



**DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
HIDDEN LAKES**

STATE OF TEXAS §
 § **KNOW ALL PERSONS BY THESE PRESENTS**
COUNTY OF GALVESTON §

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR HIDDEN LAKES (as may be amended from time to time, the "Declaration") is made by CTMGT HIDDEN LAKES, LLC, a Texas limited liability company ("Declarant").

WITNESSETH:

WHEREAS, Declarant, as the owner of the real property described in Exhibit A, intends by recording this Declaration in the Official Public Records of Galveston County, Texas, to create a general plan of development for a single-family home planned community known as Hidden Lakes. This Declaration provides for the overall development, administration, maintenance, and preservation of the real property now and hereafter comprising the Property (as hereinafter defined). An integral part of the development plan is the creation of Hidden Lakes Community Association, Inc , a Texas non-profit corporation whose members shall be all owners of real property subject to this Declaration, to own, operate, and/or maintain various common areas and community improvements and to administer and enforce the covenants, conditions, restrictions, and easements set forth in this Declaration

WHEREAS, it is deemed to be in the best interests of Declarant and any other persons who may purchase Lots (as defined below) in Hidden Lakes, that there be established and maintained a uniform plan for the improvement and development of Hidden Lakes , as a highly restricted and modern subdivision of the highest quality.

NOW, THEREFORE, Declarant hereby declares that the property described in Exhibit A, and any additional property which is subjected to this Declaration in the future in accordance with Article XIV of this Declaration, shall be owned, conveyed, used, occupied and otherwise encumbered subject to this Declaration, which shall run with the title to such property. This Declaration shall be binding upon all Persons having any right, title, or interest in any portion of the Property, their heirs, successors, successors-in-title, and assigns

ARTICLE I DEFINITIONS

The terms used in this Declaration are intended to have their normal, commonly understood definitions, unless otherwise specified. In order to minimize repetition, avoid confusion, and explain key concepts, some terms are capitalized to indicate they have special definitions. Whenever used in capitalized form, those terms have the following meanings:

(a) "Architectural Control Committee" and/or "ACC" shall mean and refer to the architectural review body for the Property, as described in Article III.

(b) "Association" shall mean and refer to Hidden Lakes Community Association, Inc., a Texas non-profit corporation, whose Articles of Incorporation are attached hereto as Exhibit B, and which shall have the right to enforce this Declaration.

(c) "Board of Directors" or "Board" shall mean and refer to the body selected as provided in the Bylaws, being responsible for the general governance and administration of the Association and this Declaration.

(d) "Builder" shall mean and refer to any person or entity who has acquired a Lot or Lots for the purpose of constructing a residence thereon for later sale to consumers.

(e) "Bulkhead Easement" shall mean any access and bulkhead easement necessary for the Association to create, maintain, and repair the waterway and/or bulkhead.

(f) "Bylaws" shall mean and refer to the Bylaws of Hidden Lakes Community Association, Inc. when prepared and approved by the Board of Directors will be referred to as Exhibit C, as may be amended from time to time.

(g) "Common Properties" shall mean all real property (including improvements thereon) now or hereafter owned, leased or controlled by the Association, or to which the Association holds possessory or use rights, for the common use and enjoyment of the Owners (hereinafter defined) including, but not limited to such property which may be: (i) conveyed to the Association in fee simple title, (ii) leased to the Association, (iii) landscape or maintenance easements granted or dedicated to the Association by plat or other written instrument, (iv) retention ponds within the Property, (v) any other real property or improvement the Association, at the sole discretion of the Board, decides to maintain, and (vii) if applicable, all recreational facilities, detention ponds, community facilities, swimming pools, storage facilities, pumps, trees, landscaping, fences, sprinkler systems, pavements, streets, pipes, wires, conduits, and other public utility lines, if any, situated thereon.

(h) "Community-Wide Standard" shall mean the standard of conduct, maintenance and appearance, including landscaping, generally prevailing throughout the Property or the minimum standards established pursuant to the Design Guidelines, Rules and Board resolutions, whichever

is the highest standard. Declarant initially shall establish such standard. The Association, through its Board, shall ensure that the Community-Wide Standard established by the Declaration for the Property shall continue after the termination or expiration of the Class B membership. The Community-Wide Standard may contain objective elements, such as specific lawn or house maintenance requirements, and subjective elements, such as matters subject to the Board's discretion. The Community-Wide Standard may or may not be in writing. The Community-Wide Standard may evolve as development progresses and as the Property changes. The Community-Wide Standard shall not fall below the level established for the Property as of the date the Class B membership terminates or expires.

(i) "County" shall mean and refer to Galveston County, Texas.

(j) "Declarant" shall mean and refer to not only CTMGT HIDDEN LAKES, LLC, a Texas limited liability company, but also any successor, alternate or additional Declarant as appointed by CTMGT HIDDEN LAKES, LLC, a Texas limited liability company, as successor, alternate or additional Declarant by written instrument, filed of record in the office of the County Clerk, specifically setting forth that such successor, alternate or additional Declarant is to have, in whole or in part, together with CTMGT HIDDEN LAKES, LLC, a Texas limited liability company, the Declarant's rights, duties, obligations and responsibilities for all or a specific portion or Phase of the Property. The term "Declarant" shall not include any person or entity who purchases a Lot from Declarant unless such purchaser is specifically assigned, by a separate recorded instrument, some or all of the Declarant's rights under this Declaration as to the conveyed property.

(k) "Design Guidelines" shall mean and refer to the design standards and guidelines adopted by the Declarant, as may be amended in accordance with Article III, representing the minimum specifications for the construction of all residences, additions to such residences, and other improvements associated with each residence including, without limitation, other structures or improvements located on a residential Lot, and the minimum requirements for landscaping to be installed and maintained on each Lot. The Design Guidelines are an integral part of this Declaration and the development plan of Hidden Lakes. All Builders and prospective Owners or those desirous of constructing a residence on a Lot are strongly encouraged to obtain a current copy of the Design Guidelines prior to preparing plans and specifications for submission to the Reviewer for approval.

(l) "Final Plat" shall mean, initially, the map or plat of Hidden Lakes, filed in the Map or Plat Records of Galveston County, Texas, and any future recorded subdivision maps or plats covering additional real property made subject to this Declaration, as such Plats may be amended from time to time.

(m) "Governing Documents" shall mean and refer to all documents and applicable provisions thereof as set forth in the Declaration, the Bylaws and Certificate of Formation of the Association, dedicatory instruments, and any lawful amendments to any of the foregoing.

(n) "Lot" shall mean and refer to any one (1) of the enumerated plots or tracts of land shown upon a Final Plat, and "Lots" shall mean and refer to more than one (1) of same.

(o) "Member" shall mean and refer to a member of the Association, as described in Article VIII

(p) "Owner" shall mean and refer to each and every person or business entity (whether one or more), including Declarant (so long as applicable), that is a record owner of a fee or undivided fee interest in any Lot, provided, however, that (i) the term "Owner" or "Owners" shall not include any person or entity who holds a bona fide lien or interest in a Lot as security merely for the performance of an obligation (specifically including, but not limited to, any mortgagee or trustee under a mortgage or deed of trust) unless and until such mortgagee, beneficiary or trustee has acquired title to such Lot pursuant to foreclosure or any proceeding in lieu thereof; and (ii) with respect to any matter requiring the vote, consent, approval or other action of an Owner, each Lot shall be entitled to only one (1) vote except as provided for in Section 8.2 and Section 15.6 herein.

(q) "Phase" shall mean and refer to each separately developed residential area or addition as set forth and more fully described on a Final Plat depicting real property that has been subjected to the Declaration

(r) "Hidden Lakes" or "Property" shall mean and refer to the real property described on Exhibit A, any improvements now or hereafter situated thereon, and any and all additional real property (and the improvements thereon) which Declarant hereafter subjects to this Declaration, in accordance with Article XIV hereof.

(s) "Subdivision" shall mean and refer to real property contained within the perimeter boundaries of the Subdivision Plat or any resubdivision or replat thereof

(t) "Supplemental Declaration" shall mean a recorded instrument which accomplishes one or more of the following purposes: (i) subjects additional real property to this Declaration, or (ii) imposes, expressly or by reference, additional restrictions, covenants, easements and/or rights and obligations on the land described.

ARTICLE II CONSTRUCTION OF IMPROVEMENTS AND USE OF LOTS

Section 2.1 Residential and Single Family Use

Each and every Lot in the Subdivision is hereby restricted to one (1) residential dwelling for single-family residential use only. Any building or structure to be placed or constructed on a Lot is subject to approval in writing by the Reviewer under Article III. No building or other structure shall be erected, altered, placed or permitted to remain on any Lot other than one (1)

detached single-family residence per Lot As used herein, the term "residential use" shall be held and construed to exclude, for example, hospitals, clinics, apartment houses, duplex houses, garage apartments used for rental purposes, boarding, house, hotels, and commercial, manufacturing, and professional uses whether from homes, residences, or otherwise, and all such uses of said property are hereby expressly prohibited

As used in this Declaration the term "single family" means either. (i) husband and wife, their dependent children and their dependent parents, grandparents, grandchildren, brothers and sisters who are maintaining a common household and who are members of a single family related by blood, marriage or adoption; or (ii) one or more natural persons not so related but who are maintaining a common household in a single family residence on a nonprofit, noncommercial basis with a common kitchen and dining area, and (iii) the bona fide domestic servants of either "Dependent Children" means the sons and daughters, by blood or adoption, of the husband and/or wife who do not maintain a separate residence, but does not include the children or any other relatives of the sons or daughters living at home. "Dependent parents, grandparents, grandchildren, brothers and sisters" means such relatives who do not maintain a separate residence and are not able to maintain a separate residence due to a physical or mental impairment that substantially limits their ability to maintain a separate residence; and, in addition in the case of grandchildren, where their parents are similarly impaired or are deceased Except for families consisting of persons related by blood, adoption, or marriage, no more than two (2) persons per bedroom may occupy the same dwelling on a regular and consistent basis

Section 2 2 Business Activity

No business activities of any kind whatsoever shall be conducted in any portion of the Subdivision other than that designated by plat as commercial acreage; provided, however, the foregoing covenant shall not apply to the business activities of the Declarant, its agents and assigns during the construction and sale period, or of the Association, its successors and assigns in furtherance of its powers and purposes as herein set forth Each Builder on Lots in the Subdivision shall be allowed to use the garage structure constructed on the Lot as an office, provided, however, that such structure must be converted back to a garage prior to the sale of the home on the Lot affected to a purchaser. Notwithstanding the foregoing, so long as the business activities are not detectable by sight, sound or smell from outside a Lot, or an improvement erected upon same, and there is no other external evidence thereof (including signs, advertising, or contacts in person at a residence with clients or customers) and no unreasonable inconvenience to Owners or occupants of any area of the subdivision or to the common area as determined in the sole opinion of the Board, the following activities at a residence by an Owner or the Owner's tenants shall not be prohibited. maintenance of any personal professional library, keeping of personal or professional records or accounts, or handling personal business or professional telephone calls

Section 2.3 Group Homes; Treatment Facilities

To the fullest extent allowed by law, no Lot or any part of the single family residence thereon may be used for the operation of a "group home", "family home", or "community home", "half-way house", day-care center, rehabilitation center, treatment facility, or residence of unrelated individuals who are engaging in, undertaking, or participating in any group living, rehabilitation, treatment, therapy, or training with respect to previous or continuing criminal activities or convictions, alleged criminal activities, alcohol or drug dependency, physical or mental handicaps or illness, or other similar matters

Section 2.4 Common Area.

The Common Area shall not be used for any commercial purposes; however, this provision shall not preclude the Association from charging reasonable fees for the use of the recreational facilities which are part of the Common Area.

Section 2.5 Exemption for Sale of Lots.

Notwithstanding any provisions herein contained to the contrary, it shall be permissible for Declarant or the builder of any residence to maintain, during the period of construction and sale of Lots within the Subdivision, upon any portion of a Lot, such facilities as in the sole opinion of the Declarant may be reasonably required, convenient or incidental to the construction and sale of improved Lots, including, without limitation, a business office, storage area, construction yards, model units, and a sales office

Section 2.6 Garage Required.

No portion of any garage may be diverted to any use other than the parking of vehicles and other generally accepted and customary usage of a garage. In particular, but not in limitation of the foregoing, no portion of any garage may be used as a residence or a game room, or for any similar use as living quarters. Garage doors must be kept in a closed position when the garage area is not being actively used. The garage shall conform in design and materials with the main structure

Section 2.7 Driveways.

Unless the Committee agrees otherwise, each Lot shall have driveway access to the street on which the Living Unit constructed thereon faces and shall not have driveway access to a street on which it may side. Subject to the foregoing limitation, the Owner of each Lot shall construct and maintain at his expense a driveway from his garage to the abutting street. The Owner shall repair at his expense any damage to the street occasioned by construction and maintenance of the driveway thereto and shall be responsible for the cost of the maintenance and repairs of the driveway located on their Lot

Section 2.8 Nuisances

No noxious or offensive trade or activity shall be carried on upon any portion of the Subdivision, nor shall anything be done thereon which may become an annoyance or nuisance to the residents of the Subdivision or in any way endanger the health of the residents. It is the continuing responsibility of each Owner to prevent the development of any unclean, unhealthy, or unsightly, or unkempt condition on such Owner's Lot. No Lot may 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. No hobbies or activities which will cause disorderly, unsightly, or unkempt conditions, including without limitation the assembly or disassembly or repair work on motor vehicles or other mechanical devices, may be performed within the Subdivision. There may not be maintained any plants, animals, devices, thing, use or activities of any sort which in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the residents of the Subdivision.

No substance, thing, or material may 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 trade or activity may be carried on upon any Lot, nor may anything be done thereon tending to cause embarrassment, discomfort, annoyance, or a nuisance to any residents of the Subdivision or to any Person using any property adjacent to the Lot. No spirituous, vinous, male, medicated bitters, alcohol, drugs or other intoxicants may be sold or offered for sale on any part of any Lot or any other place within the Subdivision. No Lot or any part thereof may be used for any immoral or illegal purposes.

Without limitation of any other provisions of this Section, no Owner or tenant, and related parties of either, shall dump grass clippings, leaves or other debris, detergents, petroleum products, fertilizers, or other pollutants or potentially hazardous or toxic substances, in any sewer system, water system drainage ditch, stream, pond or lake within the Subdivision, or do anything or maintain or permit any condition in violation of applicable environmental, toxic or hazardous waste or similar laws, rule or regulations. Storage of gasoline, heating or other fuels, or of any hazardous or toxic materials upon any Lot is strictly prohibited (except that up to five gallons of fuel may be stored upon a Lot for emergency purposes and operation of lawn mowers and similar tools or equipment of property kept and stored in a safe and non-hazardous manner). The foregoing does not place upon the Association or any of its related parties any obligation for enforcement of any applicable environmental, toxic or hazardous waste or similar laws, rules or regulations.

Upon the good faith determination of the Board that a violation of this Section exists, the Association may take such actions as it deems necessary to abate the violations in the manner provided in the Declaration at the sole cost and expense of the violation Owner and, if applicable, their tenant.

Section 2 9 Uses Specifically Prohibited.

(a) No temporary dwelling, shop, storage building, trailer or mobile home of any kind or any improvement of a temporary character shall be permitted on any Lot except (i) children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, which may be placed on a Lot subject to approval in accordance with Article III and provided no part of any such structure is visible from any front or side street, and (ii) the Builder or contractor may have temporary improvements (such as a sales office and/or construction trailer) on a given Lot during construction of the residence on that Lot or on a different Lot as agreed to between the Builder or contractor and Declarant and/or as otherwise set out in the Design Guidelines. No building material of any kind or character shall be placed or stored upon the Property until the Owner thereof is ready to commence construction of improvements, and then such material shall be placed within the property lines of the Lot upon which the improvements are to be erected.

(b) No portion of the streets or Common Area shall, without the express written permission of the Association, be used for the storage of boats, trailers, campers, unused or inoperable automobiles (which includes vehicles which do not have both a current and valid license plate and current and valid state inspection sticker), or any items which the Association deems unsightly or inappropriate. Boats, trailers, campers, unused or inoperable automobiles and other machinery consistent with the use of the premises as a residence may be kept on Lots, provided they are kept or stored within a garage or such other place as may be completely out of view from the Common Area or any street or adjacent Lot. No Owner of any Lot in the Subdivision or any visitor or guest of any Owner shall be permitted to perform work on any vehicle in any driveway or street other than for work of a temporary nature. For the purpose of the foregoing term, "temporary" shall mean that the vehicle shall not remain in a driveway or street in excess of forty-eight (48) hours. This Section shall not apply to parking, for purposes of emergency vehicle repairs or to construction, service, and delivery vehicles for periods necessary to perform the services or make a delivery.

Notwithstanding the above, for purposes of cleaning, loading, unloading [for a period of 24 hours prior to departure and upon return from a trip], and short-term and visitor parking, any vehicle may be parked outside of an enclosed garage temporarily and irregularly to accommodate such use. The Board, in its discretion, may enact additional rules governing such temporary, irregular use or, in the absence of specific rules, shall have discretion in determining what constitutes permissible parking under such circumstances.

As used in this Section, the term "vehicles" includes, without limitation, automobiles, trucks, boats, trailers, motorcycles, campers, vans, and recreational vehicles.

(c) No vehicle of any size which transports flammable or explosive cargo may be kept or parked on the Property at any time, except for use by or on behalf of Declarant in connection with the development of the Property or by a builder or contractor in connection with the construction of improvements on a Lot.

(d) The raising, breeding or keeping of animals, livestock or poultry of any kind on any Lot in the Subdivision is strictly prohibited, provided, however, consistent with the Living Unit's use as a residence, dogs, cats and other household pets may be kept on a Lot, provided they are not kept, bred or maintained for any commercial purposes and further provided, no more than three (3) such pets shall be kept on a Lot. All pets must be properly tagged for identification and penned in an approved enclosure. No pet may be chained or leashed outside an enclosure unless being walked on a leash. Whenever, a pet is removed from its enclosure, it must be in the possession of its owner or the owner's agent and must be restrained by a proper leash of chain, rope, plastic, leather, or similar material. As to any animals or livestock not permitted by this Section, and as to any Permitted Pet which is allowed to roam free, or which in the sole opinion of the Board endangers health or safety, makes objectionable noise, or constitutes a nuisance, annoyance or inconvenience to the Owners or occupants of other Lots, the Common Area or any property located adjacent to or in the vicinity of the Subdivision or which is otherwise raised, bred, kept or maintained in violation of this Declaration or applicable Rules and Regulations, the Board may cause any such animal, livestock or Permitted Pet to be removed from the Subdivision and may prohibit the return of any such Permitted Pet to the Subdivision. Removal as aforesaid will be at the sole expense of the Owner and without liability of any kind whatsoever to the Association, its officers, Directors, agent or employees, including any Person which the Board may direct to remove any such animal, livestock or Permitted Pet.

(e) No portion of the Subdivision shall be used or maintained as a dumping ground for rubbish, trash, garbage, or other wastes. All rubbish, trash, garbage or other waste shall be kept in sanitary containers and out of sight of the Common Area and any street or adjacent Lot, except on days designated by the Association for pick-up of such garbage. In a manner consistent with good housekeeping, the Owner of each Lot shall remove such prohibited matter from his Lot at regular intervals at his expense. No incinerator may be maintained on any portion of the Subdivision.

Materials incident to construction of improvements may be stored on Lots during construction so long as construction progresses without undue delay. No Lot shall be used for storage of any material except that required for landscaping or construction which materials shall not be placed or stored upon any Lot until the Owner is ready to commence construction of improvements on the Lot, at which time such materials shall be placed within the property lines of the Lot upon which the improvements are to be constructed, and shall not be placed in the street or upon any common areas.

(f) No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any wall or window of a residence. All air-conditioning equipment must be installed in the rear yard or on the side yard.

(g) The erection, construction, placement or installation of any television, radio or other electronic tower, aerial, antenna, satellite dish or device of any type for the reception or transmission of radio or television broadcast signals or other means of communication upon a Lot or upon any improvement thereon is prohibited, except that this prohibition shall not apply to those

antennae specifically covered by 47 C.F.R. Part 1, Subpart S, Section 1 4000 (or any successor provision) promulgated under the Telecommunications Act of 1996, as amended from time to time. The Board shall be empowered to adopt rules governing the types of antennae that are permissible hereunder and establishing reasonable, non-discriminatory restrictions relating to safety, location and maintenance of antennae.

To the extent that reception of an acceptable signal would not be impaired or the cost of installation would not be unreasonably increased, an antenna permissible pursuant to the Declaration or the rules of the Association 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, including zoning, land-use and building regulations.

(h) No Lot or improvement thereon shall be used for commercial or manufacturing purposes of any kind other than a small home office. Nothing in this subparagraph shall prohibit a builder's use of a residence as a sales office until such builder's last residence on the Property is sold and closed. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as a small home office, tutoring or giving lessons such as art or music, so long as such activities are consistent with the residential character of the Property, do not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of others within the Property, as determined in the Board's discretion, and do not materially increase the number of cars parked on the street.

(i) No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between three feet (3') and six feet (6') above the roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street right-of-way lines and a line connecting them at points ten feet (10') from the intersection of the street right-of-way lines, or, in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight-line limitations shall apply on any Lot within ten (10) feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain within such distance of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

(j) Except for children's playhouses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment which specifically conform with the Design Guidelines and the requirements of Section 2 5 (a) herein, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected thereon.

(k) No sign of any kind shall be displayed to the public view on any Lot, except (i) political signs which may be placed on the Lot no earlier than six (6) weeks prior to an election and which must be removed within two (2) weeks after the election for which such sign is displayed, (ii) one (1) professional security service sign of not more than one square foot, (iii) one (1) sign of not more than five square feet advertising the property for rent or sale during any period that the

Lot actually is for rent or sale; or (iv) signs used by a Builder to advertise the Property during the construction and sales period, each of which shall, in any event, comply with all statutes, laws or ordinances governing same. The Board of Directors or its agents shall have the right to remove any sign, billboard or other advertising structure that does not comply with the above, and in so doing shall not be subject to any liability for trespass or otherwise in connection with such removal.

No advertising signs (except not more than one (1) nine (9) square foot "For Rent" or "For Sale" sign per Lot), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on any portion of the Subdivision. Declarant and the Association, however, shall have the right to erect identifying signs at each entrance of the Subdivision and Declarant may place and maintain, or permit to be placed and maintained, such builder advertising signs as it may desire in its sole discretion in connection with the construction of homes in the Subdivision. The Board of Directors of the Association shall have the right to enter in and upon any Lot for the purpose of removing any sign being maintained thereon which has to be approved by it. In no event shall the Association or its Board of Directors be liable to any person or persons for any damages of whatever nature for removing such signs in a reasonable manner.

(l) The drying of clothes in public view, including the construction or installation of a clothesline, is strictly prohibited.

(m) Wood used for fireplace, barbeque, or other use must be stacked neatly and screened from public view. The Owner is responsible for ensuring that such wood stack is kept free of rodents.

(n) No Owner shall perform, fail to perform, or permit anything to be done or not done on such Owner's Lot which would violate any laws, statutes, ordinances or regulations of any kind or character.

(o) No oil drilling, oil development operations or oil refining, quarrying or mining operations of any kind shall be permitted upon any portion of the Subdivision, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or under any portion of the Subdivision. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any portion of the Subdivision.

(p) No portion of the Subdivision shall be used for vicious, illegal or immoral conduct, or for any conduct in violation of the laws of the State of Texas, or the United States, or of the police, health, sanitary, building, or fire codes, regulations or instructions relating to or affecting the use, occupancy or possession of any portion of the Subdivision.

(q) No outside toilets will be permitted, and no installation of any type of device for disposal of sewage shall be allowed that would result in raw or untreated or unsanitary sewage being carried into the streets or into any body of water. Drainage of storm waste into sewage pipes shall not be permitted. No septic tank or other means of sewage disposal will be permitted.

(r) The use of firearms in the Subdivision is strictly prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and small or large firearms of all types. Fireworks of any type are strictly prohibited at any place within the subdivision.

(s) No basketball goals or backboards may be mounted on a garage or on a pole, or otherwise erected or maintained upon any Lot, without the prior written approval of the Association or the ACC.

Section 2.10 Leases.

No Building Site may be leased other than for use as a single-family residence as herein provided and defined. No Owner may lease a Lot and attendant use of the residence and improvements thereon for transient or hotel purposes. No Owner may lease less than an entire Lot and attendant use of the residence and improvements thereon. All leases:

- (a) must be in writing, and
- (b) are specifically subject in all respects to all provisions of this Declaration and all other Governing Documents (whether or not expressly stated in the lease), and any failure by lessee to comply with this Declaration or any other Governing Document will be a default under the lease.

Lessor(s) and lessee(s) are jointly and severally liable for the observance and performance of all of the terms and provisions of this Declaration and all other Governing Documents, including without limitation joint and several liability for all damages, costs and expenses resulting from any violation, by either, or by their respective related parties, all fines and assessments imposed hereby and with respect to all other rights and remedies regarding enforcement of this Declaration and all other Governing Documents

Section 2.11 Unoccupied Residences.

The Owner of a Lot with an unoccupied residence, including any mortgagee in possession and any mortgagee obtaining title to a Lot by foreclosure or by any deed or other arrangement in lieu of foreclosure is, liable for full observance and performance of all terms and conditions of this Declaration and all other Governing Documents, including in particular, but without limitation (i) property maintenance of the Lot and all improvements thereon; (ii) securing of the unoccupied residence, including fastening of windows and locking of all entry and garage doors, and maintenance of appropriate curtains or other permitted window covers in order to prevent unauthorized entry or use; and (iii) such other maintenance as required to avoid an appearance of abandonment or other unsightly or unkept appearance

Section 2.12 Undeveloped Building Sites

The Owner of any Lot upon which a single-family residence has not been constructed must maintain such Lot in a neat, sanitary and attractive condition and in accordance with other applicable provisions of this Declaration and other Governing Documents, including without limitation, periodic and regular removal of trash and debris therefrom and mowing of grass and other vegetation thereon as necessary to prevent growth to more than eight (8) inches in height

Section 2.13 Electronic Signal Devices.

The Association may require registration of the frequencies of any electronic signal device such as garage door openers, fence openers, remote controls for lights or other electronic devices with the Board. If so required and in the event a similar frequency is already registered with the Board, the Board has the right to require the later registering user to change their proposed frequency. The Board will attempt to coordinate such frequencies so that one user's electronic devices will not interfere with the devices of other users

Section 2.14 Rules and Regulations.

The Association is hereby specifically authorized to promulgate, modify and delete such reasonable Rules and Regulations applicable to the operation, use and occupancy of the Subdivision, all Lots and Community Properties, as the Association may from time to time deem beneficial to the Subdivision. Such authority includes but is not limited to: (i) the right to limit, in addition to the provisions of the type and size of vehicles permitted within the Subdivision, traffic and parking regulations and other traffic control procedures, and the maximum permissible noise levels of vehicles within the Subdivision, (ii) procedures and reasonable restrictions and limitations on the right to use the Common Area; and (iii) all procedural and substantive aspects for the establishment, levy, collection and payment of fines for any violations of the Governing Documents. Rules and Regulations are of equal dignity with and may be enforceable in the same manner as the provisions of this Declaration provided same are not enacted retroactively, are not incompatible with the provisions of this Declaration; and do not become effective until thirty days after notice thereof is given to all Owners or such later date as stated in the notice.

Section 2.15 Design Guidelines.

In addition to any requirements set forth in this Declaration, all Owners are required to comply with the Design Guidelines in the construction of improvements within the Property including the installation, maintenance and replacement of trees and landscaping within the Property.

Section 2.16 Type of Living Unit.

No building shall be erected, altered, placed, or permitted to remain on any Lot other than one detached single-family dwelling of not more than two (2) stories. Every residence shall have

an attached or detached enclosed garage for at least two (2) full sized automobiles Carports on Lots are prohibited. All structures shall be of new construction and no structure shall be moved from another location onto any Lot. All residences, buildings and structures must be kept in good repair, must be painted (as applicable) when necessary to preserve their attractiveness and must be maintained in a manner consistent with the prevailing community standards as determined by the Association and/or the Committee

Section 2.17 Type of Construction

Exterior walls may be of masonry, brick, wood, or other suitable material approved by the Committee and, unless otherwise approved by the Committee, the surface area of the exterior walls of the first floor of the Living Unit (excluding in the computation of such area, windows, doors and garage doors) shall consist of at least fifty-one percent (51%) brick or masonry (hardiplank, hardiboard, or similar types of products will not be considered a masonry product for purposes of the fifty-one percent (51%) surface area exterior requirement). No garage or accessory building shall exceed in height the dwelling to which it is appurtenant without the written consent of the Committee. Every garage and permitted accessory building (except a greenhouse) shall correspond in style and architecture with the dwelling to which it is appurtenant. No structure of any kind or character that incorporates frame construction on the exterior shall be erected on any Lot unless such structure received at least two coats of paint at the time of construction or the exterior is of redwood or cedar material.

Section 2.18 Dimensions of Living Units

Unless otherwise approved by the ACC, no residential structure shall be erected, altered, placed, or permitted to remain on any Lot located in the Subdivision unless its living area has a minimum of 1,500 square feet of usable floor space exclusive of porches and garage, and, in the case of a two-story structure, at least 1,000 square feet on the ground floor

Section 2 19 Location of Living Unit on Lot

Except as may be authorized in writing by the ACC, no building or structure shall be located nearer to any front, side or rear Lot line than as permitted by the utility easements and the setback lines shown on the recorded Plat of the Subdivision. Except as expressly approved in writing by the ACC, the immediately preceding sentence shall in no way affect or change the side or rear setback lines hereinabove set forth and these setback lines shall continue to apply to any building site or a group of building sites under the same or substantially the same ownership For the purpose of these restrictions, the front of each Lot shall coincide with and be the property line having the smallest dimension abutting a street. Each Living Unit will face the front of the Lot, and will be provided with driveway access from the front of the Lot only; except that garages on the corner Lots may face the side street The ACC shall be empowered to grant exceptions for minor variances, up to one (1) foot in any direction in house locations. The front building setback line shall be as herein above required The Living Unit shall not be located on the Lot nearer than five (5) feet from either side property line except that on all corner Lots no Living Unit shall be

erected nearer than ten (10) feet from either side line abutting a street. No Living Unit shall be located on any Lot within any utility easement located along the rear lot line.

Section 2.20 Metal Buildings.

No metal buildings of any type shall be placed or constructed upon any Lot

Section 2.21 Roof Material.

Roof of all residences shall be constructed so that the exposed material is of a material and grade that complies with the FHA and VA guidelines in force on the date of construction of the roof involved, and of a color acceptable to the Committee. All roof material must also comply with Texas Property Code Section 202.011

Section 2.22 Grass and Landscaping.

The owner of each Occupied Lot shall sod with grass the area between the front of the residence and curb line of the abutting street. The grass shall be of a type and within standards prescribed by the ACC. Grass and weeds shall be kept mowed to prevent unsightly appearance. Dead or damaged trees or other shrubbery, which might create a hazard to the property or persons within the Subdivision shall be promptly removed and repaired, and if not removed by Owner within thirty (30) days after written request by the Declarant of the Association, the Declarant or the Association may remove or cause to be removed such trees and/or shrubbery at the Owners expense and shall not be liable for damage caused by such removal. Vacant lots shall be mowed and maintained in appearance by the Owner. The Declarant and/or the Association is empowered to, in its discretion, regulate the appearance of the Subdivision including the landscaping put in place upon a Lot. To this end, the Declarant, the Association, and/or the ACC may adopt rules and guidelines for landscaping deemed acceptable by the Association, and same shall be set forth in the Architectural Control Guidelines or Design Guidelines

Section 2.23 Sidewalks.

The Owner shall construct in the adjacent street right(s)-of-way a concrete sidewalk four (4) feet in width, parallel to the street curb. The sidewalk shall extend the full width of the Lot and on Lots that abut on more than one street, the sidewalk shall extend the full width and depth of the Lot and up to the street curb at the corner. The sidewalk shall be constructed in accordance with specifications published by the Committee, if any, Galveston County and any other federal, state or local agency having jurisdiction. An Owner will be responsible for the costs of repair and maintenance of sidewalks located on their Lot

Section 2.24 Curb Ramps.

If required by applicable federal, state or local law, curbs with accompanying sidewalks shall have curb ramps (depressions in the sidewalk and curb) at all crosswalks to provide safe and

convenient movement of physically handicapped persons confined to wheelchairs. Such curb ramps will be provided at the time of construction of any sidewalks and shall be constructed in accordance with specifications provided by the applicable governmental authority. An Owner will be responsible for the costs of repair and maintenance of curb ramps located on their Lot.

Section 2.25 Traffic Sight Areas.

No fence, wall, hedge, or shrub planting which obstructs sight lines at elevations between two and six feet above the street shall be permitted to remain on any corner Lot within the triangular area formed by the two (2) Lot lines abutting the streets and a line connecting them at points twenty-five (25) feet from their intersection or within the triangular area formed by the Lot line abutting a street, the edge line of any driveway or alley pavement and a line connecting them at points ten (10) feet from their intersection.

Section 2.26 Screening Fences.

No fence or wall shall be erected on any Lot nearer to the street than the building setback lines as shown on the Subdivision Plat, and, before constructing same, written approval from the Committee must be obtained. The erection of chain link fences facing upon a street is prohibited. Except as otherwise provided herein, plants, fences or walls utilized in protective screening areas as shown on the Subdivision Plat or as required by FHA or VA shall be maintained to form an effective screen for the protection of the Subdivision throughout the entire length of such areas by the owners of the Lots adjacent thereto at their own expense.

Section 2.27. Antennas and Satellite Dish System.

To the extent required by the Federal Telecommunications Act of 1996 or other applicable statutes, and subject to other applicable provisions of this Section and applicable Architectural Guidelines as may from time to time be hereafter adopted, the following types of antenna are permitted per Lot ("Permitted Antenna").

- (a) an antenna that is designed to receive direct broadcast satellite service, including direct-to-home satellite services, that is one meter or less in diameter; or
- (b) an antenna that is designed to receive video programming services via multipoint distribution services, including multi-channel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, and that is one meter or less diameter diagonal measurement; or
- (c) an antenna that is designed to receive television broadcast signals.

The following limitations apply to installation and maintenance of Permitted Antenna unless reception would be substantially degraded in which case compliance shall be as near as reasonable possible to avoid substantial degradation of reception.

- (a) Permitted Antenna must be located so as not to be visible from any street
- (b) Permitted Antenna must be installed in such manner as to minimize the visibility and visual impact of same from adjoining Lots and Common Area.
- (c) Permitted Antenna must be attached to the single family residence upon the Lot where the antenna is installed, and not mounted freestanding or on any mast except as authorized by the Committee.
- (d) To the fullest extent possible without substantial degradation of reception, all Permitted Antenna must be installed inside the applicable residence. Without limitation of the foregoing and to the fullest extent allowed by law, no more than one antenna is permitted outside of the residence
- (e) In the case of Permitted Antenna, if mast mounting is required, the mast may not be higher than the lesser of (i) the lowest height required to obtain line-of-sight contact and to otherwise avoid substantial degradation of signal receipt, or (ii) twelve feet (12').

No antenna (including Permitted Antenna) may be installed without the prior written approval of the ACC except as may otherwise be required by the Federal Communications Commission. In no event shall any antenna or other device be used for transmitted electronic signals of any kind; provided, a Permitted Antenna may have transmission capability designed solely for the viewer to elect or use video programming is permitted. No electronic antenna or device of any type, citizen band, "HAM", "CB" or similar radio antenna or other television antenna or accessories, except as above provided, shall be erected or permitted to remain on any Lot or elsewhere in the Subdivision, or on any residence or other building, without prior written approval of the ACC (and the ACC may condition approval of any such antenna upon placement of same in the attic of a residence).

Section 2.28 Temporary Structures

No structures of a temporary character, including tents, shacks, barns, or other outbuildings shall be placed on any Lot located within the Subdivision except for such temporary buildings utilized by the Declarant or the builder of any residence during the period of construction. Trailers and motor vehicles shall not be used on any Lot at any time as a residence, either temporarily or permanently.

Section 2.29 Air Conditioners.

Except as otherwise expressly permitted, no window or wall type air conditioners shall be permitted or shall be visible from any street.

Section 2.30 Mailboxes and Identifying Numbers.

Mailboxes, house numbers and similar matter used in the Subdivision must be harmonious with the overall character and aesthetic appeal of the community and the decision of the Committee that any such matter is not harmonious shall be final.

Section 2.31 Private Utility Lines.

All electrical, telephone and other utility lines and facilities which are located on a Lot, and are not owned by a governmental entity or a public utility company shall be installed in underground conduits or other underground facilities unless otherwise approved in writing by the Committee.

Section 2.32 Solar Collectors or Solar Energy Devices

No solar collectors shall be installed without the prior written approval of the ACC. Such installation shall be in harmony with the design of the residence. Whenever reasonably possible, solar collectors shall be installed in a location that is not visible from the public street in front of or to the side of any residence. All solar collectors and solar energy devices must strictly comply with Texas Property Code Section 202.010, as amended.

**ARTICLE III
ARCHITECTURAL CONTROL**

Section 3.1 Review Authority

(a) **Architectural Control Committee.** Upon Declarant's delegation or upon expiration or termination of Declarant's rights under this Article, the Association, acting through the Architectural Control Committee ("ACC"), shall assume jurisdiction over architectural matters. The ACC shall consist of at least three persons. Members of the initial ACC need not be Members of the Association or representatives of Members, and may, but need not, include architects, engineers, or similar professionals, who may be compensated in such manner and amount, if any, as the Board may establish. The ACC members shall be designated, shall serve, and may be removed and replaced in the Board's discretion.

For so long as Declarant owns any portion of the Property, and unless the Declarant notifies the ACC in writing to the contrary, the ACC shall notify Declarant in writing, no less than fourteen (14) business days prior to communicating any action (*i.e.*, approval, partial approval, or disapproval) it intends to take under this Article. A copy of the application and any additional information that Declarant may require shall accompany the notice. During such time, Declarant shall have the right, in its sole and absolute discretion, to veto any ACC action; provided, Declarant's right to veto must be exercised within ten (10) business days after it receives notice of

the ACC's proposed action. The party submitting the plans for approval shall not be notified of the ACC's proposed action until after Declarant's right to veto has expired

The Board may create and appoint subcommittees of the ACC. Subcommittees may be established to preside over particular areas of review (e.g., landscape plans) and shall be governed by procedures the Board or the ACC may establish. Any subcommittee's actions are subject to review and approval by Declarant, for as long as Declarant may review the ACC's decisions, and the ACC. Notwithstanding the above, neither the ACC nor Declarant shall be obligated to review all actions of any subcommittee, and the failure to take action in any instance shall not be a waiver of the right to act in the future.

Unless and until such time as Declarant delegates any of its reserved rights to the ACC or Declarant's rights under this Article expire or terminate, the Association shall have no jurisdiction over architectural matters.

(b) Declarant. Declarant shall have exclusive authority to administer, review and act upon all applications for architectural and other improvements within the Property until all planned Lots have been conveyed to persons other than Declarant or a Builder and have been improved with a dwelling for which a certificate of occupancy has been issued, unless Declarant earlier terminates its rights in a recorded instrument. Declarant may designate or engage one or more persons or entities to act on its behalf with respect to some or all matters coming within the purview of this Article III. In reviewing and acting upon any request for approval, Declarant or its designee act solely in Declarant's interest and owe no duty to any other person. Declarant is not required to hold meetings or keep minutes relating to its review under this Article.

Declarant may from time to time delegate or assign all or any portion of its rights under this Article to any other person, entity or committee, including the ACC. Any such delegation shall be in writing, shall specify the delegated responsibilities, and shall be subject to (i) Declarant's right to revoke such delegation at any time and reassume its prior jurisdiction, and (ii) Declarant's right to veto any decision which it determines, in its discretion, to be inappropriate or inadvisable for any reason. So long as Declarant has any rights under this Article, the jurisdiction of other entities shall be limited to such matters as Declarant specifically delegates.

(c) Duties and Powers. The purpose of the ACC is to protect the environmental and architectural integrity of the Subdivision in accordance with the provisions of this Declaration. No building, fence, wall, or other structure or improvement of any nature shall be placed, constructed, erected, or maintained on any Lot, nor shall any exterior addition to or change or alteration therein be made until the construction plans and specifications for the same shall have been submitted to and approved in writing by the ACC as to (a) conformity and harmony of external design and location in relation to surrounding structures and topography, and (b) quality of workmanship and materials. Any plans and specifications to be submitted shall specify, in such form as the ACC may reasonably require, the location upon the Lot where the improvements are to be placed and the dimensions thereof as well as appropriate information concerning the structural, mechanical, electrical, and plumbing details and the nature, kind, shape, height, color

scheme, and materials of the proposed improvements or alterations. The ACC shall also have the right, where not otherwise set forth herein, to specify

- i. Minimum setbacks;
- ii. The location, height and extent of fences, walls, or other screening devices;
- iii. The orientation of structures and landscaping on Lots with respect to streets, walks, and structures on adjacent properties, however, the ACC shall not require setbacks further away from the streets than any platted building line; and
- iv. A limited number of acceptable exterior materials and/or finishes that may be used in the construction, alteration or repair of any improvement. Further, no person exercising any prerogative of approval or disapproval by the ACC shall incur any liability by reason of the good faith exercise thereof

(d) **Reviewer.** The entity having jurisdiction in a particular case, whether Declarant or its designee or the ACC, shall be referred to as the "Reviewer"

(e) **Fees; Assistance.** The Reviewer may establish and charge reasonable fees for its review of applications and shall require that such fees be paid in advance. If such fees or charges, including those set forth under Section 3.3 below, are not paid in advance, the Reviewer shall have no obligation whatsoever to review any such related application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers, or other professionals. The Board may include the compensation of such persons in the Association's annual operating budget.

Section 3.2 Review Requirements.

No building, wall, pool or other structure (except fences) shall be commenced, erected, installed, placed, or substantially altered on any Lot, nor shall any exterior painting (other than repainting a structure the same or similar color) of, exterior addition to, or substantial alteration of, such items be made until all plans and specifications and a plot plan have been submitted to and approved in writing by the Reviewer

The Reviewer is authorized and empowered to consider and review any and all aspects of construction and landscaping which may, in the reasonable opinion of the Reviewer, adversely affect the living enjoyment of one (1) or more Owners or the general value of the Property.

In reviewing each submission, the Reviewer may consider any factors it deems relevant, including, without limitation, harmony of the proposed exterior design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that aesthetic determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements. The Reviewer shall have the

sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment and such determinations are not subject to judicial review so long as they are made in good faith and in accordance with the required procedures.

Section 3.3 Procedure for Approval

PRIOR TO THE COMMENCEMENT OF ANY CONSTRUCTION BY ANY PERSON OR ENTITY, THE BUILDER SHALL OBTAIN FROM THE APPROPRIATE GOVERNMENTAL AGENCY OR AUTHORITY A BUILDING PERMIT THIS REQUIREMENT NOT ONLY APPLIES TO ORIGINAL CONSTRUCTION BUT TO POOL INSTALLATIONS, MODIFICATIONS OR ADDITIONS TO EXISTING STRUCTURES OF IMPROVEMENTS. FAILURE TO OBTAIN SUCH PERMIT OR PAY SUCH FEES PRIOR TO INITIATION OF CONSTRUCTION SHALL BE CAUSE FOR THE REVIEWER OR THE ASSOCIATION TO REQUEST AND OBTAIN EMERGENCY TEMPORARY RELIEF TO RESTRAIN ALL ASPECTS OF CONSTRUCTION.

In addition to the foregoing requirement, final plans and specifications shall be submitted in duplicate by certified mail, return receipt requested or hand delivery to the Reviewer. The plans and specifications shall show the nature, kind, shape, height, materials and location of all landscaping and improvements. The application shall specify in writing any requested variances from the requirements set forth in this Declaration, the Design Guidelines or any Community-Wide Standard. The Reviewer is authorized to request the submission of samples of proposed construction materials and such other information as they reasonably deem necessary to make their determination. At such time as the plans and specifications meet the approval of the Reviewer, one complete set of plans and specifications will be retained by the Association, for up to three (3) years only, and the other complete set of plans shall be marked "Approved", signed by a representative of the Reviewer and returned to the Lot Owner or his designated representative. If disapproved by the Reviewer, one set of such plans shall be returned marked "Disapproved" and shall be accompanied by a reasonable statement of the reasons for disapproval, which statement shall be signed by a representative of the Reviewer. Any modification of the approved set of plans and specifications must again be submitted to the Reviewer for its approval. The Reviewer's approval or disapproval, as required herein, shall be in writing. ANY RELIANCE UPON A VERBAL APPROVAL OF ANY PLANS BY THE REVIEWER SHALL BE WHOLLY UNJUSTIFIED, AT THE RISK OF THE LOT OWNER AND SUBJECT TO ANY SUBSEQUENT OR OTHERWISE CONFLICTING WRITTEN RESPONSE BY THE REVIEWER.

If the Reviewer fails to approve or disapprove any such plans and specifications or modification thereto within thirty (30) business days after the date of submission of all information the Reviewer requires, the submission shall be deemed to have been denied. Any Builder who is constructing residences on multiple Lots shall have the option of submitting a master set of final plans and specifications for all of the residences it intends to construct within the Property to the Reviewer in accordance with the provisions of this paragraph. Once the master set of plans has been approved, the Builder shall be allowed to construct residences in accordance with such

approved plans and no further submittals shall be required unless material deviations have been made to such approved plans.

The Reviewer may, but is not obligated to, permit or require that plans be submitted or considered in stages, in which case, a final decision shall not be required until after the final, required submission stage.

As part of any approval, the Reviewer may require that construction in accordance with approved plans commence within a specified time period. If construction does not commence within the required period, the approval shall expire and the Owner must reapply for approval before commencing any activities. Once commenced, construction must be diligently pursued to completion. All construction work shall be completed within one (1) year of commencement unless otherwise specified in the notice of approval or the Design Guidelines, or unless the Reviewer, in its discretion, grants an extension in writing. If approved work is not completed within the required time, it shall be in violation of this Article and shall be subject to enforcement action.

Also as a part of the review process, the Reviewer may require that the construction of any improvement be inspected on a periodic basis prior to completion for compliance with the plans, codes adopted by the Declarant and other matters relating to the quality or method of construction. The Association may conduct such inspections or, in the alternative, it may contract with third parties for such purposes. The Owner on whose Lot the construction is taking place shall be responsible for the payment of costs relating to any such inspection.

Section 3.4 Standards.

The Reviewer shall have sole discretion with respect to taste, design and all standards specified herein. One objective of the Reviewer is to prevent unusual, radical, curious, odd, bizarre, peculiar or irregular structures from being built on the Property. The Reviewer shall have the authority to interpret and amend the Design Guidelines, subject to Declarant's approval for so long as Declarant or any Builder owns any portion of the Property and, thereafter, subject to the approval of the Board. The Reviewer may from time to time publish and promulgate bulletins regarding architectural standards, which shall be fair, reasonable and uniformly applied and shall carry forward the spirit and intention of this Declaration.

Section 3.5 Requests for Variance.

Upon submission of a written narrative request for same, the Reviewer may, from time to time, in its sole discretion, permit Owners and Builders to construct, erect or install improvements which are in variance from the requirements of this Declaration or which may be contained in the Design Guidelines. In any case, however, such variances shall be in basic conformity and shall blend effectively with the general architectural style and design of the community. No member of the ACC or the Board, or the Association or Declarant shall be liable to any Owner or other person claiming by, through, or on behalf of any Owner, for any claims, causes of action, or damages

arising out of the granting or denial of, or other action or failure to act upon, any variance request by any Owner or any person acting for or on behalf of any Owner. Each request for a variance submitted hereunder shall be reviewed separately and apart from other such requests and the grant of a variance to any Owner shall not constitute a waiver of the Reviewer's right to strictly enforce the Declaration, the Design Guidelines against any other Owner. Each such written request must identify and set forth in narrative detail the specific restriction or standard from which a variance is sought and describe in complete detail the exact nature of the variance sought. Any grant of a variance by the Reviewer must be in writing and must identify in narrative detail both the standard from which a variance is being sought and the specific variance being granted.

Section 3.6 Liability of Reviewer.

Neither Declarant, the Board of Directors, the ACC or any of their respective members, officers, employees, designees, contractors, administrators, inspectors and agents, shall have any liability whatsoever for decisions made in accordance with this Article so long as such decisions are made in good faith and are not arbitrary or capricious. The plans or the site plan submitted to the Reviewer shall be the responsibility of the Owner of the Lot to which the improvements relate, and the Reviewer shall have no obligation to check for errors in or omissions from any such plans, or to check for such plans' compliance with the general provisions of this Declaration, or any codes, ordinances, regulations or other laws, whether statutory or not, and whether the same relate to Lot lines, building lines, easements or any other issue. Review and approval of any plans pursuant to this Article may be based on purely aesthetic considerations. The Reviewer is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that every dwelling is of comparable quality, value, or size, of similar design, or aesthetically pleasing or otherwise acceptable to other Owners.

Neither the Declarant, the Association nor the ACC assume responsibility for the following:

1. The structural adequacy, capacity or safety features of the proposed improvement or structure.
2. Soil erosion or unstable soil conditions
3. Compliance with any or all building codes, safety requirements, or state laws, regulations or ordinances
4. Performance or quality of construction performed by any applicant or his subcontractor(s).
5. Marketability of the product
6. The Financial Solvency of any builder and/or architect

- 7 The approval of or satisfaction from any plans or designs submitted by a recommended builder and/or architect.
- 8 The accuracy of current base flood elevations or the possibility that base flood elevations may change in the future

THE ASSOCIATION HEREBY UNCONDITIONALLY AND PERPETUALLY INDEMNIFIES AND HOLDS DECLARANT, THE BOARD, THE ARCHITECTURAL CONTROL COMMITTEE, AND THEIR RESPECTIVE MEMBERS, EMPLOYEES, DESIGNEES, ADMINISTRATORS, INSPECTORS, CONTRACTORS, AND AGENTS HARMLESS FROM AND AGAINST ANY CLAIMS, LIABILITIES, LOSS, DAMAGE, COSTS AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, IN CONNECTION WITH OR ARISING OUT OF ANY ACTIONS OR INACTIONS TAKEN HEREUNDER BY THE REVIEWER, IRRESPECTIVE OF WHETHER OR NOT THE REVIEWER, ITS EMPLOYEES, CONTRACTORS, AGENTS AND OTHER INDIVIDUALS OR ENTITIES TO OR EMPLOYED BY THE REVIEWER ACTED NEGLIGENTLY OR WITH WILLFUL MISCONDUCT.

Section 3.7 Special Rights of Declarant.

Notwithstanding anything to the contrary contained herein, any Lot owned by Declarant or its successor or assign, shall not be subject to the provisions of this Article III and Declarant shall not be required to submit plans and specifications, etc. to the ACC nor obtain the consent, permission or approval of the Architectural Control Committee for the matters otherwise required pursuant to this Article III, and the consent, permission or approval of the ACC shall be deemed given for plans and specifications, plot plans and the like to be used by Declarant, or Declarant's assigns, in the construction of any residence on any Lot owned or sold to a Builder by Declarant **DECLARANT ALSO RETAINS SPECIAL AND UNIQUE RIGHTS AND PRIVILEGES IN ARTICLE XII THAT TAKE PRECEDENCE OVER ALL OTHER ARTICLES OR SECTIONS IN THIS DECLARATION.**

**ARTICLE IV
EXTERIOR AND LOT MAINTENANCE BY OWNERS**

Section 4.1 Lot Maintenance.

All Lots, structures, and other buildings located within the Subdivision must be kept in good repair and must be painted when necessary to preserve their attractiveness. Grass, vegetation and weeds on each Lot shall be cut as often as may be necessary to maintain the same in a neat and attractive condition. All damaged, diseased beyond recovery, or dead trees shall be cut and removed from any Lot at the expense of the Owner. Vacant Lots shall be mowed and maintained in appearance by the Owner and shall not be used as dumping grounds for rubbish, trash, rubble, or soil, except that Declarant of the Architectural Control Committee may designate

fill areas into which materials specified by Declarant or the Architectural Control Committee may be placed. The Association may plant, install and maintain shrubbery and other screening devices around boxes, transformers and other above-ground utility equipment. The Association shall have the right to enter upon the Lots to plant, install, maintain, and replace such shrubbery or other screening devices. Owners of residences shall construct and maintain a fence or other suitable enclosure to screen from public view the drying of clothes, yard equipment, and wood pile or storage piles. Owners of all lots backing to community lake/detention pond must maintain wrought iron fences with a minimum height of four (4) feet. Wrought iron fencing shall be painted black and only black with additional paint coats applied as needed.

Section 4.2 Maintenance of Improvements

Each Owner shall maintain the exterior of all buildings, fences, walls and other improvements on his Lot in good condition and repair, and shall replace worn and rotten parts, and shall regularly repaint all painted surfaces and shall not permit the roofs, rain gutters, down spouts, exterior walls, windows, doors, walks, driveways, parking areas or other exterior portions of the improvements to deteriorate in an unattractive manner. All fences shall be kept neat, clean and in good repair. Any fence which is damaged, leaning, or otherwise not in good repair shall be immediately repaired.

Section 4.3 Failure to Maintain.

In the event any Owner of any Lot in the Subdivision fails to maintain the Lot and the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association, the Association, after seven (7) days' notice to the Owner of said Lot, setting forth the action intended to be taken by the Association and after approval by a majority vote of the Board of Directors, shall have the right (but not the obligation), through its agents and employees, to enter upon said Lot and to repair, maintain, and restore the Lot and the exterior of the buildings and any other improvements located thereon. To the extent necessary to prevent rat infestation, diminish fire hazards and accomplish any of the above needed repair, maintenance and restoration, the Association shall have the right (but not the obligation), through its agents and employees, to enter any residence or improvement located upon such Lot. Neither the Association nor its agents or employees shall be liable, and are expressly relieved from any liability for trespass or other tort in connection with the performance of the exterior maintenance and other work authorized in this Article. The cost of such exterior maintenance and other work shall be the personal obligation of the Owner of the lot on which it was performed and shall become a part of the assessment payable by said Owner and secured by the liens herein retained.

ARTICLE V ENFORCEMENT

Section 5.1 Special Enforcement Rights of the Board of the Association.

In the event an Owner fails to comply with any provision of this Declaration or the Governing Documents, including but not limited to any requirement contained in Article IV, then, prior to the Board or the Association enforcing the compliance of such failure or seeking against such Owner remedies in accordance with this Declaration (or such other remedies as may be available to the Board and/or the Association at law or in equity), the Board shall first be obligated to give such Owner notice of such failure and a reasonable time, as determined by the Board, after the date of such notice in which to cure such violation or failure. If the Owner shall not have corrected such failure within such reasonable time after the giving of such notice, the Board of Directors shall have the right but not the obligation, to assess monetary fines and enter upon the Lot and to bring the Lot, and any improvements thereon, into full compliance with this Declaration or the Governing Documents. All costs and expenses incurred by the Association in connection with correcting any such failure shall be borne by the Owner. If any Owner does not promptly reimburse the Association for all such costs, expenses and violation fines assessed after receipt of written request for same, the Board shall have the right to assess the Owner for same plus interest, such assessment, interest and fines being a special individual assessment under the provisions of Section 10.6 below

Section 5.2 Enforcement.

In addition to but not in lieu of the enforcement rights set forth in Section 5.1, the Board of Directors may impose sanctions or monetary fines for violation of this Declaration (including any rules, guidelines or standards adopted pursuant to the Declaration) in accordance with the applicable procedures set forth in any policy or procedure adopted by the Board. Such sanctions may include all remedies available at law and/or in equity and all remedies herein, including, without limitation, the following:

(a) **Fines.** The Board of Directors may impose reasonable monetary fines which shall constitute a lien upon the Owner of the Lot related to or connected with the alleged violation. The Owner shall be liable for the actions of any occupant, guest, or invitee of the Owner of such Lot

(b) **Suspension of Voting Rights.** The Board of Directors may suspend an Owner's right to vote.

(c) **Suspension of Rights to Use the Common Properties** The Board of Directors may suspend any person's or entity's right to use any recreational facilities within the Common Properties; provided, however, nothing herein shall authorize the Board of Directors to limit ingress or egress to or from a Lot

(d) **Right to Require Removal.** The Board of Directors may require an Owner, at the Owner's expense, to remove any dead tree or landscaping from an Owner's Lot and to restore or install the necessary trees or landscaping as required and, upon failure of the Owner to do so, the Board of Directors or its designee shall have the right to enter the Lot, remove and cure the violation without such action being deemed a trespass and charge the costs thereof to the Owner's account as a special individual assessment in accordance with Section 10.6 below.

(f) **Levy Special Individual Assessment** The Board of Directors may levy a special individual assessment in accordance with Section 10.6 as a violation fine and/or to cover costs incurred by the Association in bringing a Lot into compliance with this Declaration or the Design Guidelines

(g) **Lawsuit; Injunction or Damages.** The Board of Directors may bring a suit at law or in equity to enjoin any violation or to recover monetary damages, or both.

Failure by Declarant or the Board of Directors, to enforce any covenant, condition, agreement or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In addition to the Association's enforcement rights, this Declaration may be enforced by any aggrieved Owner.

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing sentence, the Board may determine that, under the circumstances of a particular case: (i) the Association's position is not strong enough to justify taking any or further action; (ii) the covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with applicable law; (iii) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or (iv) that it is not in the Association's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

ARTICLE VI RESERVATION OF MINERALS

There is hereby excepted from the land encompassed by the boundaries of this Subdivision, and Declarant will hereafter except from all its sales and conveyances of said land, or any part thereof, including the Common Property, all oil, gas and other minerals, provided that Declarant hereby retains and reserves and by each conveyance will retain and reserve the right, if any, to pool the land with other lands, however, Declarant hereby waives the right to use the surface of the Property, or any part thereof, for development of oil, gas and other minerals. Such exceptions and such retained rights and reservations, if any, shall inure to the benefit of Declarant and their heirs, executors, administrators, successors, and assigns and this waive of surface rights by Declarant shall be effective even if Declarant fails to so state in any instrument of deed conveying an interest in the Property

**ARTICLE VII
AMENDMENT AND TERMINATION**

Section 7.1 Amendment.

This Declaration may be amended by Declarant at any time within five (5) years from the date this Declaration is filed of record with the office of the County Clerk. Within such five (5) year period, Declarant may amend the Declaration for any reason without the consent or joinder of any party or without the need to call a meeting of the Association. In addition to the foregoing, the Declaration may be amended by an instrument containing such amendment(s) and recorded in the Official Public Records of Galveston County, provided, that (i) during the period Declarant owns at least one (1) Lot, no such amendment shall be valid or effective without the joinder and consent of Declarant and (ii) such amendment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 67% of the votes in the Association voting, in person or by proxy, at a duly convened meeting of the Association. Furthermore, Declarant or the Board may, at its sole discretion and without a vote or the consent of any other party, modify, amend, or repeal this Declaration (i) as necessary to bring any provision into compliance with any applicable statute, governmental rule, regulation, or judicial determination; (ii) as necessary to comply with the requirements of VA, or HUD (Federal Housing Administration), FHLMC or FNMA or any other applicable governmental agency or secondary mortgage market entity; or (iii) as necessary for clarification or to correct technical, typographical or scrivener's errors; provided, however, any amendment pursuant to clause (i) and/or (ii) immediately above must not have a material adverse effect upon any right of any Owner. Any amendment to this Declaration must be recorded in the Real Property Records of the County.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class B Member without the written consent of Declarant or the Class B Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that the Owner has the authority to consent, and no contrary provision in any mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Section 7.2 Termination.

At any time, the Owners may terminate and extinguish this Declaration in its entirety by executing an instrument terminating this Declaration and recording same in the Official Public Records of the County, provided, however, that (i) for the period in which Declarant owns at least one Lot, no such termination shall be valid or effective without the joinder and consent of Declarant and (ii) such termination and extinguishment shall first be approved by the affirmative vote or written consent of the Association's Members representing at least 75% of the votes in the Association.

**ARTICLE VIII
MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION**

Section 8 1 Membership.

Every Owner of a Lot shall automatically be a Member of the Association. Membership shall be appurtenant to each Lot and may not be separated from ownership of any Lot which is subject to assessment hereunder. The foregoing is not intended to include persons or entities that hold an interest in a Lot merely as security for the performance of an obligation. Ownership of a Lot shall be the sole qualification for membership. Any mortgagee or lienholder who acquires title to any Lot which is a part of the Subdivision, through judicial or nonjudicial foreclosure, shall be a Member of the Association.

Section 8.2 Classes of Membership.

The Association shall have two (2) classes of voting membership.

CLASS A Class A Members shall all be Members with the exception of the Class B Member. Class A Members shall be entitled to one (1) vote for each Lot in which they hold the interest required for membership, provided, however, that in the event that more than one (1) person holds such interest or interests in any Lot, even though all such persons shall be Members, there shall be only one (1) vote for such Lot, which shall be exercised as they, among themselves, determine (but in no event shall more than one (1) vote be cast with respect to any such Lot)

CLASS B The Class B Member(s) shall be Declarant. Until such time as 75% of the maximum number of Lots planned or approved for the Property have been conveyed to Class A Members other than Builders who purchase Lots for development and sale, the Class B Member shall have the sole right to elect the Board of Directors of the Association. Control of the Association shall be vested in the Class A Members only after title to 75% of the maximum number of Lots planned or approved for the Property has been transferred to Class A Members other than Builders who purchase Lots for development and sale. The Class B Member shall have five (5) votes for each Lot it owns until such time as control of the Association vests in the Class A Members. After such time, the Class B Member shall be a Class A Member entitled to one (1) vote for each Lot it owns.

Section 8 3 Quorum and Notice Requirements

8 3 1 Except as expressly provided herein to the contrary, any action of the Members shall require the assent of a majority of the votes of those Association Members who are present at a meeting, in person or by proxy, written notice of which shall be given to all Members not less than ten (10) days nor more than forty-five (45) days in advance of such meeting.

8.3.2 A quorum is required for any action referred to in Section 8.3.1 and, unless otherwise provided, for any action for which a percentage vote at a meeting is required. A quorum shall be determined as set forth in this Section 8.3.2. The first time a meeting is called, whether regular or special, the presence at the meeting of Members, or of proxies, entitled to cast at least thirty (30%) of all of the votes of the Association's Members, without regard to class, shall constitute a quorum. If the required quorum is not present at the initial meeting, additional meetings may be called, subject to the notice requirement hereinabove set forth, and the required quorum at such subsequent meeting(s) shall be one-half (1/2) of the quorum requirement for such prior meeting. The Association may call as many subsequent meetings as may be required to achieve a quorum (although the quorum requirement shall be reduced for each such meeting, in no event shall a quorum be less than one-tenth (1/10) of the votes of the Association). At such adjourned or subsequent meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

8.3.3 Except as specifically set forth in this Declaration, notice, voting and quorum requirements of any action to be taken by the Association shall be set forth in its Bylaws, as same may be amended from time to time.

Section 8.4 Right of Inspection.

Each Owner shall have the right to inspect the financial records and books of the Association, during normal business hours and at the place where such books are kept, upon reasonable prior written notice to the Association stating a proper purpose in accordance with Section 209.005 of the Texas Property Code, as amended.

ARTICLE IX THE COMMON PROPERTIES

Section 9.1 Initial Common Properties.

The Common Properties may include but are not limited to, and by way of illustration only, all aspects of the entry features, entry monuments and walls, landscaping, irrigation for same and the land on which such entry features are situated, retention ponds, waterways, bulkheads, screening walls, pocket parks, a clubhouse and associated recreational amenity, gates, fences, fountains and other structures, whether or not shown on a Final Plat, or as deemed necessary by Declarant, each as may be leased, maintained or owned by the Association. The foregoing list is intended to illustrate examples of Common Properties and under no circumstance shall such list impose any obligation on the Declarant or the Association to purchase, install or construct any such features or amenities. The Common Properties may hereafter include any neighborhood parks or other improvements or land conveyed to or leased by the Association for the use and benefit of the Owners.

Section 9.2 Additional Common Properties

Additional property may be added to the Common Properties hereunder upon the sole discretion of Declarant during such time as Declarant owns at least one (1) Lot. Thereafter, additional property may be added to the Common Properties hereunder upon the affirmative vote of sixty percent (60%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 9.3 Acceptance and Control of Common Properties.

Declarant, or any third-party at the request of Declarant, may transfer to the Association, and the Association shall accept as Common Properties, personal property and/or fee title or other property interests in any improved or unimproved real property included within the property described in Exhibit A or any other real property made subject to this Declaration in the future. Upon Declarant's written request, the Association shall transfer back to Declarant any unimproved real property originally conveyed to the Association for no payment, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

Section 9.4 Extent of Members' Easement in the Common Properties

Each Member shall have a right and easement of access, use and enjoyment in and to the Common Properties which is subject to the following:

9.4.1 The right of the Association to prescribe regulations governing the use, operation and maintenance of the Common Properties,

9.4.2 The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure,

9.4.3 The right of the Association to suspend the voting rights of any Member and to suspend the right of any individual to use any of the Common Properties and/or common facilities for any period during which any assessment against a Lot resided upon or owned by such individual remains unpaid, and for any period not to exceed sixty (60) days for an infraction of the rules and regulations of the Association, the Declaration, the Design Guidelines or the governing documents; and

9.4.4 The right of the Association to charge reasonable admission and other fees for the use of recreational facilities on the Common Properties, if any such recreational facilities are ever constructed.

Section 9.5 Dedication of the Common Properties.

The Board of Directors shall have the right at any time to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and upon such conditions as the Board of Directors may determine.

Section 9.6 Delegation of Use

Any Owner may delegate, in accordance with the Bylaws of the Association, his right or enjoyment to the Common Area and facilities to members of his family, his tenants, or contract purchasers who reside on the Lot owned by him. The Declarant, for each Lot owned within the Subdivision, hereby covenants, and each Owner of any Lot, by acceptance of a Deed therefore, whether it shall be express in the Deed or the evidence of the conveyance, is deemed to covenant that any lease executed on a Lot shall be in writing and contain provisions binding any lessee thereunder to the terms of this Declaration and any rules and regulations published by the Association applicable to the Common Area and further providing that noncompliance with these terms of the lease shall be a default thereunder.

**ARTICLE X
COVENANT FOR ASSESSMENTS**

Section 10.1 Creation of the Lien and Personal Obligation of Assessments.

Each Owner hereby covenants and agrees, and each purchaser of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association (or to a mortgage company or other collection agency designated by the Association) the following: (a) annual assessments or charges; (b) acquisition assessments, (c) special assessments for capital improvements, (d) individual special assessments (including, without limitation interest and fines) levied against individual Owners for violations of the Declaration, Design Guidelines or the Community-Wide Standard or to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual Owner, his tenant(s) occupying his Lot, if applicable, and their respective family, agents, guests and invitees, or for costs incurred by the Association resulting from any Owner failing to comply with the terms and provisions hereof. All such assessments shall be fixed, established and collected as hereinafter provided.

The annual, acquisition, benefitted, special capital, and individual special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each Lot against which each such assessment is made. Each such assessment, together with late charges, collection costs, such interest thereon and cost of collection thereof, including attorneys' fees, as hereinafter provided, shall also be the continuing personal obligation of the person who was the Owner of such property at the time when the assessment fell due.

Fines, not to exceed \$500.00 per day, shall be assessed upon the expiration of a reasonable time after the date notice of such violation was sent to the violating Owner. In all instances of violations, the Owner shall be responsible for correcting such violation within a reasonable time after the date of such notice, regardless as to whether the residence is occupied by the Owner or a tenant. The lien provided for herein shall secure payment of fines not timely paid and the Owner shall also have personal liability for the payment of same.

Section 10.2 Purpose of Assessments.

The assessments levied by the Association shall be used exclusively for carrying out the purposes, duties, and obligations of the Association. Without limiting the foregoing, the total assessments accumulated by the Association, insofar as the same may be sufficient, shall be applied toward the payment of all taxes, insurance premiums and repair, maintenance and acquisition expenses incurred by the Association and at the option of the Board of Directors of the Association for any or all of the following purposes: lighting, improving and maintaining the detention pond, lakes, streets, alleyways, sidewalks, paths, parks, parkways, and esplanades in the Subdivision and in other subdivisions within its jurisdiction; collecting and disposing of garbage, ashes, rubbish, and materials of a similar nature; payment of legal and all other expenses incurred in connection with the collection, enforcement and administration of all assessments and charges and in connection with the enforcement of this Declaration of Covenants, Conditions and Restrictions; employing policemen or watchmen and/or a security service; fogging and furnishing other general insecticide services; providing for the planting and upkeep of trees and shrubbery on esplanades and in the Common Area, acquiring and maintaining any amenities or recreational facilities that are or will be operated in whole or in part for the benefit of the Owners; and doing any other thing necessary or desirable in the opinion of the Board of Directors of the Association to keep and maintain the property in the Subdivision and in other subdivisions within its jurisdiction in neat and good order or which they consider of general benefit to the Owners or occupants of the Subdivision and in other subdivisions within its jurisdiction, including the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance, and other charges as specified herein. Such funds may also be used to repair, maintain and restore abandoned or neglected residences and Lots as hereinafter provided. It being understood that the judgment of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

Section 10.3 Basis and Amount of Annual Assessments.

10.3.1 The Board of Directors may fix the annual assessment at any amount equal to or less than the maximum annual assessment for that year, as herein below provided. The maximum annual assessment for each Lot for the year beginning 2012 shall be Eight Hundred and No/100 Dollars (\$800.00). In the event Declarant constructs amenity center facilities for the use and enjoyment of the Owners, then the Board of Directors has the express authority to levy additional assessments for the purpose of maintaining the amenity center facilities. Commencing with the year 2012 and each year thereafter, the Board of

Directors may set the amount of the maximum annual assessment for that year (and for following years) for each Lot provided that the maximum annual assessment may not be increased more than twenty percent (20%) above the maximum annual assessment for the previous year without a vote of the membership taken in accordance with the provisions of Section 10 3 2

10 3 2 Commencing with the year 2013, and in each year thereafter, the Board of Directors may set the maximum annual assessment for the following year for each Lot at an amount more than twenty percent (20%) above the maximum annual assessment for the previous year, provided that any such increased assessment shall be approved by the affirmative vote of sixty percent (60%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose

Section 10.4 Acquisition Assessments.

At any time record title is transferred to a new Owner (excluding a Builder), an acquisition assessment shall be paid to the Association by such new Owner at closing in the amount of Two Hundred Seventy-Five And No/100 Dollars (\$275.00) for each Lot acquired. Acquisition assessments shall be in addition to, not in lieu of, any other assessment provided for herein. Acquisition assessments are not refundable and shall be available for all necessary expenditures of the Association as determined by the Board. In addition to the foregoing but still considered an assessment hereunder, the Association or its managing agent may charge a reasonable transfer fee and a reasonable fee for producing a Resale Certificate and documents of the Association as required under the Texas Property Code, such fees to be paid no later than closing of the sale of any Lot to a new Owner.

Section 10.5 Special Assessments.

The Association may also levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, maintenance, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; provided that any such assessment shall be approved by the affirmative vote of sixty percent (60%) of the votes of those Association Members who are voting, in person or by proxy, at a meeting duly called for such purpose.

Section 10 6 Special Individual Assessments, Interest and Fines

In the event that any Owner fails to comply with the provisions of this Declaration, the Design Guidelines, the governing documents or the Community-Wide Standard and/or the Association incurs any cost or expense in either enforcing said provisions against any such Owner or in carrying out the obligations of any such Owner, the Association shall have the right to assess against such Owner and the Lot of such Owner a special individual assessment in the amount of all such costs incurred by the Association plus interest and/or in the amount of any violation fine(s)

levied by the Board Special individual assessments, interest and fines to be paid by the applicable Owner upon demand by the Association.

Section 10.7 Uniform Rate of Assessments

Both annual and special assessments (excepting therefrom special individual assessments) shall be fixed at a uniform rate for all Lots provided, however, that Lots owned by a Builder will only be subject to seventy percent (70%) of the assessment rate established for each Lot until such Lot is transferred to a consumer.

Both annual and special assessments on all Lots, whether or not owned by the Declarant, must be fixed at uniform rates as follows:

(a) **Occupied Lots** Those Lots containing an occupied Living Unit (that is, a Living Unit that has been initially occupied, although it may no longer be occupied) shall be assessed the full assessment as set by the Board of Directors of the Association,

(b) **Completed Living Unit:** Those Lots containing a substantially completed but unoccupied Living Unit (that is, a Living Unit that has not been initially occupied), shall be assessed fifty percent (50%) of the full assessment as set by the Board of Directors of the Association; and

(c) **Vacant Lots** Those Lots which are vacant or upon which a residence is under construction shall be assessed at a rate equal to fifty percent (50%) of the full assessment as set by the Board of Directors of the Association. If such Owner fails to maintain said Lot in accordance with the requirements set forth in this Declaration, the Association is hereby authorized to do so and any expense the Association incurs thereby shall become a lien on the Lot, as described in Article IV, Section 1, as well as the general personal obligation of said Owner. The Declarant is expressly exempted from the vacant lot assessment obligations set forth in this subsection.

Section 10.8 Date of Commencement and Due Dates of Assessments.

The obligation to pay assessments commences as to each Lot (a) upon acquisition of record title to a Lot by the first Owner thereof other than Declarant, or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The initial annual assessment levied on each Lot shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Lot Annual assessments shall be payable in advance on the first (1st) business day of each January; provided, if the Board so elects, annual assessments may be paid in monthly, quarterly, or semi-annual installments The Board may require advance payment of all or any portion of the annual assessment at closing of the transfer of title to a Lot The due date or dates, if it is to be paid in installments, of any special assessment under Section 10.5 shall be fixed in the respective resolution authorizing such assessment.

Section 10.9 Duties of the Board of Directors with Respect to Assessments.

10.9.1 The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period and shall, at that time, prepare a roster of the Lots and assessments applicable thereto, which shall be kept in the office of the Association and shall be open to inspection by any Owner

10.9.2 Only if such assessment is an amount different from that charged for the previous year, written notice of the assessment shall thereupon be delivered or mailed to every Owner subject thereto (according the Association's then current records).

10.9.3 The Board of Directors shall, upon demand, cause to be furnished to any Owner liable for said assessments a certificate in writing signed by an officer or agent of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board or the Association's managing agent for the issuance of such certificates

Section 10.10 Assessment Lien to Secure Charges and Assessments

All assessments, interest, late charges, collection fees and attorneys' fees, as provided for herein, shall constitute and be secured by a separate and valid and subsisting assessment lien, hereby created and fixed, and which shall exist upon and against each Lot and all improvements and fixtures thereon, for the benefit of the Association. Notwithstanding any other provision hereof, the lien to secure the payment of assessments or any other sums due hereunder and any other lien which the Association may have on any Lot pursuant to this Declaration shall be subordinate to the lien or equivalent security interest of any first lien mortgage or deed of trust on any Lot. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments or any other sums due hereunder which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Member personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner.

Section 10 11 Effect of Nonpayment of Assessment

If any assessment is not paid within thirty (30) days from the due date thereof, the same shall bear interest from the due date until paid at the highest nonusurious rate allowed under the laws of the State of Texas, or other applicable law, or if no such limitation imposed then at the rate of ten percent (10%) per annum, and if placed in the hands of an attorney for collection or if collected through probate or other judicial proceedings, there shall be reimbursed to the Association its reasonable attorneys' fees. Should any assessment provided for herein be payable

in installments, the Association may accelerate the entire assessment and demand immediate payment thereof. In addition, a late charge shall be assessed against the non-paying Owner for each month that any assessment remains unpaid. The late charge shall be in the amount of Twenty-Five And No/100 Dollars (\$25.00) per month and shall serve to reimburse the Association for administrative expenses and time involved in collecting and processing delinquent assessments. The Association's managing agent shall be entitled to charge an Owner a monthly collection fee to compensate managing agent for its efforts in collecting delinquent assessments. The Association, in the Board's discretion, shall have the right to waive any part of or all of such interest and/or fees.

Section 10.12 Collection and Enforcement.

The Association shall have a lien on each Lot securing payment of any assessment, together with interest thereon as provided herein, reasonable attorneys' fees, late charges, collection fees and costs incurred in the collection of same and the enforcement of said lien. The Board of Directors shall take such action as it deems necessary to collect assessments and may settle and compromise the same if deemed appropriate in the exercise of the Board's business judgment. Such liens shall be effective as and in the manner provided for herein and shall have the priorities established in this Declaration.

The Board of Directors may bring an action at law against any Owner personally obligated to pay an assessment or foreclose the lien against such Owner's Lot, or both, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Board of Directors of the Association or its agent the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including, but not limited to, nonjudicial foreclosure pursuant to Texas Property Code Section 51.002 in force and effect on the date of this Declaration, or in accordance with the prescribed manner for foreclosure of deed of trust liens provided by any future amendment to such Section 51.002 or any other statute or article enacted in substitution therefor, and such Owner hereby expressly grants to the Board of Directors a private power of sale in connection with said lien. The Board is hereby appointed trustee, unless and until the Board of Directors shall designate a substitute or successor trustee, as hereinafter provided, to post the required notices as provided by law and conduct such foreclosure sale. The lien provided for in this Section shall be in favor of the Association and shall have the same effect as though each Owner had expressly granted to the Association a deed of trust lien as well as a security interest in said Lot to secure the payment of the assessments provided for herein. In addition to such notices as required by the aforesaid statute, the trustee shall mail to the Owner of a Lot for which the assessment has not been paid, a copy of the notice of assessment lien prior to the date any notice of sale is posted, by certified mail, return receipt requested, at the Lot or such other address as the Board has been advised in writing for receipt of notices under this Declaration.

At any foreclosure, judicial or nonjudicial, the Association shall be entitled to bid up to the amount of its lien, together with costs and attorneys' fees, and to apply as cash credit against its bid.

all sums due the Association covered by the lien foreclosed. All foreclosure sales provided for herein shall be subject to any then existing statutory right of redemption in favor of the former Owner. From and after any such foreclosure, the former Owner or Owners, their heirs and assigns, shall forthwith upon the making of such sale surrender and deliver possession of the property so sold to the purchaser at such sale, and in the event of their failure to surrender possession of said property upon demand, the purchaser, or his heirs or assigns, shall be entitled to institute and maintain an action for forcible detainer of said property in the Justice of the Peace Court in the Justice Precinct in which such Lot, or any part thereof, is situated. The Board of Directors in any event is hereby authorized to appoint a substitute trustee, or a successor trustee, to act in the place of the trustee without any formality other than the designation in writing of a substitute or successor trustee; and the authority hereby conferred by the Board of Directors shall extend to the appointment of other successor and substitute trustees successively until the delinquent assessment or assessments have been paid in full, or until said property is sold, and each substitute and successor trustee shall succeed to all the rights and powers of the original trustee appointed by the Board of Directors or its agents.

Section 10.13 Homestead

By acceptance of a deed thereto, the Owner and spouse thereof, if married at the time of the conveyance or subsequently married, of a Lot shall be deemed to have waived any exemption from liens created by this Declaration or the enforcement thereof by foreclosure or otherwise, which may otherwise be available by reason of the homestead exemption provisions of Texas law, if for any reason such are applicable. This Section is not intended to limit or restrict in any way the lien or rights granted to the Association by this Declaration, but construed in its favor.

Section 10.14 Omission of Assessments.

The omission of the Board of Directors, before the expiration of any assessment period, to fix the assessments hereunder for that or the next assessment period, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay the assessments, or any installment thereof for that or any subsequent assessment period, but the assessment fixed for the preceding assessment period shall continue until a new assessment is fixed or levied by the Board.

Section 10.15 Maintenance Fund; Working Capital Fund.

10.15.1 The Association may, but is not obligated to, establish and maintain a maintenance fund for the periodic maintenance of the Common Properties. Subject to the provisions of Section 10.3 above, the Board may at any time ratably increase or decrease the amounts of regular annual assessments in accordance with this Declaration to such level as shall be reasonably necessary in the judgment of the Board to cover obligations of the Association under this Declaration, including provisions for reasonable reserves. So long as the Board exercises business judgment in determining the amount or necessity of the reserve fund, the amount held in reserves shall be considered adequate.

10.15.2 The Association may establish a working capital fund for the initial operation of the Common Properties in such amount as the Board shall determine.

Section 10.16 Exempt Property

The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

10.16.1 All properties dedicated and accepted by the local public authority and devoted to public use; and

10.16.2 All Common Properties.

Section 10.17 Declarant Subsidy

Declarant may, but shall not be obligated to, pay a subsidy to the Association (in addition to any amounts paid by Declarant under Section 10.18 below) in order to reduce the total annual assessment which would otherwise be necessary to be levied against all Lots to cover the estimated expenses of the Association (including reserve contributions, if any). Any such subsidy shall be disclosed as a line item in the income portion of the budget. The subsidy may be treated by the Declarant, in its sole discretion, as a loan from the Declarant to the Association or as an advance against future assessments due or as a contribution.

Section 10.18 Declarant's Assessment

Notwithstanding any provision of this Declaration or the Articles of Incorporation or the Bylaws to the contrary, so long as there is Class B membership in the Association, the Declarant may, on an annual basis, elect either to pay annual assessments on its unsold Lots or pay the difference between: (a) the Association's operating expenses otherwise to be funded by annual assessments (after applying all income received by the Association from other sources); and (b) the sum of the revenues of the Association from all sources. Upon ninety (90) days notice to the Association, the Declarant may change its election hereunder during the fiscal year. "All sources" includes, but is not limited to, revenues from the operation of Common Properties, capital contributions, accounting service fees, property management fees, guest fees, user fees, and the assessments levied against the owners of Lots, other than the Declarant. Such difference, herein called the "deficiency", shall not include any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments, and Declarant shall not be responsible, in any event, for any reserve for replacements, operating reserves, depreciation reserves, capital expenditures or special assessments. Any sums paid by the Declarant to the Association to fund the "deficiency" or any sums paid by the Declarant to the Association in excess of the annual assessment otherwise due on the Declarant's unsold Lots may be considered by the Declarant to be the payment of a subsidy to the Association pursuant to Section 10.17 of this Article. Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind"

consideration of services or materials, or by a combination of these. After termination of the Class B membership, Declarant shall pay assessments on its unsold Lots in the same manner as any other Owner.

**ARTICLE XI
GENERAL POWERS OF THE
BOARD OF DIRECTORS OF THE ASSOCIATION**

Section 11.1 Power and Duties.

Except as provided in Article XII below, the Board, for the benefit of the Association, the Property and the Owners, shall have the right to do all things which are necessary or advisable in connection with enforcing the provisions of this Declaration. Such powers shall include, but shall not be limited to, the following:

11.1.1 Paying assessments and charges for sewer, water and garbage pickup services for the Properties, if any, the installation and maintenance charges for street lighting for the Property, if any, and taxes, assessments and other charges which shall properly be assessed or charged against the Common Properties

11.1.2 Performing maintenance on the Common Properties which may include, without limitation, the following: (a) maintenance of any driveways, private roadways, jogging paths, walkways and sidewalks; (b) maintenance of grounds, including care of trees, shrubs and grass, lighting systems, sprinkler systems (if installed) and similar facilities on the Common Properties; and (c) maintenance of the entry monument(s) and any screening walls or fences constructed around the perimeter of the Property; provided, further, that in the event that the need for maintenance or repair is caused through the willful or negligent act of any Owner, his family, his guests or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Lot is subject

11.1.3 Managing and maintaining the Common Properties and full maintenance of a utility service for the Common Properties; the furnishing and upkeep of any desired personal property for use in the Common Properties

11.1.4 Purchasing a policy or policies of insurance insuring the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association, in an amount not less than \$250,000.00 to indemnify against the claim of one person, \$500,000.00 against the claims of two or more persons in any one occurrence, and property damage insurance in an amount not less than \$50,000.00 per occurrence; which policy or policies shall contain an endorsement providing that the rights of the named insured shall not be prejudiced with respect to actions against other named insureds; provided, that under no circumstances shall the Board be authorized to

provide or pay for fire, casualty, or other insurance insuring the interest of any Owner in his Lot.

11.1.5 Executing all replats of the Property and all declarations of ownership for tax assessment purposes with regard to the Common Properties on behalf of all Owners

11.1.6 Borrowing funds to pay costs of operation, secured by assignment or pledge of rights against delinquent Owners, if the Board sees fit

11.1.7 Entering into contracts, maintaining one or more bank accounts, and generally exercising all the powers necessary or incidental to the operation and management of the Association, expressly including the power to enter into management and maintenance contracts

11.1.8 Protecting or defending the Common Properties from loss or damage by suit or otherwise, and to provide adequate reserves for replacements.

11.1.9 Making reasonable rules and regulations for the operation of the Common Properties and amend them from time to time, provided that any rule or regulation may be amended or repealed by the vote of at least sixty percent (60%) of those Members present, in person or by proxy, at a meeting called for such purpose (without limiting the generality of the foregoing language, the rules and regulations may provide for limitations on use of the Common Properties during certain periods by youthful persons, visitors or otherwise)

11.1.10 Adjusting the amount, collecting and using any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, assessing the Members in proportionate amounts to cover the deficiency.

11.1.11 Enforcing the provisions of this Declaration, the Design Guidelines, any Community-Wide Standard, and any rules made hereunder, and to enjoining and seeking damages from any Owner for violation of such provisions or rules

11.1.12 Exercising the rights granted to the Association in this Declaration, including, without limitation, all rights of the Board, the Association, and the ACC relating to architecture, design, and construction review and inspections under Article III

11.1.13 Retaining and paying for legal and accounting services necessary or proper in the operation of the Association.

11.1.14 Obtaining and paying for any other property and services and to pay any other taxes or assessments which the Association or the Board of Directors is required to secure or to pay for pursuant to applicable law or this Declaration.

The Association may exercise any right or privilege given to it expressly or by reasonable implication by this Declaration, the Bylaws, or the Articles of Incorporation, and may take action reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in such documents or by law, all of the Association's rights and powers may be exercised by the Board without a vote of the membership.

The Board may institute, defend, settle, or intervene on the Association's behalf in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Properties, enforcement of this Declaration, or any other civil claim or action. **However, the Board shall exercise business judgment in determining whether to take any such action under particular circumstance and shall have no legal duty to institute litigation under any circumstances on behalf of or in the name of the Association or the Members.**

Section 11.2 Board Power, Exclusive.

The Board shall have the exclusive right to contract for all goods, services and insurance, payment for which is to be made from the maintenance fund, and the exclusive right and obligation to perform the functions of the Board, except as otherwise provided herein.

Section 11.3 Owner's Obligations to Repair.

Except for those portions of each Lot constituting the Common Properties, each Owner shall at his sole cost and expense, maintain and repair his Lot and the improvements situated thereon, keeping the same in good condition and repair. In the event that any Owner shall fail to maintain and repair his Lot and such improvements as required hereunder, the Association, in addition to all other remedies available to it hereunder or by law, and without waiving any of said alternative remedies, shall have the right but not the obligation, subject to the notice and cure provisions of Section 5.1 above, through its agents and employees, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon; and each Owner (by acceptance of a deed for his Lot) hereby covenants and agrees to repay to the Association the cost thereof immediately upon demand, and the failure of any such Owner to pay the same shall carry with it the same consequences as the failure to pay any assessments hereunder when due.

Section 11.4 Maintenance Contracts with Owners.

The Board, on behalf of the Association, shall have full power and authority to contract with any Owner for the performance by or for the Association of services pursuant to the terms hereof (including, but not limited to, the maintenance and repair of fences owned by any such Owner), such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and to the best interest of the Association; provided, however, that same must be commercially reasonable in all circumstances.

Section 11.5 Liability of the Board of Directors.

The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding if approved by the Board of Directors at the time of such settlement) to which he or she may be a party by reason of being or having been an officer, director, or committee member.

OFFICERS, DIRECTORS, AND COMMITTEE MEMBERS SHALL NOT BE LIABLE FOR ANY MISTAKE OF JUDGMENT, NEGLIGENCE OR OTHERWISE, EXCEPT FOR THEIR OWN INDIVIDUAL WILLFUL MISFEASANCE, MALFEASANCE, MISCONDUCT, OR BAD FAITH. The Association's officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as an Association expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 11.6 Notice and Hearing Procedures Prior to the Initiation of Certain Types of Actions by the Association.

Except as set forth in paragraph (c) below, prior to filing suit to enforce the provisions of this Declaration, the Design Guidelines, any Community-Wide Standard or rules promulgated hereunder, the Association shall comply with the notice and hearing procedures set forth in subsections (a) and (b) below.

(a) **Notice.** The Association shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the action which the Association proposes or intends to take unless the violation is corrected within a reasonable time after the date of the written notice, and (iii) a period of not less than thirty (30) calendar days within which the alleged violation may present a written request for a hearing. If a timely request for a hearing is not made within the thirty (30) day period, the Association may proceed with the action. If the violation is abated within the time period set forth in the written notice, the Association shall suspend the proposed action unless a similar violation occurs within six (6) months from the date of the written notice. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Owner.

(b) **Hearing.** If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before a committee appointed by the Board consisting of three (3) persons, all of whom shall be Owners or Residents of Hidden Lakes or representatives of the Declarant. A representative of the Association shall be afforded a reasonable opportunity to make a statement

describing the alleged violation and to present any evidence or witnesses to support its statement. The alleged violator shall also be afforded a reasonable opportunity to be heard and to present any evidence or witnesses on his or her behalf. At the conclusion of all statements and presentations, the committee may close the hearing and retire to discuss the evidence and to render a judgment as to whether, in fact, a violation has occurred. The committee shall notify the Association and the alleged violator in writing of its determination within five (5) days after the hearing. If the committee determines that a violation has occurred, the Association may pursue any and all remedies described in its original notice of the violation. The alleged violator shall have the opportunity to appeal the decision of the committee to the Board in accordance with Section 209.007 of the Texas Residential Property Owners Act, Texas Property Code, as it may be amended.

(c) Applicability. The notice and hearing procedures set forth in this Section shall not apply to any claim: (i) upon which the Board deems it necessary to obtain emergency injunctive relief; (ii) pertaining to the collection of assessments, or (iii) where the Association decides to exercise its right of self-help to cure the violation after written notice to the Owner and an opportunity to cure.

ARTICLE XII AUTHORITY AND CONTROL BY DECLARANT

Section 12.1 Declarant Rights.

Notwithstanding anything herein to the contrary, so long as Declarant owns at least one (1) Lot, Declarant shall have the sole right, but not the obligation, in its sole discretion, at any time, effective as of the date hereof, to control, perform and/or conduct the following:

- (1) amend the Design Guidelines and the Community-Wide Standard or other dedicatory instrument, in whole or in part;
- (2) enforce the provisions of this Declaration;
- (3) review, determine and enforce the architectural control of the Lots; and
- (4) assigns its rights and obligations under this Declaration to any entity at any time, in whole or in part

Declarant's rights set forth above are absolute in its sole discretion and do not require the approval, consent, or joinder of (i) any Owner, (ii) the Association, (iii) the Board of Directors, or (iv) any committees or other parties which may be established with respect hereto. At such time as Declarant no longer owns a Lot within the Property, all of such rights of enforcement shall revert to the Board of Directors of the Association.

In the event any other provision in this Declaration is in contradiction to this Article XII, in whole or in part, this Article XII shall prevail.

Section 12.2 Easement to Inspect and Right to Correct

Declarant reserves for itself and others it may designate the right, but not the obligation, to inspect, monitor, test, redesign, and correct any structure, improvement, or condition which may exist on any portion of the Property, including Lots, and a nonexclusive easement of access throughout the Property to the extent reasonably necessary to exercise such right. Except in an emergency, entry onto a Lot shall be only after reasonable notice to the Owner and no entry into a dwelling or other structure on a Lot shall be permitted without the Owner's consent, which consent shall not unreasonably be withheld, conditioned, or delayed. The failure or refusal to permit reasonable access to the Lot for the purposes contemplated under this paragraph shall excuse Declarant or its designee from responsibility for repairs or damages relating to defective workmanship or materials.

Section 12.3 Right to Develop.

Declarant and its employees, agents, and designees shall have a right of access and use and an easement over and upon all of the Property for the purpose of making, constructing, and installing such improvements to the Property, as Declarant deems appropriate in its discretion.

Section 12.4 Construction Activities

All Owners, occupants, and users of Lots are hereby placed on notice that Declarant, and/or its agents, contractors, subcontractors, licensees, and other designees, shall conduct development and construction activities within the Property and that such activities shall be conducted in phases and may cause disturbance and disruption which impact the use and enjoyment of a Lot.

By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of a Lot or the Property generally, the Owners and all occupants and users of Lots acknowledge, stipulate, and agree: (a) that such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other persons under their control or direction to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the Lot where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Declarant and all of its agents, contractors, subcontractors, licensees, and other designees, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot has been and will be

made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

Section 12.5 Changes in Master Plan.

Each Owner acknowledges that Hidden Lakes is a planned community, the development of which is likely to extend over many years, and agrees that the Association shall not engage in, or use Association funds to support any protest, challenge, or other form of objection to (a) changes in uses or density of property within the Property, or (b) changes in the master plan of Hidden Lakes, including, without limitation, the enlargement of the master plan and the acquisition or revision of regulatory approvals to reflect the annexation of real property, without Declarant's prior written consent, which consent may be granted or withheld in Declarant's discretion

Each Owner acknowledges and agrees that the present plans and themes for the Property's development may change and that Owner has not relied on any representation, warranty, or assurance by any person: (a) that any Lots, or other property or facilities will or will not be added, modified, or eliminated within the Property, or (b) as to the financial or other impact of such action on any Owner. Each Owner acknowledges and agrees that he is not entitled to rely upon and has not received or relied upon any representations, warranties, or guarantees whatsoever as to: (a) the design, construction, completion, development, use, benefits, or value of the Property, or (b) the number, types, sizes, prices, or designs of any residential structures or improvements built or to be built in any part of the Property.

Section 12.6 Annexation.

Declarant hereby declares that it presently contemplates that at a future time the Subdivision may be expanded (but Declarant does not hereby obligate itself to expand the Subdivision) by adding, from time to time, additional land. These Restrictions shall become effective with respect to any such annexed additional land on the date on which there is filed for record in the Office of the County Clerk of Galveston County, Texas, a Supplemental Declaration to that effect signed and acknowledged by Declarant. Such Supplemental Declaration shall describe the additional land and shall refer to these Restrictions and shall declare that these Restrictions shall apply to and affect such additional land that Declarant intends to add to the Subdivision. The Supplemental Declaration shall specify the number of Lots that are being annexed to the Subdivision by reason of the filing for record of said Supplemental Declaration.

Upon the filing of the Supplemental Declaration, each Lot comprising the annexed land shall be included within the definition of Lots as set forth in Article I hereof. Declarant may cause to be recorded as many separate Supplemental Declarations as may be desired from time to time and at any time, to effect the annexation of additional land. Annexation of additional land may be accomplished by Declarant without the consent of any other party or entity.

Section 12.7 Dispute Resolution Involving Declarant.

(a) **Right to Correct.** Prior to the Association or any Member commencing any proceeding to which Declarant is a party, including but not limited to an alleged defect of any improvement, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of any improvement as to which a defect is alleged or otherwise correct the alleged dispute

(b) **Alternative Method for Resolving Disputes.** Declarant, its officers, directors, employees and agents; the Association, its officers, directors and committee members, all persons subject to this Declaration; any Bulder, its officers, directors, employees and agents; and any person not otherwise subject to this Declaration who agrees to submit to this Section 12.6 (each such entity being referred to as a "Bound Party") agree to encourage the amicable resolution of disputes, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees to submit those claims, grievances or disputes described in Section 12.6 (c) (collectively, the "Claims") to the mandatory procedures set forth in Section 12.6 (d)

(c) **Claims.** Those Claims between any of the Bound Parties, regardless of how the same might have arisen, relating to the quality of design or construction of improvements within the Property including the Common Properties or based upon any statements, representations, promises, or warranties made by or on behalf of any Bound Party, shall be subject to the provisions of this Section 12.6.

(d) **Mandatory Procedures.**

(i) **Notice.** Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (the Claimant and Respondent referred to herein being individually, as a "Party", or, collectively, as the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

(a) the nature of the Claim, including the persons involved and Respondent's role in the Claim;

(b) the legal basis of the Claim (*i e* , the specific authority out of which the Claim arises,

(c) the proposed remedy, and

(d) the fact that Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

(ii) Negotiations and Mediation.

(a) The parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Board may appoint a representative to assist the Parties in negotiation.

(b) If the parties do not resolve the Claim within thirty (30) days after the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have two (2) days to submit the Claim to mediation under the auspices of the American Arbitration Association ("AAA") in accordance with the AAA's Commercial or Construction Industry Mediation Rules, as appropriate

(c) If Claimant does not submit the Claim to mediation within such time, or does not appear for mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any Person other than the Claimant.

(d) Any settlement of the Claim through mediation shall be documented in writing by the mediator and signed by the Parties. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation, or within such other time as determined by the mediator or agreed to by the Parties, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation") The Termination of Mediation Notice shall set forth that the Parties are at an impasse and the date that mediation was terminated

Each Party shall bear its own costs of the mediation, including attorneys' fees, and each Party shall share equally all charges rendered by the mediator. If the Parties agree to a resolution of any Claim through negotiations or mediation in accordance with this Section and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate arbitration proceedings to enforce such agreement, without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs

(iii) Binding Arbitration

(a) Upon Termination of Mediation, Claimant shall thereafter be entitled to initial final, binding arbitration of the Claim under the auspices of the AAA in accordance with the AAA's Commercial or Construction Industry

Arbitration Rules, as appropriate. Such Claims shall not be decided by or in a court of law. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Claim. If the claimed amount exceeds \$250,000, the dispute shall be heard and determined by three (3) arbitrators. Otherwise, unless mutually agreed to by the Parties, there shall be one (1) arbitrator. Arbitrators shall have expertise in the area(s) of dispute, which may include legal expertise if legal issues are involved.

(b) Each Party shall bear its own costs and expenses and an equal share of the arbitrator's and administrative fees or arbitration. Notwithstanding the foregoing, if a Party unsuccessfully contests the validity or scope of arbitration in a court of law, the non-contesting Party shall be awarded reasonable attorneys' fees and expenses incurred in defending such contest. All decisions respecting the arbitrability of any Claim shall be decided by the arbitrator(s).

(c) The award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties.

ARTICLE XIII OBLIGATIONS OF BOARD OF DIRECTORS

Section 13.1 Obligations of Board of Directors

Notwithstanding anything herein to the contrary, and so long as Declarant is acting on behalf of the Board of Directors as further described in Section 13.2 below, the sole responsibility and obligation of the Board of Directors shall be to maintain the corporation books of the Association and maintain the Association in good corporate standing with Secretary of State of the State of Texas and in good standing with the Office of the Comptroller of Public Accounts of the State of Texas

Section 13.2 Liability for Association Operations

The Association shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless Declarant (including its successors, and assigns) from and against any and all losses, claims, demands, damages, costs, and expenses of whatever kind or nature (including, without limitation, reasonable attorneys' fees and costs at all tribunal levels and whether or not suit is instituted, including those incurred in establishing the right to be indemnified, defended, and held harmless pursuant hereto), which relate to or arise out of Association management and operations, including, without limitation, improvement, maintenance, and operation of amenities and other portions of the Common Properties and the collection of assessments

Section 13.3 No Liability for Acts of Third Party

OWNERS AND OCCUPANTS OF LOTS, AND THEIR RESPECTIVE GUESTS AND INVITEES, ARE RESPONSIBLE FOR THEIR OWN PERSONAL SAFETY AND FOR THEIR PROPERTY WITHIN THE PROPERTY. THE ASSOCIATION MAY BUT IS NOT OBLIGATED TO MAINTAIN OR SUPPORT CERTAIN ACTIVITIES WITHIN THE PROPERTY WHICH PROMOTE OR ENHANCE SAFETY OR SECURITY WITHIN THE PROPERTY. HOWEVER, THE ASSOCIATION, AND DECLARANT SHALL NOT IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SAFETY OR SECURITY WITHIN THE PROPERTY, NOR SHALL THEY BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN.

NO REPRESENTATION OR WARRANTY IS MADE THAT ANY SYSTEMS OR MEASURES, INCLUDING FIRE PROTECTION, BURGLAR ALARM, OR OTHER SECURITY MONITORING SYSTEMS, OR ANY MECHANISM OR SYSTEM FOR LIMITING ACCESS TO THE PROPERTY, CANNOT BE COMPROMISED OR CIRCUMVENTED, NOR THAT ANY SUCH SYSTEMS OR MEASURES UNDERTAKEN WILL IN ALL CASES PREVENT LOSS OR PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER ACKNOWLEDGES, UNDERSTANDS, AND SHALL BE RESPONSIBLE FOR INFORMING ITS TENANTS AND ALL OCCUPANTS OF ITS LOT THAT THE ASSOCIATION, THE BOARD AND ITS COMMITTEES, AND DECLARANT ARE NOT INSURERS OR GUARANTORS OF SECURITY OR SAFETY AND THAT EACH PERSON WITHIN THE PROPERTY ASSUMES ALL RISKS OF PERSONAL INJURY AND LOSS OR DAMAGE TO PROPERTY, INCLUDING LOTS AND THE CONTENTS OF LOTS, RESULTING FROM ACTS OF THIRD PARTIES.

**ARTICLE XIV
EXPANSION OF THE PROPERTY**

Section 14.1 Expansion of the Property

Declarant, in its sole discretion and without the approval of any other party, may from time to time subject this Declaration to additional real property by recording in the Real Property Records of the County, a Supplemental Declaration describing the additional real property to be subjected to this Declaration. Any such Supplemental Declaration which is executed by Declarant and the owner of such additional property, if other than Declarant, and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional real property to be incorporated herein. Nothing in this Declaration shall be construed to require Declarant to subject additional real property to this Declaration.

Section 14.2 Additional Covenants and Easements.

Declarant, in its sole discretion and without the approval of any other party, may from time to time subject any portion of the Property, whether now or hereafter a part of this Declaration, to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through the assessments, as described in Article X hereof. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the Property, whether now or hereafter a part of this Declaration, in order to reflect the different character and intended use of such Property. Any such Supplemental Declaration which is executed by Declarant and recorded in the Real Property Records of the County shall not require the consent or approval of any other Owner or other person in order to be fully enforceable and effective to cause such additional covenants and easements to be incorporated herein.

Section 14.3 Effect of Recording Supplemental Declaration

A Supplemental Declaration shall be effective upon the recording of same in the Real Property Records of the County unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and assessment liability in accordance with the provisions of this Declaration.

**ARTICLE XV
GENERAL PROVISIONS**

Section 15.1 Mortgages.

It is expressly provided that the breach of any of the conditions contained herein shall not defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, as to the same premises or any part thereof encumbered by such mortgage or deed of trust, but said conditions shall be binding thereto as to Lots acquired by foreclosure, trustee's sale or otherwise, as to any breach occurring after such acquisition of title

Section 15.2 Term

This Declaration shall be enforceable by Declarant, the Association, any aggrieved Owner, and their respective legal representatives, heirs, successors, and assigns until December 31, 2052, after which time this Declaration shall extend automatically for successive 10-year periods unless at least sixty-seven percent (67%) of the then Owners have signed, within a six month period preceding the end of the initial term or any extension, an instrument which terminates this

Declaration and such instrument is recorded in the Real Property Records of the County prior to the end of the term.

Section 15.3 Severability

If any provision herein contained shall be invalid, which invalidity shall not be presumed until the same is determined by the final (*i.e.*, non-appealable) judgment or order of a court of competent jurisdiction, such invalidity shall in no way affect any other provision hereof, each of which shall remain in full force and effect.

Section 15.4 Binding Effect.

This Declaration is for the mutual benefit of, and shall be binding upon, each and every person acquiring any part of the Property, it being understood that the covenants, conditions, restrictions, easements, and other provisions contained in this Declaration are not for the benefit of the owner of any land except that which is a part of the Property. This Declaration, when executed, shall be filed of record in the Real Property Records of the County, so that each and every Owner or purchaser of any portion of the Property is on notice of the covenants, conditions, restrictions, easements, and other provisions herein contained.

Each Owner and each Owner's guests and/or tenants, by acquisition of any right, title or interest in any Lot, covenant and agree to be bound by and strictly comply with all restrictions, covenants, conditions and easements set forth in this Declaration, Bylaws, Design Guidelines, rules and regulations, and all other Governing Documents as same may from time to time or at any time be hereafter amended. The foregoing provisions apply regardless of whether or not any such Governing Documents are filed in the Official Public Records of Galveston County, Texas or any other public records, except as otherwise expressly required by this Declaration.

Section 15.5 Enforcement.

The Association, its successors and assigns, and any Owner have the right to enforce observance and performance of all restrictions, covenants, conditions and easements set forth in this Declaration and in other Governing Documents, and in order to prevent a breach thereof or to enforce the observance or performance thereof have the right, in addition to all legal remedies, to an injunction either prohibitive or mandatory. In addition, and without prior notice, the Association may photograph any violations or suspected violation at any time and otherwise obtain evidence to confirm the existence or non-existence of any suspected violation in any reasonable manner without liability in trespass or otherwise. Failure of the Association or any Owner to enforce any of the provision of this Declaration or any other Governing Documents will in no event be deemed a waiver of the right to do so thereafter (including without limitation as to the same or similar violation whether occurring prior or subsequent thereto). No liability may attach to the Association, or its officers, Directors, agents, employees or committee members, for failure to enforce any provisions of this Declaration or any other Governing Documents. Each right and remedy set forth therein is separate, distinct and non-exclusive, and all are cumulative

The pursuit of any right or remedy provided for herein or by law or the failure to exercise that particular right or remedy will not construed as a waiver of such right or remedy or any other right or remedy.

Notwithstanding anything to the contrary therein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, Bylaws, or the rules and regulations of the Association by levying violation fines, suspending an Owner's right to vote or any Person's right to use the Common Areas, or by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Section 15.6 Notices

Any notices or correspondence to an Owner shall be addressed to the street address of the Lot or to such other address as is specified by any such Owner in writing to the Association. The burden shall be on the Owner to prove that such written notification was duly given and delivered to the Association as provided below. Any notices or correspondence to the Association shall be addressed to the registered office of the Association as shown by the records of the Secretary of State for the State of Texas or to such other address as is specified by the Association in writing to the Owners.

Except as this Declaration or the Bylaws otherwise provide, all notices, demands, bills, statements, or other communications under this Declaration or the Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or by private carrier; if sent by United States mail, or, if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

Notices sent in accordance with this Declaration shall be deemed to have been duly given and effective.

(i) sent by United States mail, when deposited with the U.S. Postal Service, correctly addressed, with first class postage prepaid;

(ii) if delivered personally or by private carrier, when actually delivered to the address of the intended recipient, as evidenced by the signature of the person at such address who accepts such delivery; or

(iii) if sent by facsimile or electronic mail, upon transmission, as evidenced by a printed confirmation.

Section 15.7 Transfer Under Deed of Trust.

Upon any transfer of Declarant's interest in and to the Property, or any part thereof, under the terms of any deed of trust lien upon the Property, whether voluntary or involuntary, by foreclosure, deed in lieu of foreclosure or otherwise, all rights, title and interests of Declarant under this Declaration, shall be transferred to and devolve upon the party to whom the Property or any part thereof, is thereby conveyed

Section 15.8 Notice of Transfer

If at any time a Lot is sold, the new Owner shall have the sole obligation to promptly notify the Association of the name and address of the new Owner and shall be responsible for any cost, charge or expense added to the account of such Owner which may have otherwise been avoided if the above information was promptly delivered to the Association.

Section 15.9 No Liability for Trespass.

Whenever the Association, the Board of Directors or Declarant exercises any right hereunder and in connection therewith enters upon any Lot, such parties shall not be liable for trespass upon such Lot.

Section 15.10 Lien Priority.

Notwithstanding any other provision of the Declaration, the lien to secure the payment of assessments and any other lien which the Association may have on any Lot pursuant to the Declaration for (a) assessments or other charges becoming payable on or after the date of recordation of the first mortgage or deed of trust on any Lot, or (b) any fees, late charges, fines or interest that may be levied by the Association in connection with unpaid assessments, shall be subordinate to the lien or equivalent security interest of any legitimate third-party first lien mortgage or deed of trust on any Lot, if any. Any foreclosure of any such superior lien under the power of sale of any mortgage, deed of trust or other security instrument, or through court proceedings in which the Association has been made a party, shall extinguish the liens securing maintenance charges or assessments which became due and payable prior to such foreclosure date, but no such foreclosure shall free any Lot from the liens securing assessments thereafter becoming due and payable, nor shall the liability of any Owner personally obligated to pay maintenance charges or assessments which become due prior to such foreclosure be extinguished by any foreclosure, nor shall the lien for future assessments or charges be affected in any manner. Any such maintenance charges or assessments which are extinguished pursuant to the foregoing provision shall be reallocated and assessed to all Lots as a common expense

Section 15.11 Use of Recreational Facilities and Other Common Properties

The property made subject to this Declaration will contain common recreational facilities available for the use and enjoyment of Owners of property, including lots and homes, within

Hidden Lakes, their families, tenants and other occupants of their property, and the guests of any such persons. EACH OWNER, BY ACCEPTANCE OF A DEED TO ANY PORTION OF THE PROPERTY MADE SUBJECT TO THIS DECLARATION, ACKNOWLEDGES THAT THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR ANY OTHER PORTION OF THE COMMON PROPERTIES INVOLVES RISK OF PERSONAL INJURY OR DAMAGE TO PROPERTY

Each Owner acknowledges, understands, and covenants to inform his or her family members, and tenants and other occupants of Owner's property that Declarant, the Association, the Board and any committees, and Builders constructing homes and other improvements within Hidden Lakes are not insurers of personal safety. EACH PERSON USING SUCH RECREATIONAL FACILITIES OR ANY OTHER PORTION OF THE COMMON PROPERTIES ASSUMES ALL RISKS OF PERSONAL INJURY, DEATH, AND LOSS OR DAMAGE TO PROPERTY, RESULTING FROM THE USE AND ENJOYMENT OF ANY RECREATIONAL FACILITY OR OTHER PORTION OF THE COMMON PROPERTIES. Each Owner agrees that Declarant, the Association, the Board and committees, and builders within the community shall not be liable to any person claiming any loss or damage, including, without limitation, indirect, special or consequential loss or damage arising from personal injury or death, destruction of property, trespass, loss of enjoyment, or any other wrong or entitlement to remedy based upon, due to, arising from, or otherwise relating to the use of any recreational facility or other portions of the Common Properties, including, without limitation, any claim arising in whole or in part from the negligence of Declarant, the Association, or any Builder within the community THE FOREGOING RELEASE IS INTENDED TO RELEASE THE SPECIFIED PARTIES FROM LIABILITY FOR THEIR OWN NEGLIGENCE.

EACH OWNER ACKNOWLEDGES AND AGREES THAT THE ABOVE RELEASE FROM LIABILITY IS CONSIDERATION FOR, AND A CONDITION TO, THE USE AND ENJOYMENT OF THE RECREATIONAL FACILITIES AND OTHER COMMON PROPERTIES WITHIN HIDDEN LAKES AND THAT THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO DECLARANT AND BUILDERS TO SELL, CONVEY, LEASE, AND/OR ALLOW THE USE OF LOTS WITHIN HIDDEN LAKES. ANY VIOLATION OF THIS RELEASE AGREEMENT BY AN OWNER, OR ANY OF OWNER'S FAMILY MEMBERS, TENANTS AND OTHER OCCUPANTS OF OWNER'S PROPERTY, OR THEIR RESPECTIVE GUESTS SHALL BE GROUNDS FOR THE SUSPENSION OR TERMINATION OF ALL OF SUCH PERSONS' USE PRIVILEGES IN SUCH FACILITIES.

Section 15 12 Construction of Declaration and All Association Documents.

The provisions of this Declaration and all other documents of the Association shall be liberally construed to give effect to its intended purpose All doubts regarding the meaning, significance or effect of a provision in this Declaration or other documents of the Association, shall be resolved in favor of the operation of the Association and its enforcement of the Declaration.

Section 15.13 Disclaimer of Warranty.

DECLARANT MAKES NO WARRANTY, EXPRESS OR IMPLIED, REGARDING THE HIDDEN LAKES COMMUNITY OR ANY IMPROVEMENT TO OR IMPROVEMENTS ON HIDDEN LAKES COMMUNITY AS TO THE SUFFICIENCY OF UTILITIES, THE WORKMANSHIP, DESIGN OR MATERIALS USED IN EVERY IMPROVEMENT, INCLUDING WITHOUT LIMITATION COMMON AREA AND INCLUDING WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY, LIABILITY, FITNESS, OR SUITABILITY FOR ANY PARTICULAR PURPOSE OR USE OR ANY WARRANTY OF QUALITY. WHILE DECLARANT HAS NO REASON TO BELIEVE THAT ANY OF THE COVENANTS, TERMS OR PROVISIONS OF THIS DECLARATION ARE OR MAY BE INVALID OR UNENFORCEABLE FOR ANY REASON OR TO ANY EXTENT, DECLARANT MAKES NO WARRANTY OR REPRESENTATION AS TO PRESENT OR FUTURE VALIDITY OR ENFORCEABILITY OF ANY SUCH COVENANT, TERM OR PROVISION. ANY OWNER ACQUIRING A LOT IN RELIANCE ON ONE OR MORE OF SUCH COVENANTS, TERMS OR PROVISIONS SHALL ASSUME ALL RISKS OF THE VALIDITY AND ENFORCEABILITY THEREOF, AND BY ACQUIRING SUCH LOT AGREES TO HOLD DECLARANT HARMLESS THEREFROM.

NO COVENANTS, REPRESENTATIONS, GUARANTIES OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, OR BY OPERATION OF LAW, AND INCLUDING EXCLUSION OF ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY AND FITNESS FOR ANY INTENDED OR PARTICULAR PURPOSE, SHALL BE DEEMED TO BE GIVEN OR MADE BY DECLARANT, OR DECLARANT'S OFFICERS, DIRECTORS, AGENTS OR EMPLOYEES, BY ANY PROVISION OF THIS DECLARATION OR ANY OTHER GOVERNING DOCUMENTS REGARDING ANY DEVELOPMENT ACTIVITIES OR OTHERWISE WITHOUT LIMITATION OF THE FOREGOING DECLARANT EXPRESSLY DISCLAIMS ALL COVENANTS, REPRESENTATIONS, GUARANTIES AND WARRANTIES, EXPRESS AND IMPLIED, AND BY OPERATION OF LAW (I) AS TO ANY FUTURE DEVELOPMENT, (II) FOR MANAGEMENT OR SUPERVISION OF BUILDING, CONSTRUCTION AND ALL OTHER WORK BY A BUILDER, VENDOR OR SUPPLIER NOT DIRECTLY EMPLOYED BY DECLARANT, INCLUDING ANY DUTY TO ENFORCE ANY PROVISIONS OF THE GOVERNING DOCUMENTS AS TO ANY SUCH PARTY, (III) THE NATURE, CONDITION, APPEARANCE, USE AND ALL OTHER MATTERS PERTAINING TO ANY PROPERTIES ADJACENT TO OR WHICH ARE NOT OTHERWISE SUBJECT TO THE GOVERNING DOCUMENTS, INCLUDING WITHOUT LIMITATION ANY OBLIGATION NOW OR IN THE FUTURE TO INCLUDE IN THE SUBDIVISION OR IN ANY MANNER TO OTHERWISE SUBJECT ANY SUCH PROPERTIES TO ANY PROVISIONS OF THE GOVERNING DOCUMENTS, (IV) THE MANAGEMENT OR OPERATION OF THE ASSOCIATION, AND (V) AS TO ENFORCEMENT OF ANY PROVISIONS OF THE GOVERNING DOCUMENTS AS TO ANY OWNER, TENANT OR ANY OTHER PERSON, IT BEING EXPRESSLY STIPULATED AND AGREED THAT SUCH ENFORCEMENT IS AT ALL TIMES THE SOLE RESPONSIBILITY OF THE ASSOCIATION AND/OR ANY AFFECTED OWNER.

IN ADDITION TO AND WITHOUT LIMITATION, THE ASSOCIATION AND EACH OWNER HEREBY RELEASES DECLARANT FROM, AND THE ASSOCIATION AND EACH OWNER MUST HEREAFTER INDEMNIFY, PROTECT, DEFEND, SAVE AND HOLD HARMLESS DECLARANT, AND DECLARANT'S EMPLOYEES, OFFICERS, DIRECTORS, REPRESENTATIVES, ATTORNEYS AND AGENTS FROM AND AGAINST, ANY AND ALL DEBTS, DUTIES, OBLIGATION, LIABILITIES, SUITS, CLAIMS, DEMAND, CAUSES OF ACTION, DAMAGE, LOSSES, COSTS AND EXPENSE (INCLUDING, WITHOUT LIMITATION, ATTORNEY'S FEES AND EXPENSES AND COURT COSTS IN CONNECTION WITH THE COST OF ANY REMOVAL OF HAZARDOUS SUBSTANCES OR CONTAMINANTS OF ANY KIND FROM THE PROPERTY, OR THE OWNERSHIP, LEASING, USE, CONDITION, OPERATION, MAINTENANCE OR MANAGEMENT OF THE PROPERTY, REGARDLESS OR WHETHER THE SAME ARISES OR ACCRUES DURING OR AFTER TERMINATION OF THE DEVELOPMENT PERIOD. THE PROVISIONS OF THIS SECTION (INCLUDING ITS INCORPORATION) CONSTITUTE A COVENANT OF RELEASE AND INDEMNIFICATION RUNNING WITH THE LAND (INCLUDING EACH LOT AND ALL COMMON AREAS), AND IS BINDING UPON EACH OWNER AND THEIR TENANT, AND THEIR RESPECTIVE FAMILY OR OTHER HOUSEHOLD MEMBERS, SUCCESSORS IN TITLE OR INTEREST, AGENTS, EMPLOYEES, REPRESENTATIVES, SUCCESSOR AND ASSIGNS

Section 15.14 Management Agreements.

Any and all management agreements shall be for a term not to exceed one (1) year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type.

Section 15 15 Conflicts in Governing Documents.

In the event of any conflict in the Governing Documents which cannot be reasonably reconciled after application of rules of interpretation as provided herein or by law, this Declaration shall control over any other Governing Documents, and all other Governing Documents shall control in the following order of priority: (i) Articles of Incorporation; (ii) Bylaws, (iii) Design or Architectural Guidelines, (iv) Rules and Regulations; (v) Board and Member resolutions, and (vi) all others

**ARTICLE XVI
INSURANCE**

The Association, through the Board of Directors, or its duly authorized agent, shall have the authority to obtain the following types of insurance policies:

- (a) Property insurance covering the Common Area and all improvements thereon in an amount equal to the full replacement value of the improvements and facilities located upon the Common Area and owned by the Association (including all building service equipment and the like) with an "agreed amount endorsement" or its equivalent, a "demolition endorsement" or its equivalent and, if necessary, an "increased cost of construction endorsement" or "contingent liability from operation of building laws endorsement" of the equivalent, affording protection against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in Texas, and by sprinkler leakage, debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage, and any such other risk as shall customarily be covered with respect to projects similar in construction, location and use;
- (b) A commercial policy of public liability insurance covering all of the Common Area and insuring the Association, within such limits as it may consider acceptable (for all claims for personal injury and/or property damage arising out of a single occurrence); such coverage to include protection against water damage liability, liability for non-owned and hired automobiles, liability for property of others, and any other covering the Association deems prudent and which is customarily carried with respect to projects similar in construction, location and use; and
- (c) A policy of fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees, and employees of the Association and all others who handle, or are responsible for handling funds of the Association, such fidelity bonds shall be of the kind and in an amount the Association deems necessary, for the protection of the Owners.
- (d) The Association shall also have the authority to obtain such worker's compensation insurance as may be necessary to comply with applicable laws.
- (e) The Association shall also have the authority to obtain liability insurance insuring the Board of Directors or officers of the Association against any claims, losses, liabilities, damages or causes of action arising out of or in conjunction with or resulting from an act or omission in their representative capacity.
- (f) Each Owner and the Association hereby agree to waive any rights of subrogation against the Declarant and each other.

Premiums for all such insurance policies carried by the Association shall be a common expense payable from the annual assessments on all of the Lots. Liability and property insurance for Lots and the contents of residences shall be the responsibility of each individual Owner. All proceeds from policies held by the Association shall be deposited in a bank or other financial institution, the accounts of which bank or institution are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signature

of at least two (2) of the members of the Board of Directors, or by an agent duly authorized by the Board of Directors. In no event shall the insurance company or the bank or other financial institution holding proceedings on a policy issued in the name of the Association be authorized to distribute any proceeds therefrom to the Declarant. Proceeds from such policies shall be used by the Association only for the benefit of its Members and where such proceeds arise out of an occurrence in which a building or improvement owned by the Association is damaged or destroyed, they shall be used to repair, restore and rebuild such building or improvements. In the event the insurance proceeds are insufficient to pay all costs of repairing and/or rebuilding said improvements to their original condition, the Association shall levy a special assessment for capital improvements against all Owners to make up the deficiency. This shall be done only after compliance with all the requirements for imposition of special assessments.

ARTICLE XVII EASEMENTS

Section 17.1 Utility and Drainage Easements

Easements for installation and maintenance of utilities and drainage facilities may be provided as shown on any plat of any part of the Subdivision, and certain other easements and related rights affecting a Lot or the Subdivision may have heretofore been granted, created and dedicated, and each conveyance of any Lot is made and accepted subject to all of such easements, dedications and reservations, if any, to the extent and only to the extent the same may be in force and effect of record in the Official Records of Galveston County, Texas, or that may be apparent on a Lot. Within these easements, no structure, trees, vines, plants or any other thing shall be placed or permitted to remain which may in any way damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow or drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. Each Owner covenants to provide easements for drainage and water flow as required by the land contours and the arrangement of improvements approved by the ACC. The easement areas within each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. Declarant reserves the right to make changes in and additions to the above easements for the purpose of most efficiently and economically installing, repairing, or maintaining public utilities, and further reserves the right to grant, dedicate, reserve or otherwise create, at any time and from time to time, easements for public utility purposes along and on either or both sides of any Lot line, which easement shall not exceed seven and one-half (7-1/2) feet in width on each side of any Lot line. There is further hereby created an easement upon, across, over, and under all of the Lots an easement for purposes of ingress and egress in connection with the installation, maintenance and repair of all public utilities and appurtenances thereto.

Section 17.2. Right to Grant Easements.

Declarant shall have the right to grant, convey, dedicate or reserve easements over, on or under any part of the land in the Subdivision reasonably required for streets and/or for electric light and power, telephone, natural gas, water, sanitary sewer, storm sewer, cable television, and other utility lines and facilities by separate recordable document for a period of ten (10) years after the date this Declaration is filed of record in the Official Public Records of Galveston County, Texas, so long as such easements do not materially impair use of the Lots for single family residential use as set forth herein, regardless of whether at such time Declarant has title to the land within the easement(s). Thereafter, the Association shall have the power and authority to grant such an easement upon the vote of a majority of the membership votes entitled to be cast at any meeting of the Members of the Association or otherwise. An easement is also specifically granted to the United States Post Office, its agents and employees to enter upon any portion of the Subdivision in performance of mail delivery or any other United States Post Office services. An easement is also granted to all police, fire protection, ambulance, and similar persons to enter upon any portion of the Subdivision in performance of their duties. Further, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company duly selected by the Association, to enter in or cross over the Common Area and/or any Lot to perform the duties of maintenance and repair as provided for herein. The easements provided for in this Article shall in no way affect any other recorded easements covering any portion of the Subdivision.

Section 17.3. Underground Electric Service

Underground single phase electric service may be available to all dwellings or structures located in the Subdivision. In such event, the metering equipment shall be located either on the exterior surfaces or walls of dwellings or structures or at points to be designated by the utility company. The utility company shall have a two-foot wide underground easement along and centered on the underground electrical power service conductor installed and running from the utility company's easement shown on the recorded Plat of the Subdivision to the designated point of service on the dwelling or structure. This easement shall be for the maintenance of its conductors and metering equipment. For so long as such underground service is maintained, the electrical service to each dwelling and structure located in the Subdivision shall be uniform and exclusively of the type known as single phase, 120/240 volt, 3 wire, 60 cycle alternating current. This two-foot easement for underground electrical service may be crossed by driveways, walkways and patio areas, provided the Declarant or builder makes prior arrangements with the utility company furnishing such service. However, this easement shall be kept clear of all buildings. Neither the Declarant nor the utility company using this easement shall be liable for any damage done by either of them or their assigns, their agents, employees, or servants to shrubbery, trees, flowers, or other improvements located on the land covered by such easement. Further, all of the Subdivision shall be subject to such easements, restrictions, covenants, and conditions are required to be imposed against the Subdivision by Declarant in any agreement entered into with Reliant Energy for the delivery of underground electrical service to the Subdivision (the "Utility Agreement"). Accordingly, the recordation of any such Utility Agreement in the Official Public Records of Galveston County, Texas, shall constitute an

amendment to the Declaration that includes in this Declaration and imposes against the Subdivision any and all easements, restrictions, covenants, and conditions required under said Utility Agreement.

Notwithstanding the foregoing, no representation or warranty is made as to the above or below ground location of electrical facilities, which in all cases is subject to the requirements of the public utility companies

Section 17.4 Cable/Satellite Service.

Declarant reserves the right to hereafter enter into a franchise or similar type agreement with one or more cable and/or satellite television companies and Declarant shall have the right and power in such agreement or agreements to grant such television company or companies the uninterrupted right to install and maintain communications cable and related ancillary equipment and appurtenances within the utility easements or rights-of-way reserved and dedicated herein and in the Plat referenced above. Declarant agrees to transfer and assign any such agreement to the Association and Declarant does hereby reserve unto the Association the sole and exclusive right to obtain and retain all income, revenue, and other things of value paid or to be paid by such television company or companies pursuant to any such agreements between Declarant or the Association and such television company or companies

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EXECUTED AND EFFECTIVE AS OF this 1st day of June, 2012.

DECLARANT:

CTMGT HIDDEN LAKES, LLC,
a Texas limited liability company

By: [Signature]
Mehrdad Moayed, Member CTMGT, LLC, a Texas limited liability company, sole Member of CTMGT Houston, LLC, a Texas limited liability company, sole Member of CTMGT Hidden Lakes, LLC

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on this 11 day of June, 2012, by Mehrdad Moayed, duly authorized Member of CTMGT HIDDEN LAKES, LLC, a Texas limited liability company, for the purposes and consideration therein expressed and in the capacity therein stated, on behalf of such limited liability company.



[Signature]
Notary Public, State of Texas

Exhibit A

LAND AND PROPERTY DESCRIPTION

All of that certain 28 29 acre tract of land out of and a part of that certain tract or parcel of land, called Tract 1, conveyed by Robert L. Moody, Sr., et al to Sam Boyd, d b a Sam Boyd Development, by instrument of record at Film Code Number 019-49-0310 in the Official Public Records of Real Property of Galveston County, Texas, said 28 29 acre tract being situated in **RAFAEL BASQUEZ SURVEY, Abstract Number 32**, Galveston County, Texas, said 28 29 acre tract being more particularly described by metes and bounds as follows

NOTE ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, AS DEFINED BY ARTICLE 21 071 OF THE NATURAL RESOURCES CODE OF THE STATE OF TEXAS, 1983 DATUM 1993 ADJUSTMENT) COORDINATES LISTED ARE BASED ON SURFACE COORDINATES AND DISTANCES SHOWN HEREON ARE SURFACE DISTANCE ALL DISTANCES SHOWN HEREON MAY BE CONVERTED TO GRID BY MULTIPLYING BY A SCALE FACTOR OF 0.999867458

COMMENCING at an iron rod with cap stamped 'GeoSurv' found for the Southwest corner of Unrestricted Reserve 'C' of **SOUTH SHORE BOULEVARD EXTENSION - SOUTH**, a Subdivision in Galveston County, Texas, according to the map or plat thereof recorded at Plat Record 2006A, Map Numbers 175-177, said point being at the intersection of the North line of South Shore Boulevard, a 100 foot wide public roadway right-of-way, with the East line of a 140 00 foot wide Texas-New Mexico easement as defined in instrument of record at Clerk's File Number 8722469 in the Official Public Records of Real Property of Galveston County, Texas, and having Texas State Plane Coordinate Values of Y = 13,753,629 57 and X = 3,230,128 81,
THENCE Northwesterly, along the North line of said South Shore Boulevard and the arc of a curve to the left, said curve having a central angle of 04°06'30" and a radius of 2050 00 feet, an arc distance of 146 99 feet (chord bears N 80°17'43" W, 146 96 feet) to an iron rod with cap stamped 'GeoSurv' found for the **POINT OF BEGINNING** of the herein described tract of land, said point being at the intersection of the North line of said South Shore Boulevard with the East line of said 140 00 foot wide Texas-New Mexico easement, and having Texas State Plane Coordinate Values of Y = 13,753,654 34 and X = 3,229,983 95,
THENCE Northwesterly, continuing along the North line of said South Shore Boulevard and the arc of a curve to the left, said curve having a central angle of 10°34'55" and a radius of 2050 00 feet, an arc distance 378 61 feet (chord bears N 87°38'25" W, 378.08 feet) to a 5/8 inch iron rod with cap stamped "GeoSurv" set for point of tangency,
THENCE S 87°04'07" W, along the North line of said South Shore Boulevard, a distance of 641 10 feet to a 5/8 inch iron rod with cap stamped "GeoSurv" set for point of curve to the right, said curve having a central angle of 15°38'24" and a radius of 1200 00 feet;
THENCE Northwesterly, along said curve to the right and the North line of said South Shore Boulevard, an arc distance of 327 57 feet (chord bears N 85°06'41" W, 326.55 feet) to a 5/8 inch iron rod with cap stamped "GeoSurv" set for point of compound curvature, said curve having a central angle of 11°40'50" and a radius of 1450 00 feet,
THENCE Northwesterly, along said curve to the right and the North line of said South Shore Boulevard, an arc distance of 295 60 feet (chord bears N 71°27'04" W, 295.09 feet) to an iron rod with cap stamped 'GeoSurv' found for the most Westerly corner of the herein described tract of land,
THENCE N 34°20'11" E, a distance of 479 62 feet to an iron rod with cap stamped "GeoSurv" found for angle point to the right,

THENCE N 47°38'07" E, a distance of 1170.87 feet to an iron rod with cap stamped "GeoSurv" found for the most Northerly corner of the herein described tract of land, said point being at the West line of the aforementioned 140 00 foot wide Texas-New Mexico easement,
THENCE S 29°49'31" E, along the West line of said Texas-New Mexico easement, a distance of 366 23 feet to an iron rod with cap stamped "GeoSurv" found for an angle point for right;
THENCE S 24°44'51" E, along the West line of said Texas-New Mexico easement, a distance of 579 89 feet to an iron rod with cap stamped "GeoSurv" found for angle point to the right;
THENCE S 08°00'11" E, along the West line of said Texas-New Mexico easement, a distance of 449.54 feet to the POINT OF BEGINNING and containing a calculated area of 28 29 acres of land

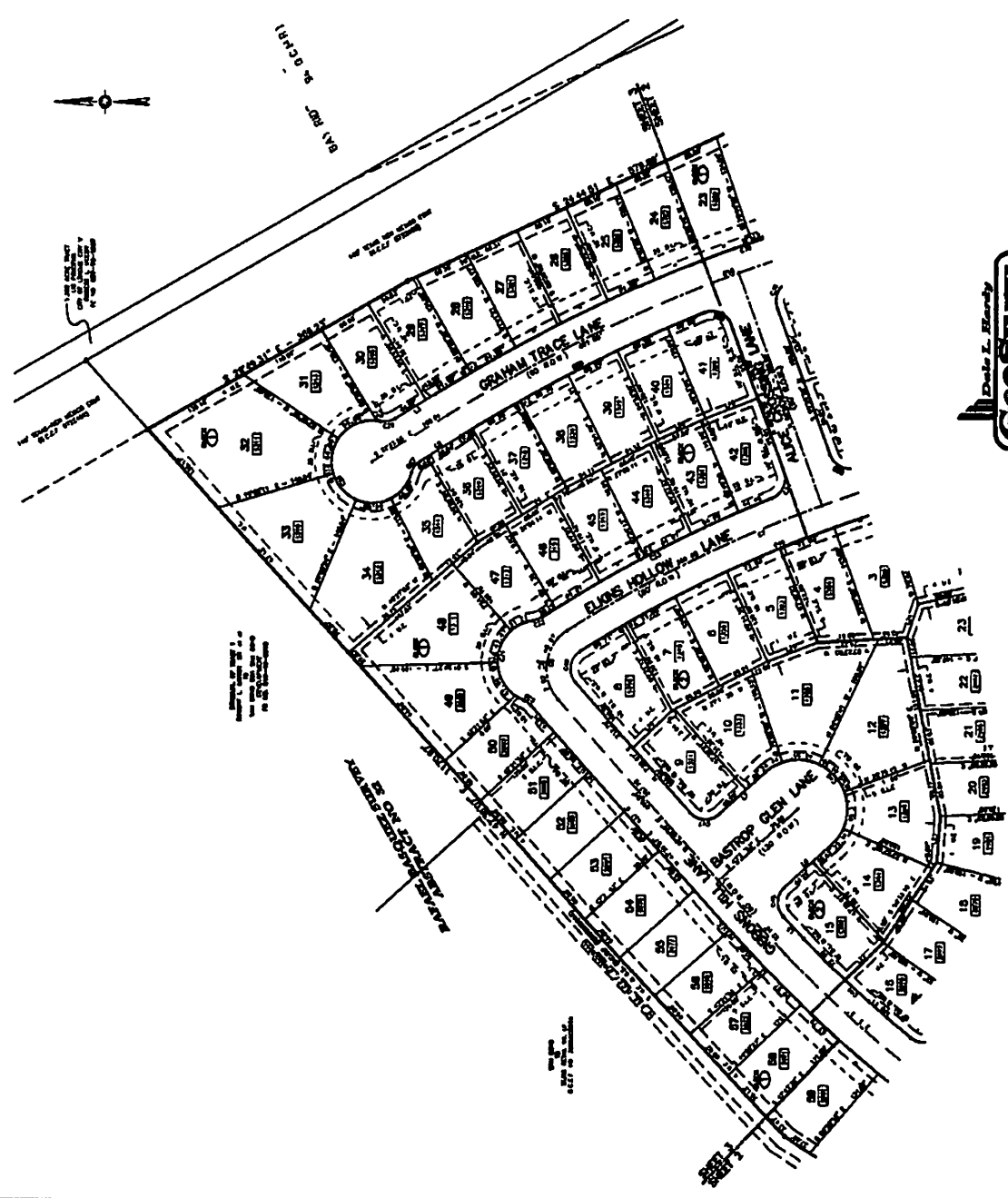
LOT	AREA (SQ. FT.)	AREA (ACRES)	LOT	AREA (SQ. FT.)	AREA (ACRES)	LOT	AREA (SQ. FT.)	AREA (ACRES)
1	10,000	0.23	17	10,000	0.23	33	10,000	0.23
2	10,000	0.23	18	10,000	0.23	34	10,000	0.23
3	10,000	0.23	19	10,000	0.23	35	10,000	0.23
4	10,000	0.23	20	10,000	0.23	36	10,000	0.23
5	10,000	0.23	21	10,000	0.23	37	10,000	0.23
6	10,000	0.23	22	10,000	0.23	38	10,000	0.23
7	10,000	0.23	23	10,000	0.23	39	10,000	0.23
8	10,000	0.23	24	10,000	0.23	40	10,000	0.23
9	10,000	0.23	25	10,000	0.23	41	10,000	0.23
10	10,000	0.23	26	10,000	0.23	42	10,000	0.23
11	10,000	0.23	27	10,000	0.23	43	10,000	0.23
12	10,000	0.23	28	10,000	0.23	44	10,000	0.23
13	10,000	0.23	29	10,000	0.23	45	10,000	0.23
14	10,000	0.23	30	10,000	0.23	46	10,000	0.23
15	10,000	0.23	31	10,000	0.23	47	10,000	0.23
16	10,000	0.23	32	10,000	0.23	48	10,000	0.23
17	10,000	0.23	33	10,000	0.23	49	10,000	0.23
18	10,000	0.23	34	10,000	0.23	50	10,000	0.23
19	10,000	0.23	35	10,000	0.23	51	10,000	0.23
20	10,000	0.23	36	10,000	0.23	52	10,000	0.23
21	10,000	0.23	37	10,000	0.23	53	10,000	0.23
22	10,000	0.23	38	10,000	0.23	54	10,000	0.23
23	10,000	0.23	39	10,000	0.23	55	10,000	0.23
24	10,000	0.23	40	10,000	0.23	56	10,000	0.23
25	10,000	0.23	41	10,000	0.23	57	10,000	0.23
26	10,000	0.23	42	10,000	0.23	58	10,000	0.23
27	10,000	0.23	43	10,000	0.23	59	10,000	0.23
28	10,000	0.23	44	10,000	0.23	60	10,000	0.23
29	10,000	0.23	45	10,000	0.23	61	10,000	0.23
30	10,000	0.23	46	10,000	0.23	62	10,000	0.23
31	10,000	0.23	47	10,000	0.23	63	10,000	0.23
32	10,000	0.23	48	10,000	0.23	64	10,000	0.23
33	10,000	0.23	49	10,000	0.23	65	10,000	0.23
34	10,000	0.23	50	10,000	0.23	66	10,000	0.23
35	10,000	0.23	51	10,000	0.23	67	10,000	0.23
36	10,000	0.23	52	10,000	0.23	68	10,000	0.23
37	10,000	0.23	53	10,000	0.23	69	10,000	0.23
38	10,000	0.23	54	10,000	0.23	70	10,000	0.23
39	10,000	0.23	55	10,000	0.23	71	10,000	0.23
40	10,000	0.23	56	10,000	0.23	72	10,000	0.23
41	10,000	0.23	57	10,000	0.23	73	10,000	0.23
42	10,000	0.23	58	10,000	0.23	74	10,000	0.23
43	10,000	0.23	59	10,000	0.23	75	10,000	0.23
44	10,000	0.23	60	10,000	0.23	76	10,000	0.23
45	10,000	0.23	61	10,000	0.23	77	10,000	0.23
46	10,000	0.23	62	10,000	0.23	78	10,000	0.23
47	10,000	0.23	63	10,000	0.23	79	10,000	0.23
48	10,000	0.23	64	10,000	0.23	80	10,000	0.23
49	10,000	0.23	65	10,000	0.23	81	10,000	0.23
50	10,000	0.23	66	10,000	0.23	82	10,000	0.23
51	10,000	0.23	67	10,000	0.23	83	10,000	0.23
52	10,000	0.23	68	10,000	0.23	84	10,000	0.23
53	10,000	0.23	69	10,000	0.23	85	10,000	0.23
54	10,000	0.23	70	10,000	0.23	86	10,000	0.23
55	10,000	0.23	71	10,000	0.23	87	10,000	0.23
56	10,000	0.23	72	10,000	0.23	88	10,000	0.23
57	10,000	0.23	73	10,000	0.23	89	10,000	0.23
58	10,000	0.23	74	10,000	0.23	90	10,000	0.23
59	10,000	0.23	75	10,000	0.23	91	10,000	0.23
60	10,000	0.23	76	10,000	0.23	92	10,000	0.23
61	10,000	0.23	77	10,000	0.23	93	10,000	0.23
62	10,000	0.23	78	10,000	0.23	94	10,000	0.23
63	10,000	0.23	79	10,000	0.23	95	10,000	0.23
64	10,000	0.23	80	10,000	0.23	96	10,000	0.23
65	10,000	0.23	81	10,000	0.23	97	10,000	0.23
66	10,000	0.23	82	10,000	0.23	98	10,000	0.23
67	10,000	0.23	83	10,000	0.23	99	10,000	0.23
68	10,000	0.23	84	10,000	0.23	100	10,000	0.23

AREA	AREA (SQ. FT.)	AREA (ACRES)
1	10,000	0.23
2	10,000	0.23
3	10,000	0.23
4	10,000	0.23
5	10,000	0.23
6	10,000	0.23
7	10,000	0.23
8	10,000	0.23
9	10,000	0.23
10	10,000	0.23
11	10,000	0.23
12	10,000	0.23
13	10,000	0.23
14	10,000	0.23
15	10,000	0.23
16	10,000	0.23
17	10,000	0.23
18	10,000	0.23
19	10,000	0.23
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23	10,000	0.23
24	10,000	0.23
25	10,000	0.23
26	10,000	0.23
27	10,000	0.23
28	10,000	0.23
29	10,000	0.23
30	10,000	0.23
31	10,000	0.23
32	10,000	0.23
33	10,000	0.23
34	10,000	0.23
35	10,000	0.23
36	10,000	0.23
37	10,000	0.23
38	10,000	0.23
39	10,000	0.23
40	10,000	0.23
41	10,000	0.23
42	10,000	0.23
43	10,000	0.23
44	10,000	0.23
45	10,000	0.23
46	10,000	0.23
47	10,000	0.23
48	10,000	0.23
49	10,000	0.23
50	10,000	0.23
51	10,000	0.23
52	10,000	0.23
53	10,000	0.23
54	10,000	0.23
55	10,000	0.23
56	10,000	0.23
57	10,000	0.23
58	10,000	0.23
59	10,000	0.23
60	10,000	0.23
61	10,000	0.23
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76	10,000	0.23
77	10,000	0.23
78	10,000	0.23
79	10,000	0.23
80	10,000	0.23
81	10,000	0.23
82	10,000	0.23
83	10,000	0.23
84	10,000	0.23
85	10,000	0.23
86	10,000	0.23
87	10,000	0.23
88	10,000	0.23
89	10,000	0.23
90	10,000	0.23
91	10,000	0.23
92	10,000	0.23
93	10,000	0.23
94	10,000	0.23
95	10,000	0.23
96	10,000	0.23
97	10,000	0.23
98	10,000	0.23
99	10,000	0.23
100	10,000	0.23

1. The City of Lugoff is hereby authorized to accept the proposed subdivision of the land shown on this plat for the purpose of creating lots for the proposed subdivision.
2. The lots shown on this plat are to be used for residential purposes.
3. The lots shown on this plat are to be used for residential purposes.
4. The lots shown on this plat are to be used for residential purposes.
5. The lots shown on this plat are to be used for residential purposes.
6. The lots shown on this plat are to be used for residential purposes.
7. The lots shown on this plat are to be used for residential purposes.
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12. The lots shown on this plat are to be used for residential purposes.
13. The lots shown on this plat are to be used for residential purposes.
14. The lots shown on this plat are to be used for residential purposes.
15. The lots shown on this plat are to be used for residential purposes.
16. The lots shown on this plat are to be used for residential purposes.
17. The lots shown on this plat are to be used for residential purposes.

HIDDEN LAKES, SECTION ONE

A SUBDIVISION OF LAND
 280 ACRES OF LAND
 RAPHAEL ENGELZ STAFFEN
 ABSTRACT NO. 32
 CITY OF LUGOFF, CLATSOP COUNTY, OREGON
 IN LOTS 1 THROUGH 100
 IN 2 BLOCKS



All that certain 40.90 acre tract of land out of and a part of that certain tract or parcel of land, called Tract 1, conveyed by Robert L. Moody, Sr, et al to Sam Boyd, d.b.a. Sam Boyd Development, by instrument of record at Film Code Number 019-49-0310 and a part of that certain tract or parcel of land conveyed by Mark A. Foster to Sam P. Boyd, by instrument of record under Clerk's File Number 2005051839, both in the Official Public Records of Real Property of Galveston County, Texas, as well as a part of Lot 6 of **HALLS ADDITION TO NICHOLSTONE**, a Subdivision in Galveston County, according to the map or plat recorded in Volume 215, Page 414, of the Deed Records in the Office of the County Clerk of Galveston County, Texas, said tract being situated in **RAFAEL BASQUEZ SURVEY, Abstract Number 32**, and in the **ROBERT HALL SURVEY, Abstract Number 78**, said 40.90 acre tract being more particularly described by metes and bounds as follows:

NOTE ALL BEARINGS ARE LAMBERT GRID BEARINGS AND ALL COORDINATES REFER TO THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE, AS DEFINED BY ARTICLE 21.071 OF THE NATURAL RESOURCES CODE OF THE STATE OF TEXAS, 1983 DATUM 1993 ADJUSTMENT) COORDINATES LISTED ARE BASED ON SURFACE COORDINATES AND DISTANCES SHOWN HEREON ARE SURFACE DISTANCE ALL DISTANCES SHOWN HEREON MAY BE CONVERTED TO GRID BY MULTIPLYING BY A SCALE FACTOR OF 0.999867458

COMMENCING at an iron rod with cap stamped 'GeoSurv' found for the Northwest corner of Unrestricted Reserve 'E' of **SOUTH SHORE BOULEVARD EXTENSION - SOUTH**, a Subdivision in Galveston County, Texas, according to the map or plat thereof recorded at Plat Record 2006A, Map Numbers 175-177, said point being at the intersection of the South line of South Shore Boulevard, a 100 foot wide public roadway right-of-way, with the East line of a 140.00 foot wide Texas-New Mexico easement as defined in instrument of record at Clerk's File Number 8722469 in the Official Public Records of Real Property of Galveston County, Texas, and having Texas State Plane Coordinate Values of Y = 13,753,524.30 and X = 3,230,142.33, **THENCE** Northwesterly, along the South line of said South Shore Boulevard and the arc of a curve to the left, said curve having a central angle of 04°18'10" and a radius of 1950.00 feet, an arc distance of 146.44 feet (chord bears N 79°22'23" W, 146.40 feet) to an iron rod with cap stamped 'GeoSurv' found for the **POINT OF BEGINNING** of the herein described tract of land, said point being at the intersection of the South line of said South Shore Boulevard with the West line of said 140.00 foot wide Texas-New Mexico easement, and having Texas State Plane Coordinate Values of Y = 13,753,551.29 and X = 3,229,998.44; **THENCE** S 08°00'11" E, along the West line of said Texas-New Mexico easement, a distance of 26.29 feet to a 5/8 inch iron rod with cap stamped "GeoSurv" set for angle point to the right, **THENCE** S 02°55'31" E, along the West line of said Texas-New Mexico easement, a distance of 469.40 feet to a point for angle to the left, said point being the Southwest corner of said Texas-New Mexico easement and the Northwest corner of another 140.00 foot wide Texas-New Mexico easement as defined in instrument of record at Clerk's File Numbers 8722467 & 8734799 in the Official Public Records of Real Property of Galveston County, Texas, from which point a found 1/2 inch iron rod with cap stamped "HJB" bears N 54°54'12" W, 0.47 feet, **THENCE** S 03°02'30" E, along the West line of said Texas-New Mexico easement, at 205.89 feet passing the Northeast corner of the **ROBERT HALL SURVEY, Abstract 78**, the same being on the most Northerly South line of the **RAFAEL BASQUEZ SURVEY, Abstract 32**, said point being at the East line of a 25 foot wide roadway (not open), and from which a 1 inch iron pipe bears N 37°40'26" E, 0.88 feet, and continuing for a total distance of 516.38 feet to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for the Southeast corner of the herein described tract of land;

THENCE S 86°57'30" W, a distance of 143 64 feet to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for angle point to the right;

THENCE N 65°15'47" W, a distance of 56 88 feet to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for angle point to the right;

THENCE N 16°52'16" W, a distance of 110 10 feet to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for corner, said point being at the beginning of a non-tangent curve to the right, said curve having a central angle of 13°56'23" and a radius of 85.00 feet,

THENCE Southwesterly, along the arc of said non-tangent curve to the right, an arc distance of 20 68 feet (chord bears S 80°05'56" W, 20.63 feet) to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for point of tangency;

THENCE S 87°04'07" W, a distance of 80 31 feet to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for point of curvature of a curve to the left, said curve having a central angle of 53°07'48" and a radius of 25 00 feet,

THENCE Southwesterly, along the arc of said curve to the left, a distance of 23 18 (chord bears S 60°30'13" W, 22 36 feet) to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for point of reverse curvature, said curve having a central angle of 116°24'27" and a radius of 50 00 feet,

THENCE Northwesterly, along the arc of said reverse curve, a distance of 101 59 feet (chord bears N 87°51'28" W, 84 99 feet) to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for corner,

THENCE S 60°20'45" W, a distance of 20 00 feet to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for angle point to the right,

THENCE S 77°34'57" W, a distance of 109 10 feet to a 5/8 inch iron rod with cap stamped 'GeoSurv' set for corner, said point being at the West line of said Lot 6,

THENCE N 03°00'06" W, along the West line of said Lot 6, a distance of 209 46 feet to a 5/8 inch iron rod with cap stamped "GeoSurv" set for the Northwest corner of said Lot 6, said point being at the North line of said **ROBERT HALL SURVEY** and the most Northerly South line of said **RAFAEL BASQUEZ SURVEY**,

THENCE S 87°04'07" W, along the North line of said **ROBERT HALL SURVEY** and the most Northerly South line of said **RAFAEL BASQUEZ SURVEY**, a distance of 1800 05 feet to a 5/8 inch iron rod with cap stamped "GeoSurv" set for corner, said point being the Southeast corner of that certain tract conveyed by Sam Boyd to JM Texas Land Fund No 1, L P by instrument of record at Film Code Number 019-49-2296 in the Official Public Records of Real Property of Galveston County, Texas, and further being at the beginning of a non-tangent curve to the right, said curve having a central angle 22°26'58" and a radius of 1800 00 feet,

THENCE Northeasterly, along said non-tangent curve to the right and the Southeast line of said JM Texas Land Fund No 1 tract, an arc distance of 705 27 feet (chord bears N 26°44'23" E, 700 76 feet) to a 5/8 inch iron rod with cap stamped "GeoSurv" set for point of tangency,

THENCE N 37°57'51" E, along the Southeast line of said JM Texas Land Fund No. 1 tract, a distance of 426.75 feet to an iron rod with cap stamped "GeoSurv" found for corner, said point being at the South line of South Shore Boulevard, a 100 foot wide public roadway right-of-way as dedicated by plat of **SOUTH SHORE BOULEVARD EXTENSION - SOUTH**, an addition in Galveston County, Texas, according to the map or plat thereof recorded at Plat Record 2006A, Map Number 175, in the Office of the County Clerk of Galveston County, Texas, and at the beginning of a non-tangent curve to the left, said curve having a central angle of 13°50'33" and a radius of 1550.00 feet,

THENCE Southeasterly, along said non-tangent curve to the left and the South line of said South Shore Boulevard, an arc distance of 374 48 feet (chord bears S 70°22'12" E, 373 57 feet) to a 5/8 inch iron rod with cap stamped "GeoSurv" set for point of compound curvature, said curve having a central angle of 15°38'24" and a radius of 1300 00 feet,

THENCE Southeasterly, along said compound curve and the South line of said South Shore Boulevard, an arc distance of 354.86 feet (chord bears S 85°06'41" E, 353.76 feet) to a 5/8 inch iron rod with cap stamped "GeoSurv" set for point of tangency,

THENCE N 87°04'07" E, along the South line of said South Shore Boulevard, a distance of 641.10 feet to a 5/8 inch iron rod with cap stamped "GeoSurv" set for point of curve to the right, said curve having a central angle of 11°24'25" and a radius of 1950.00 feet,

THENCE Southeasterly, along said curve to the right and the South line of said South Shore Boulevard, an arc distance of 388.22 feet (chord bears S 87°13'40" E, 387.58 feet) to the **POINT OF BEGINNING** and containing a calculated area of 40.90 acres of land

Exhibit B