

H904353

043-95-1452

DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS FOR

4/18/83

KINGS CROSSING PATIO HOME OWNER'S ASSOCIATION, INC.

STATE OF TEXAS §
COUNTY OF HARRIS §

THIS DECLARATION, made on the date hereinafter set forth by FRIENDSWOOD DEVELOPMENT COMPANY, an Arizona corporation, and KING RANCH, INC., a Texas corporation, their successors and assigns, hereinafter referred to as "Declarant;"

WITNESSETH:

WHEREAS, Declarant is the owner of certain property heretofore platted and subdivided into that certain subdivision known as Kings Crossing, Section Seven, a subdivision in Harris County, Texas according to the plat thereof recorded in Volume 312, Page 88 of the Map Records of Harris County, Texas, hereinafter referred to as the "Plat," being also a replat of Unrestricted Reserves "A" and "B" out of Kings Crossing, Section Three, a subdivision in Harris County, Texas, according to the plat thereof recorded in Volume 306, Page 1 of the Map Records of Harris County, Texas; and

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WHEREAS, it is the desire and intent of Declarant that a portion of said subdivision, being all of said Kings Crossing, Section Seven except that portion thereof designated on the Plat as Unrestricted Reserve "A," be developed into a Patio Home Community as hereinafter described, said portion being hereinafter referred to as the "Property;" and

WHEREAS, the Property is subject to the Declaration of Covenants, Conditions and Restrictions for Kings Crossing dated October 22, 1982 and recorded under File No. H672761, Film Code No. 028-97-1533 and re-recorded under File No. H679437, Film Code No. 029-86-0831 in the Official Public Records of Real Property of Harris County, Texas, and

WHEREAS, the Property may become subject to the Declaration of Covenants, Conditions and Restrictions for the Greentree-Sand Creek Trail Association dated June 1, 1978 and recorded

under File No. F677355, Film Code No. 200-06-1941 in the Official Public Records of Real Property of Harris County, Texas, by virtue of the annexation of the Property into the Greentree-Sand Creek Trail Association by Instrument of Annexation to be recorded in the Official Public Records of Real Property of Harris County, Texas; and

WHEREAS, Declarant desires to hold, sell and convey the Property, together with any additional land which may subsequently be incorporated herein, subject to the following additional covenants, restrictions, reservations, and easements, which are for the purpose of establishing a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both present and future owners of lots within said Property.

NOW, THEREFORE, Declarant hereby adopts the following covenants, conditions and restrictions which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Property and which shall be applicable to the lots within said Property and shall run with the land and shall bind all parties having or acquiring any right, title, or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Architectural Review Committee" shall mean and refer to the architectural review committee created pursuant to the aforesaid Declaration of Covenants, Conditions and Restrictions for Kings Crossing which shall have jurisdiction over the Property.

Section 2. "Association" shall mean and refer to KINGS CROSSING PATIO HOME OWNER'S ASSOCIATION, INC., a non-profit corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 3. "Board of Directors" and "Board" shall mean and refer to the Board of Directors of the Kings Crossing Patio Home Owner's Association, Inc.

Section 4. "Common Areas" shall mean and refer to both the Common Open Area and the Common Recreation Area as hereinafter defined.

Section 5. "Common Open Area" shall mean and refer to all real property owned and maintained by the Association for common use and enjoyment of the Owners and others as hereinafter described. The Common Open Area is shown and designated on the Plat as Restricted Reserves "B," "C," "E" and "F," but may include future restricted reserves hereinafter brought within the jurisdiction of the Association.

Section 6. "Common Recreation Area" shall mean and refer to all real property owned and maintained by the Association for common use and enjoyment of the Owners and others as hereinafter described. The Common Recreation Area is shown and designated on the Plat as Restricted Reserve "G," but may include future restricted reserves hereinafter brought within the jurisdiction of the Association.

Section 7. "Conveyance" shall mean and refer to conveyance of a fee simple title to a Lot.

Section 8. "Covenants" shall mean and refer collectively to the covenants, conditions, restrictions, reservations, easements, liens and charges imposed by or expressed in this Declaration.

Section 9. "Declarant" shall mean Friendswood Development Company, an Arizona corporation, and King Ranch, Inc., a Texas corporation, their successors and assigns.

Section 10. "Easements" shall mean and refer to the various utility or other easements of record, those shown on the Plat and such other easements as are created or referred to in this Declaration.

Section 11. "Member" shall mean and refer to each person or entity who holds membership in the Association.

Section 12. "Owner" shall mean and refer to the record owner (other than Declarant), whether one or more persons or entities, of the fee simple title to the surface estate in any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 13. "Lot" shall mean and refer both to each parcel of land conveyed to an Owner 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, but shall not mean or include any portion of the Common Areas.

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

Section 15. "Property" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 16. "Zero Setback Line" shall mean and refer to that property line of each Lot as determined by the Architectural Review Committee upon which one outside masonry wall of a Patio Home may abut. Such Zero Setback Line shall in all instances be a side lot line but corner Lots may have the Zero Setback Line opposite the side street. Each Lot shall have no more than one Zero Setback Line.

ARTICLE II

RESERVATIONS, EXCEPTIONS, DEDICATIONS AND CONDEMNATION

Section 1. Incorporation of Plat. The subdivision plat of Kings Crossing, Section Seven, of which the Property is a part (the "Plat"), dedicates for use as such, subject to the limitations set forth therein, certain streets and easements shown thereon, and such subdivision plat further establishes certain dedications, limitations, reservations and restrictions applicable to the Property. All dedications, limitations, restrictions and reservations shown on the Plat, to the extent they apply to the Property, are incorporated herein and made a part hereof as if fully set forth herein, 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 each Lot within the Property.

Section 2. Declarant's Reservation. It is expressly agreed and understood that the title conveyed by Declarant to any Lot within the Property by contract, deed or other conveyance shall not be held or construed in any event to include the title to any roadways 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 Property or any part thereof to serve said Property, 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 Property, and any future land made subject to this Declaration, are hereby subjected to the following reservation and exception: Declarant hereby reserves unto itself and its successors, assigns and predecessors in title in accordance with their respective interests of record all oil, gas and other minerals in, on and under said land, but Declarant hereby waives the right to use the surface of the Property for exploring, drilling for, producing and mining oil, gas and other minerals, provided that Declarant hereby retains and reserves the right to pool the Property with other lands for development of oil, gas and other minerals and the right to drill under and through the subsurface of the Property below the depth of one hundred feet (100') by means of wells located on the surface of the land outside the Property. Such 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.

ARTICLE III
PROPERTY RIGHTS

Section 1. Owner's Easements of Enjoyment. Every Owner shall have a right to an easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to grant or dedicate easements in, on, under or above the Common Areas or any part thereof to any public or governmental agency or authority or to any utility company for any service to the Property or any part thereof;

(b) the right of the Association to limit the number of guests of Owners who may use the Common Recreation Area;

(c) the right of the Association to suspend the voting rights and right to use of the the Common Recreation Area by an Owner for any period during which assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations;

Section 2. Delegation of Use. Subject to the limitations set forth in Section 1 above, any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the

Common Areas and recreational facilities located thereon to the members of his family, his tenants, or contract purchasers who reside on his Lot.

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

ARTICLE IV
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person or entity who is a record Owner of a Lot within the Property 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. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the Lot 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 (except as hereinafter provided) and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be Members. The vote of such Lot shall be exercised as the persons among themselves determine, but in no event shall more than one vote be cast with respect to each Lot owned.

Class B. The Class B Member shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. Class B membership shall cease and be converted to Class A membership on the earlier of the following dates:

(a) the date on which the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) January 1, 1990.

Section 3. Voting Right in Other Associations. (a) As a resident of a community within the jurisdiction of the Kings Crossing Community Association, Owners shall be represented in such association by the Association which shall be a member thereof with the right to vote in its regular and special elections as provided in its by-laws.

(b) At such time as the Property becomes subject to the jurisdiction of the Greentree-Sand Creek Trail Association, Owners shall have the right to vote in that association's regular and special elections, as provided in its by-laws.

ARTICLE V
COVENANT FOR MAINTENANCE
ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each improved Lot owned within the Property, hereby covenants, and Owner of any improved Lot by acceptance of a deed therefor, 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 or charges, and

(b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The regular and special assessments, together with interest, penalties, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, penalty, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment became due.

Section 2. Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, and welfare of the Members of the Association and for the improvement and maintenance of the Common Areas, or for the payment to or reimbursement of other affected parties or governmental entities for the improvement and maintenance thereof.

Section 3. Maximum Annual Assessment. (a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be One Hundred Seventy Dollars (\$170.00).

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year by the greater of the increase in the Consumer Price Index for the year involved or ten percent (10%).

(c) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner the maximum annual assessment may be increased above ten (10%) percent by a vote of two-thirds (2/3) of each class of Members entitled to vote in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement in the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of Members entitled to vote in person or by proxy, at a meeting duly called for this purpose.

Section 5. Rate of Assessment. All Lots within the Property shall commence to bear their applicable assessments when conveyed by the Declarant. Lots which are owned by Declarant shall be assessed only in the event and then only to the full extent that assessments to be paid by Owners of Lots owned by other than Declarant are not sufficient to meet the operating budget of the Association.

Section 6. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the conveyance of a Lot to an Owner. The first annual assessment shall be adjusted 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 at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to each Owner subject thereto. 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 or not the assessments on a specified Lot have been paid.

Section 7. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the maximum rate of interest permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Lot subject thereto.

Section 8. Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability of any assessments which thereafter become due or from the lien thereof.

Section 9. Exempt Properties. Any portion of the Property dedicated to and accepted by a local public authority shall be exempt from the assessments created herein. However, no Lots shall be exempt from said assessments.

ARTICLE VI
KINGS CROSSING
AND
GREENTREE-SAND CREEK TRAIL ASSOCIATION
MAINTENANCE ASSESSMENTS

The Property is also subject to the provisions with respect to maintenance assessments contained in the Declaration of Covenants, Conditions and Restrictions for Kings Crossing, as amended, and may become subject to similar provisions contained in the Declaration of Covenants, Conditions and Restrictions for the Greentree-Sand Creek Trail Association as hereinabove described. If applicable, these assessments are and shall be paid, in addition to the assessments provided for in Article V above. The assessments imposed by said instruments promote the social

welfare and provide recreational services and facilities to residents and owners of the Property and other properties to which it shall apply.

Therefore, it is covenanted and agreed that each Lot, in accordance with the terms of the aforesaid instruments, is hereby or may be subjected to the annual community services charges referred to therein. If applicable, the assessments against each Lot shall constitute and be secured by a lien thereon as provided for in said instruments.

In the event of any conflict between any portion of this Article and any portion of the aforesaid instruments, the latter shall govern and control.

ARTICLE VII ARCHITECTURAL CONTROL

Section 1. Architectural Approval. The Property is a part of a greater community development commonly known as Kings Crossing. The overall plan for the development of the various areas and sections which make up Kings Crossing contemplates centralization of architectural control to enhance, insure and protect the attractiveness, beauty, and desirability of the area as a whole while at the same time permitting compatible distinctiveness of individual developments within the area. For this purpose, Declarant hereby reserves and retains the right of architectural control to itself or its assignee as hereinafter provided.

It is accordingly covenanted and agreed that no building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Property, nor shall any exterior addition to or change or alteration to such structure or the color thereof, (including, without limitation, 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 same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee. In the event said Committee, or its designated representative, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required, and this Article will be deemed to have been fully complied with. All plans and specifications shall be submitted in writing over the signature of the

Owner of the Lot or the Owner's authorized agent. The Architectural Review Committee shall have the right to require any Owner to remove or alter any structure which has not received approval or is built other than per the approved plans. The requirement of this Article is in addition to any approvals or permits required by any appropriate 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 or its assignee, shall be only for such purposes and shall not serve as approval for any other purpose. Declarant hereby reserves and retains the right at its option to assign its rights hereinabove set forth to an architectural control committee appointed by the Board of Directors of Kings Crossing Community Association, as long as that Association is collecting and administering the collection of maintenance assessments for Kings Crossing. In the event Declarant elects to assign such rights of approval, such assignment shall be evidenced by an instrument in writing and acknowledged by the proper officers of Declarant and placed of record in the appropriate records of the County Clerk of Harris County, Texas.

Section 2. No Liability. Neither Declarant, the Association, its Board of Directors, or the Architectural Review Committee or the members thereof 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 judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. 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 the members thereof.

Section 3. Notice of Noncompliance or Noncompletion. Notwithstanding anything to the contrary contained herein, after the expiration of one (1) year from the date of issuance of a building permit by municipal or other governmental authority for any improvement, said improvement shall, in favor of purchasers and encumbrancers in good faith and for value, be deemed to be in compliance with all provisions of this Article VII unless actual notice of such noncompliance or noncompletion, executed by the Architectural Review Committee, or its designated representative, shall appear of record in the office of the County Clerk of Harris County, Texas, 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 VII.

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 the members thereof, 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 VII, on such terms and conditions as it shall require; provided, however, that all such variances shall be in keeping with the general plan for the improvement and development of the Property.

ARTICLE VIII

DUTIES AND MANAGEMENT OF THE ASSOCIATION

Section 1. Duties and Powers. In addition to the duties and powers enumerated in its Articles of Incorporation and By-Laws, or elsewhere provided for herein, and without limiting the generality thereof, the Association shall:

- (a) own, maintain and otherwise manage the Common Areas and all facilities, improvements and landscaping thereon;
- (b) pay any real and personal property taxes and other charges assessed against the Common Areas;
- (c) have the authority to obtain, for the benefit of the Common Recreation Area and, where appropriate, the Common Open Area, all water, gas, electric, telephone and security services and refuse collection;
- (d) grant easements where necessary for utilities and sewer facilities over the Common Areas to serve the Common Areas and the Lots;
- (e) maintain such policy or policies of insurance as the Board of Directors may deem necessary or desirable in furthering the purposes of and protecting the interests of the Association and its Members;
- (f) have the authority to contract with a management company for the performance of maintenance and repair of the facilities, improvements and landscaping in the Common Areas and for conducting other activities on behalf of the Association provided

that such contract shall be limited to a duration of one (1) year, except with the approval of a majority of the Members entitled to vote. Any such management agreement shall provide that it will be terminable by the Association without a termination fee for cause upon thirty (30) days' written notice or without cause by either party upon ninety (90) days' written notice.

(g) have the power to establish and maintain a working capital and contingency fund in an amount to be determined by the Board of Directors;

(h) have a duty to landscape and maintain the landscaping within the Common Areas, around the perimeter walls located at the entrances to the Property, in the greenbelt buffers and adjacent to the following Lots in Kings Crossing, Section Seven: Lots 1, 12, 13, 21 and 22 of Block 1, Lots 1, 16 and 17 of Block 2, Lots 1, 14 and 15 of Block 3, Lots 1, 13, 18, 19 and 25 of Block 4, Lots 1, 15, 16 and 45 of Block 5.

ARTICLE IX 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 others than the Owner of a Lot served by said connections, lines or facilities, such Owners of Lots served shall have the right, and are hereby granted an easement to the full extent necessary therefor, to enter upon the Lots within the Property in or upon which said connections, lines or facilities, or any portion thereof, lie to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below.

(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, which connections serve more than one Lot,

the Owner of each Lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections which service that Owner's Lot.

Section 2. Reservation of Easements. Easements over the Lots and Common Areas for the installation and maintenance of electric, telephone, security system, cable television, water, gas and sanitary sewer lines and drainage facilities are hereby reserved by Declarant, together with the right to grant and transfer the same.

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 said easements. Underground electric, gas and telephone service shall be available to all Lots in the subdivision. For so long as such 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 thereof. Such 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 said easements.

An underground electric distribution system will be installed within the Property, which underground service area embraces all of the Lots. Declarant shall, at its own cost, furnish and install, (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 the electric 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 or will grant

necessary easements to the electric company providing for the installation, maintenance and operation of its electric distribution system.

The electric company has installed the underground electric distribution system within 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 Patio Homes, 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 and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each Patio Home.

The provisions of the two preceding paragraphs also apply to any future residential development subject to this Declaration.

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 hereby 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 hereby 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 hereby declared to have an easement, and the same is hereby granted 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 said 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 said 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 said encroachments so long as they shall exist. In addition, each Lot is hereby declared to have an easement for overhanging roofs and eaves as originally constructed over each

adjoining Lot and/or the Common Areas and for the maintenance thereof. Each of the easements hereinabove referred to 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 said Lot.

Section 7. Wall Maintenance Easements. All Lots within the Property shall be conveyed subject to a three-foot (3') 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 such easements is hereby reserved by Declarant for itself and its successors in interest. Said easements, the uses and purposes of which are set out below are granted or reserved by reference to this Section without the necessity for further documentation. The following rules prescribe the terms, conditions and uses of said easement, 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 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 located within such 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 such a manner as will interfere with such 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 said 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 such right and shall indemnify and hold harmless the Owner of the servient tenement with respect thereto.

(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 with respect thereto.

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 (2) foot wide easement along and centered on the underground wire or cable when and as installed by said company from the utility easement nearest to the point of connection on the structure and in a direct line from said nearest utility easement to said point of connection.

ARTICLE X 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 Owner.

(b) Each Owner shall directly render for taxation Owner's Lot and improvements thereon, 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 or any part thereof.

(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 and the improvements and facilities located thereon.

(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 the contents thereof and the Association against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, in such amounts as the Association deems proper, and said insurance may include coverage against vandalism and such 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 as hereinabove provided shall be paid as a common expense of all Owners and shall be a part of the assessment.

ARTICLE XI 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 (2) stories in height. Each such Patio Home shall have a two (2) car private garage, one story in height, which shall not be used for residential purposes, and a private front brick wall.

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 such Owner's Patio Home or which shall degrade property values or detract from the aesthetic beauty of the Property, shall be conducted thereon. No repair work, dismantling, or assembling of boats, motor vehicles or other machinery shall be done on or beside any driveway or adjoining street. 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 such nonresidential purposes.

Notwithstanding the above, 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 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. No more than one dwelling shall be built on any one Lot.

The Architectural Review Committee or its assignee, at its sole discretion, is hereby permitted to approve deviations in the building area and location in instances where, in its judgment, such deviation will result in a more common beneficial use.

Section 4. Location of Improvements upon 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 ("ARC"), except in the case of corner Lots or unless a different layout is authorized in writing by the ARC. 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 (6) feet from the dwelling or appurtenant structure located on any 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 such 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 ARC. The Patio Home shall be constructed a minimum of eight (8') feet from the rear Lot line, excluding patios, patio covers, trellises and like improvements. During original construction, the Architectural Review Committee, or its assignee, at its sole discretion, is hereby permitted to approve deviations 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 of not more than twenty-

four (24) inches by thirty-four (34) inches for the purpose of advertising the Patio Home located thereon for sale or rent; provided, however, that Declarant, its agents and assigns, may erect and maintain such signs and other advertising devices or structures as it may deem 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 such sign, advertisement or 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 therewith or arising from such removal.

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 (2) 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 an 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 (24) or more consecutive hours.

Section 9. Walls, Fences and Hedges. All Lots shall be fenced in accordance with specifications therefor 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 (8) feet high. The Architectural Review Committee, or its assignee, at its sole discretion is hereby permitted to grant deviations in height, location and construction materials related to fences and walls which in its judgment will result in a more beneficial use. 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 thereafter maintain said protective screening.

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 as herein otherwise provided, so as to conceal them from view of neighboring Lots, the Common Areas and greenbelts.

No object or thing which obstructs sight lines at elevations between (2) and six (6) 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 (25) 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 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 thereon 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 thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, 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 the above requirements, or any of them, such default continuing after ten (10) days' written notice thereof, Declarant, or its assignee, may without liability to the Owner or occupant, in trespass or otherwise, enter upon said Lot, cut, or cause to be removed, such garbage, trash and rubbish or do any other thing

necessary to secure compliance with these restrictions, so as to place said Lot in a neat, attractive, healthful and sanitary condition, and may charge the Owner or occupant of such Lot for the cost of such work. The Owner or occupant, as the case may be, agrees by the purchase or occupation of the property to pay such statement immediately upon receipt thereof. To secure the payment of such charges in the event of nonpayment by the Owner, a vendor's lien is herein and hereby retained against the above-described Lot in favor of Declarant or its assignee but inferior to a purchase money lien or mortgage. Such 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 thereof 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 such 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, such approval to be given in 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 either Number One Perfection wood shingles or asphalt or composition type shingles having a minimum weight classification of two hundred forty (240) 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 any Lot and the improvements thereon shall drain or flow as set forth below:

(a) Any such 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 in the deed of conveyance for said Lot.

(b) All slopes or terraces on any Lot shall be maintained so as to prevent any erosion thereof 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 hereof. 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 (20) 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 thereof 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 a Lot or any portion thereof and the improvements thereon 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 thereof.

ARTICLE XII
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 the members and guests of members of a condominium or townhouse community association representing the owners of an interest in land within Unrestricted Reserve "A" of Kings Crossing, Section Seven, so long as such members shall pay to the Association an annual fee equivalent to their pro rata share of the cost of maintenance of the Common Areas. For the purpose of calculating such pro rata share, a condominium or townhouse unit shall be equivalent to each Lot owned. The Board of Directors may establish reasonable rules for the operation of the Common Areas but may not restrict the use thereof in a manner which is inconsistent with the provisions hereof.

ARTICLE XIII
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 or regulations, or enforcement thereof, 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 one hundred percent (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 such 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 one hundred eighty (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 this Declaration, the By-Laws or Articles of Incorporation of the Association which is not cured within sixty (60) days;

(e) receive notice of any abandonment or termination of the development;

(f) receive notice of any material amendment to the Declaration, 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 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 such payments shall be owed immediate reimbursement therefor from the Association.

Section 5. Insurance or Condemnation Proceeds: Notice. No provision of this Declaration, the 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 (30) day's written notice, or without cause by either party on ninety (90) days written notice. The term of any such agreement may not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

Section 7. Reserve Fund. Association dues 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 payable in regular installments as part of the common assessment.

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 this Declaration, the By-Laws and Articles of Incorporation and that failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

Section 9. Condemnation. If all or any part of the Property 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 proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all first mortgagees known to the Association to have an interest in any Lot. The expense of participation in such proceedings by the Association shall be borne by the Association and be paid for out of assessments collected pursuant to Article V hereof. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for such taking shall be deposited with the Association, and such damages or awards shall be applied as provided herein. In the event that an action in eminent domain is brought to condemn a portion of the Common Areas, the Association, in addition to the general powers set out herein, shall have the sole authority to

determine whether to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such portion of the Property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner and first mortgagee, if any, as their interests may appear. The Association, if it deems advisable, may 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 Areas so taken or damaged. In the event it is determined that such Common Areas should be replaced or restored by obtaining other land or building additional structures, this Declaration shall be duly amended by instrument executed by the Association on behalf of the Owners.

ARTICLE XIV
GENERAL PROVISIONS

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

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 covenants, conditions and restrictions 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, 2013, at which time they shall be extended automatically for successive periods of ten (10) years each, unless an instrument signed by a majority of the then Owners of the Lots has been recorded, agreeing to change said covenants in whole or in part, or to revoke them; provided that no person or corporation shall be liable for breach of these covenants, conditions and restrictions except in respect to breaches occurring or committed during his or its ownership of the lot involved in such breach. Deeds of conveyance of said Lots may contain the above restrictive covenants by reference to this document, but, whether or not such reference is made, each and all of such

restrictive covenants shall be valid and binding upon the respective grantees. However, notwithstanding the above, any amendment hereto 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 thereof, pertaining to the architectural design 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 sixty-seven percent (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 fifty-one percent (51%) of the first mortgagees (based upon one vote for each mortgage owned):

- (1) voting;
- (2) reserves for maintenance of the Common Areas;
- (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.

(b) The Declarant reserves the right during the construction and sale period, without joinder or consent of any Owner or mortgagee, to amend this Declaration 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 herein, or correcting any inadvertent misstatements, errors or omissions herein, 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 such amendment shall change the vested property rights of any Owner, except as otherwise provided herein.

Section 4. Books and Records. The books and records of the Association shall, during reasonable business hours, be subject to reasonable inspection by any Member. The Board of Directors may, by resolution, establish rules and regulations governing the frequency of inspection and other matters to the end that inspection of the books and records by any Member or Members will not become burdensome to nor constitute harassment of the Association. The Declaration, the Articles of Incorporation and By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

Section 5. Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Owner on the records of the Association at the time of such mailing.

Section 6. Good Faith Lender's Clause. Any violation of these covenants, condition or restrictions shall not affect any lien or deed of trust of record held in good faith, upon any Lot, which liens may be enforced in due course, subject to the terms of this Declaration.

Section 7. Mergers. Upon a merger or consolidation of the Association with another association as provided in its articles of incorporation, its properties, assets, rights and obligations may be transferred to another surviving or consolidated association or, alternatively, the properties, assets, rights and obligations of another association may be transferred to the Association as a surviving corporation. The surviving or consolidated association shall administer the covenants, conditions and restrictions contained in this Declaration, under one administration. No such merger or consolidation shall cause any revocation, change or addition to this Declaration.

Section 8. Conflict With Deeds of Conveyance. If any part of this Declaration shall be in conflict with any covenant, condition or restriction within a previously recorded deed of conveyance to any portion of the Property, the covenants, conditions or restrictions within the prior deed of conveyance shall govern but only to the extent of such conflict.

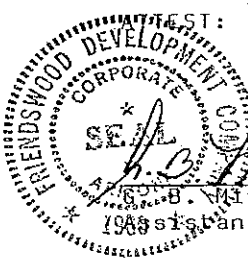
Section 9. Annexation.

(a) Declarant shall have the right, without the consent of any other Owners or any mortgagee, to bring within the scheme of the Declaration, in one (1) or more future stages or additions, those additional lands described as Unrestricted Reserve "C," Kings Crossing, Section Three, a subdivision in Harris County, Texas, as more particularly described in the plat hereinabove referred to, within ten (10) years of the date of recording of this instrument. Nothing in this Declaration shall be construed to represent that Declarant, its successors or assigns, are under any obligation to add or annex additional lands to those subject to this Declaration.

(b) Any such additions shall be developed in a manner similar to the development of the Property in accordance with a general plan of development under which the architectural standards prevailing within the Property will be continued in such annexed lands, the dwellings to be constructed on Lots within such annexed lands will be Patio Homes and will be similar to the Patio Homes constructed on the Property, and the Lots within the annexed lands will become subject to assessment in the same manner as then prevailing for the Property. Should such additions include reserves for recreation areas, the provisions of Article XII hereof shall have equal applicability thereto. All the provisions of this Declaration shall apply to the lands being annexed with the same force and effect as if said lands were originally included in the Property subject to this Declaration.

(c) The additions authorized under this Paragraph shall be made by filing of record annexation instruments or supplementary declaration(s) of covenants, conditions and restrictions with respect to the additional lands which shall (i) extend the scheme of the covenants and restrictions of this Declaration to such lands.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 15th day of April, A.D. 1983.

 B. Mitchell, Jr.
Assistant Secretary

FRIENDSWOOD DEVELOPMENT COMPANY
Acting Herein for Itself and for
King Ranch, Inc.

20

By Joseph B. Shealy
Joseph B. Shealy
Vice President

FORM APPROVED [Signature]
120

STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on this 15th day of April, 1983, by POPE B. SHEALY, 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.

CoraLee Casey
Notary Public, State of Texas

My commission expires: _____

CORALEE CASEY
Notary Public, State of Texas
My Commission Expires 1-16-84



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

APR 18 1983



Quita Rodchenauer
COUNTY CLERK,
HARRIS COUNTY, TEXAS

FILED
APR 18 2 13 PM 1983
Quita Rodchenauer
COUNTY CLERK
HARRIS COUNTY, TEXAS