

natural surface drainage across the adjoining Lots. Within these slope controlled areas, no structure, planting or other materials shall be placed or permitted to remain or other activity undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow of drainage channels or obstruct or retard the flow of water through drainage channels. The slope controlled areas of each Lot and all improvements in them shall be maintained continuously by the Owner of the Lot (except for those improvements for which a utility company is responsible) in such a manner to comply with this restriction so as not to cause harm or interference with the natural surface drainage of any adjoining Lots. The Architectural Control Committee shall take surface drainage into consideration when considering the location of any structure, fence, pool, etc.

Section 18. Sidewalks. No sidewalk shall be constructed or maintained without the prior written approval of the Board of Trustees of the LAKEWOOD FOREST FUND, INC., and the Board of Trustees of the LAKEWOOD FOREST FUND, INC. shall have the sole authority to determine the location and type of construction of any sidewalks within the Subdivision. Sidewalks shall be defined as walks or raised paths, constructed of concrete or other paved materials, which are parallel to the abutting street and forward of the front or side building line of the Lot nearer than fifteen feet (15') of the abutting street. Notwithstanding the above, the Board of Trustees of the LAKEWOOD FOREST FUND, INC. shall have no authority to require any Lot Owner to construct a sidewalk or to take any portion of Property by eminent domain or otherwise to construct such sidewalks. All permitted sidewalks shall have curb ramps at all crosswalks as required by 23 U.S.C.A. 5402 (b) (1) (F) and all curb ramps shall be constructed in accordance with specifications provided by the Engineering Department of Harris County, Texas.

Section 19. Composite Building Site. Any Owner of one or more adjoining Lots or portions thereof may consolidate such Lots or portions into one building site with a privilege of placing or constructing improvements on such resulting sites in which case setback lines shall be measured from the resulting property lines. Any such composite building site must have a frontage at the building setback line of not less than the minimum frontage of the Lots in the same block. Notwithstanding the above, it is expressly provided that no such consolidation of Lots as provided herein above shall be permitted without the prior written approval of the Architectural Control Committee.

Section 20. Land Near Parks and Water Courses. No building shall be placed nor shall any material or rubbish be placed or stored on any Lot within twenty feet (20') of the property line of any park or edge of any open water course.

Section 21. Windows Facing Streets. No windows facing or visible from the street shall be covered with newspapers, aluminum foil or other unsightly materials. Sheets may be placed upon a window only temporarily for a period not to exceed sixty (60) days from the date of the occupancy of any house. No window, including those in garages, shall be painted.

Section 22. Cutting Weeds and Drainage. Grass, vegetation and weeds on each Lot shall be cut as often as may be necessary in order to maintain the same in a neat and attractive appearance. All damaged, diseased beyond repair and/or

dead trees shall be cut and removed from the Lot. Likewise, all drainage ditches shall be maintained in the same manner and shall be unobstructed at all times. It shall be strictly prohibited to pour oil, gasoline, grease or other petroleum products or substances into any drainage culvert or to otherwise place into any such drainage culvert any objects which might obstruct drainage. Any bridge or culvert constructed over property line and ditches shall be of concrete pipe and a minimum of eighteen inches (18") in diameter, unless the depth of the ditch shall require a larger size for proper drainage.

Section 23. Lot Maintenance. The Owners or occupants of all Lots shall at all times keep all grass and weeds thereon cut in a sanitary, healthful and attractive manner and shall in no event use any Lot for storage of materials and equipment (except for normal residential requirements or incident to construction of improvement thereon as herein permitted) or permit the accumulation of garbage, trash or rubbish of any kind thereon. Every Owner of a Lot by the acceptance of a deed for the same, or by acceptance title as devisee or heir, covenants that he, she or it will not permit the Lot or any improvements thereon, including, but no 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 conditions. No weeds, underbrush or other unsightly growth shall be permitted to grow or remain upon the premises. It shall be the Lot Owner's responsibility to keep the lawn abutting the street on his property line properly edged and to remove any dead limbs or trees which are either unsightly or which are a danger to other property owners.

Except for driveways and walkways constructed by the original builder of the dwelling, no part of the front Lot between the streeting adjoining the Lot and the front and/or side building line shall be paved or covered with any other hardened surface (including concrete and rocks) without the prior written approval of the Board of Trustees of the LAKEWOOD FOREST FUND, INC. and the Architectural Control Committee. It is the intent of this paragraph that within the area defined above only grass, decorative landscaping, trees and associated bordering shall be installed, constructed and/or maintained.

The drying of clothes in public view is prohibited, all yard equipment, wood piles or storage piles shall be kept screened by a service yard or other similar facilities so as to conceal them from public view of neighboring Lots, streets or other Properties.

All residences and other buildings must be kept in good repair, and must be painted when necessary to preserve their attractiveness.

In the event that any Owner shall fail to maintain his Lot in accordance with the provisions contained in this section and in the event of default on the part of the Owner or occupant of any Lot in observing the above requirements or any of the, and, in the judgment of the Board of Trustees of LAKEWOOD FOREST FUND, INC., should same 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 Trustees of LAKEWOOD FOREST FUND, INC., or its deed restriction committee, may give notice of such condition to the Owner of the Lot, demanding that such conditions be abated within ten (10) days from the date the notice is sent. The notice sent by the

Board of Trustees of LAKEWOOD FOREST FUND, INC. shall set forth the action intended to be taken by the Board of Trustees of LAKEWOOD FOREST FUND, INC.

The Board of Trustees of LAKEWOOD FOREST FUND, INC. shall have the right and duty to take any action necessary or desirable in the opinion of the Board of Trustees of LAKEWOOD FOREST FUND, INC. to place the subject Lot in a neat, attractive and safe condition consistent with the intention of this section, including but not limited to, mowing the grass; edging the lawn; removing any garbage, debris, trash, weeds or other unsightly or dangerous objects; removing, trimming or pruning any tree, hedge or planting that, in the opinion of the Board of Trustees of LAKEWOOD FOREST FUND, INC. by reason of its appearance, height, location, condition or the manner in which it has been allowed to grow, is detrimental to the enjoyment of adjoining Lots, is unattractive in appearance, or is a safety hazard to persons or property; to repair or paint any fence on a Lot which fence is out of repair or not in conformity with these restriction; and/or removing any unauthorized signs or structures from the Lot.

If the owner or occupant of the Lot does not rectify the condition by the end of such ten (10) day period, the Board of Trustees of LAKEWOOD FOREST FUND, INC. may, without liability to the Owner or occupant, in trespass or otherwise, enter upon said Lot and cut or cause to be cut such weeds and grass and remove or cause to be removed such garbage, trash and rubbish or do any other thing or cause such work to be performed as is necessary upon the 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 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 Annovances. 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 omit 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 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 of any other machinery or equipment shall be permitted in any street, driveway or yard adjacent to a street, or in the commons 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 mortgages, 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 invites, shall be parked on streets or driveways so as to obstruct ingress and egress by the owners of other Lots, their families, guests and invites 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 of 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 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.

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 III

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 suite by anyone for damages.

Section 2. Committee Membership; Architectural Control. The Architectural control Committee is composed of three members whose names are R. W. Carey, James D. Heil and Bennis Butler. A majority of the Committee may designate a representative to act for it. In the event of death or resignation of any member of the Committee, the remaining members shall have full authority to designate a successor. Neither the members of the Committee nor its representatives shall be entitled to any compensation for services performed pursuant to this covenant. The Committee's approval or disapproval as required herein, shall be in writing. Mac-Carey Properties, Inc. shall assign the duties, powers and responsibilities of the Architectural Control Committee to LAKEWOOD FOREST FUND, INC. when all of the Lots are built on.

Section 3. Minimum Construction Standards. The Architectural Control Committee may from time to time promulgate an outline of minimum acceptable construction standard, provided, however, that such outline will serve as a minimum guideline and such Architectural Control Committee shall not be bound thereby.

Section 4. 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, specification, 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 5. 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 the 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 variances 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, 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 P. O. Box 207, Cypress, Texas 77429 until such time as Mac-Carey Properties, Inc. assigns the duties, powers and responsibilities of the Committee to the LAKEWOOD FOREST FUND, INC.

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 office of Mac-Carey Properties, Inc.

The Architectural Control Committee shall be a committee of Mac-Carey Properties, Inc. until such time as Mac-Carey Properties, Inc. assigns the duties, powers and responsibilities of the Committee to the LAKEWOOD FOREST FUND, INC.

ARTICLE IV

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 qualifications 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 V, 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 V.

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 the Declaration; and to take any other action necessary or proper to protect and defend any duties, obligations, benefits, liens and rights conferred herein.

ARTICLE V

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

107-45-0714

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 \$310.00 per year for user or \$205.00 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, 1992, 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