

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

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

EASEMENT AGREEMENT

This Easement Agreement (this "Agreement") is made and entered into effective as of the ___ day of _____, 2013 (the "Effective Date"), by and between MB HARBOUR, LTD., a Texas limited partnership ("Grantor"), and MARIO ENRIQUEZ and MARITES ENRIQUEZ (individually and collectively, "Grantee").

RECITALS

WHEREAS, Grantor is the owner of that certain approximately 0.0358 acre parcel of real property more particularly described or depicted on the Exhibit "A" attached hereto and incorporated herein by reference for all purposes (the "Easement Property"); and

WHEREAS, Grantor is also the owner of a certain parcel of property that lies to the east of the Easement Property (the "Grantor's Property"), which separates the Easement Property from a certain canal owned by Grantor (the "Canal") that lies to the east of the Grantor's Property; and

WHEREAS, Grantee is desirous of acquiring from Grantor, under the terms and conditions herein provided, an easement in and to the Easement Property, and Grantor desires to convey such easement to Grantee subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual promises contained herein and for other good and valuable consideration mutually exchanged, the receipt and sufficiency of which is hereby agreed to and acknowledged, the parties hereto do hereby covenant, agree and grant as follows:

ARTICLE I
EASEMENT

1.1 Easement. Subject to the limitations and reservations provided for in Article II hereof and in the remainder of this Agreement, Grantor hereby GRANTS, SELLS and CONVEYS unto Grantee, and Grantee accepts from Grantor, a perpetual, non-exclusive easement in and to the Easement Property.

1.2 Permitted Exceptions. The easement described herein is conveyed subject to any and all valid covenants, conditions and restrictions of record affecting the Easement Property, to specifically include, without limitation, the Deed Restrictions (defined below) and those items shown on Exhibit "B" attached hereto and incorporated herein by reference for all purposes. Subject to the provisions of this Agreement, the easement herein granted and conveyed shall be perpetual and shall run with the land, and shall be binding upon Grantor and Grantee, and their respective heirs, executors, administrators, personal and legal representatives, successors and assigns.

1.3 Retention of Fee Ownership. Notwithstanding anything herein to the contrary, Grantor hereby retains, reserves and shall continue to enjoy fee ownership in the Easement Property, to include the surface and subsurface, for any and all purposes which are not inconsistent with the herein created Easement.

ARTICLE II
OBLIGATIONS OF GRANTEE; DEED RESTRICTIONS;
RESERVATION OF BULKHEAD EASEMENT

2.1 Obligations of Grantee. Notwithstanding anything herein to the contrary, Grantee shall be obligated at all times during the continuation of this Agreement to perform all of the following at its sole cost and expense:

(a) the construction and maintenance on the Easement Property of a 4' high, wrought iron fence, such fence to serve as a separation of the Easement Property from the Grantor's Property, such fence to have been constructed using such design, methods, materials, plans and specifications, and by such contractors and other third parties, and at such location on the Easement Property, all as determined by Grantor in Grantor's sole and absolute discretion (the "Property Fence"), and is intended to be consistent or harmonious with similar work which may be undertaken by Grantor on other similarly situated lots, and Grantee shall be required to maintain such fence in a neat, safe and sound condition, making any and all repairs and replacements as may be necessary to maintain the fence in a first-class condition;

(b) the payment in full of any and all amounts due to Grantor pursuant to the financing provided by Grantor to Grantee of the purchase of the easement granted hereunder;

(c) any and all obligations owed by Grantee to Grantor pursuant to that certain License Agreement of even date herewith by and between Grantor, as licensor, and Grantee, as licensee of the Grantor's Property and the Canal;

(d) to obtain and maintain general liability insurance for claims for personal injury, death or property damage occurring on the Easement Property with single limit coverage of not less than the aggregate of One Million and No/100 Dollars (\$1,000,000.00) including umbrella coverage, if any, and naming Grantor as an additional insured, and providing proof of such insurance to Grantor at any time upon request.. Grantee agrees to provide proof of such insurance to Grantor at any time upon request. Without limiting any of the rights and remedies of Grantor hereunder, if at any time such insurance lapses or Grantee to fails to provide proof of

such insurance to Grantor, Grantor shall have the right to obtain such insurance, and Grantee shall immediately reimburse Grantor for any and all costs and expenses incurred by Grantor to obtain such coverage in addition to any other rights and remedies for such default available to Grantor hereunder; and

(e) the payment by Grantee, annually, to Grantor of any and all taxes and assessments on the Easement Property prior to delinquency. Grantee acknowledges that the Easement Property may not be separately assessed and Grantor has no obligation to obtain a separate assessment for the Easement Property. Accordingly, within thirty (30) days of written notice, Grantee shall pay Grantor the amount of taxes and assessments allocable to the Easement Property as determined by Grantor in its reasonable judgment for payment by Grantor to such applicable taxing authorities.

2.2 Deed Restrictions. The easement granted herein and Grantee's use of the Easement Property shall be limited in all respects by the provisions of those Declaration Of Covenants, Conditions, Restrictions and Easements For Cypress Bay Canal West Bank recorded or to be recorded against the Easement Property (the "Deed Restrictions"), a copy of which is attached hereto as Exhibit "C" and incorporated herein by reference for all purposes. Grantee shall comply in all respects with the Deed Restrictions. A failure by Grantee to comply with any of the Deed Restrictions shall be considered an event of default hereunder, and Grantor shall have the right to pursue any of the remedies available to it under Article III hereof in addition to any other rights and remedies under such Deed Restrictions. Grantee agrees and acknowledges that Grantor shall have no obligation or duty to record the Deed Restrictions against any other property which may make similar use of the Canal.

2.3 Reservation of Bulkhead Easement. Notwithstanding anything herein to the contrary, both parties hereto agree and acknowledge that, Grantor shall reserve for itself and its successors and assigns, a non-exclusive 11' easement (the "Bulkhead Easement") over, under and across the most southern portion of the Easement Property (the "Bulkhead Easement Area"), such easement to be utilized at such times as is necessary for the continuation, maintenance, repair and/or replacement of Grantor's Property and the Canal or the bulkhead structure and improvements related thereto, which separates the Grantor's Property from the Canal, portions of which bulkhead structure may currently exist within the Bulkhead Easement Area. Grantee may not construct or allow to remain an Improvements (as defined in the Deed Restrictions) on the Bulkhead Easement Area other than the Property Fence and any landscaping expressly permitted by Grantor in its sole and absolute discretion. Grantor shall have no obligation to replace or repair any landscaping or improvements, other than any repair or replacement of the Property Fence as may be temporarily removed or damaged due to such continuation, maintenance, repair and/or replacement referenced herein.

ARTICLE III **REMEDIES**

3.1 Remedies. In the event Grantee defaults in the performance of its obligations hereunder and the default is not cured within thirty (30) days following the delivery of written notice to Grantee, then in addition to any and all other rights and remedies available to Grantor

at law or in equity, Grantor shall have the right to one or more of the following (i) perform such obligation on behalf of Grantee, in which event Grantee shall reimburse Grantor for any and all amounts expended by Grantor on behalf of Grantee, together with interest thereon at the greater of eighteen percent (18%) per annum, or the maximum amount permitted by law, from the date on which the amounts are so expended by Grantor until the date repaid; or (ii) terminate the easement granted hereunder, whereby any and all rights of the parties hereto shall immediately terminate.

3.2 Non-Waiver. No delay or omission on the part of Grantor in the exercise of any rights created hereunder shall impair such rights, or be construed to be a waiver thereof, and every such right may be exercised at any time during the continuance of an event of default hereunder. A waiver by Grantor of a breach of, or default in, any of the terms and conditions of this Agreement by Grantee shall not be construed to be a waiver of any subsequent breach thereof or of any other provision of this Agreement. Except as otherwise specifically provided in this Agreement, no remedy provided in this Agreement shall be exclusive, but shall be cumulative with all other remedies provided for in this Agreement, and all other remedies at law or in equity which are available to the parties hereto.

ARTICLE IV **NOTICES**

Any notice, report or demand required, permitted or desired to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served for all purposes if and when it is hand delivered, or if it is mailed by registered or certified mail, return receipt requested, at the address set forth below, or at such other address as the respective party may from time-to-time designate, on the third business day following the date of such mailing:

If to Grantor: MB Harbour, Ltd.
2951 Marina Bay Blvd., Ste. 130-343
League City, Texas 77573
Attn: Teresa Scotto

With a copy to: Greer Herz & Adams, L.L.P.
Attn: Joe A.C. Fulcher, Esq.
2525 South Shore Blvd., Ste. 203
League City, Texas 77573

If to Grantee: Mario or Marites Enriquez
430 Twin Timbers
Kemah, TX 77565

ARTICLE V
NO REPRESENTATIONS OR WARRANTIES BY GRANTOR

GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS, WHETHER EXPRESS, IMPLIED OR STATUTORY, ORAL OR WRITTEN CONCERNING OR WITH RESPECT TO (a) THE VALUE, NATURE, QUALITY, DESIGN OR CONDITION OF THE PROPERTY OR ANY WORK PERFORMED THEREON BY GRANTOR, (b) THE SUITABILITY OF THE PROPERTY OR ANY IMPROVEMENT NOW OR HEREAFTER SITUATED THEREON OR THEREUNDER FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, (c) THE COMPLIANCE OF OR BY THE PROPERTY OR ANY IMPROVEMENT NOW OR HEREAFTER SITUATED THEREON OR THEREUNDER OR ITS CONSTRUCTION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (d) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY OR ANY IMPROVEMENT NOW OR HEREAFTER SITUATED THEREON OR THEREUNDER, (e) THE MANNER OR QUALITY OR THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (f) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY OR ANY IMPROVEMENT NOW OR HEREAFTER SITUATED THEREON OR THEREUNDER OR (g) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY OR ANY IMPROVEMENT NOW OR HEREAFTER SITUATED THEREON OR THEREUNDER, AND SPECIFICALLY, GRANTOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY AND ALL REPRESENTATIONS OR WARRANTIES REGARDING COMPLIANCE WITH ANY HEALTH, ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS AND ORDINANCES INCLUDING, WITHOUT LIMITATION, THOSE GOVERNING OR REGULATING "SOLID WASTE" (AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R. PT. 261) THE DISPOSAL OR EXISTENCE IN OR ON THE PROPERTY OF ANY "HAZARDOUS SUBSTANCE", "POLLUTANT" OR "CONTAMINANT" (AS DEFINED BY OR PURSUANT TO THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND REGULATIONS PROMULGATED THEREUNDER), NOR AS TO THE PRESENCE OF ASBESTOS, LEAD PAINT OR RADON. WITHOUT LIMITING THE FOREGOING, GRANTOR IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR ANY IMPROVEMENT NOW OR HEREAFTER SITUATED THEREON, FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. GRANTEE FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE CONVEYANCE OF THE PROPERTY EASEMENT HEREUNDER AND ANY IMPROVEMENT NOW OR HEREAFTER SITUATED ON THE PROPERTY IS

PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS WITH ALL FAULTS AND SUBJECT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS CONTAINED IN THIS AGREEMENT AND ALL LIENS, ENCUMBRANCES, RESTRICTIONS, ENCROACHMENTS, LICENSES, RIGHTS OF WAY AND ANY OTHER MATTERS OF RECORD IN THE OFFICE OF THE COUNTY CLERK OF GALVESTON COUNTY, TEXAS OR WHICH A PHYSICAL INSPECTION OR SURVEY MIGHT REVEAL. GRANTEE ACKNOWLEDGES THAT THE FOREGOING WAS TAKEN INTO CONSIDERATION IN ESTABLISHING THE PURCHASE PRICE FOR THE EASEMENT GRANTED HEREIN.

ARTICLE VI GENERAL PROVISIONS

6.1 Binding Effect. The provisions of this Agreement shall be binding upon and inure to the benefit of Grantor and Grantee and their respective heirs, administrators, executors, personal and legal representatives, successors and assigns. The easement granted herein shall be appurtenant to and for the benefit of Grantee and shall run with the land. This Agreement shall be construed in accordance with the laws of the State of Texas, without regard to any conflict of law provisions, and any and all obligations hereunder are performable in Galveston County, Texas.

6.2 Partial Invalidity. If any term, covenant or condition of this Agreement or the application of it to any party hereto or circumstance shall to any extent be invalid, illegal or unenforceable, the remainder of this Agreement or the application of such term, covenant or condition to the parties or circumstances, other than those as to which are deemed to be invalid, illegal or unenforceable, shall not be affected thereby, and each and every remaining term, covenant or condition of this Agreement shall be valid and shall be enforced to the extent permitted by law.

6.3 Captions. The captions and headings in this Agreement are for reference only and shall not be deemed to define or limit the scope or intent of any of the terms, covenants or conditions contained herein.

6.4 Gender. In construing the provisions of this Agreement and whenever the context so requires, the use of a gender shall include all other genders, the use of the singular shall include the plural, and the use of the plural shall include the singular.

6.5 Relationship of the Parties. Nothing contained herein shall be construed to make the parties hereto partners or joint venturers, or render any of such parties liable for the debts or obligations of the other party hereto.

6.6 Amendment. This Agreement may be canceled, changed, modified or amended in whole or in part only by the written and recorded agreement of the Grantor and Grantee.

6.7 No Dedication. Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Easement Property to the general public or for the general public or for any public purpose whatsoever, it being the intention that this Agreement shall be strictly

limited to and for the purposes herein expressed. This Agreement is not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not specifically benefited by the terms and provisions hereof.

6.8 Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute but one agreement.

6.9 Remedies Cumulative. All remedies contained or referred to herein are cumulative and not exclusive. The commencement of exercise of one remedy shall not preclude the exercise of any other remedy and shall not be deemed an election of remedies.

6.10 Attorneys' Fees. In the event any legal action or proceeding for the enforcement of any right or obligations herein contained is commenced, the prevailing party in such action or proceeding shall be entitled to recover its costs and reasonable attorneys' fees incurred in the preparation and prosecution of such action or proceeding.

6.11 Joint and Several Obligations. All liabilities and obligations of the Grantee shall be the joint and several liabilities and obligations of the persons comprising the Grantee.

6.12 Time of Essence. Time is of the essence of each and every provision of this Agreement.

[THE REMAINDER OF THIS PAGE INTENTIONALLY RESERVED]

EXECUTED as of the date first written above.

GRANTOR:

MB HARBOUR, LTD., a Texas limited partnership

By: Harbour Management, LLC
Its: General Partner

By: _____

Name: Nick Scotto

Title: President

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on _____, 20__, by NICK SCOTTO, the President of HARBOUR MANAGEMENT, LLC, the General Partner of MB HARBOUR, LTD., a Texas limited partnership, on behalf of said limited partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 20__.

NOTARY PUBLIC in and for
the State of Texas

GRANTEE:



MARIO ENRIQUEZ



MARITES ENRIQUEZ

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the ___ day of _____, 20__, by MARIO ENRIQUEZ, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ___ day of _____, 20__.

NOTARY PUBLIC in and for
the State of Texas

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

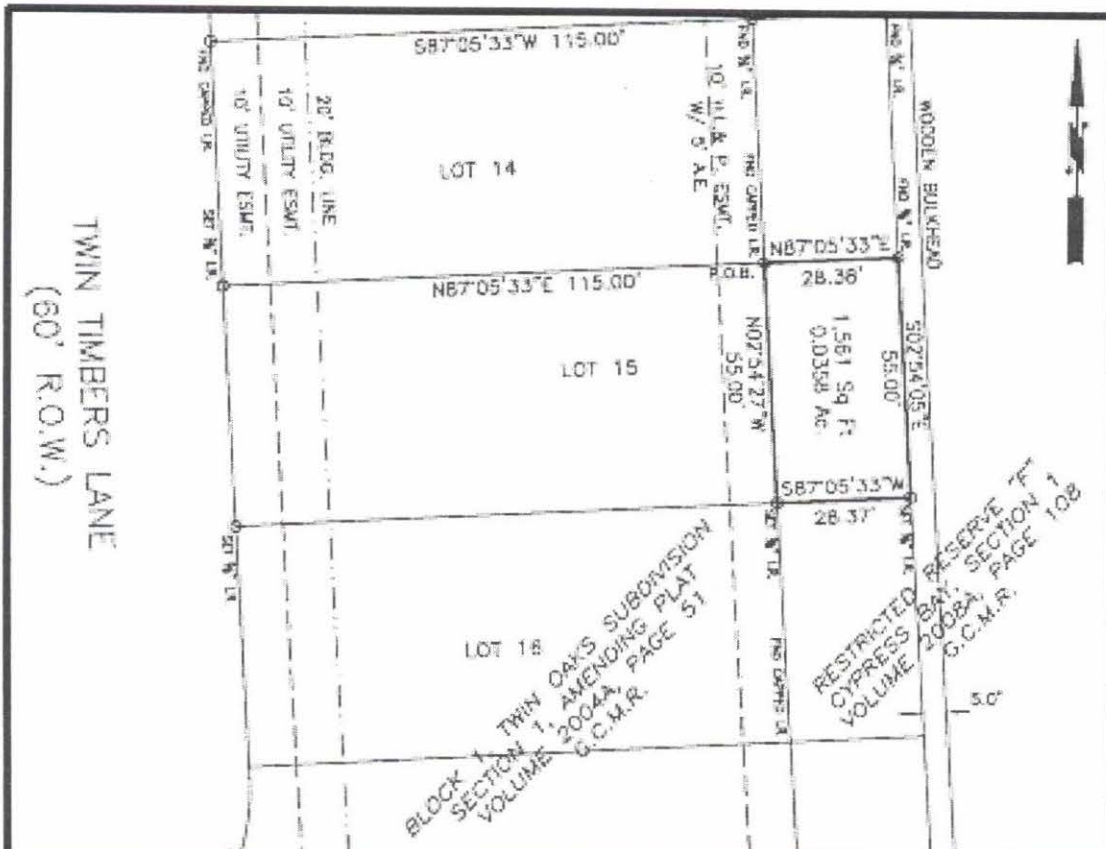
This instrument was acknowledged before me on the ___ day of _____, 20__, by _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ___ day of _____, 20__.

NOTARY PUBLIC in and for
the State of Texas

EXHIBIT "A" TO EASEMENT AGREEMENT

EASEMENT PROPERTY



Legal Description

A 0.0358 acre tract of land out of the Restricted Reserve "F" of Cypress Bay, Section 1, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Volume 2008A, Page 108, of the Map Records of Galveston County, Texas, and said 0.0358 acre tract being more particularly described by meter and bounds as follows:

BEGINNING at the Northeast corner of Lot 15, Block 1, of the Amending Plat of Twin Oaks Subdivision, a subdivision in Galveston County, Texas according to the map or plat thereof recorded in Volume 2004A, Page 51, of the Galveston County Map Records:

THENCE $N87^{\circ}05'33''E$, a distance of $28.38'$ to a $\frac{5}{8}$ " iron rod found at the Northeast corner of the tract herein described, and being $5.0'$ West of a wooden bulkhead on the West side of said Reserve "F";

THENCE $S02^{\circ}54'08''E$ parallel to said wooden bulkhead, a distance of $55.00'$ to a $\frac{5}{8}$ " iron rod set for the Southeast corner of the tract herein described;

THENCE $S87^{\circ}05'33''W$, a distance of $28.37'$ to a $\frac{5}{8}$ " iron rod set for the Southwest corner of the tract herein described, same being the Southeast corner of said Lot 15;

THENCE $N02^{\circ}54'27''W$ along and with the East line of said Lot 15, a distance of $55.00'$ to the Point Of Beginning of the tract herein described.

Base of Bearing: Grid North Texas State Plane Coordinate System, NAD83, South Central Zone.

I, the undersigned, a Registered Professional Land Surveyor of the State of Texas, do hereby certify that this survey was made on the ground of the property legally described herein and is true and correct to the best of my knowledge and belief.

Robert D. Ellis, R.P.L.S.
Tx. Reg. No. 4006

NOTE

Surveyor has made no investigative or independent search for encumbrances of record, encumbrances, restrictive covenants, ownership title evidence, or any other facts that an accurate and certain title search may disclose.

EXHIBIT "B" TO EASEMENT AGREEMENT

PERMITTED EXCEPTIONS

Restrictive Covenants as shown on recorded plat in Plat Record 2004A, Map No. 51, of the Map Records in the Office of the County Clerk of Galveston County, Texas.

Restrictive Covenants as set out under County Clerk's File No. 9404446, 2002014908, and 2002073345, all in the Official Public Records of Real Property of Galveston County, Texas.

Restrictive Covenants as shown on recorded plat in Plat Record 2008A, Map Nos. 107 and 108 of the Map Records, in the Office of the County Clerk of Galveston County, Texas. (As to Tract Two Non-Exclusive Easement Only)

Those recorded in/under Clerk's File No. 2009018797, 2009019009, 2009019010, 2009019011 and 2009032027 of the Official Public Records of Real Property of Galveston County, Texas. (As to Tract Two Non-Exclusive Easement Only)

Easement granted to Centerpoint Energy Houston Electric, LLC, as set forth in instrument recorded in/under Clerk's File No. 2008033600 of the Official Public Records of Real Property of Galveston County, Texas. (As to Tract Two Non-Exclusive Easement Only)

Easement granted to Centerpoint Energy Houston Electric, LLC, Centerpoint Energy Resources Corp. d/b/a Centerpoint Energy Texas Gas Operations and Verizon Communication as set forth in instrument recorded in/under Clerk's File No. 2009012486 of the Official Public Records of Real Property of Galveston County, Texas. (As to Tract Two Non-Exclusive Easement Only)

All terms, conditions, and provisions of that certain Cypress Bay Bulkhead and Vegetation Bench Easement Agreement, recorded in/under Clerk's File No. 2009018798 of the Official Public Records of Real Property of Galveston County, Texas. (As to Tract Two Non-Exclusive Easement Only)

All terms, conditions, and provisions of that certain Easement Agreement between MB Harbour, Ltd and applicant sellers to be recorded in/under the Official Public Records of Real Property of Galveston County, Texas. (As to Tract Two Non-Exclusive Easement Only)

A Bulkhead Easement 11 feet in width along the southerly portion of the subject property for the maintenance and repair of the canal bulkhead and related improvements, as set forth in instrument recorded in/under Clerk's File No. 2009018798 of the Official Public Records of Real Property of Galveston County, Texas. (As to Tract Two Non-Exclusive Easement Only)

All the oil, gas and other minerals, the royalties, bonuses, rentals and all other rights in connection with same, whether expressed or implied, all of which are expressly excepted herefrom and not insured hereunder, as same are set forth in instrument recorded in Volume 1395, Page 229, in the Office of the County Clerk of Galveston County, Texas, reference to which instrument is here made for all purposes. Title to said interest not checked subsequent to the date of said instrument. Surface rights are waived therein. (As to Tract Two Non-Exclusive Easement Only)

All the oil, gas and other minerals, the royalties, bonuses, rentals and all other rights in connection with same, whether expressed or implied, all of which are expressly excepted herefrom and not insured hereunder, as same are set forth in instrument recorded in Volume 3101, Page 448, in the Office of the County Clerk of Galveston County, Texas, reference to which instrument is here made for all purposes. Title to said interest not checked subsequent to the date of said instrument. [Surface rights having been releases therein.]

Oil, gas and mineral lease (if still in effect) recorded in Volume 3051, Page 414, in the Office of the County Clerk of Galveston County, Texas, in favor of A. R. Dillard, Jr., together with all rights of ingress and egress incident thereto. (Title to said lease not checked subsequent to its date of execution.)

Oil, gas and mineral lease (if still in effect) recorded under County Clerk's File No.(s) 9626266 and 9632940, both in the Official Public Records of Real Property in Galveston County, Texas, in favor of Enserch Exploration, Inc., together with all rights of ingress and egress thereto. (Title to said lease not checked subsequent to its date of execution.)

EXHIBIT "C" TO EASEMENT AGREEMENT

DEED RESTRICTIONS

**DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR CYPRESS BAY CANAL WEST BANK**

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

THIS DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR CYPRESS BAY CANAL WEST BANK ("Declaration"), is made on the date hereinafter set forth by MB HARBOUR, LTD., a Texas limited partnership ("Declarant").

ARTICLE I

General

Section 1.1 Project. Declarant is the owner of that certain approximately 0.0359 acre parcel of land in the City of League City, County of Galveston, State of Texas, described on EXHIBIT "A" attached hereto and made a part hereof (the "Property"). Declarant intends to develop the Property as limited use parcels creating an interface between existing single family residential lots defined herein as "Adjacent Twin Oaks Lots" or "Abutting Twin Oaks Lots" and the "Canal" (herein defined).

Section 1.2 Purposes of Declaration. Property which becomes subject to this Declaration in the manner hereinafter provided shall be referred to as the "Project Area". This Declaration is executed (a) in furtherance of a common and general plan for those properties which hereby become or which may hereafter become part of the Project Area; (b) to protect and enhance the quality, value, desirability and attractiveness of all property which becomes part of the Project Area; (c) to define the duties, powers and rights of Owners of Residential Parcels within the Project Area; and (d) to define certain duties, powers and rights of Declarant within the Project Area.

Section 1.3 Declaration. Declarant for itself and its successors and assigns, hereby declares that the Property and all property which may hereafter become subject to this Declaration in the manner hereinafter provided, and each part thereof, shall, from the date the same becomes subject to this Declaration, be owned, held, transferred, conveyed, sold, leased, rented, hypothecated, encumbered, used, occupied, maintained, altered and improved subject to the covenants, conditions, restrictions, easements, liens, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration, for the duration thereof, all of which are declared to be part of, pursuant to and in furtherance of a common and general plan of development, improvement, enhancement and protection of the Project Area. The provisions of this Declaration are intended to and shall run with the land and, until their expiration in accordance with Section 9.3 hereof, shall bind, be a charge upon and inure to the mutual benefit

of (a) the Property and all other property which hereafter becomes a part of the Project Area, if any, and each part or parcel thereof, (b) Declarant and its successors and assigns, and (c) all other persons having or acquiring any right, title or interest in the Property or any other property which hereafter becomes part of the Project Area, if any, or any part or parcel thereof or any improvement thereon, and their respective heirs, executors, administrators, personal and legal representatives, successors and assigns.

ARTICLE II

Definitions

Unless otherwise expressly provided herein, the following words and phrases when used in this Declaration shall have the meanings hereinafter specified. Functional provisions contained in these definitions shall be given the same force and effect as provisions set forth elsewhere in this Declaration.

Section 2.1 Annexation Agreement. “Annexation Agreement” shall mean the written instrument executed by Declarant, as provided in Section 3.3 of this Declaration, and recorded in the Official Public Records of Real Property of Galveston County, Texas, pursuant to which additional real property, and improvements thereon, if any, are made a part of the Project Area and subjected to this Declaration. An Annexation Agreement may contain any provision, related solely to the real property thereby to be annexed, which does not conflict with or modify or delete or make inapplicable to any such property any provision of this Declaration which is not limited to specific other annexed property.

Section 2.2 Architectural Guidelines. “Architectural Guidelines” shall mean such architectural control guidelines as from time to time may be adopted by Declarant in its sole discretion, as same may be from time to time amended by Declarant at its discretion, effective upon notice to the Owners.

Section 2.3 Bulkhead. “Bulkhead” shall mean all retaining walls, including but not limited to bulkhead and rip-rap, installed or to be installed, to hold and retain the land adjacent to or nearby any Residential Parcel or to separate any of the foregoing from the Canal, together with all land thereunder supporting improvements constructed or to be constructed in connection therewith, and shall include the strip of land on each Residential Parcel situated between the waterside edge of the bulkhead structure and the waterline boundary of the Canal within 50 feet of such Residential Parcel. The Bulkhead is referred to for reference purposes only, but in no way shall the Bulkhead or any portion thereof be deemed to be part of the Property or the Project Area.

Section 2.4 Canal. “Canal” shall mean that certain property more particularly described or depicted on EXHIBIT “B” attached hereto and made a part hereof for reference purposes only, but in no way shall the Canal nor any portion thereof be deemed to be part of the Property or the Project Area.

Section 2.5 Common Household Group. “Common Household Group” shall mean one or more natural Persons, each related to the other by blood, marriage or legal adoption, or a group of no more than four (4) such persons not all so related, together with his, her or their

domestic servants, all of whom maintain a common household in an Adjacent Twin Oaks Lot or the Abutting Twin Oaks Lot or in a Residential Parcel.

Section 2.6 Declarant. “Declarant” shall mean MB HARBOUR, LTD., a Texas limited partnership, and such successors and assigns as hereinafter provided. A person or entity shall be deemed a “successor and assign” of MB Harbour, Ltd., as Declarant only if such person or entity is specifically designated in a duly recorded instrument as a successor or assign of Declarant under this Declaration, and shall be deemed a successor or assign of Declarant only as to the particular rights or interests of Declarant under this Declaration which are specifically designated in such written instrument. However, a successor to MB Harbour, Ltd. by consolidation, sale or merger shall automatically be deemed a successor or assign of MB Harbour, Ltd. as Declarant under this Declaration.

Section 2.7 Improvements. “Improvements” shall mean all paving, fixtures, structures and any appurtenances thereto of every type or kind, including, but not limited to, all fencing, buildings, outbuildings, accessory buildings, finishes of any exterior surfaces of any visible structure, all pathways, walkways, trails, sprinkler pipes, benches, slating, fences, Recreation Facilities, watercraft tie down or anchoring devices, retaining walls, stairs, decks, gazebos, cabanas, fixtures, windbreaks, poles, signs, flags, solar energy equipment, exterior air conditioning fixtures and equipment, water softener fixtures, exterior lighting, recreational equipment, radio or television antenna and microwave antenna, patios, pools, bulkhead, walkways, paving and landscaping, including but not limited to plants, sodding, trees, shrubs, grass, ground cover (organic and inorganic), planter boxes, borders, irrigation devices and the like, either temporary or permanent. The inclusion of any item in this definition shall in no way modify any provision of this Declaration prohibiting, requiring the approval of, or otherwise limiting, any such item.

Section 2.8 Interlocal Agreement. “Interlocal Agreement” shall mean any written agreement entered into between the Declarant and any other non-profit property owners association, or between the Declarant and any governmental or quasi-governmental entity affecting any of the Property, directly or indirectly.

Section 2.9 Residential Parcel. “Residential Parcel” shall mean and refer solely to any residential property on which an Owner maintains an ownership or easement interest, such property lying between an Adjacent Twin Oaks Property or an Abutting Twin Oaks Property and the Canal.

Section 2.10 Owner. “Owner” shall mean and refer to the record owner other than Declarant, whether one or more persons or entities, of the easement estate to or other ownership interest in any Residential Parcel or other parcel which is part of the Project Areas, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 2.11 Person. “Person” shall mean a natural person, a corporation, a partnership or any other legal entity.

Section 2.12 Intentionally deleted.

Section 2.13 Project Area. “Project Area” shall refer to those properties as are now and from time to time annexed into the jurisdiction of this Declaration, as provided in this Declaration and made subject to this Declaration, and shall include the Property.

Section 2.14 Reimbursement Assessment. “Reimbursement Assessment” shall mean a charge against a particular Owner and such Owner’s Residential Parcel for the purpose of reimbursing the Declarant for expenditures and other costs of the Declarant in connection with any violation of this Declaration, any applicable Annexation Agreement, or the Rules and Regulations, together with all late charges and interest and costs and fees permitted under this Declaration.

Section 2.15 Related User. “Related User” shall mean and refer to any member of the Common Household Group, guests and invitees of any Owner; employees of any Owner; and occupants, tenants and contract purchasers residing in a dwelling unit of an Owner who claim by, through or under an Owner.

Section 2.16 Rules and Regulations. “Rules and Regulations” shall mean and refer to such rules and regulations concerning the general welfare of the Project Area, or any other matter deemed appropriate by the Declarant, as may be promulgated from time to time by the Declarant in Declarant’s sole discretion.

Section 2.17 Recreation Facilities. “Recreation Facilities” shall mean and refer to any and all toys, playground-type structures and equipment, basketball backboards, poles, hoops, nets, volleyball, badminton or tennis net or court, tetherball pole, football, soccer or field hockey goal, baseball or softball backstop, golf practice net, or other device or equipment used or designed for use in connection with any recreation, sport or athletic activity.

ARTICLE III

Annexation

Section 3.1 Property Subject to this Declaration. The Property shall be made subject to this Declaration as provided in Section 3.3 hereof. As further provided in any Annexation Agreements, such properties made the subject of such agreements shall also be developed and maintained in accordance with this Declaration. The provisions of this Declaration shall not constitute an encumbrance or restrict the use of any property which has not been made subject to this Declaration pursuant to Section 3.3 hereof.

Section 3.2 Property Which May Be Annexed. Declarant may, but shall in no way be required to, from time to time, as evidenced by written instrument recorded in the Office of the County Clerk of Galveston County, Texas real property records, unilaterally add to the Project Area, all or any portion of any property in League City, Galveston County, Texas, which is owned from time to time by Declarant. Any such additional annexation shall in no way affect these Declarations as they pertain to the property or other additional properties subjected thereto.

Section 3.3 Manner of Annexation. Other real property shall become part of the Project Area and subject to this Declaration, effective upon the recordation in the Office of the County Clerk of Galveston County, Texas, of an Annexation Agreement or deed meeting the requirements hereinafter set forth. Such property which is being so annexed shall sometimes be referred to as the "Annexed Property". An Annexation Agreement shall (a) be executed and acknowledged by all Owners of the Annexed Property described therein; (b) if the Annexed Property is not then owned by Declarant, contain the executed and acknowledged written consent of Declarant; (c) contain an adequate legal description of the Annexed Property; (d) contain a reference to this Declaration, which shall state the date of recordation and the recording reference thereof in the Records of the County Clerk of Galveston County, Texas; (e) contain a statement that the Annexed Property is declared to be part of the Project Area under this Declaration, and that the Annexed Property shall be subject to this Declaration; (f) provide for such building, architectural, construction, fencing and set back provisions (if any) as Declarant deems appropriate for such Annexed Property, which shall be solely applicable to such Annexed Property, but which shall not supersede any provision of this Declaration which is not solely applicable to the Annexed Property. A deed or other instrument by which Declarant conveys a parcel of property to another Person may constitute an Annexation Agreement if the instrument meets the foregoing requirements, as applicable (and may designate such Person a successor and assign of Declarant with respect to all or a portion of the property conveyed therein). An Annexation Agreement may impose on the Annexed Property described therein such other covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes, assessments and other provisions which shall be in addition to those set forth in this Declaration, taking into account the unique and particular aspects of the proposed or permitted development of the Annexed Property covered thereby; provided, however, in no event shall any Annexation Agreement revoke, modify or amend the covenants or restrictions established by this Declaration or any other Annexation Agreement for any other property comprising part of the Project Area, or revoke the provisions of the covenants or restrictions established by this Declaration as to such Annexed Property. Upon recordation of an Annexation Agreement, the Annexed Property shall be subject to all of the covenants, conditions, restrictions, limitations, reservations, exceptions, equitable servitudes and other provisions set forth in this Declaration, in addition to those specifically stated in the applicable Annexation Agreement.

ARTICLE IV **Canal Disclaimer and Indemnity**

Section 4.1 Canal Disclaimer and Indemnity.

(a) Each Owner of a Residential Parcel by acceptance of a deed or other similar instrument of conveyance therefor, whether or not it shall be so expressed in such deed or other instrument of conveyance, is deemed to covenant, acknowledge and agree that (i) ownership of a Residential Parcel does not include any right to use the Canal unless otherwise expressly provided and, (ii) the Canal is not subject to this Declaration. Each Owner is deemed to covenant and agree to indemnify and hold harmless the Declarant from and against any and all claims, demands, lawsuits, actions, debts, damages, costs, charges and expenses, including court costs and attorney's fees, liabilities and losses of any nature whatsoever incurred, suffered or sustained by the Declarant arising out of or in any way caused by, connected with or resulting

from actions or activities pursued or conducted related to the Canal by such Owner, the Owner's Common Household Group, the occupants of such Owner's Residential Parcel, or such Owner's agents, guests or invitees, whether or not caused in whole or in part by any negligence, gross negligence, willful misconduct or strict liability of Declarant or any partner or agent or employee of Declarant..

(b) Intentionally reserved.

ARTICLE V

Protective Covenants and Use Restrictions

All of the properties in the Project Area shall be held, used and enjoyed subject to the covenants and restrictions in this Declaration (including, without limitation, the provisions relating to architectural approval of Improvements), as well as the following covenants, limitations and restrictions (all of which shall be deemed to run with the land), subject to the exemptions and rights of Declarant expressly set forth in this Declaration.

Section 5.1 Restricted Ownership and Use. (a) No Residential Parcel may be owned except by (i) Declarant, (ii) the same person(s) who are the Owner(s) of the single family residential lot in Block 1, Twin Oaks Subdivision, Section 1, Amending Plat recorded in Plat Record 2004A, Map No. 51, Galveston County Map Records ("Twin Oaks Subdivision"), which is abutting and immediately adjacent to the most westerly boundary line of the Residential Parcel in question ("Abutting Twin Oaks Lot") or (iii) the Owner(s) of a single family residential lot in Twin Oaks Subdivision, which is immediately adjacent to the north or south ("next door") to a particular Abutting Twin Oaks Lot ("Adjacent Twin Oaks Lot") (such owners of Abutting Twin Oaks Lots or Adjacent Twin Oaks Lots being sometimes "Permitted Owners").

(b) Unless otherwise agreed to by Declarant in writing, the Residential Parcel shall be used solely by the Permitted Owner, such Owner's Common Household Group and their guests and invitees for landscaping and greenbelt purposes and the use, repair, replacement and maintenance of the Bulkhead, and of such other Improvements as Declarant may approve from time to time in accordance with this Declaration, but it is understood that such uses shall be ancillary to the single family residential use by such persons of the applicable Adjacent Twin Oaks Lot or Abutting Twin Oaks Lot. Additionally, provided that the Owner has entered into a Canal Use License Agreement with MB Harbour, Ltd. or its successors or assigns ("License") and for so long as such License is in effect, the Residential Parcel shall also be permitted to be used by the Owner and such Owner's Common Household Group and their guests and invitees for access to the Canal.

(c) No Improvement is permitted to be attached or affixed to any part of the Bulkhead on any Residential Parcel. It is provided, however, that if and for so long as an Owner has a License in effect, and such License permits such Owner to construct and maintain an approved dock or pier pursuant to such License, then and in such event, provided that such Owner complies with the requirements contained in Article VI of this Declaration, and further provided that such Owner provides the Declarant with engineering studies and other evidence and third party expert opinions satisfactory to the Declarant that such dock or pier will in no way

jeopardize the integrity of the Bulkhead, then in such events, such Owner shall be permitted to construct and maintain a portion of such approved dock or pier, or connection therefor, on the Bulkhead. If for any reason, however, such License shall thereafter terminate, such Owner shall immediately remove all such Improvements, and if it fails to do so, Declarant may remove same, and the Owner shall reimburse Declarant for all costs thereof, as a Reimbursement Assessment.

(d) Each Owner agrees that it shall include such Owner's Residential Parcel in any sale or lease of such Owner's Abutting Twin Oaks Lot or Adjacent Twin Oaks Lot, as the case may be. No Residential Parcel may be owned, sold or leased separate from the concurrent ownership, sale or lease of the Abutting Twin Oaks Lot or an Adjacent Twin Oaks Lot, as applicable.

Section 5.2 No Hanging Articles. No clotheslines and no clothing or household fabrics or other articles shall be hung, dried or aired on any Residential Parcel.

Section 5.3 No Further Subdivision. No Residential Parcel may be further subdivided nor may any easement or other interest therein less than the entire estate held by Owner.

Section 5.4 View Restrictions. No vegetation, landscaping or other Improvements shall be planted, constructed or maintained upon any Residential Parcel in such location or of such heights greater than four (4) feet, which would unreasonably obstruct the view from any other Residential Parcel in the vicinity thereof. The Declarant may request an Owner remove or otherwise alter any obstruction to the view from the Residential Parcel, or any hazardous condition. Any such obstruction or hazardous condition shall, upon request of the Declarant, be removed or otherwise altered to the satisfaction of the Declarant, by the Owner of the Residential Parcel upon which said obstruction is located, at the Owner's sole cost; provided, however, that in the event the Owner fails to promptly remove or otherwise alter such obstruction or hazardous condition, the Declarant (and no other party, whether any other Owner or otherwise) shall have the right but not the obligation to remove such obstruction or hazardous condition, charging the entire cost thereof to the Owner. Such costs shall be a Reimbursement Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

Section 5.5 Landscaping. (a) No plant or vegetation may be installed on any Residential Parcel except for approved vegetation approved by Declarant in its reasonable discretion. Within thirty (30) days after recordation of an instrument conveying a Residential Parcel to an Owner, such Owner shall install sodding over his or her entire Residential Parcel (excluding the area of the Bulkhead and easterly thereof), using sodding materials approved by Declarant. Each Owner shall maintain the landscaping on his or her Residential Parcel in a neat and attractive condition, including all landscaping and gardening necessary to properly maintain (including periodically replacing when necessary) any trees, plants, grass and other vegetation which may be originally placed on such Residential Parcel, in accordance with the Architectural Guidelines. Notwithstanding the foregoing, any vegetation area planted by Declarant or its designee or any Residential Parcel shall be maintained as such, and shall not be removed or harmed at any time by Owners or its invitees, contractors or other similar parties.

(b) Without in any way limiting the generality of the foregoing, no trees shall be permitted to remain if any roots thereof would endanger the Bulkhead (in the sole opinion of Declarant). If any permitted tree subsequently dies or is uprooted for any reason, same must be replaced by a tree of like type in compliance with the Architectural Guidelines, within thirty (30) days after the occurrence of any such death or uprooting.

(c) No trees, shrubs or other vegetation in excess of four (4) feet in height shall be permitted to be planted or to remain on any Residential Parcel.

(d) In the event that any Owner shall fail to install and/or maintain landscaping in conformance with this Declaration, or shall allow its landscaping to deteriorate to a condition which is dangerous, unsafe, unsightly or unattractive, the Declarant, upon ten (10) days prior written notice to such Owner, shall have the rights as hereinafter described. The Declarant shall have the right, upon the appropriate above-described written notice to an Owner, but not the obligation, to either (i) to seek any remedies at law or in equity which it may have to correct such conditions, or (ii) after the 30-day notice to such Owner provided in Section 5.5(a) above, to enter upon such Owner's Residential Parcel for the purpose of correcting such condition, and such Owner shall promptly reimburse the Declarant for the costs thereof, and/or (iii) any combination of the foregoing. Such cost, as described in (ii) above, shall be a Reimbursement Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

Section 5.6 Vehicle and Watercraft Restriction. (a) No vehicle, recreation vehicle, camper, boat, personal watercraft, mobile home, trailer, golf cart, buggy, tractor, motor home, motorcycle, motorbike, automobile, truck, bicycle, or tricycle, shall be stored or shall be parked on or about any Residential Parcel.

(b) No boat, personal watercraft, canoe, paddleboat, sail craft, raft or any other device intended for use on or in water ("Watercraft"), may be kept on any Residential Parcel, nor may any Watercraft be tied off on any Residential Parcel (including the Bulkhead thereof), except if approved by Declarant in writing in advance. It shall be a condition of such approval that the Owner have and maintain a License. Such approval shall be deemed revoked automatically, in the event of any termination of such License. Owner shall be required to provide proof that such License is in effect upon request of Declarant from time to time.

(c) Any vehicle or Watercraft found to be in violation of any of the provisions of this section may be towed away or removed by or on behalf of the Declarant at the expense of the owner of such vehicle or of the Owner of the Residential Parcel upon which such vehicle or Watercraft is located. Such cost shall be a Reimbursement Assessment and shall create a lien and personal obligation enforceable in the manner set forth in this Declaration.

Section 5.7 Animals. No animals of any kind shall be raised, bred or kept in the Project Area except as hereinafter provided. A reasonable number of dogs, cats or other common household pets may be kept on a Residential Parcel, provided that (a) they are not kept, bred or maintained for commercial purposes, (b) they do not make objectionable noises, create any odor, or otherwise constitute a nuisance to other Owners, (c) they are kept within an

enclosed yard on the Abutting Twin Oaks Lot or an Adjacent Twin Oaks Lot (as the case may be) occupied by the Owner of such pets or on a leash being held by a Person capable of controlling the animal, and (d) they are not in violation of any municipal code or ordinance or of any other provision of this Declaration or such limitations as may be set forth in the Rules and Regulations. A “reasonable number” as used in this Section 5.7 shall ordinarily mean no more than four (4) pets per Residential Parcel. Each Owner and/or Related User maintaining any animal shall be liable in accordance with the laws of the State of Texas to each and all remaining Owners and Related Users of such Owners for any damage to person or property caused by any such animal; and it shall be the absolute duty and responsibility of each such Owner or Related User to clean up after such animals to the extent they have used any portion of any Residential Parcel. If any such Owner or Related User fails to do so, the Declarant shall have the right (but not the obligation) to perform such duty on such Owner’s behalf, and such Owner shall promptly reimburse the Declarant for the costs thereof (in addition to other rights and remedies of the Declarant). Such cost shall be a Reimbursement Assessment, and shall become a lien and personal obligation enforceable in the manner set forth in this Declaration. }

Section 5.8 Restriction on Exterior Lighting. No exterior lighting shall be permitted on any Residential Parcel, including lighting to accent landscaping features, fishing lights, lights at entrance doors to structures, lights at entrances to any Residential Parcel, lights along paths and lights to illuminate permitted signs, except such lights shall be of attractive design and shall be as small in size as is reasonably practical, and shall not allow light reflection or glare to be discernible at an unreasonable level from any place off the Residential Parcel where such lighting exists.

Section 5.9 Casualty Insurance for Improvements. Each Owner of a Residential Parcel shall be obligated to obtain and keep in full force and effect at all times casualty insurance with respect to all insurable Improvements on the Residential Parcel for the full replacement value thereof, including coverage for fire and extended coverage, vandalism and malicious mischief and, if reasonably available, flood, windstorm, fire, earthquake or war risk coverage. In the event of damage or destruction to any Improvement(s), within thirty (30) days of such occurrence, either (a) the proceeds of such insurance shall be applied by the Owner thereof, to the extent necessary, to cause the damaged or destroyed Improvement(s) to be restored or replaced to its original condition, or (b) the Owner shall cause the damaged or destroyed Improvement(s) to be demolished and the Residential Parcel to be landscaped in compliance with this Declaration, so as to present a pleasing and attractive appearance, and thereafter, shall cause the Residential Parcel to be well maintained, to conform with the terms and conditions hereof.

Section 5.10 Solar Energy Installations. The Declarant shall have the right of prior approval of the plans and specifications for the installation of all residential solar energy systems. Such plans and specifications shall demonstrate the exercise of reasonable measures to minimize the potential adverse aesthetic impact of the installation of such Improvements on other portions of the Project Area. Any such approval shall have no effect upon the enforceability of any other use restriction in this Declaration. The Declarant shall have the right to promulgate reasonable standards and guidelines against which to examine any such plans and specifications.

Section 5.11 Drilling or Mining. No mineral drilling, development, refining or mining operations of any kind shall be permitted upon any Residential Parcel, nor shall any wells, tanks, tunnels, mineral excavations or shafts be permitted upon any Residential Parcel. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted on any Residential Parcel.

Section 5.12 Walls and Fences. Except as provided in Section 5.13 below, no fence or wall may be built on any Residential Parcel except as may be expressly required by, or permitted from time to time by written approval of, the Declarant with any approval to be at its sole and absolute discretion.

Section 5.13 Required Fencing and Fence Easement. Owners of Residential Parcels shall be required to maintain in good condition, a wrought iron fence four (4) feet high, of such design as dictated by Declarant. As to all Residential Parcels, there is reserved to the Declarant a fence easement on the Residential Parcel for the purpose of constructing, repairing and maintaining such fence, if the Declarant should so elect, in the event any Owner of any such Residential Parcel should be required but fails so to do. The Declarant shall further have a reasonable right of ingress and egress across each Residential Parcel adjacent to any fence easement and all easements shown on any Plat or referred to herein or in any Annexation Agreement, for the purposes of installing, maintaining, constructing and repairing any fence in the fence easement where the Owner of the particular Residential Parcel is required, but fails to do so. Neither the Declarant or its successors or assigns shall be liable to the Owners for any damage done to any shrubbery, trees, flowers or other property of any such Owner situated on any portion of a Residential Parcel covered by any fence or access easement.

Section 5.14 Additional Requirements During Construction. During the construction, repair and/or restoration of Improvements, each Owner or party constructing Improvements for an Owner ("Contractor") shall remove and haul from the Residential Parcels all unused construction materials, all construction debris, all tree stumps, trees, limbs, branches, underbrush and all other trash or rubbish cleared from the Residential Parcel to permit construction of the Improvements, including landscaping. No burning of trash or other debris is permitted on any Residential Parcel, and no materials or trash hauled from any Residential Parcel may be placed elsewhere within the Properties. Additionally, each Owner or its Contractor, during construction of Improvements, shall continuously keep the Residential Parcel in a reasonably clean and organized condition. Paper, rubbish, trash, scrap and unusable building materials are to be kept, picked up and hauled from the Residential Parcel on a regular basis. Other useable building materials are to be kept stacked and organized in a reasonable manner. Any such trash, materials or dirt inadvertently spilling or getting into the Canal shall be removed, without delay, not less frequently than daily. Owners will erect and maintain at all times during the construction process erosion barriers between their Residential Parcels, on the one hand, and other adjacent Residential Parcels, and the Canal, on the other hand. Each Residential Parcel Owner shall apply for and receive from all required governmental authorities a proper Building Permit before any construction is commenced. All applicable codes, laws and regulations will be complied with, and proof of such compliance will be provided to the Declarant when requested by Declarant. Construction shall halt when any regulation, code or law is violated, and shall not recommence

until all required governmental approvals are secured. All Plans for Improvements must have affixed a certificate of a Texas licensed engineer stating that the proposed improvements will not impair the structural integrity of the Bulkhead nor affect any underground utilities nor cause additional storm water runoff into the Canal.

Section 5.15 Utility Easements. Easements for installation and maintenance of utilities and drainage facilities may be reserved and recorded from time to time in the Office of the County Clerk of Galveston County, Texas affecting the Project Area, and/or as created in any other instrument filed in the real property records of Galveston County, Texas. Neither Declarant nor any utility company using the easements herein referred to shall be liable for any damage done by them or their assigns, their agents, employees or servants, to shrubbery, trees or flowers or other property of the Owners situated on any property covered by said easements. No Improvements shall be constructed over any such easement without prior approval of the Declarant.

Section 5.16 Nuisances. No noxious or offensive activity shall be carried on upon any Residential Parcel, nor shall anything be stored or done thereon which may be or may become an annoyance or nuisance to any of the Project Area. No repair work, dismantling or assembling of motor vehicles, boats, trailers or any other machinery or equipment shall be permitted on any Residential Parcel.

Section 5.17 Other Structures. No trailer, tent, shack, shed, barn, nor any other outbuilding or storage facility shall be placed on any Residential Parcel at any time, either temporarily or permanently.

Section 5.18 Signs. No sign of any kind shall be displayed by any Owner to the public view on any Residential Parcel except the following: (i) during any sales period, the Owner may place signs on such Residential Parcel to advertise the merits of the Residential Parcel for sale, provided that the size may not be greater than 24 inches by 24 inches, and (ii) political signs meeting the requirements of the laws of the State of Texas and the ordinances of the City of League City, Texas, each of a size not greater than 24 inches by 24 inches, and no more than one (1) in number per political office seeker or political issue, may be placed by an Owner on his Residential Parcel during a period of time commencing fourteen (14) days prior to the election for which the sign is intended, and must be removed within two (2) days following such election, but no political sign of a slanderous nature shall be permitted.

Section 5.19 Restrictions on Antennae, Pipes and Utility Lines. Pipes for water, gas, sewer, drainage or other purposes and wires, poles, antennae and other facilities for the transmission or reception of audio or visual signals or electricity, and utility meters or other utility facilities shall be kept and maintained, to the extent reasonably possible, and approved by Declarant, in writing, underground or within an enclosed structure. No exterior radio antenna, television antenna, or other antennae of any type shall be erected or maintained on any Residential Parcel.

Section 5.20 Sewage, Garbage and Refuse Disposal. No Residential Parcel shall be used or maintained as a dumping ground or storage place for rubbish. Trash, garbage or other

waste shall be kept in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No private sewage treatment or septic tank shall be permitted on any Residential Parcel.

Section 5.21 Infringement. An Owner shall neither do any act nor do any work that will impair the structural soundness or integrity of the Bulkhead, the Canal or another Residential Parcel or any Improvements located thereon, or impair any easement or hereditament, nor do any act nor allow any condition to exist which will adversely affect any other Residential Parcel, Improvements thereon, the Declarant or any other Owners.

Section 5.22 Maintenance of Property and Improvements.

(a) No real property or Improvements on any Residential Parcel shall be permitted to fall into disrepair, and all real property and Improvements on any Residential Parcel, shall be kept and maintained in a clean, safe, attractive and sightly condition and in good repair.

(b) Maintenance, repair and upkeep of the Bulkhead and, unless otherwise agreed to by Declarant in writing, all fencing on an Owner's Residential Parcel shall be the responsibility of such Owner. Maintenance, repair and upkeep of each Residential Parcel and its Improvements and landscaping shall be the responsibility of the Owner of the Residential Parcel. Each Owner shall maintain and keep in good order and repair and in neat and attractive condition all Improvements, equipment and other items located upon such Owner's Residential Parcel.

(c) In the event of the failure of any Owner to observe its obligations imposed under this Section 5.22(c), then the Declarant may send written notice to such Owner setting out the particular failure or failures of the Owner to maintain the Residential Parcel or Improvement as herein required, and the Owner shall have thirty (30) days after receipt of such notice within which to remedy and cure its breach thereunder. If the Owner has not, within such thirty (30) day period, cured the default in full, then the Declarant shall have the right but not the obligation to perform the maintenance work for the Owner's behalf, and any sums expended by the Declarant in this regard shall be due and payable by such Owner to the Declarant upon demand, and if not paid when due, such sums shall be a charge under this Declaration as a Reimbursement Assessment, secured by a lien on the Residential Parcel of the Owner and any improvements thereon, and shall bear interest and be enforceable, all as provided for in this Declaration.

(d) The Declarant shall have a non-exclusive right and easement of access to each Owner's Residential Parcel and Improvements thereon at all reasonable times for the purposes of determining whether or not such Owner is in compliance with this Declaration, including without limitation the maintenance obligations imposed in this Section 5.22(d), and if such Owner is not in compliance, to perform the required maintenance or otherwise cure the Owner's non-compliance, on the Owner's behalf. Violation of these provisions by an Owner (or any Person occupying such Residential Parcel through such Owner) shall permit the Declarant in its sole discretion to enter onto the Residential Parcel of the Owner and cure or cause to be cured the violation or cause compliance with this provision and to levy and collect a Reimbursement Assessment for the costs and expenses of the Association in so doing; provided, however, that there shall be no entry into the interior of an Improvement intended for human occupancy

without the consent of the Owner or occupant thereof unless a clear emergency exists. Upon the occurrence of a violation, no Owner or other third-party shall be permitted a right to cure any such violation or any other Owner's Residential Parcel.

Section 5.23 No Unsightliness. No unsightliness shall be permitted on any Residential Parcel, which is visible from any other Residential Parcel or from the Canal. Without limiting the generality of the foregoing, all equipment and objects (including, but not limited to, garden or maintenance equipment except when in actual use) shall be stored on the Abutting Twin Oaks Lot or on an Adjacent Twin Oaks Lot, as applicable.

ARTICLE VI **Architectural Review**

Section 6.1 Approval of Improvements. No Improvements of a permanent or affixed nature shall be erected, placed or altered in, on or under any Residential Parcel until the building plans and specifications and a plot plan showing the design, materials and locations of such proposed Improvement and the certificate of a qualified reputable engineer certifying that no such improvement, nor the construction thereof, is likely to result in or cause any damage to or impairment of the structural integrity of any portion of the Bulkhead ("Engineer's Certificate") has been approved in writing, by Declarant or by a representative designated by Declarant. In the event said Declarant or its designated representative fails to approve or disapprove such design, materials and location plan within sixty (60) days after such plans and specifications and the Engineer's Certificate have been submitted to the Declarant, such approval will be deemed, and this covenant will be deemed to have been complied with. All decisions of Declarant or Declarant's representative shall be final and binding and there shall be no revision of any action of Declarant or Declarant's representative except by procedure for injunctive relief when such action is patently arbitrary and capricious. Declarant and its representatives shall not be liable to any persons subject to, or possessing or claiming the benefits of, these restrictive covenants for any damage or injury to property or for any other loss arising out of their acts hereunder, it being understood and aggrieved party's remedies shall be restricted to injunctive relief and no other.

Section 6.2 Intentionally deleted.

Section 6.3 Guidelines or Rules. The Declarant may issue guidelines or rules relating to the procedures, materials to be submitted and additional factors which will be taken into consideration in connection with the approval of any proposed Improvement.

Section 6.4 Architectural Review Fee. The Declarant may require the payment of a fee to accompany each request for approval of any proposed Improvement. The Declarant may provide that the amount of such fee shall be uniform for similar types of any proposed Improvement or that the fee shall be determined in any other reasonable manner, such as based upon the reasonable cost of the proposed Improvement.

Section 6.5 Prosecution of Work After Approval. After approval of any proposed Improvement, such Improvement shall be accomplished promptly and diligently and in strict conformity with the description of the proposed Improvement and any materials submitted to and

approved the Declarant or Declarant's representative. Failure to complete the proposed Improvement within one (1) year after the date of approval (or such later date as may be required in writing by Declarant, subject to delays for non-financial condition-related causes beyond the reasonable control of the Owner (provided that the Owner takes reasonable steps to minimize the effects of any circumstance causing such delay ["force majeure delays"]), or to complete the Improvements in strict conformity with the description and materials furnished to and approved by the Declarant or Declarant's representative, shall operate automatically to revoke the approval of the proposed Improvement.

Section 6.6 Inspection of Work. The Declarant or its duly authorized representatives shall have the right but not the obligation to enter onto any Residential Parcel to inspect any Improvement prior to and/or after completion thereof.

Section 6.7 Notice of Non-compliance. If, as a result of inspections or otherwise, the Declarant or its representative finds that any Improvement has been done without obtaining the approval of the Declarant or its representative or was not done in strict conformity with the plans, description and materials furnished by the Applicant to the Declarant and approved by Declarant or its representative or was not completed within one (1) year after the date of approval by the Declarant or its representative or such other period of time as provided for herein, the Declarant may notify the Applicant in writing of the noncompliance (the "Notice of Noncompliance"). The Notice of Noncompliance shall specify the particulars of the noncompliance and shall require the Applicant to take such action as stated by the Declarant as being necessary to remedy the noncompliance.

Section 6.8 Correction of Noncompliance. If the Declarant determines that a noncompliance exists, the Applicant shall remedy or remove the same within a period of not more than forty-five (45) days from the date of receipt by the Applicant of the Notice of Noncompliance. If the Applicant does not comply within such period, the Declarant may so notify the Owner, and the Declarant may, at its option, record in the Office of the County Clerk of Galveston County, Texas, a Notice of Noncompliance against the Residential Parcel on which the noncompliance exists, and may remove or cause the removal of the noncomplying Improvement to Property and/or may otherwise remedy the noncompliance (but shall have no obligation to do any of the foregoing), and the Applicant shall reimburse the Declarant upon demand for all expenses incurred by the Association in connection therewith. If such expenses are not promptly repaid by the Applicant or Owner to the Declarant, the Declarant may levy a Reimbursement Assessment against the Owner of the Residential Parcel for such costs and expenses. The right of the Declarant to remedy or remove any noncompliance shall be in addition to all other rights and remedies which the Declarant may have at law, in equity, or under this Declaration, and shall in no event be deemed to be obligations on the part of Declarant.

Section 6.9 No Implied Waiver or Estoppel. No action or failure to act by the Declarant shall constitute a waiver or estoppel with respect to future action by the Declarant with respect to any Improvement. Specifically, the approval by the Declarant of any Improvement shall not be deemed a waiver of any right or an estoppel to withhold approval or consent for any similar Improvement or any similar proposals, plans, specifications or other materials submitted with respect to any other Improvement by such person or otherwise.

Section 6.10 Non-liability. Neither the Declarant, nor any member, representative, partner, owner or counsel of any of same, shall be liable for any loss, damage or injury arising out of or in any way connected with the approval, disapproval, or failure to approve or disapprove of any plans or specifications or requests submitted or submittable under the terms hereof, or out of the performance or non-performance of the rights of the Declarant, unless due to the willful misconduct or bad faith of the party to be held liable. In reviewing any matter, the Declarant shall not be responsible for reviewing, nor shall its approval of an Improvement to Property be deemed approval of, the Improvement from the standpoint of safety, whether structural or otherwise, or conformance with building codes or other governmental laws or regulations. Every person who submits plans or specifications to the Declarant for approval agrees by submission of such plans and specifications, and every Owner agrees, that he will not bring any action or suit for damages against Declarant, or any of the members, representatives, partners, or owners thereof.

Section 6.11 Approved General Contractors. No Bulkhead repair or reconstruction shall be commenced on any Residential Parcel until the general contractor to perform such construction is approved in writing by the Declarant. In the event the Declarant fails to approve or disapprove a general contractor within fifteen (15) working days after his name is submitted to it, approval will not be required and the provisions of this Section 6.11 will be deemed to have been fully satisfied.

ARTICLE VII

Reimbursement Assessments and Lien Therefor

Section 7.1 Creation of the Lien and Personal Obligation of Reimbursement Assessments. Each Owner, which shall be or shall thereafter become subject to the assessments hereinafter provided for, by joining herein or by acceptance of a deed or other conveyance of an interest in a Residential Parcel, 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 Declarant such Reimbursement Assessments as accrued from time to time as hereinafter provided, together with such interest thereon and cost of collection thereof as are hereinafter provided for, all of which shall be a charge on and secured by a continuing lien upon the property against which each such assessment is made. All Reimbursement Assessments, together with such interest thereon and cost of collection thereof as are hereinafter provided for, shall also be and remain the personal obligation of Owner at the time such Reimbursement Assessment becomes due and payable, notwithstanding any subsequent transfer of title to such property. Such personal obligation shall not pass to such Owner's successors in title unless expressly assumed by them, but shall run with the Residential Parcel conveyed and may be secured by the continuing lien referred to above.

Section 7.2 Reimbursement Assessments. The Declarant may levy a Reimbursement Assessment against any Owner if the failure of the Owner or any Related User of such Owner to comply with this Declaration or any Rules and Regulations shall have resulted in the incurring or expenditure of expense or funds, or in the determination that costs will be incurred or funds will be expended, by the Declarant, to cause such compliance or to correct the effects of any such non-compliance. Such Assessment shall be known as a "Reimbursement Assessment". The

amount of the Reimbursement Assessment shall be due and payable to Declarant thirty (30) days after notice to the Owner.

Section 7.3 Effect on Non-payment of Assessments; Remedies of Declarant. (a) Any Reimbursement Assessment not paid within thirty (30) days after the due date shall bear interest from the due date until the date paid in full along with all costs of collection at the rate of the lesser of eighteen percent (18%) per annum or the maximum lawful rate chargeable by the Declarant for such delinquent accounts under applicable state or federal law. The Owner obligated to pay such Reimbursement Assessment shall, in addition, pay all costs of collection of same and (to the extent not limited or prohibited by applicable law). If any Reimbursement Assessment is not paid within thirty (30) days after its due date, the Declarant may mail a notice of default to the Owner of the Residential Parcel. The notice shall specify (i) the fact that the Reimbursement Assessment is delinquent; (ii) the action required to cure the default; (iii) a date, not less than thirty (30) days from the date the notice is mailed to the Owner, by which such default must be cured; and (iv) that failure to cure the default on or before the date specified in the notice may result in the filing of a notice of lien and/or foreclosure of the lien for the Reimbursement Assessment against the Residential Parcel. If the delinquent Reimbursement Assessment or installment and any late charges or interest thereon or any attorney fees incurred in connection therewith are not paid in full on or before the date specified in the notice, the Declarant, at its option, may declare all of the unpaid balance of the Reimbursement Assessment and all late charges, interest and attorneys fees to be immediately due and payable without further demand and may enforce the collection of the full Reimbursement Assessment and all late charges, interest and attorneys fees in any manner authorized by law or by this Declaration. The Declarant may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the lien granted hereby against the Residential Parcel, to the extent permitted by applicable law.

(b) Each such Owner, by his or her acceptance of a deed to a Residential Parcel, hereby expressly vests in the Declarant, or its agents, the right and power to bring all legal actions against such Owner personally for the collection of such Reimbursement Assessments, charges and fees as provided in this Declaration, and all costs of such collection, as a debt. Each Reimbursement Assessment levied hereunder shall be a separate, distinct and personal debt and obligation of the Owner against whom the same is assessed. In the event of a default in payment of any Reimbursement Assessment or installment thereof, the Declarant may, in addition to any other remedies provided under this Declaration or by law, enforce such obligation on behalf of the Declarant by suit and/or by filing and foreclosure of the lien as herein provided and as and to the extent permitted by law. In order to secure the payment of the Reimbursement Assessments hereby levied, a vendor's lien is hereby reserved in each Deed from the Declarant to the Owner of each Residential Parcel, which lien shall be enforceable through appropriate legal action by the Declarant. As additional security for the payment of Reimbursement Assessments at any time levied as provided in this Declaration, each Owner of a Residential Parcel, by such party's acceptance of a Deed thereto or joinder in this Declaration, hereby grants the Declarant a lien on such Residential Parcel. Except as otherwise required by law, such lien may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (or any successor statute) with the individual who is a partner or principal of Declarant at the time of the enforcement of such lien being hereby

designated as the Trustee for purposes of foreclosing such lien, and with the right of the Declarant to designate a substitute trustee (which may be any officer or partner of the Declarant or any agent or employee of Declarant) without any action other than a designation of such substitute trustee in written instrument recorded in the Office of the County Clerk of Galveston County, Texas; and each such Owner hereby expressly grants the Declarant a power of sale in connection therewith.

(c) The Declarant shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code (or any successor statute) and said power of sale, file a written instrument in the Office of the County Clerk of Galveston County, Texas disclosing the name of the individual who is at such time the authorized officer of the general partner of the Declarant, and the name of the trustee who shall, if no substitute is designated, post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. In the event that the Declarant has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 of the Texas Property Code (or any successor statute) and to exercise the power of sale hereby granted, the Declarant shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale no less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the United States Postal Service, postage prepaid, registered and certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Declarant. Out of the proceeds of such sale, there shall first be paid all expenses incurred by the Declarant in connection with such default, including reasonable attorneys' fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Declarant an amount equal to the amount of Reimbursement Assessments in default inclusive of interest, late charges and attorneys fees; and, third, the remaining balance shall be paid to such Owner or other parties legally entitled thereto. Following any such foreclosure, each occupant of any such Residential Parcel foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant-at-sufferance and may be removed from possession by any lawful means, including a judgment for possession and any action of forcible detainer and the issuance of writ of restitution thereunder. No Owner may waive or otherwise escape liability for the Reimbursement Assessments provided for herein or costs of collection of same by non-use of or abandonment of his or her Residential Parcel.

(d) In addition to the rights of the Declarant to enforce Reimbursement Assessments in the manners described in this Declaration, the Declarant may elect to file a claim or assert its lien against the Residential Parcel of the delinquent Owner by recording a notice ("Notice of Lien") setting forth (i) the amount of the claim of delinquency, (ii) the interest and costs of collection which have accrued thereon, (iii) the legal description and street address of the Residential Parcel against which the lien is claimed and (iv) the name of the record owner thereof. Such Notice of Lien shall be signed and acknowledged by a representative of the Declarant or other duly authorized agent of the Declarant. The lien shall continue until the amounts secured thereby and all subsequently accruing amounts are fully paid or otherwise satisfied. When all amounts claimed under the Notice of Lien and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Lien have been fully paid or satisfied, the Declarant shall execute and record a notice releasing the claim upon payment by the Owner of a reasonable fee as fixed by the Declarant to cover the preparation and

Recordation of the release of such claim. If amounts secured by such lien are not satisfied within the time therefor set forth in notice to the delinquent Owner, the Declarant may proceed to enforce such lien under applicable law or this Section 7.3.

Section 7.4 Texas Residential Property Owners Protection Act. Notwithstanding any of the foregoing, nothing contained herein shall abrogate any right of an Owner required by Chapter 209 of the Texas Property Code (The Texas Residential Property Owners Protection Act) as amended (the "Act"), and any provisions hereof which are not valid under the Act shall not be enforceable, but such invalidity or unenforceability shall not affect any other provision in this Declaration.

Section 7.5 Subordination of the Lien to First Mortgages. The lien for the Reimbursement Assessments provided for herein ("Assessment Lien") shall be subordinate to the lien of any first mortgage on any Residential Parcel given for purchase money and/or construction funds of the Residential Parcel and Improvements thereon. Sale or transfer of any Residential Parcel shall not affect the Assessment Lien. However, the sale or transfer of any Residential Parcel pursuant to mortgage foreclosure or any proceeding in lieu thereof on the basis of any lien to which the Assessment Lien is subordinate as provided above shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Residential Parcel from liability for any Reimbursement Assessments thereafter becoming due, or from the lien securing same, nor shall same relieve the prior Owner of such Residential Parcel from personal liability for Reimbursement Assessments which accrued prior to such sale or transfer.

Section 7.6 No Offsets. All Reimbursement Assessments shall be payable in the amounts specified in the levy thereof, and no offsets or reduction thereof shall be permitted by any reason including, without limitation, any claim that the Declarant is not properly exercising its rights and powers under this Declaration, or any claim by the Owner of non-use of or abandonment of his Residential Parcel, or any claim by any Owner of inconvenience or discomfort arising from the making of repairs or from any action taken to comply with any law or any determination of the Declarant or for any other reason.

Section 7.7 Notice of Transfer. In the event of any sale, gift, conveyance or other transfer of a Residential Parcel, the transferor and the transferee of the Residential Parcel which is the subject of any such sale, gift, conveyance or transfer shall notify the Declarant in writing of such sale, gift, conveyance or other transfer, stating the name and address of the transferor, the name and address of the transferee, the date of the sale, gift, conveyance or other transfer, and providing a legal description of the Residential Parcel which is the subject of such sale, gift, conveyance or other transfer, together with a legible copy of the written instrument of sale, gift, conveyance or other transfer, all within ten (10) calendar days after the date of any such sale, gift, conveyance or other transfer. No sale, gift, conveyance or other transfer shall be effective as to the Declarant to relieve the Owner (transferor) of the Residential Parcel of the duties, obligations, liens, charges, assessments and undertakings of such Owner by virtue of his ownership of a Residential Parcel accruing after any transfer as aforesaid, or portion thereof, until such notice has been provided to the Declarant.

ARTICLE VII
Declarant's Additional Special Rights

Section 8.1 Period of Declarant's Rights and Reservations. Declarant shall have, retain and reserve certain rights as hereinafter set forth. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of property by Declarant whether or not specifically stated therein and in each deed or other instrument by which any property within the Project Area is conveyed by Declarant. The rights, reservations and easements hereinafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Declarant's consent to any one such amendment shall not be construed as consent to any other or subsequent amendment.

Section 8.2 Declarant's Rights to Grant and Create Easements. Declarant shall have and hereby reserves the right, without the consent of any Owner, to grant or create temporary or permanent easements, for access, utilities, drainage, water and other purposes incident to development, sale, operation and maintenance of the Properties, located in, on, under, over and across (i) properties owned by Declarant and (ii) the Project Area.

Section 8.3 Declarant's Reservation. It is expressly agreed and understood that the interest conveyed by Declarant in and to any Residential Parcel by contract, deed or other conveyance, unless expressly provided, shall not be held or construed in any event to include the title to any roadways or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph or telephone way or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto constructed by or under Declarant or its agents through, along or upon the Residential Parcel or any part thereof to serve said Residential Parcel, and the right to maintain, repair, sell or lease such appurtenances to any municipality or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

Section 8.4 Assignability of Rights. Declarant shall have the right at any time and from time to time to assign any or all of its rights, remedies, powers and responsibilities under this Declaration, including but not limited to architectural approval rights and enforcement rights and remedies.

ARTICLE IX
General Provisions

Section 9.1 Enforcement. The Declarant shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment hereto. Failure by Declarant to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. No rights of enforcement are granted to the public at large, or any Owner to enforce this Declaration or any of the restrictions herein.

Section 9.2 Severability. Invalidation of all or part of any one or more of these covenants or restrictions by judgment or court order shall in no way affect any other provisions or portions thereof, which shall remain in full force and effect.

Section 9.3 Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land comprising the Properties, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall automatically be extended for successive periods of ten (10) years. This Declaration may be amended solely by Declarant.

Section 9.4 Vacating of Plat or Correction of Plat By Declarant and Owners. No provision of this Declaration shall preclude Declarant and/or Owners of Residential Parcels from filing a replat, amending plat or correction plat to correct any error in the original platting or replatting of such Residential Parcels, provided that such replat, amending plat or correction plat is done in accordance with Texas Local Government Code, Chapter 212, or any successor statute.

Section 9.5 Restrictions Construed Together. All of the provisions of this Declaration shall be liberally construed to promote and effectuate the fundamental concepts of the Declarant.

Section 9.6 Number and Gender. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter.

Section 9.7 Captions for Convenience. The titles, headings and captions used in this Declaration are intended solely for convenience of reference and shall not be considered in construing any of the provisions of this Declaration.

Section 9.8 Delay in Enforcement. No delay in enforcing the provisions of this Declaration as to any breach or violation thereof shall impair, damage or waive the right of any party entitled to enforce the same to obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at and later time or times.

Section 9.9 Notices. Any notice permitted or required to be given under this Declaration shall be in writing and may be given either personally or by mail, telephone or telegraph. If served by mail, each notice shall be sent postage prepaid, addressed to any Person at the address given by such Person to the Declarant for the purpose of service of such notice, or to the Residential Parcel of such Person if no address has been given to the Declarant and shall be deemed given, if not actually received earlier, at 5:00 p.m. on the second business day after it is deposited in a regular depository of the United States Postal Service. Such address may be changed from time to time by prior notice in writing received by the Declarant.

Section 9.10 Intentionally deleted.

Section 9.11 Violations Constitute a Nuisance. Any violation of any provision, covenant, condition, restriction or equitable servitude contained in this Declaration, whether by act or omission, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by any Persons entitled to enforce the provisions of this Declaration.

Section 9.12 Enforcement by Self Help. Declarant, or any authorized agent of Declarant, may enforce, by self help, any of the provisions, covenants, conditions, restrictions or equitable servitudes contained in this Declaration, but shall have no obligation to so do.

Section 9.13 Violations of Law. Any violation of any federal, state, municipal or local law, ordinance, rule or regulation, pertaining to the ownership, occupation or use of any property within the Properties is hereby declared to be a violation of this Declaration and shall be subject to any and all of the enforcement procedures set forth in this Declaration.

Section 9.14 Limitation on Liability. Neither Declarant, nor any officer, agent or employee of Declarant acting within the scope of his, her, or its rights described in this Declaration shall be liable to any person for any action or for any failure to act if the action or failure to act was not in bad faith and was without malice. Declarant shall have no obligation to perform any act or exercise any right provided for in this Declaration. All such actions, if taken, shall be in Declarant's sole and absolute discretion.

Section 9.15 No Representations or Warranties. No representations or warranties of any kind, express or implied, shall be deemed to have been given or made by Declarant or its agents or employees in connection with any portion of the Project Area, or any Improvement thereon, its or their physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof.

Section 9.16 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purposes of this Declaration.

Section 9.17 Governing Law. This Declaration shall be construed and governed under the laws of the State of Texas, enforceable in Galveston County, Texas.

Section 9.18 Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial enforceability or any provision or portion thereof shall not affect the validity or enforceability of any other provision. Any provision hereof which defeats the validity or enforceability of any other provision(s) hereof shall, solely for such purposes, be deemed not to be a part hereof.

[THE REMAINDER OF THIS PAGE INTENTIONALLY RESERVED]

IN WITNESS WHEREOF, Grantor has hereunto set its hand as of the date first set forth above.

DECLARANT:

MB HARBOUR, LTD.,
a Texas limited partnership

By: Harbour Management, LLC
Its: General Partner

By: _____

Name: Nick Scotto

Title: President

STATE OF TEXAS §

COUNTY OF GALVESTON §

BEFORE me, the undersigned authority, on this day personally appeared _____, the _____ of HARBOUR MANAGEMENT, LLC, General Partner of MB HARBOUR, LTD., a Texas limited partnership, on behalf of said limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this ____ day of _____, 20__.

NOTARY PUBLIC in and for
the State of Texas

LEGEND * ITEMS THAT MAY APPEAR IN *
DRAWING BELOW

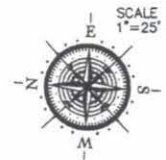
M.U.E. = MUNICIPAL UTILITY EASEMENT
 U.E. = UTILITY EASEMENT
 A.E. = AERIAL EASEMENT
 D.E. = DRAINAGE EASEMENT
 S.S.E. = SANITARY SEWER EASEMENT
 S.W.S.E. = STORM SEWER EASEMENT
 W.L.E. = WATER LINE EASEMENT

F.I.R. = FOUND IRON ROD
 F.I.P. = FOUND IRON PIPE
 S.I.R. = SET IRON ROD
 W.P. = WOODEN POST
 M.P. = METAL POST
 C.F.# = CLERK'S FILE NUMBER
 P.C. = POINT OF COMMENCING
 P.O.B. = POINT OF BEGINNING
 B.L. = BUILDING LINE
 FND. = FOUND

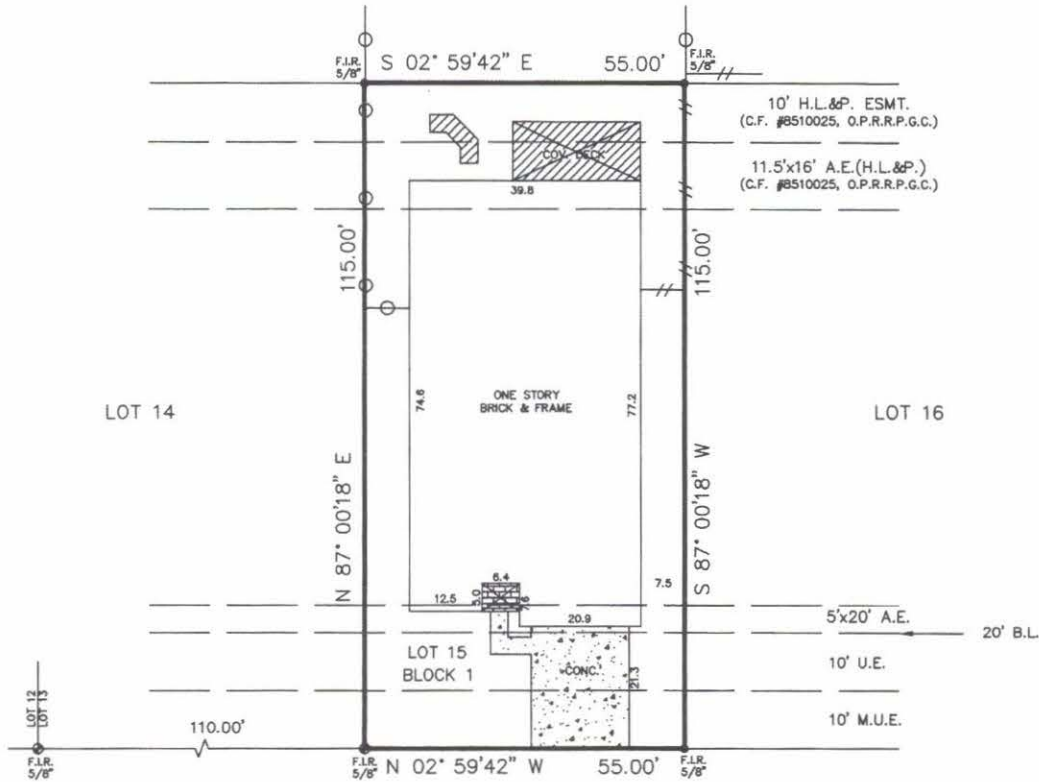
P.A.E. = PERMANENT ACCESS EASEMENT
 P.U.E. = PUBLIC UTILITY EASEMENT
 W.S.E. = WATER & SEWER EASEMENT
 E.E. = ELECTRIC EASEMENT
 P.C. = POINT OF CURVATURE
 P.T. = POINT OF TANGENCY
 P.R.C. = POINT OF REVERSE CURVATURE
 P.C.C. = POINT OF COMPOUND CURVATURE
 P.P. = POWER POLE
 BRS = BEARS

⊙ CONTROL MONUMENT
 ———— = PROPERTY LINE
 - - - - = EASEMENT LINE
 - - - - = BUILDING SETBACK LINE
 ———— = BUILDING WALL

—//— = WOODEN FENCE
 —#— = CHAIN LINK FENCE
 ○ = METAL FENCE
 —/— = WIRE FENCE
 —V— = WYLL FENCE



H.L.&P. CO. FEE STRIP
 V-1395/P-229, G.C.D.R.



430 TWIN TIMBERS LANE
 (60' R.O.W.)

Reviewed & Accepted by: _____ Date _____ / _____ / _____ Date _____

NOTES:
 - BEARING BASIS: PLAT
 - SUBJECT TO ANY AND ALL RECORDED AND UNRECORDED EASEMENTS
 - SURVEYOR HAS NOT INDEPENDENTLY ABSTRACTED PROPERTY
 - UNDERGROUND UTILITY INSTALLATIONS, UNDERGROUND IMPROVEMENTS, FOUNDATIONS AND/OR OTHER UNDERGROUND STRUCTURES WERE NOT LOCATED BY THIS SURVEY
 - THIS SURVEY IS CERTIFIED FOR THIS TRANSACTION ONLY, IT IS NOT TRANSFERABLE TO ADDITIONAL INSTITUTIONS OR SUBSEQUENT OWNERS
 - SUBJECT TO RESTRICTIVE COVENANTS AS PER TITLE COMMITMENT
 - PROPERTY APPEARS TO LIE IN A F.I.A. DESIGNATED FLOOD ZONE PER MAP NO. 485488 0011D 9-22-99 ZONE
 - FLOOD INFORMATION IS BASED ON GRAPHIC PLOTTING ONLY, DUE TO INHERENT INACCURACIES ON FEMA MAPS, WE DO NOT ASSUME RESPONSIBILITY FOR EXACT DETERMINATION.
 - AGREEMENT WITH CENTERPOINT ENERGY HOUSTON ELECTRIC FOR UNDERGROUND/OVERHEAD ELECTRIC SERVICE, C.F. #2003073202, R.P.R.G.C.
 - UNRECORDED AGREEMENT FOR STREETS AND UTILITIES, V-18/P-22, M.R.G.C.

LEGAL DESCRIPTION
 LOT 15, BLOCK 1 OF TWIN OAKS SUBDIVISION, SECTION ONE, AMENDING PLAT, A SUBDIVISION IN GALVESTON COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN PLAT RECORD 2004A, MAP NUMBER 51, OF THE MAP RECORDS IN THE OFFICE OF THE COUNTY CLERK OF GALVESTON COUNTY, TEXAS.

CLIENT
 MARIO ENRIQUEZ
 MARITES ENRIQUEZ

ADDRESS
 430 TWIN TIMBERS LANE

JOB # 1307276

DATE 7-23-13

GF# 1316739178



I DO HEREBY CERTIFY THAT THIS SURVEY WAS THIS DAY MADE ON THE GROUND OF THE PROPERTY LEGALLY DESCRIBED HEREON (OR ON ATTACHED SHEET), AND THERE ARE NO ENCROACHMENTS EXCEPT AS SHOWN, AND WAS DONE BY ME OR UNDER MY SUPERVISION, AND CONFORMS TO OR EXCEEDS THE CURRENT STANDARDS AS ADOPTED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING.

PRO-SURV

P.O. BOX 1366, FRIENDSWOOD, TX 77549
 PHONE- 281-996-1113 FAX - 281-996-0112
 EMAIL: orders@prosurv.net

ONLY SURVEY MAPS WITH THE SURVEYOR'S ORIGINAL SIGNATURE ARE GENUINE TRUE AND CORRECT COPIES OF THE SURVEYOR'S ORIGINAL WORK AND OPINION.

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