

Section 4. "Common Areas" shall mean all real property which has been or which may be acquired by the Association, or is platted for the common use and enjoyment of the Owners.

Section 5. "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map or plat of the Properties, with the exception of (a) Reserve tracts, (b) public areas such as parks, parkways and esplanades as shown on any subdivision map or plat, and (c) any Common area which is owned by or may be acquired by the Association.

ARTICLE TWO

Property Rights to Common Areas

Section 1. Owner's easements of enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions.

A) The right of the Association to make, publish and enforce reasonable Rules and Regulations for the use of the Common Areas and facilities owned or operated by the Association and to suspend the voting rights and the right of the owner to use the Common Areas owned or operated by the Association for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations, or so long as the infraction continues.

B) The right of the Association to suspend the voting rights and right of the owner to use the facilities owned or operated by the Association for any period during which any assessment against his Lot remains unpaid.

C) The right of the Association to limit the number of guests of Owners using any portion of the Common Area and any facilities located thereon.

D) The right of the Association, in accordance with its Articles of Incorporation or By-Laws, to borrow money for the purposes of improving the Common Areas and facilities and in aid thereof to mortgage said Common Areas. The rights of any such mortgage in said properties shall be subordinate to the rights of the Owners hereunder; and

E) The right, but not the obligation, of the Association to contract for exclusive services such as trash collection to each Lot, and in the event of annexation by any municipality, water and sanitary sewage.

Section 2. Delegations of Use. Any owner may delegate, in accordance with the By-Laws of the Association, 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.

ARTICLE THREE

Membership and Voting Rights In Association

Section 1. Members. Every owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separate from the ownership of any Lot.

Section 2. Voting Rights. All members shall be entitled to one (1) vote for each Lot owned. When more than one person holds any interest in any Lot, all such persons 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 Lot.

ARTICLE FOUR

Covenants for Maintenance and Capital Improvement Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each owner of any Lot by acceptance of the deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements; such assessments to be established and collected as hereinafter provided, with the provision that any special assessments must have the concurrence of a majority of the members. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be secured by a continuing Vendor's Lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligations of the person who was the owner of such property at the time when the assessment fell due.

Section 2. Purpose of Assessments. The annual assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, pleasure and welfare of the residents in the Properties; the improvement, operation, administration, management, preservation and maintenance of the Common Area and any part thereof; the payment of all expenses and obligations lawfully incurred by the Association in connection with the Common Area or services for all Lots. The special assessments shall be used for the purpose of paying the cost of capital improvements for which such special assessment is levied, and all expenses incidental thereto. It being understood that the judgement of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges, and in the expenditure of said funds shall be final and conclusive so long as said judgement is exercised in good faith.

Section 3. Maximum Annual Assessment.

A) Beginning on January 1, 1984, the maximum annual assessment shall be \$285.00 for each Lot, which shall be due and payable as provided hereafter, except for those lots proven to be owned by a legitimate Builder, who is registered with a recognized builders association, which shall be assessed at a rate equal to 66% of the above cited Maximum Rate. The assessment shall begin at the time the Lot is first taken down by the initial builder.

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B) From and after January 1, 1986, the maximum annual assessment per Lot may be adjusted to more clearly reflect the true costs and anticipated economic conditions affecting the Corporation.

C) For the calendar year of 1986 the maximum annual assessment per Lot shall not exceed \$336.30.

D) From and after January 1, 1987 the Board of Directors may, by unanimous vote, increase the annual assessment by not more than fifteen percent (15%) above the maximum assessment for the previous year, or by the rate established by the U.S. Government as the increase in the consumer price index, whichever is greater, above the maximum assessment for the previous year without a vote of the membership.

E) From and after January 1, 1985 the maximum annual assessment may be increased above the amounts referenced in this Section by the vote or written assent of the majority of all members.

F) The Board of Directors of the Association may, after consideration of current maintenance costs and future needs of the Association, 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 Association of its right to revert to the full assessment for future years.

G) The Board of Directors shall fix the annual assessment of an amount not to exceed the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstructions, repair or replacement of capital improvement upon the Common Area and any properties, building, or other assets owned by the Association, including necessary furniture equipment, and other personal property related thereto, provided that any such special assessment shall have the vote or written assent of a majority of the members at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized under Section 3 and 4. Any action authorized under Sections 3 and 4 shall be taken at a meeting called for that purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting. At the first meeting called the presence of Members or of proxies entitled to cast one-twelfth (1/12) of all votes of the membership shall constitute a quorum. If the required quorum is not present, a second meeting may be called with no further notice required, and the required quorum at the subsequent meeting shall have one-half (1/2) of the required quorum at the preceding meeting. If the required quorum at such subsequent meeting is not present a third meeting may be called, without further notice required, and the required quorum at such subsequent meeting shall be one-third (1/3) of the required quorum at the preceding meeting. If a quorum is not present at such subsequent meeting, a final meeting will be called and those Members present shall constitute a quorum. No such subsequent meeting shall be held more than 50 days following the previous meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments shall be fixed at a uniform rate for each class of Lots.

Section 7. The Board of Directors power to levy assessments (both general and special) and to make expenditures which shall be limited in the following respects:

A) Capital expenditures in any one given year shall be limited to a maximum of Twenty Five Thousand Dollars and no cents (\$25,000.00).

B) The aforementioned special assessments shall be expended only on capital improvements, except in an emergency situation in which case the Board may spend a maximum of Twelve Thousand Five Hundred Dollars and no cents (\$12,500.00) for any occurrence, without a vote of the Owners.

C) The Board shall not establish assessment rates that will increase reserve funds by more than Ten (10%) percent of the average maintenance assessment collections of the preceding ~~two~~ years.

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Section 8. 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 Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to each lot owner at the direction of the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

Section 9. Effect of Non-Payment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of One and one-half percent (1 1/2 %) per month on the total unpaid balance. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclosure of the lien against the Lot. Interest, costs, and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, and by an action brought in the name of the Association in a like manner as mortgage or deed of trust lien on real property. The lien provided for in this section shall be in favor of the Association and shall be for the benefit of all lot owners. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of this Lot.

Section 10. Subordination of the Lien to Mortgages. The Vendor's Lien securing the payment of the assessments provided for herein shall be subordinate to all liens present and future, given granted and created by or at the instance and request of the Owner of any such Lot to secure the payments of monies advanced or to be advanced on account of the purchase price and/or the improvements on any such Lot.

Section 11. Exempt Property. All properties dedicated to, and accepted by, a local public authority and all properties owned by charitable or non-profit organizations exempt from taxation by the laws of the State of Texas shall be exempt from the assessments created herein, except no such land or improvements devoted to dwelling use shall be exempt from said assessments.

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Section 12. Insurance

A) It is specifically provided that each Owner shall be responsible for obtaining his own personal insurance on his own residence as well as its contents against the risks of fire and other hazards. This provision shall take precedence over the succeeding provisions of this section. Each Owner shall furnish proof that such insurance coverage is in effect to the Association from time to time upon request by the Association.

B) The Board of Directors of the Association shall obtain and continue in effect property insurance to insure the buildings and other structures in the Common Area against risk of loss by fire and other similar hazards and shall obtain comprehensive public liability insurance in such limits as it shall deem desirable, insuring the Association, its Board of Directors, agents and employees and each Owner, from and against liability in connection with the Common Areas.

C) Each Owner shall be responsible at his own expense and cost for obtaining his own personal insurance on the contents of his own residence, garage, parking area, including decorations, furnishings and personal property therein, and elsewhere on the property.

D) In the event of damage or destruction by fire or other casualty to any house or any other property covered by insurance written in the name of an individual Owner, said Owner, shall, with 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 should refuse or fail to so repair and rebuild and all the damage to such house or other property within thirty (30) days regardless of whether or not the insurance proceeds are sufficient to pay all costs of repair and restoration, the Association, by and through its Board of Directors, 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 its original plans and specifications or in a manner approved by the Architectural Control Committee. The Owner shall then promptly repay the Association the amount actually expended for such repairs plus interest thereon at the rate of 18% per annum, and the Association shall have a lien securing payment of said amount identical to that provided herein securing the payment of insurance premiums and subject to foreclosure as herein provided.

E) Should any mortgagor fail to concur in the application of the insurance proceeds or the cost of repair and restoration, such proceeds shall first be applied to the sums secured by the first mortgage, with the excess, if any, applied to the cost of repair and restoration of such house and other property.

F) All costs, charges and premiums for all insurance that the Board of Directors authorized as provided herein except on the individual houses, shall be a common expense of all Owners and be a part of the maintenance assessment.

Section 13. Taxes. Each Owner shall directly render for taxation his own Lot and Improvements and property thereon, and shall at his own cost and expense directly pay all taxes levied or assessed against or upon his Lot and Improvements and property thereon. The Association shall render for taxation and as part of the common expense of all Owners shall pay all taxes levied or assessed against or upon the Common Areas and the Improvements and property appertaining thereto.

ARTICLE FIVE

Architectural Control

No building, fence, wall, swimming pool, gazebo, structural flagpole, satellite dish, windmill, solar panel or any other structure shall be commenced, erected, or maintained upon any Lot, nor shall any exterior addition to or change or alteration thereon be made until the plans and specifications showing the nature, kind, shape, heights, materials, color and location of the same shall have been approved in writing as to harmony with external design and location in relation to surrounding structures and topography by the Architectural Control Committee which shall be composed of three (3) or more representatives appointed by the Board of Directors of the Association. In the event said Committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have fully complied with.

ARTICLE SIX

Maintenance and Repairs

Section 1. Necessary Exterior Repairs by Association Occasioned by Member's Neglect. Every Owner of a Lot by the acceptance of a deed for the same, or by acceptance of title as devisee or heir, covenants that he, she or it will not permit the Lot or any Improvements (including but not limited to the grass, shrubs, trees, driveways, walks, and fences) thereon to be otherwise maintained than in good repair and in safe, neat and attractive condition. In the event any Owner shall fail to so maintain his Lot and such neglect, in the judgement of the Board of Directors of the Association, should result in a condition of unsightliness tending to adversely affect the value or enjoyment of neighboring Lots or should it constitute a hazard to persons or property, the Board of Directors of the Association or its Deed Restriction Committee, may give notice of such conditions to the Owner of the Lot, demanding that such conditions be abated within ten (10) days from the date the notice is sent.

the owner of the Lot does not rectify the condition at the end of such period, the Association may cause such work to be performed as is necessary upon the Lot and the cost of such services shall be added to and become part of the annual maintenance assessment or charge to which such Lot is subject 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, except that payment for any work performed pursuant to this Section shall be due upon presentation to the Owner, either in person or by regular mail, of the Association's invoice therefor. Default in prompt and full payment within ten (10) days from the date the invoice is sent to the Owner, shall entitle the Association to Eighteen percent (18%) interest per annum on the amount due from the date of the invoice, which interest shall also constitute a lien upon the Lot and an obligation of the Owner thereof.

Section 2. Access to the Association at Reasonable Hours. For the purpose of performing, after expiration of the notice period required in Section 1 hereof, the necessary exterior work, the Association, through its authorized agents, servants, employees, or contractors, shall have the right to enter upon any Lot within the Properties at reasonable hours except Sundays and legal holidays. Such entry shall however, require two-thirds (2/3) vote of the Board of Directors.

ARTICLE SEVEN

Use Restrictions

The Lots and the Common Area shall be occupied and used as follows:

Section 1. Residential Use. No Owner shall occupy or use his Lot or building thereon, or permit the same or any part thereof to be occupied or used for any purpose other than as a private single family residence for the Owner, his family, guests and tenants of no more than two full stories in height with an attached or detached private garage which shall be of standard size to accommodate not less than two or more than five cars. As used herein the term "residential purposes" shall be construed to prohibit the use of said property for duplex houses, garage apartments or apartment houses and no Lot shall be used or occupied for any business, commercial, trade or professional purposes whether apart from or in connection with the use thereof as a residence. However, the above notwithstanding, the Declarant and builders shall also have the temporary right to use a residence situated on a Lot as a temporary office or model home during the period of and in connection with construction and sales operations in the Properties, but in no event, shall the Declarant or a builder have such right for a period in excess of six (6) months from the date of substantial completion of his last residence in the Properties.

Section 2. Architectural Control. No building shall be erected, placed or altered on any Lot until the construction plans and specifications and a plat plan showing the locations of the structure have been approved by the Architectural Control Committee, as established in Article V, as to materials, harmony of external design with existing structures, and as to location with respect to topography and finished grade elevation. No fence or wall shall be erected, placed or altered on any Lot nearer to the street than the minimum building set back lines as shown on the recorded plat. Submissions to the Committee not approved nor disapproved within thirty (30) days from the date of submission shall be deemed approved.

Section 3. Dwelling Size.

The livable areas of each main residential structure, exclusive of open or screened porches, stoops, open terraces, garages, or detached servant quarters, shall not be less than 2,000 square feet, except Lots 1 through 26, Block 1, Lots 16 through 29, Block 2, Lots 17 through 26, Block 3 and Lot 12, Block 5, as to which the livable area shall not be less than 1600 square feet.

Section 4. Type of Construction, Materials and Landscape.

A) No residence shall have less than fifty-one percent (51%) brick or equivalent masonry construction on its exterior wall area, except that detached garages may have wood siding of a type and design approved by the Architectural Control Committee.

B) No roof of any building shall be constructed or covered with asphalt shingles or composition roofing materials unless (a) they are of a grade to match or better GAF Timberline shingles (330 pounds or better), or (b) they be approved by the Architectural Control Committee. All roof mounted solar panels, in general, must be 14 inches from the lower and side roof edges. The panels should not be mounted on overhangs or free standing roof areas. They must be made of good quality material and mounted so that in a high wind they do not become unanchored and cause damage to other Properties. The above notwithstanding all solar, and alternate energy installations, must be approved by the Architectural Control Committee.

C) No window or wall type air-conditioners shall be permitted to be used, erected, placed or maintained on or in any building except in sales offices as described hereinabove.

D) Each kitchen in each dwelling or living quarters situated on any Lot above described shall be equipped with a garbage disposal unit, which garbage disposal unit shall be at all times kept in a serviceable condition.

Section 5. Building Location. No building shall be located on any Lot nearer to the front Lot Line or nearer to the side street than the minimum building set back lines shown on the recorded plat. In any event, no building shall be located on any residential building plot nearer than 25 feet to the front lot line, nor nearer than 10 feet to any side street line unless otherwise noted on the recorded plat. No building shall be located nearer than three (3) feet to any Interior Lot Line, except that a garage or other permitted accessory building located 60 feet or more from the front Lot Line may be located within 3 feet of an Interior Lot Line.

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The purpose of this covenant, eaves, steps and open porches shall be considered as a part of the building; provided, however, that all shall not be construed to permit any portion of a building on any lot to encroach upon another Lot. No garage door located less than twenty-five (25) feet behind the front wall of the main residential structure shall open at less than a ninety (90%) degree angle to the front property line unless expressly approved by the Architectural Control Committee. (No fence, wall, hedge, pergola or other detached structure shall be erected, grown or maintained on any part of any Lot forward of the front building line or on the Lot building line of any corner lot on the side facing the street. No chain link fences shall be erected on any Lot.)

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Section 6. Minimum Lot Area. No Lot shall be re-subdivided, nor shall any building be erected or placed on any Lot having area of less than seventy five hundred (7500) square feet; provided, however, that nothing herein contained shall be construed to prohibit the resubdivision of any Lot or Lots within said subdivision if such re-subdivision increases the minimum Lot area aforesaid of all Lots affected thereby, it being the intention of this restriction that no Lot within said subdivision shall contain less than the aforesaid minimum area. The Architectural Control Committee may approve the construction of single family residences on a building site which consists of parts of one or more lots provided (i) the width of such building site at the building set back line shall not be less than seventy feet (70') and (ii) the provisions of these restrictive covenants fixing distances of improvements from interior lot lines shall be applicable to the new property lines of such building site.

Section 7. Easements. Easements for the installation and maintenance of utilities, drainage facilities, road, streets and pipeline easements heretofore granted are reserved as shown on the recorded plat. Further, there is also dedicated and reserved an unobstructed aerial easement for utilities five (5) feet wide and from a plane 20 feet above the ground upward located to all easements shown on the above recorded plats. 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, or flowers or other property of the Owner situated on the land covered by said easement. Further, as referenced heretofore, an easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Common Area and any Lot to perform the duties of maintenance and repair of the residence or Common Area provided for herein. In addition, Declarant reserves for the benefit of MacCarey Properties, Inc., its successors and assigns, the right and privilege to use the public road easements and public utility easements shown on the plat of Lakewood Forest, Section Fourteen for the purpose of installing and maintaining a television cable system for use by the owners of lots in such subdivision. Notwithstanding anything to the contrary contained in this paragraph, 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 Architectural Control Committee. Should any utility furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Association shall have the right to grant such easement without conflicting with the terms hereof.

The easements provided or in this Article shall in no way affect any of the recorded easements on said premises.

A) **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.

B) **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 8. 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 Directors.

Section 9. Insurance. 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 Directors. No Owner shall permit anything to be done or kept in the Common Area which will result in the cancellation of insurance on any part of the Common Area, or which would be in violation of any law. No waste will be placed in or on the Common Areas.

Section 10. Nuisances. No noxious or offensive activity shall be carried on upon any Lot or the Common area, nor shall anything be done thereon which may be or become an annoyance or nuisance to the other Owners. No repair work, dismantling or assembling of motor vehicles or any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street, or in the Common Area, which would be harmful or offensive to the other Owners and in no event for a period greater than twenty-four hours.

Section 11. Temporary Structures.

A) No structure of a temporary character, whether trailer, basement, tent, shack, car port, barn, or other out-building shall be maintained or used on any Lot at any time as a residence or for any other purposes; however,

(I) anything contained in these restrictions to the contrary notwithstanding, there shall be permitted on any residential Lot the use of a dog house, so long as said dog house is not of unreasonable size, is so placed on a residential Lot so as not to be visible from the street on which said Lot faces, and is constructed and maintained in such a manner as to comply with these restrictions and covenants;

(II) and provide further, however, that anything contained in these restrictions to the contrary notwithstanding, that there shall be permitted on any residential Lot the use of a storage building, not to exceed 6 feet in height, 8 feet in width or length and 6 feet in length or width, and not to exceed over 288 cubic feet of enclosed and roofed area, provided, that said storage building is positioned on each residential Lot in a manner such that the greatest portion of said building as is possible is not visible from the street on which said Lot faces, and provided further, that said storage building is built and maintained in a manner consistent with these restrictions and covenants.

B) No truck, camper, trailer, automobile, boat -- whether powered or sail or otherwise, or other vehicle will be stored, parked or kept on any Lot or in any street for more than sixty (60) hours during a seventy-two (72) hour period, and no inoperative vehicle (inoperative defined herein as not in a running or useable condition or on which the inspection or the license plate has expired) may be parked or stored on any Lot or in any street at any time; provided, that nothing herein contained shall be construed to prohibit the storage of an unused or inoperative vehicle or any other vehicle, trailer or boat in the garage permitted on any Lot covered hereby; provided, further, however, that nothing contained in these restrictions shall be construed to prohibit the storage of all such vehicles or boats except inoperative vehicles, behind a solid wooden fence constructed on Lots covered by these restrictions, said fence to be constructed so that there are no gaps between the boards constituting said fence, said fence to be maintained in accordance with other provisions of these restrictions, said fence not to exceed six feet in height, and the height of permitted vehicles and boats so stored behind such fence shall not exceed the height of the fence.

Section 12. Signs and Billboards. No signs, billboards, posters or advertising devices of any character shall be erected on any Lot or plot except one sign of not more than five (5) square feet advertising the property for sale or rent or signs used by a builder to advertise the property during the construction and sales period. The Association or its agent shall have the right to remove any sign not complying with the provisions of this Section, and in so doing, shall not be liable and is expressly relieved of any liability for trespass or other tort in connection therewith, or arising from such removal.

Section 13. Oil and Mining Operations. No gas or oil drilling or development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon or in any Lot. No derrick or other structure designed for use in boring for oil or natural gas or other minerals shall be erected, maintained or permitted upon any Lot.

Section 14. Livestock and Poultry. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except for a maximum of two dogs, cats, or other household pets that may be kept provided that they shall not become a nuisance and are not kept, bred, or maintained for any commercial purposes.

Section 15. Storage and Disposal of Garbage and Refuse. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste materials shall not be kept except in sanitary containers constructed of metal, plastic or masonry materials with sanitary covers or lids. Trash, garbage or other waste shall be kept screened by adequate planting or fencing which may not extend beyond the front or the side (on a corner lot) set back line, so as to conceal them from public view. All Incinerators or other equipment for the storage or disposal of such waste materials shall be kept in a clean and sanitary condition. Provided, further, that no Lot shall be used for the open storage of any materials whatsoever which storage is visible from the street, except that new building materials used in the construction of improvements erected upon any Lot may be placed upon such Lot at the time construction is commenced and may be maintained thereon for a reasonable time, so long as the construction progresses without undue delay, until the completion of the improvements, after which these materials shall either be removed from the Lot or stored in a suitable enclosure on the Lot. There is reserved in favor of the Association the determination of the method of garbage disposal, that is whether it shall be through public authority or through private garbage disposal contractor(s).

Section 17. Outside Antennas. One exterior television antenna shall be allowed for each Lot if they are roof mounted and do not exceed four (4) feet over the main roof hip, no other exterior antennas of any sort shall be placed, allowed or maintained upon any structure or Lot situated upon the Properties without the written approval of the Architectural Control Committee. Satellite dish antennas, in general, must be mounted in concrete below ground level, in such a manor that if unanchored in a high wind they will do no damage to other Properties, and mounted so that they do not exceed fence height and are visible from the street. These guidelines notwithstanding all plans for such antennas must be approved by the Architectural Control Committee.

Section 18. F king. No vehicle shall e parked on streets or driveways so as to obstruct ingress and egress by the Owners of Lots, their families, guests and invitees except for the reasonable needs of emergency, construction or service vehicles for a time limited to as briefly as possible. No vehicle may be parked so as to obstruct postal delivery or as to constitute a saftey or traffic hazard. In any event, no vehicle may be parked for more than seventy-two (72) hours on the public streets or in common areas before being reported for tow-a-way. No vehicle may be parked so as to obstruct postal delivery or as to constitute a safety or traffic hazard.

Section 20. Fences. No fence within the Properties is to exceed six (6) feet in height. No fence within the properties may be made of "chain link". All fences must have the approval of the Architectural Control Committee prior to installation. Fences, once erected, must be maintained in "like new" condition, weathering excepted.

Section 21. Annoyance. No activity shall be carried on upon any Lot or the Common Area which might reasonably be considered as giving annoyance to neighbors of ordinary sensibilities and which might be calculated to reduce the desirability of the Properties as a residential neighborhood, even though such activity may be in the nature of a hobby and not carried on for profit. The Board of Directors of the Association shall have the sole and exclusive discretion to determine what constitutes an annoyance.

Section 22. Brick Walls. Brick walls, entrances or entrance signs when built by the Declarant shall become the property of the Association 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 Association.

Section 23. Non-Discrimination. No action shall at any time be taken by the Association or its Board of Directors which in any manner that would discriminate against any Owner or Owners in favor of the other Owners.

ARTICLE EIGHT

Notice Requirements, Management Agreements,

Leases and Delegations

Section 1. Notice to Association. An Owner who mortgages his house shall notice the Association giving the name and address of this mortgagee. The Association shall maintain such information in its permanent records. It is the responsibility of the Lot owner to notify the Association of the proper name and address of the current owner, unless so received all correspondence and billings will be sent to the name and address contained in the last entry on the rolls of the Association for that Lot. This will be deemed sufficient for all notification purposes.

Section 2. Notice of Default. The Association 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 the Declaration which is not cured within thirty (30) days.

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

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

Section 5. Leases. The Association shall require that all leases of any houses must; (i) be in writing and (ii) provide that such leases are specifically subject in all respects to the provisions of the Declaration, Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms and conditions of such documents shall be a default under such leases. Additionally, each Owner shall furnish his tenant(s) with a current copy of these Deed Restrictions on or before the effective date of the lease. Other than the foregoing, there shall be no restriction on the right of any Owner to lease his house.

Section 6. Management Agreements. Any management agreement entered into by the Association will be terminable by the Association for cause upon not more than sixty (60) days' written notice, and the term of such management agreement will not exceed the period of three (3) years, renewable by agreement of the parties to such agreement for successive three (3) year periods.

Section 7. Delegations of Owner's Use of Common Areas. Regarding an Owner's delegation of his rights of enjoyment to the Common Areas and facilities as provided for in Article II, Section 2 of the Declaration, 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.

ARTICLE TEN

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 by the Association or by an Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

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

Section 3. Duration and Future Amendments. The rights, use easements and privileges of the Owners in and to the Common Area as provided for herein shall be deemed to be covenants running with the land and shall be of perpetual duration. All other provisions, restrictions, covenants and conditions of this Declaration shall run with and bind the land, for a term of twenty (20) 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 twenty (20) year period by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots, and thereafter by an instrument signed by the Owners of not less than seventy-five percent (75%) of the Lots. Any amendment must be recorded in the Real Property Records of Harris County, Texas.

Section 4. Annexation. Additional residential property and Common Area may be annexed to the Properties.

A) With the consent of a majority vote of the membership at a duly constituted meeting and with the consent of two-thirds (2/3) of the property owners in the area to be annexed;

B) The annexation or addition may be accomplished by the execution and filing for record by the Owner of the Property being added or annexed of an instrument which may 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 second or third, etc., as the case may be, section under this Declaration; the description of the residential areas and of the Common Area 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 Association 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 Association subject to the rights of the Owners therein, prior to the sale of the first lot in the added or annexed property; and, such Articles of Annexation may contain such other provisions which are not inconsistent with the provisions of this Declaration of Covenants, Conditions and Restrictions.

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 Association, the annexation shall be deemed accomplished and the annexed area shall be a part of the Properties and subject to each and all of the provisions of this Amended Declaration of Covenants, Conditions and Restrictions and to the Jurisdiction of the Association 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.

D) After addition and annexation are made to the development, all assessments collected by the Association 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.

E) The annexation of Lakewood Forest, Section Fifteen shall be anticipated by these covenants and shall be automatically annexed under this Article upon the presentation of the Plat by the Declarant to the Association, approval of the Plat by the Association and the filing and recording in the Real Property Records of Harris County of the plat and these identical restrictive covenants for Section Fifteen.

Section 6. Rights of Mortgagees, Trustees or Lienholders. No violations of any of these restrictions, covenants or conditions shall affect or impair the rights of any mortgagee, Trustee or Lienholder under any mortgage or deed of trust, or the rights of any assignee of any Mortgagee, Trustee or Lienholder under any such mortgage or deed of trust.

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 such Lot Owners or their respective spouses and shall be binding upon all signatories thereto.

IN WITNESS WHEREOF, the said Declarant, existing Lot Owners and the said officers of the Lakewood Forest Fund, Inc. have executed this Instrument in Harris County, Texas on the date of acknowledgement of their signatures.

We hereby consent to this Declaration of Covenants and Restrictions and hereby agree that the residence to which we hold record title, as described below, shall be and is hereby subject to such covenants:

IN WITNESS WHEREOF, this Declaration is executed this 18 day of October, 1984.

(2)

ATTEST:

DECLARANT:

RIVER OAKS FINANCIAL GROUP CORPORATION 101

William Boston
Secretary - asst

By: Robert C. Hewell
Name: Robert C. Hewell
Title: President

ATTEST:

CO-DECLARANT

LAKWOOD FOREST FUND, INC. 101

Lee Milton
Vice President

By: Sandra Merrell
Name: Sandra Merrell
Title: President

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

STATE OF TEXAS §

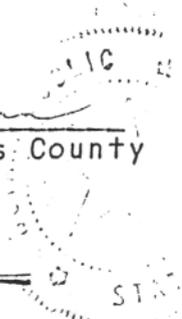
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Robert C. Hewell (Name), President (Title) of River Oaks Financial Corporation, a Corporation, known to be the person whose name is subscribed to the foregoing instrument, and sworn to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER my hand and seal of office on this the 19th day of October, 1984

Stephanie P. Dorman
Notary Public In and for Harris County

STEPHANIE P. DORMAN
Notary Public, State of Texas
Commission Expires 6-8-85



STATE OF TEXAS §

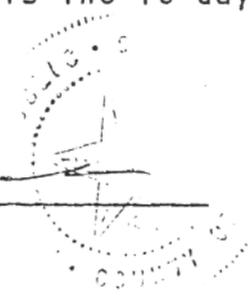
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Sandra Merrell, President of the Lakewood Forest Fund, Inc, a Corporation, known to be the person whose name is subscribed to the foregoing instrument, and sworn to me that she executed the same for the purposes and consideration therein expressly, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER my hand and seal of office on this the 18 day of October, 1984.

Gary Tunmore

Gary Tunmore,
Notary Public In and for
Harris County, Texas.
My Commission Expires 6/14/88



Ret

FIRST TITLE OF HOUSTON
United Bank Plaza, #1650
1415 Louisiana
Houston, Texas 77002

Jim Marshall

097-93-2116

FILED

OCT 22 2 17 PM '84

Quita Rodriquez
COUNTY CLERK
HARRIS COUNTY, TEXAS

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

OCT 22 1984



Quita Rodriquez
COUNTY CLERK,
HARRIS COUNTY, TEXAS

097-93-2115

GUERNSEY ROAD

Richard P. Dow
County Engineer

59.86

60.14

234.97

N0°35'08"W

N86°48'05"E

206.40

49171 SQ. FT.
1.13 ACRES

249.47

N0°50'59"E

130'-0"

200'-0"

N89°09'01"W

379.83'

173.43

500,000 GALLON
ELEVATED STORAGE
TANK

36'-6" DIA.

30'-0"

48'-0"

18'-0" (TYP)

44945 SQ. FT.
1.03 ACRES

27'-0"

12000 GPM WELL

PUMPING STATION BUILDING

20'-0"

500,000 GALLON
GROUND STORAGE
TANK

60'-0" DIA.

100'-0"

89'-0"

178.57'

378.57

18'-0"

42'-0"

65'-0"

261.77'

50°22'16"E

LAKEWOOD PARK SEC. 2
VOL 324, PG 107 N.C.M.R.

LAKWOOD FOREST FUND, INC.
12415 Louetta Rd.
Houston, Texas 77373
Cypress 77429

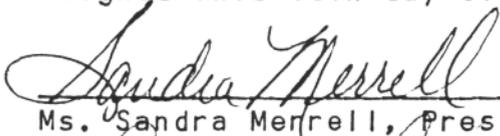
LETTER OF AGREEMENT

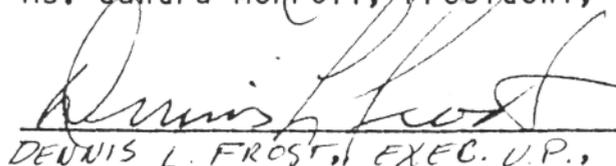
It is hereby agreed by the Lakewood Forest Fund, Inc. that until such time as Lakewood Forest Section 14 is built-out the Board of Directors of the Lakewood Forest Fund, Inc. shall, pursuant to ARTICLE FIVE of the Deed Restrictions of Lakewood Forest Section 14, agree to appoint Mr. Jim Miller, Mr. Phillip Conway, and Mr. Dennis Frost as the three (3) member Architectural Control Committee. It shall be incumbent upon this Committee to monitor the build-out this Section in keeping with the standards of the other Sections of Lakewood Forest. This committee shall have the full powers granted under the Deed Restrictions of Sections 14 and shall operate autonomously from the Association. Upon build-out of Section 14 the Board of Directors of the Lakewood Forest Fund shall appoint three (3) members to replace the above members. The above members will, at that time, formally submit their letters of resignation to the Association.

It is further agreed that upon the request of River Oaks Financial Group for the annexation of Section 15, the filing of the annexation agreement, and the execution of same, the River Oaks Financial Group shall have the full right and power to appoint the three (3) members of the Architectural Control Committee for Section 15 for a period until that Section is build out, following the same guidelines as above. Upon build-out of Section 15 the Board of Directors of the Lakewood Forest Fund shall appoint three (3) Members to replace the members chosen by River Oaks Financial Group Those members chosen by River Oaks Financial Group will formally submit their letters of resignation to the Association at that time.

With the execution of these Deed Restrictions by the Association and the filing of these Restrictive Covenants, the Declarant agrees to donate to the Association the approximately 1.13 acres (49171 sq. ft.) as illustrated in the enclosed plat titled "Proposed Faulkey Gully Water Plant" and made a part of this letter of agreement. The Deed for this property must be conveyed to the Association within twelve (12) months of the filing of these Covenants.

Signed this 18th day of October, 1984.


Ms. Sandra Merrell, President, Lakewood Forest Fund, Inc.


DENNIS L. FROST, EXEC. U.P., River Oaks Financial Group

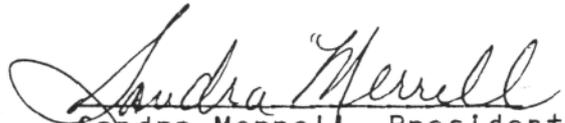
Witnessed

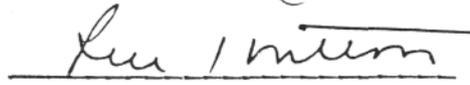
APPROVAL AND ACCEPTANCE

Pursuant to an authorizing resolution, duly and unanimously adopted by the Board of Directors of the Lakewood Forest Fund, Inc., a non-profit corporation, organized and existing under the laws of the State of Texas, the foregoing Declaration of Covenants and Restrictions of Lakewood Forest Subdivision. Section Fourteen, is accepted as binding upon Lakewood Forest Fund, its successors and assigns.

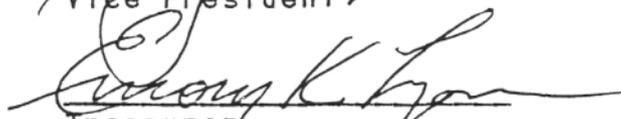
IN WITNESS WHEREOF, the undersigned Directors do hereby join in the execution of the foregoing Instrument on behalf of the Lakewood Forest Fund, Inc., to evidence the Board of Directors opinion that this instrument is in the best interest of the residents of Lakewood Forest Subdivision, Sections Fourteen and Fifteen.

DATED: 9-18-84


Sandra Merrell, President


Vice President


Vice President


Treasurer

Director