

**SUPPLEMENTAL DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR WATERS COVE AT RIVERSTONE**

This Supplemental Declaration of Covenants, Conditions and Restrictions (this "Supplemental Declaration") is made as of the date hereinafter stated by FROST RANCH DEVELOPMENT, L.P., a Texas limited partnership ("Tract A Developer").

WITNESSETH:

WHEREAS, Tract A Developer, Sugar Land Ranch Development, L.L.C., and Hillsboro Estates, L.L.C. executed that certain Declaration of Covenants, Conditions and Restrictions for Riverstone Single Family Residential Areas dated as of May 31, 2001 which is filed under Clerk's File No. 2001047889 and recorded in the Official Records of Fort Bend County, Texas (the "Official Records"), which imposed covenants, conditions and restrictions on certain property described therein; and

WHEREAS, as contemplated by the Declaration, and pursuant to the applicable provisions thereof, a Texas non-profit corporation has been formed named the Riverstone Homeowners Association, Inc. (hereinafter referred to as the "Association"), the purposes of which are to collect, administer and disburse the maintenance assessments described in the Declaration and to provide for the maintenance, preservation and architectural control of the land encumbered by the Declaration and any additional land which may be subsequently brought within the jurisdiction of the Association; and

WHEREAS, Tract A Developer is the owner of the tract of land which has been subdivided and platted as Waters Cove at Riverstone according to the plat thereof recorded under Slide Nos. 2280/B and 2281/A of the Plat Records of Fort Bend County, Texas (hereinafter referred to as the "Subdivision") which tract of land is a portion of the property subject to the provisions of the Declaration; and

WHEREAS, as contemplated by the Declaration and in accordance with the provisions thereof, Tract A Developer wishes to subject the Subdivision to the additional covenants, conditions and restrictions set forth in this Supplemental Declaration; and

NOW, THEREFORE, for and in consideration of the premises and in furtherance of the general plan of development for the property subject to the Declaration, Tract A Developer hereby declares that the Subdivision shall be held, transferred, sold, conveyed, used and occupied subject to the following covenants, conditions and restrictions (in addition to the provisions of the Declaration) which shall run with the land and be binding on all parties having any right, title or interest in the Subdivision or any part thereof, their heirs, successors and assigns, and which shall inure to the benefit of each Owner thereof, to wit:

ARTICLE I
DEFINITIONS

Any capitalized terms which are used in this Supplemental Declaration and not defined herein shall have the meanings ascribed to them in the Declaration.

ARTICLE II
DESIGNATION OF NEIGHBORHOOD

1. Neighborhood. Section 4 of the Article II of the Declaration provides that each separately platted subdivision within the Properties shall be a Neighborhood, subject to the right of the applicable Developer to consolidate two (2) or more platted subdivisions into a single Neighborhood. The Subdivision is hereby designated by the Tract A Developer as The Waters Cove Neighborhood. Tract A Developer reserves the right to hereafter designate additional portions of the Properties as part of The Waters Cove Neighborhood.

2. Neighborhood Assessment. No specific Neighborhood Assessment is mandated by this Supplemental Declaration. The Owners of Lots within The Waters Cove Neighborhood may be assessed and are liable to pay a Neighborhood Assessment in addition to the Residential Assessments if and when levied by the Association's Board of Directors from time to time in accordance with Section 2(b) of Article III of the Declaration. It is anticipated that the Association's Board of Directors will hereafter levy a Neighborhood Assessment against the Lots in The Waters Cove Neighborhood for the year 2002.

ARTICLE III
EASEMENTS

1. Private Streets. The Streets in the Subdivision have not been dedicated to the public, but will be operated as private Streets maintained by the Association. The costs incurred by the Association in maintaining, repairing and/or reconstructing the Streets in the Subdivision shall be Neighborhood Expenses payable with Neighborhood Assessments levied on the Lots in The Waters Cove Neighborhood. Tract A Developer hereby reserves unto itself, its successors and assigns the right to dedicate the Streets in the Subdivision to the public and/or to grant additional ingress and egress easements thereon without the joinder of any Owners or any other parties.

2. Owner's Easement for Access. Tract A Developer hereby declares, grants and reserves for itself, its successors and assigns and for the benefit of the Owners of the Lots within the Subdivision, their successors and assigns, invitees, lessees, guests and agents, a non-exclusive and perpetual easement for the purpose of vehicular and pedestrian ingress and egress between the Lots and the dedicated public Street(s) adjacent to the Subdivision. This easement is for the benefit of and appurtenant to each

Lot in the Subdivision and shall run with the land. Each Owner of a Lot in the Subdivision shall have the right to use such private Streets in a manner that does not unreasonably interfere with or prevent the use thereof by any other Owner or any other party which may have the right to use same pursuant to the terms hereof. The access easement hereby created is subject to the right of the Association to operate and maintain an entry gate as a privacy oriented system which requires as a condition of entry such identification cards, passes, keys, or similar devices as may be established from time to time by the Association's Board of Directors. The access easement hereby created is further subject to the right of the Association's Board of Directors to promulgate rules and regulations regarding access to and use of the private Streets within the Subdivision.

3. Easements for Utilities and Public Services.

(a) Tract A Developer hereby grants to the Association, to Fort Bend County, to the City of Missouri City and to any other public authority or agency, utility district, or utility company, a perpetual easement upon, over, under, and across the Streets within the Subdivision for the purpose of installing, replacing, repairing, and maintaining all utilities, including, but not limited to, storm sewers, electrical, gas, telephone, water, and sewer lines, street lights, street signs and traffic signs. To the extent possible, utility lines and facilities shall be located underground. By virtue of any such easement, it shall be expressly permissible for the providing utility company or other supplier or servicer (i) to erect and maintain pipes, lines, manholes, pumps, and other necessary equipment and facilities, (ii) to cut and remove any trees, bushes, or shrubbery, (iii) to excavate or fill, or (iv) to take any other similar action reasonably necessary to provide economical and safe installation, maintenance, repair, replacement, and use of such utilities and systems.

(b) There is also hereby granted to Fort Bend County, to the City of Missouri City, and to such other governmental authority or agency as shall from time to time have jurisdiction over the Subdivision (or any portion thereof) with respect to law enforcement, fire protection and emergency medical services, the perpetual, non-exclusive right and easement upon, over and across all of the Subdivision for purposes of performing duties and activities related to law enforcement, fire protection and emergency medical services.

4. Easements for Association.

(a) There is hereby granted a general right and easement to the Association, its directors, officers, agents, and employees, including, but not limited to, any manager employed by the Association and any employees of such manager, to enter upon the Streets and any Lot in the Subdivision in the performance of their respective duties pursuant to the Declaration. Except in the event of emergencies, this easement is to be exercised only during normal business hours and then, whenever practicable, only upon advance notice to and with permission of the Owner or Occupant of the residence directly affected thereby.

(b) There is hereby granted to the Association, its agents and employees, a perpetual easement and the right to construct and maintain a concrete bulkhead along the common boundary of the Lake (as hereinafter defined) and each Lakefront Lot (as hereinafter defined) within the Subdivision. The rights hereby granted to the Association include the right to enter upon the Lakefront Lots from time to time as necessary to install, maintain or replace such bulkhead.

ARTICLE IV RESTRICTIONS

1. Lakefront Lots. The Subdivision is adjacent to property which is now owned by or will hereafter be conveyed by Tract A Developer to the Fort Bend County Municipal Utility District No. 115 ("MUD 115") which is used for drainage and flood control purposes (such property owned by MUD 115 being referred to herein as the "MUD's Property"). The MUD's Property contains a lake (the "Lake") and the Lots within the Subdivision which is adjacent to such Lake which are Lakefront Lots and will be subject to Lakefront Lot Assessments are as follows: Lots 9 through 15 in Block One (1) and Lots 12 through 17 in Block Two (2). It is anticipated that the Association will hereafter obtain an easement from MUD 115 or enter into an agreement with MUD 115 whereby the Association acquires the right to use the MUD's Property for recreational purposes. The following specific restrictions shall apply to all Lakefront Lots within the Subdivision:

(a) The installation or placement of any improvements on the portion of a Lakefront Lot adjacent to the MUD's Property (including, without limitation, fences, outdoor furniture and children's play equipment) or any alteration of the natural condition of the portion of the Lot adjacent to the MUD's Property must be approved by the Residential ARC;

(b) The Owner of each Lakefront Lot shall be responsible for all temporary erosion control measures required during construction on his or her Lot to ensure that there is no erosion into the Lake and such Owner shall be responsible for any repair or maintenance required due to erosion caused by construction on his or her Lot;

(c) Chemicals, fertilizers and pesticides may not be used by an Owner within the MUD's Property;

(d) No Owner or Occupant of a Lakefront Lot shall withdraw water from or discharge water into the Lake;

(e) No Owner or Occupant of a Lakefront Lot shall dump or place refuse, trash or any other material into the Lake;

(f) No Owner or Occupant of a Lakefront Lot shall release or introduce any wildlife, waterfowl, reptiles or fish into the Lake or put water plants into the Lake; and

(g) The use of the Lake and/or MUD's Property by the Owners or Occupants of Lots within the Subdivision and their permitted guests shall be subject to such rules and regulations as the Association's Board of Directors may adopt from time to time. Such rules may, among other things, limit the use of the Lake to human powered craft only or prohibit motorized boats except those with electric motors, prohibit fishing or limit to catch and release only fishing, and prohibit water skiing and swimming. The Board may also establish hours for the use of the Lake and the MUD's Property.

2. Release from Liability. The Association, MUD 115 and the Tract A Developer shall not be responsible for any loss, damage or injury occurring in or around the Lake or the MUD's Property by any Person, including without limitation Owners, their guests, family, invitees, and agents. To the fullest extent permitted by applicable law, each Owner shall and does hereby agree to indemnify, protect, hold harmless and defend the Association, MUD 115, the Tract A Developer and their respective heirs, legal representatives, agents, employees, officers, directors, shareholders, and partners from and against all claims, demands, damages, injuries, losses, liens, causes of action, suits, judgments, liabilities, and expenses, including court costs and attorney's fees and any nature, kind or description (including without limitation, claims for property damage, injuries to or death of any person directly or indirectly arising out of, or caused by, or in connection with, or resulting (in whole or in part) from the use of the Lake or the MUD's Property.

3. Lakefront Lot Assessment. No Lakefront Lot Assessment is mandated by this Supplemental Declaration. The Owners of Lakefront Lots within The Waters Cove Neighborhood may be assessed and are liable to pay a Lakefront Lot Assessment in addition to the Residential Assessments if and when levied by the Association's Board of Directors from time to time in accordance with Section 2(e) of Article III of the Declaration. It is anticipated that the Association's Board of Directors will hereafter levy a Lakefront Lot Assessment against the Lakefront Lots in The Waters Cove Neighborhood for the year 2002.

ARTICLE V GENERAL PROVISIONS

1. Term. The provisions of this Supplemental Declaration shall run with the land and shall be binding upon all Persons owning any portion of the Subdivision for a period of forty (40) years from the date the Declaration was recorded, after which time said provisions shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the Owners of a majority of the Lots in the Subdivision has been recorded within the year immediately proceeding the beginning of a ten (10) year renewal period, agreeing to terminate this Supplemental Declaration, in which case this Supplemental Declaration shall be terminated at the end of the initial forty-year term or the applicable renewal period.

2. Amendment. It is the intent of Tract A Developer that the covenants, conditions and restrictions provided for in this Supplemental Declaration apply only to the Subdivision. Notwithstanding any provisions of this Supplemental Declaration to the contrary, it is also the intent of Tract A Developer that the specific restrictions that are imposed on the Subdivision by virtue of this Supplemental Declaration (other than those in the Declaration that are, in whole or in part, repeated herein) may be amended at any time by an instrument executed by the President of the Association (after approval by the Board of Directors) and the Owners of a majority of the Lots within the Subdivision and recorded in the Official Records; provided, however, any amendment hereto must also have the approval of and be executed by the Tract A Developer during the Class B Control Period.

3. Severability. Invalidation of any one of these covenants by judgment or other court order shall in no wise affect any other provisions, which shall remain in full force and effect except as to any terms and provisions which are invalidated.

4. Gender and Grammar. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

5. Conflict. In the case of a conflict between the provisions of this Supplemental Amendment and the provisions of the Declaration, the provisions of this Supplemental Declaration shall control.

6. Development Period. During the period of time that any Lots or Single Family Residences located with the Subdivision are being developed and marketed, Tract A Developer, with the right of assignment, shall have and hereby reserves the right to reasonable use of the private Streets in the Subdivision in connection with the construction of residences and the marketing of homes.

IN WITNESS WHEREOF this Supplemental Declaration of Covenants, Conditions and Restrictions is executed the 6 day of June, 2002.

FROST RANCH DEVELOPMENT, L.P.

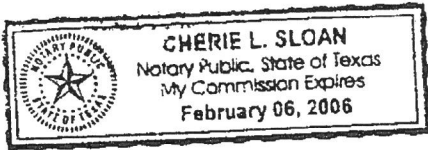
By: Hwy 6/309, L.L.C., general partner

By: [Signature]
Tom Wilcox, Vice President

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND§

This instrument was acknowledged before me on June 6, 2002 by Tom Wilcox, Vice President of Hwy 6/309, L.L.C., a Texas limited liability company which is the general partner of Frost Ranch Development, L.P., a Texas limited partnership, on behalf of said limited partnership.

(SEAL)



[Signature]
Notary Public in and for
the State of Texas

CHERIE L. SLOAN
Name printed or typed
My commission expires: 2/06/06

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Ret:
Cherie Sloan
Riverstone Dev.
5220 Oilfield Rd
Sugar Land TX 77479

[Signature]
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TD \$19.00
DIANNE WILSON, COUNTY CLERK
FORT BEND COUNTY, TEXAS