

TAYLOR LAKE HOLDINGS, INC.  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR SEABROOK ISLAND, SECTION ONE

This Declaration of Covenants, Conditions and Restrictions (hereinafter referred to as the "Declaration") is made this 21 day of June, 1999 by Taylor Lake Holdings, Inc. a Texas corporation, ("Declarant").

PREAMBLE

Taylor Lake Holdings, Inc. is the owner and developer of Seabrook Island, Section One, a subdivision in Harris County, Texas according to the plat thereof filed under Clerk's File No. T428191 (Film Code No. \_\_\_\_\_), of the Map Records of Harris County, Texas (such subdivision hereinafter referred to as "Seabrook Island"). Taylor Lake Holdings, Inc., proposes to establish and implement highly sophisticated plans for Seabrook Island Section One for residential living, recreation, aesthetic and quality-of-life considerations. The purposes of this Declaration are to protect Taylor Lake Holdings, Inc. (and its successors and assigns as set forth below) and the Owners (as defined below) against the improper development and use of Lots (as defined below) within Seabrook Island Section One; to provide for landscaping and the maintenance thereof; to provide for the maintenance and use of certain common properties; to establish and enforce architectural, design and construction guidelines, standards and criteria to achieve an aesthetically pleasing environment; and in general to encourage construction of attractive, permanent single-family detached residences of the highest quality that will promote the general welfare of Seabrook Island and its owners.

This Declaration supersedes and cancels any prior Declaration of Covenants and Conditions placed upon the property by prior owners thereof. This Declaration amends and restates in its entirety the Prior Declaration and the Enabling Declaration.

ARTICLE I

DEFINITIONS

The following terms, when used in this Declaration or any amended or supplementary Declaration (unless the context shall otherwise clearly indicate or prohibit) shall have the following respective definitions:

**"Association"** shall mean and refer to the entity which will have the power, duty and responsibility of maintaining and administering the Common Properties and administering and enforcing this Declaration and collecting and disbursing the assessments and charges hereinafter prescribed. The Association has been chartered as a no-profit Texas corporation under the name of "Seabrook Island Homeowners Association" for the purposes set forth herein.

**"Board of Directors"** shall mean and refer to the body charged with managing the affairs of the Association.

**"Builders"** shall mean and refer to persons or entities that purchase Lots and build speculative or custom homes thereon for third party purchasers.

**"Common Properties"** shall mean and refer to any property within Seabrook Island designated as common green, common areas, recreational easements, greenbelts, open spaces, nature preserves, landscape reserves, or private streets on any recorded plat of Seabrook Island with any and all Improvements that are now or may hereafter be constructed thereon. The Common Properties on the date of this Declaration consist of esplanades and perimeter walls. The Declarant reserves the right to effect redesigns or reconfiguration or deletions of the Common Properties during the Development Period by any means including, without limitation, any amendatory plat or replat of all or any portion of Seabrook Island. The common Properties do not include sewer, water and other utility systems unless they serve more than one Lot and are not dedicated to or owned by the supplier of the utility service. DECLARANT PLANS TO DEVELOP AND ANNEX ADDITIONAL SECTIONS OF SEABROOK ISLAND. A RECREATION CENTER MAY BE BUILT IN ONE OF THE ADDITIONAL SECTIONS. *IF AND WHEN A RECREATION CENTER IS DEEDED TO THE ASSOCIATION AS COMMON PROPERTY, THE ASSOCIATION WILL BE OBLIGATED TO ACCEPT THE RECREATION CENTER SUBJECT TO THE DEBT THEREON. THIS MAY RESULT IN AN INCREASE IN MAINTENANCE FEES FOR ALL LOTS IN ALL SECTIONS OF THE SUBDIVISION.*

**"Declarant"** shall mean and refer to Taylor Lake Holdings, Inc. and its successors and assigns provided any such successors or assign is so appointed in writing by the Declarant or any such successor or assign.

**"Design Guidelines"** shall mean and refer to those particular standards, restrictions, guidelines, recommendations, and specifications applicable to architecture, design, construction, approved builders, placement, location, alteration, and maintenance of any Improvements of any nature whatsoever and also include landscaping to or within Seabrook Island, and all amendments, bulletins, modifications, supplements, and interpretations thereof.

**"Development Period"** shall mean and refer to the period ending when Residences complying with the Declaration and Design Guidelines have been constructed on all Lots (including any additional Lots annexed pursuant to Section 2 of Article II), have been initially occupied by Residents, as determined by the Declarant and Declarant has recorded a document in the Real Property Records of Harris County Texas stating that further annexation by the Declarant in accordance with Article II, Section 2(a) hereof is not contemplated, or any earlier date designated in a recorded writing by the Declarant as the ending date for the Development Period.

**"Improvements"** shall mean and refer to any buildings, structures, underground installations, slope alterations, lights, driveways, utility facilities and lines, parking areas, fences, satellite dishes, rooftop installations, screening walls and barriers, retaining walls, stairs, decks, windbreaks, plantings, planted trees and shrubs, statues or sculptures, poles, signs, flatwork, loading areas and all similar structures, landscaping, or improvements of every type and kind.

**"Lot"** shall mean and refer to each subdivided lot which is designated in the Subdivision Plat, together with all Improvements thereon.

**"Member"** shall mean and refer to a member of the Association, whether a Resident Member, a Builder or the Declarant.

**"Owner"** shall mean and refer to each and every person or entity who or which is a record owner of a fee or undivided fee interest in any Lot; however, the word "Owner" shall not include person(s) or entity(ies) who hold a bona fide lien or interest in a Lot as security for the performance of an obligation.

**"Residence"** shall mean and refer to those portions of each Lot that are improved with a residence and a garage.

**"Resident"** shall mean and refer to (i) each owner residing in his Residence; and (ii) each person residing in a Residence who is a bona fide lessee of the Owner of such Residence, subject to the provisions of Section 2 of Article IX; and (iii) each person lawfully domiciled in a Residence other than an Owner or bona fide lessee.

**"Subdivision Plat"** shall mean and refer to the map or plat of Seabrook Island and any amendments or replats that are applied for by the Declarant, approved by applicable local authorities and filed in the appropriate real property records.

## ARTICLE II

### PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property; Covenants. The Lots are and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth. The covenants and restrictions and provisions of this Declaration shall run with and bind the land subject to this Declaration, and shall inure to the benefit of the owners of the lands subject to this Declaration, their respective legal representative, heirs, successors and assigns.

Section 2. Additions to Existing Property. Additional property may become subject to this Declaration in either of the following manners:

(a) During the Development Period, the Declarant may add or annex additional property from time to time to the scheme of this Declaration by filing of record an appropriate enabling Declaration of Covenants, Conditions and Restrictions that extends the scheme of this Declaration to such property; provided, however, that such enabling Declaration may contain such additions and modifications of the provisions contained in this Declaration as may be necessary, as determined by the Declarant in its sole discretion, to reflect the different character, if any, of the added properties; or

(b) After the Development Period, the Association may add or annex additional residential or common areas to the scheme of this Declaration, provided such annexation is approved in writing by the owner of the property to be annexed, and the affirmative vote of a majority of the Members (defined in Article III, Section 1) at a meeting of Members called for such purpose.

(c) DECLARANT PLANS TO DEVELOP AND ANNEX ADDITIONAL SECTIONS OF SEABROOK ISLAND. A RECREATION CENTER MAY BE BUILT IN ONE OF THE ADDITIONAL SECTIONS. *IF AND WHEN THE RECREATION CENTER IS DEEDED TO THE ASSOCIATION AS COMMON PROPERTY, THE ASSOCIATION WILL BE OBLIGATED TO ACCEPT THE RECREATION CENTER SUBJECT TO THE DEBT THEREON. THIS MAY RESULT IN AN INCREASE IN MAINTENANCE FEES FOR ALL LOTS IN ALL SECTIONS OF THE SUBDIVISION.*

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

Section 1. Membership, Voting and Good Standing. During the Development Period, the Association shall have two (2) classes of Members: the Resident Members and Builders shall be Class A Members and the Declarant shall be a Class B Member. At the ending date of the Development Period, the Class B Membership shall terminate. Subject to the provisions of Section 3 of this Article III, Class A Members shall be entitled for each Lot owned by the Member to one (1) vote on each matter with respect to which Members are entitled to vote pursuant to this Declaration or the Bylaws of the Association; provided, however, in no event shall more than one (1) vote be cast with respect to any Lot. If for any Lot there is more than one Owner, the vote for such Lot shall be exercised as such Owners, among themselves, determine, and advise the Secretary of the Association in writing prior to the meeting at which they are to be cast. In the absence of such advice, the vote for such Lot shall be suspended if more than one Resident Member seeks to exercise it. Subject to the provisions of Section 3 of this Article III, the Declarant as a Class B Member is entitled to one (1) vote for each Lot

owned by the Declarant on each matter with respect to which Members are entitled to vote pursuant to this Declaration or the Bylaws of the Association.

No Class A Member shall be entitled to exercise any right as a Member at any time he is not a Member in good standing. A Member shall not be in "good standing" if such person or entity is: (a) in violation of any portion of this Declaration, the Design Guidelines, or any rule or regulation promulgated by the Board of Directors; or (b) delinquent in the full, complete and timely payment of any regular assessment, special assessment, or any other fee, charge or fine which is levied, payable or collectible pursuant to the provisions of this Declaration, the Bylaws of the Association, or any rule or regulation promulgated by the Board of Directors.

Section 2. Registration with the Association. Each owner shall provide to the Association, and thereafter revise and update, the following items of information: (i) the full name and address of the owner and (ii) the business address and telephone numbers of the Owner.

Section 3. Number, Term and Election of Directors. Directors shall be elected for two (2) year terms of office and shall serve until their respective successors are elected and qualified. Notwithstanding the following provisions relating to the change in number of Director's positions for which classes of Members are entitled to vote, no Director's term of office shall be reduced by any such change in the Board of Directors.

Until the fifth annual meeting of the Members of the Association or at such earlier time as determined by the Declarant, the Board of Directors shall consist of three (3) individuals, each appointed by the Declarant.

Beginning with the fifth annual meeting of the Members of the Association or at such earlier time as determined by the Declarant, the Board of Directors shall consist of five (5) individuals, three (3) of whom shall be elected by the Declarant and two (2) of whom shall be elected by the Class A Members.

From and after the eighth annual meeting of Members or at such earlier time as determined by the Declarant, the Board of Directors shall consist of five (5) individuals, two (2) of whom shall be elected by the Declarant, and three (3) of whom shall be elected by the Class A Members.

At the annual meeting of Members next succeeding the end of the Development Period and at all annual meeting thereafter, all Directors shall be elected by Resident Members.

Any vacancy which occurs in the Board of Directors by reason of death, resignation, removal, or otherwise, may be filled at any meeting of the Board of Directors by the affirmative

vote of a majority of the remaining Directors representing the same Class of Members who elected the Director whose position has become vacant. Any Director elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he or she was elected to fill. No Director need be a Member of the Association.

The election of the Directors shall take place in accordance with the Bylaws of the Association and, to the extent not inconsistent with the Bylaws of the Association, the directives of the then-existing Board of Directors. The Board of Directors may make such rules and regulations consistent with the terms of this Declaration and the Bylaws of the Association as it deems advisable, for any meeting of Members, proof of membership in the Association, the status of good standing, evidence of right to vote, the appointment and duties of examiners and inspectors of votes, the procedures for actual voting in person or by proxy, registration of Members for voting purposes, and such other matters concerning the conduct of meetings and voting as the Board of Directors shall deem fit.

Section 4. Notice and Voting Procedures. Quorum, notice and voting requirements of and pertaining to the Association may be set forth in the Articles and the Bylaws of the Association, as either or both may be amended from time to time to time. Unless clearly inconsistent with the terms and provisions of the Articles of the Association and Bylaws of the Association, the Board of Directors may adopt and promulgate such other and further procedures as it may deem appropriate to fairly carry out the spirit and intention of this Declaration without undue cost, expense or inconvenience. The Board of Directors is authorized to employ in its notice and voting such procedures as become available from time to time as a result of technological advances and improvement in communications.

## ARTICLE IV

### **GENERAL POWERS AND DUTIES OF THE BOARD OF DIRECTORS OF THE ASSOCIATION**

Section 1. Powers and Duties. The Association, acting by and through the Board of Directors, shall have all the powers necessary or appropriate to manage the property, business, and affairs of the Association and to exercise all rights, duties, and privileges granted to the Association under this Declaration including, without limitation, the powers described below:

(a) To select, elect, appoint and remove all officers, agents and employees of the Association; prescribe such powers and duties for them to the full extent permitted by law and consistent with the Bylaws of the Association and this Declaration;

(b) To acquire, sell, dispose, pledge, mortgage, exchange, or make any other disposition of real or personal property;

(c) To determine, fix and collect Assessments and other amounts collectible under this Declaration;

(d) To enter into agreements or contracts with insurance companies, taxing authorities, the holders of mortgage liens on the individual Lots and utility companies with respect to: (i) any taxes on the Common Properties owned by the Association (that is, to which the Association holds legal title); (ii) insurance coverage (if any) on Common Properties owned by the Association as either or both relate to the assessment, collection and disbursement process envisioned by Article VI; and (iii) utility installation, consumption and service matters;

(e) To borrow funds (including without limitation, the borrowing of funds from the Declarant and/or its affiliates) to pay costs of operation, secured by such assets of the Association as deemed appropriate by the Board of Directors;

(f) To enter into contracts;

(g) To protect or defend the Common Properties from loss or damage by suit or otherwise and to provide adequate reserves for repairs and replacements;

(h) To sue on behalf of the Association or defend the Association and any of its Officers, Directors or Agents in any court of law;

(i) To adopt, amend, repeal, and enforce "Rules and Regulations", and enforcement provisions as it deems necessary or desirable with respect to the interpretation and implementation of the Declaration, the operation of the Association, and the use of property and Lots within the Subdivision;

(j) Pursuant to Article VII herein, to adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Members in proportionate amounts to cover the deficiency in accordance with the terms hereof;

(k) To enforce the provisions of this Declaration and any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules;

(l) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by the Association; and

(m) To provide and shall pay for, out of the assessment fund(s) provided for in Article VI below and any other funds of the Association, the following:

(1) Care, preservation and maintenance of the Common Properties and the furnishing and upkeep of any desired personal property for use in or on the Common Properties;

(2) Maintenance of the exterior areas of Lots and Residences as provided in this Declaration;

(3) Private trash and garbage collection service if deemed advisable by the Board of Directors ;

(4) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges) which pertain to the Common Properties only;

(5) The services of any person or firm (including the Declarant and any affiliates of the Declarant) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board of Directors, and the services of such other personnel as the Board of Directors shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board of Directors or by the manager;

(6) Legal and accounting services;

(7) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, taxes, or assessments which the Board of Directors is required to obtain and pay for pursuant to the terms of this Declaration or which in its opinion shall be necessary or proper for the operation or protection of the Association or for the enforcement of this Declaration.

Section 2. Procedure for Adopting and Enforcing Rules and Regulations. Rules and Regulations shall be reasonable and uniformly applied to all Members and their family, tenants, and guests. Such Rules and Regulations shall be effective only upon adoption by resolution of the Board of Directors. Notice of the adoption, amendment, or repeal of any Rule and/or Regulation shall be given by depositing in the mail to each Member a copy of such Rule or Regulation, and copies of the currently effective Rules and Regulations and shall be made available to each member upon request and payment of the reasonable expense of supplying the same. Each Member shall comply with such Rules and Regulations and shall see that all residents of his Lot comply with such Rules and Regulations. Such Rules and Regulations shall have the same force and effect as if they were set forth in, and were part of, this Declaration. In the event of conflict between the Rules and Regulations and the provisions of this Declaration, the provisions of this Declaration shall prevail;



**Section 3. Implied Authority.** The Association shall have all rights, privileges, and authority reasonably implied from the existence of any right, privilege, or authority granted to it in this Declaration or the Bylaws of the Association or otherwise reasonably necessary to effectuate any such right, privilege, or authority.

**Section 4. Liability Limitations.** No Member, Director or officer of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association or for a tort of another Member, Directors, or officers, whether such person was acting on behalf of the Association or otherwise. Neither the Declarant, the Association, its Directors, officers, agents, or employees shall be liable for any incidental or consequential damages for failure to inspect any premises, Improvements or portion thereof or for failure to repair or maintain the same. The Declarant, the Association or any other person, firm or corporation obligated to make such repairs or maintenance shall not be liable for any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, Improvements or portion thereof, including, without limitation, any negligent act or omission of the Declarant, the Association or any of its agents, employees or contractors.

**Section 5. Reserve Funds.** The Board of Directors may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses and may establish separate accounts in order to better demonstrate that the amounts deposited therein are capital contributions and not income to the Association.

**Section 6. Merger or Consolidation.** Upon any merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration, together with the covenants and restrictions established upon any other properties, as one scheme.

## ARTICLE V

### **PROPERTY RIGHTS IN AND USE OF THE COMMON PROPERTIES**

**Section 1. Members' Easements of Enjoyment.** Subject to the provisions of Section 2 of this Article, every Member shall have a nonexclusive right and easement of use, recreation and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of each respective Lot. Such easement shall not give such person the right to make alterations, additions, or Improvements to the Common Properties.

Section 2. Extent of Members' Easements. The rights and easements of use, recreation and enjoyment created hereby shall be subject to the following:

(a) The right of the Declarant to reconfigure, add or delete properties as Common Properties in the course of Declarant's development of Seabrook Island or relating to any amendment to the Subdivision Plat;

(b) The right of the Association to prescribe reasonable regulations and policies governing, and to charge fees and/or deposits related to, the use, operation and maintenance of the Common Properties;

(c) **LIENS OR MORTGAGES PLACED AGAINST ALL OR ANY PORTION OF THE COMMON PROPERTIES BY THE DECLARANT** and, after the Development Period, the Association (but as to the Association only with respect to monies borrowed by the Association to improve or maintain the Common Properties);

(d) The right of the Association to enter into and execute contracts with any party (including, without limitation, the Declarant or its affiliates) for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association and this Declaration;

(e) The right of the Declarant or the Association to take such steps as may be reasonably necessary to protect the Common Properties against foreclosure;

(f) The right of the Declarant and, after the Development Period, the Association, to enter into and execute contracts with the owner-operators of any community antenna television system ("CATV") or other similar operations for the purpose of extending cable or utility service on, over or under the Common Properties and utility easement to ultimately provide service to one or more of the Lots;

(g) The right of the Association to improve, landscape, and maintain the Common Properties and, after the Development Period, the right of the Association to design, reconfigure, and alter the Common Properties.

(h) The right of the Association to suspend the voting rights of any Member and to suspend the right of any Resident Member to use or enjoy any of the Common Properties for any period during which any assessment (including without limitation "fines") against a Lot owned by such Resident Member remains unpaid, and otherwise for any period deemed reasonable by the Association for an infraction of the then-existing rules and regulations and/or architectural guidelines; and

(i) The right of the Declarant and, after the Development Period, the Association, to dedicate or transfer all or any part of the Common Properties owned by the Association to any municipal corporation, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Declarant or Board of Directors, as the case may be.

(j) The right of the Association to execute any open space declarations applicable to the Common Properties which may be permitted by law in order to reduce property taxes.

Section 3. Rules of the Board of Directors. All Members, Residents, and their families and guests shall abide by any reasonable Rules and Regulations adopted by the Board of Directors. The Board of Directors shall have the power to enforce compliance with said Rules and Regulations by all appropriate legal and equitable remedies.

Section 4. Use of Common Properties. Use of the Common Properties shall be limited to Members, Residents, and their families and guests for the purposes to which the Common Properties are dedicated by Subdivision Plat or otherwise by the Association.

## ARTICLE VI

### ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Owner. Declarant, for each Lot owned by it, hereby covenants and agrees, and each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association designated to receive such monies) Regular, Special and Individual Assessments as provided in this Declaration. The judgment of the Board of Directors in establishing Regular, Special and Individual Assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

The Regular, Special and Individual Assessments (as defined herein and together called "Assessments"), together with such late charges, interest, attorney's fees and costs of collection thereof as hereinafter provided, shall be a charge on the Lots and shall be a continuing Lien ("Assessment Lien") upon each Lot against which each such Assessment is made and shall also be the continuing personal obligation of the Owner of such Lot at the time when the Assessment fell due. The personal obligation for past due assessments of the then existing Owner to pay such Assessments, however, shall remain the Owner's personal obligation. However, the Assessment Lien shall be unaffected by any sale, conveyance, or assignment of a Lot and shall continue in full force and effect.

No Owner may waive or otherwise exempt himself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by non-use of Common Areas or abandonment of the Lot. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any other directive of any municipal or other governmental authority.

Section 2. Regular Assessments. The Regular Assessments shall be used exclusively for the purpose of promoting the health, recreation, safety, and welfare of the residents of Seabrook Island. Without limiting the foregoing, regular Assessments may be used for: the improvement and maintenance of streets, esplanades, access easements, walkways, landscape areas, common greens, or other properties within Seabrook Island; services and facilities devoted and related to the use and enjoyment of the Common Properties; the payment of taxes and debt on the Common Properties and insurance in connection with the Common Properties; the payment for electricity for street lights and exterior lights and the repair, replacement and additions of various items within the Common Properties; trash and garbage collection; payment of legal and all other expenses incurred in connection with the collection, enforcement and administration of all assessments and charges and in connection with the enforcement of this Declaration; employing policemen or watchmen and/or a security service; and exterior maintenance of abandoned or neglected Residences or Lots, as may be determined necessary and appropriate by the Association from time to time; paying the cost of labor, equipment (including the expense of leasing any equipment) and materials required for, and management and supervision of, the Common Properties; and in general, carrying out the directions of the Association and the Board of Directors.

Section 3. Basis and Amount of Regular Assessments, Date of Commencement. Regular Assessments shall be assessed annually and shall be paid annually or in more frequent intervals as shall be determined by the Board of Directors. The Board of Directors shall adopt an annual budget for each fiscal year, which budget shall provide for the annual level of Regular Assessments and the due dates therefore. In establishing due dates and scheduling the payment of Regular Assessments, the Board of Directors may establish a time-price differential schedule for the payment of the Regular Assessment in which the lowest amount is the Regular Assessment.

Section 4. Special Assessments. In addition to the Regular Assessments authorized by Section 3 hereof, the Association may levy a Special Assessment ("Special Assessment"), applicable to that year or a specified number of years, for the purpose of defraying, in whole

or in part, the cost of any construction or reconstruction, repair or replacement of Improvements upon the Common Properties, including any necessary fixtures and personal property related thereto, or for unusual or emergency purpose; provided that any such assessment shall have the affirmative approval of a majority of votes of each class of Members who are present (in person or by proxy) and entitled to vote at any regular or special meeting of Members called for such purpose.

Section 5. Rates of Regular and Special Assessments. Except as otherwise provided below, both Regular and Special Assessments shall be apportioned equally among all Lots. For regular Assessments only, Unoccupied Residences shall be assessed at one-half the rate of the Regular Assessment. An "Unoccupied Residence" is a Lot on which a Residence has not previously been constructed or a Lot on which a Residence has been constructed, but which Residence has not been initially occupied for its intended use. Once a Lot is no longer an Unoccupied Residence, its status for purposes of determining the rate of Regular Assessments shall not thereafter be changed by reason of any subsequent vacancy or any other reason. Once the status of the Lot has changed from an Unoccupied Residence, the change in the rate for Regular Assessments shall be effective for all amounts of Regular Assessments thereafter falling due (even if assessed prior to the date of change in the status of the Lot).

Section 6. Due Dates. The Board of Directors may prescribe from time to time that the Regular Assessments are to be collected on an annual, semi-annual, quarterly, or monthly basis, and accordingly, the Board of Directors shall prescribe the appropriate due dates and, if applicable, the time-price differential rates and due dates. All Regular Assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any Special Assessment shall be fixed in the respective resolution authorizing such assessment.

Section 7. Individual Assessments. The costs and expenses incurred by the Association with respect to an Owner's failure to comply with the provisions of Section 5 of Article VIII and Section 19 of Article IX may be assessed as an Individual Assessment against the particular Lot and shall be the personal obligation of the Owner of the Lot at the time when such costs and expenses were incurred as well as a continuing lien against the Lot. Individual Assessments shall be due and payable in accordance with the resolution of the Board of Directors fixing the Individual Assessment.

Section 8. Delinquent Assessments. If any Assessment or part thereof is not paid when due, the Association shall have the right and option to impose a late charge. The unpaid amount of any such delinquent assessment shall bear interest from and after the date when due at the highest rate allowed by law; provided, however, in no event shall such rate, together with all other amounts that constitutes interest, exceed the maximum lawful rate. The Association may, at its election, retain the services of an attorney to review, monitor and/or collect unpaid assessments and delinquent accounts, and there shall also be added to the amount of any unpaid

assessment or to any delinquent account any and all attorneys' fees and other costs of collection incurred by the Association.

Section 9. Certificates; Notice to Mortgagee. The Association shall, upon reasonable demand, furnish to any Owner liable for said Assessment and may furnish to any other interested person, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any Assessment therein stated to have been paid. A reasonable charge may be made by the Association for the issuance of such certificate.

The Association may give written notification to the holder(s) of the first mortgage on the Lot or any Improvements thereon of the non-paying Owner of such Owner's default in paying any Assessment when such default has not been cured within thirty (30) days of the original date due, provided that the Association has theretofore been furnished in writing with the correct name and address of the holder(s) of such first mortgage and a request to receive such notification.

Section 10. Effect of Non-Payment of Assessments; Remedies of the Association. The Association may bring an action at law against the Owner personally obligated to pay any delinquent Assessment, and, independent of any such action, may foreclose the Assessment Lien by judicial proceedings. In addition to any other remedy, in the event of nonpayment by any Owner of such Owner's portion of any Assessment, the Association may, acting through the Board, upon ten (10) days prior written notice thereof to such nonpaying Owner, in addition to all other rights and remedies available at law or otherwise, restrict the rights of such nonpaying Owner to use the Common Properties, if any, in such manner as the Association deems fit or appropriate and/or suspend the voting rights of such nonpaying Owner so long as such default exists.

Section 11. Subordination of the Lien to Mortgages. The Assessment Lien shall be subordinate to any valid first lien or mortgage and any valid lien securing the construction of Improvements. The sale or transfer of a Lot pursuant to a foreclosure under any such lien or mortgage shall extinguish the Assessment Lien, but only as to Assessments that became due prior to such foreclosure. No such foreclosure shall relieve such Lot or the then Owner thereof from liability for any Assessments thereafter becoming due. In addition to the automatic subordination provided hereinabove, the Association, in the discretion of its Board of Directors, may subordinate the Assessment Lien to any other mortgage, lien or encumbrance subject to such limitations, if any, as the Board of Directors may determine.

Section 12. Exempt Property. All properties dedicated to and accepted by a local public or governmental authority and all Common Properties shall be exempt from any assessments, charge and lien created herein.

## ARTICLE VII

### INSURANCE; REPAIR; RESTORATION

Section 1. Insurance. The Association may purchase, carry and maintain in force insurance covering any or all portions of Seabrook Island or Common Properties, any Improvements thereon or appurtenance thereto, for the interest of the Declarant, Association, its Board of Directors, agents and employees, and of all Members of the Association, in such amounts and with such endorsements and coverage as shall be deemed appropriate by the Association. Such insurance may include, but need not be limited to:

(a) Insurance against loss or damage by fire and hazards covered by a standard extended coverage endorsement in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs;

(b) Comprehensive public liability (including, without limitation, liability insurance relating to the community services personnel and community services arrangements) and property damage insurance on a broad form basis, including coverage of personal liability (if any) of the Declarant, Owners, and Members with respect to the Common Properties; and

(c) Officers and Directors insurance.

The Association may carry public liability insurance generally covering bodily injury and property damage arising out of negligent acts by employees, members or authorized representatives of the Declarant or the Association. The Association will not carry any insurance pertaining to, nor does it assume any liability or responsibility for, the real or personal property of the Owners and Members (and their respective family members and guests) other than the Declarant.

Section 2. Insurance proceeds. The Association shall use the net insurance proceeds to repair and replace any damage or destruction of property, real or personal, covered by such insurance. Any balance from the proceeds of insurance paid to the Association, -remaining after satisfactory completion of repair and replacement, shall be retained by the Association as part of a general reserve fund for repair and replacement of the common Properties.

Section 3. Insufficient Proceeds. If the insurance proceeds are insufficient to repair or replace any loss or damage, the Association may levy a Special Assessment to cover the deficiency.

## ARTICLE VIII

### ARCHITECTURAL AND DESIGN REVIEW

Section 1. Architectural Review Committee. The Architectural Review Committee ("Architectural Review Committee") shall be composed of at least three (3) individuals selected and appointed by the Declarant, each generally familiar with residential and community development design matters and knowledgeable about the Declarant's concern for a consistent first class approach to and construction of Improvements within Seabrook Island. In the event of the death, incapacity or resignation of any member of the Architectural Review Committee during the Development Period, the Declarant shall have exclusive authority to designate and appoint the successor member. After the Development Period, the Architectural Review Committee shall be a committee of the Association, and its members shall be appointed, and replaced in the event of death, incapacity or resignation, by the Association, acting through the Board of Directors.

The Architectural Review Committee may, at any time and from time to time, associate or employ a staff and to seek and obtain professional advice and counsel (including but not limited to architects, attorneys, designers, engineers, and landscape technicians) in connection with the performance of its duties with all reasonable costs and expenses related thereto paid for or reimbursed by the Association. The Association may, in turn, reasonably recoup some or all of these expenses from the applicants seeking review and approval of plans and specifications.

Section 2. Architectural Review Committee Approval Required. No Residence or other Improvement shall be erected, placed, maintained, or altered on any Lot until the preliminary, final architectural design plans and landscape design plans for such Residence or Improvement, as the case may be, have been submitted to and approved in writing by the Architectural Review Committee, by a majority of its members in the manner provided in Section 4 of this Article VIII. In addition, construction of all Residences and Improvements shall conform to the construction standards and requirements with respect to execution of construction set forth in the Design Guidelines.

Builders must apply for approval of plans for each Lot on which they build. Prior approval of a plan for one Lot will not guarantee approval of the same plan for subsequent use on another Lot.

The Architectural Review Committee is authorized and empowered to consider, review, approve or reject, as it deems appropriate, any and all aspects of design, builder, architecture, construction, location of Residences and other Improvements as to conformity and harmony with the architectural and design scheme of Seabrook Island as established by the Design Guidelines



and as developed by the Architectural Review Committee as contemplated in Section 3 of this Article VIII, or which may, in the opinion of the Architectural Review Committee, adversely affect the value of property in Seabrook Island. Rejection of any such matters shall be based upon such grounds, and approval may be subject to such conditions, as the Architectural Review Committee may deem appropriate and which grounds and conditions may include, without limitations, solely aesthetic ground or considerations. The Architectural Review Committee is permitted to consider technological advances and changes in design and materials and such comparable or alternative techniques, methods or materials may or may not be permitted, in accordance with the opinion of the Architectural Review Committee.

Section 3. Design Guidelines. The Declarant shall prepare and promulgate the initial Design Guidelines. The Architectural Review Committee may, from time to time, publish and promulgate additional, supplemental, or revised Design Guidelines, and such guidelines shall be explanatory and illustrative of the general intent of the proposed development of Seabrook Island and are intended as a guide to assist the Architectural Review Committee in reviewing architectural design plans, landscape design plans, and construction standards and execution of design and construction. The Architectural Review Committee may from time to time publish and promulgate architectural design and construction standards, specifications and rules, which may be of general or specific applicability and shall supplement and be a part of the Design Guidelines. The Architectural Review Committee shall have the right, power and authority to establish and prescribe architectural design and construction restrictions, limitations, and guidelines pertaining to items and topics such as (but not limited to):

(a) Site Planning, which may take maximum advantage of the natural features and existing trees, which may include, but not be limited to, the following:

- (i) Size and location of buildings, including, but not limited to:
  - 1) Maximum allowable floor area;
  - 2) Maximum height;
  - 3) Minimum height;
  - 4) Building lines; and
  - 5) Total site coverage of building, walks, driveways, and other Improvements.
- (ii) Floor plan design;
- (iii) Garage, carport and porte cochere and sidewalk locations, width and materials;
- (iv) Limitation or prohibition of circular drives/motor courts;

- (v) Tree preservation and clearing;
- (vi) Site grading and drainage;
- (vii) Special requirements for construction of a Residence on more than one Lot;
- (viii) Gates, walls and fences design, location and materials;
- (ix) Location and screening of non-architectural Improvements including but not limited to recreational equipment and decorative exterior lighting fixtures, if approved; and
- (x) Location and screening of exterior air-conditioning equipment.

(b) Architectural design, which may cover, among other items:

- (i) Style;
- (ii) Features, such as (but not limited to) street image, entry, roofscape, windows, color, and porches;
- (iii) Scale and image, appropriateness of scale, a balanced relationship between the sizes of architectural elements, the size of the overall structure in comparison with neighboring structures, and the distance to the street;
- (iv) Energy conservation (including without limitation, orientation of the Residence to the Lot, room orientation within the Residence, and minimization of large glass areas on south or west exposures);
- (v) Roof, chimney, and skylight design and materials;
- (vi) Exterior wall design, including but not limited to foundations, number of exterior materials, changes in material, windows, glazing, shutters, and burglar bars;
- (vii) Exterior color schemes;
- (viii) House numbers; and

- (ix) Frequency of prior use of elevation on the same block;
- (c) Construction standards regarding, without limitation:
- (i) Products;
  - (ii) Fill and backfill materials;
  - (iii) Soil treatment for termite control;
  - (iv) Landscaping materials;
  - (v) Lawn materials;
  - (vi) Tree and planting materials;
  - (vii) Fence, wall and gate materials;
  - (viii) Concrete materials;
  - (ix) Masonry work;
  - (x) Carpentry materials;
  - (xi) Insulation;
  - (xii) Roofing; and
  - (xiii) Special requirements as to stucco
- (d) Execution of design and construction, which may cover, among other items:
- (i) Site construction, including conformance to the Declaration, recorded plat, and to requirements of authorities having jurisdiction, and standards as to excavation, and site grading and drainage;
  - (ii) Concrete work (including without limitation, requirements as to foundations and slabs);
  - (iii) House framing;
  - (iv) Heating, ventilating and air conditioning system performance requirements;
  - (v) Electrical systems; and
  - (vi) Miscellaneous construction items such as (but not limited to) fireplace construction, glass, attic ventilation, smoke detectors, fences, and driveways
- (e) Landscaping design.

**PRIOR TO ACQUIRING ANY INTEREST IN A LOT, EACH PROSPECTIVE PURCHASER, TRANSFEREE, MORTGAGEE, AND OWNER IS STRONGLY ENCOURAGED TO CONTACT THE ARCHITECTURAL REVIEW COMMITTEE TO OBTAIN AND REVIEW THE MOST RECENT DESIGN GUIDELINES WHICH WILL CONTROL THE APPROVED BUILDERS, DEVELOPMENT & CONSTRUCTION AND USE OF THE LOT.**

**THE DESIGN GUIDELINES MAY CONTAIN STANDARDS, REQUIREMENTS, OR LIMITATIONS IN ADDITION TO THOSE EXPRESSLY SET FORTH OR REFERRED TO IN THIS DECLARATION AND MORE STRINGENT STANDARDS, REQUIREMENTS, OR LIMITATIONS THAN ANY SPECIFIC STANDARD, REQUIREMENT OR LIMITATION SET FORTH OR REFERRED TO IN THIS DECLARATION.**

Section 4. Preliminary and Final Plan Submissions. The following is a general outline of the steps and required information involved in the review of architectural design plans:

(a) Submit to the Architectural Review Committee preliminary architectural design plans which may include, but are not limited to, plot plan with the survey, roof plan, floor plans, all exterior elevations, and proposed exterior materials, to the Architectural Review Committee;

(b) Submit to the Architectural Review Committee landscape design plans which may include, but shall not be limited to: site plan showing building footprint, building lines setback, and existing vegetation to be removed and to be preserved, location of proposed walks, drives, fences, pools, and other site Improvements, location size, type and quantity of plant materials; grading plan; fence plans; and additional elevations, details and sketches to complete description of proposed site Improvements;

(c) Submit to the Architectural Review Committee final architectural design plans which may include, but not be limited to: site plan and roof plan indicating without limitation sidewalks, driveway and other exterior flatwork, mechanical equipment, lot coverage, height and material of exterior fences and walls; floor plans, complete elevations; building sections, wall sections, details, and other drawings as required by the Architectural Review Committee and samples of colors and specifications that will positively identify materials;

(d) Submit plans and specifications to the City of Seabrook.

(e) Submit a copy of the applicable and necessary building permits to the Architectural Review Committee.

The Architectural Review Committee may review and comment on preliminary architectural design plans submitted in duplicate on an informal basis to assist Owners, Builders, and prospective purchasers of the Lots in complying with this Declaration and to assist in the completion of any feasibility studies undertaken by such persons or entities. The Architectural Review Committee shall have the right, however, to prescribe reasonable limitations concerning the time, effort and expense likely to be involved in handling such matters on an informal basis.

If the preliminary plans are conditionally approved by the Architectural Review Committee, the Owner or the Owner's designated representative will be so advised by letter containing a statement and explanation of items found not to comply with this Declaration and the Design Guidelines. If the Architectural Review Committee fails to approve or disapprove such preliminary plans in writing within two (2) weeks after the actual date on which the submission is received, disapproval of the matters submitted shall be presumed. Comments on and approvals of preliminary architectural design plans shall be binding upon the Architectural Review Committee provided that conforming final plans and specifications are submitted to the Committee within three (3) months of such Committee's preliminary comments or approvals.

Landscape design plans shall be submitted to the Architectural Review Committee prior to or with the final architectural design plans. The method and manner of review and approval shall be consistent with that of the final design plans.

Final architectural and landscape design plans shall be submitted to the Committee for approval or disapproval. The Committee is authorized to request the submission of samples of proposed construction materials. At such time as the plan, specifications and surveys meet the approval of the Architectural Review Committee, one complete set of plans, specifications and surveys will be retained by the Architectural Review Committee and other complete set will be marked "Approved" and returned to the Lot Owner or his designated representative. If found not to be in compliance with this Declaration and the Design Guidelines, one set of such plans, specifications, and surveys shall be returned marked "Disapproved," accompanied by a statement and explanation of items found not to comply with this Declaration and the Design Guidelines. Any modification or change to the approved set of plans, specifications and surveys must again be submitted to the Architectural Review Committee for its inspection and approval. The Architectural Review Committee's approval or disapproval as required herein, shall be in writing. If the Architectural Review Committee fails to approve or disapprove such final plans, specifications and surveys within two (2) weeks after the actual date on which the submission is received, then Architectural Review Committee disapproval shall be presumed.

The Architectural Review Committee may require as a condition precedent to any approval of the final architectural design plans that the applicant obtain and produce an appropriate building permit from the City of Seabrook. The Architectural Review Committee is also authorized to coordinate with the City of Seabrook in connection with the applicant's

observance and compliance of the construction standards set forth in this Declaration, the Design Guidelines, and any bulletins or lot information sheets promulgated thereunder. However, the mere fact that the City of Seabrook issues a building permit with respect to a proposed structure does not automatically mean that the Architectural Review Committee is obliged to unconditionally approve the plans and specifications. Similarly, the Architectural Review Committee's approval of any plans and specifications does not mean that all applicable building requirements of the City of Seabrook have been satisfied.

Section 5. Enforcement. Representatives of the Architectural Review Committee shall have the right during reasonable hours to enter upon and inspect any Residence or other Improvement which is being constructed to determine whether or not the plans thereof have been approved and are being complied with. In the event the Architectural Review Committee shall determine that approved plans are not being complied with or that construction has commenced without prior approval from the Architectural Review Committee, the Architectural Review Committee shall be entitled to recommend to the Board of Directors, and the Board of Directors may (on its own motion with or without the recommendation of the Architectural Review Committee) take any of the following actions:

(a) Require the Owner to remove the Improvement and restore the Lot to its condition prior to any such work, all at the Owner's expense and if the Owner fails or refuses to comply with any such requirement, the Association shall have the right and power to seek appropriate injunctive relief from a court of competent jurisdiction; or

(b) If the Owner refuses or fails to properly perform the work required under (a), the Board of Directors may cause such work to be done and may charge the Owner for the cost thereof as determined by the Board of Directors which charge until paid shall be assessed as an Individual Assessment upon the Owner's Lot and any Improvements thereon; or

(c) Permit the Architectural Review Committee to ratify the action taken by the Owner, and the Architectural Review Committee may (but shall not be required to) condition such ratification upon the same conditions which the Architectural Review Committee may impose upon the giving of its prior consent under this Article.

Section 6. Release of Claims. Neither Declarant, the Association, the Architectural Review Committee, the Board of Directors, nor the officers, directors, managers, members, employees, and agents of any of them, shall be liable in damages to anyone submitting plans and specifications to any of them for approval, or to any Owner of property affected by this Declaration by reason of mistake in judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. No approval of plans and specifications and no publication of any Design Guidelines, architectural bulletins or lot information sheets shall be construed as representing

or implying that such plans, specifications, guidelines, bulletins, or sheets will, if followed, result in properly designed Improvements and/or Improvements built in a good and workmanlike manner. Every person or entity who submits plans or specifications, and every Owner of each and every Lot, agrees that he will not bring any action or suit against Declarant, the Association, the Architectural Review Committee, the Board of Directors, or the Officer, directors, managers, members, employees and agents of any of them, to recover any such damages and hereby releases, remises, and quitclaims all claims, demands and causes of action arising out of or in connection with any judgment, negligence or omission and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

Plans and specifications are not reviewed or approved for engineering or structural design or technical quality of materials, and by approving such plans and specifications neither the Architectural Committee, nor the members thereof, nor the Association assumes liability or responsibility therefor, nor for any defect in any structure constructed from such plans and specifications.

Section 7. Inspection by Architectural Review Committee. After reasonable notice to the Owner (and any applicable Resident), any member or agent of the Architectural Review Committee may from time to time at any reasonable hour or hours enter and inspect any property subject to the jurisdiction of said Architectural Review Committee to confirm that the Improvement or alteration is in compliance with the provisions hereof. However, Declarant, the Association, the Architectural Review Committee, and their respective officers, directors, managers, agents, and employees shall have no obligation to enforce or to report the violation of any such law, ordinance, rule, or regulation.

Section 8. Variance. The Architectural Review Committee may authorize in writing variances from compliance any of the Design Guidelines when circumstances such as topography, obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with specific considerations imposed by the Architectural Review Committee. No variance shall be contrary to any specific restriction set forth in this declaration nor estop the Architectural Review Committee from denying a variance in any other circumstance. For purposes of this Section, the inability to obtain approval of any governmental agency, issuance of any permit or the terms of any financing shall not be considered a hardship warranting a variance. This Section shall not be construed so as to confer on any Owner any entitlement to a variance.

Section 9. Commencement of Construction. If the work on a Residence or other Improvement is not commenced within 1 year from the date the Architectural Review Committee approves the final architectural design plans for such work, then such approval shall be deemed revoked by the Architectural Review Committee on the 365th day at 5:00 p.m., unless the

Architectural Review committee extends the time for commencing work for good cause shown. All work covered by such approval shall be complete within 1-1/2 years of the commencement thereof, except for such period of time as such completion is rendered impossible or would result in great hardship due to strikes, fires, national emergencies, critical materials shortages, or other intervening forces beyond the control of the Owner or contractor, unless the Architectural Review Committee extends the time for completion for good cause shown. For the purposes of this Declaration, work on an Improvement shall be deemed to have "commenced" when the site has been graded and, in the case of buildings, when footings or foundations have been poured or otherwise installed.

## ARTICLE IX

### PROTECTIVE COVENANTS

Section 1. Single Family Residential Use Only. Except as provided in Section 13 of this Article, each Lot and Residence shall be used only as a single family residence; provided that no Owner or Resident shall be precluded with respect to his Residence from maintaining a personal professional library, keeping his personal business records or accounts therein or handling his personal business or professional calls or correspondence therefrom, and the Association may make further Rules and Regulations governing use for such purposes. For purposes of this restriction, and Section 2 below, a single family shall mean any number of persons related by blood, adoption or marriage living with not more than one person who is not so related as a single household unit or no more than two persons who are not so related living together as a single household unit, and the household employees of either such household unit.

Section 2. Primary Residence. By acquisition of any Lot or Lots, each Owner (excluding Builders) covenants with and represents to Declarant and to the Association that the Lot is being specifically acquired for the specific and singular purpose of constructing and using a Residence thereon:

(a) as a primary residence for such Owner and/or Owner's family members, or

(b) if Owner is a business entity, as a primary residence for an existing officer, director, key employee, substantial shareholder, or general partner of the Owner (as identified and designated to Declarant and to the Association), to be occupied as such, and not for the purpose of investment, speculation, leasing, renting, corporate retreat, hospitality suite, or other similar disposition and each Owner agrees and covenants that no speculation, leasing, renting, corporate retreat or hospitality suite use(s) shall occur on any Lot. For purposes of this Declaration, if an Owner maintains multiple Residences, a Residence is a primary residence of the Owner so long as it is his or his family's principal residence in Seabrook, Texas. The covenant against leasing a Residence does not prohibit the leasing of a Residence (the entire Residence, not a



part) by the Owner during periods in which he or his family is not occupying the Residence, provided such lease shall be at least a six-month term. No Residence shall be subject to any type of time-sharing, fraction sharing or similar program whereby the right to exclusive use of the Residence rotates among members of the program.

Section 3. Single Family Dwellings Only. No improvements shall be erected, altered, placed, or permitted to remain on any Lot other than one (1) detached single-family dwelling and its customary and usual accessory structures (as permitted by the Architectural Review Committee); provided, however, the Architectural Review Committee may permit a Residence to be located on more than one Lot and may impose specific requirements and conditions with respect to such permission.

Section 4. Subdivision. During the Development Period, the Declarant may unilaterally subdivide any property it owns and that is subject to this Declaration. Except as provided above, Lots shall not be further subdivided, and the boundaries between Lots shall not be relocated without the prior express written consent of the Architectural Review Committee.

Section 5. Minimum Floor Area. Each one (1) story Residence and each one-and-one half (1-1/2) and two (2) story Residence constructed on any Lot shall contain such minimum square feet of air-conditioned floor area (exclusive of all porches, garages, or breezeways attached to the main dwelling) as may be specified by the Design Guidelines for the first and/or second stories and/or the total floor areas.

Section 6. Garages; Porte Cocheres; Driveway; Parking. Each Residence shall provide enclosed garage space for a minimum of two (2) conventional automobiles, unless otherwise specifically approved by the Architectural Review Committee. Detached garages are prohibited on Lots 32 through 39 in Block 2. Each Resident shall park and store his automobile within the garage. All garage doors shall be closed at all times when not in use. No Resident shall park any automobile or vehicle on any Lot outside of any approved garage area or perform, permit or allow repair or maintenance work to any automobile or other vehicle outside the garage and visible to the abutting street(s). Under no circumstances or conditions shall any automobile or other vehicle be parked on a non-paved portion of any Lot. The Design Guidelines may provide for special setback, location construction and design requirements for garages, porte cocheres (as defined in the Design Guidelines), driveways and sidewalks. The purpose of this restriction is to ensure that vehicles are kept in the garage at all times.

Section 7. Setback Requirements. Setback requirements for each Lot (which may vary from Lot to Lot) are described in the Design Guidelines. The Architectural Review committee may establish additional setback lines from the front property line of each Lot at varying distances; the mixture of various front setbacks may reflect a high degree of architectural style and design. In order to allow flexibility for: (i) implementation of state-of-the-art construction

designs, or (ii) any consolidation of two (2) or more Lots to accommodate the construction of a lesser number of dwellings thereon, the Architectural Review Committee shall also have the authority to develop and refine rear and side yard setback requirements. Setbacks specific to a particular Lot or Lots consolidated described in (ii) above, may be required as a condition to approval of any plan by the Architectural Review Committee. The setbacks established pursuant to the above provisions may be more stringent than those set forth on the Subdivision Plat.

Section 8. Height Limitations. No Residence or other Improvement on any Lot shall exceed the applicable height limitations specified by the Design Guidelines. In order to create a desired architectural appearance, the Architectural Review Committee may prescribe inter-related height and setback requirements among the Lots. Approval for one story residences will be granted sparingly and only when, in the opinion of the Architectural Review Committee, they will blend with surrounding residences. The Architectural Review Committee shall have the power and authority to further develop and refine guidelines and interpretations concerning the height concepts and limitations envisioned herein as plans are reviewed and approved.

Section 9. Coverage. The coverage ratio of the area covered by Improvements to the total area of each Lot or Lots (if more than one Lot is to be used as a single building site) shall be limited as set forth in the Design Guidelines.

Section 10. Fences; Signs. No gate, fence, wall or hedge shall be erected, placed or altered on any Lot nearer to any street than the minimum building setback line as established by the Design Guidelines. No fence, wall or hedge shall be erected, placed or altered on any Lot without the approval of the Architectural Review Committee. Lots 1 and 24 in Block 1; Lots 1, 6, 19, 20, 26 and 33 through 39 in Block 2; Lot 1 in Block 3; Lot 6 in Block 4; and Lots 1 and 15 in Block 5 are subject to Lot specific Fence Design Guidelines as developed by the Architectural Review Committee. During the Development Period no signs shall be placed or maintained on any Lot except as may be permitted by the Declarant. The Declarant may place such of its own signs in Seabrook Island as it may desire during the Development Period. No sign shall be placed on any Lot without the consent of the Owner of the Lot. After the Development Period, no sign shall be permitted on any Lot or in any other portion of Seabrook Island except as permitted by such rules and regulations as may be adopted from time to time by the Architectural Review Committee.

Section 11. Equipment. All exterior mechanical or service equipment facilities must be enclosed within fences, walls or landscaping so as not to be visible from any street.

Section 12. Alarms; Security Systems. The Design Guidelines may require that the construction plans and specifications for each Residence include provisions for the installation of first-class fire and burglar alarms, smoke detectors and such other safety and security devices which, from time to time, become technologically feasible for residential use as may be further

described and defined by the Architectural Review Committee. Neither the Declarant, nor the Association, nor the Architectural Review Committee warrant or guarantee that the required installation and equipment of these safety and security devices will, in all instances, prevent or retard criminal acts by third parties.

Section 13. Temporary Structures, Model Homes and Sales and Construction Offices. No temporary structure of any kind shall be erected or placed upon any Lot. Temporary structures shall include, but not be limited to, any garage, servant's house or other Improvement erected more than one hundred twenty (120) days prior to the completion of the main portion of the Residence. However, Declarant may maintain a sales and/or construction office and, upon receiving the prior, express written approval of the Architectural Review Committee, Builders may maintain a temporary sales and/or construction office, provided such sales and/or construction offices are removed within thirty (30) days after completion of sales or construction, as the case may be. With the express written approval of the Architectural Review Committee, Builders may maintain model homes in the subdivision for such period of time as specified by the Architectural Review Committee.

Section 14. Vehicles. Any truck (over 3/4 ton and excluding conventional pickups), bus, boat, boat trailer, mobile home, golf cart, motorcycle, recreational vehicle, campmobile, camper and any vehicle other than a conventional automobile shall, if brought within Seabrook Island by or on behalf of any Owner, Member or Resident, be stored, placed or parked within the enclosed garage on the appropriate Lot unless otherwise directed by the Architectural Review Committee. The Association may provide and designate (and charge for and collect a reasonable user fee as approved by the Board of Directors), at one or more locations within Seabrook Island, a surface facility for the storage of any vehicle mentioned above which cannot be stored properly within a garage; if, as and when such facility is designated, then each Owner, Member and Resident agrees to cooperate in appropriately using such facility. The purpose of this restriction is to insure that all vehicles are kept out of public view at all times.

Section 15. Construction Site Maintenance. Each Owner is responsible for keeping construction sites free of rubbish on a daily basis and streets (to the crown) scraped clear of any mud accumulation. An Owner will not be allowed to store any excavation of soil on streets or adjacent sites. Soil runoff due to rain or irrigation will be removed promptly from streets and sidewalks by the Lot Owner.

Section 16. Offensive Activities. No noxious or offensive activity or pollution affecting sight, sound or smell, as may be determined by the Association, shall be conducted or permitted on any portion of Seabrook Island. All garbage shall be kept in plastic bags or other containers required by the Association and, if applicable, the City of Seabrook. Each Owner, Member and Resident shall observe and comply with any and all regulations or requirements promulgated by the Association and the City of Seabrook in connection with the storage and removal of trash

and garbage. No clothes, sheets, blankets, laundry items of any kind, or other articles shall be hung out on any Lot so as to be visible from any place outside the Residence. Each Lot shall be kept free of all rubbish, debris and other unsightly materials and no waste shall be committed thereon. The Board of Directors may adopt Rules and Regulations further defining offensive activities.

Section 17. Garage Sales. No direct sales activities (excluding, however, activities of the Declarant and Builders and community activities specifically approved by the Board of Directors), garage sales, yard sales, patio sales, flea markets, bazaars, sample sales, promotional dinner parties or similar activities shall be conducted on any portion of Seabrook Island Subdivision.

Section 18. Pets. Any noise or odor emitted by, and any discharge or waste from, any animal (including without limitation dogs and cats) which can be seen, heard or smelled outside of the perimeter of the subject Owner's Lot shall be deemed noxious and offensive and is therefore prohibited. No animals, livestock or poultry of any kind shall be raised, bred or kept on any residential Lot, except that not more than two (2) dogs, cats, or other household pets may be kept, provided that they are not noxious, offensive, vicious (for example, pit bull terriers shall not be permitted within Seabrook Island), or dangerous as determined by the Association. Any outside pen, cage, kennel, shelter, concrete pet pad, run, track, or other building structure or device directly or indirectly related to animals which can be seen, heard or smelled by anyone other than the subject Owner must be approved by the Architectural Review Committee in its sole and absolute discretion. Each and every dog, cat, or other household pet, if not kept and confined within an enclosed non-visible portion of the Lot, must be leashed and accompanied by a person when traveling beyond the perimeter of the Lot, and such person shall promptly clean and remove the discharge and waste of the pet.

Section 19. Maintenance. Each Owner, shall have the duty and responsibility, at his sole cost and expense, to keep and maintain his Lot, and all Improvements therein and thereon, in a well maintained, safe, clean and attractive condition at all times. Such maintenance shall include (without limitation):

- the proper seeding, sodding, consistent watering, mowing and edging of all lawns;
- the pruning and cutting of all trees and shrubbery;
- prompt removal of all dead shrubs and plants, litter, trash, refuse and waste;
- watering of lawn and all landscaping;
- keeping exterior lighting and mechanical facilities attractive and in working order;
- keeping lawn and garden areas alive, free of weeds and attractive;
- keeping driveways, curbs, and sidewalks in good repair and condition;

- maintenance of exteriors of any improvements including but not limited to promptly repairing any exterior damage or deterioration and removing any mildew; and
- complying with all governmental health and police requirements.

All maintenance shall be carried out in a manner and with such frequency as is consistent with aesthetics, safety and good property management. The Association, and its agents, during normal business hours, shall have the right (after ten (10) days written notice to the Owner of any Lot involved, setting forth the specific violation or breach of this covenant and the action required to be taken and if at the end of such time reasonable steps to accomplish such action have not been taken by the Owner), to enter on the subject premises (without any liability whatsoever for damages for wrongful entry, trespass or otherwise to any person or entity) and to take the action(s) specified in the notice to remedy or abate said violation(s) or breach(es). The cost of such remedy or abatement will be paid to the Association within thirty (30) days after demand and an Individual Assessment upon the Lot effected. The Association, or its agent, shall further have the right (upon like notice and conditions), to trim or prune, at the expense of the Owner, any hedge, tree or any other planting that, in the written opinion of the Association, by reason of its location of the Lot, or the height, or the manner in which it is permitted to grow, is detrimental to the adjoining Lots, is dangerous or is unattractive in appearance.

Section 20. Exterior Surfaces. All elements of design and construction of exterior surfaces of Residences and other Improvements shall be subject to and governed by the Design Guidelines and shall be in compliance with all applicable building codes. All roofs shall be constructed of slate, tile, metal, composition, built-up roof or other materials approved by the Architectural Review Committee taking into account harmony, conformity, color, appearance, quality and similar considerations. The exterior surface of all residential dwellings shall be constructed of glass, brick, stone or other materials approved by the Architectural Review Committee. The Architectural Review Committee may require a continuous, uniform surface or other special requirements with respect to the elevations of all Improvements which face a perimeter common green area, a street or any Reserve designated in the plat of Seabrook Island. Installation of all types of exterior items and surface such as address numbers or external ornamentation, outdoor illumination, lights, mail chutes, exterior paint or stain and the like shall be subject to the prior approval of the Architectural Review Committee. Each Owner shall keep and maintain the quality and appearance of all exterior surfaces, particularly those areas covered by an approved paint or stain, in good repair, condition and appearance and free of mildew.

Section 21. Compliance with Laws. No Improvements or addition or change or alteration thereof shall be constructed, erected, placed, altered, or maintained on any Lot which

is in violation of any of the laws or ordinances of the City of Seabrook, Texas or any other applicable governmental laws, ordinances, rules or regulations.

Section 22. Satellite Dishes and Antennas. The Association may adopt additional Design Guidelines with regard to the placement of antennas and of dish antennas of one meter and less in diameter.

- (a) Dish antennas with a diameter of over one meter and antennas over twelve (12) feet in height are prohibited.
- (b) Dish antennas of one meter or less in diameter may be installed without prior approval of the Architectural Review Committee. If possible these dishes are to be located so as not to be seen from fronting streets, and the preferred location is in the rear of the residence and below the height of the fence.
- (c) Over the air television reception antennas which do not exceed twelve (12) feet in height may be installed without approval of the Architectural Review Committee. If possible these antennas are to be located within the attic. If an external antenna is required to obtain an acceptable signal, the preferred location is behind the roof ridge so as not to be seen from fronting streets.

Section 23. Lawn Decorations. There shall be no decorative appurtenances placed on front lawns or any other portion of the Lot visible from the street. The term decorative appurtenances shall include, but not be limited to, sculptures, bird baths, birdhouses, fountains or other decorative embellishments.

Section 24. Landscaping. All landscaping visible from the street or any reserves is subject to Landscape Design Guidelines as developed by the Architectural Review Committee. Landscaping on Lots 1 and 24 in Block 1; Lots 1-3, 6, 19-26 and 36-39 in Block 2; Lots 1-5 in Block 3, Lots 1-14 in Block 5 and Lot 1 and 15 in Block 5 are subject to Lot specific Landscape Design Guidelines as developed by the Architectural Review Committee.

## ARTICLE X

### EASEMENTS

Section 1. Rights to Grant Easements. There is hereby reserved for the benefit of Declarant, the Association, and their respective successor and assigns, the transferable, and perpetual right and easements to and from Harris County, The City of Seabrook and any other public authority or agency, utility district, or public or private utility company, upon, over, under and across the Common Properties, and those portions of all Lots as are reasonably

necessary, for the purpose of installing, replacing, repairing, maintaining, and using master television antenna and/or cable systems, security and similar systems, and all utilities, including, but not limited to, storm sewers, drainage systems and facilities for Seabrook Island or any portion thereof, and electrical, gas, telephone, water, and sewer lines, street lights, street signs and traffic signs; provided, however, that such easements shall not unreasonably affect the development, marketability or value of any Lot. Such easements may be granted or accepted by Declarant or by the Board; provided, however, until the end of the Development Period the Board must obtain the written consent of Declarant prior to granting or accepting any such easements.

Section 2. Easement for Fire and Police Protection. Declarant hereby grants to the City of Seabrook, the County of Harris, all of the State of Texas, or such other governmental authority or agency as shall from time to time have jurisdiction over Seabrook Island (or any portion thereof) with respect to law enforcement and fire protection, the perpetual, non-exclusive right and easement upon, over and across all of the Common Properties for purposes of performing such duties and activities related to law enforcement and fire protection in Seabrook Island as shall be required or appropriate from time to time by such governmental authorities under applicable law.

Section 3. Easements for Public Utilities. Except as may be otherwise permitted by the Architectural Review Committee (for example, fencing, flatwork, or landscaping), no Owner shall erect, construct or permit any obstructions or permanent Improvements of any type or kind to exist within any easement area for public utilities which would restrict or adversely affect drainage or the use of the easement for its intended purpose. Each Owner assumes full, complete and exclusive liability and responsibility for all cost and expense related to damage, repair, relocation and restoration of such Improvements or fence. Except as to special street lighting or other aerial facilities which may be required by municipal authorities or which may be required by the franchise of any utility company or which may be installed by the Declarant pursuant to its development plan, no aerial utility facilities of any type (except meter, risers, service pedestals and other surface installations necessary to maintain or operate appropriate underground facilities) shall be erected or installed in Seabrook Island whether upon individual Lots, easements, streets or rights-of-way of any type, either by the utility company or any other person or entity, and all utility service facilities (including, but not limited to, water, sewer, gas, electricity and telephone) shall be buried underground unless otherwise required by a public utility. All utility meters, equipment, air conditioning compressors and similar items must be visually screened in a manner satisfactory to the Architectural Review Committee.

Section 4. Required Notices. Pursuant to requirements by utility company(ies) providing service to Seabrook Island, the following provisions and covenants are to run with the land within Seabrook Island with the same force and effect as all other covenants herein and as if such provisions and covenants had originally been recited within each deed to each Lot executed

and delivered by Declarant:

(a) Electrical service of the type known as 120/240 volt, single phase, 3 wire, 60 cycle, alternating current has been made available to the Lots in Seabrook Island by means of underground facilities, at a cost in excess of the cost of service provided by the usual and standard overhead facilities, and each Owner acknowledges for himself, his heirs, executors, administrators, successors and assigns, that electric service of any character other than that hereinabove described will not be available except at added cost to such Owner and in accordance with the rules and regulations for electric service of the subject electric utility company; and

(b) Since electric service is to be furnished to each of the Lots solely by underground facilities, each Owner agrees for himself, his heirs, executors, administrators, successors and assigns, that he will, at his own expense, install and maintain the necessary underground facilities to connect the Owner's installation with the service wires of the subject electric utility company and security system at the point of delivery of electric energy.

Each Owner shall assume full and complete responsibility for all costs and expenses arising out of or related to the repair, replacement or restoration of any utility equipment damaged or destroyed as a result of the negligence or mischief of the Owner.

## ARTICLE XI

### GENERAL PROVISIONS

Section 1. Power of Attorney. Each and every Owner hereby makes, constitutes and appoints Declarant as his/her true and lawful attorney-in-fact, coupled with an interest and irrevocable, for him/her and in his/her name, place and stead and for his/her use and benefit, to do the following:

(a) to exercise, do or perform any act, right, power, duty or obligation whatsoever in connection with, arising out of, or relating to any matter whatsoever involving this Declaration and Seabrook Island;

(b) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract, or abandon the terms within this Declaration, or any part hereof, with restriction(s) as declarant shall deem necessary, proper and expedient under the circumstances and conditions as may then be existing; and

(c) to sign, execute, acknowledge, deliver and record any and all instruments which modify, amend, change, enlarge, contract or abandon the subdivision plat(s) of Seabrook Island,



or any part thereof, with any easements and rights-of-way to be therein contained as the Declarant shall deem necessary, proper and expedient under the circumstances and conditions as may then be existing.

The rights, powers and authority of said attorney-in-fact to exercise any and all of the rights and powers herein granted shall commence and be in full force upon recordation of this Declaration in the Real Property Records of Harris County, Texas and shall remain in full force and effect thereafter until the tenth (10th) anniversary of the recordation of this Declaration.

Section 2. Duration. This Declaration shall run for an original fifty (50) year term beginning on the date of recordation of this Declaration in the Real Property Records of Harris County, extended for successive periods of ten (10) years unless an instrument is signed by the Members entitled to cast ninety percent (90%) of the votes of the Association and recorded in the Real Property Records of Harris County, Texas, which contains and sets forth an agreement to terminate this Declaration.

Section 3. Amendments. This Declaration is expressly subject to change, modification and/or deletion by means of amendment at any time and from time to time as provided herein. Notwithstanding Section 2 of this Article, this Declaration may be amended as follows:

(a) Provided that there is no adverse affect to the title to any Owner's property or that any such Owner whose title is adversely affected shall consent thereto, this Declaration may be amended unilaterally at any time and from time to time during the Development Period by Declarant, utilizing the power of attorney status as set forth in Section 1 above, (a) if such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (b) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on property subject to this Declaration; (c) if such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the property subject to this Declaration; (d) to correct errors in the Declaration; or (e) to modify or add to provisions of this Declaration to adequately cover situations and circumstances which the Declarant believes, in its reasonable judgment, have not been adequately covered and would not have a material and adverse affect on the marketability of Lots;

(b) This Declaration may be amended upon the express written consent of a majority of the Board of Directors and the Members entitled to cast at least fifty-one percent (51 %) of the votes of the Association.

All amendments shall be promptly recorded in the Real Property Records of Harris County, Texas.

Section 4. Enforcement; Resolution of Certain Disputes. This Declaration may be enforced by the Declarant, the Association or any Owner. Enforcement of this Declaration may be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by this Declaration; but failure by the Declarant, the Association or any Owner to enforce any covenant, restriction or provision herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Matters of dispute or disagreement between Owners with respect to interpretation or application of the Protective Covenants in Article IX of this Declaration shall be determined by the Board of Directors. Matters pertaining to Architectural and Design Review in Article VIII shall be determined by the Architectural Review Committee. These respective determinations (absent arbitrary and capricious conduct or manifest error) shall be final and binding upon all Owners.

Section 5. Validity. Violation of or failure to comply with this Declaration shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may be then existing on any Lot. Invalidation of any provision of this Declaration, or any portion thereof, by a judgment or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect.

Section 6. Proposals of Declarant. The proposals of the Declarant, whether contained herein or otherwise to develop additional parcels of property for residential purposes and/or expand the Common Properties (not only geographically but also in terms of the types of amenities available for use) and items of a related nature are mere proposals and expressions of the existing good faith intentions and plans of the Declarant and shall not be deemed or construed as promises, solicitations, inducements, contractual commitments or material representations by the Declarant upon which any person or entity can or should rely.

Section 7. Service Mark. Declarant is the prior and exclusive owner and proprietor of, and reserves all rights with respect to the service mark for Seabrook Island ("Service Mark"). Unless and until a written license agreement has been sought and obtained from Declarant (and in this connection Declarant may withhold consent in its sole and absolute discretion), no person or entity may at any time and/or for any reason whatsoever use, depict, draw, demonstrate, reproduce, infringe, copy or resemble, directly or indirectly, the Service Mark.

Section 8. Headings. The headings contained in Declaration are for reference purposes only and shall not in any way affect the meaning or interpretation of this Declaration. Words

of any gender used herein shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa, unless the context required otherwise.

Section 9. Notice of Association's Assumption of Debt on Recreation Center. DECLARANT PLANS TO DEVELOP AND ANNEX ADDITIONAL SECTIONS OF SEABROOK ISLAND. A RECREATION CENTER MAY BE BUILT IN ONE OF THE ADDITIONAL SECTIONS. **IF AND WHEN A RECREATION CENTER IS DEEDED TO THE ASSOCIATION AS COMMON PROPERTY, THE ASSOCIATION WILL BE OBLIGATED TO ACCEPT THE RECREATION CENTER SUBJECT TO THE DEBT THEREON. THIS MAY RESULT IN AN INCREASE IN MAINTENANCE FEES FOR ALL LOTS IN ALL SECTIONS OF THE SUBDIVISION. BUILDERS MUST GIVE NOTICE OF THIS OBLIGATION TO PURCHASERS OF ALL LOTS SOLD BY BUILDERS.**

Section 10. Notices to Member/Owner. Any notice required to be given to any member or Owner under the provisions of this Declaration shall be deemed to have been properly delivered when deposited in the United States Mail, postage prepaid, addressed to the last known address of the person who appears as the Member or Owner on the records of the Association at the time of such mailing.

Section 11. Arbitration. Any controversy, claim or dispute in which the damages alleged are in excess of \$5,000.00 arising out of or relating to this Declaration, any breach of the terms thereof, or related to the Seabrook Island Homeowners Association and/or the directors thereof shall be decided by arbitration in accordance with the Arbitration Rules of the American Arbitration Association. All decisions by the arbitrator shall be final, and any judgment upon the award rendered by the arbitrator may be confirmed, entered and enforced in any court having proper jurisdiction.

Section 12. Governing Law. This Declaration shall be construed and governed under the laws of the State of Texas.

Section 13. Ratification by Lienholder. The undersigned lienholder has executed this Declaration to evidence its joinder in, consent to, and ratification of the imposition of the foregoing covenants, conditions, and restrictions.

IN WITNESS WHEREOF, the undersigned, being Declarant and Lender herein set forth, have set their hands and seals this 21 day of June, 1999.

**DECLARANT:**

**Taylor Lake Holdings, Inc.**

Attest:

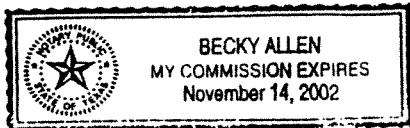
By: *Paul Robinson Jr.*  
Secretary

By: *Wade Miller*  
Wade Miller, President

THE STATE OF TEXAS

COUNTY OF HARRIS

This instrument was acknowledged before me by Wade Miller, President of Taylor Lake Holdings, Inc., a Texas corporation, on this 21<sup>st</sup> day of June, 1999, on behalf of said corporation.



*Becky Allen*  
Notary Public, State of Texas

SEABROOK ISLAND  
SECTION ONE

FIELD NOTE DESCRIPTION OF 35.0621 ACRES OF LAND OUT OF LOT 3 OF THE SUBDIVISION OF THE RITSON MORRIS SURVEY, ABSTRACT NO. 52, HARRIS COUNTY, TEXAS, AND ALSO BEING A PART OF THAT CERTAIN CALLED 164.3333 ACRE TRACT OF LAND CONVEYED TO TAYLOR LAKE HOLDINGS, INC., BY DEED RECORDED UNDER HARRIS COUNTY CLERK'S FILE NO. R476201, SAID 35.0621 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS; [BEARINGS REFERENCED TO THE SOUTH LINE OF LAKEPOINTE FOREST SECTION FOUR, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 359, PAGE 42 OF THE MAP RECORDS OF HARRIS COUNTY, TEXAS, SAID SOUTH LINE BEARING N 88°05'06" E]:

BEGINNING at a point marking the Northeast corner of said called 164.3333 acre tract and the herein described tract, same being the Southeast corner of said Lakepointe Forest Section 4, said point falling in the West right-of-way line of the Southern Pacific Railroad (100 feet wide);

THENCE, South 10°00'47" East, along said West right-of-way line, same being the East line of said 164.3333 acre tract, a distance of 731.90 feet to a point for the Southeast corner of the herein described tract;

THENCE, South 88°04'46" West, a distance of 610.37 feet to a point for corner;

THENCE, North 01°55'14" West, a distance of 94.66 feet to a point for corner;

THENCE, South 88°05'06" West, a distance of 425.00 feet to a point for corner;

THENCE, North 60°26'48" West, a distance of 199.40 feet to a point for corner;

THENCE, South 29°33'12" West, a distance of 190.23 feet to an angle point;

THENCE, North 60°26'48" West, a distance of 190.00 feet to a point for corner;

THENCE, South 29°33'12" West, a distance of 23.05 feet to a point for the Point of Curvature of a curve to the Left;

THENCE, Southwesterly, along and with said curve to the Left, having a radius of 890.00 feet, a central angle of 03°01'00", an arc length of 46.86 feet and a chord bearing South 28°02'42" West for a distance of 46.85 feet to a point for corner;

THENCE, North 77°11'38" West, a distance of 154.37 feet to an angle point;

THENCE, South 88°05'06" West, a distance of 237.91 feet to a point for corner;

THENCE, South 25°42'28" West, a distance of 144.53 feet to an angle point;

THENCE, South 43°56'20" West, a distance of 134.54 feet to an angle point;

THENCE, South 61°02'52" West, a distance of 133.29 feet to an angle point;

THENCE, South 69°36'07" West, a distance of 242.19 feet to a point for the Southwest corner of the herein described tract;

THENCE, North 28°04'07" West, a distance of 131.17 feet to an angle point;

THENCE, North 19°32'18" West, a distance of 50.01 feet to an angle point;

THENCE, North 08°53'54" West, a distance of 116.01 feet to an angle point;

THENCE, North 17°36'06" East, a distance of 20.71 feet to a point for corner;

THENCE, North 69°36'07" East, a distance of 222.13 feet to an angle point;

THENCE, North 42°26'59" East, a distance of 110.00 feet to an angle point;

THENCE, North 01°54'54" West, a distance of 520.00 feet to a point for the Northwest corner of the herein described tract, said falling in the South line of Lakepointe Forest, as recorded in Volume 338, Page 125 of the Harris County Map Records;

THENCE, North 88°05'06" East, along the South line of said Lakepointe Forest, and the South line Lakepointe Forest sections 3 and 4, a distance of 2090.88 feet to the POINT OF BEGINNING and containing 35.0621 acres of land, more or less.

CENTURY ENGINEERING, INC.

Dated this 18th day of August, 1998

Note:

This description was based on available information, and without the benefit of a current title report and is subject to any building lines, easements or other encumbrances that a current title report may reflect. No field survey was performed.

CEI Job No. 96028-00.0  
(QW) SV 96028D.t