

N802022

106-58-0462

DECLARATION
OF

06/04/92 03500353 N802022 \$ 21.00

COVENANTS, CONDITIONS AND RESTRICTIONS
LAKE HOUSTON COMMUNITY ASSOCIATION

RE-1

THIS DECLARATION is made by FRIENDSWOOD DEVELOPMENT COMPANY and KING RANCH, INC. (collectively, "Declarant"). Declarant declares that the properties described as Kings Crossing, Section 18 Replat, per subdivision plat filed under Film Code No. 353072 in the Harris County Real Property Records shall be held, sold and conveyed subject to the following covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with the land and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner of the land subject to this Declaration. Additional land may be added or annexed by the Declarant and made subject to the provisions of this Declaration in accordance with Article VII, Section 4.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to Lake Houston Community Association, a non-profit corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 2. "Board" shall mean and refer to the duly elected Board of Directors of the Association.

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Section 3. "Owner" shall mean and refer to the record owner (other than the Declarant), whether one or more persons or entities, of a fee simple title to any Lot, Parcel, Apartment or tract of Commercial Land which is a part of the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

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Section 4. "Properties" shall mean and refer to that certain real property described in this Declaration of Covenants, Conditions and Restrictions, and any additions that may be brought within the jurisdiction of the Association in the future.

Section 5. "Common Area" shall mean and refer to all real property owned by the Association for the common use and enjoyment of the Owners.

Section 6. "Lot" shall mean and refer both to each platted lot within the Properties shown upon any recorded subdivision map upon which there has been or will be constructed a single-family residence, and to the residence and improvements constructed or to be constructed thereon.

Section 7. "Parcel" shall mean and refer to any residential townhouse on land situated within the Properties and which land is made subject to residential townhouse use restriction by virtue of a deed or other legal instrument of record in the office of the Harris County Real Property Records.

Section 8. "Apartment" shall mean and refer to any residential living unit in an apartment building on land situated within the Properties and which land is made subject to residential apartment use restriction by virtue of a deed or other legal instrument of record in the office of the Harris County Real Property Records.

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Section 9. "Commercial Land" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties and restricted to commercial use or any plot of land within the boundaries of the Properties which is made subject to a commercial use restriction by virtue of a deed or other legal instrument of record in the office of the Harris County Real Property Records, with the exception of any public school land, church land and Common Area.

Section 10. "Declarant" shall mean and refer to Friendswood Development Company and King Ranch, Inc., their successors and assigns if such successors or assigns should acquire the property from the Declarant for the purpose of development.

Section 11. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation of the Association.

Section 12. "Voting Unit" shall mean a portion of the Property containing 10,000 square feet of land area, shall be the basis for voting rights for Commercial Land in the Association, and shall be applicable to all platted Commercial Land within the jurisdiction of the Association.

Section 13. "Easements" shall mean and refer to the various utility or other easements of record, as shown on the plats of land within the jurisdiction of the Association and other easements that are created or referred to in this Declaration.

Section 14. "Patio Home" shall mean and refer to the single family residence constructed with a Zero Setback Line on a Lot.

Section 15. "Zero Setback Line" shall mean and refer to that property line of each Lot as determined by the Architectural Review Committee which one outside masonry wall of a Patio Home may abut. The Zero Setback Line shall in all instances be a side lot line, but a corner Lot may have the Zero Setback Line opposite the side street. Each Lot shall have no more than one Zero Setback Line.

Section 16. "Architectural Review Committee" shall mean and refer to the architectural review committee(s) created in accordance with Article VI, which shall have jurisdiction over the Properties.

ARTICLE II

RESERVATIONS, EXCEPTIONS, DEDICATIONS AND CONDEMNATION

Section 1. Incorporation of Plat. Subdivision plats of the Properties ("plats") dedicate for use as such, subject to the limitations set forth in them, certain streets and easements as shown on the plats, and the subdivision plats further establish certain dedications, limitations, reservations and restrictions applicable to the Properties. All dedications, limitations, restrictions and reservations shown on the plats, to the extent they apply to the Properties, are incorporated in and made a part of this Declaration as if fully set forth, and shall be construed as being adopted in each contract and deed of conveyance executed or to be executed by or on behalf of Declarant, conveying any portion of the Properties.

Section 2. Declarant's Reservation. It is expressly agreed and understood that the title conveyed by Declarant to any Lot, Parcel, Apartment, or tract of Commercial Land within the Properties by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadway or any drainage, water, gas, sewer, storm sewer, electric light, electric power, telegraph, telephone, audio, video, security or communication facility or system or any pipes, lines, poles or conduits on or in any utility facility or appurtenances thereto constructed by or under Declarant or its agents through, along or upon the

Properties or any part of them to serve the Properties, and the right to maintain, repair, sell or lease such appurtenances to any municipality, or other governmental agency or to any public service corporation or to any other party is hereby expressly reserved in Declarant.

Section 3. Reservation of Minerals. The Properties and any future land made subject to this Declaration, are hereby subjected to the following reservation and exception: Declarant 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 the land, but except for areas designated for mineral development purposes by plat or separate instrument, Declarant waives the right to use the surface of the Properties for exploring, drilling for, producing and mining oil, gas and other minerals, provided that Declarant retains and reserves the right to pool the Properties with other lands for development of oil, gas and other minerals and the right to drill under and through the subsurface of the Properties below the depth of one hundred feet by means of wells located on the surface of the land outside the Properties. These exceptions, retained rights and reservations shall inure to the benefit of Declarant, its predecessors in title and its successors and assigns in accordance with their respective interests of record.

Section 4. Condemnation. If all or any part of the Common Area is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Owner shall be entitled to participate in the condemnation proceedings at their own expense. The Association shall give timely written notice of the existence of these proceedings to all Owners and to all holders of first mortgages known to the Association by notice to the Association to have an interest in any property subject to assessment. The expense of participation in such proceedings by the Association shall be borne by the Association and paid for out of assessments and charges collected pursuant to Article V of this Declaration. The Association is authorized to obtain and pay for assistance from attorneys, appraisers, architects, engineers, expert witnesses, and other persons that the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to these proceedings.

All damages or awards for any taking shall be deposited with the Association, and damages or awards shall be applied as provided in this Declaration. If an action in eminent domain is brought against a portion of the Common Area, the Association, in addition to its general powers, shall have the sole authority to determine whether to defend or resist any such proceeding; to make any settlement of such proceeding; or to convey such portion of the Property to the condemning authority in lieu of the proceeding. With respect to any taking, all damages and awards shall be determined for the taking as a whole and not for each Owner's interest in the portion sought to be condemned. After the damages or awards for the taking are determined, the damages or awards shall be paid to the Association, which may use the funds in the manner determined by the Board. Alternately, the Board, if it deems advisable, is authorized to call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore, as far as possible, the Common Area so taken or damaged. If it is determined that the Common Area should be replaced or restored by obtaining other land, this Declaration shall be duly amended by instrument executed by the Association on behalf of the Owners.

ARTICLE III

PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Lot, Parcel, Apartment or tract

of Commercial Land, subject to the following provisions: 106-58-0465

- (a) The right of the Association to establish uniform rules and regulations and to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area and to regulate the time and circumstances by which Owners may use the facilities;
- (b) The right of the Association to limit the number of guests of Members and to make provisions for use by fee-paying third parties who are not Members;
- (c) The right of the Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which assessment against the Lot, Parcel, Apartment or tract of Commercial Land remains unpaid; and for a period not to exceed sixty days for any infraction of its published rules and regulations;
- (d) The right of the Association to grant or dedicate easements in, on, under or above the Common Areas or any part of the Common Areas to any public or governmental agency or authority or to any utility company for any service to the Property or any part of the Property;
- (e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for the purposes and subject to conditions that may be agreed to by the Board. No dedication or transfer shall be effective unless an instrument signed by two-thirds of each class of Members, agreeing to dedication or transfer, has been recorded, except that easements for utility purposes may be approved by the Board of Directors.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, the Owner's right of enjoyment to the Common Area and facilities to the members of the Owner's family, tenants, or contract purchasers who reside on the property.

Section 3. Waiver of Use. No Owner may be exempt from personal liability for assessments duly levied by the Association, nor release a Lot, Parcel, Apartment, or tract of Commercial Land owned from the liens and charges of the Declaration, by waiver of the use and enjoyment of the Common Areas or by abandonment.

ARTICLE IV

MEMBERSHIP AND VOTING CLASSES

Section 1. Membership. Every record Owner, including contract sellers, of a fee or undivided fee interest in any Lot, Parcel, Apartment or tract of Commercial Land which is subject to assessment by the Association shall be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot, Parcel, Apartment or tract of Commercial Land which is subject to assessment by the Association.

Section 2. Voting Classes. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners, with the exception of the Declarant for as long as there are Class B Members, and shall be entitled to one vote for each Lot or Parcel owned, one vote for each Voting Unit for a tract of

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Commercial Land owned, and two-thirds vote for each Apartment owned. When more than one person holds an interest in any Lot, Parcel, Apartment or tract of Commercial Land, all persons shall be Members. The vote of each Lot, Parcel, Apartment, or tract of Commercial Land owned by more than one person shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any one Lot, Parcel, or one Voting Unit with respect to any tract of Commercial Land, or two-thirds vote with respect to any Apartment.

Class B. Class B Member(s) shall be the Declarant, and shall be entitled to three votes for each Lot or Parcel owned and three votes for each Voting Unit for each tract of Commercial Land owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of the following events:

- (a) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) On January 1, 2002.

ARTICLE V

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant, for each Lot, Parcel, Apartment or tract of Commercial Land owned within the Properties, hereby covenants, and each Owner of any Lot, Parcel, Apartment or tract of Commercial Land by acceptance of a deed for the land, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments, and (b) special assessments, the assessments to be established and collected as provided in this Declaration. The annual and special assessments, together with interest, costs, and reasonable attorney's fees which are incurred by reason of the failure to pay an assessment as required shall be a charge on the land which shall be a continuing lien upon the property against which the assessment is made. Each assessment, together with interest, costs, and reasonable attorney's fees necessary to collect the assessments, shall also be the personal obligation of the person who was the Owner of the property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

Section 2. Purposes of Assessments.

The assessments levied by the Association shall be used exclusively for the community, civic and social welfare and benefit of the Properties and the Owners, for the purposes determined by the Association to be appropriate in accordance with its Articles of Incorporation and By-Laws, including (but not limited to) municipal services; educational and recreational services and facilities; improvement and maintenance of the Common Areas; maintenance and lighting of streets within the Properties and the rights-of-way of thoroughfares that are adjacent to the boundaries of the Property; police and security service; mosquito abatement; and other services, facilities, and activities that may be in the community's interest.

The Board shall negotiate contracts for garbage and refuse removal and collection. These services shall not be paid out of any assessments, but shall be billed by the contractor directly to each Owner.

Section 3. Maximum Annual Assessment.

Until January 1 of the year immediately following the first conveyance to an Owner, the maximum annual assessment shall be One Hundred Ninety-five and No/100 Dollars (\$195.00) per Lot or Parcel; One Hundred Thirty and No/100 Dollars (\$130.00) per Apartment;

and Two and 50/100 Dollars (\$2.50) per one hundred (100) square feet, or fraction thereof, of Commercial Land.

(a) From and after January 1 of the year immediately following the first conveyance to an Owner, the maximum annual assessment shall be adjusted in conformance with the Consumer Price Index (CPI) for All Urban Consumers, published by the U. S. Department of Labor, Bureau of Labor Statistics, or such successor index as may be published by the U. S. Department of Labor. The maximum assessment for any year shall be the amount determined by (i) taking the dollar amount specified in the preceding paragraph; (ii) multiplying the amount by the published CPI number for the fourth month prior to the beginning of the subject year; and (iii) dividing that resultant by the published CPI number for the month in which this Declaration was signed by the Declarant, or by multiplying the existing assessment by 110%, whichever method produces the greater result.

(b) From and after January 1 of the year immediately following the first conveyance to an Owner, the maximum annual assessment adjustment specified above in paragraph (a) may be changed by a vote of the Association, provided that any change shall have the assent of a majority of the votes of each class of members of the Association which are voted in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting setting forth the purpose of the meeting. These limitations shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments. In addition to the annual assessments, the Association may, in any assessment year, levy one or more special assessments applicable to that year only, to defray, in whole or in part, costs for necessary purposes of the Association such as the construction, reconstruction, repair, or replacement of a capital improvement in the Common Area or on land subject to the Association's jurisdiction; counsel fees and the fees of other retained experts; and similar costs that are necessary for the furtherance of the purposes of the Association. No special assessment shall be levied until it has been approved by a 2/3 majority of the votes of each class of members represented in person or by proxy at a meeting duly called for the purpose of considering the levy of the special assessment.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 or 4 shall be sent to all Members not less than thirty days nor more than sixty days in advance of the meeting. At the first meeting called, the presence of votes in person or by proxy, entitled to cast 60% of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. Subsequent meetings can continue to be called in the aforesaid manner with the required quorum at any subsequent meeting(s) being one-half of the required quorum at the preceding meeting until a quorum is present and votes are cast. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed and/or adjusted at proportionately uniform rates for all Lots, Parcels, Apartments or tracts of Commercial Land and may be collected on a monthly basis. Notwithstanding anything to the contrary contained in this

Declaration, the annual assessments levied against Lots owned by the Declarant shall be one-half the annual Lot assessment provided for Lots owned by other parties.

Section 7. Date of Commencement of Annual Assessments: Due Dates.

The annual assessments shall commence as to all Lots and Parcels on the first day of the month following the conveyance of the first Lot or Parcel. The annual assessment shall commence as to an Apartment or a tract of Commercial Land (a) on the first day of the eighth month following the date on which said lands are conveyed by Declarant to a subsequent Owner, or, (b) on the first day of the fourth month following the issuance by the appropriate governmental authority of a building permit applicable to land within the properties which have been restricted to such use by virtue of a deed or other legal instrument of record in the Harris County Real Property Records, or, (c) on the first day of the fourth month after building construction commences, whichever event occurs sooner. The first annual assessment shall be prorated according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot, Parcel, Apartment or tract of Commercial Land at least thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specific Lot, Parcel, Apartment or tract of Commercial Land have been paid.

Section 8. Effect of Non-Payment of Assessment: Remedies of the Association.

Any assessment not paid within thirty days after the due date shall bear interest from the due date at the highest rate of interest per annum allowed in the State of Texas. The Association may bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the services as stated in Article V, Section 2 or by non-use of the Common Area or abandonment of the Owner's Lot, Parcel, Apartment or tract of Commercial Land.

Section 9. Subordination of the Lien to Mortgage. The lien of the annual and special assessments shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot, Parcel, Apartment or tract of Commercial Land shall not affect the assessment lien. However, the sale or transfer of any Lot, Parcel, Apartment or tract of Commercial Land pursuant to mortgage foreclosure or any proceeding in lieu of foreclosure, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot, Parcel, Apartment or tract of Commercial Land from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Properties. All properties dedicated to and accepted by a municipal or federal authority and all properties owned by charitable or non-profit organizations, which are exempt from taxation by federal laws or the laws of the State of Texas (but not including residences owned by these entities, which properties shall be subject to assessment) shall be exempt from the annual and special assessments and the Owners of these properties shall have no voting rights with respect thereto. The Board may make other exceptions where in its determination there is a beneficial result to the development plan for the Property.

ARTICLE VI

ARCHITECTURAL REVIEW

In the event of a combination of patio homes, townhomes and single family homes with side yard setbacks on both sides, architectural review shall be

designated by Declarant to be conducted by separate Architectural Review Committees for each type of Lot or Parcel.

ARTICLE VII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or thereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction of this Declaration shall in no event be deemed a waiver of the right to do so in the future.

Section 2. Severability. Invalidity of any one of these covenants or restrictions by judgement or court order shall in no wise affect any other provisions, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land for the term of thirty years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten years. This Declaration may be amended by an instrument signed by not less than two-thirds of the votes in the Association and filed in the Harris County Real Property Records.

Section 4. Annexation. Additional land owned by Declarant, its successors or assigns, may be added or annexed to the Properties and made subject to the terms of this Declaration by the Declarant, its successors or assigns, without the consent of Owners, at any time or from time to time by the recording of an instrument expressly stating an intention to so annex the additional land; however, Declarant shall not be obligated to add or annex any additional land. Additional land that is added or annexed shall become subject to the annual assessment at the time of the annexation.

Section 5. Deannexation of Land from the Association. Land previously added or annexed into the Association and made subject to this Declaration may be deannexed by an instrument signed and acknowledged on behalf of not less than two-thirds of the votes of each class of members in the Association and filed in the Harris County Real Property Records.

Section 6. Books and Records. The books, records, and papers of the Association shall be subject to inspection by any Member during reasonable business hours and upon prior notice to the Association. The Articles of Incorporation, By-Laws, and this Declaration shall likewise be available for inspection by any Member at the office of the Association.

Section 7. Notice. Any notice required to be sent to any Owner pursuant to this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person(s) who appears as Owner on the records of the Association at the time of the mailing.

Section 8. Good Faith Lender's Clause. No violation of this Declaration shall affect any lien or deed of trust of record upon any property subject to assessment or any part of the property, when held in good faith. These liens may be enforced in due course, subject to the provisions of this Declaration.

Section 9. Mergers. If the Association merges or consolidates with another association as provided in the Articles of Incorporation, then the Association's properties, assets, rights, and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights, and

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obligations of another association may be transferred to the Association as a surviving corporation. The surviving or consolidated association shall administer any restrictions, together with any Declarations of Covenants, Conditions, and Restrictions governing these and any other properties, under one administration. No merger or consolidation shall cause any revocation, change, or addition to this Declaration.

Section 10. Conflict With Deeds of Conveyance; Declarant's Rights. If any part of this Declaration shall be in conflict with any term of a previously recorded deed of conveyance to any portion of the Property, the term of the prior deed of conveyance shall govern, but only to the extent of the conflict. Where rights are reserved to Declarant by the provisions of this Declaration, Declarant reserves the right to modify these provisions as necessary in subsequent deeds of conveyance, in which case the terms of the deeds of conveyance shall prevail.

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Law man
TRANS. WBD
ADM. ---

FRIENDSWOOD DEVELOPMENT COMPANY
Acting Herein for Itself and for
KING RANCH, INC. (Declarant)

8/3/92
Date

By J.J. Thompson
J.J. Thompson, Vice President

FRIENDSWOOD DEVELOPMENT COMPANY
d/b/a VILLAGE BUILDERS

7/31/92
Date

By Robert F. Bradley
Robert F. Bradley, Vice President

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on Aug. 3, 1992, by J. J. THOMPSON, Vice President of FRIENDSWOOD DEVELOPMENT COMPANY, an Arizona corporation, on behalf of said corporation, which corporation also acted as attorney-in-fact on behalf of KING RANCH, INC., a Texas corporation.



Edith Carlock Hall
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF Harris §

This instrument was acknowledged before me on July 31 1992, 1992, by ROBERT F. BRADLEY, Vice President of FRIENDSWOOD DEVELOPMENT COMPANY d/b/a VILLAGE BUILDERS, an Arizona Corporation, on behalf of said corporation.



Kathleen J. Landry
Notary Public, State of Texas

RETURN TO:
Friendswood Development Company
LIZ DANTONE
P. O. Box 2567
Houston, Texas 77252-2567

106-58-0471



ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS VOIDED AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS
COUNTY OF HARRIS }
I hereby certify that this instrument was FILED in File Number
Sequence on the date and at the time stamped hereon by me; and was
duly RECORDED, in the Official Public Records of Real Property of
Harris County, Texas on

AUG 6 1992



Quinta Rodriguez
COUNTY CLERK,
HARRIS COUNTY, TEXAS

Quinta Rodriguez
COUNTY CLERK,
HARRIS COUNTY, TEXAS

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KINGS CROSSING, SECTION EIGHTEEN
PROTECTIVE COVENANTS

08/06/72 00000004 N802023 \$ 71.00

FRIENDSWOOD DEVELOPMENT COMPANY, an Arizona corporation, and KING RANCH, INC., a Texas corporation, (collectively, "Declarant"), being the owners of that certain tract of land, containing 38.796 acres of land in the John W. Asbury Survey, A-91, and the Amasa Turner Survey, A-757, Harris County, Texas, being an unincorporated area situated within the extraterritorial jurisdiction of the City of Houston, which has been platted into a subdivision known as Kings Crossing, Section Eighteen Replat, a map or plat of said subdivision, approved as required by law, having been filed for record and being recorded under Film Code No. 353072 in the Map Records of Harris County, Texas, to which reference is here made for all purposes, establishes, adopts and promulgates the following Protective Covenants, which shall be applicable only to the lots as shown on the subdivision plat, and not to any of the Unrestricted or Restricted Reserves shown on the plat:

ARTICLE I
ARCHITECTURAL CONTROL

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Section 1. Architectural Approval. No building, fence, wall, or other structure shall be commenced, constructed, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration to any structure or its color (including, without limitation, site layout, building location, grading plans, reroofing materials, patio covers and trellises, plans for off-street parking of vehicles and utility layout) be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the proposal shall have been submitted to and approved in writing by the Declarant or the Architectural Review Committee ("ARC"), as applicable, as to harmony of external design and location in relation to surrounding structures and topography. If no action has been taken on a request to approve plans and specifications within forty-five days after the receipt by Declarant or the ARC, as applicable, of a request for approval, then the plans and specifications shall be deemed to be approved, and the related restrictions of this Declaration shall be deemed to have been fully satisfied.

All plans and specifications shall be submitted in writing, including the signature of the Owner of the Lot or the Owner's authorized agent. Declarant and the ARC shall have the right to require any Owner to remove or alter any building, fence, wall, or structure which has not received approval or is built other than in accordance with the approved plans. The requirement of this Article is in addition to any approvals or permits required by any governmental entity. Approval of plans as complying with the applicable minimum construction standards adopted and promulgated from time to time for the Property by Declarant and the ARC, shall be only for the purposes described in these Protective Covenants and shall not serve as approval for any other purpose.

Declarant shall have responsibility to review and approve plans and specifications for all new construction on the Property. The Lake Houston Community Association ("Association") shall have responsibility to review and approve plans and specifications for all modifications to existing residential improvements and shall appoint the ARC as a committee of its Board to accomplish this purpose. Declarant and the ARC shall function independently and concurrently as to their respective jurisdictions, except that Declarant shall relinquish all construction approval authority to the ARC on or before twenty-five years from the date of this

106-58-0473

Declaration, at which time full authority will become vested with the Association. Declarant and the ARC may at any time appoint persons to act in their behalf.

Section 2. No Liability. Neither Declarant, the Association, its Board of Directors, or the Architectural Review Committee or its members shall be liable in damages to anyone submitting plans or specifications to them for approval, or to any Owner of a Lot affected by these restrictions by reason of mistake in judgement, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. Every person who submits plans or specifications to the Architectural Review Committee for approval agrees that no action or suit for damage will be brought against Declarant, the Association, its Board of Directors, the Architectural Review Committee, or any of its members for decisions made pursuant to these Protective Covenants.

Section 3. Notice of Noncompliance or Noncompletion. Notwithstanding any other provision of these Protective Covenants, after the expiration of one year from the date of issuance of a building permit by municipal or other governmental authority for any improvement, the improvement shall, in favor of purchasers and encumbrances in good faith and for value, be deemed to be in compliance with all provisions of this Article I unless actual notice of noncompliance or noncompletion, executed by the Architectural Review Committee, or its designated representative, shall appear of record in the office of Harris County Real Property Records, or unless legal proceeding shall have been instituted to enforce compliance or completion.

Section 4. Rules and Regulations. The Architectural Review Committee may from time to time, in its sole discretion, adopt, amend and repeal rules and regulations interpreting and implementing the provisions of this Article I.

Section 5. Variances. Where circumstances, such as topography, location of property lines, location of trees, or other matters require, the Architectural Review Committee, by the vote or written consent of a majority of its members may allow reasonable variances as to any of the covenants, conditions or restrictions contained in this Declaration under the jurisdiction of such committee pursuant to this Article I, on any terms and conditions as it shall require; provided, however, that no variance shall adversely affect the general plan for the improvement and development of the Property.

ARTICLE II RESTRICTIONS OF USE

Section 1. Patio Home Construction. No building shall be erected, altered or permitted to remain on any Lot other than one detached single-family Patio Home not to exceed two stories in height. Each such Patio Home shall have a two car private garage, which shall not be used for residential purposes. No more than one dwelling shall be built on any one Lot.

Section 2. Prohibition of Offensive or Commercial Use. No activity which may become an annoyance or nuisance to the neighborhood or which shall in any way interfere with the quiet enjoyment by each Owner of the Owner's Patio Home or which shall degrade property values or detract from the aesthetic beauty of the Property, shall be conducted on the property. No repair work, dismantling, or assembling of boats, motor vehicles or other

machinery shall be done on or beside any driveway or adjoining street. The Property shall be used for single-family residential purposes. No part of the Property shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other nonresidential purposes. Notwithstanding these provisions, Declarant, its successors or assigns, may use the Property for model homes display and sales offices during the construction and sales period.

Section 3. Minimum Square Footage. The living area of the main residential structure of each Patio Home shall not be less than 1,200 square feet for a one-story dwelling nor less than 1,500 square feet for a two-story structure. Two-story dwellings shall contain a minimum of 800 square feet on the ground floor.

The Architectural Review Committee or its assignee, at its sole discretion, may approve variances in the building area and location on the Lot in instances where, in its judgement, the variance will not adversely affect the general plan for the improvement and development of the Property.

Section 4. Location of Improvements On the Lot. No building shall be located on any Lot nearer to the front line or nearer to the street sideline than the minimum building setback line shown on the recorded plat. Each Patio Home shall be designed and constructed so as to have one outside masonry wall abutting the side property line designated as the Zero Setback Line for that Lot by the Architectural Review Committee, except in the case of corner lots or unless a different layout is authorized in writing by the Architectural Review Committee. Corner lots may have the Zero Setback Line opposite the side street. To provide for uniformity and proper utilization of the building area within the lots, dwellings or appurtenant structures on a Lot shall not be less than six feet from the dwelling or appurtenant structure located on the contiguous lot(s). No windows, doors or other openings may be placed in the wall built on or parallel to the Zero Setback Line, except that walls on the Zero Setback Line may have openings if the wall faces onto a reserve or easement or street right-of-way. The side wall of the dwelling or appurtenant structure built abutting the Zero Setback Line shall be constructed using permanent low maintenance material as approved by the Architectural Review Committee. The Patio Home shall be constructed a minimum of eight feet from the rear Lot line, excluding patios, patio covers, trellises and like improvements. During initial construction on each Lot, the Architectural Review Committee, or its assignee, at its sole discretion, may approve variations in the location of improvements upon the Lot, subject to setbacks shown on the recorded plat and previous recorded instruments.

Section 5. Signs, Advertisements, Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be displayed to the public view on any portion of the Property except one sign for each Lot, which sign may have one maximum dimension of twenty-four inches and a maximum area of 576 square inches for the purpose of advertising the Patio Home located on the Lot for sale or rent; provided, however, that Declarant, its agents and assigns, may erect and maintain signs and other advertising devices or structures that it deems necessary or proper in connection with the conduct of its operations for the development, improvement, subdivision, and sale of Lots within the Property. Declarant shall have the right to remove any sign, advertisement, billboard or structure which is placed on any Lot in violation of this Section and in so doing shall not be subject to any liability for trespass or other tort in connection with or arising from removal of the sign, advertisement, billboard or structure.

Section 6. Temporary Structures and Out Buildings. No structure of a temporary character, trailer, tent, shack, detached garage, barn, or other outbuilding shall be constructed, erected, altered, placed or permitted to remain on any Lot at any time, either temporarily or permanently, except that temporary structures located within the building lines may be used as building offices, sales offices, and for other related purposes during the construction and sales period. Outbuildings or structures, whether temporary or permanent, used for accessory storage or other purposes must be approved by the Architectural Review Committee or its assignee.

Section 7. Animal Husbandry. Dogs, cats, and other usual and ordinary household pets may be kept in any Patio Home, not to exceed a total of two pets, provided they are not kept, bred, or maintained for any commercial purpose. Notwithstanding the foregoing, no animals or fowl may be kept on a Lot which result in any annoyance or are obnoxious to residents of the Property. No animal shall be permitted outside the confines of a Patio Home or fenced area of a Lot unless on a leash.

Section 8. Storage of Automobiles, Boats, Trailers, Other Vehicles and Equipment. No automobiles, boats, trailers, campers, recreational vehicles, motorcycles, buses, inoperative vehicles of any kind, camp rigs off truck, or boat rigging shall be parked or stored permanently or semi-permanently on or beside any driveway or on or beside any adjoining street, guest parking space, or Common Areas within the Property. For the purposes of these restrictions, the words "semi-permanent" shall be defined as remaining in the same location without movement for twenty-four or more consecutive hours.

Section 9. Walls, Fences and Hedges. All Lots shall be fenced in accordance with specifications established by the Architectural Review Committee. No wall, fence, planter or hedge shall be erected or maintained nearer to the front Lot line than the front building setback line. No rear fence, wall or hedge and no side fence, wall or hedge shall be more than eight feet high. The Architectural Review Committee, or its assignee, at its sole discretion may grant variances in height, location and construction materials related to fences and walls which in its judgment will not be adverse to the general plan for the improvement and development of the Property. Any wall, fence or hedge erected as protective screening on a Lot by Declarant, its agents or assigns, shall pass ownership with title to the Lot and it shall be the Owner's responsibility to maintain the protective screening.

No object or thing which obstructs sight lines at elevations between two and six feet above the roadways within the triangular area formed by the junction of street curb lines and a line connecting them at points twenty-five feet from the junction of the street curb lines (or extensions thereof) shall be placed, planted or permitted to remain on any corner Lots.

Section 10. Visual Screening. The drying of clothes in public view is prohibited, and the Owners or occupants of any Lots at the intersections of streets or adjacent to the Common Areas, greenbelts, or other facilities where the rear or side yard or portion of the Lot is visible to the public shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view. Similarly, all yard equipment, woodpiles or storage piles shall be kept screened by a service yard or other similar facility, so as to conceal them from view of neighboring Lots, the Common Areas and greenbelts.

Section 11. Lot Maintenance. All Lots shall be kept at all times in a sanitary, healthful and attractive condition, and the Owner or occupants of all Lots shall keep all weeds and grass cut and shall in no event use any Lot

for storage of material and equipment except for normal residential requirements or incident to construction of improvements, or permit the accumulation of garbage, trash or rubbish of any kind, and shall not burn any garbage, trash or rubbish except by use of an incinerator approved by Declarant, and then only if permitted by law.

In the event of default on the part of the Owner or occupant of any Lot in observing these requirements, or any of them, the default continuing after ten days' written notice to the Owners, Declarant, or its assignee, may without liability to the Owner or occupant, in trespass or otherwise, enter upon the Lot, cut, or cause to be removed, the garbage, trash and rubbish or do any other thing necessary to secure compliance with these restrictions, so as to place the Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of the Lot for the cost of the work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the property to pay the statement immediately upon receipt. To secure the payment of these charges in the event of nonpayment by the Owner, the vendor's lien is retained against each Lot in favor of Declarant or its assignee, but inferior to a purchase money lien or mortgage. The vendor's lien shall be applicable and effective whether mentioned specifically in each deed or conveyance by Declarant or not.

Section 12. Antennae. No electronic antennae or device of any type other than an antenna for receiving normal television signals shall be erected, constructed, placed or permitted to remain on any Lots, Patio Homes or buildings constructed within the Property. Television antennae may be attached to the Patio Home; however, the antennae's location shall be restricted to the rear of the Patio Home or to the rear of the roof ridge line, gable or center line so as to be hidden from sight when viewed from the fronting street. No antennae shall be erected as a free-standing structure.

Section 13. Removal of Dirt and Trees. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as necessary to the landscaping of or construction on the Lot. No trees shall be cut except to provide room for construction of improvements or to remove dead or unsightly trees and shall be done only after obtaining the written approval of the Architectural Review Committee, the approval to be given at the sole discretion of said Committee, or its assignee.

Section 14. Roofing Material. The roof of any Patio Home shall be constructed or covered with asphalt or composition type shingles having a minimum weight classification of two hundred thirty-five pounds per square or equivalent, comparable in color and texture to weathered wood shingles, the decision regarding type of roofing material to be used resting with the Architectural Review Committee, or its assignee.

Section 15. Drainage. All drainage of water from each Lot and its improvements shall drain or flow as follows:

(a) Water shall drain or flow into adjacent streets and shall not be allowed to drain or flow upon adjoining Lots, greenbelts or the Common Areas unless an easement for such purpose is granted or reserved in the deed of conveyance for the Lot.

(b) All slopes or terraces on the Lots shall be maintained so as to prevent any erosion upon adjacent streets or adjoining Lots, greenbelts or the Common Areas.

(c) No structure, planting or other material shall be placed or permitted to remain or other activities undertaken on any Lot by any Owner which might damage or interfere with established slope ratios or interfere with established drainage functions or facilities.

Section 16. Roof Projections. No projections of any type shall be placed or permitted to remain above the roof of any Patio Home with the exception of one or more chimneys and one or more vent stacks and antennae as set forth in Section 12. Other projections, such as solar collector panels, may be installed if approved in writing by the Architectural Review Committee or its assignee.

Section 17. Window Coolers. No window or wall type air conditioners or water coolers shall be permitted to be used, erected, placed or maintained on or in any Patio Home.

Section 18. Refuse Collection. There shall be no curbside refuse collection within the Property, and no garbage cans and other receptacles for the retention of garbage, trash and other refuse shall be placed nearer than twenty feet from the front Lot line.

Section 19. Landscape Maintenance. All landscaping of every kind and character on any Lot, including shrubs, trees, grass, and other plantings, shall be neatly trimmed, properly cultivated and maintained continuously by the Owner in a neat and orderly condition and in a manner to enhance its appearance.

Section 20. Right of Inspection. During reasonable hours and after reasonable notice, the Association shall have the right to enter upon and inspect each Lot and the improvements on it for the purpose of ascertaining whether or not the provisions of this Declaration are being complied with and shall not be deemed guilty of trespass by reason of this inspection.

ARTICLE III EASEMENTS

Section 1. Utility Easements. The rights and duties of the Owners of Lots within the Property with respect to sanitary sewer and water, electricity, gas and telephone, security system and cable television lines and drainage facilities shall be governed by the following:

(a) Wherever sanitary sewer house connections and/or water house connections or electricity, gas or telephone and cable television lines or drainage facilities are installed within the Property, which connection lines or facilities or any portion thereof, lie in or upon land owned by the Association or persons other than the Owner of a Lot served by these connections, lines or facilities, the Owners of Lots served shall have the right, and are granted an easement to the full extent necessary, to enter upon the Lots on land owned by the Association within the Property in or upon which the connections, lines or facilities, or any portion of them, lie to repair, replace and generally maintain the connections as and when repair, replacement, and maintenance may be necessary.

(b) Wherever sanitary sewer house connections and/or water house connections or electricity, gas, telephone, security system and cable television lines or drainage facilities are installed within the Property, and the connections, lines or facilities serve more than one Lot, the Owner of each Lot served by the connections, lines or facilities shall be entitled to the full use and enjoyment of the portions of the connections, lines or facilities which service that Owner's Lot.

Section 2. Reservation of Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded plat, and/or provided by instruments of record or to be recorded, and no structure shall be erected on any of said easements. Neither Declarant nor any utility company using the easement shall be liable for any

damage done by either of them or their assigns, agents, employees or servants to shrubbery, trees, flowers, or improvements of the owner located on the land covered by said easements.

Section 3. Surface Areas of Utility Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the Plat, and no structure shall be erected on any of the easements. Underground electric, gas and telephone service shall be available to all Lots in the subdivision. For so long as underground service is maintained, the electric service to each Lot shall be uniform and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current. Easements for the underground service may be crossed by driveways and walkways provided the Declarant or builder makes prior arrangements with the utility companies furnishing electric, gas and telephone service and provides and installs any necessary conduit of approved type and size under such driveways or walkways prior to construction. Easements for the underground service shall be kept clear of all other improvements, including buildings, patios or other pavings, and neither Declarant nor any utility company using the easements shall be liable for any damage done by either or both of them or their assigns, agents, employees or servants, to shrubbery, trees, flowers or other improvements (other than crossing driveways or walkways provided the conduit has been installed as outlined above) of the Owner located on the Lot covered by the easements.

An electric distribution system will be installed in that part of Kings Crossing, Section 18, which service area embraces all of the Lots which are platted in Kings Crossing, Section 18. This electrical distribution system shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three 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 service available. In the event that there are constructed within the Property, structures containing multiple dwelling units such as townhouses, duplexes or apartments, then the service area embraces all of the dwelling units involved. The owner of each Lot containing a single dwelling unit, shall, at his, her or 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 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 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 homeowners reciprocal easements providing for access to the area occupied by and centered on the service wires of the various homeowners to permit installation, repair and maintenance of each homeowner's owned, and installed service wires. In addition, the owner of each Lot containing a single dwelling unit, shall, at his, her or 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 unit involved. For so long as service is maintained in the Property, the electric service to each dwelling unit therein shall be underground, 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 the electric distribution system in the Property at no cost to Declarant (except for certain conduits, where applicable, and except as hereinafter provided) upon Declarant's representation that the Property is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such subdivisions, townhouses, duplexes and apartment structures, all of which are designed to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s) shown on the plat of Kings Crossing, Section 18, as such plat exists at the execution of the agreement for electric service between the electric company and Declarant and thereafter. Specifically, but not by way of limitation, if a Lot owner in a former Reserve undertakes some action which would have invoked a front lot foot payment if such action had been undertaken in the Property, such owner or applicant for service shall pay the electric company \$1.75 per front lot foot, unless Declarant has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future nonresidential development in such Reserve(s).

Section 4. Public Streets and Driveways. All Lots shall abut and have access to a public street. Public street rights-of-way are shown on the Plat.

Section 5. Emergency and Service Vehicles. An easement is granted to all police, fire protection, ambulance and other emergency vehicles and other service vehicles to enter upon the Common Areas, including but not limited to driveways, in the performance of their duties. Further, an easement is granted to the Association, its officers, agents, employees, and management personnel to enter the Common Areas to render any service.

Section 6. Universal Easement. Each Lot and its Owner is declared to have an easement, and the same is reserved to Declarant, over all adjoining Lots and the Common Areas for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settlement or shifting of the building, or any other cause. There shall be easements for the maintenance of encroachment, settling or shifting; provided, however, that in no event shall an easement for encroachment be created in favor of an Owner or Owners if the encroachment occurred due to willful misconduct of said Owner or Owners. In the event a structure on any Lot is partially or totally destroyed, and then repaired or rebuilt, the Owners of each Lot agree that minor encroachments over adjoining Lots shall be permitted and there shall be easements for the maintenance of encroachments so long as they shall exist. In addition, each Lot is declared to have an easement for overhanging roofs and eaves as originally constructed over each adjoining Lot and/or the Common Areas and for maintenance. Each of these easements shall be deemed to be established upon the recordation of this Declaration and shall be appurtenant to the Lot being serviced and shall pass with each conveyance of each Lot.

Section 7. Wall Maintenance Easements. All Lots within the Property shall be subject to a three-foot wide easement adjacent to the Zero Setback Line, which easement shall be for the benefit of the adjacent Lot, and the right to create, grant and reserve these easements is reserved by Declarant for itself and its successors in interest. These easements, the uses and purposes of which are set out below, are granted or reserved by reference to this instrument without the necessity for further documentation. The following rules prescribe the terms, conditions and uses of the easements,

both by the Owner of the easement (the dominant tenement) and the Owner of the land under the easement (the servient tenement):

(a) The Owner of the dominant tenement (the Lot which is benefited by the easement), except as otherwise provided in this Section, shall have the non-exclusive use of the surface of the easement area for the sole and only purpose of the maintenance, painting, repairing and rebuilding of the side privacy wall, fence or eave which are situated adjacent and abutting the easement area.

(b) The Owner of the servient tenement shall have the right at all reasonable times to enter upon the easement area for the purposes of maintaining the lawn and/or trees and for landscaping located within the easement area, which maintenance shall be the obligation of the servient tenement.

(c) The Owner of the servient tenement shall have the right of surface drainage over, along and upon the easement area for water resulting from the normal use of the servient tenement, and the dominant tenement shall not use the easement area in any manner to interfere with drainage.

(d) The Owner of the dominant tenement shall not attach any object to the side of the privacy wall, fence or eave facing onto the easement area. However, the Owner of the dominant tenement shall have the right to locate an overhanging eave, which is an integral part of the Patio Home or garage structure, within the easement.

(e) The Owner of the dominant tenement, as a condition to the exercise of the right of access provided for, shall be responsible for damage to shrubs, plants, flowers, trees, lawn, sprinklers, hose bibs, and other landscaping directly resulting from the exercise of the right to enter and shall indemnify and hold harmless the Owner of the servient tenement for these purposes.

(f) The Owner of the servient tenement shall be responsible for damage to the wall and/or building located on the dominant tenement which damage is caused by any use of the easement area by the servient tenement and shall indemnify and hold harmless the Owner of the dominant tenement for these purposes.

Section 8. Audio, Video, and Security Systems. Audio, video or security communication services shall be made available to all Lots by means of an underground coaxial cable system, and the company furnishing such services and facilities shall have a two foot wide easement along and centered on the underground wire or cable when and as installed by the company from the utility easement nearest to the point of connection on the structure and in a direct line from the nearest utility easement to the point of connection.

ARTICLE IV UTILITY BILLS, TAXES AND INSURANCE

Section 1. Obligation of Owners.

(a) Each Owner shall have separate electric, gas and water meters and shall directly pay for all electricity, gas, water, sanitary sewer service, telephone service, security system, cable television and other utilities used or consumed by the Owner.

(b) Each Owner shall directly render for taxation Owner's Lot and improvements, and shall at Owner's own cost and expense directly pay all taxes and fees levied or assessed against or upon Owner's Lot.

Section 2. Obligation of the Association.

(a) The Association shall pay as a common expense of all Owners, for all water, gas, electricity and other utilities used in connection with the enjoyment and operation of the Common Areas.

(b) The Association shall render for taxation and, as part of the common expenses of all Owners, shall pay all taxes levied or assessed against or upon the Common Areas, improvements, and facilities.

(c) The Association shall have authority to obtain and continue in effect as a common expense of all Owners, a blanket property insurance policy or policies to insure the improvements and facilities in the Common Areas and their contents and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, in amounts deemed proper by the Association, and the insurance may include coverage against vandalism and other coverage as the Association may deem desirable. The Association shall also have the authority to obtain comprehensive public liability insurance in such amounts as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees and each Owner (if coverage for Owners is available) from and against liability in connection with the Common Areas.

(d) All costs, charges and premiums for all utility bills, taxes and any insurance to be paid by the Association shall be paid as a common expense of all Owners and shall be paid from the assessments.

ARTICLE V USE OF COMMON RECREATION AREA

The Common Recreation Area shall be used solely for park, recreational, social and other related purposes. Its use shall be limited to Members and their guests and to fee-paying third parties who are not Members as determined by the Board. The Board of Directors may establish reasonable rules for the operation of the Common Areas but may not restrict the use in a manner which is inconsistent with the provisions of this instrument.

ARTICLE VI MORTGAGEE PROTECTION

Section 1. Alienation of Common Areas. Except as to the Association's right to grant easements for utilities and similar or related purposes, the Common Areas may not be abandoned, partitioned, subdivided, sold, alienated, released, transferred, hypothecated, or otherwise encumbered without the approval of all holders of first mortgage liens on Lots.

Section 2. Mortgagee Required Approval. Unless all of the first mortgagees have given their prior written approval, the Association shall not be entitled to:

(a) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(b) by act or omission change, waive or abandon any scheme of regulations, or enforcement of any scheme of regulations, pertaining to the use, care and maintenance of the Common Areas, the architectural design or exterior appearance of Patio Homes, the maintenance of fences and driveways, or the upkeep of lawns and plantings, or otherwise abandon the status of the Property;

(c) fail to maintain fire and extended coverage on insurable improvements in the Common Areas, if any, on a current replacement cost basis in an amount not less than 100% of the insurable value (based on current replacement costs); and

(d) use hazard insurance proceeds for losses to any improvements in the Common Areas, if any, for other than the repair, replacement or reconstruction of the improvements.

Section 3. Notice to First Mortgagees. Holders of first mortgage liens shall be entitled to:

- (a) inspect the books and records of the Association during normal business hours;
- (b) receive an annual audited financial statement of the Association within 180 days following the end of any fiscal year;
- (c) receive written notice of all meetings of the Association and designate a representative to attend all such meetings;
- (d) upon request, receive notice of any default in the performance by the individual Owner of any obligation under the Declaration, Protective Covenants, By-Laws or Articles of Incorporation of the Association which is not cured within sixty days;
- (e) receive notice of any abandonment or termination of the development;
- (f) receive notice of any material amendment to the Declaration, Protective Covenants, By-Laws or Articles of Incorporation; and
- (g) receive notice of any decision to terminate professional management and assume self-management.

Section 4. Reimbursement to Mortgagees for Payment of Taxes or Insurance Premiums. First mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Areas and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for improvements in the Common Areas, if any, and first mortgagees making these payments shall be owed immediate reimbursement from the Association.

Section 5. Insurance or Condemnation Proceeds; Notice. No provision of the Declaration, Protective Covenants, By-Laws or Articles of Incorporation of the Association shall be construed as giving an Owner or other party priority over any rights of a first mortgagee pursuant to its mortgage in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Areas or Lot. An institutional holder of a first mortgage shall be entitled to receive timely written notice of substantial damage to or a taking of the Lot on which it holds a mortgage, or to the Common Areas.

Section 6. Management Agreements. Any management agreement will be terminable by the Association without payment of a termination fee with cause upon thirty days written notice, or without cause by either party on ninety days written notice. The term of any agreement may not exceed one year, renewable by agreement of the parties for successive one year periods.

Section 7. Reserve Fund. The Association's accounts shall include an adequate reserve fund for maintenance, repairs and replacement of those elements of the Common Areas that must be replaced on a periodic basis and will be paid out of the annual and special assessments.

Section 8. Leases. Any lease agreement between an Owner and a lessee shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Protective Covenants, By-Laws and Articles of Incorporation and that failure by the lessee to comply with the terms of these documents shall be a default under the lease. All leases shall be in writing.

ARTICLE VII
GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens or charges now or imposed in the future by the provisions of these Protective Covenants. Failure by the Association or by any Owner to enforce any covenant or restriction in no event be deemed a waiver of the right to do so in the future.

Section 2. Severability. Invalidation of any one of these covenants, conditions or restrictions shall not affect any other provision, which shall remain in full force and effect.

Section 3. Amendment. These Protective Covenants shall run with the land, and shall be binding upon Declarant and its successors and assigns and all persons claiming under them and all Owners of the Lots, for a period extending until December 31, 2022, at which time they shall be extended automatically for successive periods of ten years each, unless an instrument signed by a majority of the then Owners of the Lots has been recorded, agreeing to change the covenants in whole or in part, or to revoke them; provided that no person or corporation shall be liable for breach of these Protective Covenants except in respect to breaches occurring or committed during his, her, or its ownership of the Lot involved in the breach. Deeds of conveyance of the Lots may contain these restrictive covenants by reference to this document, but, whether or not the reference is made, each and all of the restrictive covenants shall be valid and binding upon the respective grantees. However, notwithstanding the above, any amendment to these Protective Covenants or to the By-Laws or to the Articles of Incorporation of the Association (i) to change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner, or (ii) to change, waive, or abandon any scheme of regulations, or enforcement, pertaining to the architectural approval of a Patio Home, the maintenance of the Lots, or the maintenance of the Common Areas, or (iii) to use hazard insurance proceeds for losses to the improvements in the Common Areas, if any, for other than the replacement of such improvements, shall require the additional approval of 67% of the first mortgagees (based upon one vote for each mortgage owned).

(a) Any amendment affecting any of the following shall require the additional approval of 51% of the first mortgagees (based upon one vote for each mortgage owned):

- (1) voting;
- (2) reserves for maintenance of the Common Area;
- (3) insurance or fidelity bonds;
- (4) rights to use of the Common Areas;
- (5) responsibility for maintenance of the Common Areas;
- (6) addition to or withdrawal of a portion of Common Areas;
- (7) boundaries of any Lot;
- (8) the interests in the Common Areas;
- (9) convertibility of Lots into Common Areas or of the Common Areas into Lots;
- (10) leasing of Patio Homes;
- (11) imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey a Lot; and
- (12) any provisions which are for the express benefit of mortgage holders, or eligible insurers or guarantors of first mortgages on Lots

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(b) The Declarant reserves the right during the construction and sale period, without joinder or consent of any Owner or mortgagee, to amend the Declaration, these Protective Covenants or the By-Laws by an instrument in writing duly signed, acknowledged and filed for record, for the purpose of resolving or clarifying any ambiguities or conflicts, or correcting any inadvertent misstatements, errors or omissions, or to comply with the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veteran's Administration, or Federal Housing Administration, provided that no amendment shall change the vested property rights of any Owner, except as otherwise provided in this instrument.

Section 4. Violations. It is specifically provided that a violation of these Protective Covenants, or any one or more of them, shall not affect the lien of any mortgage or deed of trust now of record, or which may be placed of record in the future, or other lien acquired and held in good faith upon the lots, but liens may be enforced as against any and all property covered by the liens, subject nevertheless to the restrictions, covenants and conditions of this instrument.

Section 5. Variances. Declarant or its assignee, at its sole discretion, may approve variances in these Protective Covenants where, in its judgment, the variance will not adversely affect the general plan for the improvement and development of the Property. Such approvals must be granted in writing and when given, will become a part of these Protective Covenants.

FRIENDSWOOD DEVELOPMENT COMPANY
Acting Herein for Itself and for
KING RANCH, INC.

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ADM. _____

8/2/92
Date

By J. J. Thompson
J. J. Thompson, Vice President

FRIENDSWOOD DEVELOPMENT COMPANY
d/b/a Village Builders

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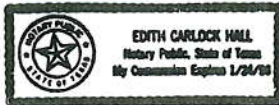
7/7/92
Date

By Robert F. Bradley
Robert F. Bradley, Vice President

106-58-0485

STATE OF TEXAS §
§
COUNTY OF Harris §

This instrument was acknowledged before me on Aug 3, 1992, by J. J. THOMPSON, Vice President of FRIENDSWOOD DEVELOPMENT COMPANY, an Arizona Corporation, on behalf of said corporation, which corporation also acted as attorney-in-fact on behalf of KING RANCH, INC., a Texas corporation.



Edith Carllock Hall
Notary Public, State of Texas

STATE OF TEXAS §
§
COUNTY OF Harris §

This instrument was acknowledged before me on July 31, 1992, by ROBERT F. BRADLEY, Vice President of FRIENDSWOOD DEVELOPMENT COMPANY d/b/a VILLAGE BUILDERS, an Arizona Corporation, on behalf of said corporation.



Kathleen J. Landry
Notary Public, State of Texas

RETURN TO:
Friendswood Development Company
LIZ DANTONE
P. O. Box 2567
Houston, Texas 77252-2567

FILED
92 AUG -6 PM 4:26
Amelia Rodenhauer
COUNTY CLERK
HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS REVOKED AND UNENFORCEABLE UNDER FEDERAL LAW
THE STATE OF TEXAS }
COUNTY OF HARRIS }
I hereby certify that this instrument was FILED in File Number _____
Sequence on the date and at the time stamped hereon by me; and was
duly RECORDED, in the Official Public Records of Real Property of
Harris County, Texas on

AUG 6 1992



Amelia Rodenhauer
COUNTY CLERK,
HARRIS COUNTY, TEXAS