

Lot to rectify the condition or as 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 costs of such work. The costs of such services shall be added to and become part of the annual maintenance assessment or charge to which such Lot is subjected under these covenants, and as part of such annual assessment or charge, it shall be a lien and obligation of the Owner in all respects as provided in these covenants. The payment for any work performed pursuant to this paragraph shall be due upon presentation to the Owner, either in person or by regular mail, of the FUND's invoice therefor. Default in the prompt and full payment within ten (10) days from the date the invoice is sent to the owner shall entitle the Board of Trustees of LAKEWOOD FOREST FUND, INC. to eighteen percent (18%) interest per annum or the maximum rate of interest allowed by law on the amount due from the date of the invoice, which interest shall also constitute a mechanics lien upon the Lot and an obligation of the Owner thereof.

For the purpose of performing the necessary exterior work, after expiration of the notice period required above, the Board of Trustees of LAKEWOOD FOREST FUND, INC., through its authorized agents, servants, employees or contractors, shall have the right to enter upon any Lot within the properties at reasonable hours between the hours of 7:00 o'clock a.m. and 8:00 o'clock p.m., on any days except Sundays and legal holidays. Such entry shall, however, require a majority vote of the Board of Trustees of LAKEWOOD FOREST FUND, INC.

Section 24. Nuisances and Annoyances. No noxious or offensive activity shall be carried on upon any Lot or in the common area, nor shall anything be done thereon which may be or become any annoyance or nuisance to the other Lot Owners. No Lot shall be used, in whole or in part, for the storage of rubbish of any character whatsoever, nor for the storage of any property or thing that might cause such Lot to appear in an unclean or untidy condition or that will be obnoxious to the eye, nor shall any substance, thing, or material be kept upon any Lot that will emit foul or obnoxious odors, or that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property. No activity shall be carried on upon any Lot or in the common area which might reasonably be considered as giving annoyance to the neighbors or other Owners of ordinary sensibilities or which might be calculated to reduce the desirability of the properties as a residential neighborhood, even though such activity may be in a nature of a hobby and not carried on for profit.

Stereos, hi-fis, radios, car radios and stereos, outside stereos and speakers, and other devices or equipment used for transmitting or receiving radio signals or electric signals, and televisions shall be maintained or used at such volume or decibel level as to not disturb the peace, quiet, comfort or serenity of adjoining Lot Owners, and the use of same at such volume or decibel level and/or at unreasonable times shall constitute a nuisance per se.

The discharging of firearms is strictly prohibited in the Subdivision, except for reasonable and necessary protection of person or property.

The use of fireworks, including but not limited to bottle rockets, sky rockets or firecrackers, shall be strictly prohibited and shall be deemed a nuisance per se.

Except in an emergency or when other unusual circumstances exist, as determined by the Board of Trustees of LAKEWOOD FOREST FUND, INC., outside construction work or noisy interior construction work shall be permitted only after 7:00 o'clock a.m. and before 9:00 o'clock p.m.

No repair work, dismantling or assembling of motor vehicles or of any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street, or in the common

areas, other than of a temporary nature, but in no event for a period greater than twenty-four (24) hours. No automobiles or other vehicles shall be placed or maintained on blocks even on a temporary basis. Automobiles or other vehicles which are determined to be in violation of this paragraph shall be subject to towaway and the Board of Trustees of LAKEWOOD FOREST FUND, INC., its agents or employees shall be relieved of all liability in taking such action. The Board may also seek all legal remedies permitted by law, including injunctive relief.

The operation of dirt bikes, three wheel vehicles, go-carts or similar vehicles is strictly prohibited and shall not be permitted in the Subdivision, and the operation of such vehicle shall constitute a nuisance per se.

Section 25. Obstruction of Common Area. There shall be no obstruction of the common area. Nothing shall be stored in the common area without the prior written consent of the Board of Trustees of LAKEWOOD FOREST FUND, INC. Nothing shall be done or kept in the common area which will increase the rate of insurance on the common area, without the prior written consent of the Board of Trustees of LAKEWOOD FOREST FUND, INC. No Lot Owner shall permit anything to be done or kept in the common area which will result in the cancellation of insurance for any part of the common area, or which would be in violation of law. No waste shall be placed in or on the common areas.

Section 26. Repair of Damaged or Destroyed Property. The following restrictions shall apply to damaged or destroyed houses and other structures:

- (a) In the event of damage or destruction by fire or other casualty of any house or any other structure covered by insurance written in the name of an individual Owner or builder, said Owner or builder shall, with the concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to repair or rebuild such damaged or destroyed portions of such house or other property in a good workmanlike manner in conformance with the original plans and specifications of said house or in a manner approved by the Architectural Control Committee. If, for any reason whatsoever, such Owner shall refuse or fail to so contract to repair and rebuild any or all of the damage to such house or other property within thirty (30) days from the date of his receipt of the insurance proceeds, regardless of whether or not the insurance proceeds are sufficient to pay all costs of repair and restoration, or shall fail to complete the said repairs or rebuilding within one hundred eighty (180) days from the receipt of the insurance proceeds, the Board of Trustees of LAKEWOOD FOREST FUND, INC., by and through its Board of Trustees, is hereby irrevocably authorized by such Owner to repair and rebuild any such house or other property in a good and workmanlike manner in conformance with the original plans and specifications or in a manner approved by the Architectural Control Committee. The Owner shall then promptly repay the LAKEWOOD FOREST FUND, INC. the amount actually expended for such repairs plus interest thereon at the rate of eighteen percent (18%) per annum or the maximum rate of interest allowed by law, and the LAKEWOOD FOREST FUND, INC. shall have a lien securing payment of said amount and the property shall be subject to foreclosure as herein provided. The provisions of this paragraph shall create a right, but not a duty or obligation to perform such repairs or rebuilding on the part of the Board of Trustees of the LAKEWOOD FOREST FUND, INC.
- (b) In the case of a residence or other structure being completely destroyed beyond repair, the house or other structure shall be reduced to the slab and all debris and remainder of the structure shall be removed within a reasonable time not to exceed ninety (90) days from date of the destruction. The Board of Trustees of the FUND shall also be authorized, but not required, to have the slab removed.

Section 27. Vehicles and Vehicle Parking. No motor homes, boats, trucks, campers, boat rigging, boat trailers, house trailers, mobile homes, truck cabs, detached camper tops, recreational vehicles (RVs), commercial vehicles, any vehicle with commercial logos or signs, any inoperative vehicle, any self-propelled or towable equipment or machine, automobile, vans or other vehicle shall be stored, parked or kept on any Lot unless they are placed and parked in the garage of the homeowner with the garage door completely closed or unless they are only temporarily (for a period not to exceed six hours) parked or placed on the driveway no closer to the street than the building front setback line as shown on the recorded plat of the Subdivision. It is the intent of this section that no such vehicles shall ever be parked on any street or driveway or other portion of the Lot exposed to public view, except for temporary parking incident to the contemporary use of such vehicle, nor shall same be left parked on any Lot unless parked inside the garage or otherwise obscured from general view by some type of screening or fencing approved by the Board of Trustees of LAKEWOOD FOREST FUND, INC., and this section shall be strictly construed for that purpose. No inoperative vehicle (inoperative being defined as not in running or useable condition) may be parked or stored on any Lot or in any street at any time unless stored in a garage. The parking of any automobile vehicle or other vehicle on road shoulders or on the streets bordering any Lot either overnight or for a period longer than six hours is strictly prohibited. No vehicle of any type shall be permitted to park on unpaved surfaces, such as yards, of any Lot at any time.

Mobile homes shall be prohibited on any Lot, whether or not the wheels are attached.

No vehicle of the Lot Owner, his family, guests and invitees, shall be parked on streets or driveways so as to obstruct ingress and egress by the owners of other Lots, their families, guests and invitees except for the reasonable needs of emergency. No vehicle may be parked so as to obstruct postal delivery or to constitute a safety or traffic hazard.

At no times shall any house trailer, or any truck, trailer or commercial vehicles having a rated load capacity in excess of one (1) ton, ever be parked overnight or stored on any residential Lot nor shall any such house trailer, etc., be parked on any street in the Subdivision at any time other than as may be reasonably required incident to construction work on or delivery or pickup of goods, wares, property or materials from a Lot in the Subdivision.

In those cases in which there are not sufficient parking spaces in the garage for all vehicles owned by the Lot Owners and the members of his family actually residing on the Lot, automobiles may be parked on the driveway of the Lot no closer to the street than the building front setback line or side setback line for corner lots as shown on the recorded plat of the Subdivision. The number of available parking spaces in the garage shall be determined by the provisions of section 7 of this Article. The exception contained in this paragraph as to automobiles shall not apply to other vehicles, trailers, campers, boats, etc., enumerated in the first paragraph of this section.

Section 28. Brick Walls and Entrances. Brick walls, entrance esplanades or entrance signs when built by the Developer shall become the property of the LAKEWOOD FOREST FUND, INC., and an easement to maintain said brick walls is hereby retained for the purpose of maintenance. Said walls shall not be altered, replaced or repaired without approval of the Board of Trustees of LAKEWOOD FOREST FUND, INC. No structures or other objects may be attached to or placed on such brick walls, entrance esplanades or entrance signs without the prior written approval of the Board of Trustees of LAKEWOOD FOREST FUND, INC., and the Board shall be vested with authority to remove, without any liability to the Lot Owner, any structures or objects deemed by the Board to be in violation of this section.

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Section 29. Nondiscrimination. No action shall at any time be taken by the Board of Trustees of LAKEWOOD FOREST FUND, INC. which in any manner would discriminate against any Lot Owner or Owners in favor of any other Lot Owners.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

Section 1. Duties of Architectural Control Committee. No building, fence, wall, driveways, sidewalks, swimming pool, gazebo, structural flag pole, satellite dish, windmill, solar panel or any other structures or other improvements shall be commenced, erected, or maintained upon any Lot, nor shall any exterior addition to or change or alteration thereon be made to any residential building site or Lot, until the construction plans, specifications and drawings (showing the front elevation) have been approved by the Architectural Control Committee. Prior to the pouring of the slab, and after the forming, a slab survey shall be supplied to the Committee as to use, quality of workmanship and materials, as to conformity in harmony with the exterior design of the existing structures in Lakewood Forest, and as to location of building and improvements with respect to topography and finished grade elevation.

The person or entity seeking a variance or other proposed action shall first submit to the Committee a preliminary site plan showing all uses and dimensions of the proposed building, structure or other improvement in relation to other structures on the Lot and on adjoining Lots or properties and any other details which the Committee may require. After the preliminary site plan has been approved (with or without modifications or conditions) by the Committee, the final working plans and specifications for the work shown on the preliminary site plan and schematic plan shall then be submitted to the Committee. The Committee shall examine the final working plans and specifications to determine whether they fully comply with these covenants and whether the proposed structure, building or other improvement is in harmony of external design and location in relation to property lines, building lines, easements, grades, surrounding structures and topography.

The final working plans and specifications shall not be submitted to the Committee until the preliminary site plan and the schematic plan have been approved. The final working plans and specifications shall specify, in such form and under such requirements as the Committee may deem necessary, the structural, mechanical, electrical and plumbing details, and the nature, kind, shape, height, exterior color scheme, materials, and location of the proposed structure, building or improvement or alterations thereof. Without limitation of the powers herein granted, the Committee shall have the right to specify a limited number of acceptable exterior materials or finishes that may be used in the construction, alteration or repair of any improvements; the minimum setback lines; the location, height, and extent of fences, walls, or other screening devices; and the orientation of structures, buildings or other improvements with respect to streets and structures on adjacent properties or Lots. Any deviations from the final working plans and specifications, even after construction is commenced, must be approved by the Committee prior to completion of construction. The Committee, at its sole discretion, is hereby permitted to approve deviations in building area and location in instances where, in their sole judgment, such deviation will result in a more commonly beneficial use. Any approval or disapproval by the Committee of any matter herein required or permitted shall be in writing, and when approval is given, such written approval shall become a part of these restrictions. In granting such approval, the Committee may make that approval subject to the compliance with any modifications in the plans, specifications or drawing or upon other conditions required by the Committee, with such modifications or conditions to be specified in writing.

In considering the harmony of external design between existing structures and the proposed building being erected, or altered, the

Architectural Control Committee shall consider the general appearance of the proposed building as that can be determined from front, rear and side elevations on submitted plans. The Committee's objective is to prevent unusual, radical, uncommon, curious, odd, extraordinary, bizarre, peculiar or irregular designs or appearances from being built in the Subdivision. There shall be no review of any action of the Architectural Control Committee except by procedures for injunctive relief when such action is arbitrary or in bad faith; and under no circumstances shall such Committee or its members be subject to any suit by anyone for damages.

Section 2. Committee Membership. The Architectural Control Committee members shall be three (3) in number, and shall be appointed by the Board of Trustees of the FUND. Any approval or disapproval of any proposed variance or other matter requiring action by the Committee shall be in writing and signed by a majority of the Committee. A quorum of two members shall be required for any action. The FUND shall be vested with the power to promulgate rules and procedures for appointment of members to said Architectural Control Committee, and to determine their length of term on the Committee and grounds for their removal. There may not be more than two (2) members from any one (1) Section on the Committee.

Section 3. Replacement. In the event of death, removal, expiration of term or resignation of any member or members of said Committee, the Board of Trustees of the FUND shall appoint a successor member or members, and until such successor member or members shall have been so appointed, the remaining member or members shall have full authority to approve or disapprove plans, specifications and plot plans submitted. When by death, removal, expiration of term or resignation of members the Committee is reduced to only one member, the requirement of a quorum shall be suspended until the Board of Trustees of the FUND shall have appointed one or more successor member or members.

Section 4. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standards, provided, however, that such outline will serve as a minimum guideline and such Architectural Control Committee shall not be bound thereby.

Section 5. Variances. These restricted covenants contain certain provisions whereby the Architectural Control Committee is expressly granted the authority, in its discretion, to permit variances from the effect of a particular restricted covenant. The Architectural Control Committee may require the submission to it of such documents and items (including, as examples but without limitation, written requests for and descriptions of the variances requested, plans, specifications, plot plans and samples of material) as it shall deem appropriate, in connection with its consideration of 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, expressing the decision of the Architectural Control Committee to permit the variance, describing the applicable restricted covenant(s) and the particular variance requested, expressing the decision of the Architectural Control Committee to permit the variance describing with applicable conditions on which the variance has been approved, and signed by a majority of the members of the Architectural Control Committee.

Any request for a variance shall be deemed to have been disapproved for the purpose hereof in the event that either: (a) written notice of disapproval is sent from the Architectural Control Committee; or (b) failure by the Architectural Control Committee to approve the request for the variance. In the event that 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 FUND shall not have appointed a successor to the authority thereof as

herein provided, no variances from the covenants of this restrictive covenant shall be permitted, it being the intention that no variance be available except in the discretion of the Architectural Control Committee in the manner provided herein. The Architectural Control Committee shall have no authority to approve any variances except as provided herein.

Section 6. Notice And Hearing Requirements. The Architectural Control Committee shall give written notice of any proposed or requested variance or other matter contained in section 1 of this Article to the Owners of all Lots adjoining the Lot or Lots on which the variance or other action will affect and to all other persons deemed by the Committee to be affected thereby. Notice shall also be given to the Board of Trustees of the FUND. Such notice required by this section shall be given after the final working plans and specifications have been given to the Committee by the person or entity seeking the variance or other proposed action, with such notice to be mailed within ten (10) days of the date that such plans and specifications are submitted to the Committee.

Any Owner of a Lot or other person or entity receiving such notice shall have the right to examine all pertinent information, plans and documents and to request a hearing before the Committee to present evidence and arguments in support, opposition or modification of the variance or other proposed action. Upon request by any Owner of a Lot or other person or entity affected, which request must be made in writing within ten (10) days of the receipt of the notice, the Committee shall hold such hearing within thirty (30) days of the date of the request for such hearing. In the event that more than one request for hearing is timely filed, the earliest request received by the Committee shall be used in determining the timetable for the hearing. The Committee shall provide written notice of the time, date and place of the hearing to the person(s) requesting the variance or other action, to all Owners of Lots entitled to notice under the provisions of this section, to all persons who have filed a written request for hearing and to the Board of Trustees of the FUND. Such notice of hearing shall be mailed by the Committee at least ten (10) days prior to the hearing.

The Committee shall render a decision within ten (10) days after the conclusion of the hearing required by this section. If the Committee fails to give written approval or disapproval within thirty (30) days after the final working plans and specifications have been submitted to it if no hearing has been requested, or within ten (10) days after the conclusion of the hearing if one has been requested, the person seeking the variance or other action or any other person affected by the variance or proposed action may file a written request with the Board of Trustees of the FUND to require the Committee to take action. The Board shall forthwith issue a directive to the Committee to act on the matter. The Committee shall act upon the proposed variance or other action within ten (10) days of the date that the written request to the Board is filed with the Board. If the Committee fails to act within such time, the FUND shall either approve or disapprove the variance or other action. The failure of the Committee to comply strictly with the requirements of this section shall not be deemed as approval of the proposed variance or other action as it is the intent of this Article that no variance or other action shall be commenced without first obtaining the written approval of the Committee.

The person(s) or entity seeking the proposed action or variance shall have the burden to show that good cause exists for approving the proposed action and/or granting the variance and that the proposed action or variance will result in a more commonly beneficial use.

The decision of the Committee on any matter contained within this Article shall be final. It shall be a prerequisite to the bringing of any legal action that the requirements of this Article be strictly adhered to by the person seeking such legal action.

Any variance or other matters required to be acted upon by the Committee pursuant to this Article shall not be effective until the Committee has approved such variance or action in writing pursuant to the requirements of this Article. The FUND shall be vested with the authority to enjoin any such variances or matters to ensure that the requirements of this Article are complied with and to seek injunctive relief, even after commencement or completion of construction of any structure, building or other improvement requiring approval under this Article, if the requirements or procedures of this Article are not complied with by the person(s) or entities commencing or completing such construction.

The mailing address of the Architectural Control Committee shall be the same as the LAKEWOOD FOREST FUND, INC., (as specified in Article IX, section 1), and the manner of notice and computation of time periods shall be governed by Article IX, sections 8 and 9.

All plans, requests for variance or other action, requests for hearings, notices, any approvals or disapprovals, and any other written action taken under this Article shall be maintained in the permanent records of the offices of the LAKEWOOD FOREST FUND, INC.

The Architectural Control Committee shall be a committee of the LAKEWOOD FOREST FUND, INC. and not a separate entity. The Committee shall make its recommendations to the FUND and the ultimate approval or disapproval shall be made by the FUND.

ARTICLE V

LAKEWOOD FOREST FUND, INC.

Section 1. Membership. Every record Owner of a Lot in the Subdivision shall be a member of the LAKEWOOD FOREST FUND, INC. Membership shall be appurtenant to and may not be separated from the ownership of the Lot. Ownership of such Lots shall be the sole qualification for membership. Developer(s), as defined elsewhere in this Declaration, shall also be members.

Section 2. Voting Rights. All members shall be entitled to one vote for each Lot in the Subdivision in which they hold the interest required for membership provided in section 1 above. When more than one person or entity holds such interest in any Lot, all such persons or entities shall be members. The vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one vote be cast with respect to any such Lot.

Section 3. Nonprofit Corporation. A nonprofit corporation entitled LAKEWOOD FOREST FUND, INC., has been organized and duly incorporated; and all duties, obligations, benefits, liens, and rights hereunder shall vest in said corporation.

Section 4. Bylaws. The LAKEWOOD FOREST FUND, INC. may make whatever rules or bylaws it may choose to govern the organization, provided that same are not in conflict with the terms and provisions hereof.

Section 5. Inspection of Records. The members of the LAKEWOOD FOREST FUND, INC. shall have the right to inspect the books and records of the FUND at reasonable times during normal business hours.

Section 6. Maintenance Fund. The LAKEWOOD FOREST FUND, INC. shall have all duties, obligations, benefits, liens and rights enumerated in Article VI, regarding Covenants for Regular, Annual Assessments; and said FUND shall have the authority to collect all regular, annual assessments and to disburse the funds derived therefrom for the purposes enumerated in section 2 of Article VI.

Section 7. Standing. The LAKEWOOD FOREST FUND, INC. shall have legal standing to bring any actions either at law or in equity

for purposes of collecting the regular, annual assessments; enforcing any and all covenants, conditions, restrictions, or other rights granted under this Declaration; to enforce any other rights, obligations, benefits, or liens created in this Declaration; to seek injunctive relief for violations of these restricted covenants; to seek monetary damages, attorney fees, costs and interest as provided in this Declaration; to foreclose on any liens or Vendor's Liens as provided in this Declaration; and to take any other action necessary or proper to protect and defend any duties, obligations, benefits, liens and rights conferred herein.

ARTICLE VI

COVENANTS FOR REGULAR, ANNUAL ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Lot in the Subdivision is hereby severally subject to, and each Owner of any Lot in the Subdivision, 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 LAKEWOOD FOREST FUND, INC. the following charges and assessments which shall run with the land and be in the same and equal amount for each Lot in the properties: to wit, a regular annual maintenance assessment in the amount per annum specified, and subject to increase or decrease as provided in section 3 below.

Such assessments shall be established and collected as hereinafter provided and shall constitute the proceeds of a fund (hereinafter called "the maintenance fund") to be used for the purposes hereinafter provided. Such regular annual maintenance 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 such Lot at the time when the assessment became due, but such personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

The lien created herein shall bind such Lot in the hands of the Owner, and his heirs, devisees, personal representatives, assigns and successors. The aforesaid lien shall be superior to all other liens and charges against the Lot, except only for tax liens and all sums unpaid on a first mortgage lien or first deed of trust lien of record, securing in either instance sums borrowed for the improvement of the Lot in question. The Board of Trustees of the FUND shall have the power to subordinate the aforesaid lien to any other lien.

Section 2. Purpose of Assessments. The maintenance fund shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the Subdivision, and the Board of Trustees of LAKEWOOD FOREST FUND, INC. shall use the proceeds of said maintenance fund for the use and benefit of all residents of the Subdivision. The uses and benefits to be provided by said FUND shall include, by way of example but without limitation, at its sole option, any and all of the following: maintaining parkways, rights-of-way, vacant lots, easements and esplanades; furnishing and maintaining landscaping, lighting and beautification of the properties; payment of all legal and other expenses incurred in connection with the enforcement of all recorded charges and assessments, covenants, restrictions, and conditions affecting the properties to which the maintenance fund applies; payment of all reasonable and necessary expenses in connection with the collection and administration of the maintenance charge and assessment; employing police officers and watchmen; fogging, cleaning streets, and collection of refuse; to pay the expenses for all utilities or services furnished to the Common Properties and Common Facilities in the Subdivision; to pay the expenses for the maintenance, repair, care, upkeep, beautification, protection, taxes, insurance, replacement, reconstruction, management, supervision and operation

of or for the Common Properties and Common Facilities in the Subdivision; to pay for capital improvements to such Common Properties and Common Facilities; and doing such other things and taking such other actions as are necessary or desirable in the opinion of the Board of Trustees of LAKEWOOD FOREST FUND, INC. to keep the properties and the Subdivision neat and in good order, or which is considered of general benefit to the Owners or occupants of the Lots in the Subdivision, it being understood that the judgment of the Board of Trustees of LAKEWOOD FOREST FUND, INC. in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 3. Maintenance Fund; Maximum Regular Annual Assessment. Each Lot shall be subject to an annual maintenance charge for the purpose of creating a fund to be known as LAKEWOOD FOREST FUND, INC., and which maintenance fund charge shall be paid by the Owner of each Lot in conjunction with like charges to be paid by all other Lot Owners, except as noted below. The maintenance charge is hereby initially set at \$295.00 per year for a user or \$195.00 per year for a legitimate builder. Such maintenance charge may be adjusted by LAKEWOOD FOREST FUND, INC. from year to year as the needs of the property may, in its judgment, require, but in no event shall such maintenance charge increase by more than ten percent (10%) over the maintenance charge of the previous year.

From and after January 1, 1988, the maximum annual assessment per Lot may be adjusted to more clearly reflect the true costs and anticipated economic conditions affecting the Subdivision, and the Board of Trustees of LAKEWOOD FOREST FUND, INC. may, by a majority vote of a quorum of members, increase the annual assessment by not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the Lot Owners. The Board of Trustees of the LAKEWOOD FOREST FUND, INC. may, after consideration of current maintenance costs and future needs of the LAKEWOOD FOREST FUND, INC., fix the actual assessment for any one year at a lesser amount than specified herein, but such rate shall not constitute a waiver by the Board of Trustees of LAKEWOOD FOREST FUND, INC. of its right to revert to the full assessment for future years.

A "user" shall be defined as a Lot Owner, other than the Developer. A Developer shall be exempt from the maintenance fee as to undeveloped lots. A "builder" shall be defined as a builder of homes who is registered with a recognized builder's association, or is otherwise in the business of building homes. The determination by the Board of Trustees as to whether the builder qualifies under the provisions of the Section shall be final and conclusive so long as said determination is exercised in good faith. The assessment for a builder shall begin at the time the Lot is first taken down by the initial builder. The user rate of assessment shall become applicable when (1) the Lot is conveyed by the builder or developer to a "user", as defined herein, or (2) the builder has (a) substantially completed the residence and (b) leased the residence under a lease or rental agreement, contract for deed or other conveyance.

This maintenance charge shall become applicable to each Lot after said Lot is conveyed to a builder or user and shall be secured by a Vendor's Lien on each Lot as and when conveyed. Should the ownership of a Lot change during the calendar year, the maintenance charge shall be prorated accordingly. If it becomes necessary to turn the collection of the maintenance charge over to an attorney, then in that event the Lot Owner will be liable for reasonable attorney's fees and costs incurred. Such maintenance charge shall be paid annually on the first day of January of each year in advance. All past due maintenance charges shall bear interest from their due date at the rate stated in section 6 hereof. Appropriate recitations with respect to the maintenance fund and the reservation of the Vendor's Lien shall be included in each contract of sale and/or deed executed and delivered by Mac-Carey Properties, Inc., any builder, any developer, and/or any Lot Owner with respect to each Lot. The failure to include such recitations in the contract of sale and/or deed shall not affect the validity of the Vendor's Lien.

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During or before October of each year, the LAKEWOOD FOREST FUND, INC. shall hold a meeting for the Lot Owners for the purpose of reviewing the proposed budget for the next calendar year and seeking guidance and input from the Lot Owners. The provisions of this section pertaining to the maintenance charge and the disposition of the funds collected may be changed by the Owners of a majority of Lots in all Sections of Lakewood Forest even if a majority of the Lot Owners within a particular Section do not approve the changes. Any said changes to these provisions shall become effective on January 1 of any successive one (1) year period thereafter by executing and acknowledging an appropriate agreement or agreements in writing for such purpose and filing the same for record in the Office of the County Clerk of Harris County, Texas, at any time prior to January 1 of the year the charges are to become effective.

The maintenance charge provided in this section shall be effective during the full term of this Declaration, unless changed as provided herein, in which event the maintenance charge, as changed from time to time, pursuant to the provisions of this section, shall be effective during the full term of this Declaration.

Section 4. Date of Commencement of Annual Assessments; Due Dates. The annual assessment period shall run from January 1 through December 31 of each year. The Board of Trustees of LAKEWOOD FOREST FUND, INC. 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, by regular mail, of the annual assessment shall be sent to each Lot Owner at the direction of the Board of Trustees of LAKEWOOD FOREST FUND, INC. The Board of Trustees of LAKEWOOD FOREST FUND, INC. shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the LAKEWOOD FOREST FUND, INC. setting forth whether the assessments on a specified Lot have been paid.

Section 5. Effect of Nonpayment of Assessments; Remedies of the LAKEWOOD FOREST FUND, INC. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of up to a maximum of eighteen percent (18%) per annum or the maximum rate of interest allowed by law, in the discretion of the Board of Trustees of LAKEWOOD FOREST FUND, INC., provided that the rate of interest is uniform as to all Lots. The Board of Trustees of LAKEWOOD FOREST FUND, INC. shall set the applicable rate of interest by the 31st day of December of each year for the coming calendar year. The Board of Trustees of LAKEWOOD FOREST FUND, INC. may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien created hereby against the Lot. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

To evidence the aforesaid assessment lien, the FUND shall prepare a written notice of assessment lien setting forth the amount of the unpaid indebtedness, the name of the Owner of the Lot covered by such lien and a description of the Lot. Such notice shall be signed by one of the Trustees of the FUND and shall be recorded in the office of the County Clerk of Harris County, Texas. Such lien for payment of assessments shall attach with the priority above set forth from the date that such payment becomes delinquent set forth in this Article and may be enforced by the foreclosure of the defaulting Owner's Lot by the FUND in like manner as a mortgage on real property subsequent to the recording of a notice of assessment lien as provided above, or the FUND may institute suit against the Owner personally obligated to pay the assessment and/or for foreclosure of the aforesaid lien judicially. In any foreclosure proceeding, whether judicial or nonjudicial, the Owner shall be required to pay the costs, expenses and reasonable attorney's fees as provided in this Article.

Section 6. Subordination of Lien to Mortgage and Escrow of Annual Assessments. The lien for the assessment provided for herein, as it applies to any Lot, shall be second, subordinate and

inferior to all liens granted or created at the request of the Owner of any Lot to secure payment of monies advanced or to be advanced on account of the purchase price and/or the improvement of any such Lot; provided, however, as a condition precedent to such subordination, the holder of such mortgage shall escrow sufficient funds, on a monthly basis, in the same manner that property taxes are escrowed, from the account of the Lot Owner, with said amount escrowed monthly to equal the amount of the annual assessment required herein divided by twelve. The holder of the mortgage shall timely pay said annual maintenance fees from said escrow account to the LAKEWOOD FOREST FUND, INC., when due, and prior to delinquency, on an annual basis, as stated in this Article VI, and shall be subject to the provisions of Section 3 hereof, providing for amendments of the annual assessment fees. Neither the failure of the holder of the mortgage to escrow funds, as required herein, nor the sale or transfer of the Lot shall relieve the Owner of such Lot from liability for any assessments theretofore having become due on such Lot from the lien thereof.

Section 7. Vendors Lien. It is expressly agreed that each Lot Owner, by virtue of his ownership of the Lot, possesses a percentage ownership of the common elements, common areas and common facilities of the Subdivision. The percentage ownership shall be determined by dividing the common elements, common areas and common facilities by the total number of Record Owners. Each signatory to this instrument and every Lot Owner in the Subdivision further acknowledges that part of the purchase price of his Lot includes a percentage ownership of the common elements, common areas and common facilities and the further consideration of the services to be performed by the FUND, including, but not limited to, the providing of garbage collection, street lights, contract police services and other services which were material to the purchase of the Lot in the Subdivision. Each signatory and each Lot Owner contractually agrees to the assessment of fees, and Vendors Liens securing same, provided for in this Article, and further contractually agrees that said Lien, if not sooner paid, or not foreclosed upon either by judicial or nonjudicial proceedings, shall be paid at the closing on the sale of the Lot burdened by such Lien.

ARTICLE VII

EASEMENTS

Section 1. The Developer, its assigns and successors, shall have the right to construct, erect and maintain over, along, upon and under the several streets, drives, lanes, roads, easements in reserve areas, as shown on the subdivision plat, wires, poles for the purpose of constructing and maintaining a system of television cable, electric lights, power, telegraph and telephone lines and connections; and to construct, lay and maintain along, in and under any and all such streets, lanes, drives, roads, easements in reserve areas, all pipe, conduits, valves and other necessary and proper equipment for the construction of systems of drainage, sewage and water supply (retaining also the right to grant or deny to areas beyond said subdivision connection, privileges on said drainage, sewage or water systems), gas, light and power, telegraph and telephone service and other utilities to the Subdivision and the Lot Owners therein; and for all other purposes incident to the development and use of said property as a community unit in a subdivision.

Section 2. It is agreed and understood that the title conveyed to any Lot or parcel of land in said Subdivision by contract, deed or other conveyance shall not in any event be held or construed to include the title to the water, gas, sewer, electric light, electric power, television cable or telegraph or telephone lines, poles or conduits or any other utility or appurtenances thereto, constructed by Developer, its assigns or successors, or by any public utility companies through, along or upon any portion of

any public utility companies through, along or upon any portion of the here and above mentioned streets, drives, lanes, roads, easements, reserve areas, and the right to maintain, repair, sell or lease such lines, utilities and appurtenances is hereby expressly reserved by Developer, its assigns and successors.

Section 3. Brick walls or entrances, when built by Developer, shall become the property of the LAKEWOOD FOREST FUND, INC., and an easement to maintain said brick wall is hereby retained for the purpose of maintenance. Said wall shall not be altered, replaced or repaired without approval of the LAKEWOOD FOREST FUND, INC. It is expressly agreed and understood that the title conveyed to any Lot or parcel of land in said Subdivision by contract, deed or other conveyance shall not in any event be held or construed to include title to the brick wall above described.

Section 4. There are dedicated and reserved permanent and unobstructed easements as shown on the recorded plat of Lakewood Forest Subdivision across certain designated portions of various of the Lots therein upon, under and through which to construct and maintain water, telephone and electric light services and other public utilities, which said easement shall be a burden and charge against such Lot or Lots in Lakewood Forest Subdivision by whomsoever owned, and there is also dedicated and reserved an unobstructed aerial easement for utilities five feet (5') wide and from a plane twenty feet (20') above the ground upward located adjacent to all easements shown on the above described or mentioned recorded plat. There is also dedicated and reserved to the LAKEWOOD FOREST FUND, INC. a permanent and unobstructed easement on the streets of the Subdivision for purposes of enforcing the provisions of Article III, section 27, herein.

Section 5. No utility company, water district or other authorized entity or political subdivision, using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, employees or servants, to shrubbery, trees, flowers or other property of the Owner of the Lot situated on the land covered by said easement. Further, as referenced heretofore, an easement is hereby granted to the LAKEWOOD FOREST FUND, INC., its officers, agents, employees and to any management company selected by the Board of Trustees of the LAKEWOOD FOREST FUND, INC. to enter in or to cross over the common area in any Lot to perform the duties of maintenance and repair of the residency or common area provided for herein.

Section 6. Notwithstanding anything to the contrary contained in this Article, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties except as initially programmed or thereafter approved by the Developer. Should any utility furnishing a specific service covered by the general easement herein provided request a specific easement by separate recordable document, the Developer shall have the right to grant such easement without conflicting with the terms hereof.

Section 7. As to Lots in the common area adjoining Lots with improvements situated on the zero setback line, said Lots shall be subject to a three foot (3') 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 replaced. 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 o'clock a.m. to 5:00 o'clock p.m. Monday through Friday and 9:00 o'clock a.m. to 6:00 o'clock p.m. on Saturdays.

Section 8. It is the intent of this Declaration that all easements, exceptions and reservations contained on any recorded plats of any Section(s) of the Subdivision shall remain in full force and effect and all such easements, exceptions and reservations are incorporated herein for all purposes as if set forth herein verbatim.

Section 9. The easements provided for in this Article shall in no way affect any of the recorded easements in Lakewood Forest Subdivision.

ARTICLE VIII

UNDERGROUND ELECTRICAL SYSTEM

Section 1. Underground Electrical Distribution System. An underground electrical distribution system will be installed in those parts of the Properties, designated Underground Residential Subdivision. 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 requirements of local governing authorities and the National Electric Code) the underground service cable and appurtenances from the point of the electrical 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 electrical company at a point designated by such company at the property line of each Lot. The electrical company furnishing service shall make the necessary connections at said point of attachment and at the meter. In addition, the Owner of each Lot shall, at his own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the electrical company furnishing service) for the location and installation of the meter of such electrical company for the residence constructed on such Owner's Lot. For so long as underground service is maintained, the electrical service to each Lot in the Underground Residential Subdivision, shall be uniform in character and exclusively of the type known as a single phase, 120/240 volt, three wire, 60 cycle, alternating current.

Section 2. Use of Easements. Easements for underground utility services may be crossed by driveways and walkways provided prior arrangements have been made with the utility furnishing service. Such easements for underground services shall be kept clean of all other improvements, including buildings, patios, or other pavings, other than crossing walkways or driveways, and no utility company using the easements shall be liable for any damage done by them or their assigns, their agents, employees or servants to shrubbery, trees, flowers or other improvements of the Owner located on the land covered by said easements.

Section 3. The restrictions and covenants contained in this Article shall be applicable to all Sections of the Subdivision, designated as Underground Residential Subdivision, which shall include, but not be limited to, Sections 12 and 14 and Lakewood Forest Patio Homes, Section One and Section Two, of Lakewood Forest Subdivision.

Section 4. No provision of sections 1, 2 or 3 contained in this Article (the text of which is prescribed by the electric company) shall in any manner operate or be construed to permit the construction on any Lot of any type of residential structure other than a single family residence as provided in Article III. The easements and provisions stated in this Article shall in no way affect any of the recorded easements on any of the Properties and/or Lots of the Subdivision, except as expressly provided herein.

NOTICE REQUIREMENTS; MANAGEMENT AGREEMENTS; LEASES AND DELEGATIONS

Section 1. Notice to LAKEWOOD FOREST FUND, INC. Any Owner who mortgages his property, conveys his interest in his property by deed, contract for deed, lease, rental agreement or other conveyance, shall give notice to the LAKEWOOD FOREST FUND, INC., giving the name and address of the mortgagee, grantee, contract purchaser, lessee, or renter, as the case may be. The FUND shall maintain such information in its permanent records. It shall be the responsibility of the Lot Owner to notify the FUND of the proper name and address of the current Owner, and unless such notification is received all correspondence and billings shall be sent to the name and address contained in the last entry on the rolls of the FUND for that Lot. Such notification shall be deemed sufficient for all notification purposes. Should any Owner lease and/or rent and/or contract to deed his property, said Owner shall notify the FUND of his current address (including a complete street address, any apartment number or other designations, and the complete zip code) and shall promptly notify the FUND of any subsequent changes of address. Such notification to the FUND of a new address and/or any changes of address shall be made within ten days of the date that the new address is acquired and shall be by written communication to the FUND. Any notice or other written communication required in this Declaration to be sent to a Lot Owner may be sent to the last known address of the Lot Owner, and such notification shall be deemed sufficient for all notification purposes. Should there be any action requiring a vote or assent of the Lot Owners, and the Lot Owner has failed to provide the notifications required by this section, then the FUND need only exercise reasonable diligence to locate the Owner. The burden of showing lack of reasonable diligence shall be upon the Lot Owner. The mailing address for the LAKEWOOD FOREST FUND, INC. shall be 12415 Louetta Road, Cypress, Texas 77429, or such other address as the FUND shall so designate in writing to the Lot Owner(s).

Section 2. Notice of Default. The FUND shall notify a first mortgagee in writing, upon request of such mortgagee, of any default by the mortgagor in the performance of such mortgagor's obligations as set forth in this Declaration, and which default had not been cured within thirty days.

Section 3. Examination of Books. The FUND shall permit record owners of lots herein to examine the books and records of the FUND during normal business hours and/or by appointment.

Section 4. Reserve Fund. The FUND shall establish an adequate reserve fund for the replacement of the common area property and any other fixed assets owned by the FUND, and shall fund the same by regular payments rather than by special assessments.

Section 5. Delegation of Owners' Use of Common Areas. Any Owner may delegate, in accordance with bylaws of the FUND, his right of enjoyment to the common areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the property. No such delegation shall work a severance of the rights of enjoyment of the common areas and facilities from the ownership of a Lot, and any such delegation by any Owner shall automatically terminate upon conveyance of legal title to such Lot by said Owner.

Section 6. Leases and Rental Agreements. All leases and/or rental agreements and/or contract for deed of any dwellings or other structures on any Lot must: (1) be in writing, (2) provide that all such leases and rental agreements or contract for deed are specifically subject in all respects to the provisions of this Declaration, the Articles of Incorporation of the FUND, and bylaws of the FUND, and (3) provide that any failure by the lessee or renter or contract purchaser to comply with the terms and conditions of the documents enumerated in (2) shall be a default under

such leases or rental agreements or contract purchaser. Additionally, each Lot Owner shall furnish his tenant(s) with a current copy of this Declaration and deed restrictions on or before the effective date of the lease or rental agreement. The failure of the Lot Owner to so furnish his tenant(s) with a current copy of this Declaration shall in no way relieve either the Lot Owner or the tenant(s) from the duties, obligations, restrictions, conditions or provisions of this Declaration. All lessees and/or renters and/or contract purchasers of any Lot in the Subdivision shall be bound by the provisions of this Declaration even if the lessor and/or grantor fails to comply with the requirements in this section. Other than the foregoing, there shall be no restriction on the right of any Owner to lease his property in a manner consistent with the provisions of this Declaration.

Section 7. Management Agreements. Any management agreement entered into by the LAKEWOOD FOREST FUND, INC. shall be terminable by the FUND for cause upon not more than sixty days written notice, and the term of such management agreement will not exceed the period of three years, renewable by agreement of the parties to such agreement for successive three-year periods.

Section 8. Manner of Notice. Every notice required under the provisions of this Declaration may be served by delivering a copy of the notice to the Lot Owner or other party entitled to receipt of the notice, or to his duly authorized agent, either in person or by certified mail to his last known address. Notice by mail shall be complete upon deposit of the notice, enclosed in a post paid, properly addressed envelope, in a post office or official depository under the care and custody of the United States Postal Service. Where a particular provision provides for notice by regular mail, such notice may be sent by regular mail under the same provisions as contained in the preceding sentence. Whenever a party has the right or is required to do some act within a prescribed period after the service of the notice upon him by mail, three days shall be added to the prescribed period. Nothing herein shall preclude any party from offering proof that the notice was not received, or, if the notice was sent by mail, that it was not received within three days from the date of deposit in a post office or official depository under the care and custody of the United States Postal Service. However, the burden of proof shall be upon the recipient of the notice to establish conclusively that such notice was not received or, was not received within three days from the date of mailing.

Section 9. Computation of Time Periods. In computing any period of time prescribed or allowed in this Declaration, the day of the act, event, or notice after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor legal holiday. The date for any hearings prescribed by this Declaration shall also be computed by the provisions of this section.

ARTICLE X

GENERAL PROVISIONS

Section 1. Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be binding on the LAKEWOOD FOREST FUND, INC., all signatories hereto and all Lot Owners in the Subdivision, their respective legal representatives, heirs, successors and assigns, for an initial term commencing on the effective date hereof and ending on the thirty-first (31st) day of December, 2020. The rights, uses, easements and privileges of the Lot Owners in and to the common areas as provided for herein shall be deemed to be covenants running with the land and shall be perpetual. During the initial term, the covenants and restrictions of this

Declaration may be changed or amended only by an instrument signed by the Record Owners of not less than seventy-five percent (75%) of the Lots in the "Approving Section(s)" of the Subdivision, and properly recorded in the appropriate records of Harris County, Texas. Upon the expiration of such initial term, said covenants and restrictions (if not previously amended, and as amended, if amended), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten years. During such ten-year extension periods, the covenants and restrictions to this Declaration may be changed or amended only by an instrument signed by the Record Owners of not less than seventy-five percent (75%) of all the Lots in the "Approving Section(s)" of the Subdivision, and properly recorded in the appropriate records of Harris County, Texas. Any amendment of this Declaration must be recorded in the Real Property Records of Harris County, Texas.

If a Lot is owned by joint Owners, there shall be only one vote cast for each such Lot and the approval of any one joint Owner shall be sufficient for the purpose of providing the required approval of this Declaration as to such Lot. Either husband or wife may provide the required approval in cases where such Lot is owned by married persons, but the signature of both husband and wife shall not be required. The signatures of the Lot Owner(s) need not be acknowledged or notarized. It shall be sufficient that the custodian of records of the LAKEWOOD FOREST FUND, INC. verify that the required number of Lot Owners approved the Declaration; that the signature sheets or cards are maintained and will be maintained in the permanent records of the FUND; and that the name of the Owners of the Lots approving this Declaration have been verified as being the Record Owners of such Lots. The Record Owner shall be such Owner or Owners having title to such Lot at the time the required approval is obtained as to that Lot. After a Lot Owner approves and signs the Declaration, the fact that the Owner subsequently conveys the Lot shall not affect the validity of the previous signing of the Declaration, and further approval as to that Lot shall not be required. Where a Record Owner (such as a builder or developer) owns more than one Lot, his signature on the Declaration shall constitute approval as to all Lots owned by him in the Subdivision.

For Amendment purposes, the "Approving Sections" shall be treated as if they were one Section such that the combined approval of seventy-five percent (75%) of the Record Owners in such "Approving Section(s)" shall be required. It shall not be required that the approval of seventy-five percent (75%) of the Record Owners on a Section by Section basis be obtained.

Following any such Amendment, every reference herein to this Declaration shall be held and construed to be a reference to this Declaration as so amended.

It is the intent of this section that all restrictions, covenants, conditions, easements, exceptions, reservations and each and every term and provision of this Declaration shall be perpetual unless amended or terminated in the manner provided in this section.

Section 2. Enforcement. Upon any violation or attempt to violate any of the covenants herein, it shall be lawful for the LAKEWOOD FOREST FUND, INC., or any other Owner to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to recover damages or other dues for such violations. The Board of Trustees of LAKEWOOD FOREST FUND, INC. or any Lot Owner shall have the right to enforce, by a proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. It is expressly provided that the LAKEWOOD FOREST FUND, INC. shall have standing to bring any action to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

In the event of any violation or attempted violation of any of the terms or provisions of this Declaration, enforcement of the terms and provisions shall be authorized by any proceedings at law or in equity against any person or persons so violating or attempting to violate any of the provisions hereof, including by means of actions to restrain or prevent such violations or attempted violation by injunction, prohibitive or mandatory, and it shall not be a prerequisite to the granting of such injunction that there shall be an inadequate remedy at law or that there shall be any showing of irreparable harm or damage if such injunction is not granted. It shall be stipulated in any such legal action for injunctive relief that there is no adequate remedy at law and that irreparable harm or damage will result if the injunction is not granted. In addition, any person entitled to endorse the provisions hereof may recover such damages, either actual or punitive, as such person may show himself justly entitled by reason of such violation of the terms and provisions hereof.

Failure or delay by the Board of Trustees of the LAKEWOOD FOREST FUND, INC. or by any Owner or by any other person or entity having any rights herein to enforce any covenant or restriction hereof shall not be construed to constitute a waiver of the right to thereafter enforce such provision or any other provision hereof. Such failure or delay of any such party shall not be considered as a basis for estoppel either in equity or at law. Such parties may exercise their rights herein despite said delay or failure to enforce said terms and provisions hereof on a prior occasion.

Section 3. Severability. In the event that any of the provisions hereof, or any portion thereof, shall become or be held to be invalid, whether by judicial decision or otherwise, such invalidity shall not affect, alter or impair any other provision hereof that was not so declared invalid, and such other provisions shall be and remain in full force and effect in accordance with the terms hereof.

Section 4. Annexation. Additional lands may become subject to the scheme of this Declaration in the following manner:

- (a) with the written consent of one hundred percent (100%) of the property owners in the area to be annexed and with the unanimous approval of the Board of Trustees of the LAKEWOOD FOREST FUND, INC.; and
- (b) the execution and filing for record by the owner of the property being added or annexed of an instrument which shall be called "Articles of Annexation" which shall at least set out and provide in substance: the name of the owner of the property being added or annexed who shall be called the "declarant"; the perimeter description of the property being added or annexed which for descriptive purposes may be designated as the fifteenth, sixteenth, etc., as the case may be, Section under this Declaration; the description of the residential areas and of the common areas of the property being added or annexed and the rights and easements of the Owners in and to the common area; that the property is being added or annexed in accordance with the provisions of this Declaration of Covenants, Conditions and Restrictions, and that the property being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of this Declaration of Covenants, Conditions and Restrictions; that all of the provisions of the Declaration of Covenants, Conditions and Restrictions shall apply to the property being added or annexed with the same force and effect as if said property were originally included therein as part of the original development; that the property being added or annexed is submitted to the jurisdiction of the Board of Trustees of LAKEWOOD FOREST FUND, INC. with the same force and effect as if said property were originally included in this Declaration of Covenants, Conditions and Restrictions as

part of the original development; that the common area of the property being added or annexed will be conveyed to the Board of Trustees of LAKEWOOD FOREST FUND, INC., subject to the rights of the owners therein, prior to the sale of the first lot in the added or annexed property; such "Articles of Annexation" may contain such other provisions which are not inconsistent with the provisions of this Declaration of Covenants, Conditions and Restrictions; and, the consent as required in subsection (a) above has been obtained in the manner prescribed therein.

- (c) At such time as the "Articles of Annexation" are filed for record and the common area of the annexed property has been conveyed to the Board of Trustees of LAKEWOOD FOREST FUND, INC., the annexation shall be deemed accomplished and the annexed area shall be part of the properties and subject to each and all of the provisions of this Declaration of Covenants, Conditions and Restrictions and to the jurisdiction of the Board of Trustees of LAKEWOOD FOREST FUND, INC. in the same manner and with the same force and effect as if such annexed property had been originally included herein as part of the initial development. Each Lot Owner, lien holder, builder, Developer and other persons or entities having an ownership interest in the land in the annexed area shall sign this Declaration and any Supplemental Declarations as a condition precedent to the annexation becoming legally effective.
- (d) After addition and annexation are made to the development, all assessments collected by the Board of Trustees of LAKEWOOD FOREST FUND, INC. from the Owners in the annexed areas shall be commingled with the assessments collected from all other Owners so that there shall be a common maintenance fund for the properties.

Section 5. Joinder of Lien Holders. The undersigned lien holder(s) join herein solely for the purpose of subordinating the liens held by them of record upon the properties to the covenants, conditions and restrictions hereby imposed by this Declaration with, however, the stipulation that such subordination does not extend to any lien or charge imposed by or provided for in this Declaration.

Section 6. Lien Holders' Rights. No violation of any restrictions, covenants or conditions shall affect or impair the rights of any mortgagee, trustee or lien holder under any mortgage or deed of trust, or the rights of any assignee of any mortgage, trustee or lien holder, under any such mortgage or deed of trust.

Section 7. Multiple Counterparts. This document has been prepared in multiple original counterparts in order to facilitate its execution by the existing Lot Owners whose names appear below. Each counterpart shall be legally valid and of full force and effect notwithstanding the fact that it does not contain the signatures of all the Lot Owners or their respective spouses and shall be binding upon all signatories thereto.

Section 8. Gender and Grammar; Use of Pronouns and Captions. The singular, wherever used herein, shall be construed to mean or include the plural whenever applicable, and vice versa, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships, associations or other entities or to individuals, male or female, shall in all cases be assumed as though in each case were fully expressed.

Use of pronouns, such as the use of neuter, singular or plural pronouns, refer to the parties or things described herein, and shall be deemed a proper reference even though the parties may be an individual, either male or female, partnership, corporation, association, joint venture or other entity.

Section 9. Titles. The titles of this Declaration of the Articles and sections contained herein are for convenience only and shall not be used to construe, interpret or limit the meaning of

any term or provision contained in this Declaration. The titles to each of the various Articles and sections shall have no effect on or be deemed part of the text of this Declaration. The word "Section(s)" shall generally refer to Sections of the Subdivision and the word "sections(s)" shall refer to paragraph headings within Articles. Further, the captions, numbering sequences, paragraph headings and punctuation organization used in this Declaration are for convenience only and shall in no way define, limit or describe the scope of the Declaration or any part thereof.

Section 10. Incorporation. The terms and provisions of this Declaration shall be construed as being adopted in each and every contract, deed, conveyance, lease, rental agreement, contract for deed or other agreement affecting title to or interest in any and all Lots in the Subdivision heretofore or hereafter executed whether or not referenced to therein, and all estates conveyed therein and warranties of title contained therein shall be subject to the terms and provisions of this Declaration, and such terms and provisions are hereby incorporated into each such contract, deed, conveyance, lease, rental agreement, contract for deed or other agreement affecting title or interest to such Lots by reference as if set forth therein verbatim.

Section 11. Binding Effect; Successors in Title. All the terms and provisions hereof shall be binding on all of the parties hereto, all signatories hereto, all persons or entities who own or possess an interest or title to any Lot(s), whether heretofore or hereafter acquired, and all persons or entities claiming an interest by deed, contract for deed, lease or rental agreement, and/or other conveyance, and to each of the foregoing's respective heirs, personal representatives, successors, executors, administrators, legal representatives and assigns. The terms and provisions of this Declaration shall inure to the benefit of the LAKEWOOD FOREST FUND, INC. and its successors and assigns.

Section 12. Effective Date. When the required approval of this Declaration has been obtained, pursuant to the provisions of Article II hereof, this Declaration shall become effective and of legal force at 5:00 o'clock p.m. on the date that this Declaration is filed for record in the Real Property Records of the County Clerk's Office of Harris County, Texas. Should one or more Sections of the Subdivision approve the Declaration (hereinafter referred to as "Approving Section(s)", while other Sections of the Subdivision have not so approved it, an original counterpart (as provided in Article X, section 7) may be filed in the Real Property Records of the County Clerk's Office of Harris County, Texas, and the Declaration shall be effective as to such "Approving Section(s)" on the date and in the manner provided herein. An authorized official of the Board of Trustees of the LAKEWOOD FOREST FUND, INC. shall verify that such "Approving Section(s)" have approved this Declaration, in the manner provided in Article II hereof, and the "Approving Section(s)" shall be designated conspicuously under the Title on the first page of this Declaration.

The filing of the Declaration in the Real Property Records of the County Clerk's Office of Harris County, Texas, shall constitute constructive notice of the passage and effective date of this Declaration. Actual notice to the Lot Owners in the "Approving Section(s)" of the passage and effective date of the Declaration shall not be required; however, the Board of Trustees of the FUND shall cause such notice to be published after said effective date in the next issue (consistent with publication schedules) of the Lakewood Forest Civic News.

Such notice shall specify the numerical designation of the "Approving Section(s)" (i.e., Section 1, Section 2, etc.) and the effective date of the Declaration as to each such "Approving Section(s)." The failure to timely publish such notice shall neither invalidate the Declaration, or any of its terms and conditions, nor extend the effective date of the Declaration.

Should the Lakewood Forest Civic News, or its successor, no longer be published at the time of the effective date(s) of this

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Declaration as to any "Approving Section(s)," the publication notices required by this paragraph shall be dispensed with and no further notice shall be required.

Nothing contained herein shall prevent the FUND from providing actual notice, by regular mail, certified mail or personal delivery (as determined by the Board of Trustees of the FUND) to the Lot Owners of the "Approving Section(s)." Should any statute, governmental ruling, judicial decision, or court order require actual notice to the Lot Owners of the "Approving Section(s)" then it is the intent of this section to fully comply with such requirements, and any notice shall be provided in the manner so required.

DECLARANT HEREBY CONSENTS to this Declaration of Covenants and Restrictions and hereby agree that the Lots to which they hold record title, shall be and is hereby subject to this Declaration. We agree that all the terms and provisions hereof shall extend to and be binding on all of the parties hereto and their respective heirs, personal representatives, successors and assigns, and to all other persons and entities bound by the terms and provisions of this Declaration.

Declarant and Lakewood Forest Fund, Inc. agree that this Declaration supercedes that certain Declaration of Covenants and Restrictions of Lakewood Forest Subdivision, Section 15 dated March 15, 1989 and filed for record under Clerk's File No. M-088844 and recorded under Film Code No. 142-74-1377 of the Official Public Records of Real Property of Harris County, Texas (the "Former Declaration") and agree that the Former Declaration is null and void in its entirety.

IN WITNESS WHEREOF, the said Declarant, and the said officers of LAKEWOOD FOREST FUND, INC. have executed this instrument in Harris County, Texas, on the date of their signatures hereto.

Effective this 7th day of August, 1989.

LAKEWOOD FOREST FUND, INC.

by: Kenneth A. Harlan
President

by: Sandra B. Murrell
Secretary

THE STATE OF TEXAS X
 X
COUNTY OF HARRIS X

This instrument was acknowledged before me on the 7th day of August, 1989 by KENNETH A. HARLAN, President of LAKEWOOD FOREST FUND, INC., a Texas Nonprofit Corporation, on behalf of said Corporation.

(SEAL)

Cecilia Boxell
Notary Public in and for
the State of T E X A S

CECILIA BOXELL
Name Printed or Typed

My Commission Expires: 11/27/89

THE STATE OF TEXAS Y
 Y
 COUNTY OF HARRIS Y

This instrument was acknowledged before me on the 7th day of August, 1989 by SANDRA B. MERRELL, Secretary of LAKEWOOD FOREST FUND, INC., a Texas Nonprofit Corporation, on behalf of said Corporation.

(SEAL)

Cecilia Boyell
 Notary Public in and for
 the State of T E X A S

CECILIA BOYELL
 Name Printed or Typed

My Commission Expires: 11/27/89

EMERALD HOMES,
 An Arizona general partnership
 acting by and through its
 Managing General Partner

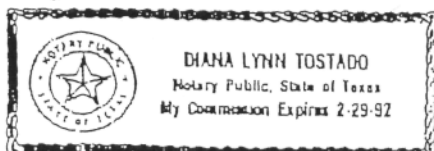
By: Emerald Homes, Inc., a
 Delaware corporation;
 Managing General Partner

By: [Signature]
 PRINTED NAME: Brian Binack
 TITLE: Vice President

THE STATE OF TEXAS Y
 Y
 COUNTY OF HARRIS Y

BEFORE ME, the undersigned authority, on this day personally appeared Brian Binack, Vice President, of Emerald Homes, Inc., a Delaware corporation, acting as managing general partner of Emerald Homes, an Arizona partnership, known to me to be the person whose name he subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and consideration therein expressed, on behalf of such partnership.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 20th day of July, 1989.



My Commission Expires: 2-29-92

Diana Lynn Tostado
 NOTARY PUBLIC IN AND FOR
 THE STATE OF TEXAS
Diana Lynn Tostado
 Printed Name of Notary

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

AUG 11 1989



[Signature]
 COUNTY CLERK,
 HARRIS COUNTY, TEXAS