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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BRITTANY LAKES, SECTION 11

STATE OF TEXAS §
COUNTY OF GALVESTON §

THIS DECLARATION is made on the date hereinafter set forth by BL Development, Ltd., a Texas limited partnership ("Declarant");

WITNESSETH

WHEREAS, Declarant is the owner of the tract of in Galveston County, Texas which has been platted as Brittany Lakes, Section Eleven (11) according to the plat thereof recorded in Volume 2004A, Pages 16-17 of the Map Records of Galveston County, Texas (the "Property"); and

WHEREAS, Declarant desires to develop the Property as a residential subdivision, together with any other land which Declarant at its sole discretion may hereinafter add thereto, and to provide and adopt a uniform plan of development including assessments, conditions, covenants, easements, reservations, and restrictions designed to govern, control and preserve the values and amenities of the Property for the development, improvement, sale, use and enjoyment of the Property as a residential subdivision; and

WHEREAS, Declarant desires to subject the Property, together with additional land as may hereinafter be made subject hereto, to the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, for the benefit of the Property, additions thereto, and each Owner (hereinafter defined) of any part thereof; and

WHEREAS, Declarant has deemed it desirable, for the efficient preservation of the values and amenities in said subdivision, to create an Association (hereinafter defined) to which shall be delegated and assigned the power of administering and enforcing these assessments, conditions, covenants, easements, reservations and restrictions, including levying, collecting and disbursing the assessments; and

WHEREAS, there has previously been incorporated the Brittany Lakes Homeowners' Association, Inc., a non-profit corporation created under the laws of the State of Texas, whose directors have established By-Laws by which said Association shall be governed through its Board of Directors, for the purpose of exercising the functions aforesaid.

WHEREAS, the Brittany Lakes Homeowners' Association, Inc. has annexed the Property into the jurisdiction of the Association by virtue of the Annexation Agreement filed under Clerk's File No. 2002024289.

NOW, THEREFORE, Declarant hereby declares that the Property shall be developed, improved, sold, used and enjoyed in accordance with, and subject to the following plan of development, including the assessments, conditions, covenants, easements, reservations, and restrictions hereinafter set forth, all of which are hereby adopted for, and placed upon said Property and shall run with the Property and be binding on all parties, now and at anytime hereinafter, having or claiming any right, title or interest in the Property or any part thereof, their heirs, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired, and shall inure to the benefit of each Owner of any part of the Property.

ARTICLE I. DEFINITIONS OF TERMS.

The following words when used herein shall have the following meanings when capitalized (unless the context requires otherwise and the term is then not capitalized):

- A. "ARC" means the Architectural Review Committee established for the Property as set forth in Article VI, Section A.
- B. "Annual Assessment" means the assessment levied against all Lots for the purposes set out in Article XI, Section B.
- C. "Guidelines" mean a publication of the ARC that sets forth various standards relating to construction and interpretations, which publication may be amended without notice to Owners.
- D. "Association" means the BRITTANY LAKES HOMEOWNERS' ASSOCIATION, INC., a Texas non-profit corporation, its successors and assigns, which has jurisdiction over all property located within the land encumbered under this Declaration, as well as the lands included in Brittany Lakes, Sections 1 through 10.
- E. "Board" means the duly elected Board of Directors of the Association.
- F. "Builder Guidelines" means general guidelines as to construction type, size, floor plan, building materials and aesthetics within the Subdivision as set by the ARC, which may be changed without notice to the Owner.
- G. "Brittany Lakes, Section 11" means a development containing 17.78 acres, more or less, located in League City, Galveston County, Texas, more particularly described in the recitals to this Declaration.
- H. "By-Laws" means the By-Laws of the Brittany Lakes Homeowners' Association, as they may be amended from time to time.
- I. "Common Area" means (i) all real property currently owned by the Association, and (ii) Declarant's ownership interest, if any, in land held in fee or held in easement (excluding Lots) by or for the benefit of the Association for the

common use and enjoyment of all of its members and designated by Declarant to be conveyed by deed or easement to the Association.

- J. "Declarant" means BL Development, Ltd., its successors and assigns, as evidenced by a written, recorded instrument.
- K. "Declaration" means this Declaration of Covenants, Conditions, and Restrictions for Brittany Lakes, Section 11.
- L. "Dwelling" means a structure or structures intended for residential use.
- M. "Lot" means a parcel of Property platted or replatted as one lot in the Map Records of Galveston County, Texas, and encumbered by this Declaration upon which a single-family residential Dwelling may be built. A Dwelling may be constructed on one or more Lots, and each such Lot will be subject to the rights and duties of membership in the Association. There shall be an assessment due for each Lot owned.
- N. "Member" means an Owner, as defined in this article, of a Lot.
- O. "Owner" means an owner of any portion of the Property. Any person or entity obtaining title to an Owner's property subject to this Declaration shall also be deemed an Owner. Persons or entities owning property annexed into the Association shall also be deemed Owners. Persons or entities holding title only as a lienholder shall not be an Owner for purposes of this Declaration.
- P. "Property" means all of the property subject to this Declaration, as more particularly described in the recitals to this Declaration.
- Q. "Special Assessment" means an assessment levied under Article XI, Section D for a specific purpose.
- R. "Subdivision" shall refer to Brittany Lakes, Section 11.

ARTICLE II. PURPOSE AND INTENT.

Brittany Lakes, Section 11 as planned, is intended to be a single-family residential development that is planned to feature residential uses. This Declaration shall serve as the means by which design, development, construction, and maintenance of the Property, which constitutes Brittany Lakes, Section 11, will be developed.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS.

- A. Membership. The sole criteria to become a Member of the Association is to hold title to a Lot. Any holder of a mere security interest (such as a mortgagee, or holder of any other lien against property) shall not be a Member, unless that holder of the security interest foreclosed and thereby became the Owner of the Property. Membership is appurtenant to and runs with the land. Membership is

not severable as an individual right and cannot be separately conveyed to any party or entity. Thus, multiple owners of any single Lot must vote in agreement (under any method they devise among themselves), but in no case shall such multiple Owners cast portions of votes. All of the votes attributable to any single Lot must be voted in the same manner (i.e., all votes for, or all votes against a particular issue).

All duties and obligations set forth in this Declaration are the responsibility of each Member. No waiver of use of or eligibility to rights of enjoyment created by this Declaration shall relieve Members or their successors or assigns of such duties or obligations. Mandatory membership shall begin with the execution of this Declaration and pass with title to the land (regardless of the method of conveyance) to any subsequent grantee, successor, or assignee of Owners currently owning any portion of the Property.

- B. Eligibility. Eligibility to vote or serve as a representative, director or officer of the Association shall be predicated upon a Member being in good standing with the Association. To be in good standing, the Member must (i) have all assessments of every type and category paid up to date and have no outstanding financial obligations to the Association that are delinquent and (ii) not be in violation of this Declaration or any deed restriction affecting such Member's Lot as determined by a vote of sixty-seven percent (67%) of the Board of Directors.
- C. Voting Rights. The Association shall have two classes of membership, Class "A" and Class "B", as follows:
1. Class "A" Membership: Class "A" Members shall be all Members with the exception of Class "B" Members, if any. Each Class "A" Member's voting rights shall be based on the number of Lots owned and shall be determined as follows: One (1) vote shall be granted per platted Lot.
 2. Class "B" Membership: Class "B" Members shall include the Declarant and such Owners as the Declarant may, in its sole discretion, confer Class "B" Membership status upon. Each Class "B" Member's voting rights shall be based on the number of Lots owned and shall be determined as follows: Three (3) votes shall be granted per platted Lot.

Declarant shall retain control and authority to appoint all members of the Board of Directors of the Association until at least thirty percent (30%) of the Lots are sold to Class "A" Members or January 1, 2006, whichever occurs later. Such elections shall be subject to the provisions of the Articles of Incorporation and Bylaws of the Association. Upon sale of thirty percent (30%) or more of the Lots to Class "A" Members or January 1, 2006, whichever occurs later, one Member of the Board of Directors shall be elected by the Class "A" Members at the next regular annual meeting. Upon sale of fifty percent (50%) of the Lots being sold or January 1, 2006, whichever occurs later, Class "A" Members shall be able to elect a total of

two members of the Board of Directors at the next regular annual meeting. Class "B" Membership ceases on January 1, 2015 or when seventy-five percent (75%) of the Lots are sold, whichever occurs later. At such time any remaining Class "B" Members shall be automatically converted to Class "A" Members.

3. Proxies and Directed Ballots: All votes may be cast by written proxy or directed ballots. The procedure for the use of the proxies and directed ballots shall be as prescribed in the Association's By-laws.

ARTICLE IV. EFFECTIVE DATE OF DECLARATION.

The covenants, conditions, and restrictions imposed on the Property shall be effective as of the date this Declaration is recorded in the Real Property Records of Galveston County, Texas.

ARTICLE V. USE RESTRICTIONS.

- A. Residential Uses Permitted. Lots within Brittany Lakes, Section 11 shall be used exclusively for single-family residential purposes. No multi-family Dwellings or commercial structures may be constructed on any Lot. No building, outbuilding or portion thereof shall be constructed for income property, such that tenants would occupy less than the entire Lot. It is permitted for tenants to lease a residence in the Subdivision, so long as tenants are leasing the entire land and improvements comprising the Lot.

No Lot shall be occupied by more than a single family. For purposes of this restrictions, a single family shall be defined as any number of persons related by blood, adoption or marriage living with not more than one (1) person who is not so related, all as a single household unit, and the household employees of such household unit. It is not the intent of the Declarant to exclude from a Lot any individual who is authorized to so remain by any state or federal law. If it is found that this definition, or any other provision contained in this Declaration is in violation of any law, then this Section shall be interpreted to be as restrictive as possible to preserve as much of the original section as allowed by law.

- B. Non-Permitted Uses.

1. No business nor business activity, whether for profit or not, shall be permitted in or on any Lot within the Subdivision. Notwithstanding the foregoing, an Owner may maintain a business office in a Dwelling so long as clients and/or customers may not be seen from any street. No deliveries of stock or merchandise for sale or distribution, no traffic of customers or clients to or from Lots, no advertising of locations or phone numbers within the Subdivision as businesses, and no storage of materials, products or stock are permitted on any Lot. Garage sales or yard sales (or any similar vending of merchandise) conducted on any Lot (or any homesite comprised of more than one Lot) more than once within

a 12-month period shall be considered business activity and therefore prohibited.

No business vehicles displaying commercial signage or advertising shall be permitted to be parked within public view in residential sections of the Subdivision, other than service vehicles contracted by owners of Lots to perform specific services. No vehicles with more than two axles shall be permitted to be parked or stored for a period in excess of twelve (12) hours in a residential section of Subdivision without prior written permission of the Association, whose approval will be issued at its sole and absolute discretion.

2. No livestock, domestic or wild animals, nor plants or crops shall be raised on any Lot for the purpose of selling same, whether for profit or not. Exchange of such animals, plants or produce for anything of value to the seller shall constitute a sale of the merchandise and therefore prohibited under this provision.
3. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be, or may become, an annoyance or a nuisance to the Subdivision.

- C. Parking and Prohibited Vehicles. No motor vehicle or non-motorized vehicle, boat, trailer, marine craft, recreational vehicle, camper rig (or portion thereof), aircraft, machinery or equipment of any kind may be parked or stored on any part of any Lot, easement or right-of-way, unless such vehicle or object is completely concealed from public view inside a garage or enclosure approved by the ARC. Passenger automobiles, passenger vans, motorcycles, or pick-up trucks that (a) are in operating condition; (b) have current license plates and inspection stickers; (c) are in daily use as motor vehicles on the streets and highways of the State of Texas; (d) which do not exceed six feet six inches (6'6") in height, or eight feet (8') in width and (e) have no commercial advertising located thereon, may be regularly parked in the driveway on a Lot, however, no such vehicle shall be parked so as to obstruct or block a sidewalk. The restriction concerning commercial advertising shall not apply to any vehicles, machinery, or equipment temporarily parked and in use for the construction, repair or maintenance of a house or houses in the immediate vicinity. Frequent overnight parking of any vehicle in the street is prohibited. Owners or occupants of Lots may seek a temporary variance from this restriction for their guests; however, any such request for a variance must receive the prior written approval of the Board.

No more than three (3) vehicles (passenger cars or non-commercial trucks or vans consistent with the residential use of a Lot) may be parked on the driveway of a Lot at any time. Such vehicles to be parked on a Lot must meet the restrictions of this Declaration and at all times be operable, have current license tags, state inspection stickers, and comply with current mandatory insurance under the laws of the State of Texas. All vehicles parked within the Subdivision

shall also be maintained in a manner such that the appearance of the vehicles do not detract from the marketability and appearance of the Subdivision. No vehicle that cannot physically fit within the designed garage of the Dwelling with the door closed will be construed as a vehicle incident to residential use of a Lot. Additional rules and regulations for the use and parking on public streets may be promulgated by the Association.

Recreational vehicles, such as mobile homes, campers, and boats are not considered vehicles incident to the residential use of a Lot and therefore are not permitted to be stored on Lots for any period of time. A recreational vehicle may be parked in front of or on the Lot for up to forty-eight (48) hours for loading, unloading and cleaning purposes only.

Parking of any vehicle other than in a driveway of a Lot or other paved area provided for parking is expressly prohibited.

- D. Screening. No Member or occupant of any portion of the Property shall permit the keeping of articles, goods, materials, refuse, trash or garbage containers, storage tanks, or like equipment in the open, exposed to public view. All such items must be screened from view and placed in a location first approved in writing by the ARC. Such screen shall be of a height at least equal to that of the materials or equipment being stored, but in no event shall such screen be more than six feet (6') in height. Added screening may also be required to shield such stored materials and equipment from view from adjacent Dwellings.
- E. Outside Storage and Trash Collection. No equipment, machinery or materials of any kind or nature shall be stored on any Lot forward of the fence at the front elevation of the house situated thereon, unless the equipment, machinery or materials are being used temporarily (i.e., of a duration of not more than one week) and is incident to repair or construction of the Lot. All equipment, machinery and materials shall be properly stored out of sight of every other Lot immediately after use of such item, and all trash, debris, excess or unused materials or supplies shall likewise be disposed of immediately off the Lot or stored out of view until trash collection occurs.

Trash may be placed outside for collection only the evening before collection. Such trash must be contained to protect from animals or spillage and trash cans must be removed from sight the same evening of collection.

F. Easements.

1. Utilities and General: There are hereby reserved unto Declarant (so long as the Declarant owns any Property), the Association, and the designees of each (which may include, without limitation, Galveston County and any utility) access and maintenance easements upon, across, over, and under all of the Property to the extent reasonably necessary for the purpose of replacing, repairing, and maintaining cable television systems, master

television antenna systems, monitoring and similar systems, roads, walkways, bicycle pathways, lakes, ponds, drainage systems, street lights, signage, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity, and for the purpose of installing any of the foregoing on Property that Declarant owns or within easements designated for such purposes on recorded plats of the Property. Notwithstanding anything to the contrary herein, this easement shall not entitle the holders to construct or install any of the foregoing systems, facilities, or utilities over, under or through any existing Dwelling; any damage to a Lot resulting from the exercise of this easement shall promptly be repaired by, and at the expense of, the person or entity causing such damage in the exercise of the easement. The exercise of this easement shall not unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot to exercise or utilize such easement shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local water supplier, electric company, cable company and natural gas supplier easements across all the Common Areas for ingress, egress, installation, reading, replacing, repairing and maintaining utility meter boxes, installation equipment, service equipment, and any other device, machinery or equipment necessary for the proper functioning of the utility; however, the exercise of this easement shall not extend to unauthorized entry into the Dwelling on any Lot, except in an emergency. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property by an Owner or his agent or contractor, except as may be approved by the Board of Directors or Declarant.

The Board shall have, by a two-thirds (2/3) vote, the power to dedicate portions or all of the Common Area to League City, Texas, or to any other similar local, state or federal governmental entity.

An underground electric distribution system will be installed in the Subdivision, which underground service area shall embrace all of the Lots in the Subdivision. This electrical distribution system shall consist of overhead primary feeder circuits constructed on wood or steel poles, single-phase, as well as underground primary and secondary circuits, pad-mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available.

The owner of each Lot containing a Dwelling shall at his/her/its own cost furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the underground or other service cable and appurtenances from the point of

electric company's metering at the structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has either by designation on the plat of the Subdivision or by separate instrument granted necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various Owners reciprocal easements providing for access to the area occupied by and centered on the various Owners' service wires to permit installation, repair and maintenance of each Owner's service wires. In addition, the Owner of each Lot containing a Dwelling shall at his/her/its own cost furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for each Dwelling involved. For so long as underground service is maintained, the electric service to each Dwelling therein shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three-wire, 60 cycle, alternating current.

The electric company has installed or will install the electric distribution system at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided).

2. Easements for Common Areas: Declarant reserves for itself and its successors, assigns and designees the non-exclusive right and easement, but not the obligation, to enter upon the Common Areas located within the Property (a) to install, keep, maintain and replace pumps in order to obtain water for the irrigation of any of the Common Area, (b) to construct, maintain and repair any wall, dam, or other structure retaining water therein, and (c) to remove trash and other debris and to fulfill its maintenance responsibilities as provided in this Declaration. Declarant's rights and easements hereunder shall be automatically and without instrument transferred to and assumed by the Association at such time as Declarant shall cease to own Property subject to the Declaration, or at such earlier time as Declarant may decide, in its sole discretion, to transfer such rights by a written instrument. The Declarant, the Association, and their designees shall have an access easement over and across any of the Property abutting or containing any portion of any of the Common Areas to the extent reasonably necessary to exercise their rights and responsibilities under this Section.

There is further reserved, for the benefit of Declarant, the Association, and their designee, a perpetual, non-exclusive right and easement of access and encroachment over Common Areas and Lots (but not the Dwellings

thereon) extending from the line of mean low tide to the line of vegetation of lakes, if any, within the Common Area, in order: (a) to temporarily flood and back water upon and maintain water over such portions of the Property; (b) to fill, drain, dredge, deepen, clean, fertilize, dye and generally maintain the lakes, if any, within the Common Areas; (c) to maintain and landscape the slopes and banks pertaining to such lakes; and (d) to enter upon and across such portions of the Property for the purpose of exercising rights under this Section. All persons entitled to exercise these easements shall use reasonable care in, and repair any damage resulting from, the intentional exercise of such easements. Nothing herein shall be construed to make Declarant or any other person or entity liable for damage resulting from flood due to hurricanes, heavy rainfall, rising water or other natural disasters.

- G. Signs. No sign will be permitted on any Lot within the Subdivision without the prior written permission of the ARC. No sign will be approved on any Lot other than one "For Sale" sign or "For Lease" sign of an appropriate appearance and not greater than eight (8) square feet, as determined by the ARC. The ARC may publish from time to time approved guidelines for "For Sale" and/or "For Lease" signs; if such "For Sale" and "For Lease" signs are in compliance with said guidelines, they will not require ARC approval.

All signs within the Subdivision are subject to the Builder Guidelines and/or requirements promulgated by the ARC.

- H. Reservation of Minerals. The Property and any future land made subject to this Declaration are hereby subjected to the following reservation and exception: Declarant hereby reserves unto itself and its successors, assigns and predecessors in title in accordance with their respective interests of record all oil, gas and other minerals in, on and under said land, but Declarant, on behalf of itself and its successors, assigns and, to the extent authorized, its predecessors in title, hereby waives the right to use the surface of the land, other than that land or easements owned by Declarant or other owners of oil, gas or other minerals and specifically designated for exploring, drilling for, producing and mining oil, gas and other minerals; provided that Declarant hereby retains and reserves the right on behalf of itself and its successors, assigns and predecessors in title to pool the land with other lands for development of oil, gas and other minerals and the right to drill under and through the subsurface of the land below the depth of one hundred feet (100') by means of wells located on the surface of land or easements owned by Declarant or other owners of oil, gas or other minerals. Such exceptions, retained rights and reservations shall inure to the benefit of Declarant, its predecessors in title and their respective successors and assigns in accordance with their respective interest of record.
- I. Common Area. The Association, subject to the rights of the Members and Owners set forth in this Declaration or any amendments, shall be responsible for the exclusive management and control of the Common Area and all

improvements thereon and shall keep it in good, clean, attractive and sanitary condition. No Member or Owner may appropriate any portion of the Common Areas or any improvement thereon for his or her own use to the exclusion of others. Whether the Association shall have a cause of action over or against any Member or Owner for the causation of damage or injury to any Common Area shall be a matter of common law.

The Common Area may not be mortgaged, transferred or conveyed without the consent of at least sixty-seven percent (67%) of the Owners other than Declarant or any Owner that is a homebuilder building houses in Brittany Lakes, Section 11. Furthermore, if ingress or egress to any Lot is through a Common Area, any conveyance or encumbrance of such Common Area must provide that the same is subject to the Owner's right of ingress or egress.

- J. Window Treatments. Within three (3) months of occupying a Dwelling on any Lot, an Owner shall install appropriate window treatments in keeping with the architectural aesthetics of the Subdivision. Appropriate window treatments would include, by way of illustration, curtains and draperies with backing material of white, light beige, cream, light tan, or light grey; blinds or miniblinds of the same colors or natural stained wood; and/or shutters of the same colors or natural stained wood. No other window treatment color may be visible from the exterior of the Dwelling. All of these window treatments or coverings are subject to the approval of the ARC and all Builder Guidelines that it promulgates and may change from time to time, as found necessary and appropriate in the sole discretion of the ARC.

Expressly prohibited both before and after the initial three (3) months of occupancy are any temporary or disposable coverings not consistent with the architectural aesthetics of the Subdivision, such as reflective materials, sheets, newspapers, shower curtains, fabric not sewn into finished curtains or draperies, other paper, plastic, cardboard, or other materials not expressly made or commonly used by the general public for permanent window coverings in another residential subdivision of the same caliber as the Subdivision.

K. Deed Restriction Enforcement.

1. Authority to Promulgate Rules and Regulations: The Board of Directors has the authority to promulgate reasonable rules and regulations concerning enforcement of the covenants and restrictions contained in this Declaration, any supplemental restrictions and/or amendments concerning the use of Common Areas.
2. Attorney's Fees and Fines: In addition to all other remedies that may be available, the Association has the right to collect attorney's fees and/or fines as set by the Board from any Owner that is in violation of this Declaration, any applicable amendments, any ARC requirements, the

Builder Guidelines, or any other rule or regulation promulgated by the Association.

3. Remedies: Every Owner shall comply with all provisions of this Declaration, the By-Laws, and the rules and regulations of the Association. Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any Owner or Owners. In addition, the Association may avail itself of any and all remedies provided in this Declaration, any amendment, or the By-Laws.
- L. Antennas. No exterior antenna, aerial, satellite dish, or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Property, including any Lot, unless the location and dimension thereof are approved by the ARC, it being the intent of Declarant that any such device be reasonably unobtrusive to public view. Any device larger than 2' in diameter is not permitted. The Declarant and/or the Association shall have the right, without obligation, to erect or install an aerial, satellite dish, master antenna, cable system, or other apparatus for the transmission of television, radio, satellite or other signals for the benefit of all or a portion of the Property.
- M. General Nuisances. No portion of the Property shall be used, in whole or in part, for the storage of any property or thing that will cause it to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, animal, or material be kept upon any portion of the Property that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding Lots.

No noxious, illegal, or offensive activity shall be carried on upon any portion of the Property, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance, or nuisance to any person using any portion of the Property. There shall not be maintained any plants, animals, device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Property. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Property. No speaker, horn, whistle, bell or other sound device, except alarm devices used exclusively for security purposes, shall be installed or operated on the Property, unless required by federal, state or local regulation. The use and discharge of firecrackers and other fireworks is prohibited within the Property.

It shall be the responsibility of each Owner to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Lot. The pursuit of hobbies or other activities, including specifically, without limiting the

generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, that might tend to cause disorderly, unsightly, or unkempt conditions, shall not be pursued or undertaken on any part of the Property. Notwithstanding the above, the disassembly and assembly of motor vehicles to perform minor repair work shall be permitted provided such activities are not conducted on a regular or frequent basis and are either conducted entirely within an enclosed garage or, if conducted outside, are begun and completed within twenty-four (24) hours.

- N. Animals and Pets. No animals, livestock (including swine of any kind) or poultry of any kind shall be raised, bred, or kept on any portion of the Property, except that dogs, cats, or other usual and common household pets, not to exceed a total of three (3) pets, may be permitted in a Dwelling. The foregoing limitation on number of pets shall not apply to hamsters, small birds, fish or other constantly caged animals, nor shall it apply to require the removal of any litter born to a permitted pet prior to the time that the animals in such litter are three (3) months old. No pets are permitted to roam free. If, in the sole discretion of the Association, any pet that may endanger the health of or constitute a nuisance or inconvenience to the Owners of other Dwellings or the owner of any portion of the Property shall be removed upon request of the Board. If the owner of the pet fails to honor such request, the pet may be removed at the direction of the Board. No pets shall be kept, bred, or maintained for any commercial purpose. Dogs, at all times whenever they are outside a Dwelling and outside a restraining fence, shall be confined on a leash held by a responsible person.
- O. Swimming Pools. No above ground swimming pools are permitted. All other swimming pools require architectural approval as set out in Article VI herein.
- P. Out Buildings/Accessory Buildings. No out building and/or accessory building (including, but not limited to sheds, greenhouses, gazebos, play houses, shade trellises) shall be constructed or placed within the Subdivision without the prior written approval of the Association. The Association shall have the right without the obligation to promulgate rules, regulations and guidelines regarding the size, quality, location and type of these structures.

ARTICLE VI. ARCHITECTURAL RESTRICTIONS.

- A. Architectural Review Committee ("ARC"). The initial ARC shall be composed of three (3) individuals designated by Declarant, one of whom may be designated as the Representative to act on behalf of the ARC. The Declarant reserves the right to appoint replacements as necessary by reason of resignation, removal or incapacity. The Declarant shall retain the right of ARC appointment until the earlier of:
1. when the Declarant so desires to relinquish its authority over ARC appointment, or

2. December 31, 2010.

At such time, the Board of Directors of the Association shall have the right to replace such ARC members by duly electing three (3) Owners in good standing with the Association. The Board of Directors reserves the right to appoint replacements as necessary by reason of resignation, removal or incapacity.

The Board of Directors shall have the right to review any action or non-action taken by the ARC and shall be the final authority.

- B. ARC Approval Required. No buildings, additions, modifications or improvements shall be erected, placed or performed on any Lot until the construction plans and specifications including, but not limited to, the site plan, design development plan, exterior plan, signage plan, landscaping plan, and lighting plan have been submitted in duplicate to and approved in writing by the ARC as hereinafter provided. Identical (or virtually identical) floor plans must be separated by houses of different floor plans as specified in the Builder Guidelines. The ARC or Board of Directors may, at the sole discretion of either, retain and/or delegate review of plans and specifications to a designated AIA architect experienced and qualified to review same, who may then render an opinion to the ARC or Board of Directors. Approval of plans and specifications shall not cover or include approval for any other purpose and specifically, but without limitation, shall not be construed as any representation as to or responsibility for the design of the improvement or the ultimate construction thereof. In the event the ARC fails to approve such plans and specifications within forty-five (45) days after the receipt thereof, they shall be deemed to be disapproved. The ARC or its assignee, at its sole discretion and to the extent wherein not expressly prohibited by this Declaration or any amendments, is hereby permitted to approve in writing variances in the general use restrictions set forth in Article V in instances where, in its sole judgment, such deviations will result in a more common beneficial use and enhance the overall development plan for the Property. The approval of a deviation in the general use restrictions by the ARC does not obligate the ARC to approve a similar variance at a later time. Notwithstanding any other provision contained herein, any Dwellings, additions, or improvements erected or placed on any Lot shall be deemed to comply with the building requirements of the ARC and related covenants contained in the Declaration unless the ARC so notified the Owner in writing within four (4) years from the completion thereof. This provision, however, shall not be deemed a waiver of the right of the ARC or Declarant to enforce the continuing restriction of use contained herein.

The ARC shall have the authority hereunder to require any Owner or Owner's agents or contractors to cease and desist in constructing or altering any improvements on any Property, where such actions constitute a violation of the Declaration, the Builder Guidelines or any other documents promulgated by the ARC. The violating Owner shall remove such violating improvements or sitework at its sole expense and without delay, returning same to its original condition or bringing the Lot into compliance with the Declaration, ARC documents and any

plans and specifications approved by the ARC for construction on that Lot. If an Owner proceeds with construction that is not approved by the ARC, or that is a variance of the approved plans, the Association may assess fines as provided in Article XIV, Section F and may continue to assess such fines until ARC approval is granted or the violation is removed. This Declaration is notice of such liability for violation and Owners hereby agree to bear the cost and expense to cure any violations according to this provision, regardless of the substantial cost, time or loss of business involved.

Written notice may be delivered to Owner or agent or contractor with apparent authority to accept same and notice shall be binding on Owner as if actually delivered to Owner.

The ARC or its agents or assigns shall have the right, but not the obligation, to enter the Property to determine if violations of this Declaration, the Builder Guidelines, or any other documents promulgated by the ARC exist.

The ARC shall have the right to set time constraints for both the commencement and completion of construction. If construction fails to start within three (3) days after the designated commencement date or is not completed by the designated completion date, the plans shall be deemed not approved.

The ARC has the right to charge a review fee, to be established by the Board of Directors, for review of any plans or specifications submitted for approval to the ARC.

- C. Maximum/Minimum Size of Dwelling. No Dwelling shall exceed two and one-half (2 1/2) stories in height. The Builder Guidelines will delineate, from time to time, the minimum and maximum square footage of living area which will be permitted in Dwellings in Brittany Lakes, Section 11. The initial square footage restrictions for Brittany Lakes, Section 11 shall be not less than 1,500 square feet, but no more than 3,000 square feet of livable area (exclusive of open porches and garages) in any Dwelling.
- D. Garages. Each Dwelling must have an attached or detached garage capable of housing a minimum of two (2) automobiles. No garage shall be changed, altered or otherwise converted for any purpose inconsistent with the housing of at least two (2) automobiles at all times. All Owners, their families, tenants and contract purchasers shall, to the greatest extent practicable, utilize such garages for the garaging of vehicles owned by them.
- E. Building Setbacks. No Dwelling or other structure shall be erected nearer to any street or property line than that allowed by the applicable plat or other recorded documents unless first approved in writing by the ARC. Driveways and sidewalks shall be permitted to be placed within a setback as approved by the ARC. Before the construction of any dwelling is complete, the builder shall construct in all adjacent street rights-of-way a concrete sidewalk four feet (4') in

width, parallel to the street curb and two feet (2') from the Lot line in accordance with local standards and ordinances. The sidewalk shall extend the full width of the Lot. On corner Lots, the sidewalk shall extend the full width and depth of the Lot up to each street curb and finished with the complement of required curb ramps. The maintenance of all sidewalks is the responsibility of the Owner.

- F. Exterior Materials. The exterior materials in the main residential structure and any attached garage or servants' quarters shall be not less than fifty-one percent (51%) brick masonry, unless otherwise approved in writing by the ARC.
- G. Landscaping. The open, unpaved space in a Lot, including but not limited to front and side building setback areas, shall be planted, sodded landscaped according to a plan approved by the ARC.

Any significant changes in the existing landscaping on any Lot must have written approval from the ARC.

- H. Grading and Drainage. Topography of each and every Lot must be maintained with proper grading and drainage systems such that runoff of water (rain or other precipitation, or manmade irrigation) does not cause undue erosion of the subject Lot itself or any other Lots, whether or not adjacent to the subject Lot. Owners causing (either directly or indirectly) erosion or other incident damage to personal or real property due to inadequate or defective grading or drainage measures on their own Lot, or because of excess runoff caused by their own irrigation system, shall be liable to all such damaged parties for the replacement, repair and/or restoration of such damaged real or personal property.

Owners shall be responsible for ensuring that all local, state and federal rules and regulations regarding drainage and runoff are met.

- I. Temporary Structures. Temporary Structures may be erected only on undeveloped Property by builders or the Declarant with the written prior approval of the ARC. Even temporary structures shall be in accordance with any applicable provisions of The Builder Guidelines promulgated by the ARC; time limitations for such structures are limited to the period of active and exclusive construction and sales within the Subdivision.

ARTICLE VII. MAINTENANCE.

- A. General Maintenance. Each Owner shall maintain and keep in good repair his or her Dwelling and all structures, fences, parking areas and other improvements comprising the Lot. All structures and other improvements designed to be painted must be kept painted and the paint may not be allowed to become faded, cracked, flaked or damaged in any manner. Grass, vegetation and weeds on each Lot shall be cut as often as may be necessary to maintain the same in a neat and attractive condition.

- B. Landscaping. In the event any Owner of any Lot within the Property fails to maintain the landscaping, grass or vegetation of a Lot in a manner satisfactory to the Board of Directors of the Association, the Association, after ten (10) days' notice to the Owners of the Lot setting forth the action intended to be taken by the Association and after approval by a two-thirds (2/3) vote of the Board of Directors, shall have the right but not the obligation, through its agent, contractors and/or employees, to enter upon said Lot and to maintain, cut, trim and/or restore such landscaping, grass or vegetation.
- C. Dwelling Exterior. In the event any Owner of any Lot fails to maintain the exterior of the Lot, including the exterior of the Dwelling or other structures and the parking areas, in a manner satisfactory to the Board of Directors of the Association, the Association, after thirty (30) days' notice to the Owner of the Lot setting forth the action intended to be taken by the association and after approved by a two-third (2/3) vote of the Board of Directors, shall have the right, but not the obligation, through its agents, contractors and/or employees, to enter upon said Lot and to repair, maintain, or restore the exterior of the Dwelling, other structure or parking areas.
- D. Other Hazards. To the extent necessary to prevent rat infestation, diminish fire hazards and/or diminish hazards caused by structural damage, the Association shall have the right, but not the obligation, through its agents, contractors and/or employees, to enter any unoccupied Dwelling or other improvement located upon such Lot without notice to take the action necessary to prevent such rat infestation, diminish such fire hazards or diminish hazards caused by structural damage.
- E. Liability, Cost and Approval. Neither the Association nor its agents, contractors, or employees shall be liable, and are expressly relieved from any liability, for trespass or other tort in connection with the performance of the exterior maintenance or other work authorized in this Section. The cost of such exterior maintenance, interior hazard diminution and other work shall be the personal obligation of the Owner of the Lot on which it was performed and shall become part of the assessment payable by the Owner and secured by the lien retained in the Declaration. Alternately, the Association or any Owner of a Lot may bring an action at law or in equity to cause the Owner to bring said Lot into compliance with these restrictions.

All Members' replacement, repair and restoration practices as to the improvements on Property within the Subdivision are subject to the prior approval of the ARC and must comply with all Builder Guidelines which may change from time to time, as found necessary and appropriate in its sole discretion.

ARTICLE VIII. STANDARDS AND PROCEDURES.

The ARC shall establish and promulgate the Builder Guidelines, which the ARC may modify or amend as it deems necessary and appropriate for the orderly

development of the Property and Brittany Lakes, Section 11, including, but not limited to, those portions of the Builder Guidelines regarding workmanship, materials, building methods, minimum and maximum square footage of living area, floor plan, aesthetics, observance of requirements concerning installation and maintenance of public utility facilities and services, and compliance with governmental regulations. The Builder Guidelines may be amended by the ARC without notice, but they shall not be applied retroactively to reverse a prior approval granted by the ARC or the Association to any Owner or prospective purchaser of any Lot. The rules, standards, and procedures set forth in the Builder Guidelines, as same may be amended from time to time, shall be binding and enforceable against each Owner in the same manner and any other restriction set forth in this Declaration.

ARTICLE IX. VARIANCES.

The Board, upon the recommendation of the ARC, may authorize variances from compliance with any of the architectural provisions of this Declaration, any amendment, or the Builder Guidelines, unless specifically prohibited, including restrictions upon height, size, placement of structures, or similar restrictions, when circumstances such as topography, natural obstruction, hardship, aesthetic, or environmental considerations may require. Such variances must be evidenced in writing, must be signed by at least a majority of the Board, and shall become effective upon execution of the variances. If such variances are granted, no violation of the covenants, conditions, or restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all applicable governmental laws and regulation.

No granting of a variance shall be relied on by any Member or Owner, or any other person or entity (whether privy or party to the subject variance or not), as a precedent in requesting or assuming variance as to any other matter of potential or actual enforcement of any provision of this Declaration. Action of the ARC or Board of Directors in granting or denying a variance is a decision based expressly on one unique set of circumstances and need not be duplicated for any other request by any party or the same party for any reason whatsoever.

ARTICLE X. LIMITATION OF LIABILITY.

Neither Declarant, the Association, the ARC, the Board, nor any of the respective officers, partners, directors, members, successors or assigns of the above, shall be liable in damages or otherwise to anyone who submits matters for approval to any of the above-mentioned parties, or to any Owner affected by this Declaration by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any matters requiring approval hereunder. Approval by the ARC, the Board, or the Association, or any of its respective officers, partners, directors,

members, successors or assigns, is not intended as any kind of warranty or guarantee as to the integrity or workability of the plans or the contractors used.

ARTICLE XI. ASSESSMENTS.

A. Creation of the Lien and Personal Obligations of Assessments. The Owners of any Lot, by virtue of ownership of Property within the Subdivision, covenants and agrees to pay to the Association:

1. Annual Assessments, and
2. Special Assessments.

The Annual and Special Assessments together with late charges, attorney's fees, interest and costs shall be a charge and continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with late charges, attorney's fees, interest and costs, shall also be the personal obligation of the person or entity who was the Owner of the land at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

B. Purpose of Assessments. Annual and Special Assessments levied by the Association shall be used for any legal purpose for the benefit of all of its members as determined by the Association and, in particular, may by way of example and not limitation or obligation include maintenance, repair or improvement of any Common Area, signs, parkways, private streets and roads, esplanades, setbacks and entryways, police and patrol service, fire protection, emergency medical service, street cleaning, street lighting, mosquito control, other services as may be in the Property's and Owner's interest and for promotion of the recreational interests of the Members. Parkway, streets, roads, esplanades, signs, setbacks and entryways that are not located within any Common Area may be included in the Association's maintenance if, in the sole discretion of the Board, the maintenance of such areas benefits the Association's Members. It shall be the obligation of the Association to use the maintenance assessments levied upon the Owners to help pay for the maintenance of any Common Area joining one section of the Property to another section of the Property. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or resident associations outside the Property. Such agreements shall require the consent of a majority of the total number of directors of the Association. Additionally, assessments levied by the Association may be used, in the sole discretion of the Association, to pay its fair allocation of maintenance costs for its participation in any agreement among other property owners' associations, (whether residential, multi-family, commercial or mixed use) in the area, for consolidated programs that provide consistency and

economies of scale. Approval to enter such agreements shall require a majority vote of the Board.

C. Annual Assessment. The Property shall be subject to the Annual Assessment, as follows:

1. **Creation:** Payment of the Annual Assessment shall be the obligation of each Owner and shall constitute a lien on the Lot(s), binding and enforceable as provided in this Declaration.
2. **Rate:** The initial Annual Assessment established by the Association shall not exceed FOUR HUNDRED SEVENTY-FIVE AND NO/100 DOLLARS (\$475.00) per Lot. If Property is platted and is owned by the Declarant or has been purchased by a builder but has not yet been developed, the Property shall be assessed at fifty percent (50%) of the normal annual assessment that would be owed if the Property had been developed and sold to a user. Upon purchase from a builder, the new owner shall owe a prorated amount as described under paragraph 4 of this Section.
3. **Commencement:** For purposes of calculation, the initial Annual Assessment shall commence on the first day of the first calendar month following the date of the first sale of a Lot to a party other than Declarant. Annual Assessments shall be due in advance on January 1 for the coming year and shall be delinquent if not paid in full as of January 31 of each year.
4. **Proration:** An Owner's initial Annual Assessment shall be made for the balance of the calendar year as determined on a pro-rata basis and shall become due and payable on the commencement date described above. The Annual Assessment for any year after the first year shall be due and payable on the first day of January.
5. **Levying of the Assessment:** The Annual Assessment shall be levied at the sole discretion of the Board. The Board shall determine the sufficiency or insufficiency of the then current Annual Assessment to reasonably meet the expenses for providing services and capital improvements in the Subdivision and may, at its sole discretion and without a vote by the Members, increase or decrease the Annual Assessment in an amount up to twenty percent (20%) over or under the previous year's Annual Assessment. The Annual Assessment may be increased by more than twenty percent (20%) over the preceding year's assessment only if such interest is approved by Members in good standing who represent a majority of the votes in the Association present at a meeting called for said purpose at which a quorum is present in person or by proxy. The Annual Assessment shall not be adjusted more than once in a calendar year nor shall any increase be construed to take effect retroactively, unless otherwise approved by Members representing a majority of the votes

subject to such assessments present at a meeting called for said purpose at which a quorum is present in person or by proxy.

- D. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may levy a Special Assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of a capital improvement in the Common Area or any unusual, infrequent expense benefiting the Association, provided that any such assessment shall have the approval of a majority of the Class "A" Members and Class "B" Members at a meeting duly called for this purpose. Such Special Assessments will be due and payable as set forth in the resolution authorizing such assessment and shall be levied only against those Owners subject to the Annual Assessment as set forth in Section C hereof and shall be pro rated in accordance therewith. The Association, if it so chooses, may levy a Special Assessment against only those Members benefitted by or using the capital Improvement for which the Special Assessment is being levied. Special Assessments shall be due upon presentment of an invoice, or copy thereof, for the same to the last-known address of the Owner.
- E. Collection and Remedies for Assessments.
1. The assessments provided for in this Declaration, together with late charges, attorneys' fees, interest and costs as necessary for collection, shall be a charge on and a continuing lien upon the Lot (and improvements) against which each such assessment is made. Each such assessment, together with late charges, attorneys' fees, interest and costs, shall also be the personal obligation of the Owner of the land at the time the assessment became due. This personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.
 2. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (a) eighteen percent (18%) or (b) the maximum non-usurious rate of interest. No Owner may waive or otherwise escape liability for the assessment provided in this Declaration by reason of non-use or abandonment.
 3. In order to secure the payment of the assessments hereby levied, an assessment lien is hereby reserved in each deed from the Declarant to the Owner of each parcel of Property in the Subdivision, which lien may be foreclosed upon by non-judicial foreclosure pursuant to the provisions of Section 51.002 of the Texas Property Code (or any successor statute); each Owner grants a power of sale to the Association's Trustee to sell such property upon default in payment by any amount owed. Alternatively, the Association may judicially foreclose the lien or maintain an action at law to collect the amount owed.

The President of the Association or his or her designee is hereby appointed Trustee to exercise the Association's power of sale. Trustee shall not incur any personal liability hereunder except for his or her own willful misconduct.

Although no further action is required to create or perfect the lien, the Association may, to further evidence and give notice of the lien, execute and record a document setting forth (i) the amount of the delinquent sums due the Association at the time such document is executed and (ii) the fact that a lien exists to secure the repayment thereof. However, the failure of the Association to execute and record any such document shall not, to any extent, affect the validity, enforceability, or priority of the lien. The Association shall also have the right but not the obligation to notify a delinquent Owner's lender, in writing, of such Owner's delinquency and default.

In the event that the Association has determined to non-judicially foreclose the lien provided herein pursuant to the provisions of said Section 51.002 (or any successor statute) and to exercise the power of sale hereby granted, the Association shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale no less than twenty (20) days prior to the date of the proposed foreclosure sale, postage prepaid, registered or certified mail, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association or by hand delivery. At any foreclosure proceeding, any person or entity, including but not limited to the Declarant, Association or any Owner, shall have the right to bid for such Property at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. During the period Property is owned by the Association following foreclosure, (1) no right to vote shall be exercised on its behalf; (2) no assessment shall be levied on it; and (3) each other Lot may be charged, in addition to its usual assessment, its equal pro rata share that would have been charged such Property if it had not been acquired by the Association as a result of foreclosure. Out of the proceeds of such sale, there shall be paid first, all expenses incurred by the Association in connection with such default, including attorneys' fees and trustee's fees; second, from such proceeds there shall be paid to the Association an amount equal to the amount of assessments in default inclusive of interest, late charges and attorneys' fees and trustee's fees; and, third, the remaining balance, if any, shall be paid to such Owner. Following any such foreclosure, each occupant of any such tract foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant-at-sufferance and may be removed from possession by any lawful means.

- F. Notice of Delinquency. The Association or its agent or designee shall be required to give a written notice of the assessment to any Owner who has not paid an assessment that is due under this Declaration. Such notice must be mailed to the Owner's last known address. The address of the Lot shall be presumed to be the address for proper notice unless written notice of another address shall be provided to the Association.

ARTICLE XII. MODIFICATION AND TERMINATION OF COVENANTS.

Each restriction and covenant contained in this Declaration may be amended, modified, or terminated upon approval of the requisite number of Members and by the filing of a recorded instrument executed by the Association or its successors or assigns. So long as Class "B" membership exists, approval of sixty-seven percent (67%) of the combined total votes of Class "A" and Class "B" Membership shall be required to amend, modify or terminate these restrictions and covenants. After the end of Declarant's control, and the elimination of Class "B" Membership, approval of sixty-seven percent (67%) of the Class "A" membership shall be required to amend, modify or terminate these restrictions and covenants.

ARTICLE XIII. ALTERNATE DISPUTE RESOLUTION.

- A. Dispute Resolution Committee. No dispute between any of the following entities or individuals shall be commenced until the parties have submitted to non-binding mediation: Owners; Members; the Board of Directors; officers in the Association; or the Association. Each individual shall represent himself or herself, or, in the case of ownership by a business or other entity, such entity shall appoint a representative. The Association shall be represented by a member of the Board of Directors. The Board of Directors shall be represented by an individual designated by the Board of Directors. The dispute shall be brought before the Association's Dispute Resolution Committee for resolution. This non-binding mediation process shall be used for all disputes concerning less than five times the annual assessment for one year for one Lot at the time the mediation is required. In the event that the parties cannot come to an agreement under this process of mediation by the Dispute Resolution Committee, the parties must submit to mediation under Section B of this Article.

The Dispute Resolution Committee shall consist of three (3) individuals, at least two (2) of whom must be Members, all appointed by the Board of Directors of the Association. The Board shall maintain, if possible, a list of no less than ten (10) volunteer Members in good standing willing to serve on such committee. All such volunteers shall be required to attend a training session before being eligible to actually serve on the Dispute Resolution Committee.

Disputes between Owners that are not regulated by the Declaration shall not be subject to the dispute resolution process.

- B. Outside Mediator. If a dispute between any of the above entities or individuals concerns more than five (5) times the Annual Assessment for one year for one Lot at the time the mediation is requested, or if the parties cannot reach agreement under Subsection A of this section, the parties must voluntarily submit to the following mediation procedures before commencing any judicial or administrative proceeding. Each party will represent himself/herself individually or through an agent or representative, or may be represented by counsel. The dispute will be brought before a mutually selected mediator. Such mediator will

either be an attorney-mediator skilled in community association law, a Professional Community Association Manager ("P.C.A.M.") as certified by the Community Associations Institute, or a Certified Property Manager ("C.P.M.") as certified by the Institute of Real Estate Managers. In order to be eligible to mediate a dispute under this provision, a Mediator may not reside in Brittany Lakes, Section 7, work for any of the parties, represent any of the parties, nor have any conflict of interest with any of the parties. The Board shall maintain a list of no less than five (5) potential mediators, but the parties will be in no way limited to their choice by this list. Costs for such mediator shall be shared equally by the parties. If the parties cannot mutually agree upon the selection of a mediator after reasonable efforts (not more than thirty (30) days), each party shall select their own mediator and a third will be appointed by the two selected mediators. If this selection method must be used, each party will pay the costs of their selected mediator and will share equally the costs of the third appointed mediator.

- C. Mediation is Not a Waiver. By agreeing to use this Dispute Resolution process, the parties in no way waive their rights to extraordinary relief including, but not limited to, temporary restraining orders or temporary injunctions, if such relief is necessary to protect or preserve a party's legal rights before a mediation may be scheduled.
- D. Assessment Collection. The provisions of this Declaration dealing with Alternate Dispute Resolution shall not apply to the collection of assessments by the Association as set out in the Declaration.
- E. Term. This Article XIII shall be in full force and effect for an initial period of three (3) years from the date of execution of this Declaration and shall remain in full force and effect unless, at the first open meeting of the Association after such initial period, a majority of quorum of the Members or the Board of Directors votes to terminate the provisions of this Article XIII.

ARTICLE XIV. EASEMENTS; LIMITATION OF LIABILITY.

Declarant hereby gives notice of the existence of one or more pipeline easements, utility easements and a drainage easement which are or may be in the future located on the Property (individually or collectively, the "Easements"). The lawful use of the Easements by the easement holders may nevertheless create conditions which may be hazardous or dangerous to the public at large. Neither Declarant, the Association or their partners, officers, directors, employees, agents or representatives shall have any personal liability for any loss or injury to any Owner or his family, guests, invitees or licensees or any other person arising out of or in connection with the Easements.

ARTICLE XV. GENERAL PROVISIONS.

- A. Severability. The invalidity of any one or more of the provisions of this Declaration shall not affect the validity of the other provisions thereof.
- B. Compliance with Laws. At all times, each Owner shall comply with all applicable federal, state, county, and municipal laws, ordinances, rules, and regulations with respect to the use, occupancy, and condition of the Property and any improvements thereon. If any provision contained in this Declaration or any supplemental declaration or amendment is found to violate any law, then the provision shall be interpreted to be as restrictive as possible to preserve as much of the original provision as allowed by law.
- C. Gender and Number. The singular wherever used herein shall be construed to mean or include the plural when applicable, and the necessary grammatical changes required to make the provisions hereof applicable either to corporations (or other entities) or individuals, male or female, shall in all cases be assumed as though in each case fully expressed.
- D. Headlines. The titles and captions for this Declaration and the sections contained herein are for convenience only and shall not be used to construe, interpret, or limit the meaning of any term or provision contained in this Declaration.
- E. Governing Law. The provisions in this Declaration shall be governed by and enforced in accordance with the laws of the State of Texas. Any and all obligations performable hereunder are to be performed in Galveston County, Texas.
- F. Fines for Violations. The Association may assess fines for violations of the restrictive covenants contained in this Declaration, in addition to fines for non-payment or delinquency in assessments, in amounts to be set by the Board of Directors, which fines shall be secured by the continuing assessment lien set out in this Declaration.
- G. Books and Records. The books, records and papers of the Association shall by appointment, during normal business hours and with reasonable notice, be subject to inspection by any Member. The Articles of Incorporation, By-Laws, and this Declaration shall likewise be available for inspection by appointment during normal business hours by any Member at the office of the Association.
- H. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.
- I. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges, costs and attorneys' fees, provided for herein shall be

subordinate to the lien of any first mortgage on any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, no sale or transfer of a Lot shall relieve such Lot from lien rights for any assessments thereafter becoming due. Where the mortgagee holding a first mortgage of record or other purchaser of a Lot obtains title pursuant to judicial or nonjudicial foreclosure of the mortgage, it shall not be liable for the share of the assessments or other charges by the Association chargeable to such Lot that became due prior to such acquisition of title.

- J. No Warranty of Compliance. Neither the establishment of any architectural restrictions, Builder Guidelines or the granting of any variance from same shall constitute a warranty or representation by the ARC or the Association of compliance with local building laws or ordinances and no Owner is entitled to rely on any such act in connection therewith.
- K. Current Address. Owners are required to notify the Association of their current address at all times. If an Owner fails to notify the Association of their current address, the Association shall use the address of the Lot as the current address.
- L. Security. NEITHER THE ASSOCIATION, DECLARANT, NOR ANY SUCCESSOR DECLARANT SHALL IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION, DECLARANT OR SUCCESSOR DECLARANT BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY DWELLING, TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, DECLARANT AND/OR ANY SUCCESSOR DECLARANT DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY DWELLING AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, DECLARANT AND/OR ANY SUCCESSOR DECLARANT ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY DWELLING AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO HIS RESPECTIVE DWELLINGS AND TO THE CONTENTS OF DWELLINGS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION, ITS BOARD OF DIRECTORS, DECLARANT AND/OR ANY SUCCESSOR DECLARANT HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED

UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARMS SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this 12th day of April 2004.

BL DEVELOPMENT, LTD,
a Texas limited partnership

BY: STARWOOD DEVELOPMENT, LLC.
Its general partner

By: [Signature]
Name: Samuel H. Yager, III
Title: Vice-President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Samuel H. Yager, III, Vice-President of Starwood Development, LLC., the general partner of BL DEVELOPMENT, LTD., a Texas limited partnership, on behalf of said limited partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 12th day of April, 2004.

[Signature: Susan C. Wright]
Notary Public, State of Texas

After recording, return to:

PAID

Greg Voinis
Sam Yager Incorporated
800 Bering Drive, Suite 225
Houston, Texas 77057

