

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BAY COLONY PARKSIDE**

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made on the date hereinafter set forth by HSM/Bay Colony, Ltd., a Texas limited partnership (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property in the City of League City, Galveston County, Texas being more particularly described on Exhibit "A" attached hereto and made a part hereof (said real property being hereinafter referred to as "the Property") which is part of a community commonly known as Bay Colony;

WHEREAS, Declarant desires to establish and preserve a general and uniform plan for the improvement, development, sale and use of the Property for the benefit of the present and future owners of lots therein;

NOW, THEREFORE, Declarant does hereby declare that the Property shall be held, transferred, sold, conveyed, occupied and enjoyed subject to the Master Declaration (as defined in Article I) and the additional covenants, conditions easements, charges, liens and restrictions hereinafter set forth.

ARTICLE I
Definitions

Section 1. **"Annual Maintenance Charge"** shall mean the assessments made and levied by the Association against each Owner and the Owner's Lot in accordance with the provisions of this Declaration.

Section 2. **"Appointed Board"** shall mean the Board of Directors of the Association appointed by Declarant pursuant to the provisions of Article IX, Section 3, of this Declaration.

Section 3. **"Architectural Control Committee"** or **"ACC"** shall mean and refer to the Architectural Control Committee established and empowered in accordance with Article IV of this Declaration.

Section 4. **"Association"** shall mean and refer to Bay Colony Parkside Community Association, Inc., a Texas non-profit corporation, its successors and assigns.

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Section 5. "Board" or "Board of Directors" shall mean the Board of Directors of the Association, whether the Appointed Board, the First Elected Board or any subsequent Board.

Section 6. "Builder" shall mean each Owner who (a) is in the business of building residential dwellings, and/or (b) purchases a Lot directly from Declarant for the purpose of constructing a Residential Dwelling thereon.

Section 7. "Common Area" shall mean Restricted Reserves "B", "C", "D", "E", "F" and "G", as shown on the Plat, and all other real property now or hereafter owned by the Association for the common use and benefit of the Members of the Association.

Section 8. "Declarant" shall mean and refer to HSM/BAY COLONY, LTD., a Texas limited partnership, its successors and assigns, other than an Owner, who shall receive by assignment from the said HSM/BAY COLONY, LTD. all, or a portion, of its rights hereunder as Declarant, pursuant to a written instrument duly executed by Declarant and recorded in the Official Public Records of Real Property of Galveston County, Texas.

Section 9. "First Elected Board" shall mean the Board of Directors of the Association first elected by the Members of the Association as provided in Article IX, Section 4, of this Declaration.

Section 10. "Improvement" shall mean all structures and any appurtenances thereto of every type or kind, which are visible on a Lot, including, but not limited to: a Residential Dwelling, buildings, accessory buildings, swimming pools, spas, hot tubs, patio covers, awnings, sidewalks, walkways, sprinkler pipes, garages, porte-co-chere, driveways, parking areas, fences, screening walls, retaining walls, stairs, decks, fixtures, basketball goals, flagpoles, antennas or any other type of pole, signs, exterior tanks, exterior air conditioning fixtures and equipment, water softener fixtures, exterior lighting, recreational equipment or facilities, and landscaping that is placed on and/or visible from any Lot.

Section 11. Deleted

Section 12. "Lot" or "Lots" shall mean and refer to each of the residential building Lots as shown on the Plat.

Section 13. "Maintenance Fund" shall mean any accumulation of the Annual Maintenance Charges collected by the Association in accordance with the provisions of this Declaration and interest, penalties, assessments and other sums and revenues collected by the Association pursuant to the provisions of this Declaration.

Section 14. "Master Association" shall mean Bay Colony Community Improvement Association, Inc., a Texas non-profit corporation, its successors and assigns, which has the power to administer and enforce the Master Declaration.

Section 15. "Master Declaration" shall mean the Bay Colony Declaration of Covenants, Conditions and Restrictions dated November 11, 1985, recorded under Film Code No. 004-26-1397

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in the Official Public Records of Real Property in Galveston County, Texas, as it may be amended and supplemented from time to time.

Section 16. "Member" or "Members" shall mean all Lot Owners who are members of the Association as provided in Article IX of this Declaration.

Section 17. "Owner" shall mean and refer to any person, firm, corporation or other entity or any combination thereof that is the record owner of fee simple title to any Lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation and those having only an interest in the mineral estate.

Section 18. "Plat" shall mean and refer to the plat for Bay Colony Parkside, Section One recorded at Volume 18, Page 1164 of the Map Records of Galveston County, Texas, the Plat for any other Property duly annexed and subjected to the provisions of the Declaration, and any recorded replat thereof.

Section 19. "Property" shall mean and refer to the real property identified on Exhibit "A" attached hereto, being out of Bay Colony Parkside, Section One, a subdivision in Galveston County, Texas according to the plat thereof recorded at Volume 18, Page 1164 of the Map Records of Galveston County, Texas and any other property that may be subjected to the Declaration by annexation document duly executed and recorded in the Official Public Records of Real Property of Galveston County, Texas.

Section 20. "Residential Dwelling" shall mean the single family residence and appurtenances constructed on a Lot. For purposes of this Declaration, a mobile home, motor home and/or manufactured housing is expressly excluded from the definition of Residential Dwelling.

Section 21. "Subdivision" shall mean and refer to the Property together with all Improvements now or hereafter situated thereon and all rights and appurtenances thereto.

Section 22. "Utility Company" shall mean any public entity, utility district, governmental entity (including, without limitation, districts created under Article III, Section 52, or Article XVI, Section 59, of the Texas Constitution) or one or more private entities that regulate, provide or maintain public utilities and/or drainage including garbage collection.

ARTICLE II

Reservations, Exceptions and Dedications

Section 1. The Plat dedicates for use as such, subject to the limitations set forth therein, the streets and easements shown thereon, and such Plat further establishes certain restrictions applicable to the Property, including, without limitation, certain minimum set back lines, and all dedications, limitations, restrictions and reservations shown on the Plat are incorporated herein and made a part hereof as if fully set forth herein, and shall be construed as being adopted in each and every contract, deed or conveyance executed or to be executed by or on behalf of Declarant, conveying the Property or any part thereof, whether specifically referred to therein or not.

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Section 2. Declarant reserves the easements and rights-of-way as shown on the Plat for the purpose of constructing, maintaining and repairing a system or systems of electrical lighting, electric power, telephone, television and/or fiber optic cable line or lines, gas, water, sewers, or any other utility Declarant sees fit to install in, across and/or under the Property.

Section 3. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing the Improvements, subject to any approval required by the Federal Housing Administration and Veterans Administration.

Section 4. Neither Declarant nor any public utility company using the easements herein referred to, shall be liable for any damage done by them or their assigns, their agents, employees or servants, in the usual and normal course of construction, operation, repair and/or reconstruction of their facilities to fences, shrubbery, trees or flowers or other property of the Owner situated within the land covered by said easements.

Section 5. It is expressly agreed and understood that the title conveyed by Declarant to any Lot or parcel of land within the Property by contract, deed or other conveyance shall be subject to (a) any easement affecting same for roadways or drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph, telephone or other utility purposes and shall convey no interest in any pipes, lines, poles or conduits, or in any utility facility or appurtenances thereto, constructed by Declarant or any easement owner, or their agents through, along or upon the premises affected thereby, or any part thereof, to serve said land or any other portion of the Property, and (b) the right of Declarant, its heirs and assigns, to maintain, repair, sell or lease such appurtenance to any municipality or other governmental agency or to any public service corporation or to any other party (and such right is hereby expressly reserved).

Section 6. This Declaration is intended to supplement the Master Declaration as it applies to the Property. Every Owner, by acceptance of an interest in any Lot, acknowledges that such Owner is subject to the Master Declaration, in addition to this Declaration, and that such Owner is automatically subject to assessment by the Master Association as well as by the Association. The Declarant under the Master Declaration and the Master Association shall have the same rights of enforcement of this Declaration as set forth in Section 10 of Article XI of this Declaration with respect to the Association and each Owner of a Lot in the Property; provided, however, that the Declarant under the Master Declaration and the Master Association shall have no rights of enforcement with respect to collection of Assessments or enforcement of the lien securing same set forth in this Declaration.

ARTICLE III
Building and Use Restrictions

Section 1. Building Setback. No Residential Dwelling, garage or permanent Improvement other than approved fencing and/or landscaping shall be located on any Lot nearer to any street than the building setback lines shown on the Plat. No Residential Dwelling shall be located on any Lot nearer than six (6) feet to any existing Residential Dwelling situated on a contiguous Lot. No Residential Dwelling shall be located nearer than three (3) feet to any interior side Lot line. No

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Residential Dwelling, garage or other Improvement shall be located on any Lot nearer than ten (10) feet to the rear Lot line or within any easement if wider than ten (10) feet along such rear lot line. For the purposes of this Section, eaves, steps and open porches shall not be considered as a part of the Residential Dwelling, garage or other Improvement; provided, however, that the foregoing shall not be construed to permit any portion of a Residential Dwelling, garage or other Improvement on any Lot to encroach upon another Lot or for the Residential Dwelling to extend beyond the building setback line. For purposes of this Declaration, the front Lot line of each Lot shall coincide with and be the Lot line having the shortest dimension abutting a street. Each Residential Dwelling must face the front of the Lot and be provided with driveway access from the front of the Lot; provided however that such access may be from the front or side of a corner Lot unless the Architectural Control Committee, in its discretion, requires that access to a corner Lot be from the front of such corner Lot. For purposes hereof, their term "corner lot" shall mean and refer to any Lot, which abuts more than one street. Notwithstanding any provision in this Section to the contrary, the Architectural Control Committee may grant written variances from the requirements of this Section when, in its sole discretion, a variance is reasonably determined to be necessary or appropriate due to the size or configuration of the Lot or other factors warranting a variance.

Section 2. Maintenance of Lots. The Owners and occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for the open storage of materials and equipment except for normal residential requirements or incident to construction of Improvements thereon, or permit the accumulation of garbage, trash or rubbish of any kind on a Lot. In the event that an Owner of a Lot fails to maintain his Lot in a sanitary, healthful and attractive manner, the Association may, after ten (10) days written notice to the Owner at the Owner's last known mailing address according to the records of the Association, at its option, without liability to the Owner or occupant of the Lot in trespass or otherwise, enter upon said Lot and mow and edge the grass, trim the bushes and trees, clean the Lot, remove dead shrubbery, branches or trees, remove any trash, debris or improperly stored materials or property, and do anything else necessary or desirable to secure compliance with this Declaration and charge the Owner of the Lot for the cost (plus overhead and supervision as provided below) of such work. The Owner agrees by the purchase of the Lot to pay such charges, plus fifty percent (50%) of such costs as overhead and supervision, immediately upon the receipt of an invoice. Payment of such charges shall be secured by the lien created in Article X of this Declaration.

Section 3. Composite Building Site. Subject to the approval of the Architectural Control Committee, any Owner of one or more adjoining Lots, or portions thereof, may consolidate such Lots, or portions thereof, into one or more building sites with the privilege of placing or constructing Improvements on such resulting site, in which case the side building setback lines shall be measured from the resulting side property lines rather than from the Lot lines as indicated on the Plat. However, each resulting site must have a frontage at the building setback line of not less than fifty (50) feet and meet the minimum Lot area requirements set forth in Section 4 of this Article. Upon the substantial construction of a Residential Dwelling on a composite building site, the composite building site shall be considered a single Lot for purposes of voting and assessments.

Section 4. Minimum Lot Area. No Lot shall be subdivided, nor shall any building be erected or placed on any such subdivided Lot, unless each subdivided Lot shall have an area of not less than 5,500 square feet; provided, however, that nothing contained herein shall be construed to

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prohibit the subdivision of any Lot within the Property if such subdivision results in each subdivided Lot containing not less than the minimum Lot area specified above.

ARTICLE IV
Architectural Approval

Section 1. Architectural Control Committee. The Architectural Control Committee shall consist of three (3) members, all of whom shall be appointed by Declarant, except as otherwise set forth herein. Declarant shall have the continuing right to appoint all three (3) members of the Architectural Control Committee until the earlier of (a) the date the last Lot owned by Declarant is sold (except in connection with a conveyance to another party that is a successor of Declarant); or (b) such date that Declarant elects to discontinue such right of appointment by written notice to the Board. Thereafter, the Board shall have the right to appoint all members of the Architectural Control Committee. Members of the Architectural Control Committee may, but need not be, Members of the Association. Members of the Architectural Control Committee appointed by Declarant may be removed at any time and shall serve until resignation or removal by Declarant. Members of the Architectural Control Committee appointed by the Board may be removed at any time by the Board, and shall serve for such term as may be designated by the Board or until resignation or removal by the Board.

Section 2. Approval of Improvements Required. Plans for a proposed Improvement must be approved by a majority of the members of the Architectural Control Committee. However, no approval is required for an Improvement to Property made by Declarant.

Section 3. Address of Architectural Control Committee. The address of the Architectural Control Committee shall be the principal office of the Association.

Section 4. Submission of Plans. Prior to the commencement of any work, the Owner proposing to make an Improvement to Property (the "Applicant") shall submit to the Architectural Control Committee copies of such descriptions, plot plans, elevation drawings, construction plans, specifications, and samples of materials and colors as the Architectural Control Committee reasonably shall request, showing the nature, kind, shape, height, width, color, materials, and location of the proposed Improvements. Additional requirements may be more particularly described from time-to-time in Architectural Guidelines promulgated by the Architectural Control Committee. The Architectural Control Committee may require the submission of additional plans, specifications, or other information before approving or disapproving the proposed Improvement to Property.

Section 5. Criteria for Approval. The Architectural Control Committee shall approve any proposed Improvement only if it determines in its reasonable discretion that the Improvement at the location indicated will not be detrimental to the appearance of the Property as a whole; that the appearance of the proposed Improvement will be in harmony with the external design of similar Improvements in the Subdivision, including, without limitation, harmony as to quality and color of materials and location with respect to topography and finished grade elevation; that the Improvement will comply with the provisions of this Declaration and any applicable plat, ordinance, governmental rule, or regulation; that the Improvement will not detract from the beauty, wholesomeness, and

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attractiveness of the Property or the enjoyment thereof by Owners; and that the upkeep and maintenance of the proposed Improvement will not become a burden on the Association. The Architectural Control Committee is specifically granted the authority to disapprove proposed Improvements because of the unique characteristics or configuration of the Lot on which the proposed Improvement would otherwise be constructed, even though the same or a similar type of Improvement might or would be approved for construction on another Lot. Further, the Architectural Control Committee shall have the right to disapprove any plans and specifications upon any ground that is deemed inconsistent with the objectives and purposes of this Declaration, including purely aesthetic considerations. In reviewing any matter, the Architectural Control Committee shall not be required to inspect, guarantee or warrant the workmanship of the Improvement, including its design, construction and safety, whether structural or otherwise, conformance with building codes or other governmental laws or regulations, or whether the Improvement is suitable for its intended purpose. The Architectural Control Committee may condition its approval of any proposed Improvement upon the making of such changes thereto as the Architectural Control Committee, in its sole discretion, may deem appropriate.

Section 6. Architectural Guidelines. The Architectural Control Committee may adopt Architectural Guidelines and supplement or amend the Architectural Guidelines from time to time as deemed necessary or appropriate. The Architectural Guidelines shall serve as a guideline only and the Architectural Control Committee may impose other requirements in connection with its review of any proposed Improvement. If adopted, the Architectural Guidelines shall be recorded in the Official Public Records of Real Property of Galveston County, Texas. To be effective, any amendments to the Architectural Guidelines must likewise be recorded. If the Architectural Guidelines impose requirements that are more stringent than the provisions of this Declaration, the provisions of the Architectural Guidelines shall control.

Section 7. Decision of the Architectural Control Committee. The decision of the Architectural Control Committee shall be made within thirty (30) days of the date of receipt of all materials required by the Architectural Control Committee. The decision shall be in writing and, if the decision is not to approve a proposed Improvement, the reasons therefor shall be stated. The decision of the Architectural Control Committee shall be promptly transmitted to the Applicant at the address furnished by the Applicant to the Architectural Control Committee.

Section 8. Failure of Architectural Control Committee to Act on Plans. Any request for approval of a proposed Improvement shall be deemed approved by the Architectural Control Committee, unless disapproval or a request for additional information or materials is transmitted to the Applicant by the Architectural Control Committee within thirty (30) days after the date of receipt by the Architectural Control Committee of all required materials; provided, however, that no such deemed approval shall operate to permit any Owner to construct or maintain any Improvement on a Lot that violates any express provision of this Declaration or the recorded Architectural Guidelines unless specifically approved in writing by the Architectural Control Committee. The Architectural Control Committee shall at all times retain the right to object to any Improvement to Property that violates any provision of this Declaration or the recorded Architectural Guidelines.

Section 9. Prosecution of Work After Approval. After approval of any proposed Improvement, the proposed Improvement shall be accomplished as promptly and diligently as possible

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and in strict conformity with the description of the proposed Improvement in the materials submitted to the Architectural Control Committee. If construction of the Improvement has not substantially commenced within ninety (90) days of approval by the Architectural Control Committee in accordance with the approved plans therefor, then no construction may be commenced (or continued) on the Lot and the Owner of such Lot shall be required to resubmit all plans to the Architectural Control Committee for approval in the same manner specified above. Failure to complete the proposed Improvement within nine (9) months after the date of approval or such other period of time as shall have been designated in writing by the Architectural Control Committee (unless an extension has been granted by the Architectural Control Committee in writing) or to complete the Improvement in strict conformity with the description and materials furnished to the Architectural Control Committee, shall operate automatically to revoke the approval by the Architectural Control Committee of the proposed Improvement. No Improvement shall be deemed completed until the exterior fascia and trim on the structure have been applied and finished, all rooms in the Residential Dwelling, other than attics, have been finished and all surplus construction materials and debris have been cleaned up and removed from the site. Removal of surplus materials and debris shall be completed within thirty (30) days following completion of the exterior of the Residential Dwelling.

Section 10. Inspection of Work. The Architectural Control Committee or its duly authorized representative shall have the right, but not the obligation, to inspect any Improvement before, during or after completion, provided that the right of inspection shall terminate sixty (60) days after substantial completion of the Improvement.

Section 11. Notice of Noncompliance. If, as a result of inspections or otherwise, the Architectural Control Committee determines that the Improvement has been constructed or undertaken without obtaining the approval of the Architectural Control Committee, or has been completed other than in strict conformity with the plans approved by the Architectural Control Committee, or has not been completed within the required time period after the date of approval by the Architectural Control Committee, the Architectural Control Committee shall notify the Owner in writing of the noncompliance ("Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Owner to take such action as may be necessary to remedy the noncompliance within the period of time set forth therein. In addition, the Architectural Control Committee shall have the authority to record a Notice of Noncompliance in the Official Public Records of Real Property of Galveston County, Texas.

Section 12. Correction of Noncompliance. If the Architectural Control Committee determines that a noncompliance continues to exist after such time within which the Owner was to remedy the noncompliance as set forth in the Notice of Noncompliance, the Association may, at its option, but without obligation, (a) remove the non-complying Improvement and/or (b) otherwise remedy the noncompliance (including, if applicable, complete the Improvement in question), and, if the Association elects to take any action with respect to such violation, the Owner shall reimburse the Association upon demand all expenses incurred therewith. If the Owner does not promptly pay such expenses to the Association, the expenses may be added to the Owner's assessment account and secured by the lien created in Article X of this Declaration. The permissive (but not mandatory) right of the Association to remedy or remove any noncompliance (it being understood that no Owner may require the Association to take such action) shall be in addition to all other rights and remedies that the Association may have at law, in equity, under this Declaration, or otherwise.

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Section 13. No Implied Waiver or Estoppel. No action or failure to act by the Architectural Control Committee shall constitute a waiver or estoppel with respect to future action by the Architectural Control Committee. Specifically, the approval by the Architectural Control Committee of any Improvement shall not be deemed a waiver of any right or an estoppel against withholding approval or consent for any similar Improvement or any similar proposals, plans, specifications, or other materials submitted with respect to any other Improvement by such person or otherwise.

Section 14. Power to Grant Variances. The Architectural Control Committee is authorized to grant variances from compliance with any of the provisions of Article V of this Declaration (except for the provisions relating to single family residential construction and use), including restrictions upon placement of structures (except for front and rear setback lines), the time for completion of construction of any Improvement, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetics, environmental, or other relevant considerations may make a variance appropriate. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Architectural Control Committee. If any such variance is granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provision covered by the variance, nor shall the granting of any variance affect the jurisdiction of the Architectural Control Committee other than with respect to the subject matter of the variance, nor shall the granting of a variance affect in any way the Owner's obligation to comply with all government laws and regulations affecting the Lot.

Section 15. Compensation of Architectural Control Committee. The members of the Architectural Control Committee shall be entitled to reimbursement by the Association for reasonable expenses incurred by them in the performance of their duties as the Board from time to time may authorize or approve.

Section 16. Non-liability for Approval. None of the members of the Architectural Control Committee, the Board of Directors, nor Declarant shall be liable for any loss, damage, or injury arising out of or in any way connected with the performance of the duties of the Architectural Control Committee except to the extent caused by the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Architectural Control Committee shall not be responsible for reviewing, nor shall its approval of an Improvement be deemed approval of, the Improvement from the standpoint of safety, whether structural or otherwise, or conformance with building codes, or other governmental laws or regulations. Furthermore, none of the members of the Architectural Control Committee, the Board of Directors, nor Declarant shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association, or for a tort of another of such individuals, whether such other individuals were acting on behalf of the Association, the Architectural Control Committee, the Board of Directors, or otherwise. Finally, neither Declarant, the Association, the Board of Directors, the Architectural Control Committee, or their officers, agents, members, or employees shall be liable for any incidental or consequential damages resulting from the failure to inspect any premises, Improvements, or portion thereof, or the failure to repair or maintain same.

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Section 17. Construction Period Exceptions. During the course of actual construction of any permitted Improvement, and provided construction is proceeding with due diligence, the Architectural Control Committee may temporarily suspend certain provisions of this Declaration as to the Lot upon which the construction is taking place to the extent necessary to permit such construction; provided, however, that during the course of any such construction, no construction shall constitute a nuisance or unreasonably interfere with the use and enjoyment of other Lots within the Property.

ARTICLE V
Architectural Restrictions

Section 1. Type of Residence. Only one (1) detached Residential Dwelling with an attached or detached garage and one (1) accessory building shall be built or permitted on each Lot. No Residential Dwelling shall exceed a reasonable height required for two (2) stories of living space above finished grade, except in the case where a third (3rd) story of living space is contained within the volume of the roof. All Residential Dwellings shall have an attached or detached enclosed garage capable of housing a minimum of two (2) standard size automobiles (in conformance with the Minimum Property Standards of the Federal Housing Administration ("FHA")). All buildings shall be of new construction. No structure shall be moved onto a Lot from another location. All Improvements on a Lot must be kept in good repair and must be painted when necessary to preserve their attractiveness. For purposes hereof, an attached porte cochere is permitted on a Lot and it shall not be considered to be a carport, provided that such porte cochere shall not encroach on any building set back line. A porte cochere shall not replace the requirement of a two-car garage as defined above.

Section 2. Type of Construction. Unless otherwise approved by the Architectural Control Committee, the total exterior wall area of a Residential Dwelling, excluding a detached garage (but including an attached garage), gables, windows, and door openings, must be a minimum of fifty-one (51%) percent masonry or brick veneer. For purposes of this Section, stucco, including synthetic stucco, hardi-plank and similar materials are considered to be a masonry material. Every garage and accessory building on a Lot shall correspond in style and architecture with the Residential Dwelling on the Lot. No structure of any kind or character, which incorporates wood frame construction on the exterior, shall be erected on any Lot unless such structure receives at least two (2) coats of paint at the time of construction or the exterior is of redwood or cedar material or the exterior surfaces have a manufactured "pre-finish". An approved accessory building must have an exterior finish in general conformity to the main Residential Dwelling, may not exceed an overall height of eight feet (8') at the center roof line and must be positioned on the Lot behind the Residential Dwelling so that it is not visible from the fronting street in front of the Lot (or the side street in the event of a corner Lot).

Section 3. Temporary Buildings. Temporary buildings or structures are not permitted on any Lot. Declarant may permit temporary toilet facilities, sales and construction offices, and storage areas to be used by Builders in connection with the construction and sale of Residential Dwellings during the period that Residential Dwellings in the Subdivision are being constructed and marketed for sale. Each Builder may use the garage on one (1) Lot owned by that Builder as a sales office for the time during which that Builder is marketing homes located exclusively within the

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Property. At the time of the sale of a Residential Dwelling by a Builder, any garage appurtenant to such Residential Dwelling that has been used for sales purposes must be converted to a two-car garage in conformance with Section 1 above.

Section 4. Signs. No signs, billboards, posters or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the Board, other than: (a) one sign of not more than six (6) square feet advertising the Residential Dwelling on the Lot on which the sign is situated for sale or rent, (b) one sign of not more than six (6) square feet to identify the Lot during the period of actual construction of a Residential Dwelling thereon, (c) not more than three (3) signs or decals of not more than nine (9) inches by nine (9) inches identifying a home security service, and/or (d) political support signs and school organizational/spirit signs, which signs under this category shall not remain displayed on a Lot for longer than fourteen (14) consecutive days or for more than twenty-one elapsed days during any six (6) month period. The right is reserved by Declarant to construct and maintain, or to allow Builders active within the Property to construct and maintain signs, billboards and advertising devices within and/or adjacent to the Property as is customary in connection with the marketing for sale newly constructed Residential Dwellings. Declarant and the Association shall also have the right to erect identifying signs at each entrance to the Property.

Section 5. Sight Lines. No object or thing, including landscaping, that obstructs sight lines at elevations between three (3) and six (6) feet above the surface of the street within the triangular area formed by the curb lines of the streets and a line running from curb line to curb line a point twenty (20) feet from the junction of the street curb lines shall be placed, planted or permitted to remain on any corner Lot.

Section 6. Antennae and Satellite Dishes. Satellite dish antennas which are forty eight (48) inches or smaller in diameter and antennas designed to receive television broadcast signals may be installed, provided that they are installed in the least obtrusive location that allows reception of an acceptable quality signal and the color of the antenna is compatible with the color of the building materials used on the exterior of the Residential Dwelling. Satellite dish antennas are not permitted to be placed on roof mounted masts or to extend above the highest point of the roofline of the Residential Dwelling unless expressly permitted by the Architectural Control Committee. Ground mounted satellite and/or television antennas shall not exceed twelve (12) feet in height measured from the ground elevation adjacent to the pole support. All other antennas are prohibited unless specifically authorized by the Architectural Control Committee or as noted in the recorded Architectural Guidelines.

Section 7. Mailboxes. Mailboxes and house numbers must be approved by the Architectural Control Committee. Cluster mailboxes, if used, shall be maintained by the Association. Individual mailboxes shall be of a size and type conforming to U.S. Postal Service regulations and placed in such location as mandated by local postal authorities and shall be maintained in good condition at all times by the Owner of the Lot on which the mailbox is located.

Section 8. Disposal Units. Each kitchen in each Residential Dwelling shall be equipped with a garbage disposal unit in a serviceable condition.

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Section 9. Air Conditioners. No window or wall type air conditioners shall be permitted in any Residential Dwelling, garage or other building on a Lot; provided that, the Board in its discretion, may permit a window or wall type air conditioner to be installed if it is not visible from any street or from any other Lot at ground level and the top of the wall or window air-conditioning unit is not higher than sixty inches (60") above the adjacent ground line.

Section 10. Walls, Fences and Hedges. No hedge in excess of three feet (3') in height shall be erected or maintained nearer to the front Lot line than the building setback line. All fences on any Lot property line must be constructed of ornamental metal, wood or masonry, PVC or an ACC approved equivalent. No chain link fence shall be placed on any Lot except as an interior fence for the purpose of enclosing a swimming pool, pet run or utility yard and then only if the chain link fence is not visible from any street and does not exceed a height of five (5) feet. No fence shall exceed eight (8) feet in height, and all fences along a side and rear Lot line shall be not less than six (6) feet in height. No fence or wall shall be erected on any Lot nearer to any street than the building setback line as shown on the Plat unless specifically approved in writing by the Architectural Control Committee. The prior written approval of the Architectural Control Committee is required before any fence is constructed or replaced. It is the intent of Declarant to maintain visual continuity of fence lines along entryways and main thoroughfares and adjacent to Common Area. All fences constructed along these areas shall be uniform in design, height, materials and finish and each Owner of a Lot on which any such fence is located shall be required to maintain the visual continuity and repair or replace the fence as necessary, all at such Owner's expense. The maintenance and repair of fences constructed on the property line separating two (2) adjacent Lots shall be the joint responsibility of the two (2) Lot Owners. Any fence facing a street or public right of way shall be installed with the finished side of the fence facing the street or public right of way. The maintenance and repair of a fence on a Lot line (that is not on a common property line) shall be the responsibility of the Owner of the Lot.

Section 11. Deleted

Section 12. Size of Residential Dwelling. The floor area of a one (1) story Residential Dwelling on a Lot, exclusive of steps, porches, exterior balconies or terraces and garages, shall contain not less than one thousand (1,000) square feet and the floor area of a two (2) story Residential Dwelling on a Lot, exclusive of steps, porches, exterior balconies or terraces and garages, shall contain not less than one thousand two hundred (1,200) square feet, with a minimum of seven hundred (700) square feet on the ground floor.

Section 13. Height and Character of Residential Dwelling. No Residential Dwelling shall exceed two (2) stories in height. It shall be permissible to have third-level living area in the Residential Dwelling completely within the volume of the roof, so long as the maximum height of the Residential Dwelling does not exceed thirty six (36) feet above finished grade, measured from the ground line adjacent to the Dwelling.

Section 14. Location of Residential Dwelling. No Residential Dwelling or other Improvement shall be located nearer to the front Lot line nor nearer to any side or rear Lot line than the setbacks set forth in Article III, Section 1, of this Declaration. Detached garages may be located

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three (3) feet from the side property line, provided they are positioned on the Lot not less than fifty (50') from the front property line.

Section 15. Use of Permitted Accessory Buildings. No permitted accessory building on a Lot shall be maintained or used at any time as a residence. A permitted accessory building on a Lot shall be properly maintained at all times and shall be located in the rear of Residential Dwelling, out of view from any street. Additionally, accessory buildings shall be limited to a height of eight feet (8') at the highest point of its roofline. The materials used in the construction of an accessory building and the color of the accessory building must be the same or similar in design and color as the Residential Dwelling on the Lot. Not more than one (1) accessory building shall be permitted on a Lot.

Section 16. Drainage. No Owner of a Lot is permitted to construct Improvements on such Lot or grade such Lot or permit such Lot to remain in or be placed in such condition that causes surface water to drain onto any other Lot or Common Area.

Section 17. Garages. With the prior written consent of the Architectural Control Committee, a porte-cochere attached to the Residential Dwelling may be constructed on a Lot so long as such porte cochere does not encroach over any building set back line. However, a porte-cochere does not eliminate the requirement of an enclosed garage on the Lot. Each garage on a Lot must be approved by the Architectural Control Committee and be: (i) fully operational as a garage at all times, and (ii) capable of housing two (2) standard size automobiles. The door of a garage must be kept closed at all times when the garage is not being used.

Section 18. Driveways. Unless otherwise approved in writing by the Architectural Control Committee, each Lot shall have a concrete driveway access from the garage on the Lot to the street in front of the Lot. The Owner of the Lot shall construct and maintain, at the Owner's expense such driveway from its connection from the garage to the public street.

Section 19. Roofs. Unless otherwise approved in writing by the Architectural Control Committee, the roof of all buildings on a Lot shall be covered with fiberglass composition shingles which are an acceptable shade of black, brown, red or green, and have been approved by the Architectural Control Committee, have a warranty of at least twenty (20) years, and meet the minimum requirements of the Federal Housing Administration. Any other type of roofing material may be used only if approved in writing by the Architectural Control Committee prior to installation.

Section 20. Sidewalks. Before the construction of any Residential Dwelling is substantially completed, the Builder shall construct a concrete sidewalk four feet (4') in width, parallel to the street curb and two feet (2') from the Lot line in accordance with applicable local standards and ordinances. The sidewalk shall extend the full width of the Lot. On a corner Lot, the sidewalk shall extend along the entirety of the front and side of the Lot with a curb ramp meeting the Americans with Disabilities Act standards at the corner. The maintenance of a sidewalk shall be the responsibility of the Owner of the Lot adjacent to the sidewalk.

Section 21. Grass, Shrubbery and Landscaping. Prior to the initial sale of a Lot after the construction of the Residential Dwelling, the front of the Lot shall be completely sodded with grass,

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and all areas visible from any street shall be landscaped with shrubbery of the types and quantities approved by the Architectural Control Committee. All grass and shrubbery shall be maintained by the Owner of the Lot. Each Lot shall at all times have a minimum of one (1) tree in the front portion of the Lot with a caliper of at least two (2) inches at the trunk.

Section 22. Flagpoles. No permanent, in-ground flagpole shall be erected on any Lot. A temporary flagpole approved by the Architectural Control Committee may be erected on a Lot used as the site of a model home until such time that the Lot on which the model home is situated is sold. A flagpole not to exceed five (5') feet in length may be mounted to the front wall of a Residential Dwelling on a Lot to display the national, state or school flag or to display holiday flags. Flags which are displayed must be maintained in good condition at all times.

Section 23. Private Utility Lines. All electrical, telephone and other utility lines and facilities located on a Lot and not owned and maintained by a governmental entity or a public Utility Company shall be installed in underground conduits or other underground facilities, unless otherwise approved in writing by the Architectural Control Committee, and shall be maintained at all times by the Owner of the Lot upon which they are located.

Section 24. Exterior Lighting. No exterior lighting on any Lot may be installed without the prior written approval of the Architectural Control Committee. No exterior lighting shall be installed on any Lot that projects light onto any adjacent Lot.

Section 25. Sound Devices. No horns, whistles, bells, or other sound devices, except security systems used exclusively to protect the residents of a Residential Dwelling, shall be placed or used on any Lot. This paragraph shall not preclude the use of outdoor speakers for stereos, CD players, radios or the like if the sound level is maintained at a reasonably low level so as to not interfere with the peaceful enjoyment by occupants of the adjacent Lots.

Section 26. Window Treatment. No window in any Residential Dwelling or other Improvement that is visible from any other Lot or a street may be covered with aluminum foil or other reflective material. All window coverings that are visible from the street and/or from another Lot must be compatible with the overall appearance of the Subdivision. The Architectural Control Committee shall have the exclusive authority to determine whether a particular window covering is compatible with the overall appearance of the Subdivision. Exterior burglar bars are not permitted on windows or doors.

Section 27. Pool, Spas and Decks. Subject to the approval of the Architectural Control Committee, a pool, spa, or deck may be installed; however, no appurtenant deck may be greater than twenty-four inches (24") above the natural grade. No deck or above ground or in-ground pool, or spa may be installed within five (5') feet of a side Lot line. No deck or above ground or in-ground pool or spa is permitted to encroach over any building line or any utility easement. No pool or spa is permitted on a Lot unless the pool or spa is fully enclosed by a fence.

Section 28. Mobile Homes, Etc. No mobile home, motor home, recreational vehicle or similar vehicle shall be kept or stored on a Lot in view from any street or adjoining Lot at ground

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level. Party tents or similar temporary structures may be placed on a Lot for a limited period of time for special events with the prior written approval of the Architectural Control Committee.

Section 29. Drainage and Septic Systems. Catch basins and drainage detention areas are for the purposes of natural runoff of storm water only. No obstructions or debris shall be placed in these areas. No person other than Declarant may alter or modify the course of drainage flow after location and installation of drainage swales, storm sewers, or storm drains. Declarant hereby reserves for itself and the Association a perpetual easement across the Property for the purpose of modifying drainage and water flow. Septic tanks and drain fields other than those installed by or with the consent of Declarant are expressly prohibited within the Property. No Owner or occupant shall dump grass clippings, leaves or other debris, petroleum products, fertilizers or other potentially hazardous or toxic substances, in any drainage system, ditch, stream, pond or lake within the Property.

Section 30. Artificial Vegetation And Sculptures. No artificial vegetation shall be permitted on a Lot if visible from any street in the Subdivision. No exterior sculpture, fountains, birdhouses, birdbaths, other decorative embellishments or similar items shall be permitted unless located behind the front building line and then only with the prior written approval of the Architectural Control Committee. Decorative sculptures are permitted if located within a planting bed provided that they do not exceed thirty-six (36") inches in height and are approved by the Architectural Control Committee.

Section 31. Play Equipment. No jungle gyms, swing sets, play forts or similar play equipment shall be erected or installed on a Lot unless located in the rear of the Lot reasonably screened from adjacent Lots, public streets and Common Areas. No private play equipment shall be installed or placed on any Common Area or on any public right of way. Any play equipment installed by the Association on any Common Area shall be used at the risk of the user, and the Association shall not be liable to any person for any claim, damage, or injury occurring thereon or related to use thereof. The type, color and location of a basketball goal or similar sporting appliance must be approved by the Architectural Control Committee prior to installation on a Lot.

Section 32. Bar-B-Que Grills. Bar-B-Que grills must be kept at all times in the rear of the Lot, out of view from any street.

Section 33. Maintenance of Residential Dwelling. The Owner of each Lot shall maintain the exterior of the Residential Dwelling and all other Improvements on the Lot in a neat, attractive, healthful and sanitary condition. In the event that an Owner of a Lot fails to maintain the Residential Dwelling and/or other Improvements on the Lot in a neat, attractive, healthful and sanitary manner, the Association may, after ten (10) days written notice to the Owner at the Owner's last known mailing address according to the records of the Association, at its option, without liability to the Owner or occupant of the Lot in trespass or otherwise, enter upon said Lot and repair, clean, and/or paint the exterior of the Residential Dwelling and/or other Improvements on the Lot, and do anything else necessary or desirable to secure compliance with this Declaration and charge the Owner of the Lot for the cost (plus overhead and supervision as provided below) of such work. The Owner agrees by the purchase of the Lot to pay such charges, plus fifty percent (50%) of such costs as overhead and supervision, immediately upon the receipt of an invoice. Payment of such charges shall be secured by the lien created in Article X of this Declaration.

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ARTICLE VI
Use Restrictions

Section 1. Residential Use. Each and every Lot is hereby restricted for single-family residential use only. No business, professional or commercial use shall be made of any Lot, unless such business, professional or commercial activity is unobtrusive and merely incidental to the primary use of the Lot and the Residential Dwelling on the Lot for residential purposes. As used herein, the term "residential use" shall be construed to prohibit the use of any Lot for a duplex residence, a garage apartment, other apartment or other multi-family use or for any non-residential use.

Section 2. Animals and Livestock. Except as expressly provided in this Section, no animals, livestock, poultry or swine of any kind shall be raised, bred, or kept on any Lot. A maximum of two (2) dogs or cats, or other commonly recognized household pets (exclusive of aquarium fish and birds) may be kept on a Lot, provided that they are not kept, bred, or maintained for commercial purposes. No unleashed pet is permitted to roam within the Subdivision. No pet shall be allowed to make an unreasonable amount of noise or to become a nuisance. The Board shall have the authority to determine, in its sole and absolute discretion, whether a particular animal is a common household pet and whether a particular pet is a nuisance, and its determination shall be final.

Section 3. Nuisances. No noxious or offensive trade or activity shall be carried on upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to residents of the Property. The Board shall have the sole authority to determine, in its sole and absolute discretion, whether a particular condition or activity on a Lot is a nuisance and its determination shall be final.

Section 4. Storage and Repair of Vehicles. Without limitation as to description, no boat, boat trailer, boat rigging, motor home, trailer, mobile home, truck adapted for any type of business or commercial use, bus, inoperable automobile, or camper of any type shall be parked or kept in a street adjacent to a Lot or on any Lot unless such vehicle is stored within a garage or otherwise screened from public view; provided, however, boats, boat trailers, boat riggings, motor homes, trailers, and campers may be temporarily parked in the street adjacent to a Lot or on a Lot, for the purpose of loading and unloading and cleaning, for a period not longer than forty eight (48) hours not to exceed seventy-two (72) hours in any fourteen (14) day period. No person shall perform any repair or maintenance work on an automobile or other vehicle which renders the vehicle inoperable on a Lot in public view or on any public street or right of way.

Section 5. Passenger Vehicles. No Owner, lessee, tenant or occupant of a Lot, including all persons who reside with such Owner, lessee or occupant on the Lot, shall park, keep or store any vehicle on any Lot which is visible from any public street in the Subdivision or any neighboring Lot other than a passenger vehicle or pick-up truck and then only if parked on the driveway for a period not exceeding seventy-two (72) consecutive hours. For purposes of this Declaration, the term "passenger vehicle" is limited to any vehicle which displays a passenger vehicle license plate issued by the State of Texas or which, if displaying a license plate issued by another state, would be eligible to obtain a passenger vehicle license plate from the State of Texas, and a sport utility vehicle or passenger van used as a family vehicle. The term "pick-up truck" is limited to a "one ton" or less capacity pick-up truck which has not been adapted or modified for commercial use. No Owner, guest

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of an Owner, lessee or other occupant of a Lot shall be entitled to park any passenger vehicle or pick-up truck overnight on any public street in the Subdivision, or on the driveway of a Lot, for a period of more than five (5) consecutive days.

Section 6. Permitted Hours for Construction Activity. Except as otherwise permitted by the Board, no outside construction work or unreasonably loud interior construction work is permitted except between the hours of 6:00 A.M. and 9:00 P.M. Monday through Saturday and between 9:00 A.M. and 5:00 P.M. on a Sunday.

Section 7. Disposal of Trash. No trash, rubbish, garbage, manure, debris, or offensive material of any kind shall be kept or allowed to remain on any Lot, nor shall any Lot be used or maintained as a dumping or storage ground for such materials. All such matter shall be placed in sanitary refuse containers constructed of metal, plastic or masonry materials with tight fitting sanitary covers or lids and placed in an area adequately screened by planting or fencing. Equipment used for the temporary storage and/or disposal of such material prior to removal shall be kept in a clean and sanitary condition and shall comply with all applicable laws and regulations. No trash containers shall be maintained on a Lot in public view from any street in the Subdivision or from any adjoining Lot at ground level except to make the trash container available for collection and then only for the shortest time reasonably necessary to effect collection.

Section 8. Storage of Building Materials. No Lot shall be used for the storage of any materials whatsoever, except materials used in the construction of Improvements on a Lot during the time of construction. Building materials may remain on a Lot for a reasonable period of time, so long as construction is progressing without undue delay, after which time the materials must either be removed from the Lot or stored out of public view. Under no circumstances may building materials be placed or stored on a public right-of-way or upon a surface drainage easement.

Section 9. Mineral Production. No oil or gas drilling, oil or gas development operations, refining, quarrying or mining operations of any kind shall be permitted upon any Lot, nor shall oil or gas wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be permitted upon any Lot.

Section 10. Occupants Bound. All provisions of this Declaration, the Architectural Guidelines and any rules and regulations adapted by the Association shall apply to all Owners and all other persons occupying the Residential Dwelling on a Lot or otherwise using the Lot. Each Owner shall cause all occupants or other persons using the Owner's Lot to comply with the Declaration, the Architectural Guidelines and the rules and regulations of the Association and shall be responsible for all violations caused by such persons, notwithstanding the fact that such persons are fully liable for any such violation.

Section 11. Quiet Enjoyment. No structure, thing or material may be kept upon any portion of the Property that emits foul or obnoxious odors or that will cause any undue noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of any Lot. No noxious, illegal or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or

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nuisance to any person using any portion of the Property. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Property.

Section 12. Damage or Destruction of Improvements. All Owners are obligated to maintain their Lot and all Improvements thereon in a neat and habitable manner. In the event of damage to any Improvement on a Lot, the Owner shall have the shorter of the period permitted by applicable laws or sixty (60) days to begin to repair the destroyed or damaged portion of the Improvement, and, once timely commenced, such repairs must be pursued diligently to completion. If, however, damage to the Improvements is not covered by insurance, or if the Owner's claim is not approved by the Owner's insurance company, or if the Owner decides not to restore the Improvements at such time, then the Owner may submit to the Board a "hardship" application within sixty (60) days from the date of such destruction or damage. The Board shall rule on the Owner's application for a "hardship" within thirty (30) days from the date of submission. In no event shall the granting of a "hardship" in a particular case be deemed a waiver of the right to enforce the provisions of this Section thereafter. If a hardship is granted, the Owner shall immediately shall cause the damaged or destroyed Improvement to be demolished and the Lot to be suitably landscaped, subject to the approval of the Board, so as to present a pleasing and attractive appearance.

ARTICLE VII Common Areas

Section 1. Use of Common Area. Each Owner shall have a nonexclusive right to use, access and enjoy the Common Area, which right is appurtenant to fee title to a Lot, subject to the following:

- a. Any restrictions or limitations contained in any deed conveying the Common Area to the Association;
- b. The right of the Board to limit the number of guests who may use the Common Area and to adopt reasonable rules and regulations regulating the use and enjoyment of the Common Area;
- c. The right of the Board, after providing notice in accordance with Chapter 209 of the Texas Property Code, to suspend the right of an Owner to use any Common Area (i) for any period during which any assessment, and/or associated late charges, interest, collection costs and attorney's fees, owed by such Owner remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation, or for a longer period in the case of any continuing violation of the Declaration or the published rules and regulations governing the use of the Common Area;
- d. The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to the approval of at least sixty-seven percent (67%) of the Owners of the Lots in the Subdivision, excluding Declarant;

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e. The right of the Board to charge reasonable admission or user fees (which fees shall be separate from assessments) for the use of any recreational facility situated upon the Common Area;

f. The right of the Board to permit non-members to use any recreational facility situated on the Common Area upon payment of user fees established by the Board;

g. The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, subject to the approval of at least sixty-seven percent (67%) of the Owners of Lots in the Subdivision, excluding Declarant;

h. The right of the Association to grant easements upon or across the Common Area; and

i. The right of the Association to enter into contracts with any party for the purpose of providing maintenance or other services relating to the Common Area.

Section 2. Delegation. Any Owner may delegate his or her right to use and enjoy the Common Area to the members of his or her family, lessees and social invitees, subject to reasonable regulations by the Board and in accordance with procedures it may adopt. An Owner who leases his Lot must provide written notice to the Association of the name of the lessee and each member of the lessee's family residing on the Lot and indicate that the Owner's privileges to use the Common Areas are, by virtue of the lease, being assigned to the lessee. Until such a notice is submitted to the Association, the lessee shall not have the right to use any Common Area.

ARTICLE VIII

Easements

Section 1. Easements. Easements for the installation and maintenance of utilities are reserved as shown and provided for on the Plat 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, shrubbery, trees, flowers, Improvements or other property of the Owner situated on the land within such easements as a result of construction, maintenance or repair work conducted by such parties.

Section 2. Underground Electrical Distribution System. An underground electric distribution system (the "System") will be installed in that part of the Property, which according to the Plat contains Lots (the "Underground Residential Subdivision"). The System embraces all of the Lots. This System shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three phase, as well as underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available to the Lots. The Owner of each Lot on which a Residential

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Dwelling exists, shall, at the Owner's cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the point of the electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has either by designation on the Plat or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned and installed service wires. In addition, the Owner of each Lot on which a Residential Dwelling exists shall, at the Owner's cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the Residential Dwelling involved. For as long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Residential Dwelling therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current. The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the Underground Residential Subdivision is being developed for Residential Dwellings, which are designed to be permanently located where originally constructed (such category of Residential Dwellings expressly to exclude mobile homes) which are built for sale or rent.

The provisions of the preceding paragraph also apply to any future residential development in any Reserves shown on the Plat as such Plat exists at the execution of the agreement for underground electric service between the electric company and Declarant. The provisions of the preceding paragraph do not apply to any future nonresidential development in such Reserve(s).

Easements for the underground service may be crossed by driveways and walkways provided that the Builder or Owner makes prior arrangements with the Utility Company furnishing electric service and provides and installs the necessary electric conduit of approved type and size under such driveways or walkways prior to construction thereof. Such easement for the underground service shall be kept clear of all other Improvements, including buildings, patios, or other paving, and neither Builder nor any Utility Company using the easements shall be liable for any damage done by either of them or their assigns, agents, employees, or servants, to shrubbery, trees, or Improvements (other than crossing driveways or walkways provided the conduit has been installed as outlined above) of the Owner and located on the land covered by said easements.

Section 3. Cable Television. Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more cable television companies and Declarant shall have the right and power in such agreement or agreements to grant to such cable television company or companies the uninterrupted right to install and maintain communications cable and related

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ancillary equipment and appurtenances within the utility easements and rights-of-way dedicated by the Plat or by separate instruments pertaining to the Property.

ARTICLE IX
The Association

Section 1. Membership. Every Owner of a Lot in the Subdivision which is subject to assessment by the Association, including the initial builder/contractor, shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of a Lot shall be the sole qualification for membership.

Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A: Class A Members shall be all those Owners as defined in Section 1 of this Article IX, with the exception of the Declarant. Class A Members shall be entitled to one (1) vote for each Lot in the Subdivision in which they hold the interest required for membership by Section 1, above. When more than one person holds such interest in any Lot, all such persons shall be Members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B: The Class B Member shall be the Declarant. The Class B Member shall be entitled to ten (10) votes for each Lot owned in the Subdivision. Provided, however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

a. When the total votes outstanding in the Class A membership equals or exceeds the total votes outstanding in the Class B membership; or

b. On December 31, 2012.

Except as may be specifically provided to the contrary in this Declaration, the Class A and Class B Members shall have no rights as such to vote as a class, and both classes shall vote together upon all matters as one group.

Section 3. Management By The Association. The affairs of the Subdivision shall be administered by the Association. The Association shall have the right, power and obligation to provide for the management, acquisition, construction, maintenance, repair, replacement, administration, and operation of the Subdivision as herein provided for and as provided for in the By-Laws and rules and regulations. The business and affairs of the Association shall be managed by its Board of Directors. The Declarant shall determine the number of Directors and appoint, dismiss and

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reappoint all of the members of the Board until the first election of Directors by the Members of the Association is held in accordance with the provisions of Section 4 of this Article and a Board of Directors is elected (the Board appointed by Declarant being referred to as "the Appointed Board"). The Appointed Board may engage the Declarant or any entity, whether or not affiliated with Declarant, to perform the day to day functions of the Association and to provide for the maintenance, repair, replacement, administration and operation of the Subdivision. The Association, acting through the Board, shall be entitled to enter into such contracts and agreements concerning the Subdivision as the Board deems reasonably necessary or appropriate to maintain and operate the Subdivision in accordance with the Declaration, including without limitation, the right to grant utility and other easements for uses the Board shall deem appropriate and the right to enter into agreements with adjoining or nearby land owners or governmental entities on matters of maintenance, trash pick-up, repair, administration, security, traffic, operation of recreational facilities, or other matters of mutual interest.

Section 4. Meetings of the Members. An annual meeting of the Members of the Association shall be held on the second Tuesday of October of each year. The first election of Directors by the Members of the Association ("the First Elected Board") shall be held at the annual meeting of the Members next following the second (2nd) anniversary date of the recording of this Declaration, unless Declarant sooner relinquishes control of the Association. Special meetings of the Members of the Association shall be held at such place and time and on such dates as shall be specified or provided in the By-Laws.

Section 5. Professional Management. The Board shall have the authority to retain, hire, employ or contract with such professional management companies or personnel as the Board deems appropriate to perform the day to day functions of the Association and to provide for the construction, maintenance, repair, landscaping, administration and operation of the Subdivision as provided for herein and as provided for in the By-Laws.

Section 6. Board Actions in Good Faith. Any action, inaction or omission by the Board made or taken in good faith shall not subject the Board or any individual member of the Board to any liability to the Association, its Members or any other party.

Section 7. Standard of Conduct. The Board of Directors, the officers of the Association, and the Association shall have the duty to represent the interests of the Owners in a fair and just manner. Any act or thing done by any Director, officer or committee member taken in furtherance of the purposes of the Association, and accomplished in conformity with the Declaration, Articles of Incorporation, By-Laws and the laws of the State of Texas, shall be reviewed under the standard of the Business Judgment Rule as established by the common law of Texas, and such act or thing shall not be a breach of duty on the part of the Director, officer or committee member if taken or done within the exercise of their discretion and judgment. The Business Judgment Rule means that a court shall not substitute its judgment for that of the Director, officer or committee member. A court shall not re-examine the decisions made by a Director, officer or committee member by determining the reasonableness of the decision as long as the decision is made in good faith and in what the Director, officer, or committee member believed to be in the best interest of the Association.

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Galveston County, Texas**

By Maë Ross Deputy
MAE ROSS

Section 8. Inspection of Records. The Members of the Association shall have the right to inspect the books and records of the Association in accordance with Section 2.23B of the Texas Non-Profit Corporation Act, as it exists upon the date of recording of this Declaration or as it may thereafter be amended. All such inspections shall be made at the offices of the Association and made during normal business hours unless as otherwise agreed solely by the Association.

ARTICLE X
Covenants For Maintenance Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Lot is hereby subjected to an Annual Maintenance Charge, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association Annual Maintenance Charges, established and collected as hereinafter provided. The Maintenance Fund shall be used for the purposes hereinafter provided. The Annual Maintenance Charges together with interest, costs and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such Annual Maintenance Charge, together with interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Annual Maintenance charge became due. The personal obligation for delinquent Annual Maintenance Charges shall not pass to his successor in title unless expressly assumed by the successor.

Section 2. Purpose of Assessments. The Maintenance Fund shall be used exclusively to promote the recreation, health, and welfare of the residents in the Subdivision, and the Association shall use the Maintenance Fund for the use and benefit of all residents of the Subdivision. Each future section of the Subdivision, to be entitled to the benefit of this Maintenance Fund, must be impressed with and subjected to an Annual Maintenance Charge and assessment on a uniform, per Lot basis, substantially equivalent to the Annual Maintenance Charge and assessment imposed hereby, and further made subject to the jurisdiction of the Association. The uses and benefits to be provided by said Association shall include, by way of example but without limitation, at its sole option, any and all of the following: maintaining parkways, rights-of-way, easements and esplanades; furnishing and maintaining landscaping, lighting and beautification of the Property; payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions, and conditions affecting the Property to which the Maintenance Fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employing policemen and watchmen; providing for the maintenance and repair of the Common Area; engaging trash disposal services; and doing such other things and taking such other actions as are necessary or desirable in the opinion of the Association to keep the Properties and the Subdivision neat and in good order or which are considered of general benefit to the Owners or occupants of the Lots in the Subdivision, it being understood that the judgment of the Association in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith;

Section 3. Maximum Annual Assessment. Until January 1, 2004, the maximum annual assessment shall be Two Hundred Fifty and No/100 Dollars (\$250.00) per Lot per annum.

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a. From and after January 1, 2004, the maximum annual assessment may be increased by the Board each year without a vote of the membership, by an amount not in excess of fifteen percent (15%) of the maximum annual assessment for the previous year.

b. From and after January 1, 2004, the maximum annual assessment may be increased for any year by an amount in excess of fifteen percent (15%) of the maximum annual assessment for the previous year, only by a vote of two-thirds ($\frac{2}{3}$) of the total of both classes of Members who are voting, in person or by proxy, at a meeting duly called for that purpose at which a quorum is present.

Section 4. Special Assessments. If the Board at any time, or from time to time, determines that the Annual Maintenance Charges assessed for any period are insufficient to provide for the continued operation of the Association or any other purposes contemplated by this Declaration, then the Board shall have the authority to levy such special assessments as it shall deem necessary to provide for such continued maintenance or operation. Special assessments may also be levied for the purpose of making repairs to Improvements on the Common Area or making additional Improvements to the Common Area. No special assessment shall be effective until the special assessment is approved by the vote of not less than two-thirds ($\frac{2}{3}$) of the total of both classes of Members who are voting, in person or by proxy, at a meeting duly called for that purpose at which a quorum is present. Any special assessment shall be payable in the manner determined by the Board and the payment thereof shall be enforceable in the manner provided for the payment for the Annual Maintenance Charges.

Section 5. Notice and Quorum for Any Action Authorized Under Article X, Section 3. Written notice of any meeting called for the purpose of taking any action authorized under Article X, Section 3 or 4, above, shall be sent to all Members not less than fourteen (14) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Assessments. The Board, in its discretion, may fix the Annual Maintenance Charge at any amount not in excess of the maximum then permitted under the terms of Article X, Section 3, above, and such Annual Maintenance Charge for the Lots, when fixed, shall be assessed and paid at the following uniform rates:

a. The rate for all Lots, other than those Lots owned by Declarant, shall be fifty percent (50%) of the Annual Maintenance Charge fixed by the Board until the first day of the month following the completion and occupancy of a Residential Dwelling on such Lot. Thereafter, such rate shall be one hundred percent (100%) of the applicable Annual Maintenance Charge as to such Lot;

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b. The rate for the Lots owned by Declarant shall be twenty-five percent (25%) of the applicable Annual Maintenance Charge.

Section 7. Date of Commencement of Annual Maintenance Charge: Due Dates. The Annual Maintenance Charge provided for herein shall commence as to all Lots on the first day of the month next following the conveyance of the first Lot by Declarant or such other later date as determined by Declarant. The first Annual Maintenance Charge shall be adjusted according to the number of months remaining in the calendar year. Thereafter, the Board shall fix the amount of the Annual Maintenance Charge against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the Annual Maintenance Charge shall be sent to every Owner subject thereto. The due dates (which may be monthly, quarterly, semiannually or annually) shall be established by the Board. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Annual Maintenance Charge on a Lot have been paid.

Section 8. Effect of Nonpayment; Remedies of the Association. Any Annual Maintenance Charge or special assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of eighteen percent (18%) per annum or the maximum allowed by applicable law, whichever is less. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien created hereby against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot or non-use of the Common Area.

Section 9. Transfer Fees. Each Purchaser of a Lot (other than Declarant and the "initial" homebuilder) shall pay to the Association a Transfer Fee (herein so called) in the amount of Seventy Five and No/100 dollars (\$75.00), or such other amount as may be established from time to time by the Association, to be paid at the closing of the sale of such Lot to an Owner. Such transfer Fee shall be due and payable to and be collected by the Association at the time of each and every transfer of title to each Lot, excluding the sale of a Lot to the "initial" homebuilder.

Section 10. Subordination of the Lien to Mortgages. The lien of the Association provided for herein, as it applies to any Lot, shall be secondary, subordinate and inferior to all liens, present and future, given, granted and created by or at the instance or request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced for the purchase of the Lot and/or the Residential Dwelling thereon and any renewal, extension, rearrangement or refinancing thereof. An Owner who sells his/her Lot is not relieved from personal liability for any assessments accruing on such Lot prior to the date of sale or transfer, AND such assessment and late charges shall continue as a lien on the Lot as provided hereinunder.

Section 11. Foreclosure of Mortgage. In the event of a foreclosure of a mortgage on a Lot, the purchaser at the foreclosure sale shall not be personally responsible for Annual Maintenance Charges, special assessments, or other sums, if any, which accrued and are payable to the Association by the prior Owner of the Lot, but said purchaser and the purchaser's successors shall be responsible for Annual Maintenance Charges, special assessments, and other sums, if any, becoming due and owing to the Association with respect to the Lot after the date of foreclosure.

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ARTICLE XI
General Provisions

Section 1. Term. The provisions of this Declaration shall run with and bind the Property, and shall inure to the benefit of the Association and all Owners, their respective legal representatives, heirs, successors and assigns for an initial term commencing on the effective date hereof and ending December 31, 2032. Upon the expiration of such initial term, the provisions of this Declaration shall be automatically extended for successive periods of ten (10) years. The provisions of this Declaration may be amended only upon a vote of sixty-six percent (66%) of all the votes of both classes of membership in the Association. **NOTWITHSTANDING ANYTHING CONTAINED IN THIS DECLARATION TO THE CONTRARY, FOR SO LONG AS DECLARANT OWNS AT LEAST ONE (1) LOT IN THE SUBDIVISION, ANY AMENDMENT TO THIS DECLARATION SHALL REQUIRE THE WRITTEN APPROVAL OF DECLARANT, WHICH APPROVAL MAY BE WITHHELD BY DECLARANT IN HIS SOLE DISCRETION.** No amendment of this Declaration shall be effective until properly recorded in the Official Public Records of Real Property of Galveston County, Texas. Upon any violation or attempt to violate any of the covenants herein, it shall be lawful for the Association or any Owner to prosecute any proceedings at law or in equity, including, without limitation, injunctive relief, against the person or persons violating or attempting to violate any such covenant to prevent him or them from doing so and/or to recover damages or other sums for such violations.

Section 2. Severability. Invalidation of anyone of these covenants by judgment or other court order shall in no manner affect any of the other provisions, which shall remain in full force and effect.

Section 3. Additions to Existing Property. Additional lands may become subject to the scheme of this Declaration in the following manner:

a. **Annexation by the Board Without Approval of Members.** Additional real property may be annexed hereto from time to time by the Board, without the consent of the Owners, upon submission to and approval by any governmental authority requiring same, if any. Such annexation shall be accomplished by filing in the Official Public Records of Real Property of Galveston County, Texas an annexation document describing the Property to be annexed and subjecting the Property to the provisions of this Declaration and the jurisdiction of the Association.

b. **Annexation by Declarant.** Notwithstanding anything contained in Subsection a, above, for a period of ten (10) years from the date this Declaration is recorded, additional real property may be annexed hereto from time to time by Declarant upon the submission to and approval by any governmental authority requiring same, if any. Such annexation shall be accomplished by filing in the Official Public Records of Real Property of Galveston County, Texas an annexation document describing the Property to be annexed and subjecting the Property to the provisions of this Declaration and the jurisdiction of the Association.

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MAE ROSS

Section 4. Mergers. Upon a merger or consolidation of the Association with another association, the Association's properties, rights and obligations may be transferred to another 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 and restrictions established by this Declaration, together with the covenants and restrictions applicable to the properties of the other associations as one scheme. No such merger or consolidation, shall affect any revocation, change or addition to this Declaration.

Section 5. FHA/VA Approval. As long as there shall be a Class B Membership in the Association, and in addition to the actions requiring approval under Section 3 of this Article XI, the following actions will require the prior approval of the Federal Housing Administration or the Veteran's Administration: merger or consolidation of the Association with another association, dedication of Common Areas to a public agency, and amendment of this Declaration.

Section 6. Compliance. It shall be the responsibility of each Owner or occupant of a Residential Dwelling to obtain copies of and become familiar with the terms of the Declaration, and the Articles of Incorporation and By-Laws of the Association, all rules and regulations, and any Architectural Guidelines. Every Owner of a Lot shall comply with the provisions of this Declaration, the By-Laws of the Association, the rules and regulations of the Association, and any Architectural Guidelines. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, by any Owner. In addition, the Association may avail itself of any and all remedies provided in this Declaration or By-Laws.

Section 7. Security. THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AGENTS AND ATTORNEYS, ("ASSOCIATION AND RELATED PARTIES") SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. THE ASSOCIATION AND RELATED PARTIES SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR THE INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. OWNERS, LESSEES AND OCCUPANTS OF ALL LOTS, ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE THAT THE ASSOCIATION AND RELATED PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. OWNERS, LESSEES, AND OCCUPANTS OF LOTS ON BEHALF OF THEMSELVES, AND THEIR GUESTS AND INVITEES, ACKNOWLEDGE AND UNDERSTAND THAT THE ASSOCIATION AND RELATED PARTIES ARE NOT AN INSURER AND THAT EACH OWNER, LESSEE AND OCCUPANT OF ANY LOT AND ON BEHALF OF THEMSELVES AND THEIR GUESTS AND INVITEES ASSUMES ALL RISKS

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FOR LOSS OR DAMAGE TO PERSONS, TO RESIDENTIAL DWELLINGS AND TO THE CONTENTS OF THEIR RESIDENTIAL DWELLING AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION AND RELATED PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER OR LESSEE ON BEHALF OF THEMSELVES AND THEIR GUESTS OR INVITEES RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Section 8. Number and Gender. Pronouns, whenever used herein, and of whatever gender, shall include natural persons and corporations, entities and associations of every kind and character, and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

Section 9. Delay in Enforcement. No delay in enforcing the provisions of this Declaration with respect to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time.

Section 10. Enforceability. This Declaration shall run with the Property and shall be binding upon and inure to the benefit of and be enforceable by the Association and each Owner of a Lot in the Property, or any portion thereof, and their respective heirs, legal representatives, successors and assigns. In the event any action to enforce this Declaration is initiated against an Owner or occupant of a Lot by the Association, the Association shall be entitled to recover reasonable attorneys' fees from the Owner or occupant of a Lot who violated this Declaration.

Section 11. Remedies. In the event any person shall violate or attempt to violate any of the provisions of the Declaration, the Association, each Owner of a Lot within the Property, or any portion thereof, may institute and prosecute any proceedings at law or in equity to abate, preempt or enjoin any such violation or attempted violation. In addition, if notice and an opportunity to be heard are provided in accordance with Chapter 209 of the Texas Property Code, the Association shall be entitled to impose reasonable fines for violations of this Declaration, the Architectural Guidelines, and/or the published rules and regulations and to collect reimbursement of actual attorney's fees and other reasonable costs incurred subsequent to the hearing before the Board, or, if no hearing is requested, subsequent to the expiration of the period provided in the statute to request a hearing. Such fines, fees and costs shall be added to the Owner's assessment account and collected in the manner provided in Article X of this Declaration.

Section 12. Cumulative Effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Master Declaration; provided, however, in the event of conflict between this Declaration and the Master Declaration, those of the Master Declaration shall be superior to those of this Declaration. The foregoing priorities shall not prevent enforcement by

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the Association of provisions of the Declaration or rules of the Association which are more stringent than those of the Master Declaration or Master Association.

Section 13. Caption for Convenience. The titles, headings, captions, articles and section numbers used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

Section 14. Governing Law. This Declaration shall be construed and governed under the laws of the State of Texas.

IN WITNESS WHEREOF, the undersigned, being the Declarant, has executed this Declaration on the 4th day of September, 2002, to become effective upon recording in the Official Public Records of Real Property of Galveston County, Texas.

HSM/BAY COLONY, LTD.,
a Texas limited partnership

By: HSM DEVCO, LTD.,
a Texas limited partnership,
General Partner

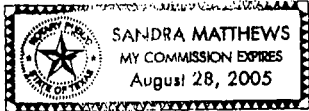
By: HSM DEVELOPMENT, INC.,
a Texas corporation,
General Partner

By: Don R. Plunk
Don R. Plunk, President

THE STATE OF TEXAS §
§
COUNTY OF DALLAS §

Before me, the undersigned authority, on this day personally appeared Don R. Plunk, President of HSM Development, Inc., a Texas corporation, General Partner of HSM Devco, Ltd., a Texas limited partnership, General Partner of HSM/Bay Colony, Ltd., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation and limited partnerships.

Given under my hand and seal of office on this 4th day of September, 2002.



Sandra Matthews
Notary Public in and for the State of Texas

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PATRICIA RITCHIE, County Clerk
Galveston County, Texas

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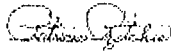
EXHIBIT "A"

BEING all of the following Lots and Parcels out of Bay Colony Parkside, Section One, a subdivision to the City of League City, Galveston County, Texas according to the plat thereof recorded at Volume 18 Page 1164 of the Map Records of Galveston County, Texas, to wit:

Lots 1 through 21, Block 1;
Lots 1 through 33, Block 2;
Lots 1 through 39, Block 3;
Lots 1 through 7, Block 4;
Lots 1 through 49, Block 5, and;
Parcels "B", "C", "D", "E", "F" and "G"

Being a total of 149 residential building Lots and six (6) Reserve Parcels. *DP*

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS OF REAL PROPERTY



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Patricia Ritchie, COUNTY CLERK
GALVESTON, TEXAS

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