

EXHIBIT "D"

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THE VILLAGE OF STONEWOOD

A condominium project

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, this Declaration of Covenants, Conditions and Restrictions recorded \_\_\_\_\_, 2005.

WHEREAS, TEXAS FIRST EQUITY,LLC (hereinafter "T.F.E.") are the owners of the following described real property, situated within the County of Angelina, State of Texas:

Being all that certain tract or parcel of land lying and situated in Angelina County, Texas, out of the McKINNEY & WILLIAMS SURVEY, ABSTRACT NO. 469 and being all of those certain two tracts described as Tract One (3.925 acres) and Tract Two (3.925 Acres) in a deed from Darwin L Storer and Mary Britt to Texas 1st Equity, LLC dated June 28, 2005 and recorded in Volume 2210 on Page 176 of the Real Property Records of Angelina County, Texas.

NOW, THEREFORE, T.F.E., (referred to herein as "Declarant") hereby declares that all of the subject properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property, and all of which are hereby declared to be for the benefit of all of the property described herein and the owners thereof, their heirs, successors, grantees and assigns.

1. PURPOSE OF THESE RESTRICTIONS, COVENANTS AND CONDITIONS

The purpose of these restrictions, covenants and conditions is to assure the use of the property for attractive residential purposes (as set forth herein) only, and securing to each UNIT owner the full benefit and enjoyment of his or her UNIT in furtherance of a common plan.

2. DEFINITIONS

As used herein, the following terms have the following meanings:

A. The "Architectural Control Committee" means the committee provided for in Part 4 of this Declaration.

B. The "Association" means THE VILLAGE OF STONEWOOD CONDOMINIUM OWNERS ASSOCIATION, Inc. as referred to in Part 3 of this Declaration.

C. "Bona Fide First Mortgage" means any Realty Mortgage or Deed of Trust made in good faith and for value and properly executed and recorded so as to create a lien on any UNIT or UNITS that is prior to the lien of any other Realty Mortgage or Deed of Trust.

D. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for THE VILLAGE OF STONEWOOD.

E. "Exclusive Use Area" (hereinafter "EUA") means the area designated for the Owners exclusive use.

F. "Fencing" means any containment using wood, logs or plantings to create separation from other UNITS or within a UNIT.

G. The "UNIT" or "UNITS" means the UNITS in the complex either individually or collectively, as the case may be.

H. "Owner" shall mean and refer to the recorded Owner, whether one or more persons or entities of fee or equitable or beneficial title to any UNIT. Owner shall include the purchaser of a UNIT under an executory contract for purchase. The foregoing definition does not include persons or entities that hold an interest in any UNIT as security for the performance of an obligation.

I. The "Plat" means the plat of record referred to above, as may hereafter be amended.

J. The "Property" means the real property described above or any part thereof.

**3. PROPERTY OWNERS ASSOCIATION**

A. There is hereby created THE VILLAGE OF STONEWOOD CONDOMINIUM OWNERS ASSOCIATION . The purpose of the Association is to: maintain and repair the Complex, the entryway, landscaping and open areas, including any entryway and landscaping repair; maintain and repair easements created for roads and paths, being the common driveways as shown on the subdivision plat; and maintain, repair and fence, as determined to be necessary by the Association, maintain any subdivision fences created by the Association in accordance with the provisions of this Declaration.

B. Each and every Owner, in accepting a deed or contract, whether or not it shall be so expressed in such deed of contract, automatically becomes a member of the Association, and agrees to be bound by such reasonable rules and regulations as may, from time to time, be established by the Association. Membership shall be appurtenant and may not be separated from ownership of the UNIT. The rights and obligations of an Owner and membership in the Association shall not be assigned, transferred, pledged, conveyed or alienated in any way, except upon transfer of ownership of such UNIT, whether by intestate succession, testamentary disposition, foreclosure of a mortgage, or such other legal processes as now in effect or as may be hereafter established pursuant to the laws of the State of Texas. The Association shall be operated and conducted on a strictly cooperative and non-profit basis. Each UNIT Owner as a member shall have such voting rights as set forth in this Declaration.

C. In furtherance of its purposes; which are generally set forth above, the Association shall provide necessary and appropriate action for the maintenance, repair, replacement and management of the facilities referred to in Paragraph A above. It shall have the right to enter upon a UNIT, if reasonably necessary, in order to accomplish its purpose.

D. The Association shall have the power to borrow and encumber its assets, in all respects, shall have the powers necessary to carry out its purposes, whether or not specifically set forth herein, including the power to enter into contracts with third parties to perform all or part of its functions, and to hire its own employees to do so.

E. Each UNIT Owner is obligated to pay: (I) regular assessments for normal maintenance and repair and reserves, along with Association insurance and operating costs; (II) special assessments for capital improvements with such assessments to be established by the Association. The regular and any special assessments, late payment penalties and charges, if any, together with interest, (all as set by the Association) costs and reasonable attorneys fees, shall be a lien on the UNIT. Each UNIT Owner shall be personally responsible for his or her share of assessments imposed by the Association.

F. The Association shall, on an annual basis, make a determination as to the estimated costs of the repair, maintenance, and replacements of the entryway improvements and landscaping, driveways and any other common areas as shown on the plat as noted in Paragraph "A" of this Section, including any reserves necessary for future capital expenditures and maintenance. Assessments shall be charged to each Owner on a uniform per UNIT basis. The assessments may



be collected on a monthly, quarterly, or annual basis, or any combination of same as determined by the Association.

G. Each Owner shall be responsible to pay the regular assessment commencing on the first day of the month following the date of recordation of the deed or purchase contract wherein the Owner acquired legal, beneficial, or equitable title to the UNIT. The Declarant shall not be responsible for comparable assessments on each UNIT owned by it. However, Declarant shall be responsible to provide labor, material and/or monies in sufficient amounts, not to exceed the amount of the normal UNIT assessment for each UNIT owned by it, if necessary in Declarant's opinion, to properly fulfill the Association's maintenance responsibilities. Regular assessments shall be set by the Association on an annual calendar year basis. The initial regular assessment shall be Seven Hundred Twenty Dollars (\$720.00) Dollars per year, payable in monthly installments of Sixty (\$60.00) Dollars. The UNIT Owner acquiring his or her interest from Declarant during the calendar year shall be obligated for a pro rata portion thereof. The Association shall fix the amount of the regular assessment at least thirty (30) days prior to the end of the calendar year. Written notice of the assessment shall be sent to every Owner. The UNIT assessment payment is due monthly, at the first of each month, as established by the Association.

H. In addition to the regular assessment as set forth above, the Association may set special assessments if the Association determines by two-third's ownership vote that such is necessary to meet the primary purposes of the Association.

I. All sums assessed by the Association chargeable to a UNIT, but unpaid, shall constitute a lien on such UNIT prior to all other liens excepting only ad valorem liens in favor of a governmental assessing unit or special assessment district. The Association lien may be foreclosed by the Association in a like manner as a foreclosure of a real property deed of trust. The Association shall have the power to bid on the delinquent UNIT at a foreclosure sale, and acquire, hold, lease, encumber and convey same. A suit to recover a money judgment for unpaid assessments and charges shall be maintainable by the Association without foreclosing or waiving a lien securing/ same.

J. The total number of votes in the Association shall be on the basis of one hundred percent of the registered units. The total number of UNITS and therefore the total number of votes may be increased from time to time by expansion of the subdivision as evidenced by a Supplemental Declaration, incorporating this Declaration, executed and recorded by Declarant. Unless otherwise specifically provided herein, all Association matters shall be determined by a majority vote. If more than one party is the Owner of a UNIT, there must be unanimous agreement among those who own an interest in the UNIT as to how they cast that UNIT's vote, otherwise, that vote shall not be counted.

K. The Association shall have the power to adopt Bylaws and to appoint its officers and directors, as well as promulgate reasonable regulations relating to the matters within its purpose.

L. Where the holder of a first mortgage of record obtains title to the UNIT as a result of foreclosure, or deed in lieu of foreclosure, of said first mortgage, such acquirer of title, its successors and assigns, shall not be liable for the share of the expenses of the assessments by the Association chargeable to such UNIT which became due prior to the acquisition of title to such UNIT by such acquirer. As used in this Declaration, the term "mortgage" shall include "deed of trust" and "mortgagee" shall include the "Beneficiary" under a deed of trust. Additionally, such acquirer shall be responsible, as any Owner, for assessments charged subsequent to the acquisition.

M. In the event the Association determines that any UNIT Owner has not complied with the provisions of this Declaration, then the Association may, at its option, give written notice to the Owner of the conditions complained of; the Owner shall correct same within fifteen (15) days after notice from the Association. The Association shall approve or disapprove any plans submitted by the Owners and set forth a reasonable time for correction of the condition complained of if not capable of being completed within 15 days. In the event such condition is



not corrected according to the approved plans, within the allotted time, the Association shall have the right to undertake to remedy such condition or violation asserted. The cost thereof shall be deemed to be an assessment to such Owner and enforceable by the Association as if any other unpaid assessment. The Association is hereby granted the right of entry on the affected UNIT to correct the condition or violation asserted.

**4. ARCHITECTURAL AND DESIGN CONTROL**

A. Membership. The Committee shall be initially composed of TEXAS FIRST EQUITY, LLC , DARWIN L STORER, Managing General Partner, its successors and assigns. When Seventy-Five (75%) percent of the UNITS (including any additional phases incorporated into this Declaration) have been sold by the Declarant, then the function of the Committee shall be assigned to the Association. Prior to assignment to the Association, the Declarant shall have the responsibility to appoint and remove Committee members. The members of the Committee shall not be entitled to any compensation for services performed pursuant to this covenant, but shall be entitled to reimbursement for reasonable costs expended, as approved in advance by the Association. The members of the Committee shall incur no liability from their acts or omissions. The Committee shall at no time be composed of more than three (3) members.

B. Procedure. The Committee's approval or disapproval as required in this Declaration shall be in writing. Actions of the Committee shall be by the majority vote of the members of the Committee. All decisions of the Committee shall be final and no UNIT Owner or other party shall have recourse against the Committee or its designated representatives, or its members, for its disapproval or refusal to approve. In the event the Committee or its designated representative fails to approve or disapprove within sixty (60) days after the plans and specifications have been submitted to it, the plans and specifications shall be deemed to have been disapproved.

**5. GENERAL RESTRICTIONS APPLICABLE TO ALL UNITS AND EXCLUSIVE USE AREAS.**

A. "The Village of Stonewood" is an OWNER OCCUPIED COMPLEX. Units may not be rented or leased out. Units in the Declarants rental pool are the only exception.

B. Land Use. No building other than one single family dwelling residence, one storage building of 100 square feet or less and a private Car Port (400 sq. ft. max) as approved by the Architectural Control Committee, and as are in compliance with applicable zoning, shall be erected, maintained, placed or permitted on any Owners Exclusive Use Area. No storage building will placed closer than three (3) feet to any unit without written permission of the Architectural Control Committee

C. No manufacturing or commercial enterprise, or enterprises of any kind for profit or non-profit shall be maintained upon, in front of, or in connection with any UNIT or EUA, nor shall any UNIT be used for other than strictly single family residential structure or purpose without the prior written approval of the Association.

D. No residential UNIT shall be resubdivided into smaller UNIT's other than those UNIT's shown or delineated on the original recorded plat.

E. Signs. No signs or billboards used as advertising or promotional device, except those used in the sale of UNITS in the subdivision by Declarant or Owners for the sale of their property or by his or her agent shall be placed on any UNIT, or portion thereof. Maximum size for Owners signs shall be 24 inch's by 36 inch's.

F. Livestock and Poultry. No horses, livestock or poultry shall be allowed under any circumstances. Only normal household pets in reasonable numbers shall be allowed. No pet shall be allowed that creates a hazard or nuisance to Owners of other UNITS in the community. No kennels of any kind shall be permitted.



G. Garbage and Refuse Disposal. No UNIT or EUA shall be used or maintained as dumping ground for rubbish. Trash, garbage, or other waste shall not be kept on any EUA and will be regularly and promptly removed. All equipment for the storage of such material shall be kept in a clean and sanitary condition. No outdoor burning of trash shall be permitted on any EUA under any circumstances.

H. Protective Screening. Any planting done by an OWNER must be within their Exclusive Use Area as designated unless given written permission by the Architectural Control Committee.

I. Parking and Storage. Boats, boat trailers, camping trailers, campers, travel trailers, or any other recreational vehicles, sporting or camping equipment shall not be stored or parked on the Property. This includes utility trailers and any other equipment not considered a "passenger vehicle."

J. Antennas. No antenna whatsoever, or large satellite dish will be allowed. The Architectural Control Committee shall have the final decision on any dispute. A small satellite dish will be permitted. No freestanding antennas or satellite dishes will be permitted outside of the respective "Exclusive Use Area".

K. Nuisances. No UNIT Owner shall place or maintain any animate or inanimate object upon any UNIT or EUA so as to create a nuisance to the Owners of the neighboring UNITS. Upon written notification by the Board of Directors or Architectural Control Committee to the UNIT owner of an existing nuisance, the UNIT Owner will have ten (10) days to remove the nuisance. In the event the UNIT Owner does not remove the nuisance, it will be removed by the Association, at the UNIT Owner's expense.

L. Land Care. UNIT Owner will be responsible for "normal weed abatement", lawn care (mowing and watering), decorative plant care and general maintenance of the EUA as proscribed by the Association.

M. UNIT Care. UNIT Owner shall keep the exterior of their UNIT in a well kept and pleasant condition. Peeling paint, dirty windows and faded exteriors will not be allowed. UNIT Owners will remedy any such condition within 30 days of notice by the ARCHITECTURAL CONTROL COMMITTEE.

N. Window Coverings. All exterior windows will have either a vertical or horizontal blind in either a white or "off-white" color against the glass.

O. The "Association" will have the exteriors of all units pressure washed at the "Associations" expense twice a year on a time frame proscribed by the Architectural Control Committee. The Association will be responsible for keeping all fence's in good repair.

P. Public Events. No public events shall be held at the subdivision, without the prior approval of the Association.

**6. GENERAL PROVISIONS**

A. COVENANTS: The covenants, restrictions, reservations, conditions and servitudes contained in this Declaration shall run with the land and shall be binding upon all persons owning, leasing, subleasing or occupying any UNIT after the date on which this instrument shall have been recorded in the Office of the County Recorder of Angelina County, State of Texas. The covenants, restrictions, reservations, conditions and servitudes may be enforced by the Owner or lessee of any UNIT, by the holder of a Bona Fide First Mortgage on any UNIT, by the Association, any one or more of said persons acting jointly; provided, however, that any breach by reasons thereof shall not defeat or adversely affect the lien of a Bona Fide First Mortgage upon any UNIT, but each and all said covenants, restrictions, reservations, conditions and servitudes may be enjoined, abated or remedied by appropriate proceedings, notwithstanding the lien or existence of any such Bona Fide First Mortgage. All instruments of conveyance or assignment of any interest in all or any part of the Property shall refer to this instrument and shall

