvene in closed executive session to review, discuss and/or vote on any communications or documents not subject to inspection of Members and other business of a confidential nature as set forth in Article X hereof. The general nature of any and all business to be considered in executive session shall first be announced in open session.

6.9 Proxies. A Director may vote on any specific matters by a ballot type proxy which specifies all matters to be voted on and directs the manner in which the proxy holder must vote as to each such matter. No Director may vote pursuant to a general or blanket type proxy. No Director's proxy is valid unless dated and signed, and no such proxy is valid after ninety days from the date thereof. A Director attending a meeting by proxy may be counted for purposes of determining a quorum only as to the specific matters covered by the applicable proxy.

ARTICLE VII

Committees

7.1 Establishment. The Board of Directors may, by resolution adopted by a majority of the Directors then in office, from time to time appoint, organize, re-organize and abolish such committees as it shall deem desirable subject to the following:

7.2 Executive Committees. The Board of Directors may designate such Executive Committees as it deems desirable. All Executive Committees must consist of three or five members, and a majority of all members of each Executive Committee must at all times be Directors of the Association. Executive Committees may exercise such authority of the Board of Directors in the business and affairs of the Association as the Board of Directors may by resolution duly delegate to it except where action by the Board of Directors is specified by law. The designation of such Executive Committees and delegation thereto of authority does not operate to relieve the Board of Directors, or any member thereof, of any responsibilities imposed upon any such member by law. All members of each Executive Committee shall be elected by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Any member of any Executive Committee may be removed for or without cause at any regular or special meeting of the Board of Directors whenever in the judgment of the Board the best interests of the Association will be served thereby.

7.2.1 Architectural Control Committee. Any Architectural Control Committee designated by the Board of Directors must be formed in accordance with applicable provisions of the Declaration.

7.2.2 Advisory Committees. The Board of Directors may for its convenience, and at its discretion, appoint one or more advisory committees. No such advisory committees may have any power or authority except to advise the Board of Directors. The Chairperson of each advisory committee must be appointed by the Board of Directors upon establishment and thereafter at each annual organizational meeting. Other members may be appointed by the Board of Directors or Chairperson as directed by the Board, provided the Chairperson must promptly notify the Board of any appointments by the Chairperson. Any such committee will exist solely at the pleasure of the Board of Directors, and any member thereof may be removed at any time for or without cause by vote of a majority of a quorum of the Board.

7.3 Qualifications; Compensation. Except for Directors, members of any committees need not be Members of the Association. No member of any committee may receive any compensation for such membership except by way of reimbursement for reasonable expenses actually incurred by reason of such membership. The Board of Directors may employ such personnel as it deems necessary to assist any committee in accomplishing the committee's objectives and compensate such personnel in the capacity employed whether or not such personnel are also members of a committee.

7.4 Meetings; Reports. Each committee will hold its first regular meeting at such time and place as determined by the Chairperson thereof as soon as practicable after appointment of the Chairperson for the purposes of determining specific committee member responsibilities and specific committee goals and objectives consistent with all directives of the Board of Directors, including priorities among such objectives and methods and target dates for achieving same. If requested by the Board of Directors, the Chairperson shall submit a written summary of such first meeting to the Board or any member thereof. Each committee will conduct such other regular meetings, without notice or call, by the Chairperson or any two members thereof, or the President or Board of Directors of the Association, any such meeting to be held at such place and time as

designated by the party calling such meeting. A majority of the members of a committee constitutes a quorum, and the vote of a majority of a quorum at any meeting of the committee, or the written consent of all members of a committee, constitutes a valid act of the committee. Minutes of the meetings of each committee need not be maintained; provided, minutes and records must be maintained as to any authority of the Board of Directors actually exercised by an Executive Committee; and provided further, the Chairperson of each committee shall submit a written report to the Board in such form and at such times as the President or the Board directs setting forth the activities of the committee and any action recommended by the committee. In addition, each Chairperson must keep the Board fully advised at all times of all activities of the committee.

ARTICLE VIII

Officers and Chairpersons

8.1 Enumeration of Offices. The officers of this Association are a President, who must be at all times a member of the Board of Directors, a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 Election; Term. The officers of this Association shall be elected annually by the Board at its annual organizational meeting, and each will hold office for one year and until his or her successor is elected and qualified unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.3 Resignation and Removal. Any officer may be removed from office at any time and with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or any member thereof, or to the President. Such resignation will take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation by the Board of Directors is not necessary to make it effective.

8.4 Vacancies. A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy will serve for the remainder of the term of the officer he or she replaces.

8.5 Multiple Offices. The same person shall not simultaneously hold the offices of President and Secretary. Any two or more offices may otherwise be held by the same person.

8.6 Chairpersons for Member and Board Meetings. The President of the Association shall act as the Chairperson of all meetings of the Members and all meetings of the Board of Directors. In the President's absence, the Chairperson shall be, in the following order if any such officer is absent, the Vice President, Treasurer or Secretary; or in the event of absence of all officers, one of the remaining Directors shall be elected by majority vote of the Directors present at the Member or Board meeting to act as Chairperson.

ARTICLE IX

Duties of Officers and Chairpersons

9.1 President. The President shall preside at all meetings of the Board of Directors and of the Association; shall see that orders and resolutions of the Board are carried out; shall sign as President all leases, mortgages, deeds and other written instruments and shall co-sign with any other officer all checks and promissory notes which have been first approved by the Board of Directors unless the Board has authorized the signature(s) by lesser officers; and, subject to advice of the Board of Directors, shall have general supervision, direction, and control of the affairs of the Association, and shall discharge such other duties as may be required by the Board of Directors.

9.2 Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

9.3 Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; give notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

9.4 Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association, and report on and make the same available for inspection by Members of the Association as required by the Board, these Bylaws or the Declaration.

9.5 Other Officers. Such other officers as the Board of Directors shall create shall have such duties as directed or required by the Board.

9.6 Chairpersons. Chairpersons shall establish agendas for meetings, call to order and preside over meetings, verify quorums, call for and conduct voting and verify results thereof, resolve procedural disputes, decide who is entitled to the floor and limit the duration thereof as to any one person, establish limits on the period of time to be allowed for discussion of any given issue, motion or other matters, and in general shall supervise the orderly conduct of meetings and obtaining of correct expressions of the decisions made thereat. The Chairperson's determinations as to any of the foregoing matters shall be final so long as made in good faith.

9.7 Checks. Except as otherwise specifically authorized by the Board, all checks or similar drafts must be signed by at least two officers and as otherwise directed from time to time by the Board.

ARTICLE X

Books and Records

10.1 Inspection by Members.

10.1.1 General Right of Inspection. Any Member of the Association, on written demand stating the purpose of the demand, may make a reasonable examination of and copy, in person or by agent, accountant, or attorney, at any reasonable time for any proper purpose, the books and records of the Association relevant to the purpose stated in the demand, at the expense of the Member. Any such examination must be conducted at the office of the Association or at such other place in Harris County, Texas as the Board of Directors may prescribe. No books and records may be removed from the possession of the Association for any reason.

10.1.2 Exclusions. Notwithstanding Section 10.1.1, no Member or Member representative is entitled to examine any documents regarding and the Association has a privilege to refuse to disclose any confidential documents and communications regarding (i) any confidential communications by and between past or current legal counsel to the Association and the Board of Directors of the Association, or any officer, agent, employee, representative or committee of either, (ii) Member communications regarding alleged violation of any Governing Documents, (iii) any confidential communications as determined by the Board of Directors in accordance with Section 10.2 or as otherwise provided in the Declaration, and (iv) any communications privileged under the Texas Rules of Civil or Criminal Procedure, the Texas Rules of Civil or Criminal Evidence, and any other applicable rules, statute or law of the State of Texas or United States of America, including without limitation any communications subject to any lawyer-client privilege.

10.2 Confidential Communications. By vote of two-thirds of all Directors then in office, the Board of Directors may from time to time designate such books, records and communications confidential as the Board deems in its sole good faith opinion the best interests of the Association require be kept confidential, including without limitation confidentiality deemed necessary for the protection of the privacy rights of individual Members, consideration of competitive bids until a final bid is accepted, and matters where any conflict of interest exists between a Member and the Association and disclosure would detrimentally effect the interests of the Association.

10.3 Rules for Inspection. The Board of Directors may from time to time establish reasonable rules for inspection of any books and records of the Association with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when inspections may be made; and (iii) establishment as a specific assessment of the amounts of, and payment of, reasonable duplication, administrative and other costs of inspection the payment of which is a condition precedent to the right of any Member to examine and to obtain copies of any books and records.

ARTICLE XI

Amendment

11.1 By Declarant. DURING THE DEVELOPMENT PERIOD, DECLARANT HAS THE SOLE RIGHT TO AMEND, MODIFY, REVISE OR REPEAL THESE BYLAWS IN ACCORDANCE WITH THE DECLARATION WITHOUT JOINDER OR CONSENT OF, AND WITHOUT NOTICE OF ANY KIND TO, ANY OWNER, MORTGAGEE OR ANY OTHER PERSON.

11.2 By Association. The Association by vote of the Board of Directors may amend, modify, revise or repeal these Bylaws in the same manner and for the limited purposes provided for in the Declaration for amendment of the Declaration by the Board.

11.3 By Members. After the Development Period, these Bylaws may be amended or otherwise modified, revised or repealed, in whole or in part, at any annual or special meeting of the Members by the affirmative vote of two-thirds of the votes entitled to be cast by the Members present at a meeting of the Members at which a quorum is present, in person or by proxy. Any such amendment, modification, revision or repeal so adopted is binding upon all Members and all Owners.

11.4 Notice for Amendment by Owners. The notice for any meeting of the Members at which any amendment or other modification, revision or repeal of these Bylaws is to be considered must state such purpose, and must contain or be accompanied by a true and correct copy of the proposed amendment(s) or other modification(s), revision(s) or repeal(s), or a summary statement thereof. A true and correct copy of the complete text of all adopted amendments or other modifications, revisions or repeal must be delivered to all Members in the same manner as other notices to Members as soon as reasonably practicable after adoption.

ARTICLE XII

Miscellaneous

12.1 Notices. Unless otherwise expressly provided herein, all notices or other communications permitted or required under these Bylaws must be in writing and are deemed properly given if given in accordance with Article XI or Article XII of the Declaration, as applicable.

12.2 Telephone Meetings: Action Taken Without a Meeting.

12.2.1 Telephone Meetings. Directors, Members or committee members may participate in and hold any of their respective meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose

of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

12.2.2 Action Without Meeting. The Directors, or Members, or the members of any committee of the corporation have the right to take any action or make any decision in the absence of a meeting which they could take at a meeting by unanimous written consent of all of the Directors, Members, or committee members. The Directors, or Members, or the members of any committee may also take any action by a consent in writing signed by a sufficient number of Directors, Members, or committee members as would be necessary to take that action at a meeting at which such Directors, Members, or committee members were present and voted in accordance with Article 1396-9-10(c) of the Texas Non-Profit Corporation Act, as amended. Any action or decision approved as provided in this Section has the same effect as though taken at a meeting of the Directors, Members, or committee members.

12.3 Conflicts. In the case of any conflict between the Restated and Amended Articles of Incorporation and these Restated and Amended Bylaws, the Restated and Amended Articles of Incorporation control; and in the case of any conflict between the Declaration, these Restated and Amended Bylaws or the Restated and Amended Articles of Incorporation, the Declaration controls.

12.4 Interpretation. The provisions hereof are to be liberally construed to give full effect to their intent and purposes. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. Wherever the context requires, all words in these Bylaws in the male gender include the female or neuter gender, all singular words include the plural, and all plural words include the singular.

12.5 Severability. Whenever possible, each provision of these Bylaws shall be interpreted in such manner as to be effective and valid, but if the application of any provisions of these Bylaws to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions hereof are declared to be severable.

12.6 Power of Attorney. A Person may execute any instrument related to the Association by means of a written power of attorney if an executed copy of the power of attorney is filed with the Association to be kept with the corporate records. Any such power of attorney may be revoked only by expiration of a stated term expressly set forth in the power of attorney or by filing of a written revocation with the Association, and the Association is not required to determine or comply with any other conditions for termination.

12.7 Applicability of Bylaws. All present and future Members and Owners, tenants thereof, and their respective officers, agents, employees, guests or invitees, or any other Person occupying or residing within or upon the Subdivision or any Building Site or Lot or utilizing any

Community Properties in any manner, are subject to these Bylaws. The mere acquisition, occupancy, use or rental of any Building Site or Lot or utilization of any Community Properties constitutes acceptance and ratification of these Bylaws, and agreement to strictly comply therewith.

12.8 Waiver of Interest in Corporation Property. All real and personal property, including all Community Properties and all improvements located thereon, acquired by the Association shall be owned by the Association. A Member has no interest in specific property of the Association. Each Member hereby expressly waives the right to require partition of all or part of any and all such property.

12.9 Fiscal Year. The fiscal year of the Association may be established from time to time by the Board of Directors absent which same will begin on the first day of January and end on the thirty-first day of December of each year.

12.10 Effective Date. These Bylaws are effective from and after the 15th day of September, 1999.

CERTIFICATION BY SECRETARY

I, the undersigned, SONIA CASIMIRO, do hereby certify:

That I am the duly elected and acting Secretary of STONE LAKE HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation, and

That the foregoing Restated and Amended Bylaws of Stone Lake Homeowners Association, Inc., a Texas non-profit corporation, is a complete, true and correct statement of said bylaws duly adopted by unanimous written consent of all Members and all current directors of the Association dated September 15, 1999.

DATED: September 15, 1999



SONIA CASIMIRO, Secretary

**RESOLUTIONS ADOPTED BY UNANIMOUS WRITTEN
CONSENT OF THE BOARD OF DIRECTORS OF
STONE LAKE HOMEOWNERS ASSOCIATION, INC.**

The undersigned, as directors of the STONE LAKE HOMEOWNERS ASSOCIATION, INC., A Texas Non-Profit Corporation, being all of the present directors of the corporation, individually and collectively consent hereby to take the following actions, to adopt the following resolutions, and to transact the following business of the corporation:

WHEREAS, all officers of the corporation have heretofore resigned,

RESOLVED that each of the following persons are elected to the indicated office of the corporation to serve until their respective successor has been elected and has qualified:

George Kawaja - President

Thomas P. Thibodeau - Vice President

Sonia Casimiro - Secretary/Treasurer

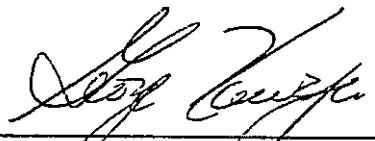
RECORDER'S MEMORANDUM
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

We direct that this consent be filed with the minutes of the proceedings of the directors of the corporation.

This consent is executed pursuant to Article 1396-9.10 of the Texas Non-Profit Corporation Act which authorizes the taking of action by the Board of Directors by unanimous written consent without a meeting, and which consent is not restricted by the articles of incorporation or the bylaws of the corporation.

Dated: September 15, 1999


THOMAS P. THIBODEAU, Director


GEORGE KAWAJA, Director


SONIA CASIMIRO, Director

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW THE STATE OF TEXAS COUNTY OF HARRIS
I hereby certify that this instrument was FILED in file number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED. In the Official Public Records of Real Property of Harris County Texas on

lwb\ba\univ\stone lake\resolution-1
(R991102) UNIV/STONE

DEC 15 2005




COUNTY CLERK
HARRIS COUNTY, TEXAS

FILED
2005 DEC 15 PM 12:31
COUNTY CLERK
HARRIS COUNTY, TEXAS