

AFTER RECORDING RETURN TO:

DECLARATION OF RESTRICTIVE COVENANTS

THIS DECLARATION OF RESTRICTIVE COVENANTS (this "**Declaration**"), dated as of April 16, 2020, is made by SCP MIDLAND - THE HUDSON, L.P., a Delaware limited partnership ("**Declarant**").

1. Background. Declarant owns the land described in Exhibit A to this Declaration (the "**Burdened Tract**"). Declarant desires to impose certain restrictions on the Burdened Tract.

2. Use Restrictions. For the term of this Declaration (as provided in Section 5 below): (a) no condominium map, condominium plat, condominium plan, declaration of condominium ownership, public report, filing or recording of any document for the conversion of the Burdened Tract or any improvements located on the Burdened Tract, or any part of the Burdened Tract or any such improvements, to a condominium or other common interest development involving separate ownership by residential purchasers of residential units therein, including, without limitation, any timeshare estate therein, stock cooperative or any other transfer of an ownership interest therein to a residential purchaser, or other device for the purpose of creating fractionalized ownership may be made effective as to the Burdened Tract or any improvements located on the Burdened Tract, or any part of the Burdened Tract or any such improvements, and any condominium map, condominium plat, condominium plan, declaration of condominium ownership, public report, filing, recording or other device attempted to be created during such term shall be void; (b) no dwelling unit located on the Burdened Tract may be conveyed separately from all other dwelling units located on the Burdened Tract (other than by unit lease); and (c) neither the Burdened Tract nor any improvements located on the Burdened Tract, nor any part of the Burdened Tract or any such improvements, may be conveyed to a cooperative or other entity the purpose of which is to provide occupants of the Burdened Tract or any improvements located on the Burdened Tract with any ownership interest in the Burdened Tract or any such improvements (collectively, the "**Conversion Restrictions**"). Nothing in this Section 2 is intended to prevent ownership of the Burdened Tract or any improvements located on the Burdened Tract by a partnership, corporation, limited liability company, trust or other entity so long as the ownership of the entity (other than incidental amounts) is not vested, directly or indirectly, in persons who are occupants of the Burdened Tract or any improvements located on the Burdened Tract.

3. Burden and Benefit. The Conversion Restrictions imposed by this Declaration shall burden the Burdened Tract, and the Burdened Tract shall be held, transferred, sold and conveyed subject to such restrictions, whether or not reference is made to this Declaration in the related conveyance document. The Conversion Restrictions imposed by this Declaration shall

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run with the land and be binding on all successors owners and other parties having any interest in the Burdened Tract, whether or not so stated in any conveyance document. The Conversion Restrictions imposed by this Declaration shall benefit and may be enforced by the Declarant and any person or entity who is a member or partner of the Declarant, SCP The Hudson GP, LLC or SCP The Hudson LP, LLC, any person or entity who is a member of SCP The Hudson Manager, LLC, and their respective successors and assigns (collectively, the "Beneficiaries"). No termination or amendment of this Declaration may be made without the prior written consent of the Declarant and SCP The Hudson GP, LLC or, if any of such entities has been dissolved, a majority-by-interest of the persons who are partners or members, as applicable of the dissolved entities, their successors and assigns.

4. Enforcement. This Declaration may be enforced by injunction, it being specifically recognized that damages will not be an adequate remedy to compensate for a violation of this Declaration. Failure by any person to enforce this Declaration shall not be deemed a waiver of the right to do so. Any person who prevails in any action to enforce this Declaration will be entitled to recover reasonable attorneys' fees and other costs of enforcement.

5. Term. The restrictions imposed by this Declaration will be in force until the date which is 10 years and one day after the date of the issuance of the last final certificate of occupancy with respect to the improvements to be constructed at the Burdened Tract (the "Expiration Date").

6. Indemnity. If there is a breach or violation of any of the Conversion Restrictions by any owner or other party prior to the Expiration Date, such owner and/or other party shall jointly and severally (a) mitigate any damages which might accrue thereunder, and (b) indemnify, protect, defend with counsel reasonably satisfactory to Beneficiary, and hold Beneficiary and its respective affiliates harmless from and against any and all losses, claims, damages, liabilities, and expenses (including, without limitation, reasonable legal fees, court costs, and expenses) of every kind arising out of or in connection, directly or indirectly, with any violation of the Conversion Restrictions (collectively, a "Claim"), regardless of whether the Claim results from actions or individual unit owners, sellers, or the respective property owners or home owners association and regardless of the source of such Claim, including, without limitation, the construction, design or materials incorporated into the improvements on the Burdened Tract. The benefits and obligations contained in this Section 6 will not be affected by the termination of the Conversion Restrictions set forth in Section 2 and will survive with respect to all Claims arising prior to the Expiration Date.

7. Joinder.

(a) For purposes of this Section 7, the following terms shall have the following meanings:

(i) "Mortgage" shall mean a bona-fide unpaid and outstanding mortgage or deed of trust on the Burdened Tract or other instrument creating a security interest against the Burdened Tract.

(ii) "Mortgagee" shall mean the holder of any Mortgage.

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