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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
RIVERSTONE COMMERCIAL RESERVES

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**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR RIVERSTONE COMMERCIAL RESERVES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR RIVERSTONE COMMERCIAL RESERVES (this "Declaration"), made as of the date hereinafter set forth by FROST RANCH INVESTORS, L.P., a Texas limited partnership (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of that certain tract of land in Fort Bend County, Texas containing approximately 106 acre tract of land which is described on Exhibit "A" attached hereto and which is planned for development for commercial and mixed-use purposes; and

WHEREAS, Declarant intends by this Declaration to impose mutually beneficial restrictions under a general plan of improvements for the benefit of all owners of such property and such other property as may hereafter be annexed into the jurisdiction of the Association (as hereinafter defined), if any, and Declarant desires to provide a flexible and reasonable procedure for the overall development of such property and to establish a method for the administration, maintenance, preservation, use, and enjoyment of such property.

NOW, THEREFORE, Declarant hereby declares that the property described in the first paragraph to the preambles to this Declaration hereof is hereby subjected to the provisions of this Declaration and such property shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the property subject to this Declaration, and shall be binding on all persons having any right, title, or interest in all or any portion of such property, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof.

**ARTICLE I
DEFINITIONS**

The following words, when used in this Declaration, shall have the following meanings:

SECTION 1. "Area of Common Responsibility" shall mean the Common Area, together with those areas, if any, which by contract or agreement become the responsibility of the Association. Road rights-of-ways, landscape easements, lakes, and drainage and

detention areas within or adjacent to the Properties may be part of the Area of Common Responsibility.

SECTION 2. "Articles of Incorporation" means the Articles of Incorporation of the Riverstone Commercial Property Owners Association, Inc. and any amendments thereto, as filed with the Secretary of State of the State of Texas.

SECTION 3. "Assessments" shall mean and refer to the General Assessments (hereinafter defined), the Special Assessments (hereinafter defined), the Specific Assessments (hereinafter defined), and any other amounts or sums due by an Owner to the Association pursuant to the provisions of this Declaration or a Supplemental Declaration.

SECTION 4. "Association" shall mean and refer to the Riverstone Commercial Property Owners Association, Inc., a non-profit, non-stock, membership corporation incorporated under the laws of the State of Texas, its successors and assigns.

SECTION 5. "Association Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reserves, as may be found to be necessary and appropriate by the Board of Directors of the Association pursuant to this Declaration, the Supplemental Declarations, and the Association's By-Laws and Articles of Incorporation.

SECTION 6. "Board of Directors" or "Board" shall mean the governing body of the Association whose members shall be appointed by the Declarant during the Class B Control Period and shall thereafter be elected by the Members.

SECTION 7. "By-Laws" shall mean the By-Laws of the Association, as amended from time to time.

SECTION 8. "Class B Control Period" means the period of time ending on the date on which the Declarant has conveyed the last Tract (hereinafter defined) it owns in the Properties, during which period the Declarant has the exclusive right to appoint and remove the members of the Board of Directors and disapprove any action, policy or program of the Association, the Board or any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant or interfere with the development, construction or marketing of any portion of the Properties, or diminish the level of services being provided by the Association.

SECTION 9. "Common Area" shall mean and refer to any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners and Occupants, if any.

SECTION 10. "Declarant" shall mean and refer to FROST RANCH INVESTORS, L.P., a Texas limited partnership, and its successors and assigns, provided that in the case of an assign in an instrument of conveyance or by a separate written instrument placed of record in the real property records of Fort Bend County, Texas, the assign is designated as the "Declarant" by the Declarant hereunder at such time. Upon such designation of a successor Declarant, all rights of the former Declarant in and to such status as "Declarant" hereunder shall cease.

SECTION 11. "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Riverstone Commercial Reserves, as it may hereafter be amended in accordance with the provisions hereof.

SECTION 12. "Design Guidelines" shall mean and refer to the Riverstone Mixed-Use Design Guidelines pertaining to the development and construction of improvements within the Properties adopted by the Riverstone Commercial ARC, as amended from time to time. The Design Guidelines may contain provisions applicable to all of the Tracts within the jurisdiction of the Association as well as certain provisions which are applicable only to a specific Tract or Tracts.

SECTION 13. "Exempt Property" shall have the meaning set forth in Section 8 of Article III hereof.

SECTION 14. "Landscaping Guidelines" shall mean and refer to landscape design, installation and maintenance criteria for the Tracts which are adopted by the Riverstone Commercial ARC. The Landscaping Guidelines may be included within and be a part of the Design Guidelines.

SECTION 15. "Landscape Setback" shall mean and refer to the area of a Tract between the right-of-way of a Street and the applicable building set-back line for such Tract.

SECTION 16. "Member" shall refer to every Person entitled to membership in the Association, as provided herein.

SECTION 17. "Mortgage" shall mean and refer to a deed of trust, mortgage or other similar security instrument granting, creating, or conveying a lien or security interest upon a Tract or portion of a Tract.

SECTION 18. "Mortgagee" shall mean a beneficiary or holder of a Mortgage.

SECTION 19. "Occupant" shall mean any person occupying the building improvements on a Tract within the Properties for any period of time, regardless of whether such person is a tenant of the Owner of such property.

SECTION 20. "Owner" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to a Tract within the Properties, including a Person who has entered into a contract to sell his Tract, but excluding a Person having an interest merely as security for the performance of an obligation or a Person owning an interest in the mineral estate.

SECTION 21. "Plans" shall mean and refer to any or all of the following, as the same shall be submitted, revised, and/or resubmitted to the Riverstone Commercial ARC for approval:

- (a) a "Development Plan", which shall include:
 - (i) a "Site Plan" showing the location, dimensions, and orientations of all proposed buildings and other structures and parking areas and driveways in relation to site boundaries and required setback lines, and also depicting the means of ingress and egress, driveway(s), traffic patterns, sidewalks, fencing, and any and all other proposed improvements;
 - (ii) design elevations, together with the height and size of each structure, including the proposed gross building area of each such structure;
 - (iii) a description and sample of the proposed exterior materials for each structure;
 - (iv) the number of parking spaces proposed to be contained in parking garage structures (if any), and the number of surface parking spaces together with the corresponding parking ratios expressed in the manner required by the Design Guidelines;
 - (v) a general description of the type, number, size, and location of any and all proposed exterior signs;
 - (vi) a description of the proposed use or uses of such improvements; provided, however the provision of proposed use(s) shall not restrict the applicable Tract to such use(s) or constitute a covenant of continuous operations; and
 - (vii) grading and drainage plans, including the elevation of all proposed sanitary and storm sewer connections and the location of all proposed utility connections;

(b) an "Exterior Plan", which shall include drawings and detail of all exterior surfaces, including the roof (showing elevations) and describing the color, quality, and type of all proposed exterior construction materials;

(c) a "Landscaping Plan", which shall include a drawing depicting the type, quantity, size, and placement of all exterior plant materials, including irrigation to support such landscaping;

(d) a "Lighting Plan", which shall include the type, style, size, and candle power of all proposed exterior lighting fixtures; and

(e) a "Signage Plan", which shall include drawings and design specifications for all proposed exterior signs or graphics or artwork, including the color(s), quality, and type of materials proposed to be used along with the manner of illumination.

SECTION 22. "Person" shall mean any natural person, corporation, joint venture, partnership, association, trust or other legal entity.

SECTION 23. "Properties" shall mean and refer to (i) the real property described in the first paragraph of the preambles to this Declaration, and (ii) such other real property as may hereafter be brought within the jurisdiction of the Association in accordance with the provisions of this Declaration, if any.

SECTION 24. "Riverstone Commercial Architectural Review Committee" or "Riverstone Commercial ARC" refers to the committee created by Section 2 of Article VI of this Declaration which has the power to adopt the Design Guidelines and the Landscaping Guidelines and the right to approve plans and specifications for construction of proposed improvements on the property within the jurisdiction of the Association as set forth herein as well as the right to approve plans and specifications for the alteration or modification of improvements unless a Modifications Committee is established in accordance with the provisions hereof.

SECTION 25. "Street" shall refer to any public street, boulevard, road, alley, lane, avenue, or thoroughfare within or adjacent to the Properties.

SECTION 26. "Supplemental Declaration" shall refer to an instrument which imposes restrictions on a portion of the Properties which may be enforced by the Association.

SECTION 27. "Tract" shall mean and refer to a tract of land within the Properties developed or intended to be developed for commercial or residential purposes, other than Common Area.

SECTION 28. "Urban Design Standards" shall mean and refer to the detailed standards for the construction of nonresidential improvements contained in the Nonresidential Urban Design Standards Book adopted by the City of Missouri City.

ARTICLE II
RIVERSTONE COMMERCIAL PROPERTY OWNERS ASSOCIATION, INC.

SECTION 1. ORGANIZATION. The Association has been organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure, and management of the maintenance funds, enforcement of the restrictions contained herein and in Supplemental Declarations, providing for the maintenance and preservation of the Area of Common Responsibility and the facilities of the Association and architectural control over construction of improvements on the Tracts.

SECTION 2. MEMBERSHIP. Every Owner shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Tract which is subject to assessment by the Association. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Tract owned. In the event the Owner of a Tract is more than one (1) Person, votes and rights of use and enjoyment shall be as hereinafter provided. The membership rights of a Tract owned by a corporation, partnership or other entity shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Board, subject to the provisions of this Declaration and the By-Laws.

SECTION 3. VOTING. The Association shall have two classes of membership, Class "A" and Class "B", as follows:

- (a) CLASS A. Class "A" Members shall be all Owners with the exception of the Class "B" Member. A Class "A" Member shall be entitled to the number of votes equal to the quotient obtained by dividing the gross area in square feet of his Tract by 10,000 and rounding such result to the nearest whole number. In any situation where a Member is entitled personally to exercise the vote for a Tract and more than one Person holds the interest in a Tract required for membership in the Association, the vote for such Tract shall be exercised as those Persons among themselves determine and advise the Secretary of the Association in writing. In the absence of such advice, the vote for such Tract shall be suspended in the event more than one Person seeks to exercise it.
- (b) CLASS B. The Class "B" Member shall be the Declarant which shall have five (5) votes for each 10,000 square feet of gross area of land contained within the Tracts it owns in the Properties, rounded to the nearest whole number in the event the calculation of the number of votes the Declarant is entitled to is not a whole number. The Class "B" Member shall have the exclusive right to appoint and remove the members of the Board of Directors during the Class B Control Period.

The Class "B" Membership shall cease upon (i) the expiration of the Class B Control Period or (ii) on such earlier date that the Declarant, in its sole and absolute discretion, so determines and records an instrument to such effect in the real property records of Fort Bend County, Texas. In the event the Class "B" Membership ceases pursuant to clause (ii), the Declarant shall thereafter be a Class "A" Member with respect to the Tract or Tracts it owns.

SECTION 4. INDEMNIFICATION OBLIGATION. The Association shall indemnify every officer and director against any and all expenses, including legal 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, negligence or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers and directors of the Association 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 others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled.

ARTICLE III COVENANT FOR ASSESSMENTS

SECTION 1. PURPOSE OF ASSESSMENTS. The Assessments provided for in this Declaration shall be used by the Association to maintain and keep in good repair the Area of Common Responsibility and for the common benefit of the Owners and Occupants of the Tracts in the Properties. Such purposes may include, but are not limited to, the maintenance, repair and replacement of landscaping and other floral structures and improvements, street lights, entry features and signage, street repairs, mosquito control, and other services, facilities and activities specified in this Declaration or in the Articles of Incorporation. The judgment of the Board of Directors as to the activities undertaken by the Association and the expenditure of Assessments shall be final and conclusive.

SECTION 2. TYPES OF ASSESSMENTS. Each Owner by acceptance of a deed to any Tract in the Properties, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association the following: General Assessments, Special Assessments, and Specific Assessments, to be established and collected as hereinafter provided.

(a) General Assessments. At least sixty (60) days before the beginning of each calendar or fiscal year, the Board shall prepare a budget of the estimated Association Expenses for the coming year, including contributions to be made to any reserve fund created by the Board. The budget shall reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than Assessments levied against the Tracts, and the amount to be generated through the levy of General Assessments, Special Assessments and Specific Assessments against the Tracts, as authorized by this Section 2.

The Board may establish a reserve fund in such amount as it determines to be necessary and prepare from time to time a reserve budget for the Area of Common Responsibility which takes into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board may include in the budget for Association Expenses, a capital contribution to fund such reserves in an amount sufficient to meet the projected need with respect both to amount and timing by annual contributions over the budget period.

The Association is hereby authorized to levy annual General Assessments against all Tracts in the Properties in accordance with the formula set forth on Exhibit "B" attached hereto. In determining the General Assessment rate, the Board may consider any assessment income expected to be generated from any additional Tracts reasonably anticipated to become subject to assessment during the year. The Board shall use reasonable efforts to send notice of the amount of the General Assessments to be levied to each Member at least thirty (30) days prior to the due date.

(b) Special Assessments. In addition to other authorized Assessments, the Board may levy Special Assessments to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment shall be levied against all Tracts in accordance with the formula for determining the General Assessments against the Tracts pursuant to paragraph (a) above. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

(c) Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Tract as follows:

(i) to cover the costs, including overhead and administrative costs, of providing services to a Tract upon request of an Owner pursuant to any menu of special services which may be offered by the Association. Specific Assessments for special services may be levied in advance of the provision of the requested service; and

(ii) to cover costs incurred pursuant to other provisions of this Declaration in bringing a Tract into compliance with this Declaration or the Design Guidelines or Landscaping Guidelines, or costs incurred as a consequence of the conduct of the Owner or Occupants of the Tract, their agents, contractors, employees, licensees, invitees, or guests.

SECTION 3. AUTHORITY TO ASSESS OWNERS; TIME OF PAYMENT. The Association is hereby authorized to levy Assessments as provided for in this Article III. The obligation to pay Assessments shall commence as to each Tract in the Properties on the first day of the month following the month in which the Board first determines a budget and levies Assessments pursuant to this Article. The first annual General Assessments levied shall be adjusted according to the number of months remaining in the calendar or fiscal year at the time the General Assessments commence on the Tracts.

Assessments shall be paid in such manner and on such date or dates as the Board may establish. The Board may require advance payment of Assessments at closing of the transfer to title to a Tract and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, Assessments may be paid in two or more installments. Unless the Board otherwise determines, General Assessments shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any Assessments or other charges levied on his Tract, the Board, after a minimum of thirty (30) days written notice to the Owner and an opportunity for the Owner to cure the delinquency, may require the outstanding balance on all Assessments to be paid in full immediately.

SECTION 4. CREATION OF LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS. All Assessments, together with interest at the rate of eighteen percent (18%) per annum or such other rate of interest as may be set from time to time by the Board of Directors not in excess of the maximum lawful rate, commencing on the date which is thirty (30) days after the due date, costs (specifically including, but not limited to, any flat charges or percentage fees charged by any collection agencies used by the Association in collecting delinquent Assessments), and reasonable attorney's fees and court costs actually incurred, shall be a charge on each Tract in the Properties and shall be secured by a continuing lien in favor of the Association upon the Tract against which each Assessment is made.

Each such Assessment, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, shall also be the personal obligation of the Person who was the Owner of such Tract at the time the Assessment fell due. Each such Owner shall be personally liable for his or her portion of each Assessment coming due while he or she is the Owner of the Tract, and each Assessment thereafter coming due unless and until such Owner notifies the Association of the sale or conveyance of the Tract against which the Assessment is made as hereinafter provided in this Section.

In order to extinguish any Person's personal liability with regard to Assessments coming due following the sale or conveyance of the Tract owned by such Person, such Person shall be obligated to notify the Association of such Person's sale or conveyance of the Tract against which Assessments may be levied. In that regard, each Person who at any time owned any Tract in the Properties against which Assessments may be levied shall no longer be liable or responsible for payment of Assessments coming due after the date upon which such Person furnishes to the Association a copy of the executed instrument of conveyance by which fee simple title to the Tract previously owned by such Person was conveyed or transferred to another Person, and the mailing address of the Person to whom such Tract was conveyed or transferred. Upon receipt of such information, the Association shall cause the name and address of the new Owner to be substituted for that of the prior Owner on the records of the Association, and the prior Owner shall no longer be liable or responsible for Assessments subsequently coming due. Each Person owning a Tract against which Assessments may be made shall have the obligation to notify the Association of any change in its address, and notice of any such change shall become effective five (5) days after written notice thereof has been provided to the Association. With regard to mailing notices of Assessments payable by any Person to the Association, the Association shall be deemed to have satisfied any obligation that it might have to provide written notices or bills if the same are mailed or delivered to the Owner at the address of such Owner as reflected on the records of the Association, and no such Owner or other Person liable for the payment of any Assessment shall escape such liability or be entitled to any deferral or abatement of interest or any late charges or collection costs with regard to delinquent Assessments on the basis of such Person's failure to receive notice thereof if the Association did mail or deliver such notice to the most recent address of the Person according to the records of the Association.

SECTION 5. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien securing the Assessments provided for herein shall be subordinate to (i) liens of ad valorem taxes and (ii) the lien of any Mortgage encumbering the applicable Tract which has been recorded in the real property records of Fort Bend County, Texas. Sale or transfer of any property subject to this Declaration shall not affect the lien hereby created. However, the sale or transfer of any property pursuant to foreclosure of a Mortgage or any conveyance in lieu thereof, shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No such sale or transfer shall relieve such property from liability for any Assessments thereafter becoming due or from the lien thereof. All Persons acquiring liens or encumbrances on any property subject to this Declaration after this Declaration shall have been recorded in the real property records of Fort Bend County, Texas shall be deemed to consent that such liens or encumbrances shall be inferior to the lien securing Assessments becoming due after foreclosure or conveyance in lieu thereof as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

SECTION 6. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any Assessments which are not paid in full by the date specified by the Board shall be delinquent. Any delinquent Assessment shall commence to bear interest on the date which is thirty (30) days after the due date at the rate specified hereinabove. If the Assessment is not paid when due, the lien herein retained and created against the affected property shall secure the Assessment due, interest thereon from the date which is thirty (30) days after the due date, all costs of collection, court costs, reasonable attorney's fees actually incurred, and any other amount provided or permitted by law. In the event that the Assessment remains unpaid after ninety (90) days, the Association may, as the Board shall determine, institute suit for collection against the Owner personally obligated to pay the Assessment or foreclose the lien created and reserved hereby against the Tract of such Owner.

The Association's lien is created by recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien shall be or is required. By acquiring a Tract, an Owner grants to the Association a power of sale in connection with the Association's lien. By written resolution, the Board of Directors of the Association may appoint, from time to time, an officer, agent, trustee, or attorney of the Association to exercise the power of sale on behalf of the Association. The Association shall exercise its power of sale pursuant to the Texas Property Code, and any applicable revision(s), amendment(s), or modifications thereof in effect at the time of the exercise of such power of sale. The Association has the right to foreclose its lien judicially or by nonjudicial foreclosure pursuant to the power of sale created hereby. Costs of foreclosure may be added to the amount owed by the Owner to the Association. An Owner may not petition a court to set aside a sale solely because the purchase price at the foreclosure sale was insufficient to fully satisfy the Owner's debt. The Association may bid for and purchase the Tract at the foreclosure sale utilizing funds of the Association. The Association may own, lease, encumber, exchange, sell, or convey a Tract. The purchaser at any such foreclosure sale shall be entitled to sue for possession of the Tract by an action of forcible detainer without the necessity of giving any notice to the former Owner or Owners of the Tract sold at foreclosure. The Owner shall have no right of redemption after or resulting from a foreclosure of the Association's lien unless otherwise provided by law. Nothing herein shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien. At any time before a nonjudicial foreclosure sale, an Owner of a Tract may avoid foreclosure by paying all amounts due the Association. Foreclosure of a tax lien attaching against a Tract shall not discharge the Association's lien for amounts becoming due to the Association after the date of foreclosure of the tax lien.

No Owner may waive or otherwise exempt himself from liability for the Assessments provided for herein by non-use of Common Area or abandonment of the Tract owned by such Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the By-Laws, or for inconvenience or discomfort arising from the

making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority, the obligation to pay Assessments being a separate and independent covenant on the part of each Owner of a Tract.

All payments shall be applied first to costs and attorney's fees, then to interest, and then to delinquent Assessments.

SECTION 7. ASSESSMENT OBLIGATION OF DECLARANT; SUBSIDY AGREEMENTS. Subject to the further provisions hereof, Declarant, on behalf of itself and its successors and assigns to whom its rights as Declarant are expressly assigned, covenants and agrees to pay Assessments as provided herein for the Tracts that it owns. However, as long as the Class "B" membership exists in the Association, the Declarant may annually elect either to pay Assessments on its property as herein provided or to pay the Association the difference between the amount of Assessments collected on all other Tracts subject to assessment and the amount of the actual expenditures incurred to operate the Association during the fiscal year. The Board is specifically authorized to enter into subsidy agreements with the Declarant pursuant to which the Declarant agrees to pay such difference in lieu of Assessments on its property. The payment by Declarant of such a subsidy in any year in lieu of Assessments shall under no circumstances obligate the Declarant to pay a subsidy in a future year or years. In addition to the foregoing, the Declarant may prepay Assessments on the property it owns or loan needed funds to the Association. In the event of a loan, the loan shall be payable by the Association to the Declarant from future Assessments collected by the Association or, at the Declarant's option, offset against future Assessments owed to the Association by the Declarant.

SECTION 8. EXEMPT PROPERTY. The following property shall be exempt from payment of Assessments:

- (a) all property owned by any governmental authority or public utility, including, without limitation, fire stations, police stations, emergency facilities, public libraries, water plants, sewage treatment plants, governmental offices (city halls, court houses, etc.), public schools, public streets, and public parks;
- (b) all property owned by Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code; provided, however, the availability of such exemption is contingent upon prior approval by the Board; and
- (c) Property either owned by or designated on the Declarant's land plan for conveyance to the Association, to another property owners association, or to a governmental authority, including a utility district.

The Person owning Exempt Property as defined herein shall have no right to be a Member of the Association with regard to its ownership of the Exempt Property, nor shall such Person be entitled to any votes attributable to its ownership of the Exempt Property.

ARTICLE IV
RIGHTS IN THE COMMON AREA AND EASEMENTS

SECTION 1. OWNER'S RIGHTS OF ENJOYMENT. Subject to the further provisions of this Section, every Member shall have a right of enjoyment to the Common Area, and such right shall be appurtenant to and shall pass with the title to the Tract owned by such Member. Such right of enjoyment shall be subject to the following:

- (a) The Association shall have the right to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area.
- (b) The Association shall have the right to borrow money and to mortgage, pledge, deed in trust, or hypothecate any or all of the Common Area as security for money borrowed or debts incurred.
- (c) The Association shall have the right to take such steps as are reasonably necessary to protect the Common Area against foreclosure of any such mortgage.
- (d) The Association shall have the right to suspend the enjoyment rights of any Member for any period during which any assessment or other amount owed by such Member to the Association remains unpaid in excess of thirty (30) days.
- (e) The Association shall have the right to establish reasonable rules and regulations governing the Members' use and enjoyment of the Common Area, and to suspend the enjoyment rights of any Member for any infraction of such rules and regulations.
- (f) The Association shall have the right to dedicate, sell or convey all or any part of the Common Area and the right to grant or dedicate easements over the Common Area to public or private utility companies.
- (g) The Association shall have the right to enter into agreements pursuant to which individuals who are not Members of the Association are granted the right to use the Common Area and the facilities located thereupon.

SECTION 2. DELEGATION OF USE. Each Member shall have the right to extend his right of enjoyment to the Common Area to such guests or other individuals as may be permitted by the Association. An Owner shall be deemed to have made a delegation of all rights to use the Common Area to the Occupants of any leased building improvements.

SECTION 3. EASEMENTS-GENERAL. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the plats of the Properties and/or as dedicated by separate instruments. Neither Declarant nor any utility company or authorized political subdivision using the easements referred to herein shall be liable for any damages done by them or their assigns, agents, employees or servants, to fences, walls, shrubbery, trees, flowers, improvements or other property of the Owner situated on the land covered by such easements as a result of construction, maintenance or repair work conducted by such parties or their assigns, agents, employees or servants.

SECTION 4. EASEMENTS FOR UTILITIES AND PUBLIC SERVICES.

(a) There is hereby granted to the Association, to Fort Bend County, to the City of Missouri City, and to any other public authority or agency, utility district, or public or private utility company, a perpetual easement upon, over, under, and across (i) the Common Area, and (ii) those portions of all Tracts as are reasonably necessary, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, telecommunication systems, and all utilities, including, but not limited to, storm sewers, drainage systems and retention ponds, electrical, gas, telephone, water and sewer lines, street lights, street signs and traffic signs; provided, however, that such easements shall not unreasonably affect the ability to develop or sell, or the value of, any Tract. By virtue of any such easement, it shall be expressly permitted for the providing utility company or other supplier or services, with respect to the portions of the Properties encumbered, (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 Properties (or any portion thereof) with respect to law enforcement, fire protection and emergency services, the perpetual, non-exclusive right and easement upon, over and across all of the Properties for purposes of performing such duties and activities related to law enforcement, fire protection or emergency services in the Properties as shall be required or appropriate from time to time by such governmental authorities under applicable law.

SECTION 5. 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 any Tract or any portion thereof in the performance of their respective duties or the enforcement of the provisions of this 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 the Owner or Occupant directly affected thereby.

(b) There is hereby granted to the Association a perpetual easement over the portion of each Tract within the Properties which is within five (5) feet of any Common Area where a wall or fence has been constructed on the common line between such Common Area and Tract for the purpose of maintaining, repairing or reconstructing such wall or fence.

(c) There is hereby granted to the Association a perpetual easement and the right to install and maintain landscaping and related improvements as well as directional signage and entry monuments within the Landscape Setbacks. Except for entry roads, driveways, underground utility facilities and signage at locations approved by the Riverstone Commercial ARC, no Owner shall construct or place any improvements within the Landscape Setbacks.

SECTION 6. RIGHTS OF DECLARANT DURING CONSTRUCTION AND SALE PERIOD. Notwithstanding any provisions contained in this Declaration, until the Declarant has developed and sold all of its land within the Properties, it shall be expressly permissible for Declarant and any Owner approved by Declarant to maintain upon such portion of the Properties as Declarant may deem necessary, such facilities, and carry on such activities as in the sole opinion of Declarant may be required, convenient, or incidental to Declarant's and such Owner's development, construction, and sales activities related to their properties, including, but without limitation: the right of access, ingress and egress for vehicular and pedestrian traffic over, under, on or in the Properties; the right to carry on sales and promotional activities on the Tracts it owns in the Properties; the right to place signs in the Common Area and in road rights-of-way within the Properties; and the right to construct and operate business offices, construction trailers, and information and sales offices.

SECTION 7. LIABILITY FOR DAMAGE TO COMMON AREA. Each Owner shall be liable to the Association for damage to the Common Area of any type or to any equipment thereon which may be sustained by reason of the negligence of said Owner, his tenants, employees, agents, customers, guests or invitees, to the extent that any such damage is not covered by insurance. Conversely, with respect to any Tract over which the Association has easement rights, the Association shall be liable to the Owner of such Tract for damage of any type or to any equipment thereon which may be sustained by reason of the negligence of the Association, its agents or employees to the extent that such damage is not covered by insurance.

ARTICLE V ASSOCIATION INSURANCE

SECTION 1. INSURANCE. The Association's Board of Directors, or its duly authorized agent, shall have the authority, but not the obligation, to obtain blanket all-risk casualty insurance for all insurable improvements on the Common Area, or if blanket all-risk coverage is not reasonably available, an insurance policy providing fire and extended coverage. Such insurance policies shall be in such amount or amounts as the Board of Directors deems appropriate.

The Board may also obtain general liability insurance in such amount as it deems appropriate from time to time covering the Common Area, insuring the Association, the Board and the Association's Members for all damages or injury caused by the negligence of the Association, its agents, the Board, the Members or Occupants, in such amount as the Board deems appropriate.

In addition to the other insurance discussed in this Section, the Board may also obtain, as an Association Expense payable from General Assessments, (i) worker's compensation insurance (ii) directors' and officers' liability coverage, and (iii) a fidelity bond or fidelity insurance on directors, officers, employees, agents and other Persons handling or responsible for the Association's funds.

SECTION 2. DAMAGE AND DESTRUCTION. Immediately after damage or destruction by fire or other casualty of all or any part of the property covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and the repair or reconstruction of the damaged or destroyed property, to the extent insurance proceeds are available for such purpose. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition which existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. In the event that insurance proceeds are unavailable to repair or reconstruct the Common Area, the damaged or destroyed property shall be restored to its natural state and maintained by the Association in a neat and attractive condition. If insurance proceeds are insufficient to cover a repair or reconstruction, the Board may levy a Special Assessment to cover the shortfall.

ARTICLE VI ARCHITECTURAL STANDARDS AND RESTRICTIONS

SECTION 1. PURPOSE. In order to establish and preserve a harmonious and aesthetically pleasing design for and promote the value of the Properties, the Tracts shall be subject to the restrictions set forth in this Article VI. Every grantee of any interest in a Tract by acceptance of a deed or other conveyance of such interest, agrees to be bound by the provisions of this Article.

SECTION 2. RIVERSTONE COMMERCIAL ARC. There is hereby established the Riverstone Commercial Architectural Review Committee (hereinafter called the "Riverstone Commercial ARC"), which shall have exclusive jurisdiction over all original construction on the Tracts and over modifications, additions, or alterations made on or to the improvements on the Tracts.

The Riverstone Commercial ARC shall (i) adopt such standards or guidelines as it determines for the construction or alteration of improvements on the Tracts in the Properties (the "Design Guidelines") and for landscaping (the "Landscaping Guidelines"), which guidelines may vary for different portions of the Properties or different designated portions of the Properties or platted subdivisions, and (ii) establish application and review procedures for the Plans for proposed improvements or alterations to improvements. The

Riverstone Commercial ARC shall make the Design Guidelines and Landscaping Guidelines available to Owners who seek to engage in development of or construction upon a Tract and who shall conduct their operations strictly in accordance therewith. The Riverstone Commercial ARC may establish and charge reasonable fees for its review of Plans hereunder.

The Riverstone Commercial ARC shall consist of three (3) members. Until the date on which it has sold all of its Tracts within the Properties, the Declarant shall have the right to appoint all members of the Riverstone Commercial ARC as well as the right to remove any member at any time. There shall be no surrender of this right prior to that time, except by a written instrument executed by Declarant and recorded in the real property records of Fort Bend County, Texas. Following the expiration of such right, the Board of Directors shall have the right to appoint and remove the members of the Riverstone Commercial ARC. The Riverstone Commercial ARC is authorized, but not obligated, to retain the services of consulting architects, landscape architects, urban designers, engineers, inspectors, and/or attorneys in order to advise and assist the Riverstone Commercial ARC in performing its functions set forth herein. The costs of the services of such consultants shall be an Association Expense except to the extent such costs are covered by a Plan review fee established by the Riverstone Commercial ARC, if it elects to establish such fee.

The Board of Directors shall have the right, but not the obligation, at any time to create a separate committee known as the "Modifications Committee" to perform the obligations of the Riverstone Commercial ARC herein specified with respect to the review of Plans for the alteration or modification of the improvements on a Tract after construction of the initial improvements. The Board shall also have the right to abolish such committee at any time. In the event such committee is created it shall consist of three (3) members appointed by the Board and the Board shall have the power to remove a member at any time. In the event a Modifications Committee is created, such committee shall have all of the duties and powers granted to the Riverstone Commercial ARC in this Declaration with respect to the alteration or modification of improvements on the Tracts in the Properties unless or until the Board determines there should no longer be two (2) separate committees and abolishes the Modifications Committee, in which event all such duties and powers shall thereafter be restored to the Riverstone Commercial ARC.

SECTION 3. APPROVAL OF PLANS. No construction of a building or other improvements, or modifications, additions, or alterations to existing improvements, shall be commenced or maintained by or on behalf of any Owner with respect to any Tract in the Properties, including, without limitation, the construction or installation of sidewalks, driveways, landscaping, parking lots, awnings, walls, fences, or exterior lights, nor shall any exterior addition to or change or alteration therein be made (including, without limitation, painting or staining of any exterior surface a different color than the one previously approved), unless and until the Plans therefor and related data (including, if required by the Riverstone Commercial ARC, a survey showing the location of existing trees on such Tract), have been submitted to and approved in writing by the Riverstone Commercial ARC.

The Riverstone Commercial ARC may establish a reasonable fee sufficient to cover the expense of reviewing Plans and to compensate any consulting architects, landscape architects, urban designers, inspectors, or attorneys retained in accordance with the terms hereof. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his improvements, to paint the interior of the improvements on his Tract any color desired, or to repaint or restain the exterior of the improvements on his Tract with the same color which has been previously approved for such improvements. The Riverstone Commercial ARC shall have the sole discretion to determine whether Plans submitted for approval are acceptable to the Association.

Upon approval of Plans, no further approval under this Article VI shall be required with respect thereto, unless construction has not substantially commenced within six (6) months of the written approval of such Plans (e.g. clearing and grading, pouring of footings, etc.) or unless such Plans are materially altered or changed. The Riverstone Commercial ARC may disapprove Plans for any reason which is consistent with the objectives and purposes of this Declaration as determined by the Riverstone Commercial ARC from time to time, including purely aesthetic considerations, so long as such grounds are not arbitrary or capricious.

SECTION 4. APPROVAL NOT A GUARANTEE OR VARIANCE. The review and approval of Plans pursuant to this Article is made on the basis of aesthetic considerations only and no approval of plans and specifications and no publication of the Design Guidelines and/or the Landscaping Guidelines shall be construed as representing or implying that the Design Guidelines and/or the Landscape Guidelines will, if followed, result in properly designed improvements. Such approvals and design guidelines shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith will be built in a good and workmanlike manner. Neither Declarant, the Association, the Riverstone Commercial ARC, nor any of their respective officers, partners, directors, agents, employees, or members, shall be responsible or liable in damages or otherwise to any Person by reason of mistake of judgment, negligence or nonfeasance arising out of the approval or disapproval of any plans or specifications, any loss or damage arising from the noncompliance of such plans and specifications with any governmental ordinances and regulations, nor any defects in construction undertaken pursuant to such plans and specifications. The purpose of such review primarily is to conform the aesthetic appearances of development within the Properties.

In addition, the approval of Plans pursuant to this Article shall not be deemed to be a variance from the specific restrictions of this Declaration, the Design Guidelines or the Landscaping Guidelines. All variances must be issued in accordance with the provisions of Section 7 of this Article.

SECTION 5. RIGHT TO INSPECT. Any member of the Board of Directors or the Riverstone Commercial ARC and their representatives shall have the right, but not the obligation during reasonable hours to enter upon and inspect any Tract with respect to which construction is underway to determine whether or not the plans and specifications therefor have been approved and are being complied with. Such Person or Persons shall not be deemed guilty of trespass by reason of such entry. In the event the Riverstone

Commercial ARC shall determine that such plans and specifications have not been approved or are not being complied with, the Riverstone Commercial ARC shall be entitled to enjoin further construction and to require the removal or correction of any work in place which does not comply with approved plans and specifications. In addition to any other remedies available to the Association, the Board may record in the appropriate land records a notice of violation naming the violating Owner.

SECTION 6. NO WAIVER OF FUTURE APPROVALS. The approval by the Riverstone Commercial ARC of any plans and specifications for any work done or proposed, or in connection with any other matter requiring the approval and consent of such committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

SECTION 7. VARIANCES. The Riverstone Commercial ARC may grant variances from compliance with the restrictions of this Declaration and from any of the Design Guidelines and/or Landscaping Guidelines when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, or (b) estop the Riverstone Commercial ARC from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing, shall not be considered a hardship warranting a variance.

SECTION 8. MEETINGS OF THE COMMITTEE. The Riverstone Commercial ARC shall meet from time to time as necessary to perform its duties hereunder, and may from time to time, by resolution unanimously adopted in writing, designate a representative to take an action or perform any duties for and on behalf of the Riverstone Commercial ARC, except the granting of variances pursuant to Section 7 of this Article VI. In the absence of such designation, the vote of the majority of the members of the Riverstone Commercial ARC, or the written consent of the majority of the members of the Riverstone Commercial ARC taken without a meeting, shall constitute an act of such committee.

SECTION 9. CERTIFICATE OF COMPLIANCE. Any Owner may request that the Association issue a certificate of architectural compliance certifying that there are no known violations of this Declaration or the Design Guidelines. The Association shall either grant or deny such request within thirty (30) days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificate. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

SECTION 10. URBAN DESIGN STANDARDS. In addition to the Design Guidelines, the Owner of each Tract in the Properties which is within the city limits or the extraterritorial jurisdiction of the City of Missouri City in constructing improvements must comply with the Urban Design Standards.

ARTICLE VII
SPECIFIC USE RESTRICTIONS

SECTION 1. PERMITTED USES. The Properties may be generally used for any residential or commercial purpose unless otherwise specified in a Supplemental Declaration.

SECTION 2. PROHIBITED USES. Except as hereinafter provided, the following operations and uses shall not be permitted on any portion of the Properties:

(a) Any use that is unlawful or that is offensive by reason of odor, gas, fumes, dust, smoke, noise, pollution or vibration or that otherwise constitutes a nuisance or is hazardous by reason of excessive danger of fire or explosion;

(b) Commercial excavation of building or construction materials (but excluding excavation in connection with construction of improvements);

(c) Dumping, disposal, incineration, or reduction of garbage, sewage, dead animals, or refuse, or the construction or operation of water or sewage treatment plants or electrical substations (excluding such plants and facilities as may be operated by public utility companies or by utility districts or governmental authorities);

(d) Smelting of iron, tin, zinc or other ores or refining of petroleum or its products;

(e) Storage in bulk of bulk or used materials, a junk yard or a scrap metal yard;

~~(f) Industries, including, without limitation, heavy manufacturing, fabrication facilities and testing facilities;~~

(g) Wholesaling of any kind or any pawn shop, flea market, or bankruptcy, fire sale or auction business;

(h) Mobile homes, modular homes or tents;

(i) A tavern, bar, nightclub, discotheque or any other establishment selling alcoholic beverages for on-premises consumption; provided, however, the foregoing shall not prohibit the operation of a restaurant, banquet and meeting facility, and/or sports club where the sale of alcoholic beverages therein comprises less than fifty (50%) percent of the restaurant's, banquet and meeting facility's or sports club's gross revenues;

(j) Any establishment that offers or sells as its principal product or service a product that is intended to provide sexual gratification to its users, including, but not limited to, the dissemination or exhibition of obscene materials or objects; any

establishment the sole purpose of which is to offer or sell prophylactic devices; any establishment featuring topless, bottomless, or totally nude performances or personnel; or any establishment that regularly shows pornographic movies, or sells or rents pornographic material or movies as a principal part of its business;

(k) Any massage parlor, modelling studio, or establishment where men and/or women are engaged in salacious activities.

(l) A washateria;

(m) A mortuary or funeral parlor; or

(n) An automobile or truck repair facility; provided however, car washes, tire stores, and automobile service and accessory facilities are permitted.

Written approval by the Board of the Association of a particular use shall be conclusive evidence of compliance with this Declaration to the extent that such use is not in violation of any law or ordinance. The members of the Association's Board of Directors shall not be liable to any Person in respect of any use for which the Association's Board of Directors has in good faith granted such approval.

SECTION 3. SETBACKS. Minimum setbacks for building improvements and parking areas on the Tracts shall be as follows (measured at right angles from the property line):

Texas State Highway 6	30 feet
University Boulevard	30 feet
Frost Ranch Boulevard	30 feet
Side Tract Line	10 feet
Rear Tract Line	10 feet

Unless otherwise approved by the Riverstone Commercial ARC, no building or parking area shall be constructed on a Tract nearer to the right-of-way of any Street or to a side or rear property line than is permitted by the applicable setback line hereinabove established. However, the Riverstone Commercial ARC shall have the right to grant variances from side property setbacks so as permit the placement of buildings on adjacent Tracts on the common property line in order to give the appearance of a single building or commercial facility. The Riverstone Commercial ARC shall also have the right to grant variances for parking areas from the side Tract line and permit the construction of parking areas on adjacent Tracts up to the common property line between the Tracts.

SECTION 4. LANDSCAPING. The Riverstone Commercial ARC shall establish the Landscaping Guidelines for the Tracts. Landscaping, underground irrigation and berms for all open, unpaved spaces within a Tract, including, but not limited to setback areas, shall be installed by the Owner, at its sole cost and expense, in accordance with the Landscaping Guidelines. Such landscaping shall include, without limitation, visual screening required by the Landscaping Guidelines. Installation of the required landscaping

and irrigation within a Tract must be completed within thirty (30) days following the occupancy or substantial completion of any building, whichever occurs first, subject to reasonable extensions for excusable delay. If such required landscaping and irrigation is not timely installed, the Association may cause the same to be installed at the expense of the Owner, in the same manner and with the same effect as if such installation were maintenance required by Section 17 of this Article VII. The Owner shall require its landscape contractor to guarantee for a minimum period of one (1) year all trees installed on a Tract and for a minimum period of six (6) months all other plants other than annuals and grass, with such periods to begin upon the date such installation is satisfactorily completed in accordance with the Landscaping Guidelines. Notwithstanding the foregoing to the contrary, the Association may at its option install or make arrangements for the Declarant to install on behalf of the Association all landscaping within the Landscape Setbacks. In such event, the Owner of each Tract subject to the Landscape Setbacks in lieu of installing landscaping on such portion of his Tract shall reimburse the Association or the Declarant for the costs incurred in landscaping such portion of his Tract or for a prorata portion of the costs incurred in landscaping all of the Landscape Setbacks.

The Owner of each Tract shall, at its sole cost and expense, maintain all landscaping, berms and irrigation required to be installed by the Owner. All landscaping installed on the Tracts shall be maintained in accordance with the Landscaping Guidelines. Adequate erosion control shall be maintained during construction on a Tract. All storm water falling on a Tract must be collected on site into subsurface drainage structures which must discharge into a storm sewer or other drainage facility which complies with applicable laws and regulations.

SECTION 5. PARKING REQUIREMENTS. The parking of automobiles or other vehicles on the Streets within or adjacent to the Properties is prohibited. Adequate automobile parking spaces, including, without limitation, spaces for resident, employee, customer and visitor parking shall be provided on each Tract and all such parking areas shall be internally drained, and permanently surfaced with concrete. Minimum parking requirements for a Tract shall be as specified in the Design Guidelines for the use or uses of the improvements on such Tract. Design and construction of parking areas shall provide for a reasonable mix of full size, mid size and compact size parking spaces. No use shall be made of any Tract or any improvements constructed thereon which requires or is reasonably expected to require or attract parking in excess of the capacity of the facilities maintained for parking on such Tract. Parking will not be permitted at any place other than designated parking areas shown on the plans and specifications approved by the Riverstone Commercial ARC, and the Owner shall be responsible for compliance by its respective tenants, employees, and visitors with the parking requirements of this Declaration. The determination of whether or not a Tract has adequate off-street parking facilities shall be in the sole discretion of the Riverstone Commercial ARC. The Owner shall, at its expense, cause to be installed and maintained, in compliance with applicable law and reasonable standards established by the Riverstone Commercial ARC, adequate no-parking and other traffic control signs on public Streets adjacent to such Tract. All parking areas shall be screened from public view with approved fencing, or berms and shrubs of type and species and in a manner approved in writing by the Riverstone

Commercial ARC. Unless otherwise approved in writing by the Riverstone Commercial ARC, parking will not be permitted in front of the applicable parking setback line. To the extent that appropriate governmental authority may from time to time require more parking spaces than those required by the Design Guidelines, such governmental requirements shall control, but the minimum parking requirements established by the Design Guidelines shall never be reduced except by prior written approval of the Riverstone Commercial ARC.

SECTION 6. BUILDING FINISHES. All buildings (including parking garages) shall have exterior wall finishes of brick, stone, marble, glass or of an equivalent, permanent, architecturally-finished material to finished grade. Unless otherwise approved by the Riverstone Commercial ARC, no building shall be covered with sheet or corrugated aluminum, asbestos, iron or steel. All exterior finishes (including the colors thereof) shall be designated in the Plans submitted to the Riverstone Commercial ARC for approval pursuant to Article VI hereof.

SECTION 7. LOADING DOCKS. Loading docks will not be permitted to face any adjacent Street and provision must be made for all loading and unloading on those sides of a building which do not face a Street; provided, however, in any instance in which a building will face Streets on two or more sides, a loading dock or docks will be permitted on the side of such building farthest from the Street. All loading docks must be screened from public view in a manner approved in writing by the Riverstone Commercial ARC. All loading and unloading activities within the Properties shall be conducted at the rear of office and commercial buildings, and in the case of residential units, loading and unloading shall be conducted off public Streets. A suitable plan for loading and unloading on Tracts used primarily for retailing purposes shall be established by the Riverstone Commercial ARC on a site-by-site basis.

SECTION 8. SCREENING. No articles, goods, materials, incinerators, storage tanks, refuse containers or like equipment shall be permitted on any Tract in the open or exposed to public view, or view from the ground floor of adjacent buildings. If it shall become necessary to store or keep such materials or equipment outside of a building, they must be enclosed or screened from view by an architecturally designed wall or fence of a height at least equal to that of the materials or equipment being stored, but not less than eight (8) feet in height. Adequate screening must also be provided to shield such stored materials and equipment from view from the ground floor level of all adjacent buildings. All storage shall be limited to the rear of a Tract and under no circumstances shall any materials or equipment be stored between the property lines of a Tract and the applicable setback from any Street. Water towers, storage tanks, processing equipment, stand fans, skylights, cooling towers, communication towers, vents, roof top mechanical equipment, parapet walls, playground and recreational equipment, recreational areas, and any other structures and equipment must be architecturally compatible (as determined by the Riverstone Commercial ARC) with the building improvements or effectively shielded from view by an architecturally sound method approved by the Riverstone Commercial ARC. All utility and service system components and trash pick-up stations must be integrated with the building they serve or must be enclosed or screened by a fence or wall of compatible materials approved by the Riverstone Commercial ARC and must not be visible above such screening. Ground or pad mounted equipment, such as power transformers

and air conditioning equipment, shall be screened from view by fencing or landscaping, all of which must be approved by the Riverstone Commercial ARC. No boats, trailers, campers, horse trailers, buses, inoperative vehicles of any kind, unmounted camper bodies, boats, rigging, or other vehicles or associated equipment of a recreational or commercial nature shall be parked or stored permanently or semi-permanently on any Tract unless properly screened from public view in a manner approved by the Riverstone Commercial ARC. All sales equipment, fixtures and merchandise shall be displayed only in the interior of a building, unless otherwise approved by the Riverstone Commercial ARC. No clothing or other material shall be aired or dried within the Properties except in an enclosed structure. No window or wall type air conditioners shall be used, erected, installed or maintained on or in any building or improvement within the Properties.

SECTION 9. UTILITIES. No outside pipe, conduit, cable, or line for water, gas, sewage, drainage or steam shall be installed or maintained above the surface of the ground within any Tract, unless otherwise approved by the Riverstone Commercial ARC. Electric facilities may be installed above ground only with the prior written approval of the Riverstone Commercial ARC. Telecommunication equipment (including satellite dishes) must be installed in compliance with the rules governing same adopted by the Association's Board of Directors or the Riverstone Commercial ARC.

SECTION 10. EXTERIOR ILLUMINATION. Parking area lighting, arcade lighting and all other exterior illumination fixtures shall be subject to the written approval of the Riverstone Commercial ARC as to the size, style and type of fixture. Exterior illumination on a Tract shall be designed to light only buildings, parking areas and walkways and shall not produce glare on adjacent streets or adjacent land. All ground level floodlighting fixtures shall be depressed or screened from public view in a manner approved in writing by the Riverstone Commercial ARC.

SECTION 11. ANIMALS. Except in connection with the operations of a pet store or a veterinary clinic, no animals, livestock, or poultry of any kind shall be raised, bred, or kept for any commercial purpose in the Properties.

SECTION 12. ANTENNAE AND SATELLITE DISHES. No television, radio, or other electronic towers, aeriels, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Tract or upon any improvements thereon which has not been approved by the Riverstone Commercial ARC. The Board and the Riverstone Commercial ARC are empowered to adopt rules governing the types of antennae that are permissible in the Properties and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, an antenna permissible pursuant to such rules may only be installed in a location not visible from the Street, and integrated with the building and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

SECTION 13. SIGNS AND ARTWORK.

(a) All signs and artwork and their location, design, and materials must be approved in writing by the Riverstone Commercial ARC prior to their installation.

(b) Any sign or artwork erected in violation of this Declaration shall be removed within five (5) days of receipt of written notice from the Association demanding such removal. If the Owner or Occupant of a Tract on which the violating sign or artwork is located fails to remove the sign or artwork within five (5) day period, the Association shall have the right (but not the obligation) to enter on to the Tract and remove the sign or artwork at the expense of the Owner or Occupant, as the case may be, who caused the sign or artwork to be so placed. All reasonable costs incurred by the Association in removing violating signs and artwork shall be reimbursed by the Owner or Occupant (as the case may be) to the Association within thirty (30) days after receipt by the Owner or Occupant who caused the sign or artwork to be so placed of an invoice for the reasonable costs of removal. If Owner or Occupant (as the case may be) fails to pay such reasonable costs of removal as described above, the Association may levy a Specific Assessment in the amount of such removal costs on the Tract on which the unauthorized sign or artwork was erected which shall be enforceable in the same manner as any other assessment provided for herein.

(c) No pylon signs shall be permitted on any Tract unless otherwise approved in writing by the Riverstone Commercial ARC. No flashing, moving, hanging, painted, rooftop, or paper signs shall be permitted on any Tract. All banners and streamers of every kind, nature, or description are prohibited except as otherwise specifically approved in writing by the Riverstone Commercial ARC. All signs, if illuminated, shall be lighted in a manner that, in the sole discretion of the Riverstone Commercial ARC does not create an unsightly appearance.

(d) Owners shall be responsible for erecting necessary traffic, directional, and warning signs of a size and character appropriate for such purposes and as required by municipal or other governmental authorities.

(e) Temporary signs shall be permitted during construction and during the time in which a Tract is offered for sale or lease, provided that such temporary signs satisfy the requirements of the Design Guidelines and that the Owner first secures the written approval of the Riverstone Commercial ARC for such temporary signs. Approval of temporary signs by the Riverstone Commercial ARC shall be valid for the period of time specified by the Riverstone Commercial ARC, but in no event shall such approval of the temporary signs extend beyond a period of one (1) year.

For purposes of this Section, "signs" shall include, without limitation, flags, flagpoles, awnings, bunting, outdoor wall hangings, canopies and pylons.

SECTION 14. TEMPORARY STRUCTURES. No temporary building or structure other than construction offices and structures related to construction shall be installed or maintained on any Tracts during building or improvement construction without the prior written approval of the Riverstone Commercial ARC. All temporary structures used for construction purposes on a Tract must receive prior approval from the Riverstone Commercial ARC with regard to location and appearance, and must be removed promptly upon substantial completion of construction of the building or improvement to which they relate.

SECTION 15. EASEMENTS. No structure shall be erected or placed on any easement without the prior written approval of the Riverstone Commercial ARC and the holder(s) of such easement rights. Easements may be crossed by driveways and walkways upon receipt of the prior written approval of the holder of such easement rights and provided appropriate measures are taken to protect the pipes, lines and installations within such easements. Neither the members of the Riverstone Commercial ARC nor the holder of such easement rights shall be liable for any damage done by them or their respective assigns, agents, employees or contractors to shrubbery, trees, flowers, plantings or improvements located in, on or under the land burdened by such easements.

SECTION 16. FENCES AND WALLS. No fence or wall shall be erected on any Tract nearer to the Street than the minimum setback for buildings and parking areas specified herein or shown on the applicable plat unless otherwise approved by the Riverstone Commercial ARC. The plans for all fences and walls must be approved by the Riverstone Commercial ARC which shall have the power to specify acceptable materials and/or fence design for specific areas. Each of the Owners of adjacent Tracts with a fence or wall located on the common line between the Tracts shall be responsible for the maintenance of such fence or wall. It is anticipated that the Owners of adjacent Tracts within the Properties which are developed for retail purposes will enter into agreements whereby customers of the retail establishments will be able to travel between such Tracts on one or more connecting driveways or thoroughfares constructed and maintained on the Tracts by their respective Owners and/or to park in the parking area located on one Tract while visiting the retail establishments on the adjacent Tract(s). To facilitate the construction of connecting driveways between adjacent Tracts developed for retail purposes, the Riverstone Commercial ARC is specifically authorized to withhold its approval of Plans which do not provide for the installation of a connecting driveway on a Tract or which propose the construction of a fence or wall or other barricade which would impede or prevent the flow of traffic between the Tracts.

SECTION 17. MAINTENANCE. At all times the Owner shall keep his Tract and premises and all buildings, improvements, appurtenances, sidewalks, berms and landscaping thereon, in a well-maintained, repaired, safe, clean and attractive condition and free of rubbish and refuse which is not adequately or properly contained. If the improvements on a Tract are damaged or destroyed, the Owner of the property containing such improvements shall diligently proceed to restore such improvements to the condition

existing prior to such damage or destruction or, in the alternative, raze and remove such improvements and restore the property to a clean and attractive condition. If, in the reasonable opinion of the Association, any Owner is failing in its obligations under this Section, the Association shall give such Owner notice of such fact and such Owner must, within fifteen (15) days after its receipt of such notice, undertake the repair and maintenance required to restore such Owner's property to a safe, clean and attractive condition; provided, however, in the event of a casualty, the 15-day notice period specified shall be extended to ninety (90) days. Should any Owner fail to fulfill this duty and responsibility after such notice, then the Association shall have the right and power to enter upon such Tract through its agents, without liability to such Owner (or any lessee, tenant, invitee, customer, or licensee of such Owner) for trespass or otherwise, and to perform such repair and maintenance, and such Owner shall be personally liable for the cost of such work and shall upon demand reimburse the Association for the cost thereof. If such Owner shall fail to so reimburse the Association within twenty (20) days after demand, such cost shall be a debt of such Owner, payable to the Association and shall be secured by a mechanic's and materialman's lien against the applicable Tract. Such lien shall be subordinate to purchase money liens and liens to finance the purchase and/or construction on such Tract recorded in real property records of Fort Bend County, Texas, prior to the date payment of such cost is due, and any foreclosure of any such prior lien shall extinguish the liens securing sums due and payable pursuant to this Section prior to such foreclosure date, but no such foreclosure shall free any Tract from the lien securing costs thereafter becoming due and payable under this Section, or shall extinguish the personal obligation of any such Owner to pay such costs. The duty and responsibility imposed by this Section shall be over and above any maintenance which may otherwise be performable pursuant to this Declaration. All sums advanced by the Association pursuant to this Section shall bear interest at the maximum lawful rate from date of advance until repaid.

ARTICLE VIII

ANNEXATION OF ADDITIONAL PROPERTY AND DEANNEXATION

SECTION 1. UNILATERAL ANNEXATION BY DECLARANT. The Declarant, as the Owner thereof or, if not the Owner, with the consent of the Owner thereof, shall have the unilateral right, privilege, and option, but not the obligation, at any time and from time to time to annex additional real property to the jurisdiction of the Association by filing for record either a Supplemental Declaration in respect to the property being annexed which subjects the Tracts within the annexed property to assessment by the Association on a uniform basis with all other Tracts within the Association's jurisdiction or a declaration of annexation instrument which describes the annexed property and subjects the Tracts therein to all of the provisions of this Declaration. Any such annexation shall be effective as to the property described therein upon the filing for record of such Supplemental Declaration or declaration of annexation instrument unless otherwise provided therein.

The right reserved by the Declarant to annex additional land shall not be implied or construed so as to impose any obligation upon Declarant to subject any of the property it owns other than the property described in the first paragraph of the preambles to this Declaration to the jurisdiction of the Association. If such additional land is not annexed,

Declarant has no obligation to impose any covenants and restrictions similar to those contained herein upon such land nor shall anything contained herein be construed to limit or restrict the use to which such land may be put by Declarant or by any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

SECTION 2. OTHER ANNEXATIONS. With the consent of the Owner thereof, the Association may annex other real property to the jurisdiction of the Association. Such annexation shall require the approval by a majority of the votes of the Class "A" Members present in person or by proxy at a meeting called for such purpose, and of the Declarant, so long as there is a Class "B" membership in the Association.

Annexation pursuant to this Section 2 shall be accomplished by filing of record in the real property records of Fort Bend County, Texas, an annexation agreement describing the property being annexed. Such annexation agreement shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein.

SECTION 3. RIGHTS OF OWNERS OF ANNEXED AREA. The Owners of Tracts in annexed property shall be entitled to use the Common Area in the same manner and to the same extent of the Owners of all other property subject to the jurisdiction of the Association provided that such Tracts are subject to Assessments by the Association on a uniform basis, consistent with the provisions of this Declaration.

SECTION 4. DEANNEXATION. Without the approval of any other Owners or Members, the Declarant shall have the right to deannex and remove any portion of the Property owned by it which is not yet developed with building improvements at the time of deannexation from the provisions of this Declaration and the jurisdiction of the Association. Such deannexation shall be accomplished by the execution and filing for record of an instrument setting forth the land being deannexed.

ARTICLE IX MORTGAGEE PROVISIONS

The following provisions are for the benefit of the holders of Mortgages. To the extent applicable, necessary or proper, the provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained herein or therein.

SECTION 1. NOTICES OF ACTION. A Mortgagee who provides written request to the Association (such request to state the name and address of such holder, insurer or guarantor and the description of the affected property), will be entitled to timely written notice of:

- (a) any proposed termination of the Association;

- (b) any condemnation loss or any casualty loss which affects the property on which there is a mortgage or deed of trust held, insured, or guaranteed by such Mortgagee; or
- (c) any delinquency in the payment of Assessments or charges owed by an Owner of the property subject to the Mortgage of such Mortgagee, where such delinquency has continued for a period of sixty (60) days.

SECTION 2. NO PRIORITY. No provision of this Declaration gives or shall be construed as giving any Owner or other party priority over any rights of the Mortgagees in the case of distribution of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

SECTION 3. NOTICE TO ASSOCIATION. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's property.

ARTICLE X GENERAL PROVISIONS

SECTION 1. TERM. Subject to amendment in accordance with the further provisions hereof, the provisions of this Declaration shall run with and bind the land and shall be and remain in effect for a period of forty (40) years after the date that this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by Owners representing more than fifty percent (50%) of the total votes in the Association agreeing to terminate this Declaration has been recorded within the year immediately preceding the beginning of a ten (10) year renewal period, in which case this Declaration shall terminate at the end of its original term or the applicable extension period. Every purchaser or grantee of any interest in any real property subject to this Declaration, by acceptance of a deed or other conveyance therefor, thereby agrees that the provisions of this Declaration may be extended and renewed as provided in this Section.

SECTION 2. 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.

SECTION 3. 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.

SECTION 4. TITLES. The titles of Articles and Sections in this Declaration are included for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.

SECTION 5. AMENDMENT. This Declaration may be amended unilaterally at any time and from time to time by Declarant without approval by the Members or any Owners (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the property subject to this Declaration; (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration; or (d) for any other purpose, provided that the amendment has no material adverse effect upon any right of any Owner or that the Owner or Owners so affected have consented thereto.

In addition to the amendments described above, this Declaration may be amended at any time by an instrument signed by Owners representing more than fifty percent (50%) of the total votes in the Association and, as long as the Class "B" Membership exists, the Declarant; provided, however, no amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant. Any amendment to this Declaration must be recorded in the real property records of Fort Bend County, Texas.

SECTION 6. MERGER AND CONSOLIDATION. Upon a merger or consolidation of the Association with another non-profit corporation organized for the same or similar purposes, the Association's properties, rights, and obligations may be transferred to the surviving or consolidated association, or alternatively, the properties, rights and obligations of another association may be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association shall administer the covenants, conditions and restrictions established by this Declaration, together with the covenants, conditions and restrictions applicable to the properties of the other association as one scheme.

SECTION 7. DISSOLUTION. The Association may be dissolved with the approval by two-thirds (2/3rds) vote of the Class "A" Members present in person or by proxy at a meeting called for such purpose and, until the termination of the Class "B" Membership, the Declarant. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

SECTION 8. ENFORCEMENT. Each Owner and Occupant shall comply strictly with the covenants, conditions, and restrictions set forth in this Declaration, as may be amended from time to time, and with the rules and regulations adopted by the Board. The Board may impose fines or other sanctions, which shall be collected as provided herein for the collection of assessments. Failure to comply with this Declaration or the rules and regulations shall be grounds for an action to recover sums due for damages, injunctive

relief, or any other remedy available at law or in equity, maintainable by the Board, on behalf of the Association, or by any Owner of a portion of the Properties. Failure of the Board or any other Person to enforce any of the provisions herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Association shall also have the right to enforce, by any proceeding at law or in equity, any other restrictions, conditions, covenants and liens imposed upon any portion of the Properties which by the terms of the instrument creating same grant the Association the power to enforce same, and failure of the Association to enforce such provisions shall in no event be deemed a waiver of the right to do so thereafter.

In addition to any other remedies provided for herein, the Association or its duly authorized agent shall have the power to enter upon a Tract to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the Board's rules and regulations, the Design Guidelines, or the Landscaping Guidelines. Except in the case of emergency and law enforcement situations, and as otherwise specified herein, the Association shall give the violating Owner fifteen (15) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred, shall be assessed against the violating Owner as a Specific Assessment and shall be collected as provided for herein for the collection of Assessments.

SECTION 9. RIGHT OF ENTRY. The Association shall have the right, but not the obligation, to enter into any Tract for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the By-Laws, and the Association's rules and regulations, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Tract to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

SECTION 10. NOTICE OF SALE OR TRANSFER OF TITLE. In the event that an Owner sells or otherwise transfers title to his Tract, such Owner shall give the Association written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Association, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Tract hereunder, including payment of Assessments, notwithstanding the transfer of title to the Tract.

SECTION 11. CUMULATIVE EFFECT; CONFLICT. The covenants, restrictions and provisions of this Declaration shall be cumulative with the Supplemental Declarations; provided, however, in the event of conflict between the provisions of this Declaration and any Supplemental Declaration, the provisions of this Declaration shall prevail, it being intended that all Supplemental Declarations be subject and subordinate to this Declaration.

SECTION 12. USE OF THE WORD "RIVERSTONE". No Person shall use the words "Riverstone" or any derivative thereof in any printed or promotional material, sign or the name of a business without the prior written consent of the Declarant. However, Owners may use such terms in printed or promotional matter where such term is used solely to specify that particular property is located within the Riverstone project and the Association shall be entitled to use the words "Riverstone" in its name.

IN WITNESS WHEREOF, this Declaration of Covenants, Conditions and Restrictions for Riverstone Commercial Reserves is executed as of the 12th day of June, 2001.

Frost Ranch Investors, L.P.,
a Texas limited partnership

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

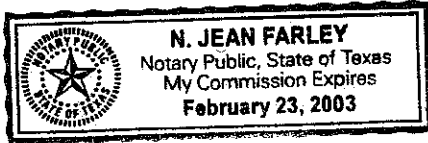
By: Larry D. Johnson
Larry D. Johnson
Its: Manager

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on June 12, 2001, by Larry D. Johnson, Manager of Hwy 6/309, L.L.C., a Texas limited liability company which is the general partner of Frost Ranch Investors, L.P., a Texas limited partnership, on behalf of said partnership.

(SEAL)



N. Jean Farley

Notary Public in and for
the State of Texas

N. JEAN FARLEY

Name printed or typed

My commission expires:

02 23 03

EXHIBIT "A"

METES AND BOUNDS DESCRIPTION
116.055 ACRES
J.M. FROST, III, TRACT B LARGE ACREAGE PLAT
FORT BEND COUNTY, TEXAS

Being a 116.055 acre tract of land situated in the William Stafford League, Abstract No. 89, Fort Bend County, Texas and being a portion of Unrestricted Reserve "A" of the J.M. Frost, III, Tract B Large Acreage Plat, a subdivision of record in Slide Number 1406A, Fort Bend County Plat Records (F.B.C.P.R.). Said 116.055 acre tract being more particularly described by metes and bounds as follows (all bearings and coordinates are referenced to the Texas Coordinate System, South Central Zone. All distances are surface and may be converted to grid by multiplying by the combined factor of 0.99986961):

BEGINNING at a 5/8-inch iron rod (X = 3,088,268.89, Y = 649,302.35) found marking the northwest corner of said Unrestricted Reserve "A", being the northeast corner of a 100-foot wide easement conveyed to the First Colony Levee Improvement District by deed recorded in Volume 1369, Page 175, Fort Bend County Official Public Records (F.B.C.O.P.R.) and also being in the southwesterly right-of-way line of Texas State Highway 6 (100-foot wide);

THENCE along the common line of said Unrestricted Reserve "A" and Texas State Highway 6, THE FOLLOWING:

S 53-26-09 E, 2224.38 feet to a 5/8-inch iron rod found on the arc of a non-tangent curve for corner;

701.54 feet along the arc of a non-tangent curve to the right, having a central angle of 14-16-48, a radius of 2814.79 feet and a chord which bears S 46-16-28 E, 699.72 feet to a 5/8-inch iron rod found for corner on said arc;

S 39-08-57 E, 269.75 feet to a 5/8-inch iron rod found for the northeast corner of said Unrestricted Reserve "A";

THENCE departing said common line of Unrestricted Reserve "A" and Texas State Highway 6 and along the easterly line of said Unrestricted Reserve "A", S 02-45-48 E, 2035.61 feet to a point for corner in the northerly line of a proposed Murphy Road easement for roadway of record in File Numbers 9522731, 9651829 and 9708291, F.B.C.O.P.R., and being the most westerly northwest corner of Murphy Road (100-foot wide) as recorded by Colony Bay Commercial Reserves Street Dedication, a subdivision of record in Slide Number 842A, F.B.C.P.R.;

THENCE along the northerly line of said proposed Murphy Road easement, S 55-40-07 W, at 419.41 feet pass the point of curvature of said proposed Murphy Road easement and continue for a total distance of 579.25 feet to a point of curvature for corner;

THENCE 453.16 feet along the arc of a curve to the left, having a central angle of 12-39-56, a radius of 2050.00 feet and a chord which bears S 49-20-09 W, 452.24 feet to a point of reverse curvature for corner;

THENCE 57.67 feet along the arc of a curve to the right, having a central angle of 94-24-28, a radius of 35.00 feet and a chord which bears N 89-47-35 W, 51.36 feet to a point of compound curvature for corner;

THENCE 281.39 feet along the arc of a curve to the right, having a central angle of 46-03-52, a radius of 350.00 feet and a chord which bears N 19-33-25 W, 273.87 feet to a point of tangency for corner;

THENCE N 03-28-31 E, 466.33 feet to a point of curvature for corner;

116.055 ACRES - J.M. FROST TRACT B LARGE ACREAGE PLAT

THENCE 809.84 feet along the arc of a curve to the left, having a central angle of 44-11-28, a radius of 1050.00 feet and a chord which bears N 18-37-13 W, 789.92 feet to a point of tangency for corner;

THENCE N 40-42-57 W, 735.70 feet to a point of curvature for corner;

THENCE 1379.92 feet along the arc of a curve to the right, having a central angle of 68-45-04, a radius of 1150.00 feet and a chord which bears N 06-20-25 W, 1298.62 feet to a point for corner on said arc;

THENCE N 55-17-10 W, 283.63 feet to a point of curvature for corner;

THENCE 290.53 feet along the arc of a curve to the left, having a central angle of 04-41-21, a radius of 3550.00 feet and a chord which bears N 57-37-50 W, 290.45 feet to a point for corner on said arc;

THENCE N 59-34-11 W, 268.59 feet to a point for corner in the westerly line of aforementioned Unrestricted Reserve "A", and the most easterly boundary line of Replat Lake Colony Section One, a subdivision of record in Slide Numbers 745A & B, F.B.C.P.R., said point also being the most easterly northeast corner of Crosslakes Boulevard (width varies) as recorded by said Replat Lake Colony Section One, said point also being in the easterly line of aforementioned 100-foot wide First Colony Levee Improvement District easement;

THENCE along the common line of said Unrestricted Reserve "A" and said 100-foot wide First Colony Levee Improvement District easement, N 02-28-53 W, 899.75 feet to the POINT OF BEGINNING and containing 116.055 acres of land.

SAVE AND EXCEPT FOR THE 10.28 ACRE PORTION OF SUCH 116.055 ACRE TRACT OF LAND CONVEYED TO RIF 100, L.L.C. BY THE DEED FILED UNDER CLERK'S FILE NO. 2000025533.

Compiled by:

TURNER COLLIE & BRADEN INC.

Engineers • Planners • Project Managers

TEXAS Austin/Dallas/Fort Worth/Houston/Rio Grande Valley

COLORADO Denver

February 21, 2000

Job No. 21-04200-099

CURVE JLE

NOTE	ARC LENGTH	DELTA	RADIUS	CHORD BEARING	CHORD DISTANCE
1	701.54	14-16-48	2814.79	S46-16-28E	699.72
2	453.16	12-39-56	2050.00	S49-20-09W	452.24
3	57.67	94-24-28	35.00	N89-47-35W	51.36
4	281.39	46-03-52	350.00	N19-33-25W	273.87
5	809.84	44-11-28	1050.00	N18-37-13W	789.92
6	1379.92	68-45-04	1150.00	N06-20-25W	1298.62
7	290.53	4-41-21	3550.00	N57-37-50W	290.45

P.O.B.

5/8" I.R. FND.
X = 3,088,268.89
Y = 649,302.35

RLPLAI
LAKE COLONY
SECTION ONE
SLIDE NOS.
745A & B,
F.B.C.P.R.

CROSSLAKE BLYD.

FIRST COLONY LEVEE IMPROVEMENT DISTRICT LEVEE EASEMENT
VC = .383, PG. 175, F.B.C.P.R.

J. M. FROST, III,
TRACT "B"
LARGE ACREAGE PLAT
SLIDE NO. 1406A
F.B.C.P.R.

PROPOSED
MURPHY ROAD
EASEMENT FOR ROADWAY
I.N. 952731, 96518/9,
& 9708791, F.B.C.P.R.

J. M. FROST, III,
TRACT "B"
LARGE ACREAGE PLAT
SLIDE NO. 1406A
F.B.C.P.R.

WYNDEN
HOLDINGS, INC.
24.087 ACRES
FILL NO. 9538470
F.B.C.P.R.

MURPHY ROAD
SLIDE NO. 8424, F.B.C.P.R.
(100' WIDE)



SCALE: 1" = 800'

SKETCH OF
116.055 ACRES OF LAND
IN THE J. M. FROST, III,
TRACT "B" LARGE ACREAGE PLAT
FORT BEND COUNTY, TEXAS

TurnerCollie & Braden Inc.
Engineers • Planners • Project Managers

FEBRUARY 21, 2000

JOB NO. 21-04200-093

645164.DWG
2-23-2000

EXHIBIT "B"

Allocation of Association Expenses for General Assessments and/or Special Assessments

(A) Determination of Equivalent Units. The funds to be raised through General Assessments and/or Special Assessments against the Tracts within the Properties shall be allocated based upon the number of "Equivalent Units" assigned to a particular Tract relative to the total number of Equivalent Units assigned to all Tracts. The total number of Equivalent Units assigned to each Tract shall be determined as follows:

Each Tract in the Properties shall be assigned Equivalent Units based upon the land use classification into which it falls, as designated on the Declarant's master land use plan or actual use. In the event that the land use classification for a particular Tract is not apparent, the determination of land use classification made by the Declarant shall be controlling. The number of Equivalent Units assigned to each Tract shall be as follows:

<u>Land Use Classification</u>	<u>Equivalent Units</u>
Tract developed with Multi-Family Attached Residences (occupied or certified for occupancy by governmental authority)	0.4 per residential unit
Other Residences	1.0
Tract without building improvements (regardless of intended use)	5 per acre (rounded to the nearest one-half acre)
Commercial Tract (with building improvements)	5 per acre (rounded to nearest one-half acre) + 1.0 per 1,000 square feet of gross floor area within improvements

(B) Calculation of Assessment. The percentage of the total annual General Assessments to be levied on a particular Tract shall be computed by dividing the number of Equivalent Units assigned to such Tract by the total number of Equivalent Units assigned to all Tracts within the Properties, then multiplying the resulting percentage by the total General Assessments and/or Special Assessments.

For example, assuming 500 total Equivalent Units in the Properties and a total General Assessments of \$50,000.00, if a particular Tract is assigned an Equivalent Unit of 1.0, the assessment of such Tract would be \$100.00 (i.e., $1.0/500 \times \$50,000.00 = \100.00)

The land use classification and number of Equivalent Units assigned to each Tract, and the percentage of the total General Assessments and/or Special Assessments to be levied on each Tract shall be computed at least annually as a part of the budget process outlined in the Declaration. Notice of the percentages for each Tract (including a summary of the computations) shall be sent to each Member together with the notice of the General Assessments.

After Recording, Return To:
Coats, Rose, Yale, Ryman & Lee
A Professional Corporation
Attorneys at Law
800 First City Tower
1001 Fannin
Houston, Texas 77002-6707

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