

DECLARATION
OF COVENANTS, CONDITIONS, AND RESTRICTIONS

~~FOR RANCHO ISABELLA SECTION THREE~~

STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

THIS DECLARATION, made on the date hereinafter set forth by THE HOODY CORPORATION, a Texas corporation, hereinafter referred to as "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant together with the entities listed on Appendix 1 hereof are the owners of certain property in Brazoria County, Texas, which is more particularly described in Exhibit A attached hereto and incorporated into this document for all purposes;

WHEREAS, no restrictions or protective covenants cover or affect such property and Declarant now desires to provide for an overall plan of orderly development for Rancho Isabella Section Three;

NOW THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title, or interest in the described properties or any part thereof, their heirs, successors, and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot (as defined herein) which is a part of the

Properties (as defined herein), including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Declarant.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties.

Section 4. "Declarant" shall mean and refer to The Moody Corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 5. "Section Three Architectural Control Committee" shall mean and refer to the Section Three Architectural Control Committee established in accordance with the provisions of Article IV hereof.

Section 6. "Board" shall mean and refer to the Board of Directors of the Association.

Section 7. "Association" shall mean and refer to the Sonora Homeowners Association, a Texas non-profit corporation, its successors and assigns.

ARTICLE II

LAND USE, CONSTRUCTION STANDARDS AND RESTRICTIONS

Section 1. Permitted Uses. No building shall be erected, altered, or permitted to remain on any Lot other than one detached single family dwelling use for residential purposes only, and not to exceed two (2) stories in height. Each dwelling on a Lot shall have an attached or detached garage or carport for one (1) or more cars but not more than three (3) cars. As used herein, the term "residential purposes" shall be construed to prohibit mobile homes or trailers from being placed on the Lots,

or the use of such Lots for garage apartments or apartment houses and no Lot shall be used for business or professional purposes for any kind, nor for any commercial or manufacturing purposes. No temporary building of any kind, with the exception of lawn storage, children's playhouses and temporary construction trailers shall ever be moved onto any Lot.

Section 2. Construction Standards. The construction, remodeling or alteration of any building or other structure within the Properties shall meet the standards set forth in this Declaration and those of any governmental authorities with jurisdiction over the Properties in effect during the year(s) of construction. No building shall be covered with sheet or corrugated aluminum (except for aluminum carports, if approved by the Section Three Architectural Control Committee in its sole discretion), corrugated fiberglass, asbestos, iron or steel. Further, buildings shall only be constructed out of brick, exposed aggregate concrete, stucco, wood, glass and such other materials as are approved by the Section Three Architectural Control Committee. Unless the Section Three Architectural Control Committee otherwise consents in writing, the exterior finish or construction of the first floor of any two story building shall be of at least fifty percent (50%) brick, stone or other masonry. The roof of any building may be constructed with asphalt composition shingles of either 235 lbs. or 300 lbs. per 100 square feet of roof, whichever from time may be permitted by the Section Three Architectural Control Committee, or wood shingles or ceramic tile of such weight and quality as are approved by the FHA from time to time.

Section 3. Set-backs. Except as may be permitted in Section 4 of this Article II, no buildings (except for a detached garage which may be no nearer than three (3) feet to the side or rear Lot line) shall be located on any Lot nearer to the front or rear Lot Line or nearer to the street side line than the minimum

building set-back line shown on the recorded sub-division map or plat of the Properties. There shall be a building set-back of five (5) feet from any side Lot line. The Section Three Architectural Control Committee reserves the right during its review of construction plans to relax setback requirements on such Lot where necessary or desirable, in its sole discretion, to accomplish a more effective and compatible land utilization.

Section 4. Zero Lot Line Option.

A. Placement. The front building set-back line shall be as set forth in the recorded plat of the subdivision. A resident's dwelling constructed pursuant to this option must be designed so that a minimum of fifty percent (50%) of the linear distance of one (1) wall of the resident structure shall be constructed adjacent to and abutting a side lot line. The side Lot line chosen for such construction shall be deemed and hereinafter referred to as the "Zero Lot Line" and the Owner utilizing this Option shall be deemed and hereinafter referred to as the "Zero Lot Line Owner." Provided, however, an open court or patio may be built adjacent to and abutting the Zero Lot Line but such open court or patio must be enclosed by a masonry or wood wall having a minimum height of six (6) feet. Such wall must be constructed adjacent to and abutting the Zero Lot Line and enclose the court or patio in such a manner that the court or patio appears to be an extension of the Zero Lot Line Owner's dwelling. Any wall abutting and adjacent to the Zero Lot Line (the "Zero Lot Line Wall") must have no exterior objects or appurtenances, attached thereto or contained therein, including but not limited to electric panels, vents, plumbing cleanouts, windows, or openings of any kind, unless such wall is on the street side of a corner Lot. Where the Zero Lot Line Wall is on the street side of a corner Lot, normal openings and exterior appurtenances may be constructed thereon. The roof overhang and attached guttering of a dwelling built pursuant to this option

may extend and encroach over the Zero Lot Line for a distance not in excess of twenty-four (24) inches. For all Lots satisfactorily developed pursuant to this Zero Lot Line Option there is hereby established a ten (10) foot minimum distance between the Zero Lot Line and the resident's dwelling situated upon the adjoining Lot. In the event of a conflict as to whether a Lot is designated for Zero Lot Line as it relates to any adjacent Lot, the Lot upon which a building permit is first secured shall control the architectural designation of such adjacent Lots. An open court or patio wall constructed in accordance with this section shall not be considered a part of the Zero Lot Line Owner's dwelling.

B. Zero Lot Line Access Easement. The election by an Owner, its successors and assigns of the Zero Lot Line Option as evidenced by the completion of construction of a dwelling complying with the requirements of this Zero Lot Line Option shall entitle such Lot Owner to a five (5) foot access easement extending the entire depth of the Lot from front to back abutting and in parallel to the Zero Lot Line Wall, over, on and across the adjacent Lot for construction, repair, and maintenance of improvements located on the Zero Lot Line. Conditions and use of the Zero Lot Line Access Easement are hereby declared and established by and between the Owner of the Zero Lot Line and the Owner of the adjacent Lot. These conditions are covenants running with the land binding both of the above-mentioned Owners and all of their respective heirs and assigns: to-wit:

- (1) the Zero Lot Line Owner must replace any fencing, landscaping, or other items on the adjacent lot that he damages during construction, repair, or maintenance of his residence structure while utilizing the Zero Lot Line Access Easement.
- (2) the Zero Lot Line Access Easement, when utilized by the Zero Lot Line Owner for construction, repair, or maintenance of his residence, must be left clean and unobstructed, unless the Zero Lot Line

Access Easement is being utilized continuously and any items removed from the Zero Lot Line Access Easement must be replaced.

- (3) the Zero Lot Line Owner must notify the Owner of the adjacent Lot of its intent to do any construction, repair, or maintenance upon the Zero Lot Line Wall that will require the utilization of the Zero Lot Line Access Easement, at least twenty-four (24) hours before commencing work. The hours during which the Zero Lot Line Access Easement may be utilized are between 8:00 a.m. and 5:00 p.m. Monday through Friday and 9:00 a.m. - 6:00 p.m. on Saturday or any other time which is mutually agreed upon by both the Zero Lot Line Owner and the Owner of the adjacent Lot.
- (4) both the Zero Lot Line Owner and the Owner of the adjacent Lot shall have the right of surface drainage, over, along, and upon the Zero Lot Line Access Easement. Neither Owner shall use the Zero Lot Line Access Easement in a manner that will interfere unreasonably with such drainage.
- (5) neither Owner shall attach any object to the Zero Lot Line Wall, facing into the Zero Lot Line Access Easement and the owner of the adjacent Lot shall have no right to utilize the Zero Lot Line Wall for any purpose including but not limited to a playing surface for any sport. Moreover, no structure shall be constructed or placed upon the Zero Lot Line Access Easement by either Owner, except for the roof overhang and gutturing as provided for above, and a fence by the Owner of the adjacent Lot which allows drainage; however, access to the Zero Lot Line Access Easement must be preserved for the Zero Lot Line Owner.

Section 5. Size. The square foot area of the main structure of any one-story residential unit, exclusive of open porches and garages shall not be less than 1000 square feet, and the square foot area of the first floor of the main structure of any two-story residential unit, exclusive of open porches and garages, shall not be less than 800 square feet. For the purposes of computing the square feet requirements contained herein, all measurements shall be from the outside of the exterior walls of the structure.

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Section 6. Nuisances or Illegal Activities. No illegal, noxious or offensive activities of any kind shall be conducted on any portion of the Properties, and the Section Three Architectural Control Committee shall have the exclusive and final determination as to what activity constitutes a noxious or offensive activity. No use shall be permitted which is offensive by reason of odor, fumes, vibrations, dust, smoke, radiation, noise or pollution, or that is hazardous by reason of excessive danger or fire or explosion or that will cause or produce a nuisance as to any other portion of the Properties.

Section 7. Oil, Gas and Mining Operations. No oil or gas exploration, drilling, or development operations or oil and gas refining, quarrying, or mining operations of any kind shall be permitted upon or within any portion of the Properties, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or within any portion of the Properties. No derrick or other structure to be used for boring for oil or natural gas shall be erected, maintained, or permitted upon any portion of the Properties.

Section 8. Animal Husbandry. No animals, livestock, or poultry of any kind can be raised, bred, or kept on any Lot or anywhere within the Properties except that no more than a total of two (2) normal household pets may be kept in each Lot, subject to the rules and regulations adopted by the Section Three Architectural Control Committee, provided that such pets are not kept, bred or maintained for any commercial purpose within the Properties.

Section 9. Antennae. No electronic antennae or device of any type shall be erected, constructed, placed or permitted to remain on the roof of any structure, improvement or building, provided, however, an antennae for receiving television or radio signals shall be permitted if such antennae is located to the rear of the roof ridge line, and is not visible from any

street or other right-of-way. No antennae, either free standing or attached, shall be permitted to extend above the roof of the structure located on the Lot nor shall an antennae be erected on a pole.

Section 10. Signage. No sign of any kind shall be displayed to the public view on any Lot, except each Owner may place one sign of not more than 4 square feet on each Lot for the purpose of advertising such Lot for sale or rent; provided, however, the Declarant shall have the right to erect such signs as it, in its sole discretion, deems appropriate on any Lot owned by Declarant for the purpose of marketing said Lot.

Section 11. Storage. No boats, trailers, campers, horse trailers, buses, inoperative vehicles of any kind, camping rigs, boat rigging or other vehicle or associated equipment of a recreational or commercial nature shall be parked or stored permanently or semi-permanently on any Lot unless properly screened from public view in a manner approved in writing by the Section Three Architectural Control Committee. Each Owner shall keep his garage door in its closed position at all times the same is not in use.

Section 12. Landscape. On the front lawn or wherever visible from any street, there shall be no decorative appurtenances placed, such as sculptures, bird baths, fountains, or other decorative embellishments, fences or any plant, hedge, tree, shrub, fence, wall, structure or other improvement (including play ground and recreational equipment) unless the same shall have been approved in writing by the Section Three Architectural Control Committee.

Section 13. Maintenance. The Owner and lessee of any portion of the Properties shall have the duty and responsibility for keeping the premises, building, improvements, appurtenances and landscaping in a well maintained, safe, clean and attractive condition at all times. Should any such Owner or lessee fail to

fulfill this duty to maintain, any other Owner shall have the right and power to perform such care and maintenance, and the Owner or lessee shall be liable for the cost thereof.

Section 14. Temporary Structures. No temporary building or structure other than the construction offices and structures for related purposes during the construction period for improvements on a Lot shall be installed or maintained on any Lot without the prior written approval of the Section Three Architectural Control Committee. All temporary structures used for construction purposes must receive approval from the Section Three Architectural Control Committee with regard to location and appearance and must be removed promptly upon the completion of construction.

Section 15. Right of Developer, the Section Three Architectural Control Committee and/or the Association to Perform Work or Act. In the event of a default on the part of any Owner in observing any of the requirements set out in Sections 1-14 of this Article II, the Declarant, the Section Three Architectural Control Committee and/or Association shall have the right to enter upon such Owner's Lot through its agent without liability to said Owner (or any lessee, tenant, invitee, customer, or licensee of such Owner) for trespass or otherwise, and to cause to be done any work or act necessary to secure compliance with these protective covenants and requirements, and may charge such Owner for the cost of any such work or act. The cost of any such work or act performed by the Declarant, the Section Three Architectural Control Committee and/or the Association shall be assessed against each Owner's property upon which such work or act is done. The amount due shall be the personal obligation of said Owner, and together with any interest thereon accrued at the maximum lawful rate permitted by applicable Texas or federal law, whichever permits the higher lawful rate (or if there is no such maximum, then at the rate of twenty-five percent (25%) per annum,

from the date due hereunder until paid, shall be collectible by that Declarant, the Architectural Control Committee or the Association, as the case may be, in an appropriate action at law and equity, and shall be secured by valid and prior lien, hereby created and fixed, on such Owner's Lot and all improvements thereon. The lien hereby created shall be subordinate and inferior only to (a) all liens for taxes or special assessments levied by Brazoria County, the State of Texas, or by any political subdivision or special district thereof, and (b) all liens, including, but not limited to vendor's liens, deeds of trust, mortgages and other security instruments which secure any loan for any part of the purchase price of the Lot and/or the cost for improvements thereon and which are filed for record prior to the date payment to Declarant, the Section Three Architectural Control Committee or the Association for any such work or act becomes due and payable; provided, however, a foreclosure of said prior lien shall free any Lot from the lien securing any amount thereafter becoming due and owing to Declarant, the Section Three Architectural Control Committee, or the Association under this Section 15, but such foreclosure shall not affect the personal liability of the Owner of the Lot.

ARTICLE III

EASEMENTS

Section 1. Existing Easements. The Properties are subject to certain existing easements for streets and utilities which appear of record in the Office of the County Clerk of Brazoria County, Texas. All such recorded easements are incorporated herein by this reference, and the title conveyed by Declarant to any Tract shall be subject thereto, whether or not so provided in the deed conveying same. Declarant's title to any utility lines, facilities, and appurtenances within the easements shall not pass to the purchaser of any Lot but shall remain with

Declarant and may be given, sold or leased by Declarant to any public authority, utility company or holder of a public franchise at any time thereafter.

Section 2. Right to Dedicate. Declarant hereby reserves the right to dedicate, convey or otherwise create by instruments or plat filed for record in the Office of the County Clerk of Brazoria County, Texas other easements upon, across, over and under all of the Properties for ingress or egress in connection with installing, operating replacing, repairing and maintaining all utilities. Notwithstanding anything contained in this paragraph to the contrary, no sewer, electrical, water, gas or communication lines, or other utility appurtenances may be installed or relocated on the Properties until approved by Declarant or the Section Three Architectural Control Committee.

Section 3. Easement for Declarant, etc. An easement is hereby granted to Declarant, the Section Three Architectural Control Committee, the Association and their respective officers, agents, employees, and management personnel to enter upon any Lot to render service or perform any of their respective functions.

Section 4. No Right to Grant Easement. No Owner shall grant any easement on, over, under, or across any portion of the Properties without the prior written approval of Declarant, the Section Three Architectural Control Committee or the Association and any attempt to make such a grant shall be of no force or effect.

ARTICLE IV

ARCHITECTURAL CONTROL

Section 1. Approval of Plans. All construction and development in the Properties shall be subject to the approval of the Section Three Architectural Control Committee. No building, structure, fence, mailbox, wall, walk, interior road, parking facilities, landscaping, exterior lighting, carport, sign or other improvement shall be commenced, erected, constructed,

placed or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the detailed plans and specifications therefor, including, but not limited to, site layout, building location, building materials, colors, elevations, signs, landscaping, internal drainage, off-street vehicular parking, vehicular access and flow, exterior illumination and underground utilities, shall have been submitted to and approved in writing by the Section Three Architectural Control Committee as to compliance with this Declaration, minimum structural and mechanical standards, and location and situation on the Lot, and as to harmony of external design or location in relation to property lines, building lines, easements, grades, surrounding structures, walks, and topography (including the orientation of the front and rear of any such building with respect to the property lines). The Section Three Architectural Control Committee, in its discretion, may require that it be furnished with such structural, mechanical, electrical and/or plumbing details of the proposed improvements or alterations thereto as it deems necessary. In the event the Section Three Architectural Control Committee fails to approve or disapprove such plans and specifications within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and the provisions of this Section will be deemed to have been fully complied with; provided, however, that the failure of the Section Three Architectural Control Committee to approve or disapprove such plans and specifications within such thirty (30) day period shall not operate to permit any structure or other improvement to be commenced, erected, placed, constructed or maintained on any portion of the Properties in a manner inconsistent with any one or more provisions of this Declaration. Without limitation of the powers herein granted, the Section Three Architectural Control Committee shall have the right to specify a limited number of acceptable exterior

materials and/or finishes that may be used in the construction, alteration or repair of any improvement on any Lot. It also shall have the right to specify requirements for each Lot as follows: the location, height and extent of fences, walls, or other screening devices; and the orientation of the structure with respect to access and major entry and frontage. The Section Three Architectural Control Committee shall have full power and authority to reject any plans and specifications that do not comply with the restrictions herein imposed or meet its minimum construction or architectural design requirements or that might not be compatible, in the sole discretion of the Section Three Architectural Control Committee with the design or overall character and aesthetics of the Rancho Isabella project.

The Section Three Architectural Control Committee's approval of any building and site plans for any building or other improvement to be constructed or in any other manner to exist on a Lot shall be and is hereby conditioned upon the Section Three Architectural Control Committee's receiving, prior to the pouring or placement of any portion of the foundation or footings for any such building or other improvements, (1) a plat of survey of such Lot, prepared by a registered professional surveyor or engineer and bearing the certificate (with a current date) of such surveyor or engineer stating that such plat depicts the findings of a current, on-the-ground survey and inspection and showing the actual location of the forms for the foundation of such building or other improvements (or the portion of such foundation for which approval to pour or place is then being sought) to be in the location depicted on the site plan previously approved by the Section Three Architectural Control Committee (without deviation deemed material by the Architectural Control Committee), and (2) a written certificate from such surveyor or engineer, or from the independent supervising architect for such building project, or from such other person as shall be satisfactory to the Section

Three Architectural Control Committee, certifying (in form reasonably satisfactory to the Section Three Architectural Control Committee) that when poured no portion (above or below the surface of the ground) of such foundation shall extend beyond any property line of such Lot or into any easement or applicable set back area as herein (or by other applicable restrictions or law) provided.

The Section Three Architectural Control Committee shall have five (5) business days from the date on which the Section Three Architectural Control Committee receives such plat of survey and certificate (in the form provided for herein) within which to determine that the location of the foundation to be poured is consistent with the site plan previously approved by the Section Three Architectural Control Committee and does not encroach (above or below the surface) into any property or into any easement or building set back area. If the Section Three Architectural Control Committee fails to approve or disapprove such plat of survey and certificate within such five (5) business day period, then the Section Three Architectural Control Committee shall be deemed to have approved the location of such foundation, provided, however, that the Section Three Architectural Control Committee shall not thereby be deemed to have approved the location of such foundation to the extent any portion thereof shall encroach (above or below the surface) into any property, into any easement or into any building set back area.

Section 2. Composition of Section Three Architectural Control Committee. For a period of ten (10) years after the effective date hereof (herein called the "Initial Period"), the Architectural Control Committee shall be composed of John S. Moody, George Moody and Jack S. Baber. Declarant reserves the right and power to designate other persons to serve on the Architectural Control Committee from time to time, and at any

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time during the Initial Period. In addition, prior to the end of the Initial Period Declarant may assign its rights to designate another person or persons to serve as the Section Three Architectural Control Committee to the Association. As of the effective date of any such assignment, the Association shall succeed to Declarant's rights, duties and obligations in connection with such matters and Declarant shall cease to have any obligations, duties or responsibilities in connection therewith.

The address of the initial Section Three Architectural Control Committee is 3355 West Alabama, Suite 1010, Houston, Texas 77098.

After the expiration of the Initial Period, the Section Three Architectural Control Committee shall be composed of three (3) persons who shall be appointed by the Board and shall serve for successive ten (10) year terms. The Board shall have the right to remove and replace any member of the Section Three Architectural Control Committee appointed by the Board at any time, with or without cause. A vote of the majority of the members of the Section Three Architectural Control Committee shall be required for any action or decision of, and shall be sufficient to bind, the Section Three Architectural Control Committee.

ARTICLE V

SONORA HOMEOWNERS ASSOCIATION

Section 1. Purposes. The Association is organized and operated as a non-profit corporation under the laws of the State of Texas. By instrument (the "Annexation Agreement") recorded in the Deed Records of Brazoria County, Texas, the Association has annexed the Properties, and thus the purposes of the Association, subject to the limitations set forth in the Annexation Agreement, include the enforcement of this Declaration.

Section 2. Membership and Voting Rights. Each Owner, whether one or more persons or entities, and including Declarant

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shall, by virtue of being an Owner become a Class A member ("Member") of the Association and shall remain a Member until such time as his ownership or fee simple title to the surface estate of any Lot terminates for any reason, whereupon his membership in the Association shall automatically terminate. By virtue of such membership, each Owner shall have one (1) vote in matters considered by the Association for each Lot owned by him within the Properties which is not subject to any purchase money lien held by Declarant. Declarant shall have one (1) vote for each Lot within the Properties owned by it or on which it holds a purchase money lien.

When more than one Owner holds an interest in any land, all such persons or entities shall determine among themselves how the vote for such land shall be exercised, but in no event shall more votes be cast than the number that are attributable to such land. Votes may be cast in person or by duly authorized proxy. Any Owner who is delinquent in the payment of any assessment as hereinafter set forth shall not be entitled to vote during any period in which any such assessment is delinquent.

ARTICLE VI
ASSESSMENTS

Section 1. Purpose. The assessments provided for herein shall be used to enforce the provisions contained in this Declaration and to promote the health, safety, welfare and enjoyment of the Owners, residents of the Properties, and Members of the Association, and for the improvement, beautification, maintenance, management and operation of property located within the Association's jurisdiction. In particular, the assessments shall be used for services and facilities devoted to this purpose, including, by way of illustration but not limited to, the lighting, sweeping, landscaping, mowing and maintenance of public streets, esplanades, areas adjacent to public streets, entry

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markers, signage within or for the Properties, and for garbage pick-up and disposal services. Assessments provided for herein shall also be used to maintain the Association's recreational facilities and otherwise fulfill the Association's purposes.

Section 2. The Amount of Annual Assessments. The annual assessments provided for herein are to provide the funds reasonably anticipated to be needed for the purposes stated in Section 1 of this Article, including reasonable reserves therefor. Except as herein provided, the Association shall determine the amount of the annual assessment on each Lot in the same manner (and subject to the same limitations on the maximum amount thereof) as such annual assessments are determined by the Association for lots in Rancho Isabella Section One under the terms of Article VIII, Paragraph F of the Declaration of Covenants, Conditions and Restrictions for Rancho Isabella Section One, as recorded in Volume 1501, Page 632 of the Deed Records of Brazoria County, Texas, to which reference is here made for all relevant purposes. The maintenance assessment shall be uniform for each subdivision lot subject to the jurisdiction of the Association, and in no event shall the Properties be subject to an assessment in an amount greater than that imposed on other property within the Association. The maintenance assessments shall be non-discriminatory between and among Sections One, Two and Three of Rancho Isabella. The Association has an affirmative obligation to fulfill the purposes stated in Section 1 of this Article, and shall keep and maintain the public streets, esplanades, areas adjacent to public streets, entry markers and signage within the Properties. The authority of the Association to impose the assessments hereinabove provided for on the Properties shall be conditioned upon substantial good faith performance by the Association of its affirmative obligations as stated in the immediately preceding sentence.

Section 3. Special Assessment for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year for the purpose of financing, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the improvements owned by the Association, provided that any such assessment shall have been approved by a vote of two-thirds (2/3) of the Members of the Association.

Section 4. Commencement Date and Due Dates for Annual Assessments. The annual assessment provided for herein shall commence on the date fixed by the Board. The first annual assessment shall be made for the balance of the calendar year in which it is made and shall be payable on the day fixed for commencement, or in equal monthly, quarterly or semi-annual installments over the balance of the year, as elected by the Board. The assessments for each calendar year after the first year shall be due and payable as determined by the Board.

Section 5. Unimproved Portions of the Properties Owned By Declarant and/or Builders. Declarant and/or any builder or building company which owns a Lot not developed with a permanent residence but improved with paved streets, water, sewer and other utilities shall pay fifty percent (50%) of the annual assessment applicable to each such Lot owned by Declarant and/or such builder or building company, such amount accruing on a monthly basis beginning with the date of recordation of this Declaration, with the entire amount being due and payable on the date such undeveloped Lot is developed with a single family residence and sold to a home owner.

Section 6. Duty of Association. It is understood that the judgment of the Association of the allocation and expenditure of funds received by it through the annual assessments shall be final. Neither the Association, the Board

nor any member of the Board shall have any liability to any person or entity for any action or inaction so long as the Association and the Board exercise reasonable judgment in good faith and fulfill the obligations and conditions set forth in Section 2 of this Article. The enumeration of services for which the annual assessment may be expended is not intended to and does not create any obligation, other than to fulfill the obligations and conditions contained in Section 2 of this Article, on the part of the Association or the Board to furnish any of such services except to the extent funds adequate to pay for such services are actually received by the Association.

Section 7. Effect of Non-Payment of Assessments; Remedies of Association. If an assessment is not paid on the date when it is due and payable as specified herein, then such assessment shall be delinquent and shall, together with interest thereon, attorney's fees, court costs and other costs of collection thereof, be secured by a continuing lien on the Lot in respect of which such delinquent assessment is owed and shall also be the personal obligation of the then Owner of such Lot. If the assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from the due date until paid at the maximum rate of interest permitted by applicable Texas or Federal law, whichever permits the higher lawful rate (or if there is no such maximum, then at the rate of twenty-five percent (25%) per annum), and the Association may bring an action at law against the Owner personally obligated to pay the same or may foreclose the lien against the Lot and thereafter, at its option, recover the deficiency, if any, from such Owner.

Section 8. Lien to Secure Assessments; Subordination of Lien to Certain Mortgages. The annual assessment on each Lot shall be secured by a separate, valid and subsisting lien, which is hereby created and fixed upon and against said Lot and all

improvements thereon, for the benefit of the Association and all other Owners and shall be prior and superior to all other liens, except that the same shall be subordinate and inferior to (a) all liens for taxes or special assessments levied by Brazoria County or the State of Texas, or by any political subdivision or special district thereof, and (b) all liens, including but not limited to, vendor's liens, deeds of trust, mortgages and other security instruments which secure any loan for any part of the purchase price for the Lot and/or the cost of improvements thereon and which are filed for record prior to the date the annual assessment becomes due and payable. The voluntary sale or conveyance of any Lot shall not free any Lot from the liens securing assessments assessed against such Lot; provided, however, a foreclosure of said prior liens shall free any Lot from the liens securing assessments due prior to said foreclosure sale (or deed in lieu thereof). No sale or transfer of a Lot shall relieve the personal obligation of the Owner of the Lot to pay assessments thereafter becoming due and payable or from the lien securing the same.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Duration. This Declaration shall be binding on the Property and the Owners, and shall inure to the benefit of and be enforceable by the Association or the Owner of any land subject to the Declaration and their respective legal representatives, heirs, successors and assigns, for the Initial Term commencing on the effective date hereof and ending twenty (20) years after such effective date, and shall be automatically renewed and extended for successive periods of ten (10) years, unless a majority of the then Owners of the Lots execute and deliver for recordation an instrument agreeing to change or terminate this Declaration in whole or in part. Except as stated

in Section 2 of this Article VII and subject to Declarant's consent as stated herein, this Declaration may otherwise be amended or terminated only upon the authorization and approval of an absolute two-thirds (2/3) of the Owners, said approval to be indicated by a vote at a meeting of the Owners called to act on such matters. Upon approval by an absolute two-thirds (2/3) of the Owners of either the amendment or termination, the Board shall adopt a corporate resolution directing the President or Secretary of the Association to execute a proper amendment or termination instrument and file it for record in the Office of the County Clerk of Brazoria County, Texas. Furthermore, during the period commencing on the effective date hereof and ending ten (10) years after such effective date, the written consent of Declarant is required for any amendment to this Declaration. No amendment shall be construed or applied to prohibit the continuing or continuous use of a Lot for a purpose for which it was being used in compliance with this Declaration before such amendment.

Section 2. Amendments by Declarant. Declarant shall have, and hereby reserves, the right, at any time and from time to time, without the joinder or consent of any other party, including, without limitation the Association, to amend this Declaration by an instrument executed by Declarant and filed for record in the Office of the County Clerk of Brazoria County, Texas, for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan of development as evidenced by this Declaration and shall not impair or affect the vested property or other rights of any Owner or lienholder.

Section 3. Enforcement. The Declarant, the Section Three Architectural Control Committee, the Association or any Owner (at such Owner's expense) shall have the right to enforce, by proceedings at law or in equity, all restrictions, covenants,

conditions, reservations, liens, charges, assessments and provisions set out in this Declaration; provided, however, that the failure of such party to take any action upon a breach of or default under any provision contained in this Declaration shall not render such party liable in any manner for such failure, and shall not be deemed a waiver of the right to take action if such breach or default continues, or to take action upon any subsequent breach or default hereunder.

Section 4. Declarant, Association and Section Three Architectural Control Committee not Liable for Damages. Neither Declarant, representatives designated by Declarant to act for it under this Declaration, successors and assigns of Declarant, officers and directors of the Association nor members of the Section Three Architectural Control Committee shall be liable in damages to any Owner, to any lessee, tenant or other occupant of any land or improvement covered by this Declaration or to anyone else in connection with the exercise or failure to exercise the powers, duties and authorities set forth in this Declaration, by reason of mistake in judgment, negligence or nonfeasance. Every person who submits plans and specifications for approval pursuant hereto agrees, by submission thereof, and every Owner, lessee or tenant of any of the property subject hereto agrees, by acquiring title thereto or a leasehold interest therein, that he will not bring any action or suit against any of said persons or parties to recover any such damages.

Section 5. Interpretation. If this Declaration, or any word, clause, sentence, paragraph, or other part thereof, shall be susceptible to more than one interpretation, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

Section 6. Omissions. If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity, or effect to any other word, clause, sentence, or

provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

Section 7. Notices. Any notice required to be sent to any Owner or Member under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner or Member on the records of Declarant, the Section Three Architectural Control Committee or the Association, as the case may be, at the time of such mailing.

Section 8. Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.

Section 9. Severability. Invalidation of any one or more of the covenants, restrictions, conditions, or provisions contained in this Declaration, or any part thereof, shall not affect any of the other covenants, restrictions, conditions, or provisions hereof, which shall remain in full force and effect.

Section 10. Exhibits. Exhibit A attached hereto is incorporated herein for all purposes.

EXECUTED the 3rd day of January, 1986.

THE MOODY CORPORATION,
a Texas corporation

By: Jack L. Raber

Name: Jack L. Raber

Title: Exec. Vice President

This instrument is executed by the undersigned lienholder to submit its liens, to the extent that such liens cover and affect the property described in Exhibit A, to the covenants, conditions and restrictions contained herein.

TEXAS AMERICAN BANK-GALLERIA

By: Samuel R. Bartholomew
Name: SAMUEL R. BARTHOLOMEW
Title: VICE PRESIDENT

This instrument is executed by Sonora Homeowners Association (the "Association") to evidence its agreement and consent to the covenants, conditions and restrictions contained herein. Furthermore, the Association acknowledges that the maintenance assessments collected from the Properties, as specified in Article VI of this instrument, shall be expended either on the recreational facilities owned by the Association or on the maintenance and up-keep of the Properties, as specified in Article VI, Sections 1 and 2.

SONORA HOMEOWNERS ASSOCIATION

G. H. Robbins
G. H. ROBBINS, DIRECTOR
Charles Kilman
CHARLES KILMAN, DIRECTOR
Earl Powell
EARL POWELL, DIRECTOR

APPROVED:
FEDERAL HOUSING ADMINISTRATION

By: James H. Wilson
Name: James H. Wilson
Title: Manager

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on 3rd day of December, 1986 by Samuel R. Bartholomew of THE MOODY CORPORATION, a Texas corporation, on behalf of said corporation.



Samuel R. Bartholomew
Notary Public in and for
the State of Texas

My commission expires: June 1, 1987
COMMISSION EXPIRES 5/1/87

SR

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on 21ST day of JANUARY, 1986 by SAMUEL R. BATHOLOMEW, of TEXAS AMERICAN BANK-GALLERIA, a on behalf of said

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

My commission expires: 1-14-88
ARLENE W. CAMMIELL
Notary Public in and for Harris County, Texas
My Commission Expires 1-14-88

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on 1-14-86, 1985 by G. H. Robbins, a Director of Sonora Homeowners Association, a Texas corporation.

(SEAL)

[Signature]
Notary Public in and for the State of Texas
Printed Name: Arleene W. Cammiell

My commission expires: 1-14-88

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on 1-14-86, 1985 by Charles Kilman, a Director of Sonora Homeowners Association, a Texas corporation.

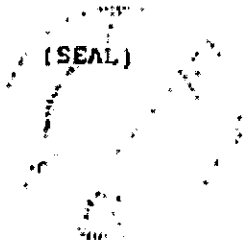
(SEAL)

[Signature]
Notary Public in and for the State of Texas
Printed Name: Arleene W. Cammiell

My commission expires: 1-14-88

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §

This instrument was acknowledged before me on 1-14-86, 1985 by Earl Powell, a Director of Sonora Homeowners Association, a Texas corporation.



[Signature]
Notary Public in and for
the State of Texas
Printed Name: Christie Cecelius
My commission expires: 6-5-88

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on 1-30-86, 1985 by James H. Wilson, Manager, Houston Office of the Federal Housing Administration.



[Signature]
Notary Public in and for
the State of Texas
Printed Name: Glynda L. Powell
My commission expires: 8-11-89

SB

EXHIBIT "A"

Lots Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19) and Twenty (20) in Block Five (5); Lots Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19) in Block Six (6); Lots Twenty-two (22), Twenty-three (23), Twenty-four (24), Twenty-five (25), Twenty-six (26), Twenty-seven (27), Twenty-eight (28), Twenty-nine (29), and Thirty (30) in Block Seven (7); Lots Thirty-two (32), Thirty-three (33), Thirty-four (34), Thirty-five (35) in Block Eleven (11); Lot Eighteen (18) in Block Twelve (12); Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19), Twenty (20), Twenty-one (21), Twenty-two (22), Twenty-three (23), Twenty-four (24), Twenty-five (25), Twenty-six (26), Twenty-seven (27), Twenty-eight (28), Twenty-nine (29), Thirty (30), Thirty-one (31), Thirty-two (32), Thirty-three (33), Thirty-four (34), Thirty-five (35), Thirty-six (36) and Thirty seven (37) in Block Fourteen (14); Lots Three (3), Four (4), Five (5), Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19), Twenty (20), Twenty-one (21) and Block Twenty-two (22) in Block Fifteen (15); Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15), Sixteen (16), Seventeen (17), Eighteen (18), Nineteen (19), Twenty (20), Twenty-one (21), Twenty-two (22) and Twenty-three (23) in Block Sixteen (16), a subdivision located in Brazoria County, Texas, the map or plat of said subdivision being recorded in Volume 17, Page 315-316 of the Map Records of Brazoria County, Texas.

FILED FOR RECORD
FEB 19 3 27 PM '06
Dolly B. Bailey
ATTORNEY AT LAW
WASHINGTON, D.C.

THE STATE OF TEXAS
COUNTY OF BRAZORIA
I, DOLLY B. BAILEY, Clerk of the County Court in and for Brazoria County,
do hereby certify that the above is a true and correct copy of the
Map Record of the County Court in and for Brazoria County, Texas,
as the same is on file in the office of the Clerk of the County Court in and for
Brazoria County, Texas.



Dolly B. Bailey
County Clerk of Brazoria Co., Tex.