

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS SOUTHDOWN, SECTION EIGHT (8)

STATE OF TEXAS §
COUNTY OF HARRIS §

THIS DECLARATION made on this day by LENNAR HOMES OF TEXAS, INC., a Texas corporation, acting herein by and through its duly authorized officers, hereinafter referred to as "Declarant":

WITNESSETH:

WHEREAS, Declarant is the owner of that certain 18.11 acre tract of land situated in Harris County, Texas, said tract having been subdivided into SOUTHDOWN, Section Eight (8), a subdivision according to the map or plat thereof recorded in the Plat or Map Records of Brazoria County, Texas in Volume 20, Pages 35 through 36;

NOW, THEREFORE, Declarant hereby declares that all of the Lots in SOUTHDOWN, Section Eight (8) shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of, and which shall constitute covenants running with the real property, shall be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. "Association" shall mean and refer to SOUTHDOWN COMMUNITY ASSOCIATION, INC., its successors and assigns. The Association has the power to collect and disburse those maintenance assessments as described in Article IV.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. "Properties" shall mean and refer to: (a) that certain real property first hereinabove described, and (b) such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of property designated hereon as "Reserves" or "Common Area", if any.

Section 5. "Common Area" shall mean all real property together with the improvements thereon owned by the Association for the common use and benefit of the Owners.

Section 6. "Declarant" shall mean and refer to Lennar Homes of Texas, Inc., its successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development. For the purpose of this Declaration, "developed Lot" shall mean a Lot with the street on which it faces opened and improved with utilities installed and ready to furnish utility service to such Lot, and an "undeveloped Lot" is any Lot which is not a developed Lot.

Section 7. "Restrictions" or "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions, SOUTHDOWN, Section Eight (8).

ARTICLE II USE RESTRICTIONS

Section 1. Single Family Residential Construction. No building shall be erected, altered or permitted to remain on any Lot other than one detached single-family residential dwelling not to exceed two and one-half (2-1/2) stories in height, which may have a private garage for not more than three (3) cars and bona fide servants' quarters which structures shall not exceed the main dwelling in height and which structure may be occupied only by a member of the family occupying the main residence on the building site or by domestic servants employed on the premises and no room(s) in the dwelling and no space in any other structure shall be let or rented. This shall not preclude the main residential structure from being leased or rented in its entirety as a single residence to one family or person.

Section 2. Architectural Control. No building or improvements of any character shall be erected or placed or the erection thereof begun, or changes made in the design thereof after original construction, on any Lot until the construction plans and specifications and a plan showing the location of the structure or improvements have been submitted to and approved in writing by the Architectural Control Committee, or its duly authorized representative, as to compliance with these restrictions, quality of material, harmony of external design with existing and proposed structures and as to location with respect to topography and finish grade elevation. The Declarant, Architectural Control Committee and the individual members thereof shall not be liable for any act or omission in performing or purporting to perform the functions delegated hereunder. In the event the Committee fails to indicate its approval or disapproval within thirty (30) days after the receipt of the required documents, approval will not be required and the related covenants set out herein shall be deemed to have been fully satisfied. The approval or lack of disapproval by the Architectural Control Committee shall not be deemed to constitute any warranty or representation by such Committee including, without limitation, any warranty relating to fitness, design or adequacy of the proposed construction or compliance with applicable statutes, codes and regulations. Anything

contained in this Paragraph 2 or elsewhere in this Declaration to the contrary notwithstanding, the Architectural Control Committee, and its duly authorized representative, is hereby authorized and empowered, at its sole and absolute discretion, to make and permit reasonable modifications of and deviations from any of the requirements of this Declaration relating to the type, kind, quantity or quality of the building materials to be used in the construction of any building or improvement on any subdivision Lot and of the size and location of any such building or improvement when, in the sole and final judgment and opinion of the Committee, or its duly authorized representative, such modifications of and deviations in such improvements will be in harmony with existing structures and will not materially detract from the aesthetic appearance of the subdivision and its improvements as a whole.

The Architectural Control Committee may require the submission to it of such documents and items (including as examples, but without limitation, written request for and description of the variances requested, plans, specifications, plot plans and samples of materials) as it shall deem appropriate, in connection with its consideration of request for a variance. If the Architectural Control Committee shall approve such request for a variance, the Architectural Control Committee may evidence such approval, and grant its permission for such variance, only by written instrument, addressed to the Owner of the Lot(s) relative to which such variance has been requested, describing the applicable restrictive covenant(s) and the particular variance requested, expressing the decision of the Architectural Control Committee to permit the variance, describing (when applicable) the conditions on which the variance has been approved (including as examples, but without limitation, the type of alternate materials to be permitted, and alternate fence height approved or specifying the location, plans and specifications applicable to an approved out building), and signed by a majority of the then members of the Architectural Control Committee (or by the Committee's duly authorized representative). Any request for a variance shall be deemed to have been disapproved for the purposes hereof in the event of either (a) written notice of disapproval from the Architectural Control Committee; or (b) failure by the Architectural Control Committee to respond to the request for variance. In the event the Architectural Control Committee or any successor to the authority thereof shall not then be functioning and/or the term of the Architectural Control Committee shall have expired and the Board of Directors of the Association shall not have succeeded to the authority thereof as herein provided, no variances from the covenants of this Declaration shall be permitted it being the intention of Declarant that no variances be available except at the discretion of the Architectural Control Committee, or if it shall have succeeded to the authority of the Architectural Control Committee in the manner provided herein, the Board of Directors of the Association. The Architectural Control Committee shall have the authority to approve any variance except as expressly prohibited in this Declaration.

With respect to all matters other than new construction and matters involving Declarant which are dealt with in Section 2A below, the Board of Directors of the Association shall act as the Architectural Control Committee. Should the Board of Directors of the Association so elect, it may appoint a three member Architectural Control Committee to perform the functions of such Committee set forth in this Declaration. Should there exist any vacancy or vacancies

from time to time in the Architectural Control Committee, the Board of Directors (or if there exists an Architectural Control Committee, the remaining Members of such Committee) shall designate a successor or successors to fill such vacancy or vacancies. At any time, the Board of Directors may, without liability of any character for so doing, remove the members of the Architectural Control Committee and succeed to all of the duties and powers of the Architectural Control Committee.

Section 2A. Ad Hoc Architectural Control Committee - New Construction. The initial members of the Ad Hoc Architectural Control Committee, specific to new construction and any matters involving restrictions in this Declaration which would affect Declarant, as pertains to Article 2, Section 2, shall be Cynthia Himson, Donald P. Klein and Keith Radcliffe. The Ad Hoc Architectural Control Committee shall operate in accordance with the provisions provided in Article II. If there exists at any time one or more vacancies in the Ad Hoc Architectural Control Committee, the remaining member or members of such Committee may designate successor member(s) to fill such vacancy or vacancies provided that Declarant may from time to time, without liability of any character for so doing, remove and replace any such member of the Ad Hoc Architectural Control Committee as it may in its sole discretion determine. The Ad Hoc Architectural Control Committee shall be dissolved upon completion of new construction on one hundred percent (100%) of all Lots in SOUTHDOWN, Section Eight (8). At that time, the Architectural Control Committee shall perform all functions set forth in this Declaration.

Section 3. Minimum "Square Footage Within Improvements. The living area on the ground floor of the main residential structure (exclusive of porches and garages) shall be not less than Eight Hundred (800) square feet, nor less than Four Hundred (400) square feet for a dwelling of more than one story. The total square feet for a multi-story dwelling shall not be less than One Thousand (1,000) square feet.

Section 4. Location of the Improvements Upon the Lot.

A. No building or other improvements 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. No building shall be located on any Lot nearer than ten (10) feet to any side street line. Subject to Paragraph B of this Section, no building shall be located nearer than five (5) feet to any interior Lot line, except that a detached garage or other permitted accessory building may be located within three (3) feet of an interior Lot line.

B. "Zero Lot Line Detached". Further, improvements may be constructed so as to have one outside wall abutting the side property line designated as the "zero setback line" for that Lot, except in the case of corner lots or unless a different layout is authorized in writing by the Architectural Control Committee. Corner lots may have a "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 on any contiguous Lot(s). No window, doors or other openings may be placed in the wall built on or parallel to the zero setback line unless the wall is a minimum of three (3) feet from the zero setback line except that walls on the zero setback line may have openings if such wall faces onto a reserve or easement.

The side wall of the dwelling or appurtenant structure built on the zero setback line shall be constructed using permanent low-maintenance material consisting of masonry with brick-face exterior or similar material as approved by the Architectural Control Committee, and such walls shall satisfy the Local Authority Building Code as to fire resistance. The Owner of any adjacent Lot shall not attach anything to a side wall or fence located upon the zero setback line; nor shall the Owner of any adjacent Lot alter in any manner, i.e. structure, color, material or otherwise, a side wall or fence located upon the zero setback line without the written approval of the Architectural Control Committee.

Section 5. Building Site.

A. Composite Building Site. Any Owner of one or more adjoining Lots (or portions thereof) may consolidate such Lots or portions into one single-family residence building site, with the privilege of placing or constructing improvements on such site, in which case setback lines shall be measured from the resulting side property lines rather than from the Lot lines shown on the recorded plat. Any such proposed composite building site(s) must be approved by the Architectural Control Committee.

B. Resubdivision of Lots. No Lot shall be resubdivided, nor shall any building be erected or placed on any such resubdivided Lot, unless each building site resulting from such resubdivision shall have a minimum width of not less than forty-five (45) feet at the front building line; provided, however, that nothing contained herein shall be construed to prohibit the resubdivision or any Lot or Lots within the Properties by the Owner thereof prior to construction of residence(s) thereon if such resubdivision results in each resubdivided Lot or building site having the minimum Lot width aforesaid. Any such resubdivision must be approved by the Architectural Control Committee. Declarant shall have the right, but shall never be obligated, to resubdivide into Lots, by recorded plat or in any other lawful manner, all or any part of the property contained within the other boundaries of the subdivision plat, and such Lots, as replatted shall be subject to these restrictions as if such Lots were originally included herein. Any such replat must comply with all local, state, FHA and VA replatting ordinances, statutes, regulations and requirements.

Section 6. Easements. Easements for installation and maintenance of utilities are reserved as shown and provided for on the recorded plat and no structure of any kind shall be erected upon any of said easements. Neither Declarant nor any utility company using the easements shall be liable for any damage done by either of them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or improvements of the Owner located on the land within or affected by said easements.

Further as to Lots and the Common Area adjoining Lots with improvements situated thereon, the zero setback line shall be subject a three (3) foot access easement for the construction, repair and maintenance of improvements located upon any adjacent Lot where said improvements are located on the zero setback line of the adjacent Lot. The zero setback line Owner must replace any fencing, landscaping or other items on the adjoining Lot that he may disturb during such construction, repair or maintenance. Additionally, this easement, when used, must be left clean and unobstructed unless the easement is actively being utilized and any items removed must be replace. Except in the event of an emergency, the zero setback line Owner must notify the Owner of the adjacent Lot of his intent to do any construction or maintenance upon the zero setback line wall at least twenty-four (24) hours before any work is started, with the hours that such access easement may be utilized being restricted to between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday, and 9:00 a.m. to 6:00 p.m. on Saturdays. In the event of emergency, no such notice is necessary.

Section 7. Prohibition of Trade and Offensive Activities. No activity, whether for profit or not, shall be carried on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the neighborhood.

Section 8. Use of Temporary Structures. No structures of a temporary character, mobile home, camper, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence. Portable buildings used for accessory or storage purposes shall be limited to not more than eight (8) feet in height and one hundred twenty (120) square feet of floor space and shall be subject to approval of the Architectural Control Committee. Temporary structures may be used as building offices and for related purposes during the construction period. Such structures shall be inconspicuous and slightly and shall be removed immediately after completion of construction and shall be subject to approval of the Architectural Control Committee.

Section 9. Storage of Automobiles, Boats, Trailers and Other Vehicles. No boat trailers, boats, travel trailers, inoperative automobiles, campers, or vehicles of any kind shall be semi-permanently or permanently stored in the public street right-of-way or forward of the front building line. Storage of such items and vehicles must be screened from public view, either within the garage or behind a fence which encloses the rear of the Lot. Further, the parking of commercial trucks and vehicles (other than those which are of the size of private passenger vehicles) on the street right-of-ways or in driveways is prohibited.

Section 10. Mineral Operation. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot. No derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained, or permitted upon any Lot.

Section 11. Animal Husbandry. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other common household pets of the domestic variety may be kept provided that they are not kept, bred or maintained for commercial purposes and provided that no more than two (2) of each type animal is kept.

Section 12. Walls, Fences and Hedges. No wall, fence or hedge shall be erected or maintained nearer to the front Lot line than three feet (3') behind the front building line on such Lot, nor on corner Lots nearer to the side Lot line than the building setback line parallel to the side street. No side or rear fence, wall or hedge shall be more than six (6) feet in height. No chain link fence type construction will be permitted on any Lot. Any wall, fence or hedge erected on a Lot by Declarant or its assigns, shall pass ownership with title to the Lot and it shall be Owner's responsibility to maintain said wall, fence or hedge thereafter.

Section 13. Visual Obstruction at the Intersection of Public Streets. No object or thing which obstructs sight lines at elevations between two (2) and six (6) feet above the surface of the streets within the triangular area formed by the curb lines of the streets involved and a line running from curb line to curb line at points twenty-five (25) feet from the junction of the street curb lines shall be placed, planted or permitted to remain on any corner Lots.

Section 14. Lot Maintenance. The Owner or occupants of all Lots shall at all times keep all weeds and grass thereon cut in a sanitary, healthful and attractive manner 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. The accumulation of garbage, trash or rubbish of any kind or the burning of any such materials is prohibited. 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 assigns, may without being under any duty to so do, and having no liability in trespass or otherwise, enter upon said Lot, cut, or cause to be cut, such weeds and grass and remove or cause to be removed, such garbage, trash or rubbish or do any other thing necessary to secure compliance with these restrictions and 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 Lot to pay such statement immediately upon receipt thereof.

Section 15. Visual Screening on Lots. The drying of clothes in public view is prohibited, and the Owner or occupants of any Lots at the intersection of streets or adjacent to parks, playgrounds or other facilities where the rear yard or portion of the Lot is visible to the public shall construct and maintain a drying yard or other suitable enclosure to screen drying clothes from public view. Similarly, all yard equipment, woodpiles or storage piles shall be kept screened by a service yard or other similar facility so as to conceal them from view of neighboring Lots, streets or other property.

Section 16. Signs, Advertisements, Billboards. No sign, advertisement, billboard or advertising structure of any kind shall be placed, maintained or displayed to the public view on any Lot except one sign for each building site, of not more than five (5) square feet, advertising the property for sale or rent. Declarant, or its assigns, shall have the right to remove any such sign, advertisement, billboard or structure which is placed on said Lots, and in doing so shall not be subject to any liability for trespass or other tort in connection therewith or arising from such removal. Declarant or its assigns, may maintain, as long as it owns property in SOUTHDOWN, in or upon such portion of the Properties as Declarant may determine, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation to offices, storage areas, model units and signs, and Declarant may use, and permit such builders (who are at the relevant time building and selling houses in SOUTHDOWN) to use residential structures, garages or accessory buildings for sales offices and display purposes but all rights of Declarant's permission under this sentence shall be operative and in effect only during the construction and initial sales period within the area composed of SOUTHDOWN.

Section 17. Roofing Material. The roof of any building (including any garage or servant's quarters) shall be constructed or covered with (1) wood shingles or (2) asphalt or composition type shingles comparable in color to wood shingles. The decision of such comparison shall rest exclusively with the Architectural Control Committee. Any other type of roofing material shall be permitted only at the sole discretion of the Architectural Control Committee upon written request.

Section 18. Maximum Height of Antennae. No electronic antenna 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 Lot, houses or buildings. Television antennae must be located to the rear of the roof ridge line, gable or center line of the principal dwelling. Freestanding antennae must be attached to and located behind the rear wall of the main residential structure. No antennae, either freestanding or attached, shall be permitted to extend more than ten (10) feet above the roof of the main residential structure on the Lot, or shall be erected on a wooden pole.

Section 19. Sidewalks. Before the dwelling unit is completed and occupied, the Lot Owner shall construct a concrete sidewalk four (4) feet in width parallel to the street curb two (2) feet back from the boundary lines of the Lot into the street right-of-way and/or to street curbs in the case of corner lots. Owners of corner lots shall install such a sidewalk both parallel to the front lot line and parallel to the side street lot line. Such sidewalks shall comply with all Federal, State and County regulations respecting construction and/or specification, if any.

Section 20. Underground Electric Service. An underground electric distribution system will be installed in that part of SOUTHDOWN, Section Eight (8) designated herein as Underground Residential Subdivision, which underground service area shall embrace all Lots

in SOUTHDOWN, Section Eight (8). This electrical distribution system shall consist of overhead primary feeder circuits constructed on wood or steel poles, single or three phase, as well as underground primary and secondary circuits, pad mounted or other types of transformers, junction boxes, and such other appurtenances as shall be necessary to make underground service available. The Owner of each Lot in the Underground Residential Subdivision shall, at his own cost, furnish, install, own and maintain (all in accordance with the requirement of local governing authorities and the National Electrical Code) the underground service cable and appurtenances from the electric company's metering on customer's structure to the point of attachment at such company's installed transformers or energized secondary junction boxes, such point of attachment to be made available by the electric company at a point designated by such company at the property line of each Lot. The electric company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each such Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with then current standards and specifications of the electric company furnishing service) for the location and installation of the meter of such electric company for the residence constructed on such Owner's Lot. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each Lot therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/140 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable) upon Developer's representation that the Underground Residential Subdivision is being developed for single-family dwellings and/or townhouses of the usual and customary type, constructed upon the premises, designated to be permanently located upon the Lot where originally constructed and built for sale to bona fide purchases (such category of dwelling and/or townhouse expressly excludes, without limitation, mobile homes and duplexes). Therefore, should the plans of Lot Owners in the Underground Residential Subdivision be changed so that dwellings of a different type will be permitted in such Subdivision, the company shall not be obligated to provide electric service to a Lot where a dwelling of a different type is located unless (a) Developer has paid to the company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision, or (b) the Owner of such Lot, or the applicant for service, shall pay to the electric company the sum of (1) \$1.75 per front lot foot, it having been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such Lot, plus (2) the cost of rearranging and adding any electric facilities serving such Lot, which arrangement and/or addition is determined by the company to be necessary.

ARTICLE III
SOUTHDOWN COMMUNITY ASSOCIATION, INC.
MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot, including Declarant, which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. Voting. The Association shall have one class of voting membership, which shall be all Owners, who 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 for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any Lot. Holders of future interests not entitled to present possession shall not be considered as Owners for the purposes of voting hereunder.

ARTICLE IV
COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Declarant, in the case of each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, shall be deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements or for repayment of funds borrowed and used in payment of capital improvements. Such assessments shall be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment fell due. Appropriate recitations in the deed conveying each Lot will evidence the retention of a vendor's lien by Declarant for the purpose of securing payment of said charge assigned to the SOUTHDOWN COMMUNITY ASSOCIATION, INC., without recourse on Declarant in any manner for the payment of said charge and indebtedness. The personal obligation for delinquent assessment shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of the Properties.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner other than Declarant, the maximum

annual assessment per Lot shall be the same amount as and be payable the same as the annual assessment for Lots in SOUTHDOWN, Sections One (1), Two (2), Three (3), Five (5), Six (6) and Seven (7).

(a) 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 an amount equal to not more than ten percent (10%) above the maximum annual assessment which could have been made without a vote of the membership in the case of the previous year.

(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 to an amount in excess of ten percent (10%) of the maximum assessment for the previous year by a vote of two-thirds (2/3) of the members who are voting in person or by proxy, at a meeting duly called for such purpose.

(c) The Board of Directors of the Association 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 assessment 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 upon the Common Area, 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 the members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3 and 4 shall be mailed (by U.S. first class mail) to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not present at any such meeting, the meeting shall be adjourned but another meeting may be called subject to the same notice requirement, but the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum applicable in the case of the preceding meeting to the membership. No such subsequent meeting shall be held more than (60) days following the preceding meeting.

Section 6. Rate of Assessment. Lots which are owned or occupied by residents on the first day of January of each year shall be subject to the annual assessment determined by the Board of Directors of the Association in accordance with the provisions of Sections 3 and 7 hereof. Lots in SOUTHDOWN, Section Eight (8) which are not occupied by a resident and

which are owned by Declarant, a builder, or a building company, on the first day of January of each year, shall be assessed at the rate of one-half (1/2) of the annual assessment above. The rate of assessment for an individual Lot, within a calendar year, shall change if the character of ownership and/or the status of occupancy by a resident changes during any calendar year. In that event, the new Owner and/or resident shall be billed for the full appropriate annual assessment, prorated for the remaining balance of the calendar year and with credit having been given for the one-half (1/2) assessment already paid with respect to that Lot.

Section 7. Date of Commencement of Annual Assessments; Due Dates The annual assessment provided for herein shall commence as to all Lots in SOUTHDOWN, Section Eight (8) on the earlier of: (i) the first day of January, 1999, or (ii) the first day of the month following the conveyance of the first Lot to an Owner other than the Declarant. The annual assessment shall be adjusted according to the number of months remaining in the then current calendar year. The Board of Directors of the Association shall fix the amount of the annual assessment against each Lot as least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be mailed (by U.S. first class mail) to every Owner subject thereto. The payment dates shall be established by the Board of Directors of the Association. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid and the amount of any delinquencies. The Association shall not be required to obtain a request for such certificate signed by the Owner but may deliver such certificate to any party who in the Association's judgment has a legitimate reason for requesting same.

Section 8. 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 until paid at the rate of ten percent (10%) per annum. The Association may bring action at law against the Owner personally obligated to pay the assessment, or foreclose the lien against the Lot involved. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage existing at any time upon the particular Lot involved. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure (whether by exercise of power of sale or otherwise) or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payment which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof, but such lien shall exist as, and constitute, a separate and distinct charge and lien on each Lot.

GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure 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 or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Owner's Easement of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to any Common Area which shall be appurtenant to and shall pass with the title to every Lot subject to the following provisions:

(a) The right of an Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area, if any.

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

(c) The right of an Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two thirds (2/3) of the members agreeing to such dedication or transfer has been recorded in the Public Records of Real Property of Brazoria County, Texas. Further, the Common Areas shall not be mortgaged or conveyed without the consent of at least two-thirds (2/3) of the members of the Association, excluding the Declarant.

(d) The right of an Association to collect and disburse those funds as set forth in Article IV.

Section 4. Delegation of Use. Any Owner may delegate in accordance with the By-Laws of the SOUTHDOWN COMMUNITY ASSOCIATION, INC., his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchases who reside on the property.

Section 5. Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties for a term of thirty (30) years from the date this Declaration is

recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first thirty (30) years by an instrument signed by those Owners owning not less than seventy-five percent (75%) of the Lots within SOUTHDOWN, Section Eight (8), and thereafter by an instrument signed by those Owners owning not less than sixty-six and two-thirds percent (66-2/3%) of the Lots within SOUTHDOWN, Section Eight (8). No person shall be charged with notice of or inquiry with respect to any amendment until and unless it has been filed for record in the Official Public Records of Real Property of Brazoria County, Texas.

Section 6. Annexation. Additional residential property and Common Area may be annexed to the Properties with the consent of two-thirds (2/3) of the membership; however, additional stage(s) or section(s) may be annexed either (i) by the Board of Directors of the Association without such approval by the membership or (ii) unilaterally by Declarant by the filing of a Declaration of Covenants, Conditions and Restrictions for such additional stage(s) or section(s) vesting assessment rights in the Association. Any such additional sections annexed shall be restricted to single family detached residential homes.

Section 7. Books and Records. The books, records and papers of the Association shall, during reasonable business hours, be subject to inspection by any member. The Articles of Incorporation, By-Laws of the Association, and Restrictive Covenants shall be available for inspection by any member at the principal office of the Association where copies may be purchased at a reasonable cost.

Section 8. Interpretation. If this Declaration or any word, clause, sentence, paragraph or other part thereof shall be susceptible of more than one or conflicting interpretations, then the interpretation which is most nearly in accordance with the general purposes and objectives of this Declaration shall govern.

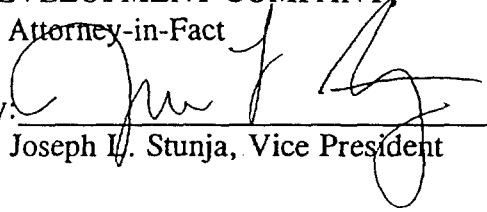
Section 9. Omissions. If any punctuation, word, clause, sentence or provision necessary to give meaning, validity or effect to any other word, clause, sentence or provision appearing in this Declaration shall be omitted herefrom, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence or provision shall be supplied by inference.

EXECUTED this the 3rd day of June, 1998.

DECLARANT:

LENNAR HOMES OF TEXAS, INC.

BY: FRIENDSWOOD LAND
DEVELOPMENT COMPANY
as Attorney-in-Fact

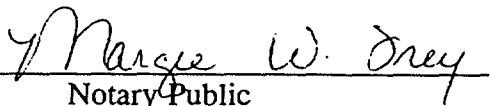
By: 
Joseph L. Stunja, Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Joseph L. Stunja, Vice President of FRIENDSWOOD LAND DEVELOPMENT COMPANY, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN under my hand and seal of office, this 3rd day of June, 1998.




Notary Public

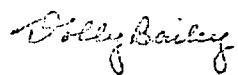
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THE STATE OF TEXAS
COUNTY OF BRAZORIA
I, DOLLY BAILEY, Clerk of the County Court in and for Brazoria County, Texas do hereby certify that this instrument was FILED FOR RECORD and RECORDED in the OFFICIAL RECORD at the time and date as stamped hereon by me.




County Clerk of Brazoria Co., TX

FILED FOR RECORD
98 JUN -4 PM 4: 21


COUNTY CLERK
BRAZORIA COUNTY TEXAS