

ROYAL SHORES COMMUNITY ASSOCIATION, INC.

**SUPPLEMENTARY DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ANNEXATION OF ROYAL SHORES SECTION 3, PHASE A**

lee

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS THAT
COUNTY OF HARRIS §

WHEREAS, under date of October 28, 2003, FRIENDSWOOD DEVELOPMENT COMPANY, LTD. ("Declarant"), as owner of that land platted into that certain subdivision known as Royal Shores Section 1, according to the plat thereof recorded under Film Code 544206 of the Map Records of Harris County, Texas, executed that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded under Clerk's File No. X288349 of the Official Records of Real Property of Harris County, Texas, December 29, 2003; and

WHEREAS, by terms of said Declaration, land subject to the Declaration is placed within the jurisdiction of the Royal Shores Community Association, Inc. (the "Association"); and

WHEREAS, Article XI, Section 8(b) of the Declaration allows Declarant, without the consent of any other Owners or any First Mortgagee, the right to bring within the scheme of the Declaration, in one or more future stages, sections or additions, additional lands; provided, said annexation of additional land occurs within fifteen (15) years of the date of the recording of the Declaration; and

WHEREAS, Declarant is the sole owner of the land platted as Royal Shores Section 3, a subdivision in Harris County, Texas according to plat thereof; recorded under Film Code 544210 of the Map Records of Harris County, Texas, desires that the portion of Royal Shores Section 3 described in Paragraph 1, below, be made subject to the Declaration and placed within the jurisdiction of the Association; and

WHEREAS, this Supplementary Declaration of Covenants, Conditions and Restrictions is made within fifteen (15) years of the date of the recording of the Declaration.

NOW, THEREFORE, pursuant to the power reserved in the Declaration, Declarant does hereby declare that:

1. The following listed Lots and Reserves in Royal Shores Section 3 (hereinafter, "Royal Shores Section 3, Phase A") according to the plat thereof recorded under Film Code 544210 of the map records of Harris County Texas, set forth on said plat, are hereby added and annexed into the boundaries of the land covered by the Declaration and is hereby subjected to the authority of the Association in accordance with the terms of the Declaration to the same extent as said lots and reserves had been named and described in the Declaration.

Lots

Block 4, Lots 16-19
Block 6, Lots 5-22

Reserves

All of Restricted Reserves "A", "B", "C", "D", "E", "F", "G", "H", "I", and "J"

2. Article IX, Section 5 of the Declaration gives Declarant the right to modify setback criteria on any land annexed into the Association and made subject to the Declaration.

Block 6, Lots 7, 8, 9. A minimum twenty-five foot (25') front lot building line is required for said lots.

Block 6, Lot 5, 12, and 13. A minimum twenty foot (20') side lot building line is required on the side lot adjacent to Majestic Pines Drive. A five foot (5') minimum side lot building line is required on the interior lot line side of said lots

3. Nothing herein contained is intended or shall be construed to amend the Declaration other than to (i) add and annex Royal Shores Section 3, Phase A as stated above, and (ii) to specify terms and provisions of the Declaration which are applicable to specific lots and land within Royal Shores Section 3, Phase A.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 29th day of DECEMBER, 2003

Declarant

FRIENDSWOOD DEVELOPMENT, LTD.,
a Texas limited partnership

By: Lennar Homes of Texas Land and Construction, Ltd.,
a Texas limited partnership, d/b/a Friendswood
Development Company, as Attorney-in-Fact

By: Lennar Texas Holding Company, a Texas
corporation, its general partner

By:


John W. Hammond,
Vice President

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STATE OF TEXAS
COUNTY OF HARRIS

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This instrument is acknowledged before me on this 29th day of Dec. 2003 by John W. Hammond, Vice President of Lennar Texas Holding Company, a Texas corporation on behalf of said corporation.

Barbara A. Mayer
Notary Public, State of Texas



ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID 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

DEC 30 2003



Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

↓ ↓
After Recording please return to:
Friendswood Development Company
550 Greens Parkway, Suite 100
Houston, TX 77067-4526

Attn: Barbara Mayer

KS046

FILED
2003 DEC 30 PM 3:17
Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

ROYAL SHORES COMMUNITY ASSOCIATION, INC.

**SUPPLEMENTARY DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ANNEXATION OF
KINGS POINT VILLAGE SECTION SEVEN PARTIAL REPLAT NO. 2**

lee

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS THAT
COUNTY OF HARRIS §

WHEREAS, under date of October 28, 2003, FRIENDSWOOD DEVELOPMENT COMPANY, LTD. ("Declarant"), as owner of that land platted into that certain subdivision known as Royal Shores Section 1, according to the plat thereof recorded under Film Code 544206 of the Map Records of Harris County, Texas, executed that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded under Clerk's File No. X288349 of the Official Records of Real Property of Harris County, Texas, on December 29, 2003; and

WHEREAS, by terms of said Declaration, land subject to the Declaration is placed within the jurisdiction of the Royal Shores Homeowners Association, Inc. (the "Association"); and

WHEREAS, Article XI, Section 8(b) of the Declaration allows Declarant, without the consent of any other Owners or any First Mortgagee, the right to bring within the scheme of the Declaration, in one or more future stages, sections or additions, additional lands; provided, said annexation of additional land occurs within fifteen (15) years of the date of the recording of the Declaration; and

WHEREAS, Declarant is the sole owner of the land platted as Kings Point Village Section Seven Partial Replat No. 2, a subdivision in Harris County, Texas according to plat thereof; recorded under Film Code 543295 of the Map Records of Harris County, Texas, and containing two reserves

WHEREAS, this Supplementary Declaration of Covenants, Conditions and Restrictions is made within fifteen (15) years of the date of the recording of the Declaration.

NOW, THEREFORE, pursuant to the power reserved in the Declaration, Declarant does hereby declare that

1. Kings Point Village Section Seven Partial Replat No. 2, according to the plat thereof recorded under Film Code 543295 of the map records of Harris County Texas is hereby added and annexed into the boundaries of the land covered by the Declaration and is hereby subjected to the authority of the Association in accordance with the terms of the Declaration to the same extent as said land had been named and described in the Declaration.

2. Nothing herein contained is intended or shall be construed to amend the Declaration other than to add and annex Kings Point Village Section Seven Partial Replat No. 2.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 29th day of DECEMBER, 2003

Declarant

FRIENDSWOOD DEVELOPMENT, LTD.,
a Texas limited partnership

By: Lennar Homes of Texas Land and Construction, Ltd.,
a Texas limited partnership, d/b/a Friendswood
Development Company, as Attorney-in-Fact

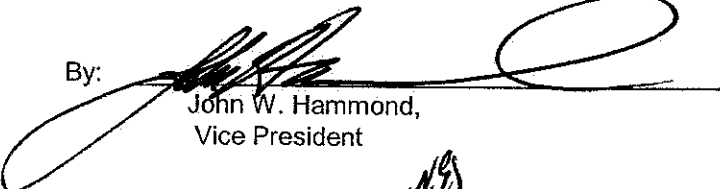
By: Lennar Texas Holding Company, a Texas
corporation, its general partner

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID 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

DEC 30 2003



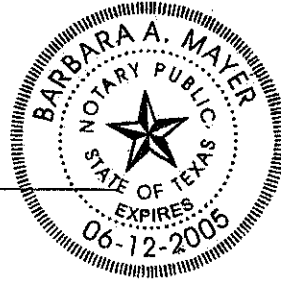
Barbara A. Mayer
COUNTY CLERK
HARRIS COUNTY, TEXAS

By: 
John W. Hammond,
Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument is acknowledged before me on this 29th day of DEC. 2003 by John W. Hammond, Vice President of Lennar Texas Holding Company, a Texas corporation on behalf of said corporation.

Barbara A. Mayer
Notary Public, State of Texas



After Recording please return to:
Friendswood Development Company
550 Greens Parkway, Suite 100
Houston, TX 77067-4526

Attn: Barbara Mayer

KS048

Barbara A. Mayer
COUNTY CLERK
HARRIS COUNTY, TEXAS

2003 DEC 30 PM 3:16

FILED

Annex

ROYAL SHORES COMMUNITY ASSOCIATION, INC.
SUPPLEMENTARY DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
ANNEXATION OF ROYAL SHORES SECTION 3, PHASE B

see

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STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS THAT
COUNTY OF HARRIS §

WHEREAS, under date of October 28, 2003, FRIENDSWOOD DEVELOPMENT COMPANY, LTD. ("Declarant"), as owner of that land platted into that certain subdivision known as Royal Shores Section 1, according to the plat thereof recorded under Film Code 544206 of the Map Records of Harris County, Texas, executed that certain Declaration of Covenants, Conditions and Restrictions (the "Declaration") recorded under Clerk's File No. X288349 of the Official Records of Real Property of Harris County, Texas, December 29, 2003; and

WHEREAS, by terms of said Declaration, land subject to the Declaration is placed within the jurisdiction of the Royal Shores Community Association, Inc. (the "Association"); and

WHEREAS, Article XI, Section 8(b) of the Declaration allows Declarant, without the consent of any other Owners or any First Mortgagee, the right to bring within the scheme of the Declaration, in one or more future stages, sections or additions, additional lands; provided, said annexation of additional land occurs within fifteen (15) years of the date of the recording of the Declaration; and

WHEREAS, Declarant is the sole owner of the land platted as Royal Shores Section 3, a subdivision in Harris County, Texas according to plat thereof; recorded under Film Code 544210 of the Map records of Harris County, Texas, desires that the portion of Royal Shores Section 3 described in Paragraph 1 below, be made subject to the Declaration and placed within the jurisdiction of the Association; and

WHEREAS, this Supplementary Declaration of Covenants, Conditions and Restrictions is made within fifteen (15) years of the date of the recording of the Declaration.

NOW, THEREFORE, pursuant to the power reserved in the Declaration, Declarant does hereby declare that:

1. The following listed Lots and Reserves in Royal Shores Section 3 (hereinafter, "Royal Shores Section 3, Phase B") according to the plat thereof recorded under Film Code 544210 of the Map Records of Harris County, Texas, set forth on said plat, are hereby annexed into the boundaries of the land covered by the Declaration and is hereby subjected to the authority of the Association in accordance with the terms of the Declaration to the same extent as said Lots and Reserves had been named and described in the Declaration.

Lots

- Block 3, Lots 1-8
- Block 2, Lots 1-4

FILED
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County Clerk
COUNTY CLERK
HARRIS COUNTY, TEXAS
Bonnie H. Taylor

2. Article IX, Section 5 of the Declaration gives Declarant the right to modify setback criteria on any land annexed into the Association and made subject to the Declaration.

Front lot building lines: Block 2, Lots 1-4 are subject to a minimum thirty-five foot (35') front building line. Block 3, Lots 1-8 are subject to a minimum forty-five foot (45') front building line.

Side lot building lines: All lots are subject to minimum ten foot (10') wide interior building lines. Block 2, Lots 1 and 4 are subject to a twenty foot (20') building line on the side lot line adjacent to South Royal Point Drive.

Rear lot building lines: All lots are subject to a ten foot (10') rear yard setback on the interior lots.

3. Nothing herein contained is intended or shall be construed to amend the Declaration other than to (i) add and annex Royal Shores Section 3, Phase B as stated above, and (ii) to specify terms and provisions of the Declaration which are applicable to specific lots and land within Royal Shores Section 3, Phase B.

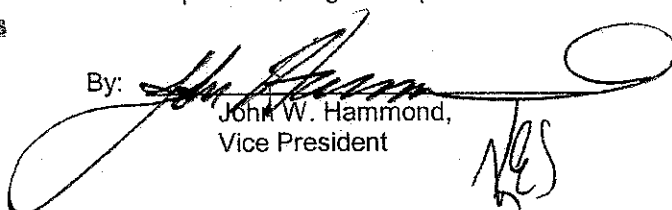
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal is 20th day of August, 2004.

Declarant

FRIENDSWOOD DEVELOPMENT, LTD.,
a Texas limited partnership

By: Lennar Homes of Texas Land and Construction Ltd.,
a Texas limited partnership, d/b/a Friendswood
Development Company, as Attorney-in-Fact

By: Lennar Texas Holding Company, a Texas
corporation, its general partner

By: 
John W. Hammond,
Vice President

402

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID 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

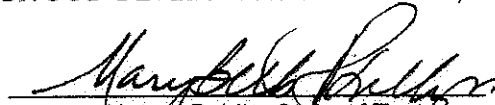
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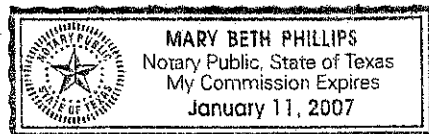



COUNTY CLERK
HARRIS COUNTY, TEXAS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument is acknowledged before me on this 20th day of August, 2004 by John W. Hammond, Vice President of Lennar Texas Holding Company, which is the general partner of LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION LTD., a Texas limited partnership doing business as FRIENDSWOOD DEVELOPMENT COMPANY, on behalf of said limited partnership.


Notary Public, State of Texas



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

Section 3. "Builder" shall mean and refer to a department of Declarant or any other entity to which Declarant conveys Lots or Commercial Units for the purpose of constructing homes or other permitted structures thereon.

Section 4. "Commercial Unit" and "Commercial Units" shall include all land areas and reserves other than Lots and Common Open Areas and any additional land areas and reserves other than Lots and Common Open Areas that may thereafter be brought within jurisdiction of the Association. Each Commercial Unit shall contain 10,000 square feet of commercial land or 20,000 square feet of multi-family land and shall be the equivalent of one Lot or proportional fraction thereof for purposes of membership, voting rights and assessment in and by the Association.

Section 5. "Common Open Area" and "Common Open Areas" shall mean all real property owned by the Association for exclusive common use and enjoyment of the Owners, members of their families and guests.

Section 6. "Conveyance" shall mean and refer to conveyance of a fee simple title to the surface estate of a Lot or Commercial Unit from one Owner to another.

Section 7. "Lot" and "Lots" shall mean and refer to any plat of land shown upon any recorded subdivision map of the Property upon which there has been or may be constructed a single-family residence.

Section 8. "Declarant" shall mean and refer to Friendswood Development, Ltd., a Texas limited partnership, and its successors and assigns.

Section 9. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions and any Amendments hereto applicable to the Property recorded in the Office of the County Clerk, Harris County, Texas.

Section 10. "Development Period" shall mean and refer to that period of time in which Declarant is the Owner of any Lot or Commercial Unit.

Section 11. "Member" shall mean and refer to those persons entitled to membership as provided in Article IV, Section 1, of this Declaration.

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

Section 13. "Property" shall mean and refer to Royal Shores Section 1, a subdivision in Harris County, Texas, and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 14. "Transfer" shall mean and refer to the transfer of the surface estate of a Lot or Commercial Unit from one legal entity to any department thereof or to another legal entity whether or not the owner of record changes.

**ARTICLE II
RESERVATIONS, EXCEPTIONS, DEDICATIONS AND CONDEMNATION**

Section 1. Incorporation of Plat. The subdivision plat of Royal Shores Section 1, 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 subdivision 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, deed and conveyance executed or to be executed by or on behalf of Declarant, conveying each Lot or Commercial Unit within the Property.

Section 2. Reservation of Minerals. The Property, and any future land made subject to this Declaration, is hereby subjected to the following reservation and exception: All oil, gas and other minerals in, on and under the herein above described Property are hereby excepted or reserved by predecessor or predecessors in title of Declarant and which exception is made in favor of present owner or owners or owners of such minerals as their interests may appear of record.

Section 3. Condemnation. If all or any part of the Common Open 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 proceedings incident thereto at their respective expense. The expense of participation in such proceedings by the Association shall be borne by the Association and 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. If an action in eminent domain is brought to condemn a portion of the Common Open 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.

**ARTICLE III
PROPERTY RIGHTS**

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

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

(b) the right of the Association to prevent an Owner from planting, placing, fixing, installing or constructing any vegetation, hedge, tree, shrub, fence, wall, structure or improvement or store any personal property on the Common Open Areas or any part thereof without the prior written consent of the Association. The Association shall have the right to remove anything placed on the Common Open Areas in violation of the provisions of this subsection and to assess the cost of such removal against the Owner responsible. Such cost shall be an additional assessment as hereinafter provided for;

(c) the right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Open Areas and the facilities thereof, for display and exhibit purposes in connection with the sale of Lots or Commercial Units within the Property, which right Declarant hereby reserves; provided, however, that such use shall not continue for a period of more than fifteen (15) years after conveyance of the Common Open Areas within the Property to the Association, provided, further, that no such use by Declarant or its sales agents or representatives shall otherwise unreasonably restrict the Members in their use and enjoyment of the Common Open Areas;

(d) the right of the Association to limit the number of guests of Owners utilizing the recreational facilities and improvements owned by the Association and provided upon Common Open Areas;

(e) the right of the Association to establish uniform rules and regulations and to charge reasonable admission and other fees pertaining to the use of any recreational facilities owned by the Association; and

(f) the right of the Association to suspend the voting rights of an Owner and the Owner's right to use any recreational facility of the Association during the period the Owner is in default in excess of thirty (30) days in the payment of any maintenance charge assessment against a Lot or Commercial Unit and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. The aforesaid rights of the Association shall not be exclusive but shall be cumulative of and in addition to all other rights and remedies which the Association may have by virtue of this Declaration or its By-Laws or at law or in equity on account of any such default or infraction.

Section 2. Delegation of Use. Owners subject to an easement of enjoyment in and to the Common Open Areas may delegate their right to or enjoyment of the Common Open Areas to members of their families, tenants or contract purchasers who reside in Owner's residential dwelling or commercial structure.

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

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person or entity who is a record Owner of any of 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 land which is subject to assessment by the Association.

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

(a) 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 or Commercial Unit owned. When more than one person holds an interest in any Lot or Commercial Unit, all such persons shall be members. The vote of such Lot or Commercial Unit 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 or Commercial Unit owned.

(c) the right of Declarant (and its sales agents and representatives) to the non-exclusive use of the Common Open Areas and the facilities thereof, for display and exhibit purposes in connection with the sale of Lots or Commercial Units within the Property, which right Declarant hereby reserves; provided, however, that such use shall not continue for a period of more than fifteen (15) years after conveyance of the Common Open Areas within the Property to the Association, provided, further, that no such use by Declarant or its sales agents or representatives shall otherwise unreasonably restrict the Members in their use and enjoyment of the Common Open Areas;

(d) the right of the Association to limit the number of guests of Owners utilizing the recreational facilities and improvements owned by the Association and provided upon Common Open Areas;

(e) the right of the Association to establish uniform rules and regulations and to charge reasonable admission and other fees pertaining to the use of any recreational facilities owned by the Association; and

(f) the right of the Association to suspend the voting rights of an Owner and the Owner's right to use any recreational facility of the Association during the period the Owner is in default in excess of thirty (30) days in the payment or any maintenance charge assessment against a Lot or Commercial Unit and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations. The aforesaid rights of the Association shall not be exclusive but shall be cumulative of and in addition to all other rights and remedies which the Association may have by virtue of this Declaration or its By-Laws or at law or in equity on account of any such default or infraction.

Section 2. Delegation of Use. Owners subject to an easement of enjoyment in and to the Common Open Areas may delegate their right to or enjoyment of the Common Open Areas to members of their families, tenants or contract purchasers who reside in Owner's residential dwelling or commercial structure.

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

ARTICLE IV MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Each person or entity who is a record Owner of any of 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 land which is subject to assessment by the Association.

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

(a) 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 or Commercial Unit owned. When more than one person holds an interest in any Lot or Commercial Unit, all such persons shall be members. The vote of such Lot or Commercial Unit 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 or Commercial Unit owned.

(b) Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each Lot or Commercial Unit owned. Class B membership shall cease and be converted to Class A membership on the earlier of

(1) 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

(2) January 1, 2024.

ARTICLE V COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot or Commercial Unit owned within the Property, hereby covenants, and Owner of any Lot or Commercial Unit by acceptance of a deed therefore, 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) additional assessments as herein provided; and
- (c) special assessments which are to be established and collected as hereinafter provided.

The annual, additional, and special assessments, together with interest, late fees, penalties, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing and contractual lien upon the Lot or Commercial Unit against which each such assessment is made. Each such assessment, together with interest, late fees, penalty, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot or Commercial Unit at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

Section 2. Purposes of Assessment. The assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety and welfare of the Members of the Association and for the improvement and maintenance of the Common Open Areas including the improvements and landscaping thereon.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot or Commercial Unit to an Owner, the maximum annual assessment shall be \$750.00 per Lot or Commercial Unit.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot or Commercial Unit to an Owner, the maximum annual assessment may be increased each year above the maximum assessment for the previous year without a vote of the membership by the percentage change by which the Consumer Price Index for the immediately preceding calendar year exceeds such Index for the calendar year prior thereto or by fifteen percent (15%), whichever is greater. As used herein, the "Consumer Price Index" shall mean the year-end Consumer Price Index for All-Urban consumers, published by the U.S. Department of Labor (or a generally accepted replacement should such Index no longer be published).

(b) From and after January 1 of the year immediately following the conveyance of the first Lot or Commercial Unit to an Owner the maximum annual assessment may be increased above the rates

specified in this Section 3, Paragraph (a) 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 at which a quorum is present.

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 for necessary purposes of the Association, such as the construction, reconstruction, repair or replacement of a capital improvement in the Common Open Areas, including fixtures and personal property related thereto, or for counsel fees or the fees of other retained experts 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 at which a quorum is present.

Section 5. Rate of Assessment. All Lots and Commercial Units within the property shall commence to bear their applicable assessments simultaneously, and improved Lots and Commercial Units owned by the Declarant are not exempt from assessment. Lots or Commercial Units which are owned by or transferred to a Builder or which are occupied by residents and improved Lots or Commercial Units owned by Declarant shall each be subject to an annual assessment as determined by the Board of Directors pursuant to the terms of this Declaration. Unimproved Lots or Commercial Units which are owned by Declarant shall be assessed at the rate of one-fourth (1/4) of the annual assessment; however, said assessment shall be made only in the event and then only to the extent that assessments from Lots or Commercial Units owned by other than Declarant are not sufficient to meet the operating budget of the Association. As used herein, the term "improved Lot" or "improved Commercial Unit" shall mean a Lot or Commercial Unit on which a residential dwelling or commercial structure has been constructed and is ready for occupancy as evidenced by the issuance of a Certificate of Occupancy by the City of Houston, Texas. A Lot or Commercial Unit assessment shall be assessed against a builder, instead of Declarant when a Lot or Commercial Unit is made available for improvement by said Builder and there is written confirmation, reservation, or conveyance of said Lot or Commercial Unit by Declarant in favor of Builder. As used in this Section 5, the term "Declarant" shall be construed to mean only Friendswood Development, Ltd., and its successors and assigns, acting in their capacity as land developers; and a Lot or Commercial Unit owned, reserved, or held by a home building division or any commercial construction division of Declarant shall be subject to full assessment as provided herein.

Section 6. Creation of Parcel Assessment. There are hereby created Parcel Assessments for Common Expenses as may from time to time be authorized by the Board of Directors. Parcel Assessments shall be levied against Lots within particular parcels of the Properties for whose benefit expenses are incurred, such as maintaining and operating facilities and amenities within a Parcel reserved for use of the residents within that Parcel, expenses of enforcing all assessments, covenants, and conditions relating to a respective Parcel, and expenses determined by the Board to be for the benefit of a respective Parcel. Each Lot within a Parcel shall pay a Parcel Assessment computed in the same manner as such Lot pays a General Assessment. Parcel Assessments established in one Parcel do not need to be equal to Parcel Assessments established in another Parcel. Parcel Assessments shall be collectable and enforceable in the same manner as all other assessments hereunder.

Section 7. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots or Commercial Units on the first day of the month following the conveyance of a Lot or Commercial Unit to an Owner or a transfer of any Lot or Commercial Unit owned by Declarant to a Builder. 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 or Commercial Unit 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 or authorized agent of the Association setting forth whether or not the assessments on a specified Lot or Commercial Unit have been paid.