

**AMENDED AND RESTATED AGREEMENT CONCERNING USE
OF RECREATIONAL FACILITIES**

This Amended and Restated Agreement Concerning Use of Recreational Facilities is entered into effective as of the 1st day of November, 2015, by and between the Shadow Creek Ranch Maintenance Association, a Texas non-profit corporation ("SCRMA"), the Village of Emerald Bay Homeowners Association, Inc., a Texas non-profit corporation ("Emerald HOA"), the Village of Reflection Bay Homeowner's Association, Inc. ("Reflection HOA"), a Texas non-profit corporation, the Village of Diamond Bay Homeowners Association, Inc., a Texas non-profit corporation ("Diamond HOA"), and the Village of Biscayne Bay Homeowners Association, Inc., a Texas non-profit corporation ("Biscayne HOA") (Emerald HOA, Reflection HOA, Diamond HOA and Biscayne HOA being sometimes collectively referred to herein as the "Residential Associations") (the "Amended and Restated Agreement").

WITNESSETH:

WHEREAS, Shadow Creek Ranch is a master planned development in Pearland, Brazoria County, Texas; and

WHEREAS, SCRMA is the master association created to administer and enforce the Declaration of Covenants, Restrictions, Easements, Charges and Liens for Shadow Creek Ranch Maintenance Association dated August 30, 2001 and recorded in Official Public Records of Real Property of Brazoria County, Texas under Clerk's File No. 01042985, and re-recorded under Brazoria County Clerk's File No. 01051825, also recorded under Fort Bend County Clerk's File No. 2001095077 and re-recorded under Fort Bend County Clerk's File NO. 2001111335, and also recorded under Harris County Clerk's File No. V361959 and re-recorded under Harris County Clerk's File No. V472436 (the "Master Declaration") which covers all of Shadow Creek Ranch, including but not limited to all of the residential villages and the commercial village; and

WHEREAS, the first residential village ("Village of Emerald Bay") was created by the recordation of the Declaration of Covenants, Conditions and Restrictions for the Village of Emerald Bay on September 25, 2001, under Brazoria County Clerk's File No. 01043210 ("Emerald Declaration"); and

WHEREAS, the second residential village ("Village of Reflection Bay") was created by the recordation of the Declaration of Covenants, Conditions and Restrictions for the Village of Reflection Bay on December 23, 2003, under Brazoria County Clerk's File No. 03080263, ("Reflection Declaration") and;

WHEREAS, the third residential village ("Village of Biscayne Bay") was created by the recordation of the Declaration of Covenants, Conditions and Restrictions for the Village of Biscayne Bay on May 27, 2004, under Brazoria County Clerk's File No. 2004034202 ("Biscayne Declaration"); and

WHEREAS, the fourth residential village ("Village of Diamond Bay") was created by the recordation of the Declaration of Covenants, Conditions and Restrictions for the Village of Diamond Bay on February 14, 2005, under Fort Bend County Clerk's File No. 2005017655 ("Diamond Declaration"); and

WHEREAS, such four residential villages created in Shadow Creek Ranch are herein referred to as the "Villages"; and

WHEREAS, effective as of June 1, 2005, SCRMA, the Village of Emerald Bay and the Village of Reflection Bay entered into that one certain Agreement Concerning Use of Recreational Facilities (the "Original Agreement"), which was later amended to, among other things, to include the Village of Biscayne Bay and the Village of Diamond Bay as signatory parties; and

WHEREAS, this Amended and Restated Agreement is intended to supersede and replace the Original Agreement in its entirety; and

WHEREAS, the Village of Emerald Bay has certain recreational facilities consisting of a pool/lap pool, kiddie pool, changing rooms, bathrooms, clubhouse, jungle gym and tennis courts which are owned by the Emerald HOA and operated by SCRMA; and

WHEREAS, the Village of Reflection Bay has certain recreational facilities consisting of changing rooms, bathrooms, equipment room, diving/lap pool, kiddie pool, basketball courts, jungle gyms, sand volleyball courts, barbeque pavilions and horseshoe pits, which are owned by the Reflection HOA and operated by SCRMA; and

WHEREAS, the Village of Biscayne Bay has certain recreational facilities consisting of changing rooms, bathrooms, equipment room, pool, kiddie pool, putting green, spray park, sand volleyball court and jungle gym, which are owned by the Bay HOA and operated by SCRMA; and

WHEREAS, the Village of Diamond Bay has certain recreational facilities consisting of changing rooms, bathrooms, equipment building, waterpark pool, slides, water spray features, kiddie pool, barbeque pavilion and sand volleyball court, which are owned by the Diamond HOA and operated by SCRMA; and

WHEREAS, in using the term recreational facilities herein, the Residential Associations intend that term to mean and include such improvements as pools, clubhouses, tennis courts, playgrounds, water parks and other athletic or sport courts, owned by the Residential Associations, all of which are designed for group usage and further identified herein, and is not intended to mean or include park areas, landscaping reserves, boulevard esplanades or road or other rights of way (and any improvements located thereon) which are landscaped and which are located within a residential Village and owned and maintained by

such Residential Associations ("Recreational Facilities"); and

WHEREAS, for further clarification, the Recreational Facilities of each Residential Association are only the improvements located on the parcel of land each Residential Association owns, which parcels are identified herein, and are commonly known as: Emerald – 11814 N. Clear Lake Loop; Reflection – 12115 S. Clear Lake Loop; Biscayne – 13210 Windward Bay; and Diamond – 2034 Trinity Bay Drive; and

WHEREAS, the parties hereto wish to provide that the members of the Village of Emerald Bay, the members of the Village of Reflection Bay, the members of the Village of Biscayne Bay and the members of the Village of Diamond Bay, and the family members, tenants and guests of such members, have the ability to use the Recreational Facilities of each of the four Villages, regardless of which residential Village they are a member of and regardless of which Village the Recreational Facilities are located in; and

WHEREAS, the parties agree that the best entity to administer, manage, operate, repair and replace the Recreational Facilities of the four residential Villages is SCRMA, as the Master Association in Shadow Creek Ranch;

WHEREAS, SCRMA and the four Residential Associations believe that this Amended and Restated Agreement will benefit their respective members;

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual benefits to the parties and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged and confessed, SCRMA, Emerald HOA, Reflection HOA, Biscayne Bay HOA and Diamond Bay HOA hereby agree as follows:

1. Reciprocal Rights of Use. Each of Emerald HOA, Reflection HOA, Biscayne HOA and Diamond HOA hereby grants to Emerald HOA, Reflection HOA, Biscayne HOA and Diamond HOA, subject to the further provisions hereof, the right, during the term of this Amended and Restated Agreement, to use the Recreational Facilities of the Village of Emerald Bay, the Recreational Facilities of Village of Reflection Bay, the Recreational Facilities of Village of Biscayne Bay and the Recreational Facilities of Village of Diamond Bay, in common with those persons who are entitled to use such facilities pursuant to the Emerald Declaration, the Reflection Declaration, the Biscayne Declaration and the Diamond Declaration, respectively, being the members of the Village of Emerald Bay, the members of the Village of Reflection Bay, the members of the Village of Biscayne Bay and the members of the Village of Diamond Bay, their family members, tenants and guests and such other persons as the respective Boards of Directors of the Village of Emerald Bay, the Village of Reflection Bay, the Village of Biscayne Bay and the Village of Diamond Bay may determine (collectively referred to herein for convenience purposes as the "Members"). As is more specifically set forth herein, the right to use such facilities is granted subject to such rules and regulations as may be adopted by the Board of Directors of SCRMA.

2. Right to Extend Benefits. Each of the Emerald HOA, the Reflection HOA, the Biscayne HOA and the Diamond HOA may extend the benefits of the usage rights granted hereby to its members, their family members, and the tenants and guests of such members.

3. Annexation of Property. The parties do not anticipate that any additional properties will be annexed by SCRMA. However, in the event that SCRMA hereafter annexes additional property, which additional property becomes part of a new or existing residential Village, the owner or owners of each lot hereinafter annexed into the jurisdiction of SCRMA and into a residential Village shall automatically have the right to use the recreational facilities of the each of Emerald HOA, Reflection HOA, Biscayne HOA and Diamond HOA pursuant to this Amended and Restated Agreement, in the same manner as the current members of Emerald HOA, Reflection HOA, Biscayne HOA and Diamond HOA.

4. Maintenance of Recreational Facilities; Budget of Costs. SCRMA shall be responsible for operating, administering, maintaining and repairing the Recreational Facilities. At least ninety (90) days prior to the commencement of each calendar year, SCRMA shall submit to the Residential Associations a detailed budget of anticipated costs for the forthcoming calendar year with respect to the collective Recreational Facilities. Each such budget shall contain an estimate of expenditures for operations and maintenance expenses which will be necessary with respect to the collective Recreational Facilities during such calendar year (the "Operating Budget").

5. Payments to SCRMA - Operations. Each of the Residential Associations has agreed and hereby agrees to make each year, on or before February 28 of each year commencing with February 28, 2016, one half (1/2) of its annual operating payment to SCRMA, and on or before April 30 of each year commencing on April 30, 2016, the balance of its annual operating payment to SCRMA, with such total annual operating payment for each Association to be equal to the product obtained by multiplying the total revenue requirement specified in the portion of the SCRMA annual Operating Budget allocable to the operating portion of this Amended and Restated Agreement for such year by the fraction obtained by dividing the sum of the number of single family homes that have been constructed on lots and sold by a homebuilder to a third party ("Rooftops") within the jurisdiction of the each Residential Association on January 1 of such year, whether or not occupied, by the sum of the total number of Rooftops within the jurisdiction of all of the Residential Associations.

For any year in which this Agreement will not be in effect for a full calendar year, this same budget process shall apply; however, the annual payment shall be prorated for the number of months this Agreement will be effect.

Funds sufficient to enable each Residential Association to make such annual payments to SCRMA shall be obtained from the annual assessments levied by the each Residential Association on the Rooftops within its jurisdiction and payment shall be made to the SCRMA as a first priority use of the each Residential Association's funds. In the event a Residential Association fails to make timely payment to SCRMA as specified herein, SCRMA

shall have the right, in addition to all other remedies SCRMA has available to it, to deny the members of the Residential Association failing to make its payment the right to use the Recreational Facilities of all the residential Village(s) until payment is made.

Each Village shall provide SCRMA with a list of the names of its members who are delinquent in the payment of their annual assessments to the respective residential Village, and such SCRMA shall attempt to prevent such individuals from using the Recreational Facilities unless or until the delinquent assessments have been paid to the Residential Association where such member resides.

Each Association also agrees to name SCRMA as an additional insured on all of the respective Association's insurance policies.

6. Capital Repair/Replacement of Facilities; Budget of Reserves/Costs. SCRMA shall be responsible for administering the reserve funds to make capital repairs and capital replacement of the Recreational Facilities ("Recreational Facilities Reserve Funds"). At least ninety (90) days prior to the commencement of each calendar year, SCRMA shall submit to the Residential Associations a detailed budget of anticipated capital repair and replacement expenditures for the forthcoming calendar year with respect to the collective Recreational Facilities that will be utilized from the Recreational Facilities Reserve Funds (the "CapEx Budget"). SCRMA will at the same time, also submit to the Residential Associations the amount each Rooftop needs to contribute to the Recreational Facilities Reserve Funds, so that each Village can include such amount in the annual assessments that each Village will be collecting from its members for such calendar year, pursuant to the then current reserve studies in effect. Each Rooftop will contribute the same amount to the Recreational Facilities Reserve Funds each calendar year, regardless of which Village such Rooftop is located in. The amount of such contribution per Rooftop will be calculated as follows: the total annual reserve contribution for each Association will be equal to the product obtained by multiplying the total revenue requirement specified in the portion of the SCRMA CapEx Budget allocable to the reserve portion of this Amended and Restated Agreement for such year by the fraction obtained by dividing the sum of the number of Rooftops within the jurisdiction of the each Residential Association on January 1 of such year, whether or not occupied, by the sum of the total number of Rooftops within the jurisdiction of all of the Residential Associations. With respect to the reserve studies in effect for each calendar year, SCRMA agrees to update such reserve studies from time to time as needed to insure the Recreational Facilities Reserve Fund maintains the appropriate balance.

7. Payments to SCRMA – Reserves. In connection with the execution of this Amended and Restated Agreement, each of the four Residential Associations shall transfer on January 1, 2016 to SCRMA that portion of each of its reserve funds which relate to the Recreational Facilities of each for deposit into the Recreational Facilities Reserve Funds. SCRMA agrees to keep such Recreational Facilities Reserve Funds separate from, and not commingle such Recreational Facilities Reserve Funds with, its own reserve funds for its own landscaping and improvements on its common areas. Each of the four Residential Associations acknowledges that it must also still collect, maintain and utilize its own reserves that relate to park areas, landscaping reserves, boulevard esplanades or road or other rights of way (and any improvements located thereon) which are landscaped and which are located within a residential Village and owned and maintained by such Residential Associations, as

well as the capital repair and replacement thereof. The amount each Residential Village shall transfer is set forth on Exhibit A attached hereto and made a part hereof.

Going forward for as long as this Amended and Restated Agreement is in effect, each of the Residential Associations has agreed and hereby agrees to make each year, on or before February 28 of each year commencing with February 28, 2016, one half (1/2) of its annual reserve payment to SCRMA, and on or before April 30 of each year commencing on April 30, 2016, the balance of its annual reserve payment to SCRMA.

Funds sufficient to enable each Residential Association to make such annual reserve payments to SCRMA shall be obtained from the annual assessments levied by the each Residential Association on the Rooftops within its jurisdiction and payment shall be made to the SCRMA as a first priority use of the each Residential Association's funds. In the event a Residential Association fails to make timely payment to SCRMA as specified herein, SCRMA shall have the right, in addition to all other remedies SCRMA has available to it, to deny the members of the Residential Association failing to make its reserve payment the right to use the Recreational Facilities of all of the residential Village(s) until payment is made.

Each Village shall provide SCRMA with a list of the names of its members who are delinquent in the payment of their annual assessments to the respective residential Village, and such SCRMA shall attempt to prevent such individuals from using the Recreational Facilities unless or until the delinquent assessments have been paid to the Residential Association where such member resides.

8. Adjustment Based on Actual Costs - Operations. As soon as the actual costs incurred by SCRMA in operating and maintaining the collective Recreational Facilities for a calendar year are determined, but in any event not later than sixty (60) days after the end of each calendar year, the annual payment for SCRMA shall be recalculated using actual costs rather than the Operating Budget. In the event such calculation indicates an underpayment, the amount of such underpayment shall be added to the Operating Budget for the next calendar year. Residential Associations shall pay the difference to SCRMA in that succeeding calendar year. In the event of an overpayment, the excess amount paid shall, at the option of SCRMA, be refunded to the Residential Associations or credited to its annual operating payment for the next calendar year.

9. Recreational Facilities User Fees. The Board of Directors of SCRMA shall have the right at any time to establish user fees for the use of the Residential Associations' Recreational Facilities by the members of the Residential Associations and the revenues collected from such fees shall be credited against budgeted expenses in determining the revenue requirement in the annual budget. SCRMA shall also have the authority to establish fees for participation in specific athletic programs which are charged only to those members of the Residential Associations who participate in such programs. Such fees may take into account the different types of Recreational Facilities of the different residential Villages; however, they must be uniform to the members of all of the various residential Villages.

10. Recreational Facilities Committee. The Board of Directors of SCRMA shall have the right, but shall have no obligation, to create a committee which may make recommendations concerning the operation and maintenance of the collective Recreational Facilities. One individual designated by each Residential Association shall be a member of such committee, if created. Such committee shall operate solely in an advisory capacity to the Board of Directors of SCRMA which shall make all decisions concerning the maintenance and operation of the collective Recreational Facilities.

11. Rules and Regulations. The use of the collective Recreational Facilities shall be subject to such reasonable rules and regulations governing the use and enjoyment thereof as may be established by the Board of Directors from time to time; provided however, all rules and regulations adopted by the Board of Directors of SCRMA shall be uniformly applied without differentiation between the members of the Residential Associations. SCRMA shall have the right to limit the number of guests a member of a Residential Association may bring to use such facilities as well as the right to limit the number of times an individual may be a guest in a specified time period.

12. No Third Party Rights or Remedies. This Agreement is made for the exclusive benefit of those parties expressly provided for herein and not for any third parties; nothing in this instrument, expressed or implied, is intended or shall be construed to confer upon any person or entity, other than the parties hereto, any rights or remedies under or by reason hereof.

13. Headings. All paragraph headings contained herein are for convenience only and shall not be deemed to be a part hereof.

14. Amendments and Termination. No agreement shall be effective to add to, amend, change, modify, or supplement any of provisions hereof or the rights granted hereunder in whole or in part unless such instrument is in writing, executed by all of the parties hereto. This Amended and Restated Agreement may be terminated only by the written agreement of three out of four of the Residential Associations then a party hereto and must be terminated as hereinafter set forth, not later than one hundred twenty (120) days prior to the beginning of a new calendar year. If three out of the four Residential Associations wish to terminate, then each Residential Association then a party must put the question of termination to a vote of its members, pursuant to its respective governing documents. The vote of such members' of each Residential Association shall be binding on the respective Residential Association which will vote in such manner in determining the three out of four threshold for termination. Each Residential Association hereby acknowledges, and will advise its members prior to any vote, that termination of this Amended and Restated Agreement will result in termination of the cross easements that allow members of each Residential Association to use not only the Recreational Facilities owned by such Residential Association but also those owned by each of the other three Residential Associations. Further, upon termination of this Amended and Restated Agreement, each Residential Association must thereafter budget for, and implement, the operations and reserves needed for its own Recreational Facilities.

15. Remedies. In the event of a default by any party in the performance of its obligations hereunder, any non-defaulting party shall have the right to exercise all legal or equitable remedies, including the right to enforce specific performance of the provisions hereof.

16. Term. Unless sooner terminated by mutual agreement of the parties hereto, this Amended and Restated Agreement shall automatically renew each year for one (1) year periods, unless otherwise terminated pursuant to the procedure in Paragraph 14 hereof.

17. Replace and Supersede. This Amended and Restated Agreement replaces and supersedes the Original Agreement in its entirety.

18. Binding Arbitration. Without limiting any rights set forth in other sections of this Amended and Restated Agreement any and all disputes arising hereunder, shall be submitted to binding arbitration and not to a court for determination. Arbitration shall commence after written notice is given from one party to another, such arbitration shall be accomplished expeditiously in Brazoria County and shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"). The arbitration shall be conducted by three (3) arbitrators, one of whom shall be appointed by the first party and one of whom shall be appointed by the second party. The third arbitrator shall be appointed by the first two arbitrators. The arbitrators shall be selected from a list of arbitrators submitted by the AAA. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Arbitration shall not commence until the party requesting it has deposited one thousand five hundred and No/100 U.S. dollars (\$1,500.00) with the arbitrators as a retainer for the arbitrators' fees and costs. The party requesting arbitration shall advance such sums as are required from time to time by the arbitrators to pay the arbitrators' fees and costs, until the prevailing party is determined or the parties have agreed in writing to an alternate allocation of fees and costs. Each party shall pay its own legal fees and costs and any other fees incurred in connection with an arbitration proceeding which arises out of or relates in any way to this Agreement provided, however, that the arbitration panel shall award the arbitrators' fees and costs to the prevailing party in its arbitration judgment. In the event that more than two parties are involved in a dispute, then the party initially giving notice shall be deemed the first party and all other parties shall be deemed the second party with the selection of arbitrator to be by majority decision.

Notwithstanding the parties intent to submit any controversy or claim arising out of or relating to this Amended and Restated Agreement or any other document signed or initialed in connection with this Amended and Restated Agreement to arbitration, in the event that a court of competent jurisdiction shall determine or a relevant law shall provide that a particular dispute is not subject to the arbitration provisions of this Section, then the parties agree to the following provision:

Each party acknowledges that this Amended and Restated Agreement is a sophisticated legal document. Accordingly, justice will best be served if issues regarding this Amended and Restated Agreement are heard by a judge in a court proceeding, and not a jury. Each party agrees that any claim, demand, action, or cause or action, with respect to any action, proceeding, claim, counterclaim, or crossclaim, whether in contract or in tort (regardless if the tort action is presently recognized or not), based on, arising out of, in connection with or in any way related to this Amended and Restated Agreement, the documents, any course of conduct, course of dealing, verbal or written statement, validation, protection, enforcement action or omission of any party shall be heard by a judge in a court proceeding and not a jury.

19. Counterparts. This Amended and Restated Agreement may be executed in counterparts, all of which together will be considered one document, as if all signatures were on one document.

EXECUTED to be effective the date first stated herein above.

SHADOW CREEK RANCH MAINTENANCE
ASSOCIATION, a Texas non-profit association

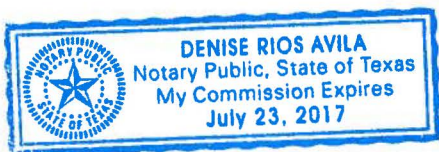
By: _____
Name: _____
Title: _____

VILLAGE OF EMERALD BAY HOMEOWNERS
ASSOCIATION, INC., a Texas non-profit
corporation

By: Leanne D. Alvarez
Name: Leanne D. Alvarez
Title: VOEB PRESIDENT

THE STATE OF Texas §
§
COUNTY OF Brazoria §

This instrument was acknowledged before me on the 29 day of October, 2015, by Leann D. Alvarez, President of Village of Emerald Bay Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.



[Signature]
Notary Public in and for
the State of Texas

THE STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2015, by _____, _____ of Village of Reflection Bay Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

Notary Public in and for
the State of Texas

THE STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2015, by _____, _____ of Village of Biscayne Bay Homeowners Association, Inc., a Texas non-profit corporation, on behalf of said corporation.

Notary Public in and for
the State of Texas