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DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
CREEKS AT AUGUSTA PINES

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Bonnie R. Kappner
COUNTY CLERK
HARRIS COUNTY, TEXAS

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

CREEKS AT AUGUSTA PINES

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made on the date hereinafter set forth by SHADOW CREEK ESTATES, LTD., a Texas corporation, (hereinafter sometimes called "Declarant"):

WITNESSETH:

WHEREAS, Declarant is the owner of a portion of the real property described in Article II, Section 1, of this Declaration; and

WHEREAS, Augusta Creek Development, Ltd. is the owner of the balance of the real property described in Article II, Section 1 hereof; and

WHEREAS, for purposes of this Declaration, it shall be deemed as if Declarant is the owner of all of such real property; and

WHEREAS, Declarant desires to subject the real property described in Article II, Section 1, hereof to the provisions of this Declaration to create a residential community of single-family detached housing.

NOW, THEREFORE, Declarant hereby declares (and Augusta Creek Development, Ltd. hereby joins, not as Declarant but to subject all of the real property hereto) that the real property described in Article II, Section 1, of this Declaration, and any real property added hereto in the future, including the improvements constructed or to be constructed thereon, is hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments, and liens, hereinafter set forth, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, the real property hereby or hereafter made subject hereto, and shall be binding on all persons having any right, title, or interest in all or any portion of the real property now or hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title, and assigns and shall inure to the benefit of each and every owner of all or any portion thereof. An integral part of the development plan for the Community is the creation of the Creeks at Augusta Pines Homeowners Association, Inc., an association comprised of all Owners in Creeks at Augusta Pines to own, operate and maintain the Common Property and to administer and enforce the Governing Documents.

ARTICLE I.
Definitions

Unless the context shall prohibit, certain words used in this Declaration shall have the definitional meaning set forth below:

(a) "Architectural Review Committee" or "ARC" shall mean and refer to the Architectural Review Committee of 3 Members appointed by the Board, which members may, but do not have to be, members of the Association. Members of ARC may be removed at any time, and vacancies filled, by the Board, however as long as Declarant owns at least one (1) Lot (including Lots added by annexation), Declarant's approval is needed to appoint and/or remove members of ARC.

(b) "Association" shall mean and refer to Creeks at Augusta Pines Homeowners Association, Inc., a Texas nonprofit corporation, its successors and assigns.

(c) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association.

(d) "By-Laws" shall refer to the By-Laws of Creeks at Augusta Pines Homeowners Association, Inc.

(e) "Builder" shall mean an Owner that purchases a Lot to construct a single family Residence thereon and sell such Residence to a member of the general public.

(f) "Common Property" shall mean any and all real and personal property and easements and other interests therein, together with the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

(g) "Community" shall mean and refer to that certain real property and interests therein covered by this Declaration, located in the Creeks at Augusta Pines subdivision in Harris County, Texas and described in Exhibit "A", attached hereto together with any property annexed pursuant to Article XI, also referred to herein as "Creeks at Augusta Pines."

(h) "Community-Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the Association.

(i) "Declarant" shall mean and refer to Shadow Creek Estates Ltd., and the successors-in-title and assigns of Shadow Creek Estates Ltd., provided any such successor-in-title or assign shall acquire for the purpose of development or sale all or any portion of the remaining undeveloped or unsold portions of the real property described in Exhibit "A", attached

hereto, and provided further, in the recorded instrument of conveyance to any such successor-in-title or assign, such successor-in-title or assign is designated as the "Declarant" hereunder by the grantor of such conveyance, which grantor shall be the "Declarant" hereunder at the time of such conveyance; provided, further, upon such recorded designation of such successor Declarant, all rights of the former "Declarant" in and to such status as "Declarant" hereunder shall cease, it being understood that as to all of the property described in Exhibit "A", attached hereto, which is hereafter subjected to this Declaration, there shall be only one person or legal entity entitled to exercise the rights and powers of the "Declarant" hereunder at any one point in time.

(j) "Golf Club" shall mean a portion of land adjacent to the Community which is privately owned by Augusta Pines Tour 18 Golf Course, its successors, successors-in-title, or assigns, and which is operated as a golf club with related recreational facilities. The Golf Club is not related to the Community and the Declarant and Builders have no financial interest or other relation to the Golf Club.

(k) "Governing Documents" means this Declaration together with the Certificate of Formation of the Association and the By-laws of the Association, as supplemented by any Rules promulgated by the Board from time to time, all as amended.

(l) "Lot" shall mean a plot of land which is a portion of the Community intended for ownership and use as a single-family detached residence and as shown on the plats for the Creeks at Augusta Pines, or amendments thereto, recorded in the Official Records of Real Property of Harris County, Texas. The ownership of each Lot shall include, and there shall pass with each Lot as an appurtenance thereto, whether or not separately described, all of the right, title, and interest of an Owner in the Common Property, which shall include, without limitation, membership in the Association. Each Lot shall refer to the land, as well as any improvements located thereon. Each Owner of a Lot shall be entitled to the exclusive ownership and possession of his or her Lot, subject to this Declaration.

(m) "Majority" means those eligible votes, Owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

(n) "Mortgage" means any mortgage, deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

(o) "Mortgagee" shall mean the holder of a Mortgage.

(p) "Neighborhood" shall mean a grouping of Lots which comprise a portion of a Community and which are designed by Declarant to have a distinctive identity within the Community. Such distinctive identity may be created by such features as a gated community and/or additional landscaping and/or ornamental fencing, and/or some other feature designed to set the Neighborhood apart from the other property within the Community. In the event of Declarant designing and creating a Neighborhood, or should a grouping of Lots desire to form a Neighborhood after the initial development thereof, all features providing the distinctive identity shall be subject to review by the Architectural Review Committee of the Association for compliance with all written guidelines. Further, any cost and/or expense in creating and/or

maintaining the features distinguishing the Neighborhood and its distinctive identity will be deemed additional services to the Lots within such Neighborhood and assessed as Additional Services Benefitted Assessments (as hereinafter defined), allocated prorata among the Lots in the Neighborhood, and shall not be a common expense to the Community because they are not for the benefit of nor to be paid by all Owners in the Community.

(q) "Owner" shall mean and refer to the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community, including contract sellers but excluding, however, any Person holding such interest merely as security for the performance or satisfaction of any obligation.

(r) "Person" means any natural person, as well as a corporation, limited liability company, joint venture, partnership (general or limited), association, trust, or other legal entity.

(s) "Residence" means any building or structure situated on a Lot which is intended for use and occupancy as a residence for a single family.

(t) "Rules" means such rules and regulations, use restrictions and design/architectural guidelines promulgated from time to time by the Declarant and/or the Board of Directors which are applicable to the Lots and Common Property, as amended.

ARTICLE II Property Subject to This Declaration

Section 1. Property Hereby Subjected to This Declaration . The real property which is, by the recording of this Declaration, subject to the covenants and restrictions hereafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied, and mortgaged or otherwise encumbered subject to this Declaration is the real property described in Exhibit "A", attached hereto and by reference made a part hereof, and any property subsequently annexed hereto (the "Property"). Each Owner, by acceptance of a deed to property within the Community, acknowledges that he or she is subject to this Declaration and a member in and subject to assessment by the Association.

ARTICLE III Association Membership and Voting Rights

Section 1. Membership . The Declarant and every person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall be deemed to have a membership in the Association. The foregoing is not intended to include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. In the event of multiple Owners of a Lot, votes and rights of use and enjoyment shall be as provided in this Declaration and in the By-Laws. Membership shall be appurtenant to and may not be separated from ownership of any Lot. The rights and privileges of membership, including the right to vote and to hold office, may be exercised by a member or the member's spouse, but in no event shall more than one (1) vote be

cast nor office held for each Lot owned. The Board may decide that a member or spouse of any member may not be entitled to vote or exercise any other right or privilege of membership if such member is delinquent with respect to any assessments due hereunder.

Section 2. Voting . The Association shall have two (2) classes of membership, Class "A" and Class "B", as follows:

(a) Class "A". Class "A" members shall be all Owners, with the exception of the Declarant, the Builders and Augusta Creek Development, Ltd. Class "A" members shall be entitled to one (1) vote for each Lot owned. When more than one Person holds an ownership interest in any Lot, the vote for such Lot shall be exercised as those Persons themselves determine. If a vote is cast by any of the Persons who have an ownership interest in any Lot, such vote shall be deemed to be the vote for such Lot. A Lot's vote shall be suspended in the event more than one Person seeks to exercise it.

(b) Class "B". The Class "B" member shall be the Declarant. The Class "B" member shall be entitled to three (3) votes for each Lot owned by it and/or planned for development by Declarant, the Lots owned by any Builder and Lots owned by Augusta Creek Development, Ltd. The Class "B" membership shall terminate and become converted to Class "A" membership upon the happening of the earlier of the following:

- (i) when 75% of the Lots planned for development have been sold to and occupied by Class "A" members;
- (ii) October 1, 2036; or
- (iii) when, in its discretion, the Declarant so determines.

From and after the happening of these events, whichever occurs earlier, the Class "B" member shall be deemed to be a Class "A" member entitled to one (1) vote for each Lot it owns.

(c) At such time that additional property is annexed into the Association, if such annexation occurs, the Class B Membership of the Declarant, shall, if it had previously ceased due to one of the conditions listed above in (i), (ii) or (iii) be reinstated and shall apply to all Lots owned by Declarant in the newly annexed portion of the Community, as well as to all Lots owned by Declarant in all other areas of the Community. Such reinstatement is subject to further cessation in accordance with the limitation set forth in the preceding paragraph (b)(i), (ii) and (iii) of this Article, whichever occurs first. However, upon reinstatement due to annexation of additional property into the Community, the period of time set forth in the preceding paragraph (ii) of this Article shall be extended to the extent necessary such that in all circumstances it extends for a period no shorter than ten (10) years from the date of each such recorded annexation (i.e. Supplemental Declaration).

(d) Notwithstanding any termination of the Class "B" membership, unless Declarant decides otherwise, the Declarant shall remain in control of, and make all decisions

related to, the ARC, until 100% of the Lots have been sold to and occupied by Class "A" members, and the Association shall abide by such decisions.

Section 3. Management . The Association shall be incorporated as a non-profit corporation. The Association shall be managed by the Board of Directors pursuant to the procedures set forth in the Certificate of Formation and By-Laws of the Association, subject to this Declaration. The Board shall initially consist of three (3) directors, which number is set in the By-Laws and may be increased as provided for in the By-Laws. Pursuant to the Certificate of Formation, the Board shall have the authority to amend the By-Laws.

Section 4. Function of Association. The Association shall be (i) the entity responsible for management, maintenance, operation and control of the Common Property; (ii) the primary entity responsible for compliance with and enforcement of this Declaration and its provisions regulating use of the Property; and (iii) responsible for adopting, administering, monitoring compliance with, and enforcing the Rules. The Association may delegate such responsibilities to committees or engage outside Persons to monitor and enforce this Declaration and the Rules under the supervision of the Board. The Association shall perform its functions in accordance with the Governing Documents and Texas law.

Section 5. Duties and Powers of the Board. Through the Board, the Association shall have the following powers and duties:

(a) To adopt rules and regulations to implement this Declaration and By-Laws; so long as such rules and regulations are consistent with the rights and duties established by this Declaration.

(b) To enforce this Declaration, the By-Laws, its Rules and other regulations.

(c) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors or such member is delinquent in the payment of an assessment for more than twenty (20) days, as set forth in the By-Laws.

(d) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

(e) Delegate responsibility to, and contract with, a management company, for collection of the assessments and enforcement of this Declaration, the Bylaws and the rules and regulations of the Association.

(f) Delegate responsibility to, and contract with, a management company for the operation, management and maintenance of the Common Property and the Association from time to time, if the Board so elects.

(g) Delegate responsibility to, and contract with, a management company for whatever maintenance and other obligations, if any, that the Association from time to time undertakes.

(h) To enter into such contracts and agreements concerning the Community as the Board deems reasonably necessary or appropriate to maintain and operate the Property in accordance with the Declaration, and to assume any contracts and agreements concerning the Community entered into by the Declarant, including without limitation, the right to enter into agreements with adjoining or nearby landowners or governmental entities on matters of maintenance, trash pick-up, repair, administration, use of recreational facilities for a fee or cost sharing of facilities of other associations in exchange for use rights, security, traffic, streets or other matters of mutual interest.

(i) To take any and all actions, and to cause any and all actions to be taken, which are the responsibility of the Association and the Board pursuant to this Declaration and the By-Laws, including but not limited to duties relating to electing Directors, creating budgets, delegating power, establishing and collecting assessments, the enforcement of all of the obligations of the Owners, to receive complaints and make determinations about violations of this Declaration, the By-Laws, the Rules and regulations, the holding of annual and special meetings, the management and maintenance of Common Property, the performance of all maintenance obligations of the Association and hereunder and the payment of all costs and expenses to be paid by the Association hereunder.

(j) To suspend the vote or the exercise of any other right or privilege of membership if the Owner is delinquent in the payment of any assessment or in violation of any provision of the Declaration.

Section 6. Litigation. Except as provided below, the Association shall not commence any judicial or administrative proceeding without the approval of 67% of the total eligible Association vote. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration and/or the Rules (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article IV; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above. This Section shall apply in addition to the provisions of Article XII, Section 17, if applicable.

ARTICLE IV. Assessments

Section 1. Purpose of Assessments. The assessments provided for herein shall be used for the general purpose of promoting the recreation, common benefit, and enjoyment of the Owners and occupants of Residences, including but not limited to the maintenance of real and personal property such as the Common Property, all as may be more specifically authorized from time to time by the Board of Directors. The judgment of the Board of Directors as to expenditures of assessments shall be final and conclusive so long as its judgment is exercised in good faith.

Section 2. Creation of the Lien and Personal Obligation for Assessments . Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association: (a) annual regular assessments or charges assessed against such Lot; (b) special assessments, such assessments to be established and collected as hereinafter provided; and (c) specific assessments against any particular Lot and/or Neighborhood (including but not limited to benefitted assessments) which are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration. All such assessments, together with late charges, fines, interest, not to exceed the maximum legal rate, costs and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing vendor's lien and power of sale upon the Lot against which each assessment is made and the Owner of each Lot hereby covenants and agrees to grant and does hereby grant to an officer of the Association as Trustee, named from time to time, the continuing vendor's lien and power of sale on each Lot to secure all such sums set forth herein. Declarant and/or the Association, acting through the Board, shall have the right to appoint one or more successor or substitute trustees to act instead of the trustee named from time to time without other formality than the recordation in the Official Public Records of Real Property of Harris County, Texas of a written designation of such trustee. Such substitute or successor trustee shall have all authority hereby conferred on the Trustee named from time to time. Each such assessment, together with late charges, fines, interest, costs, and reasonable attorney's fees actually incurred, shall be secured by the vendor's lien and also be the personal obligation of the person who was the Owner of such Lot at the time the assessment fell due. Each Owner shall be personally liable for each assessment coming due while he or she is the Owner of a Lot, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of its grantor shall not apply to any first Mortgage holder taking title through foreclosure proceedings or deed in lieu of foreclosure.

Annual assessments shall be paid at a uniform rate per Lot regardless of where such Lot is located and regardless of which part of the Community the Lot is located in (as distinct from a Lot in a Neighborhood with a Additional Served Benefitted Assessment), in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days' written notice, of the annual assessment for Lots delinquent in payment. Unless otherwise provided by the Board, the annual assessment for Lots shall be paid in annual installments. Builders shall pay annual assessments at one-half (1/2) the then assessed rate for the period of time that the Builder is the owner of the Lot.

Common Property shall be exempt from assessments.

Section 3. Computation/Annual Assessments. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association and Common Property during the coming year which may provide for an increase over the previous year's budget and which may include a capital contribution or reserve in accordance with a capital budget separately prepared. Such budget shall need the approval of the Declarant until such time as 100% of the Lots have been sold to and occupied by Class "A" members, and the Board shall revise the budget as needed to obtain such approval. There may also be separate reserve account for the Lots. The budget may also take into account annexations the Board reasonably believes may occur in the coming year. The Board shall cause the budget and the annual assessments to be

levied against each Lot for the following year to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year. After termination of the Class B Membership, the budget and the annual assessment shall become effective unless disapproved at a meeting by two-thirds of the total eligible votes of the Owners present in person or by proxy at such meeting which was called for the purpose of such vote. Notwithstanding the foregoing, however, in the event the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget and annual assessments for the succeeding year, then and until such time as a budget and annual assessments shall have been determined, as provided herein, the budget and assessments in effect for the then current year shall continue for the succeeding year.

Section 4A. Special Assessments . In addition to the other assessments authorized herein, the Association may levy special assessments in any year for the purpose of defraying, in whole or part, the cost of any construction, reconstruction, unexpected repair or replacement of a capital improvement or such other addition upon the Common Property, and/or the operation of the Common Property. So long as the total amount of special assessments allocable to each Lot does not exceed One Thousand and No/100 Dollars (\$1,000.00) in any one fiscal year, the Board may impose the special assessment without the prior approval or consent of the membership. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if approved by a Majority of the Class "A" members present in person or by proxy at a meeting of the members called for this purpose. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

Section 4B. Benefitted Assessments . In addition to the special assessments authorized above, the Board may levy a Benefitted Assessment against a particular Lot (a) to cover the costs, including overhead and administrative costs, of providing special services to such Lot upon the request of the Owner or provided for herein which costs may be levied in advance of the provision of the requested services; or (b) to cover costs incurred in bringing a Lot into compliance with this Declaration; or costs incurred as a consequence of the conduct, including any act or omission of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests. Any fines assessed pursuant to this Declaration will also be deemed to be Benefitted Assessments and secured by the vendor's lien and power of sale contained herein.

Benefitted Assessments may also be levied when additional services are provided to any group of Lots in a Neighborhood to pay for such additional services when such additional services are not provided to the Community as a whole ("Additional Services Benefitted Assessments"). Such Additional Services Benefitted Assessments may be included with the Annual Assessments for the Lots affected, or may be assessed and collected quarterly or monthly, as the Board shall decide. Factors which the Board may consider with respect to the timing or amount of the billing of such Additional Services Benefitted Assessments shall include, but shall not be limited to, the timing of additional expenses to the Association in providing such additional services, when such expenses must be paid, the recurring nature of the additional services and any reserves needed for large recurring expenses involved in providing such additional services which would not be Special Assessments against the Community as a whole. The Board may change the timing of the assessment of such Additional Services Benefitted

Assessments from time to time, as circumstances warrant, and may change the amount of such Additional Services Benefitted Assessments from time to time, as circumstances warrant. When such Additional Services Benefitted Assessments are assessed, the Board shall direct them to be billed and collected as other Assessments in the Declaration, with all of the same remedies for nonpayment.

Such Additional Services Benefitted Assessments may not be terminated unless the additional services are no longer being provided. Lots in the Neighborhood receiving the benefit of such additional services may not request the termination of such additional services unless 75% of the Lot(s) receiving such additional services have agreed in writing to request such termination, in person or by proxy. If terminating the additional services would cause the Association to takeover maintenance obligations or incur any expenses, then the prior written consent of the Association shall be required for the termination of the additional services. Upon receipt of such a request signed in person or by proxy of the required percentage, the Board shall make all of the arrangements needed to discontinue such additional services and the Lot(s) that were receiving such additional services shall pay the expenses of such arrangements as an Additional Services Benefitted Assessments.

Section 4C. Capitalization Fee. Each Owner of a Lot other than Declarant (whether one or more Persons) at the time it purchases a Lot, shall be obligated to pay to the Association a fee of \$650.00 per Lot, at the time of purchase, as a Capitalization Fee. Such funds from the Capitalization Fee collected at each sale shall initially be used to defray initial operating costs and other expenses of the Association, and later used to ensure that the Association shall have adequate funds to meet its expenses and otherwise, as the Declarant (and later the Association) shall determine in its sole discretion (hereinafter "Capitalization Fee"). Such Capitalization Fee shall be non-refundable and shall not be considered an advance payment of any Assessments levied by the Association pursuant to the Declaration. The amount of the Capitalization Fee may be changed prospectively (but not retrospectively) by the Association from time to time in its discretion. Such Capitalization Fee will be collected from the Owner directly at the purchase of the Lot. If any Lot is subdivided and/or platted into multiple Lots, then the multiple Lots will thereafter be subject to the Capitalization Fee at the time of each sale. Such Capitalization Fee shall be deemed an Assessment hereunder, and may be collected in the same fashion.

Section 5. Lien for Assessments. All sums assessed against any Lot pursuant to this Declaration, together with late charges, fines, interest (not to exceed the maximum allowed by law), costs and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a continuing contractual vendor's lien and power of sale on such Lot in favor of the Association. Such continuing vendor's lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens of ad valorem taxes; or (b) liens for all sums unpaid on a first lien Mortgage or on any Mortgage to Declarant duly recorded in the Official Public Records of Real Property of Harris County, Texas, and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

All other persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association . Any assessments which are not paid when due shall be delinquent. Any monthly installment of any assessment or any special assessment which is delinquent for a period of more than five (5) days shall incur a late charge in the amount of \$25.00, which amount may be amended as the Board may from time to time determine. If the assessment is not paid within thirty (30) days, interest, not to exceed the maximum legal rate, shall accrue on the principal amount due, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law.

In the event that the assessment remains unpaid after sixty (60) days, the Association may, as the Board shall determine, institute suit to collect such amount and/or take action to foreclose such lien, either by action for judicial foreclosure in the manner prescribed by law or by directing the Trustee to foreclose the lien by public sale conducted in accordance with the notice, posting and other requirements of the statutes of the State of Texas (the Texas Property Code Section 51.002 *et seq*) for the foreclosure of deed of trust liens upon real property. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents a power of sale and the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The continuing contractual vendor's lien and power of sale provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the same. No Owner may waive or otherwise except liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot.

In the event that the Association has determined to non-judicially foreclose the lien provided herein and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the U. S. Postal Service, postage prepaid, registered or certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. If required by law, the Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be recorded in the Real Property Records of Harris County, Texas. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorney's fees and reasonable trustee's fee; second, from such proceeds there shall be paid late charges, fines, and interest (in that order); third, from such proceeds there shall be paid to the Association an amount equal to the amount in default; fourth, from such proceeds there shall be paid any lienholders which hold liens against the Lot which are inferior to the Association's lien; and, fifth, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

It is the intent of the provisions of this Article IV, Section 6 to comply with the provisions of Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Section 51.002 of the Texas Property Code hereafter, the President or any Vice President of the Association, acting without joinder of any other Owner or mortgagee or other person may, by amendment to this Declaration filed in the Real Property Records of Harris County, Texas, amend the provisions hereof so as to comply with said amendments to Section 51.002 of the Texas Property Code.

All payments shall be applied in such manner as the Board shall determine, in its sole discretion. If the Board does not determine the manner of application, then such payment shall be applied first to costs and attorney's fees, then to late charges, then interest and then to delinquent assessments. In addition to all other remedies of the Association set forth herein, in the event any member is delinquent in the payment of any assessments due pursuant to this Declaration, or shall otherwise be in default hereunder, then such member shall not be entitled to exercise the rights and privileges of membership, including but not limited to the right to vote and hold office. Further, in the event a member is delinquent in the payment of any assessment due pursuant to this Declaration, the Association shall have the right to suspend the right of such member (and his or her guests or tenant(s) or other occupants of a Residence) from using the Common Property until such delinquency is cured. The election by the Association to exercise any of its remedies herein permitted shall not be construed to constitute an election to waive the right to exercise any other remedy available. The Association is hereby authorized by all Owners to use any and all of such remedies as often as may be required to collect payment of all sums secured by the lien hereunder.

Section 7. Date of Commencement of Annual Assessments . The annual assessments procedure provided for herein shall commence on the first day of the month following the conveyance of the first Lot by the Declarant to a Class "A" member and shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment for any Lot shall be adjusted according to the number of months then remaining in that fiscal year. The date any specific Lot becomes subject to assessment hereunder shall be the date on which the specific Lot is conveyed by Declarant to a Class "A" member and the Owner of a Lot shall, at such conveyance, pay the prorata balance of the annual assessment. Any Additional Services Benefitted Assessments shall also be prorated.

Section 8. Assessments by Declarant .

(a) At the option of Declarant, the Declarant shall not be required to pay the annual assessments for Lots that it owns. However, in such event and only for as long as the Class B membership exists, Declarant will contribute such sums as are needed by the Association to meet its operating expenses, should there be insufficient sums from the assessments being collected. For purposes of this paragraph, operating expenses are hereby defined as normal and customary day-to-day expenses specifically excluding any capital reserve contributions and/or capital expenditures.

(b) Notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called "in kind contribution"). The amount

by which monetary assessments shall be decreased as a result of any in kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

Section 9. Assessment Certificate and Transfer Fee . Upon written request by an Owner, the Association shall within a reasonable period of time, issue to an Owner a written certificate stating that all assessments (including interest and costs), have been paid with respect to any specified Lot, and if all assessments and charges have not been paid, setting forth the amount of such assessments and charges (including interest and late charges and costs, if any) due and payable as of the date of the certificate. The Association may make a reasonable charge for the issuance of such certificate; however, there shall be no charge to the Declarant for such certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Association and any bona fide purchaser or lender on the Lot specified in such certificate. The Association shall have the right to charge any Owner selling or otherwise transferring title to a Lot, a fee which is reasonable compensation, in the opinion of the Board, for the costs incurred by the Association in changing its records to reflect the transfer of ownership; however, there shall be no charge to the Declarant when the Declarant sells a Lot.

ARTICLE V. Maintenance

Section 1. Association's Maintenance . The Association shall operate, maintain and keep in good repair, consistent with the Community-Wide Standard, the Common Property and any improvements located thereon. The Association shall also maintain the perimeter fencing placed in the easement reserved and described in Article X, Section 10 hereof, if any. The Association shall maintain and keep in good repair all paved or concrete walkways, driveways, parking areas and patios, if any, located on the Common Property. Any paved or concrete walkways, driveways, parking areas and patios located within the boundaries of a Lot shall be the responsibility of the Owner of such Lot.

The Association shall have the right but not the obligation, to maintain property not owned by the Association where the Board has determined that such maintenance would benefit all Owners.

There are hereby reserved to the Association easements over the Community as necessary to enable the Association to fulfill the Association's maintenance responsibilities described in this Declaration. Except as otherwise provided herein, all costs associated with maintenance,

repair and replacement of the Common Property, and perimeter identity fencing, if any, shall be a common expense to be allocated among the Lots as part of the annual assessments.

The Association will only perform the various items to which it has reasonable access. If reasonable access is blocked or denied, the Association will not perform such items, however the assessments of any Owner whose Residence does not allow reasonable access will not be reduced.

Section 2. Owner's Maintenance . All maintenance of the Residence and Lot not listed above shall be the responsibility of the Owner thereof.

Such maintenance by an Owner shall be performed consistent with this Declaration, the Community-Wide Standard and the Rules. In the event that the Board of Directors of the Association determines that (a) any Owner has failed or refused to discharge properly his obligations with regard to the maintenance, repair, or replacement of items for which he or she is responsible hereunder; or (b) that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, his or her family, guests, lessees, or invitees, and is not covered or paid for by insurance, in whole or in part, then, the Association may perform the repair, replacement or maintenance and shall, except in the event of an emergency situation, give the Owner written notice of the Association's intent to provide such necessary maintenance, repair, or replacement, at Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repairs, or replacement deemed necessary. The Owner shall have ten (10) days within which to complete such maintenance, repair, or replacement, or, in the event that such maintenance, repair, or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable time. If any Owner does not comply with the provisions of this Article, as well as any other provisions of this Declaration requiring the Owner to perform any maintenance, repair or replacement, the Association may provide any such maintenance, repair, or replacement and shall bill the Owner therefore 110% of such cost and expenses, plus a \$50.00 administrative fee, such bill to be due upon receipt and if not timely paid, such bill shall be deemed a Benefitted Assessment to which such Owner is subject and shall become a lien against the Lot.

Section 3. Party Fences and Party Walls.

(a) General Rules of Law to Apply. Each fence built which shall serve and separate any two (2) adjoining Residences shall constitute a party fence or party wall and, to the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and fences and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

(b) Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party fence or wall shall be shared by the Owners who are served by the fence or wall in equal proportions, unless the Association is responsible for such repair and maintenance at the time needed.

(c) Damage and Destruction. If a party fence or wall is destroyed or damaged by fire or other casualty, then to the extent that such damage is not covered by insurance and therefore not repaired out of the proceeds of insurance, any Owner served by the fence or wall may restore it, and the other Owner or Owners served by the fence or wall thereafter shall contribute to the cost of restoration thereof in equal proportions without prejudice, however, subject to the right of any such Owners to call for a larger contribution from the others under any rule or law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this Section, to the extent that such damage is not covered and paid by the insurance provided for herein, an Owner who by his negligent or willful act causes any party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other owner under this Section shall be appurtenant to the land and shall pass to such owner's successor-in-title.

(f) Arbitration. In the event of any dispute arising concerning a party fence or wall, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefore by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) arbitrators shall be binding upon the parties and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof located in Harris County, Texas.

ARTICLE VI. Use Restrictions and Rules

Section 1. General . The Declarant and/or the Board of Directors may, from time to time, in its sole discretion and without consent of the members, promulgate, modify, or delete use restrictions and rules and regulations applicable to the Lots and the Common Property, including but not limited to, rules governing the Community ("Rules"). Such Rules, regulations and use restrictions shall be binding upon all Owners and occupants until and unless overruled, canceled, or modified in a regular or special meeting by both the vote of Class "A" members holding a Majority of the total votes in the Association and the vote of the Class "B" member, so long as such membership shall exist. Such Rules may apply to activities in the Community, including but not limited to, the use of the Common Property and the leasing of Residences by the Owners thereof. The Rules shall not apply to Declarant or to any property owned by it and shall not be applied in any manner which would prohibit or restrict the development of the Community and/or the development, construction and sale of Residences by Declarant.

Section 2. Occupants Bound . All provisions of the Declaration, and any Rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all occupants of any Lot.

Section 3. Nuisance . It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition of his or her Lot. No Lot shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or material be kept upon any Lot that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any property adjacent to the Lot. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community.

Section 4. Occupancy . Each Residence shall be used as a residence only, except as otherwise herein expressly provided. Each Residence owned by an individual, corporation, limited liability company, partnership, trust or other fiduciary may only be occupied by the following persons and such persons' families and guests: (i) the individual Owner, (ii) an officer, director, stockholder or employee of such corporation or company, (iii) a partner or employee of such partnership, (iv) the fiduciary or beneficiary of such fiduciary, or (v) permitted occupants under an approved lease or sublease of a Residence (as described below), as the case may be.

Occupants of leased or subleased Residence will be deemed approved occupants if they are the following persons, and such persons' families and guests: (i) an individual lessee or sublessee, (ii) an officer, director, stockholder or employee of a corporate lessee or sublessee, or (iv) a fiduciary or beneficiary of a fiduciary lessee or sublessee.

Under no circumstances may more than one family reside in a Residence at one time. "Families" or words of similar import used herein shall be deemed to include spouses, parents, parents-in-law, brothers and sisters. In no event shall occupancy (except for temporary occupancy by visiting guests) exceed two (2) persons per bedroom. The Board of Directors shall have the power to authorize occupancy of a Residence by persons in addition to those set forth above. It is not the intent of the Declarant to exclude from a Residence any individual who is authorized to so remain by any state or federal law. If it is found that this definition or any other provision contained in this Declaration is in violation of any law, then this Section or other provision will interpreted to be a restrictive as possible to preserve as much of the original Section or provision as allowed by law. The provisions of this Section 4 shall not be applicable to Residences used by the Declarant for model homes, sales offices, other offices or management services.

Section 5. Architectural Review. No existing Residence and/or other improvements on any Lot shall be constructed, modified, enlarged or otherwise altered (including but not limited to change of exterior color scheme) nor shall any additional improvements be commenced, erected, placed, moved onto or permitted to remain on any Lot, except such as is installed by Declarant or is approved in writing by the Architectural Review Committee (or the Board of Directors should no Architectural Committee have been formed) of the Association or its designee after review of the plans and specifications showing the nature, kind, shape, height, materials and location submitted in writing to the ARC (or Board). The Declarant or the Board

or its designee may promulgate written guidelines for the exercise of this review. Every Builder is responsible to make sure that its design of any Residence complies with such guidelines.

The ARC (or Board) or its designee shall be the sole arbiter of such plans and may withhold approval for any reason, including purely aesthetic considerations, and it shall be entitled to stop any construction in violation of these restrictions. Any member of the ARC (or Board) or of its designee or the representatives of either shall have the right, during reasonable hours, to enter upon any Lot to inspect any Residence and/or other improvements on such Lot for the purpose of ascertaining whether or not these restrictive covenants have been or are being complied with. Such person or persons shall not be deemed guilty of trespass by reason of such entry. In the event that the Board or its designee fails to approve or to disapprove such plans and specifications within sixty (60) days after the plans and specifications have been submitted to it, approval will not be required and this Section will be deemed to have been fully complied with.

The standards and procedures established by this Article and/or the ARC are intended as a mechanism for maintaining and enhancing the overall aesthetics of the Community, they do not create any duty to any person. Review and approval of any application pursuant to this Article may be made solely on the basis of aesthetic considerations. The reviewer shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring the quality of the materials used or their fitness for the purpose designed, nor for ensuring that all dwellings are of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners.

Declarant, the Association, the Board, the ARC, any other Association committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage, or other general site work; any defects in plans revised or approved hereunder; any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any contractor or its subcontractors, employees, or agents, whether or not Declarant has approved or featured such contractor as a builder in Texas; or any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot. In all matters, the Board, the ARC and the members of each shall be defended and indemnified by the Association as provided in Article XII, Section 10.

The reviewer may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. No variance shall (a) be effective unless in writing, (b) be contrary to this Declaration; or (c) estop the reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

The Community of the Creeks at Augusta Pines is a development of over 400 acres, which is being developed with several different "Neighborhoods" within its overall boundaries. Each such Neighborhood will have a distinct marketing name, and the design guidelines may vary by neighborhood. A Supplemental Declaration shall be filed for each such Neighborhood,

which Supplemental Guidelines shall set forth certain requirements such as, but not limited to, exterior building materials, roofing materials, setbacks, square footage, number of stories, fencing and landscaping for that Neighborhood. Any Supplemental Declaration may also set forth any other requirements Declarant deems necessary for a specific Neighborhood, whether or not the Supplemental Declaration for any other Neighborhood contains a like requirement. Each Supplemental Declaration, unless it states that it applies to the entire Community, shall apply to and be binding upon only the Neighborhood described therein.

Section 6. Antennas and Satellite Dishes. No television, radio, or other electronic towers, aerials, antennae, satellite dishes or device of any type for the reception or transmission of radio or television broadcasts or other means of communication shall be erected, constructed, placed or permitted to remain on any Lot or upon any improvements thereon, except that this prohibition shall not apply to those antennae specifically covered by the regulations promulgated under the Telecommunications Act of 1996, as amended from time to time. The Architectural Review Committee is empowered to adopt rules governing the types of antennae that are permissible in the Community and to establish reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae. To the extent that receipt of an acceptable signal would not be impaired, an antenna permissible pursuant to the rules of the Architectural Review Committee may only be installed in a side or rear yard location, not visible from the street or neighboring property, and integrated with the dwelling and surrounding landscape. Antennae shall be installed in compliance with all state and local laws and regulations.

Section 7. Parking and Prohibited Vehicles. No motor vehicles or non-motorized vehicle, boat, trailer, marine craft, recreational vehicle, camper rig off of truck, hovercraft, aircraft, machinery, or equipment of any kind may be parked or stored on any part of any Lot, easement, or right-of-way, unless such vehicle or object is completely concealed from public view inside a garage or enclosure approved by the Architectural Review Committee. Passenger automobiles, passenger vans, motorcycles, or pick-up trucks that: (a) are in operating condition; (b) have current license plates and inspection stickers; (c) are in daily use as motor vehicles on the streets and highways of the State of Texas; (d) which do not exceed seven feet seven inches (7'7") in height, or eight feet (8') in width, or twenty-four feet (24') in length, and (e) do not have more than six (6) tires, may be parked in the driveway on a Lot, however, no vehicle shall be parked so as to obstruct or block a sidewalk, if any, and no vehicle shall be parked upon any portion of the grassed areas or yard. Further, no vehicle of any kind may be parked in the street overnight. A maximum of two (2) occupant vehicles may be parked outside of the garage serving the Residence. For purposes of this provision, a vehicle shall be considered an "occupant vehicle" if it is parked on the Lot four (4) or more hours per day, four (4) or more days in any seven (7) day period. The Board of Directors may authorize on-street parking on a temporary basis for visitors and guests, subject to reasonable rules and regulations. No garage shall be enclosed, modified or otherwise used so as to reduce its capacity for parking vehicles below that originally approved by the ARC unless alternative arrangements for enclosed parking are approved by the ARC. Garage doors visible from any street within the Community shall remain closed except during ingress and egress or when the garage is actively being used by the Owner or occupant. No vehicle may be repaired on a Lot unless the vehicle being repaired is concealed from view inside a garage or other approved enclosure. Vehicles that become inoperable or stored while within the Community must be removed within seventy-two (72) hours thereof. For

purposes of this Section, a vehicle shall be considered "stored" if it is put up on blocks or covered with a tarpaulin and remains on blocks or so covered for fourteen (14) consecutive days without the prior approval of the Board of Directors. Notwithstanding the foregoing, service and delivery vehicles may be parked in the Community during daylight hours for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Property. This restriction shall not apply to any vehicle, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a house or houses in the immediate vicinity; provided, however, Owners or occupants of Lots may seek a temporary variance from these restrictions for their guests and/or for a special circumstance (such as parking an RV in the street for one night prior to departure on a vacation); however, any such request for a variance must receive the prior approval of the Board of Directors of the Association. The Board of Directors of the Association may adopt additional Rules regulating parking on the streets in the Community.

Section 8. Signs. Other than standard size for sale or rent signs, or signs for a security company, no signs, billboards, posters or advertising devices of any kind shall be permitted on any Lot without the prior written consent of the ARC. The size, shape and color of any signs other than for sale signs must be as set forth in the Rules of the ARC or as otherwise approved by the ARC. This section shall not apply to the Declarant.

Section 9. No Storage Buildings. No exterior storage building shall be allowed on any Lot without the prior written consent of the ARC.

Section 10. Rules. The Declarant and/or the Board of Directors is hereby specifically authorized to promulgate Rules governing the Community, including but not limited to Rules incorporating use restrictions, design guidelines, parking and traffic issues, age restrictions for the Community, usage of the Common Property and any other activity within or related to the Community. Design guidelines promulgated pursuant to the Rules may include, but are not limited to guidelines concerning planters, park benches, porch swings, lawn furniture and/or yard art. Any such Rules shall have the same stature as if included herein.

Section 11. Wildlife Management. The Association shall have the right and power, but not the obligation, to take any actions in accordance with appropriate law and adopt any Rules as may be necessary for the control, relocation, management, and/or extermination of wildlife, including but not limited to deer, skunks, opossums, snakes, reptiles, rodents, and pests within the Common Property. Owners shall not feed wildlife in the Community except in accordance with Board regulation.

Section 12. Business Use. No garage sale, rummage sale or similar activity and no trade or business may be conducted in or from any Lot, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (a) the existence of operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Lot; (b) the business activity conforms to all zoning requirements for the Community; (c) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers or other business invitees or door-to-door solicitation of residents of the Community; and (d) the business activity is consistent with the residential character of the Community and does not constitute a

nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Community, as may be determined in the sole discretion of the Board of Directors.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involved the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. Notwithstanding the above, the leasing of a Lot shall not be considered a trade or business within the meaning of this section.

Section 13. Leasing of Lots and Residences.

(a) Definition. "Leasing", for purposes of this Declaration, is defined as regular, exclusive occupancy of a Lot and Residence by any person or persons other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to a fee, service, gratuity, or emolument.

(b) Leasing Provisions.

(i) General. Lots and the Residences thereon may be rented only in their entirety; no fraction or portion may be rented. All leases shall be in writing and shall be for an initial term of no less than thirty (30) days, except with the prior written consent of the Board of Directors. Notice of any lease, together with such additional information as may be required by the Board of Directors, shall be given to the Board of Directors by the Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, By-Laws, and the rules and regulations. The Board of Directors may adopt reasonable rules regulating leasing and subleasing.

(ii) Compliance with Declaration, By-Laws, and Rules and Regulations. Every Owner shall cause all occupants of his or her Lot to comply with the Declaration, By-Laws, and the rules adopted pursuant to the foregoing, and shall be responsible for all violations and losses to the Common Areas caused by such occupants, notwithstanding the fact that such occupants of a Residence are fully liable and may be sanctioned for any such violation.

Section 14. Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any portion of the Community except dogs, cats or other common household pets, not to exceed a total of two (2) pets, may be permitted in a Residence. The foregoing limitation on number of pets shall not apply to hamsters, small birds, fish or other constantly caged animals, nor shall it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old. However, those pets which are permitted to roam free, or, in the sole discretion of the Association, endanger the health, make objectionable noise, or constitute a nuisance or inconvenience to the Owners of other Lots shall be removed upon the request of the Board. If the Owner fails to honor such request, the pet may be removed by the Board. No pets shall be kept, bred, or

maintained for any commercial purpose. Dogs shall at all times whenever they are outside a Residence be confined on a leash held by a responsible person.

Section 15. Golf Carts. Only electric or non-combustion golf carts shall be operated within the Community. No gasoline powered golf carts shall be allowed within the Community.

ARTICLE VII.
Insurance and Casualty Losses

Section 1. Insurance. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Property. This insurance for the Common Property shall cover loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. Each Lot Owner should obtain insurance for all insurable improvements on the Lot and for the contents of such Lot.

The Board shall obtain a general liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. Owners shall obtain liability insurance applicable to their respective Lots.

Premiums for all insurance which is the obligation of the Association to provide for the benefit of the Association shall be common expenses of the Association. The policies may contain a reasonable deductible and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

In addition to the other insurance required by this Section, the Board shall obtain, if and to the extent necessary, a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

Each Owner of a Lot covenants and agrees to obtain its own casualty and liability insurance with respect to the Residence and Lot owned by such Owner, the casualty portion to be in an amount sufficient to cover the full replacement cost of any repair or reconstruction. The Association may provide insurance for the improvements on individual Lots with the approval of the Owner of the Lot, the premium for which shall be a Benefitted Assessment against such Lot.

Section 2. Damage and Destruction .

(a) In General. Immediately after the damage or destruction by fire or other casualty to all or any improvement covered by insurance written in the name of the Association,

the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty.

(b) Repair and Reconstruction. Any damage or destruction to any Lot or Lots shall be repaired or reconstructed. Any damage or destruction to any Common Property shall be repaired or reconstructed unless at least seventy-five percent (75%) of the Class "A" members and the Class "B" member, so long as such membership exists, agree otherwise.

If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Association's members, levy a special assessment against all Owners, for such deficiency if the damage was to the Common Property. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess shall be deposited to the benefit of the Association.

In the event that it should be determined by the Association in the manner described above that the damage or destruction to the Common Property shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the property shall be restored to its natural state and maintained as an undeveloped portion of the Common Property by the Association in a neat and attractive condition.

Each Owner covenants and agrees that in the event of damage to or destruction of structures comprising of his Residence, to promptly repair or reconstruct the Residence in a manner consistent with the original construction.

ARTICLE VIII. Condemnation

Section 1. Common Property. If the taking involves a portion of the Common Property on which improvements have been constructed, then, unless within sixty (60) days after such taking, the Class "B" member (if such membership shall then exist) and at least seventy-five percent (75%) of the Class "A" members of the Association shall otherwise agree, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Property to the extent lands are available therefore. The provisions of Article VII, Section 2, above, applicable to Common Property improvements damage, shall govern replacement or restoration and the actions to be taken in the event that the improvements are not restored or replaced.

ARTICLE IX. Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Lots in the Community. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

Section 1. Notices of Action . An institutional holder, insurer, or guarantor of a first Mortgage, who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Lot address), (therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Community or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any lapse, cancellation, or material modification of any insurance policy maintained by the Association.

Section 2. Special Provisions . First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Property and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

Section 3. No Priority . No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

Section 4. Notice to Association . Each Lot Owner other than Declarant shall be obligated to furnish to the Association the name and address of the holder of any mortgage encumbering such Owner's Lot. Each Lot Owner shall be obligated to furnish the Association any changes to such information within a reasonable time after such changes become effective.

ARTICLE X.

Easements and Common Property

Section 1. Easements for Use and Enjoyment .

(a) Common Property. Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment in and to the Common Property which shall be appurtenant to and shall pass with the title to his Lot, subject to the following provisions:

(i) the right of the Association to charge reasonable admission and other fees for the use of any portion of the Common Property and to limit the number of guests of Lot Owners and tenants who may use the Common Property;

family, his tenants and guests and shall be deemed to have made a delegation of all such rights to the occupants of any leased Lot.

Section 2. Easements for Utilities . There is hereby reserved to the Association blanket easements upon, across, above and under all property within the Community for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or monitoring system, or internet communication system which the Association might decide to have installed to serve the Community. It shall be expressly permissible for the Association and its designees, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wires, conduits, cables and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement.

Section 3. Easement for Entry . The Association shall have an easement to enter into any Lot for emergency, safety, enforcement of this Declaration and all Rules, and for other purposes reasonably necessary for the proper maintenance and operation of the Community, which right may be exercised by either Association's Board of Directors, officers, agents, employees, managers, contractors, and all policemen, firemen, ambulance personnel, and similar emergency personnel as well as maintenance personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. It is intended that this right of entry shall include (and this right of entry shall include) the right but not the obligation of the Association to enter a Lot to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure granted the condition upon request by the Board. The easement for entry granted in this section is also for the benefit of each Owner of a Residence, for ingress and egress, over and across the real property on which all other Residences are located (although this easement for Owners does not extend to the inside of the improvements of a Residence) for emergency purposes and/or during emergency situations, to allow Owners to remove themselves from danger.

Section 4. Construction of Common Property Improvements . Declarant has constructed, or will construct, certain facilities and improvements as part of the Common Property, together with equipment and personalty contained therein, and such other improvements and personalty as Declarant determines, in its sole discretion. Declarant shall be the sole judge of the composition of such facilities and improvements. Prior to the termination of the Class B membership, Declarant shall have the absolute right to, from time to time, in its sole discretion, construct additional improvements and facilities on the Common Property and to remove, add to, modify and change the boundaries, facilities and improvements now or then part of the Common Property. Declarant is not obligated to, nor has it represented that it would, modify or add to the facilities or improvements on the Common Property as they are contemplated as of the date hereof. Declarant is the sole judge of all matters concerning the Common Property until the Class B membership terminates, including the plans, specifications, design, location, completion schedule, materials, size and contents of the facilities and improvements or changes to any of them.

(ii) the right of the Association to suspend the voting rights of a Lot Owner and to suspend the right of an Owner and his guests or other occupants of the Owner's Lot or Resident to use the recreational facilities in the Community, if any, for any period during which any assessment against his Lot which is hereby provided for remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, By-Laws, Rules or other rules and regulations;

(iii) the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for construction, repairing or improving any facilities located or to be located thereon, and give as security for the payment of any such loan an assignment of future assessments and/or a mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of any such mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community (any provision in this Declaration or in any such Mortgage given by the Association to the contrary notwithstanding the exercise of any rights therein by the holder thereof in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant, or any Lot or Lot Owner, or the holder of any Mortgage, irrespective of when executed, given by Declarant or any Lot Owner encumbering any Lot or other property located within the Community);

(iv) the right of the Association to dedicate or transfer all or any portion of the Common Property subject to such conditions as may be agreed to by the members of the Association. No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer has been approved by at least two-thirds of the votes which the Class "A" members of the Association present, or represented by proxy, are entitled to cast at a meeting duly called for such purpose and by the Class "B" member of the Association, so long as such membership shall exist,

(v) the right of Declarant and/or the Association to modify the Common Property as set forth in this Declaration;

(vi) the right of Declarant and/or the Association regarding the Community and Common Property, as reserved in this Declaration, including the right to utilize the same and to grant use rights, etc. to others;

(vii) the right of the Declarant to annex additional real property and the Lots located or to be located thereon into the Association and made subject to the terms of this Declaration ; and

(viii) Rules and other regulations adopted governing use and enjoyment of the Common Property.

(b) Delegation. Any Lot Owner may delegate his or her right of use and enjoyment in and to the Common Property and facilities located thereon to the members of his

Section 5. Use . The Common Property shall be used and enjoyed by the Owners on a non-exclusive basis in common with other persons, entities and corporations, who may, but are not required to be, members of the Association, entitled to use those portions of the Common Property. Prior to the expiration of the Class B membership, the Declarant, and thereafter the Association, has the right, at any time and all times, and from time to time, to further additionally provide and make the Common Property available to other individuals, persons, firms or corporations, as it deems appropriate. The granting of such rights shall not invalidate this Declaration, reduce or abate any Owner's obligations pursuant to this Declaration, or give any Owner the right to avoid any of the covenants, agreements or obligations to be performed hereunder.

Section 6. Other Property . The Declarant and/or Association may enter into easement agreements or other use or possessory agreements whereby the Owners and/or Association and/or others may obtain the use, possession of, or other rights regarding certain property not within the Community, on an exclusive or non-exclusive basis, for certain specified purposes. The Association may agree to maintain and pay the taxes, insurance, administration, upkeep, repair, replacement or maintenance of such property, the expenses of which shall be operating costs to be paid by the Association. Any such agreement by the Association prior to the expiration of the Class B membership, shall require the consent of Declarant.

Section 7. Indemnification . The Association and Owners each covenant and agree, jointly and severally, to indemnify, defend and hold harmless Declarant, its respective officers, directors, parent and/or subsidiary entities, partner(s) and any related persons or corporations, and its employees, professionals and agents from and against any and all claims, suits, actions, causes of action or damages arising from any personal injury, loss of life, or damage to property, sustained on or about the Common Property or other property serving the Association and improvements thereon, or resulting from or arising out of activities or operations of Declarant or of the Association, or of the Owners, and from and against all costs, expenses, court costs, counsel fees (including, but not limited to, expenses, court costs, counsel fees (including, but not limited to, all trial and appellate levels and whether or not suit be instituted), expenses and liabilities incurred or arising from any such claim, the investigation thereof, or the defense of any action or proceedings brought thereon, and from and against any orders, judgments or decrees which may be entered relating thereto. The costs and expense of fulfilling this covenant of indemnification shall be considered operating costs of the Association to the extent such matters are not covered by insurance maintained by the Association. IT IS EXPRESSLY ACKNOWLEDGED THAT THE INDEMNIFICATION IN THIS SECTION PROTECTS DECLARANT (AND ANY PARENT OR SUBSIDIARY OR RELATED ENTITY OF ANY DECLARANT) FROM THE CONSEQUENCES OF ITS ACTS OR OMISSIONS, INCLUDING WITHOUT LIMITATION, DECLARANT'S NEGLIGENT ACTS OR OMISSIONS, TO THE FULLEST EXTENT ALLOWED BY LAW.

Section 8. Telecommunication Services . The Declarant or Association may, but is not obligated to provide, either directly or by contracting with other parties, various telecommunication services to the Community. The Declarant or the Board of Directors of the Association shall have the sole discretion to determine whether or not such telecommunication services are provided, the types of services to be provided, the manner in which such services

will be provided, the amount to be charged, and the method of paying for such services. The Declarant and/or the Association shall utilize the easements reserved in Sections 2 and 3 of this Article X to provide such services. Should the Declarant elect to provide such service, the Association shall accept such services from the Declarant and not provide, or contract with others to provide, or cause a duplication of, such services. Should the Declarant be the entity to provide such services, the Association agrees not to cancel any contracts entered into by Declarant except for good cause.

(a) Types of Communication Services. The types of telecommunication services that may be provided by or through the Declarant or Association shall include, but not be limited to, any or all of the following: (i) local and long-distance telephone service; (ii) voice mail service, (iii) cable television service; (iv) internet connectivity including intranet services; (v) private television channels for education and community purposes; (vi) video monitoring of streets, Common Property, and other public areas; (vii) central home systems for fire and burglary monitoring; (viii) electronic utility meter reading systems; (ix) electronic mail systems, and (x) such other similar telecommunications services as the Board of Directors determines to be necessary or beneficial for the safety, welfare or enjoyment of the members.

(b) Common Property Facilities. The telecommunications equipment, wiring and other facilities that are necessary to provide the telecommunication services may be owned by the Declarant or Association or the Declarant or Association may contract with other parties to provide such facilities on behalf of the Declarant or Association. The cost and expense of constructing, installing, operating, maintaining, repairing and replacing such facilities shall be paid by the Declarant or Association, and may included as part of the annual assessments and special assessments to the members.

(c) Residence Facilities. If the Declarant or Association determines to provide telecommunication services, it may require that each Residence constructed in the Property include wiring and other necessary equipment or other necessary facilities to provide access to the Residence for the telecommunication services described above. The necessary equipment will provide a connecting terminal for the wiring that extends to each outlet or point of access in the Residence for the telecommunications services. The Declarant or Association shall have the right to designate the type of necessary equipment to be installed and the manner in which such necessary equipment shall be operated, maintained and repaired, and may from time to time, designate appropriate replacements or improvements to the necessary equipment. The Declarant or Association may contract with other parties to provide the foregoing services relating to the necessary equipment. The Declarant or Association may require each Owner to pay all costs and expenses required to purchase, install, maintain, repair, replace or improve the necessary equipment for the Owner's Residence, which shall be paid each Owner in the same manner as a special assessment. The necessary equipment shall remain as a permanent fixture to the Residence and may not be removed from the Residence when it is sold to another party. The Declarant or Association and the parties with whom it contracts to provide services relating to the necessary equipment shall have an easement and right of entry over and across each Lot and into each Residence for the purpose of installing, maintaining, repairing, replacing and making improvements to the necessary equipment.

(d) Optional Services. The installation of a necessary equipment in a Residence does not obligate the Owner to accept or pay for any of the telecommunication services that may be provided by, or available through, the Declarant or Association (except to the extent the Board of Directors determines to provide a service to all members paid with annual assessments). Unless provided to all Owners and included in the assessments, each Owner shall have the right to (i) accept and pay for any such services provided by or through the Declarant or Association, (ii) contract with another party to provide such services, or (iii) decline such services, in whole or in part.

Section 9. Security and Other Services. The Association, Declarant may also but shall not be obligated to provide security and other services and facilities for the Community and shall be authorized to enter into contracts with other entities to provide such services and facilities. In addition to assessments, the Board shall be authorized to charge additional use and consumption fees for selected services and facilities. By way of example, some services and facilities which may be provided include, in addition to the telecommunication services listed in the preceding section, landscape, maintenance, concierge, and pest control services. The Board shall be permitted to modify or cancel existing services or facilities provided, if any, or to provide additional services and facilities. Nothing contained herein is a representation as to what services and facilities will or will not be provided.

Section 10. Easement Regarding Association Fences . Declarant hereby reserves for itself and for the Association a non-exclusive right-of-way and easement for the purpose of constructing, maintaining, operating, repairing, removing and re-constructing an identity perimeter fence under, across and through a 5' strip of Lots that are adjacent to the outer perimeter streets of the Property, as well a 5' strip of Lots (if any) along the perimeter of the Community where the perimeter of the Community does not abut a street, on which 5' strips the Association may construct identity perimeter fencing. Prior to the construction of the fence, the Declarant and/or the Association shall have the right to go over and across the portions of the Lots that are adjacent to such 5' easement strips for the purpose of performing surveys and other such necessary pre-construction work. After the construction of the fence, Declarant and/or the Association, from time to time, and at any time, shall have a right of ingress and egress over, along, across and adjacent to said 5' easement strips for purposes of maintaining, operating, repairing, removing, re-constructing, and/or inspecting the fence. The Owners of the Lots shall have all other rights in and to such 5' easement strip located on each Owner's respective Lot; provided however, such Owner shall not damage, remove or alter the fence or any part thereof without first obtaining written approval from the Declarant and/or the Association with respect to any such action, such approval to be at the Declarant's and/or the Association sole discretion.

However, this Section shall not apply to, and the Association shall not be responsible to, install or maintain any fencing located along Lot lines which separate individual Lots from one another.

Section 11. Easements for Encroachment and Overhang. There shall be reciprocal appurtenant easements for encroachment and overhang (as well as an easement for repair and maintenance of any such encroachment and overhang) as between each Lot and such portion or portions of the Common Property adjacent thereto or as between adjacent Lots due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or

altered thereon (in accordance with the terms of this Declaration) to a distance of not more than five (5) feet, as measured from any point on the common boundary between each Lot and the adjacent portion of the Common Property, along a line perpendicular to such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant, or the Association. These easements for encroachment and overhang also include and allow drainage from any overhang onto adjacent Lots.

Section 12. Easements for Golf Balls. Every Lot and the Common Property are burdened with an easement permitting golf balls unintentionally to come upon such Common Property or Lots and for golfers at reasonable times and in a reasonable manner to come upon the Common Property, or exterior portions of a Lot, to retrieve errant golf balls; provided, however, if any Lot is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve golfers of liability for damage caused by errant golf balls. Under no circumstances shall the Association be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement.

ARTICLE XI.

Annexation of Additional Property

Section 1. Annexation Without Approval of Membership. As the Owner thereof, or if not the Owner, with the consent of the Owner thereof, Declarant, its successors or assigns, shall have the unilateral right, privilege, and option, from time to time at any time until twenty (20) years from the date this initial Declaration is recorded in the Office of the County Clerk of Harris County, Texas, to annex and subject to the provisions of the Declaration and the jurisdiction of the Association all or any portion of any real property located within a five (5) mile radius of the Property described on Exhibit "A" (the "Declarant Annexation Property"), whether in fee simple or leasehold, by filing in the Harris County Real Property Records a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the vote of members of the Association or approval by the Association or any person. Any such annexation shall be effective upon the filing of such Supplemental Declaration in the Harris County Real Property Records unless otherwise provided therein.

Declarant shall have the unilateral right to transfer to any other person its right, privilege, and option to annex herein all or any part of the Declarant Annexation Property, provided that such transferee or assignee shall be the developer of at least a portion of the additional land and shall be expressly designated by Declarant in writing to the successor to all or any part of Declarant's rights hereunder.

Any such annexation or addition shall be accomplished by the execution and filing for record by Declarant (or the other Owner of the property being added or annexed, to the extent such Owner has received a written assignment from Declarant of the right to annex), of an instrument to be called "Supplemental Declaration." Each Supplemental Declaration of annexation must set out and provide for the following:

(i) the name of the Owner of the property being added or annexed who shall be called the "Declarant" for purposes of that Supplemental Declaration;

(ii) the legal sufficient perimeter (or recorded subdivision description of the property being added or annexed to the Community, separately describing portions of the annexed property that are dedicated and/or conveyed to the public or any governmental or quasi-governmental authority for street right-of-way or utility facility purposes, those portions that are to comprise Lots and related improvements and those portions that comprise Common Property;

(iii) a mutual grant and reservation of rights and assessments of the Owners in and to the existing and annexed Common Property;

(iv) that the property is being added or annexed into the Community in accordance with and subject to the provisions of the initial Declaration, as theretofore amended, and that the property being annexed into the Community shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of this Declaration as theretofore and thereafter amended;

(v) that all of the provisions of this Declaration, as theretofore amended, shall apply to the property being added or annexed with the same force and effect as if said property were originally included in this Declaration as part of the property; and

(vi) that a vendor's lien and power of sale is therein reserved in favor of the Association in the same manner as herein provided, to secure collection of the Assessments provided for, authorized or contemplated herein or in the Supplemental Declaration of annexation.

Each such "Supplemental Declaration" may contain other provisions not inconsistent with the provisions of the Declaration, as amended.

After additions or annexations are made, all assessments collected by the Association from the Owners in the annexed areas shall be commingled with the Assessments collected from all other Owners so that there shall be a common maintenance fund for the Community. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional land to the Community to this residential development.

Declarant also reserves the unilateral right to amend this Declaration, so long as it has the right to annex additional property in this Article XI, Section 1, for the purpose of removing unimproved portions of the property from the coverage of this Declaration. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if not the Declarant. If the portion of the Community to be withdrawn is owned by the Association, then the Association shall consent to such withdrawal by majority vote of the Board. For purposes of this Section 1, the term "unimproved" shall mean no above ground, vertical improvements located on such property.

Section 2. Annexation With Approval of Membership. In addition to the above and subject to the written consent of the owner thereof, upon the written consent by affirmative vote of two-thirds (2/3rds) of the total eligible votes of the members of the Association entitled to be cast, the Association may annex or permit the annexation of real property and to the provisions of the Declaration and the jurisdiction of the Association, and, by filing, or having the party owning such property file, a Supplemental Declaration in respect to the property being annexed in the Harris County Real Property Records. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and any such annexation shall be effective upon recording in the Harris County Real Property Records unless otherwise provided therein. The timing of and manner in which notice of any such meeting of the property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the By-Laws of the Association for regular or special meetings, as the case may be.

ARTICLE XII General Provisions

Section 1. Enforcement . Each Owner and every occupant of a Lot shall comply strictly with the By-Laws, the Rules, other rules and regulations, the use restrictions, as they may be lawfully amended or modified from time to time, and with the covenants, conditions, and restrictions set forth in or pursuant to this Declaration, and/or the deed to his or her Lot, if any. The Board of Directors and/or the Declarant (as long as Declarant is a Class "B" member) may impose fines or other sanctions, which shall be deemed to be and shall be collected as provided herein for the collection of assessments. Further, the Board of Directors and/or the Declarant (as long as Declarant is a Class "B" member) may cause the rule, regulation, use restriction, covenant, and/or condition to be complied with and bill the Owner the cost incurred by the Association to do so, along with an administrative fee as the Board may determine. Failure to comply with this Declaration, the By-Laws, the Rules or other rules and regulations shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Board of Directors on behalf of the Association and/or Declarant (as long as Declarant is a Class "B" member) or, in a proper case, by an aggrieved Owner. Failure by the Association or Declarant or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Self-Help . In addition to any other remedies provided for herein, the Association or its duly authorized agent (and/or Declarant as long as Declarant is a Class "B" member) shall have the power, but not the obligation, to enter upon a Lot or any portion of the Common Property to abate or remove, using such force as may be reasonably necessary, any erection, thing or condition which violates this Declaration, the By-Laws, the Rules, other rules and regulations, or the use restrictions and/or to enforce this Declaration, the By-laws and Rules. Unless an emergency situation exists, the Board (and/or Declarant as long as Declarant is a Class "B" member) shall give the violating Lot Owner ten (10) days' written notice of its intent to exercise self-help. All costs of self-help, including reasonable attorney's fees actually incurred shall be assessed against the violating Lot Owner and shall be deemed to be and shall be collected as provided for herein for the collection of assessments.

Section 3. Term . The covenants, conditions and restrictions of this Declaration shall run with and bind each Lot and shall inure to the benefit of and shall be enforceable by the Declarant and the Association or the Owner of any portion of the Property, their respective legal representatives, heirs, successors, and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time they shall be automatically extended to successive periods of ten (10) years, unless an instrument signed by 80% (for termination) or 67% (for modification) of the then Owners has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to modify said covenants, conditions and restrictions, in whole or in part, or to terminate same, in which case this Declaration shall be modified or terminated as specified therein.

Section 4. Amendment . This Declaration may be amended unilaterally at any time and from time to time by Declarant (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots s subject to this Declaration; (c) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Veteran's Administration, Federal Housing Administration or the Department of Housing & Urban Development, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration; or (d) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Lots subject to this Declaration; provided, however, any such amendment shall not adversely affect the title to any Owner's Lot unless any such Lot Owner shall consent thereto in writing. Further, so long as the Class "B" membership exists, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Lot Owner hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Lot Owner.

In addition to the above, this Declaration may be amended at any time upon the affirmative vote or written consent, or any combination thereof, of at least sixty-seven percent (67%) of the Class "A" members and the Class "B" member, if the Class "B" membership exists. If no Class "B" membership exists then sixty-seven percent (67%) of the Class "A" members shall suffice. Amendments to this Declaration shall become effective upon recordation in the Official Public Records of Real Property of Harris County, Texas records, unless a different effective date is specified therein.

Section 5. Partition . The Common Property shall remain undivided, and no Lot Owner nor any other Person shall bring any action for partition or division of the whole or any part thereof without the written consent of all Owners of all portions of the property located within the Community and without the written consent of all holders of all Mortgages encumbering any portion of the property, including, but not necessarily limited to, the Lots located within the Community.

Section 6. Gender and Grammar . The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 7. Severability . Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 8. Captions . The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article of Section to which they refer.

Section 9. Conveyance of Common Property . The Association shall accept such conveyances of Common Property as are made from time to time to the Association by Declarant. The Declarant shall determine, in or at its sole discretion, the appropriate time to convey all or any part of the Common Property to the Association. Any part of the Common Property can be conveyed to the Association at any time, with the Declarant retaining any other part of the Common Area for conveyance to the Association at a later time. At such time as the Declarant conveys all or any portion of the Common Property to the Association, such conveyance shall be subject to any and all easements, restrictions, reservations, conditions, limitations and declarations of record, real estate taxes for the year of conveyance, zoning, land use regulations and survey matters. The Association shall be deemed to have assumed and agreed to pay all continuing obligations and service and similar contracts relating to the ownership, operation, maintenance and administration of the conveyed portions of Common Property and other obligations relating to the Common Property imposed herein. The Association shall, and does hereby, indemnify and hold Declarant harmless on account thereof. The Association shall be obliged to accept such conveyance(s) without setoff, condition or qualification of any nature. The Association shall immediately acknowledge any such conveyance if requested by Declarant. The Common Property, personal property and equipment and appurtenances thereto, shall be dedicated or conveyed in "AS IS", "WHERE IS" CONDITION WITHOUT ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN FACT OR BY LAW, AS TO THE CONDITION, FITNESS OR MERCHANTABILITY OF THE COMMON PROPERTY, PERSONALTY AND EQUIPMENT BEING CONVEYED. The Association shall pay all costs associated with the conveyance(s).

Section 10. Indemnification . The Association shall indemnify every officer and director against any and all expenses, including attorney's fees, imposed upon or reasonably incurred by any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and

directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or director, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 11. NON-LIABILITY. NEITHER THE ASSOCIATION, NOR DECLARANT (NOR ANY PARTNER NOR PARENT NOR SUBSIDIARY NOR RELATED ENTITY NOR EMPLOYEE NOR AGENT OF ANY OF THEM) SHALL IN ANY WAY OR MANNER BE HELD LIABLE OR RESPONSIBLE FOR ANY VIOLATION OF THIS DECLARATION BY ANY OTHER PERSON OR ENTITY. NEITHER DECLARANT, NOR THE ASSOCIATION (NOR ANY PARTNER NOR PARENT NOR SUBSIDIARY NOR RELATED ENTITY NOR ANY EMPLOYEE NOR AGENT OF ANY OF THEM) MAKE ANY REPRESENTATIONS WHATSOEVER AS TO THE SECURITY OF THE COMMON PROPERTY OR LOTS OR RESIDENCES, OR THE EFFECTIVENESS OF ANY GATE, ACCESS SYSTEM OR MEDICAL ALERT SYSTEM. EACH OWNER DOES HEREBY HOLD DECLARANT, THE ASSOCIATION (AND ANY PARTNER, PARENT, SUBSIDIARY, RELATED ENTITY OR EMPLOYEE OR AGENT OF ANY OF THEM) HARMLESS FROM ANY LOSS OR CLAIM ARISING FROM THE OCCURRENCE OF ANY CRIME OR OTHER ACT. NEITHER THE ASSOCIATION NOR THE DECLARANT (NOR ANY PARTNER NOR PARENT NOR SUBSIDIARY NOR RELATED ENTITY NOR EMPLOYEE NOR AGENT OF ANY OF THEM) SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE COMMON PROPERTIES, LOTS OR RESIDENCES OR THE EFFECTIVENESS OF ANY SUCH SYSTEM. ALL OWNERS SPECIFICALLY ACKNOWLEDGE THAT THE COMMUNITY MAY HAVE A PERIMETER BOUNDARY SYSTEM, SUCH AS FENCES, WALLS, HEDGES, GATED ENTRIES OR THE LIKE. NEITHER THE ASSOCIATION NOR THE DECLARANT, (NOR ANY PARTNER, NOR PARENT NOR SUBSIDIARY NOR RELATED ENTITY NOR EMPLOYEE NOR AGENT OF ANY OF THEM) SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY LOTS AND/OR RESIDENCES, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD AND OFFICERS, DECLARANT, ANY SUCCESSOR DECLARANT, OR THEIR NOMINEES, OR AGENTS OR ASSIGNS, DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, GATE ACCESS SYSTEM, BURGLAR ALARM SYSTEM, MEDICAL ALERT SYSTEM, OR OTHER SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS, GATE ACCESS SYSTEM, MEDICAL ALERT SYSTEM OR OTHER SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED.

- (i) notice to be given to the custodian of the records;
 - (ii) hours and days of the week when such an inspection may be made;
- and
- (iii) payment of the cost of reproducing copies of documents and for attendance of a representative of the Association during the inspection.

(c) Inspection by Directors. Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extra copies of documents at the reasonable expense of the Association.

Section 15. Audit. An audit of the accounts of the Association shall be made annually in the manner as the Board of Directors may decide; provided, however, after having received the Board's audit at the annual meeting, the Class "A" members, by a 2/3's vote, may require that the accounts of the Association be audited as a common expense by a certified public accountant. Upon written request of any institutional holder of a first Mortgage and upon payment of all necessary costs, such holder shall be entitled to receive a copy of the annual audited financial statement within one hundred eighty (180) days after the end of each fiscal year.

Section 16. Notice of Sale or Lease. In the event an Owner sells or leases his or her Lot, the Owner shall give to the Association, in writing, the name of the purchaser or lessee of the Lot and such other information as the Board may reasonably require. Such notice shall be given in writing to the Association within seven (7) days of the effective date of such sale or lease.

Section 17. Arbitration. In the event of any dispute arising between, among, against or on behalf of Owners relating to this Declaration, or any matter addressed herein, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefore by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and the decision by a majority of all three (3) (or more) arbitrators shall be binding upon the parties and judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof and located in Harris County, Texas. However, this Section shall not be construed to require Declarant or the Association to arbitrate any enforcement action initiated by Declarant or the Association hereunder.

Section 18. Attorneys Fees. If any controversy, claim, or dispute arises relating to this instrument, or enforcement, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorneys' fees and costs.

Section 19. Use of the Words "Creeks at Augusta Pines". No person other than Declarant shall use the words "Creeks at Augusta Pines" or any derivative thereof or any words similar thereto in connection with any Lot or any business operated in connection with any Lot or any business operated in connection with any Lot or the Community without the prior written

Section 12. Construction and Sale Period . Notwithstanding any provisions contained in this Declaration to the contrary, Declarant hereby expressly reserves unto itself and its successors and assigns a non-exclusive, perpetual right, privilege, and easement with respect to the Community for the benefit of Declarant, its successors, and assigns over, under, in, and/or on the Community, without obligation and without charge to Declarant, for the purposes of construction, installation, relocation, development, sale, maintenance, repair, replacement, use and enjoyment, and/or otherwise dealing with the Community and/or the Common Property any other property now owned or which may in the future be owned by Declarant, (such other property is hereinafter referred to as "Additional Property"). The reserved easement shall constitute a burden on the title to the Community and specifically includes, but is not limited to:

(a) the right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on, or in the Community; the right to tie into any portion of the Community with driveways, parking areas, and walkways; the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over the Community, the right to develop and construct improvements on any Common Property and related improvements and make any additions, alterations, improvements or changes thereto; and

(b) the right to construct, install, replace, relocate, maintain, repair, use, and enjoy signs, model residences, temporary and/or permanent sales trailers and construction trailers, temporary and/or permanent sales offices and construction offices in the Community.

(c) No rights, privileges, and easements granted or reserved herein shall be merged into the title of any property, including, without limitation, the Community, but shall be held independent of such title, and no such right, privilege, or easement shall be surrendered, conveyed, or released unless and until and except by delivery of a quit-claim deed from Declarant releasing such right, privilege, or easement by express reference thereto.

Section 13. Intentionally Deleted.

Section 14. Books and Records .

(a) Inspection by Members and Mortgagees. This Declaration, the By-Laws, the Rules, copies of other rules and use restrictions, membership register, books of account, and minutes of meetings of the members of the Board and of committees shall be made available for inspection and copying by any member of the Association or by his duly appointed representative and by holders, insurers, or guarantors of any first Mortgage at any reasonable time and for a proper purpose reasonably related to his or her interest as a member or holder, insurer, or guarantor of a first Mortgage at the office of the Association or at such other reasonable place as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

consent of Declarant. This restriction is for the benefit of and any only be enforced by Declarant and/or the Association.

Section 20. Waiver of Environmental Conditions . The term "Declarant" as used in this Section 20 shall have the meaning set forth in Article I (h) hereof and shall further include, without limitation, the Declarant, its general partner(s), partners, directors, managers, officers, employees, agents, contractors, sub-contractors, design consultants, architects, advisors, brokers, sales personnel and marketing agents. The term "Association" as used in this Section paragraph 20 shall have the meaning set forth in Article I(b) hereof and shall further include, without limitation, the Association, its Board of Directors, managers, employees, and agents. The Declarant and the Association shall not in any way be considered an insurer or guarantor of environmental conditions or indoor air quality within any Residence or the Community. Neither shall the Declarant nor the Association shall be held liable for any loss or damage by reason of or failure to provide adequate indoor air quality or any adverse environmental conditions. The Declarant and the Association do not represent or warrant that any construction materials, air filters, mechanical, heating, ventilating or air conditioning systems and chemicals necessary for the cleaning or pest control of the Residence will prevent the existence or spread of biological organisms, cooking odors, animal dander, dust mites, fungi, pollen, tobacco smoke, dust or the transmission of interior or exterior noise levels. The Declarant and the Association are not an insurer and each Owner and occupant of any Residence and each tenant, guest and invitee of any Owner assumes all risks for indoor air quality and environmental conditions and acknowledges that the Declarant and the Association have made no representations or warranties nor has the Declarant and the Association, any Owner, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to the air quality the Community, within any Residence or any portion thereof.

ARTICLE XIII Golf Club

Section 1. General. Neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use the Golf Club. Rights to use the Golf Club will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the respective owner(s) of the Golf Club. The owner(s) of the Golf Club shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Club, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether.

Section 2. Conveyance of Golf Club. All Persons, including all Owners, are hereby advised that no representations or warranties have been or are made by the Declarant or any Builder or any other Person with regard to the continuing ownership or operation of the Golf Club, and no purported representation or warrant in such regarding, either written or oral, shall ever be effective without an amendment hereto executed or joined into by the Declarant or Builders. Further, the ownership or operational duties of and as to the Golf Club may change at

COUNTY OF Harris

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This instrument was acknowledged before me on the 23 day of August, 2006, by J.A. Kent, Member of Shadow Creek Estates, LLC Texas Limited Liability general partner of Shadow Creek Estates, Ltd., a Texas corporation, for and on behalf of said entities.

Kristina Kilgore-Powell
Notary Public



503562w SAP 351090 00007 8/23/06

JOINDER

Executed this 23rd day of August, 2006, also by the undersigned, as owner of a portion of the real property being subjected hereto, not as Declarant nor as the developer thereof but in order to subject such real property to the terms, provisions and conditions of this Declaration.

Owner of 60.41 acres and being a portion of the property described on Ex A

AUGUSTA CREEK DEVELOPMENT, LTD.

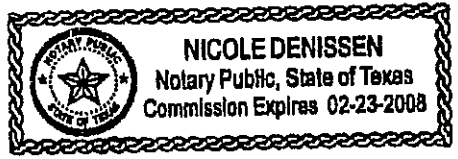
Jm

By: *[Signature]*
Name: R. Judd Cribbs
Title: Managing Partner

STATE OF TEXAS :
:
COUNTY OF Harris :

This instrument was acknowledged before me on the 23rd day of August, 2006, by R. Judd Cribbs, the Managing Partner of August Creek Development, Ltd., a Nevada, for an on behalf of said entity limited partnership

[Signature]
Notary Public, State of Texas



2006-08-23 10:52 AM

JOINDER

Executed this 23RD day of August, 2006, also by the undersigned, as a lienholder of a portion of the real property being subjected hereto, not as Declarant nor as the developer thereof but in order to subject such real property to the terms, provisions and conditions of this Declaration.

WOODFOREST NATIONAL BANK

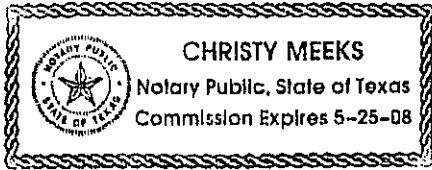
1572

By: [Signature]
Name: Joseph Clepper
Title: Asst. Vice Pres.

STATE OF TEXAS

COUNTY OF Montgomery

This instrument was acknowledged before me on the 23RD day of August, 2006, by Joseph Clepper, the A.V. Pres. of Woodforest National Bank, for an on behalf of said entity.



[Signature]
Notary Public, State of Texas

2006-08-23 10:43:21 AM

JOINDER

Executed this 23 day of August, 2006, also by the undersigned, as a lienholder of a portion of the real property being subjected hereto, not as Declarant nor as the developer thereof but in order to subject such real property to the terms, provisions and conditions of this Declaration.

INTERNATIONAL BANK OF COMMERCE

1572

By [Signature]
Name: DARRON DRAGO
Title: SR.V.P.

STATE OF TEXAS :
COUNTY OF HARRIS :

This instrument was acknowledged before me on the 23 day of August, 2006, by DARRON DRAGO, the SR.V.P. of International Bank of Commerce, for an on behalf of said entity.

[Signature]
Notary Public, State of Texas



503562w SAP 351090 00007 8/23/06

JOINDER

Executed this ____ day of _____, 2006, also by the undersigned, as a lienholder of a portion of the real property being subjected hereto, not as Declarant nor as the developer thereof but in order to subject such real property to the terms, provisions and conditions of this Declaration.

By: _____
Name: _____
Title: _____

STATE OF TEXAS '
 '
COUNTY OF _____ '

This instrument was acknowledged before me on the ____ day of _____, 2006, by _____, the _____ of _____, for an on behalf of said entity.

Notary Public, State of Texas

any time and from time to time by virtue of, but without limitation, (a) the sale or assumption of operations of the Golf Club by/to and independent Persons, (b) the conversion of the Golf Club membership structure to an "equity" club or similar arrangement whereby the members of the Golf Club or an entity owned or controlled thereby become the owner(s) and/or operator(s) of the Golf Club, or (c) the conveyance, pursuant to contract, option, to otherwise, of the Golf Club to one or more affiliates, shareholders, employees, or independent contractors of Declarant. As to any of the foregoing or any other alternative, no consent of the Association, or any Owner shall be required to effectuate such transfer. Notwithstanding the above, under no circumstances shall any Golf Club be conveyed to the Association and no Owner shall have any right or interest in the Golf Club by virtue of ownership or occupancy of a Lot.

Section 3. Rights of Access and Parking. The Golf Club and its members (regardless of whether such members are Owners hereunder), their guests, invitees, and the employees, agent, contractors, and designees of the Golf Club shall at all times have a right and non-exclusive easement of access and use over all roadways located within the Community reasonably necessary to travel from/to the entrances to the Community to/from the Golf Club and., further, over those portions of the Community (whether Common Property or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of the Golf Club. Without limiting the generality of the foregoing, members of the Golf Club and permitted members of the public shall have the right to park their vehicles on the roadways located within the Community at reasonable times before, during, and after golf tournaments and other similar functions held by/at the Golf Club.

Section 4. Assessments. The Golf Club shall not be obligated to pay assessment hereunder. However, the Association may enter into a contractual arrangement or covenants to share costs with the Golf Club whereby the Golf Club will contribute funds for, among other things, maintenance of lakes and ponds within or adjacent to the Golf Club property, use of water from lakes and ponds for irrigation, and/or a higher level of Common Property maintenance.

IN WITNESS WHEREOF, the undersigned being the duly appointed officers of Declarant herein, have executed this instrument this 23 day of August, 2006.

DECLARANT:

SHADOW CREEK ESTATES, LTD., a Texas corporation

Shadow Creek Estates
By: GP, LLC, its general partner

(6)
JMK

By: [Signature]
Name: J. A. Kent
Title: Member

THE STATE OF TEXAS

§
§

AFTER RECORDING, RETURN TO:

Sarah Ann Powers
Hoover Slovacek LLP
5847 San Felipe, Suite 2200
Houston, Texas 77057
HS File No. 351090-07

REF UZK-4-0186

EXHIBIT "A"

Property Subject to this Declaration

Description Attached

All of Augusta Creek Section 1, a subdivision of 22.489 acres of land located in the Isaac Bunker Survey, A-120, Harris County, Texas, containing 43 Lots, 1 Block, 3 Reserves, according to the map or plat thereof recorded July 12, 2006, under Harris County Clerk's File No. Z447600, Film Code 60206 in the Harris County Map Records, Harris County, Texas. D

All of Augusta Creek Section 2, a subdivision of 22.892 acres of land located in the Isaac Bunker Survey, A-129, Harris County, Texas, containing 64 Lots, 3 Blocks, 4 Reserves, according to the map or plat thereof recorded July 12, 2006, under Harris County Clerk's File No. Z447613, Film Code 602072 in the Harris County Map Records, Harris County, Texas.

All of Augusta Creek Section 3, a subdivision of 15.029 acres of land located in the Isaac Bunker Survey, A-120, Harris County, Texas, containing 65 Lots, 2 Blocks, 3 Reserves, according to the map or plat thereof recorded July 12, 2006, under Harris County Clerk's File No. Z447618, Film Code 602072 in the Harris County Map Records, Harris County, Texas

All of Augusta Pines Section 11, a subdivision of 41.550 acres of land located in the John Donnelly Survey, A-233, Harris County, Texas, containing 103 Lots, 2 Blocks, 5 Reserves, according to the map or plat thereof recorded June 1, 2005, under Harris County Clerk's File No. Y507644, Film Code 583018 in the Harris County Map Records, Harris County, Texas.

After Recording please return to:

S

Sarah Ann Powers
Hoover Slovacek LLP
5847 San Felipe, Suite 2200
Houston, Texas 77057
HS File No. 351090-07