

**DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR FOREST WEST, SECTION TWO**

STATE OF TEXAS §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF MONTGOMERY §

This Declaration, made on the date hereinafter set forth by CLASTECK DEVELOPERS, LTD., hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of that certain tract of land known as "FOREST WEST, SECTION TWO" being a subdivision of 9.284 acres of land situated in the Dickinson Garrett Survey, A-225, Montgomery County, Texas, as more fully described on and according to the plat ("Plat") of said Forest West, Section Two, recorded in the office of the County Clerk of Montgomery County, Texas, after having been approved as provided by law, and being recorded in Cabinet T, Sheet 158, inclusive, of the Map Records of Montgomery County, Texas (hereinafter referred to as the "Property" or the "Subdivision"); and

WHEREAS, as of the date of recordation of the Plat, the Property was located within the corporate limits or extraterritorial jurisdiction of the City of Conroe, Texas and was subject to the approval its Planning Commission; and

WHEREAS, certain improvements required under the subdivision regulations of the City of Conroe, Texas as a condition of the Planning Commission's approval of the Plat of the Subdivision were privately dedicated by Declarant; and

WHEREAS, it is necessary to make provision for the continued maintenance and upkeep of such required subdivision improvements; and

WHEREAS, it is the desire of Declarant to place certain restrictions, easements, covenants, conditions, stipulations and reservations (herein sometimes referred to as the "Restrictions") upon and against such Property in order to establish a uniform plan for the development, improvement and sale of the Property, and to insure the preservation of such uniform plan for the benefit of both the present and future Owners of Lots in the Subdivision; and

NOW, THEREFORE, Declarant hereby adopts, establishes and imposes upon the Subdivision known as Forest West, Section Two, and declares the following reservations, easements, restrictions, covenants and conditions, applicable thereto, all of which are for the purposes of enhancing and protecting the value, desirability and attractiveness of said Property, which Restrictions shall run with said Property and title or interest therein, or any part thereof, and shall inure to the benefit of each Owner thereof and to the City of Conroe, Texas; provided however, that no part of this Declaration or the Restrictions shall be deemed to apply in any manner to the areas identified or platted as a Reserve or Unrestricted Reserve on the Plat or to any area not included in the boundaries of said Plat except as specifically stated. Declarant also declares that this Subdivision shall be subject to the jurisdiction of the "Association" (as hereinafter defined).

ARTICLE I

DEFINITIONS

Section 1.01. "Annexable Area" shall mean and refer to any additional property made subject to the jurisdiction of the Association pursuant to the provisions set forth herein, including, without limitation, any other sections of Forest West Subdivision that Declarant may plat and any property adjacent to or in the proximity of the Property which the Declarant may wish to include in the jurisdiction of the Association.

Section 1.02 "Association" shall mean and refer to Forest West Property Owners Association, a Texas non-profit corporation to be formed by Declarant, and its successors and assigns.

Section 1.03 "Board of Directors" shall mean and refer to the Board of Directors of the Association.

Section 1.04 "City" shall mean the City of Conroe, Texas.

Section 1.05 "Common Area" shall mean all real property (including the improvements thereto) within the Subdivision owned by the Declarant and/or the Association for the common use and enjoyment of the Owners and/or any other real property and improvements, including, but not limited to any roads, parks, open spaces, greenbelt areas and other facilities and areas designated on the Plat within the Common Area to which the Owners may hereafter become entitled to use.

Section 1.06 "Declarant" shall mean and refer to Clasteck Developers, Ltd., and any successor(s) and assign(s) of Clasteck Developers, Ltd., with respect to the voluntary disposition of all (or substantially all) of its right, title and interest in and to the Property. However, no person or entity merely purchasing one or more Lots from Clasteck Developers, Ltd., in the ordinary course of business shall be considered a "Declarant."

Section 1.07 "Dwelling" shall mean and refer to a single family home located upon a Lot. Said home may be a manufactured home, a modular home, a mobile home, or a site built home constructed on a slab or pier and beam foundation. The term does not include a recreational vehicle.

Section 1.08 "Lot" shall mean and refer to any plot of land identified as a Lot on the Plat (whether identified, for example, as Lot 1, 2, 3, etc.). For purposes of this instrument, "Lot" shall not be deemed to include any portion of any "Reserve," or "Commercial Reserve," shown on the Plat, regardless of the use made of such area.

Section 1.09 "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 1.10 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Subdivision, including (i) a contract purchaser (a purchaser under an executory installment sale contract or contract for deed), and (ii) the Declarant, but does not include those owning only a mineral interest in a Lot and those having only a security interest or lien for the performance of an obligation.

Section 1.11 "Required subdivision improvements" shall mean the subdivision improvements which are required under the applicable regulations of the City of Conroe, Texas, and are referenced in Article IX of these Restrictions.

Section 1.12 "Forest West" shall mean and refer to this Subdivision and any other sections of Forest West heretofore or hereafter made subject to the jurisdiction of the Association.

ARTICLE II

RESERVATIONS, EXCEPTIONS AND DEDICATIONS

Section 2.01 Recorded Subdivision Map of the Property. The Plat of the Subdivision dedicates for use as such, subject to the limitations as set forth therein, the roads, streets and easements shown thereon. The Plat further establishes certain restrictions applicable to the Property. All dedications, restrictions and reservations created herein or shown on the Plat, replats or amendments of the Plat of the Subdivision recorded or hereafter recorded shall be construed as being included in each contract, deed, or conveyance executed or to be executed by or on behalf of Declarant, conveying said Property or any part thereof, whether specifically referred to therein or not.

Section 2.02 Easements. Declarant reserves for public use the utility easements shown on the Plat or that have been or hereafter may be created by separate instrument recorded in the Real

Property Records of Montgomery County, Texas, for the purpose of constructing, maintaining and repairing a system or systems of electric lighting, electric power, telegraph and telephone line or lines, gas lines, sewers, water lines, storm drainage (surface or underground), cable television, or any other utility the Declarant sees fit to install in, across and/or under the Property. Declarant and its assigns further expressly reserves the right to enter upon any Lot for the purpose of constructing or maintaining any natural drainage pattern, area or easement. All utility easements in the Subdivision may be used for the construction of drainage swales in order to provide for improved surface drainage of the Reserves, Common Area and/or Lots. Should any utility company furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, Declarant, without the joinder of any other Owner, shall have the right to grant such easement on said Property without conflicting with the terms hereof. Any utility company serving the Subdivision and/or any utility district ("Utility District") serving the Subdivision shall have the right to enter upon any utility easement for the purpose of installation, repair and maintenance of their respective facilities. Neither Declarant nor any utility company, utility district, political subdivision or other authorized entity using the easements herein referred to shall be liable for any damages done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees and lawns or any other property of the Owner on the property covered by said easements.

Section 2.03 Title Subject to Easements. It is expressly agreed and understood that the title conveyed by Declarant to any of the Lots by contract, deed or other conveyance shall be subject to any easement affecting same for roadways or drainage, water line, gas, sewer, electric lighting, electric power, telegraph, telephone or cable television purposes and other easements hereafter granted affecting the Lots. The Owners of the respective Lots shall not be deemed to own pipes, wires, conduits or other service lines running through their Lots which are utilized for or service other Lots, but each Owner shall have an easement in and to the aforesaid facilities as shall be necessary for the use, maintenance and enjoyment of his Lot. The Declarant may convey title to said easements to the public, a public utility company or the Association.

Section 2.04 Utility Easements.

(a) Utility ground and aerial easements have been dedicated in accordance with the Plat and/or by separate recorded easement documents.

(b) No Dwelling or other building shall be located over, under, upon or across any portion of any utility easement. The Owner of each Lot shall have the right to construct, keep and maintain concrete drives, fences, and similar improvements across any utility easement, and shall be entitled to cross such easements at all times for purposes of gaining access to and from such Lots; provided, however, any concrete drive, fence or similar improvement placed upon such utility easement by the Owner shall be constructed, maintained and used at Owner's risk and, as such, the Owner of each Lot subject to said utility easements shall be responsible for (i) any and all repairs to the concrete drives, fences and similar improvements which cross or are located upon such utility easements and (ii) repairing any damage to said improvements caused by the Utility District or any public utility in the course of installing, operating, maintaining, repairing, or removing its facilities located within the utility easements.

Section 2.05 Roads and Streets. Subject to the terms and conditions of this Section 2.05, the roads and streets in this Subdivision, as shown on the Plat, are hereby dedicated in addition to public roadways, as utility easements for the purpose of constructing, operating, maintaining or repairing a system(s) of electric lighting, electrical power, telegraph and telephone lines, gas lines, sewers, water lines, storm drainage (surface or underground) cable television, or any other utilities that the Declarant sees fit to install (or permit to be installed) in, across and/or under the Property.

ARTICLE III

USE RESTRICTIONS

Section 3.01 Single Family Residential Construction. No building shall be erected, altered, placed or permitted to remain on any Lot or Composite Building Site other than one Dwelling per each Lot to be used solely for residential purposes. Detached garages, work shops, and storage

buildings may be constructed on the Lot contemporaneously with or after the main Dwelling is placed thereon, so long as they are constructed of new materials, kept in good repair, and are not to be occupied as a Dwelling. Only garages that accommodate three (3) cars or less shall be permitted. All Dwellings, detached garages, work shops, and storage buildings must be approved in writing by the Architectural Control Committee prior to being erected, altered or placed on the Property. No modular home, mobile home, manufactured home, site built home or other structure of any kind shall be erected, placed or maintained on any Lot nor brought into the Subdivision until the Architectural Control Committee has approved the design, color, appearance and condition of same and has issued a written letter of approval. Any modular, mobile or manufactured home must be of commercial quality, in good repair and of an attractive design and appearance. Modular homes, mobile homes and manufactured homes shall be year 2000 models or newer and shall be no less than sixteen feet (16') in width. All Dwellings shall contain not less than 1000 square feet of floor space in the enclosed living area, exclusive of open or screened porches or breezeways. Provided however, the Committee, in its sole judgment and discretion, may permit the erection or placement of Dwellings which do not meet the above minimum width and square footage requirements if, in the opinion of the Committee, the size or configuration of a particular Lot requires such a variance. All exterior walls except redwood and cedar must be painted or stained, but if not painted, then they must be constructed of an approved commercial exterior material other than metal. Within 30 days of approval, each modular, mobile or manufactured structure shall be tied down and fully enclosed around the bottom in a manner and with materials approved by the Architectural Control Committee. Further, a recent photograph of said modular, mobile or manufactured home shall be submitted to the Architectural Control Committee for approval prior to the installation of said home. Any building, structure or improvement commenced on any tract shall be completed as to exterior finish and appearance within ninety (90) days from the setting of forms for the foundation of said building or structure. Each manufactured, mobile or modular home must have the tongue removed therefrom immediately upon being placed upon a Lot. As used herein, the term "residential purposes" shall be construed to prohibit the use of said Lots for duplex houses, condominiums, townhouses, garage apartments, or apartment houses; and no Lot shall be used for business, educational, religious or professional purposes of any kind whatsoever, nor for any commercial or manufacturing purposes. Provided, however, an Owner may maintain a home office in a Dwelling with no advertising signs or regular visits by customers or clients. Specifically, no Lot shall be used as a child care or baby sitting facility.

Section 3.02 Composite Building Site. Any Owner of two or more adjoining Lots may, with prior written approval of the Architectural Control Committee, consolidate such Lots into one building site ("Composite Building Site"), with the privilege of placing or constructing improvements on such resulting site, in which case the side set-back lines shall be measured from the resulting side property lines. Any such Composite Building Site shall be considered one Lot for purposes of the Maintenance Charge set forth in Article VI hereof.

Section 3.03 Utilities. Pursuant to requirements by the utility companies providing service to the Subdivision, the following provisions and covenants are to run with the land within the Subdivision with the same force and effect as all other Covenants herein and as if such provisions and covenants had originally been recited within each deed to each Lot executed and delivered by Declarant:

"(a) Electric service of the type known as 120/240 volt, single phase, 3 wire, 60 cycle, alternating current has been made available to the Lot hereby conveyed by means of usual electric facilities, and each Owner acknowledges for himself, his heirs, executors, administrators, successors and assigns, that electric service of any character other than that hereinabove described will not be available except at added cost to such Owner and in accordance with the rules and regulations for electric service of the subject electric utility company; and

(b) Each Owner agrees for himself, his heirs, executors, administrators, successors and assigns, that he will, at his own expense, install and maintain the necessary facilities to connect the Owner's installation with the service wires of the subject electric utility company and security system at the point of delivery of electric energy."

(c) Each Owner shall assume full and complete responsibility for all costs and

expenses arising out of or related to the repair, replacement or restoration of any utility equipment damaged or destroyed as a result of the negligence or mischief of the Owner or such Owner's guests, invitees or tenants.

Section 3.04 Location of the Improvements upon the Lot. No Dwelling or building of any kind shall be located on any Lot nearer to any side or rear property line, or nearer to any road or street than the building lines as set forth on the Plat. Where no building line is otherwise depicted on the Plat, the minimum set back or building line shall be five (5) feet from the property line. As to any Lot, the Architectural Control Committee may waive or alter any setback line if the Architectural Control Committee, in the exercise of the Architectural Control Committee's sole discretion, deems such waiver or alteration to be necessary to permit effective utilization of a Lot. Any such waiver or alteration must be in writing and recorded in the Real Property Records of Montgomery County, Texas. All Dwellings within the Subdivision must be served by the Subdivision's sewage disposal system, and all such Dwellings must be served with water and electricity. The Dwelling on each Lot shall face in a direction approved by the Architectural Control Committee.

Section 3.05 Residential Foundation Requirements. All modular, mobile and manufactured home Dwelling foundations shall consist of concrete pads and be laid down in accordance with state and federal regulations, with the entire building being skirted with brick or materials which match the outside of the building as may be approved by the Architectural Control Committee. Provided, however, the Architectural Control Committee may approve a different type of foundation when circumstances such as topography of the Lot make it impractical to use one of the above foundations for all or any portion of the Dwelling. Minimum finished elevation for all structures shall be at least eight (8") inches above the natural ground level and shall be above the 100 year flood plain elevation, or such other level as may be established by the City, and other applicable governmental authorities.

Section 3.06 Excavation and Tree Removal. The digging of dirt or the removal of any dirt from any Lot is expressly prohibited except as may be necessary in conjunction with the landscaping of or construction on such Lot. No trees shall be cut or removed except to provide room for placement of the Dwelling, construction of improvements or driveway or to remove dead or unsightly trees.

Section 3.07 Removal of Trees, Trash and Care of Lots During Placement of Dwelling or Construction of Other Improvements.

- (a) All Owners, during their respective construction of a residence, are required to remove and haul from the Lot all tree stumps, trees, limbs, branches, underbrush and all other trash of rubbish cleared from the Lot for placement of the Dwelling, the construction of other improvements and landscaping. No burning is allowed on the Lot and no materials or trash hauled from the Lot may be placed elsewhere in the Subdivision or on land owned by Declarant whether adjoining the Subdivision or not.
- (b) Each Owner, during his placement of a Dwelling or construction of other improvements, is required to continuously keep the Lot in a reasonably clean and organized condition. Papers, rubbish, trash, scrap, and unusable building materials are to be kept picked up and hauled from the Lot. Other usable building materials are to be kept stacked and organized in a reasonable manner upon the Lot.
- (c) No trash, materials, or dirt is allowed in the street or street ditches. All Owners shall keep streets and street ditches free from trash, materials, and dirt. Any such trash, materials, or excess dirt or fill inadvertently spilling or getting into the street or street ditch shall be removed, without delay, not less frequently than daily.
- (d) No Owner or other person may enter onto a Lot adjacent to the Lot upon which he is building for purposes of ingress and egress to his Lot during or after construction, unless such adjacent Lot is also owned by such Owner, and all such adjacent Lots shall be kept free of any trees, underbrush, trash, rubbish and/or any other building or waste materials during and after construction of improvements by the Owner of an adjacent Lot.

Section 3.08 Drainage.

(a) Each Owner of a Lot agrees for himself, his heirs, legal representatives, assigns or successors-in-interest that he will not in any way interfere with the established drainage pattern over his Lot from adjoining or other Lots in the Subdivision, and he will make adequate provisions for the drainage of his Lot in the event it becomes necessary to change the established drainage over his Lot (which provisions for drainage shall be included in the Owner's plans and specifications submitted to the Committee and shall be subject to the Committee's approval). For the purposes hereof, "established drainage" is defined as the drainage which existed at the time that the overall grading of the Subdivision, including landscaping of any Lot in the Subdivision, was completed by Declarant.

(b) Each Owner, unless otherwise approved by the Committee, must finish the grade of the Lot so as to establish good drainage from the rear of the Lot to the front street or from the to the front and rear of the Lot as dictated by existing drainage ditches and swales constructed by Declarant or utility companies for drainage purposes. No pockets or low areas may be left on the Lot (whether dirt or concrete) where water will stand following a rain or during watering. With the approval of the Committee, an Owner may establish an alternate drainage plan for low areas by installing underground pipe and area inlets or by installing an open concrete trough with area inlets, however, the drainage plan for such alternate drainage must be submitted to and approved by the Committee prior to the construction thereof.

(c) The Owner shall be responsible for returning any drainage swale or facility disturbed during construction or thereafter to its original line and grade, and the Owner shall be responsible for maintaining such swales and facilities appurtenant to said Owner's Lot in their original condition during the term of his ownership.

Section 3.09 Driveways. Driveways shall be constructed entirely of concrete or asphalt and the specifications shall be subject to the prior approval of the Committee. That portion of the driveway that lies between the front property line and the street shall be a minimum width of twelve feet (12') and the driveway shall be constructed in accordance with detail, design and specifications as may be approved by the Committee.

All driveway crossings of any roadside drainage swales or ditches shall be constructed using culvert pipe in accordance with detail design and specifications as may be approved by the Committee. All Dwellings must have a driveway constructed within two (2) months of the completion of the main Dwelling.

Off-street parking must be provided on each Lot for all vehicles and boats.

Section 3.10 Use of Temporary Structures and Sales Offices. No structure of a temporary character, whether trailer, tent, shack, garage, barn or other outbuilding shall be maintained or used on any Lot at any time as a residence, either temporarily or permanently; provided, however, that Declarant reserves the exclusive right to erect, place and maintain such facilities in or upon any portion of the Subdivision as in its sole discretion may be necessary or convenient while selling Lots, selling or placing Dwellings and constructing other improvements within the Subdivision, and the Residential use provisions of this Declaration shall not prohibit Declarant's erection, placement or maintenance of such facilities within the Subdivision for such purposes.

Section 3.11 Water Supply. All Dwellings in the Subdivision shall be served by the fresh water system for the Subdivision, or other central water supply system, which system shall be operated and continuously maintained with applicable governmental requirements. Each Owner shall be required to pay charges for connection or use of water from said system. No water wells shall be made, bored or drilled, nor any type or kind of private system installed or used unless the fresh water system to the Subdivision ceases to function and upon such occurrence, any water well must be approved by the Architectural Control Committee and any required governmental authorities. Water Wells may be drilled by the Declarant or Association for use in watering common areas.

Section 3.12 Sanitary Sewers. No outside, open or pit type toilets or septic tanks will be permitted in the Subdivision. Prior to occupancy, all Dwellings in this Subdivision must be connected at the Owner's expense to the central sanitary sewer system serving the Subdivision.

Section 3.13 Walls and Fences. Walls and fences, if any, must be approved prior to construction by the Architectural control Committee and shall be not closer to front street property lines than the front of the Dwelling on each Lot and no closer than the utility easement boundary line along any side street. The erection of any wall, fence or other improvements on any utility easement adjoining any street is prohibited. All fences and walls will be constructed of ornamental iron, wood or masonry, provided no electric or barbed wire or temporary fences shall be allowed unless the Architectural Control Committee approves a variance to allow such type of fence prior to its construction. No fence shall be closer to the street than the front of the Dwelling on any Lot.

Section 3.14 Mailboxes. Only mailboxes installed or approved by the United States Postal Service and approved by the Committee shall be installed. Such mailboxes shall be installed at such locations as may be approved by the Declarant or the Association.

Section 3.15 Prohibition of Offensive Activities. Without expanding the permitted use of the Lots, no activity, whether for profit or not, shall be conducted on any Lot which is not related to single family residential purposes. No noxious or offensive activity of any sort shall be permitted nor shall anything be done on any Lot which may be or become an annoyance or a nuisance to the Subdivision. This restriction is waived in regard to the customary sales activities required to sell Lots or homes in the Subdivision. No exterior speaker, horn, whistle, bell or other sound device, except security and fire devices used exclusively for security and fire purposes, shall be located, used or placed on a Lot. Without limitation, the discharge or use of firearms is expressly prohibited. The Association shall have the sole and absolute discretion to determine what constitutes a nuisance or annoyance.

Section 3.16 Garbage and Trash Disposal. Garbage and trash or other refuse accumulated in this Subdivision shall not be permitted to be dumped at any place upon adjoining land where a nuisance to any residence of this Subdivision is or may be created. No Lot shall be used or maintained as a dumping ground for rubbish or landfill. Trash, garbage or other waste shall not be allowed to accumulate, shall be kept in sanitary containers and shall be disposed of regularly.

Section 3.17 Abandoned Motor Vehicles, Junk and Dilapidated Structures Prohibited; Items to be Kept from Public View. No Lot shall be used as a depository for abandoned or junked motor vehicles. An abandoned or junked motor vehicle is one without a current, valid state vehicle inspection sticker and license plate or an inoperable vehicle. No junk of any kind or character, or dilapidated structure or building of any kind or character, shall be kept on any Lot. No accessories, parts or objects used with cars, boats, buses, trucks, trailers or the like, shall be kept on any Lot other than in a garage or other structure approved by the Architectural Control Committee. All recreational vehicles, motor homes, boats and trailers shall be kept out of the public view, either in a garage or other enclosed structure approved by the Architectural Control Committee.

Section 3.18 Signs. No signs, advertisement, billboard or advertising structure of any kind may be erected or maintained on any Lot without the consent in writing of the Architectural Control Committee, except one (1) professionally made sign not more than thirty-six inches (36") square, advertising an Owner's Lot or Dwelling for sale or rent, may be placed on such Lot. Declarant or any member of such Committee shall have the right to remove any such sign, advertisement or billboard or structure which is placed on any Lot in violation of these restrictions, and in doing so, shall not be liable, and are hereby expressly relieved from any liability for trespass or other tort in connection therewith, or arising from such removal.

Section 3.19 Livestock and Animals; Location of Animal Houses. No pets, poultry, animals or livestock of any kind shall be raised, bred or kept on any Lot except not more than two (2) dogs or two (2) cats or other common household pets may be kept on a Lot. No reptiles or poultry of any kind shall be raised, bred or kept on any Lot. All animals shall be kept within the boundaries of the Owner's Lot unless accompanied by the Owner. No dogs, cats or household pets shall be raised, bred or maintained for any commercial purposes. In the event pets or livestock become a nuisance in the opinion of the Association or the Declarant, the Owner shall remove the animals from the Lot.

Any outside pen, cage, kennel, shelter, concrete pet pad, run, track or other building, structure or device directly or indirectly related to animals which can be seen, heard or smelled by anyone other than the subject Lot Owner must be approved by the Architectural Control Committee in its sole and absolute discretion. Each and every dog, cat or other household pet, if not kept and confined within the Owner's Lot, must be leashed and accompanied by its Owner, particularly when traveling beyond the perimeter of the Owner's Lot, and such Owner shall promptly clean and remove the discharge and waste of any pet. All animal houses and other structures intended for the housing of animals shall be located in such place and manner that they are not visible from any street.

Section 3.20 Mineral Development. No commercial oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall any wells, tanks, tunnels, mineral excavation, or shafts be permitted upon or in any Lot, and, no derrick or other structures designed for the use of boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. Provided, however, that this provision shall not prevent the leasing of the Subdivision or any portion thereof, for oil, gas and mineral purposes and the development of same, it being contemplated that a portion or portions of the Subdivision may be developed from adjacent lands by directional drilling operations.

Section 3.21 Lot Maintenance; Maintenance of Ditches Adjacent to Lots. All Lots and ditches adjacent thereto, at Owner's sole cost and expense, shall be kept at all times in a neat, attractive, healthful and sanitary condition, and the Owner or occupant of all Lots shall keep all weeds and grass thereon (outside of natural vegetation areas), and all ditches adjacent to such Lots, cut and shall in no event use any Lot for storage of materials or equipment except for normal residential requirements or incident to construction of improvements thereon as herein permitted, or permit the accumulation of garbage, trash or rubbish of any kind thereon, and shall not burn any garbage, trash or rubbish. All yard equipment or storage piles shall be kept screened by a service yard or other similar facility as herein otherwise provided, so as to conceal them from view of neighboring Lots, streets or other property. Such maintenance includes, but is not limited to the following:

- a. Prompt removal of all litter, trash, refuse, and wastes.
- b. Lawn mowing (outside of the natural vegetation areas).
- c. Tree and shrub pruning (outside of the natural vegetation areas).
- d. Keeping exterior lighting and mechanical facilities in working order.
- e. Keeping lawn and garden areas alive, free of weeds, and attractive.
- f. Keeping parking areas, walkways and driveways in good repair.
- g. Complying with all government health and policy requirements.
- h. Repainting of improvements.
- i. Repair of exterior damage to improvements.

In the event of the failure of Owner to comply with the above requirements after ten (10) days written notice thereof, the Association or its designated agents may, in addition to any and all remedies, either at law or in equity, available for the enforcement of these restrictions, without liability to the Owner or any occupants of the Lot in trespass or otherwise, enter upon (and/or authorize one or more others to enter upon) said Lot, to 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 necessary to secure compliance with this Declaration, 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 cost of such work and associated materials. Payment thereof shall be collected as an additional Maintenance Charge and shall be payable on the first day of the next calendar month.

Section 3.22 Exterior Maintenance of Building. In the event the Owner of any Dwelling or improvement in the Subdivision should allow such building to fall into disrepair and become in need

of paint, repair or restoration of any nature and become unattractive and not in keeping with the neighborhood, the Association and/or the Declarant will give such owner written notice of such conditions. Fifteen (15) days after notice of such condition to Owner, and failure of Owner to begin and continue at a diligent, reasonable rate of progress to correct such condition, the Association, in addition to any and all remedies, either at law or in equity, available for the enforcement of these Restrictions, may at its sole discretion enter upon said premises, without liability to Owner, to do or cause to be done any work necessary to correct said situation. The Owner shall be billed for cost of necessary repairs. All monies so owed the Association will be an additional Maintenance Charge and shall be payable on the first day of the next calendar month.

Section 3.23 Views, Obstructions and Privacy. In order to promote the aesthetic quality of "view" within the Subdivision, the Committee shall have the right to review and approve any item placed on a Lot including, but not limited to, the following:

- a. The location of all windows and the type of proposed window treatments and exposed window coverings;
- b. The probable view from balconies and decks (particularly where there is potential invasion of privacy to an adjoining neighbor);
- c. Sunlight obstructions;
- d. Roof top solar collectors;
- e. Flagpoles, flags, pennants, ribbons, streamers, wind sock and weather vanes;
- f. Exterior storage sheds;
- g. Fire and burglar alarms which emit lights and sounds;
- h. Children playground or recreational equipment (to be located in rear of Dwelling only);
- i. Exterior lights;
- j. Ornamental statuary, sculpture and/or yard art visible from a street or Common Area excluding those which may be a part of an otherwise approved landscape plan;
- k. The location of the Dwelling on the Lot;
- l. The location of satellite dishes and antennas (to be located in rear or side of Dwelling only); and
- m. The location of all swimming pools, in ground or above ground.

Prohibited Items. The following items are prohibited on any Lot:

- a. Clotheslines, reels, hanging circles and other exterior clothes drying devices;
- b. Window unit air conditioners;
- c. Signs (except for signs permitted in Section 3.18 hereof);
- d. Storage of more than five (5) gallons of fuel outside of regular vehicle gas tanks; and
- e. Unregistered, unlicensed or inoperable motor vehicles.

Section 3.24 Antennas and Satellite Dishes. No electronic antenna or devise for receiving or transmitting any signal other than an antenna for receiving normal television, marine signals, citizens band signals, cellular telephone signals or ham radio signals shall be erected, constructed, placed or

permitted to remain on any Lot, house, garage or other buildings unless otherwise approved by the Committee. The Committee's decision shall be final.

Unless approved by the Committee, no satellite dish may be maintained on any portion of any Lot outside the building lines of said Lot or forward of the front of the improvements thereon. Satellite dishes may not exceed twenty-four (24") inches in diameter and must be mounted as close to the ground as practical. However, in no event may the top of the satellite dish or antenna be higher than six (6') feet from the grade level of the ground or more than two (2') feet above the roofline for roof mounted satellite dishes. All dishes shall be of one solid color of black or earth tones of brown, grey, or tan. No multicolored dishes shall be permitted. No advertising or the printing of names of any type shall be permitted. Not more than one satellite dish will be permitted on each Lot. No transmitting device of any type which would cause electrical or electronic interference in the neighborhood shall be permitted. Architectural approval is required prior to the installation of any satellite dish. The Association reserves the right to seek the removal of any device that was installed without first obtaining approval or any dish that violates these Restrictions.

Section 3.25 Solar Panels. All Solar Panels installed shall be framed in such a manner so the structure members are not visible. The framing material shall be one that is in harmony with the rest of the structure. Architectural approval from the Committee is required prior to the installation of any solar panels. The Association reserves the right to seek the removal of any solar panel that is installed without first obtaining approval or for any solar panel that violates these Restrictions.

Section 3.26 Wind Generators. No wind generators shall be erected or maintained on any Lot if said wind generator is visible from any other Lot or public street.

Section 3.27 Miscellaneous Use Restrictions. Without limiting the foregoing, the following restrictions shall apply to all Lots:

- i) No boat, jet-ski, aircraft, travel trailer, motor home, camper body or similar vehicle or equipment may be parked for storage in the front of any Dwelling, nor shall any such vehicle or equipment be parked for storage to the side or rear of any Dwelling unless completely concealed from public view. All boats so parked or stored on any Lot must at all times also be stored on a trailer. No such vehicle or equipment shall be used as a residence either temporarily or permanently. This restriction shall not apply to any vehicle, machinery or equipment temporarily parked and in use for the placement, maintenance or repair of a Dwelling or the construction or repair of other improvements in the Subdivision.
- ii) Eighteen (18) wheelers, construction vehicles, dump trucks and trucks with tonnage in excess of one and one-half tons shall not be permitted to park overnight within the Subdivision except those used during the placement of Dwellings or the construction of improvements on Lots in the Subdivision.
- iii) No vehicle of any size which transports inflammatory or explosive cargo may be kept in the Subdivision at any time.
- iv) No vehicles or similar equipment shall be parked or stored in an area visible from any public street or road except passenger automobiles, passenger vans, motorcycles and pick-up trucks that are in operating condition and have current license plates and inspection stickers and are in daily use as motor vehicles on the streets and highways of the State of Texas.
- v) No Lot or Dwelling shall be occupied by more than one (1) family.

Section 3.28 Hazardous Substances. No Lot shall be used or maintained as a dumping ground for rubbish or trash and no garbage or other waste shall be kept except in sanitary containers. All incinerators or other equipment for the storage and disposal of such materials shall be kept in a clean and sanitary condition. Notwithstanding the foregoing, no Hazardous Substance shall be brought onto, installed, used, stored, treated, buried, disposed of or transported over the Lots or the Subdivision, and all activities on the Lots shall, at all times, comply with Applicable Law. The term

"Hazardous Substance" shall mean any substance which, as of the date hereof, or from time to time hereafter, shall be listed as "hazardous" or "toxic" under the regulations implementing The Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), 42 U.S.C. §§9601 et seq., The Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§6901 et seq., or listed as such in any applicable state or local law or which has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under applicable law. The term "Applicable Law" shall include, but shall not be limited to, CERCLA, RCRA, The Federal Water Pollution Control Act, 33 U.S.C. §§1251 et seq. and any other local, state and/or federal laws or regulations that govern the existence, cleanup and/or remedy of contamination on property, the protection of the environment from spill deposited or otherwise in place contamination, the control of hazardous waste or the use, generation, transport, treatment, removal or recovery of hazardous substances, including building materials.

ARTICLE IV

ARCHITECTURAL CONTROL COMMITTEE

Section 4.01 Basic Control

(a) No Dwelling, building or other improvements of any character shall be erected or placed, or the erection or placing thereof commenced, or changes made in the design or exterior appearance thereof, or any addition or exterior alteration made thereto after original construction, or demolition or destruction by voluntary action made thereto after original construction, on any Lot in the Subdivision until the obtaining of the necessary approval (as hereinafter provided) from the Committee of the construction plans and specifications for the construction or alteration of such improvements or demolition or destruction of existing improvements by voluntary action. Approval shall be granted or withheld based on matters of compliance with the provisions of this instrument, quality of materials, drainage, harmony of external design and color with existing and proposed structures and location with respect to topography and finished grade elevation.

(b) Each application made to the Committee shall be accompanied by two sets of plans and specifications for all proposed construction (initial or alterations) to be done on such Lot, including the drainage plan for the Lot, plot plans showing the location and elevation of the Dwelling or other improvements on the Lot and dimensions of all proposed walkways, driveways, and all other matters relevant to architectural approval. The address of the Committee shall be the address of the principal office of the Declarant or the Association. If approved, one of the two sets of plans submitted shall be returned to the Owner with said approval noted thereon. The Committee may set a reasonable application fee.

Section 4.02 Architectural Control Committee.

(a) The authority to grant or withhold architectural control approval as referred to above is initially vested in the Declarant; provided, however, the authority of the Declarant shall cease and terminate on the Control Transfer Date (as hereinbelow defined), after which time such authority shall be vested in and exercised by the Committee from time to time appointed by the Board of Directors of the Association. The term "Committee," as used in this Declaration, shall mean or refer to the Declarant or to Forest West Architectural Control Committee composed of members of the Association, as applicable.

(b) At such time as one hundred percent (100%) of all of the Lots in the Subdivision are conveyed by Declarant or at such earlier time as Declarant may elect, the Declarant shall cause an instrument transferring control to the Association to be placed of record in the Real Property Records of Montgomery County, Texas. The date that such instrument transferring control is filed for record is herein referred to as the "Control Transfer Date". When the Declarant transfers architectural control to the Association, the Board of Directors of the Association shall elect a committee of three (3) members to the Committee. From and after the Control Transfer Date, the members of the Committee must be Owners of property in the Subdivision.

Section 4.03 Effect of Inaction. Approval or disapproval as to architectural control matters as set forth in the preceding provisions of this Declaration shall be in writing. In the event that the

Committee fails to approve or disapprove in writing any plans and specifications and plot plans received by it in compliance with the preceding provisions within thirty (30) days following such submission, such plans and specifications and plot plan shall be deemed approved and the placement of the Dwelling or construction of other improvements for which approval is sought may be commenced and proceeded with in compliance with all such plans and specifications and plot plan and all of the other terms and provisions hereof.

Section 4.04 Effect of Approval. The granting of the aforesaid approval (whether in writing or by lapse of time) shall constitute only an expression of opinion by the Committee that the terms and provisions hereof shall be complied with if the Dwelling, building and/or other improvements are erected in accordance with said plans and specifications and plot plan; and such approval shall not constitute any nature of waiver or estoppel either as to the persons expressing such approval or any other person in the event that such Dwelling, building and/or improvements are not constructed in accordance with such plans and specifications and plot plan, but, nevertheless, fail to comply with the provisions hereof. Further, no person exercising any prerogative of approval or disapproval shall incur any liability by reason of the good faith exercise thereof.

Section 4.05 Minimum Construction Standards. The Committee may from time to time promulgate an outline of minimum acceptable construction standards; provided, however, that such outline will serve as a minimum guideline only and the Committee shall not be bound thereby.

Section 4.06 Variance. The Committee may authorize variances from compliance with any of the provisions of this Declaration or minimum acceptable construction standards or regulations and requirements as promulgated from time to time by the Committee, when circumstances such as topography, natural obstructions, Lot configuration, Lot size, hardship, aesthetic or environmental considerations may require a variance. The Committee reserves the right to grant variances as to building set-back lines, minimum square footage of the residence, fences, and other items. Such variances must be evidenced in writing and shall become effective when signed by at least a majority of the members of the Committee. If any such variances are granted, no violation of the provisions of this Declaration shall be deemed to have occurred with respect to the matter for which the variance is granted; provided, however, that the granting of a variance shall not operate to waive any of the provisions of this Declaration for any purpose except as to the particular property and particular provisions hereof covered by the variance, nor shall the granting of any variance affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting the property concerned and the Plat.

Section 4.07 Terminology and Authority. The Declarant, in Section 7.04 hereof, has retained the exclusive right and power to transfer control for architectural control as well as other rights of Declarant hereunder to the Association and upon Declarant's execution of the instrument transferring such control and filing same in the Real Property Records of Montgomery County, Texas, all rights, powers and duties of the Declarant throughout these Restrictions shall be vested in the Association and all references herein to the "Committee" shall be to the Architectural Control Committee for the Association to which the Declarant transfers control.

ARTICLE V

FOREST WEST PROPERTY OWNERS ASSOCIATION

Section 5.01 Non-Profit Corporation. Forest West Property Owners Association, Inc., a non-profit corporation, will be (or has been) organized and it shall be governed by the Articles of Incorporation and Bylaws of said Association; and all duties, obligations, benefits, liens and rights hereunder in favor of the Association shall vest in said corporation. If no Association is formed, the City Council of the City of Conroe, Texas, shall be authorized, but not required, to exercise the powers of the Association, including the maintenance and assessment power authorized herein.

Section 5.02 Membership. Every person or entity who is a record owner of any Lot in the Subdivision, in Forest West, Section One, and in any portion of the Annexable Area which becomes subject to the jurisdiction of the Association, and which is subject to the Maintenance Charge (or could be following the withdrawal of an exemption therefrom) and other assessments provided herein, including contract purchasers, shall be a "Member" of the Association. The foregoing is not intended

to include persons or entities who hold an interest merely as security for the performance of an obligation or those having only an interest in the mineral estate. No Owner shall have more than one membership for each Lot owned by such Member. Memberships shall be appurtenant to and may not be separated from the ownership of the Lots. Regardless of the number of persons who may own a Lot (such as husband and wife, tenants-in-common, or joint tenants, etc.), there shall be but one membership for each Lot. Additionally, the Directors of the Association shall also be Members of the Association (as more particularly described in the By-laws). Ownership of the Lots shall be the sole qualification for membership. The voting rights of the Members are set forth in the Bylaws of the Association.

Section 5.03 Voting Rights. The Association shall have two classes of membership:

Class A. Class A members shall be all Owners of Lots in the Subdivision, in Forest West, Section One, and in any portion of the Annexable Area which becomes subject to the jurisdiction of the Association, with the exception of the Declarant. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership. When more than one person holds such interest in any Lot, all such persons shall be members, however, 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.

Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership; provided, however, that the Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- a) When the total votes outstanding in the Class A membership equal the total votes outstanding in Class B membership.
- b) On January 1, 2010.

Provided further, however, that the Class B membership shall be automatically reinstated whenever additional property is subjected to the jurisdiction of the Association as provided in this Declaration, said Class B membership as reinstated being subject to further termination at the time when, once again, the total votes outstanding in Class A membership equals the total votes outstanding in Class B membership.

The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Nonprofit Corporation Act, and both classes shall vote together upon all matters as one group.

Section 5.04 Bylaws. The Association has adopted or will adopt whatever Bylaws it may choose to govern the organization or operation of the Association and the use and enjoyment of the Lots and any Common Areas, provided that the same are not in conflict with the terms and provisions hereof.

Section 5.05 Members' Right of Enjoyment. Every Member shall have a beneficial interest of use and enjoyment in and to any Common Areas and such right shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- (a) the right of the Association, with respect to any Common Areas, to limit the number of guests of Members;
- (b) the right of the Association to charge reasonable admission and other fees for the use of any facility situated upon any Common Area;
- (c) the right of the Association to promulgate and enforce reasonable rules and regulations regarding the use of any Common Areas;
- (d) the right of the Association to maintain any Common Areas;

(e) the right of the Association, in accordance with its Articles and Bylaws (and subject to the prior written approval of the Declarant), to (i) borrow money for the purpose of improving and maintaining the streets and roads within the Subdivision, any Common Area and facilities (including borrowing from the Declarant or any entity affiliated with the Declarant) and (ii) mortgage said property, provided however, the Common Area cannot be mortgaged or conveyed without the written consent of the Owners (excluding the Declarant) representing not less than two-thirds of all the votes entitled to be cast by all of the Owners (excluding the Declarant), and provided further, the rights of any mortgagee of said Common Area shall be subordinate to the rights of the Owners hereunder;

(f) the right of the Association to suspend the Member's voting rights and the Member's and "Related Users'" (as herein defined) right to use any recreational facilities within any Common Areas during any period in which the Maintenance Charge or any assessment against his Lot remains unpaid;

(g) the right of the Association to suspend the Member's voting rights and the Member's and Related Users' right to use any recreational facilities within any Common Area, after notice and hearing by the Board of Trustees, for the infraction or violation by such Member or Related Users of this Declaration or the rules and Regulations, which suspension shall continue for the duration or such infraction or violation, plus a period not to exceed sixty (60) days following the cessation or curing of such infraction or violation;

(h) the right of the Association, subject to the prior written approval of the Declarant, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility, for such purposes and subject to the provisions of Section 8.12; and

(i) in general, the right of the Association to exercise all of the powers and authority conferred upon property owners associations by Title 11 of the Texas Property Code and other applicable Law.

Section 5.06 Ingress/Egress Through Common Area . Notwithstanding any provision to the contrary contained in this Declaration, if ingress and egress to any residence is through the Common Area, any conveyance or encumbrance of such area shall be subject to the Lot Owner's easement rights.

Section 5.07 Delegation of Use. Any Member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his "family" (defined herein as those members of the Member's immediate family living in the Member's residence), his tenants, or contract purchasers (collectively, the "Related Users"). If a Member leases his Lot to a tenant, the tenant, but not the Member, shall have the exclusive privilege of enjoyment of the Common Area and facilities of the Association during the term of said tenant's tenancy. Likewise, if a Member sells his Lot on an executory installment sale contract or contract for deed, the contract purchaser, and not the Member, shall have the exclusive privilege of enjoyment of the Common Area and facilities during the existence of the contract.

Section 5.08 Rental and Leasing. Any lease or rental of a Lot or Dwelling shall affirmatively obligate the tenant and other residents of the Lot or Dwelling to abide by this Declaration, the Bylaws, and the Rules and Regulations of the Association.

Section 5.09 Inspection of Records. The Members of the Association shall have the right to inspect the books and records of the Association at reasonable times during normal business hours.

ARTICLE VI

MAINTENANCE FUND

Section 6.01 Maintenance Fund Obligation. Each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be expressed in any such deed or other conveyance, is deemed to covenant and agrees to pay to the Association, in advance, an annual maintenance charge on or before January 10th of each year, (the "Maintenance Charge"), and any other assessments or charges hereby

levied. The Maintenance Charge and any other assessments or charges hereby levied, together with such interest thereon and costs of collection thereof, including reasonable attorneys' fees, shall be a charge on the Lots and shall be a continuing lien upon the property against which each such Maintenance Charge and other charges and assessments are made.

Section 6.02 Basis of the Maintenance Charge

(a) The Maintenance Charge referred to shall be used to create a fund to be known as the "Maintenance Fund," which shall be used as herein provided; and each such Maintenance Charge (except as otherwise hereinafter provided) shall be paid by the Owner of each Lot (or Composite Building Site) to the Association annually, in advance, on or before the tenth day of January of each year, or on such other basis (monthly, quarterly or semi-annually) as the Declarant or the Board of Directors of the Association may designate in its sole discretion. Provided, however, in the event an Owner obtains consent from the Committee for a Composite Building Site pursuant to Section 3.02 hereof, such Composite Building Site shall be considered one Lot for Maintenance Charge purposes.

(b) Any Maintenance Charge not paid within thirty (30) days after the due date shall bear interest from the due date at the lesser of (i) the rate of eighteen percent (18%) per annum or (ii) the maximum rate permitted by law. The Association may bring an action at law against the Owner personally obligated to pay the same, and/or foreclose the hereinafter described lien against the Owner's Lot. No Owner may waive or otherwise escape liability for the Maintenance Charge by non-use of any Common Areas or recreational facilities available for use by Owners of the Subdivision or by the abandonment of his Lot.

(c) The exact amount of the Maintenance Charge applicable to each Lot will be determined by the Declarant until the Transfer Control Date, and, thereafter by the Board of Directors of the Association, during the month preceding the due date of the Maintenance Charge. The initial annual Maintenance Charge shall be \$240.00 per Lot. All other matters relating to the Maintenance Charge and the collection, expenditures and administration of the Maintenance Fund shall be determined by the Declarant or the Board of Directors of the Association, subject to the provisions hereof.

(d) The Maintenance Charge described in this Article VI and other charges or assessments described in this Declaration shall not apply to the Lots owned by the Declarant. The Declarant, prior to the Control Transfer Date, and the Association, from and after the Control Transfer Date, reserve the right at all times in their own judgment and discretion, to exempt any Lot ("Exempt Lot"), in the Subdivision from the Maintenance Charge, in accordance with Section 6.07 hereof. If an Exempt Lot is sold to any party, the Maintenance Charge shall be automatically reinstated as to the Exempt Lot and can only be waived at a later date pursuant to the provisions of the preceding sentence. The Declarant, prior to the Control Transfer Date, and the Association from and after the Control Transfer Date, shall have the further right at any time, and from time to time, to adjust or alter said Maintenance Charge from month to month as it deems proper to meet the reasonable operating expenses and reserve requirements of the Association in order for the Association to carry out its duties hereunder.

Section 6.03 Creation of Lien and Personal Obligation. In order to secure the payment of the Maintenance Charge, and other charges and assessments hereby levied, a vendor's (purchase money) lien for the benefit of the Association, shall be and is hereby reserved in the deed from the Declarant to the purchaser of each Lot or portion thereof, which lien shall be enforceable through appropriate judicial and non-judicial proceedings by the Association. As additional security for the payment of the Maintenance Charge and other charges and assessments hereby levied, each Owner of a Lot in the Subdivision, by such party's acceptance of a deed thereto, hereby grants to the Association a contractual lien on such Lot which may be foreclosed on by non-judicial foreclosure and pursuant to the provisions of Section 51.002 of the Texas Property Code (and any successor statute); and each such owner hereby expressly grants the Association a power of sale in connection therewith. The Association shall, whenever it proceeds with non-judicial foreclosure pursuant to the provisions of said Section 51.002 of the Texas Property Code and said power of sale, designate in writing a Trustee to post or cause to be posted all required notices of such foreclosure sale and to conduct such foreclosure sale. The Trustee may be changed at any time and from time to time by the Association by means of a written instrument executed by the President or any Vice-President of the Association and filed for record in the Real Property Records of Montgomery County, Texas. In the event that the Association has determined to nonjudicially foreclose the lien provided herein pursuant to the provisions of said

Section 51.002 of the Texas Property Code and to exercise the power of sale hereby granted, the Association, after giving the defaulting Owner such prior notice of default and right to cure as may be required by law, shall mail to the defaulting Owner a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by posting such notice through the U.S. Postal Service, postage prepaid, certified, return receipt requested, properly addressed to such Owner at the last known address of such Owner according to the records of the Association. The Association or Trustee shall also cause a copy of the Notice of Trustee's Sale to be filed with the County Clerk of Montgomery County, Texas. Out of the proceeds of such sale, if any, there shall first be paid all expenses incurred by the Association in connection with such default, including reasonable attorneys' fees and a reasonable trustee's fee; second, from such proceeds there shall be paid to the Association an amount equal to the amount in default; and third, the remaining balance shall be paid to such Owner. Following any such foreclosure, each occupant of any such Lot foreclosed on and each occupant of any improvements thereon shall be deemed to be a tenant at sufferance and may be removed from possession by any and all lawful means, including a judgment for possession in an action of forcible detainer and the issuance of a writ of restitution thereunder.

In the event of nonpayment by any Owner of any Maintenance Charge or other charge or assessment levied hereunder, the Association may, in addition to foreclosing the lien hereby retained, and exercising the remedies provided herein, upon ten (10) days prior written notice thereof to such nonpaying Owner, exercise all other rights and remedies available at law or in equity.

It is the intent of the provisions of this Section 6.03 to comply with the provisions of said Section 51.002 of the Texas Property Code relating to non-judicial sales by power of sale and, in the event of the amendment of said Section 51.002 of the Texas Property Code hereafter, the President or any Vice-President of the Association, acting without joinder of any other Owner or mortgagee or other person, may, by amendment to this Declaration filed in the Real Property Records of Montgomery County, Texas, amend the provisions hereof so as to comply with said amendments to Section 51.002 of the Texas Property Code.

Section 6.04 Notice of Unpaid Maintenance Assessments. In addition to the right of the Association to enforce the Maintenance Charge or other charge or assessment levied hereunder, the Association may file a claim against the Lot of the delinquent Owner by recording a notice ("Notice of Unpaid Maintenance Assessments") setting forth (a) the amount of the claim of delinquency, (b) the interest and costs of collection, including reasonable attorneys' fees, which have accrued thereon, (c) the legal description and street address of the Lot against which the lien is claimed and (d) the name of the Owner thereof. Such Notice of Unpaid Maintenance Assessments shall be signed and acknowledged by an officer of the Association or other duly authorized agent of the Association. When all amounts claimed under the Notice of Unpaid Maintenance Assessments and all other costs and assessments which may have accrued subsequent to the filing of the Notice of Unpaid Maintenance Assessments have been fully paid or satisfied, the Association shall execute and record a notice acknowledging payment of the delinquent maintenance assessments upon payment by the Owner of a reasonable fee as fixed by the Board of Trustees to cover the preparation and recordation of such instrument. The filing of a Notice of Unpaid Maintenance Assessment is not a prerequisite to a judicial or non-judicial foreclosure of the maintenance lien by the Association.

Section 6.05 Liens Subordinate to Mortgages. The liens described in this Article VI and the superior title herein reserved shall be deemed subordinate to a first lien or other liens of any bank, insurance company, savings and loan association, university, pension and profit sharing trusts or plans, or other bona fide third party lender, including Declarant, which may have heretofore or may hereafter lend money in good faith for the purchase or improvement of any Lot and any renewal, extension, rearrangement or refinancing thereof. Each such mortgagee of a mortgage encumbering a Lot who obtains title to such Lot pursuant to the remedies provided in the deed of trust or mortgage or by judicial foreclosure shall take title to the Lot free and clear of any claims for unpaid Maintenance Charges or other charges or assessments against such Lot which accrued prior to the time such holder acquires title to such Lot. No such sale or transfer shall relieve such transferee of title to a Lot from liability for any Maintenance Charge or other charges or assessments thereafter becoming due or from the lien thereof. Any other sale or transfer of a Lot shall not affect the Association's lien for Maintenance Charges or other charges or assessments. The Association shall make a good faith effort to give each such mortgagee sixty (60) days advance written notice of the Association's proposed foreclosure of the lien described in Section 6.01 hereof, which notice shall be sent to the nearest office

of such mortgagee by prepaid United States registered or certified mail, return receipt requested, and shall contain a statement of delinquent Maintenance Charges or other charges or assessments upon which the proposed action is based; provided, however, the Association's failure to give such notice shall not impair or invalidate any foreclosure conducted by the Association pursuant to the provisions of this Article VI.

Section 6.06 Purpose of the Maintenance Charge. The Maintenance Charge levied by the Declarant or the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the Owners of the Subdivision, Forest West, Section One, and other portions of the Annexable Area which hereafter may become subject to the jurisdiction of the Association. In particular, the Maintenance Charge shall be used for any improvement or services in furtherance of these purposes and the performance of the Association's duties described in Article VIII and Article IX, including the maintenance of the required subdivision improvements, any Common Areas and Drainage Easements, and the establishment and maintenance of a reserve fund for maintenance of the required subdivision improvements, Common Areas and Drainage Easements. The Maintenance Fund may be expended by the Declarant or the Association for any purposes which, in the judgment of the Declarant or Association, will tend to maintain the property values in the Subdivision, including, but not limited to, providing funds for the actual cost to the Association of all taxes, insurance, repairs, energy charges, replacement and maintenance of the Common Areas, etc. as may from time to time be authorized by the Association. Except for the Association's use of the Maintenance Charge to perform its duties described in this Declaration and in the Bylaws, the use of the Maintenance Charge for any of these purposes is permissive and not mandatory. It is understood that the judgment of the Association as to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

Section 6.07 Exempt Property. The following property subject to this Declaration shall be exempt from the Maintenance Charge and all other charges and assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; and (c) all properties owned by the Declarant or the Association or a charitable or nonprofit organization exempt from taxation by the laws of the State of Texas; however, no land or improvements devoted to dwelling purposes and actually being used for such purposes shall be exempt from said Maintenance Charge. Further, it is specifically agreed that any Lot sold to persons or entities by the Declarant by contract for sale of land or deed with lien and note or other instrument and the purchaser defaults in the contract for non-payment or in any other manner and said Lot is repossessed, foreclosed or such contract canceled by Declarant, its successors or assigns, the Association will release its rights to collect the past due maintenance charges, assessments, and penalties on such Lots from the Declarant. Nothing herein contained shall relieve the purchaser in default from whom the Lot was repossessed from his obligation to pay such delinquent charges, assessments, maintenance charges and penalties to the Association.

Section 6.08 Handling of Maintenance Charges. The collection and management of the Maintenance Charge or other charge or assessment levied hereunder, may be performed by the Declarant until the Control Transfer Date, at which time the Declarant shall deliver to the Association all funds on hand together with all books and records of receipt and disbursements. The Declarant and, upon transfer, the Association, shall maintain separate special accounts for these funds.

ARTICLE VII

DECLARANT'S RIGHTS AND RESERVATIONS

Section 7.01 Period of Declarant's Rights and Reservations. Declarant shall have, retain and reserve certain rights as hereinafter set forth with respect to the Association and any Common Areas from the date hereof, until the earlier to occur of (i) the Control Transfer Date or (ii) Declarant's written notice to the Association of Declarant's termination of the rights described in this Article VII hereof. The rights and reservations hereinafter set forth shall be deemed excepted and reserved in each conveyance of a Lot by Declarant to an Owner whether or not specifically stated therein and in each deed or other instrument by which any property within the Common Area is conveyed by Declarant. The rights, reservations and easements hereafter set forth shall be prior and superior to any other provisions of this Declaration and may not, without Declarant's prior written consent, be modified, amended, rescinded or affected by any amendment of this Declaration. Declarant's consent to any one such amendment shall not be construed as a consent to any other or subsequent amendment.

Section 7.02 Declarant's Rights to Grant and Create Easements. Declarant shall have and hereby reserves the right, without the consent of any other Owner or the Association, to grant or create temporary or permanent easements, for access, utilities, pipeline easements, cable television systems, communication and security systems, drainage, water, sewer and other purposes incident to development, sale, operation and maintenance of the Subdivision, located in, on, under, over and across (i) the Lots or other property owned by Declarant, (ii) the Common Area, and (iii) existing utility easements. Declarant also reserves the right, without the consent of any other Owner or the Association, to permit owners of property within the Annexable Area which is not made subject to the jurisdiction of the Association to use any recreational facilities of the Association and other Common Area, provided that said owners pay to the Association their proportionate share of the cost of operating and maintaining said recreational facilities and Common Areas.

Section 7.03 Annexation of Annexable Area. Additional property and common areas outside of the Subdivision including, without limitation, the Annexable Area, may, at any time and from time to time, be annexed by the Declarant into the real property which becomes subject to the jurisdiction, control and benefit of the Association, without the consent of the Owners or any other party. The owners of lots in such annexed property, as well as all other Owners subject to the jurisdiction of the Association, shall be entitled to the use and benefit of all Common Areas that are or may become subject to the jurisdiction of the Association, provided that such annexed property is impressed with and subject to at least the Maintenance Charge imposed hereby. Declarant reserves the right to transfer and assign to any other person or entity the power and authority to annex and subject additional properties to the jurisdiction, control and benefit of the Association.

Section 7.04 Declarant's Right to Transfer Control. The Declarant hereby retains the exclusive right and power to transfer architectural control as well as other rights of Declarant hereunder to the Association, and upon Declarant's execution of the instrument transferring such control and recording same in the Real Property Records of Montgomery County, Texas, all rights, powers and duties of the "Committee" or the "Association" throughout these Restrictions shall be vested in the Association and all references herein to the "Committee" shall be to the Architectural Control Committee for said Association.

ARTICLE VIII

DUTIES AND POWERS OF THE PROPERTY OWNERS ASSOCIATION

Section 8.01 General Duties and Powers of the Association. The Association has been or will be formed to further the common interests of the Members. The Association, acting through the Board of Directors or through persons to whom the Board of Directors has delegated such powers (and subject to the provisions of the Bylaws), shall have the duties and powers hereinafter set forth and, in general, the power to do anything that may be necessary or desirable to further the common interests of the Members, to maintain, improve and enhance any Common Areas and to improve and enhance the attractiveness, desirability and safety of the Subdivision, Forest West, Section One, and any portion of the Annexable Area which becomes subject to the jurisdiction of the Association. The Association shall have the authority to act as the agent to enter into any and all contracts on behalf of the Members in order to carry out the duties, powers and obligations of the Association as set forth in this Declaration.

Section 8.02 Duty to Accept the Property and Facilities Transferred by Declarant. The Association shall accept title to any real property, including any improvements thereon and personal property transferred to the Association by Declarant, and equipment related thereto, together with the responsibility to perform any and all administrative functions and recreation functions associated therewith (collectively herein referred to as "Functions"), provided that such property and Functions are not inconsistent with the terms of this Declaration. Property interests transferred to the Association by Declarant may include fee simple title, easements, leasehold interests and licenses to use such property. Any property or interest in property transferred to the Association by Declarant shall be within the boundaries of the Property or Annexable Area. Any property or interest in property transferred to the Association by Declarant shall, except to the extent otherwise specifically approved by resolution of the Board of Directors, be transferred to the Association free and clear of all liens and

mortgages (other than the lien for property taxes and assessments not then due and payable), but shall be subject to the terms of this Declaration, and/or the terms of any declaration of covenants, conditions and restrictions annexing such property to the Common Area, and all easements, covenants, conditions, restrictions and equitable servitude or other encumbrances which do not materially affect the Owners authorized to use such property. Except as otherwise specifically approved by resolution of the Board of Directors, no property or interest in property transferred to the Association by the Declarant shall impose upon the Association any obligation to make monetary payments to Declarant or any affiliate of Declarant including, but not limited to, any purchase price, rent, charge or fee. The property or interest in property transferred to the Association by Declarant shall not impose any unreasonable or special burdens of ownership of property, including the management maintenance, replacement and operation thereof.

Section 8.03 Duty to Manage and Care for the Required Subdivision Improvements and Common Area. The Association shall manage, operate, care for, maintain and repair all required subdivision improvements and any Common Areas and keep the same in a safe, attractive and desirable condition for the use and enjoyment of the Members. The duty to operate, manage and maintain the required subdivision improvements and Common Areas shall include, but not be limited to the following: establishment, operation and maintenance of a security system, if any, for the Subdivision; maintenance, repair and replacement of the drainage easements; mowing of street right-of-ways and other portions of the Subdivision; and management, maintenance, repair and upkeep of the required subdivision improvements and any Common Areas.

Section 8.04 Other Insurance and Bonds. The Association shall obtain such insurance as may be required by law, including workmen's compensation insurance, and shall have the power to obtain such other insurance and such fidelity, indemnity or other bonds as the Association shall deem necessary or desirable.

Section 8.05 Duty to Prepare Budgets. The Association shall prepare budgets for the Association, which budgets may include a reserve fund for the maintenance of all Common Areas.

Section 8.06 Duty to Levy and Collect the Maintenance Charge. The Association shall levy, collect and enforce the Maintenance Charge and other charges and assessments as elsewhere provided in this Declaration.

Section 8.07 Duties with Respect to Architectural Approvals . The Association shall perform functions to assist the Committee as elsewhere provided in Article IV of this Declaration.

Section 8.08 Power to Acquire Property and Construct Improvements. The Association may acquire property or an interest in property (including leases) for the common benefit of Owners including improvements and personal property. The Association may construct improvements on the Property and may demolish existing improvements.

Section 8.09 Power to Adopt Rules and Regulations. The Association may adopt, amend, repeal and enforce rules and regulations ("Rules and Regulations"), fines, levies and enforcement provisions as may be deemed necessary or desirable with respect to the interpretation and implementation of this Declaration, the operation of the Association, the use and enjoyment of any Common Areas, and the use of any other property, facilities or improvements owned or operated by the Association.

Section 8.10 Power to Enforce Restrictions and Rules and Regulations. The Association (and any Owner with respect only to the remedies described in (ii) below) shall have the power to enforce the provisions of this Declaration and the Rules and Regulations and shall take such action as the Board of Directors deems necessary or desirable to cause such compliance by each Member and each Related User. Without limiting the generality of the foregoing, the Association shall have the power to enforce the provisions of this Declaration and of Rules and Regulations of the Association by any one or more of the following means: (i) By entry upon any property within the Subdivision after notice and hearing (unless a bona fide emergency exists in which event this right of entry may be exercised without notice (written or oral) to the Owner in such manner as to avoid any unreasonable or unnecessary interference with the lawful possession, use or enjoyment of the improvements situated

thereon by the Owner or any other person), without liability by the Association to the Owner thereof, for the purpose of enforcement of this Declaration or the Rules and Regulations; (ii) by commencing and maintaining actions and suits to restrain and enjoin any breach or threatened breach of the provisions of this Declaration or the Rules and Regulations; (iii) by exclusion, after notice and hearing, of any Member or Related User from use of any recreational facilities within any Common Areas during and for up to sixty (60) days following any breach of this Declaration or such Rules and Regulations by such Member or any Related User, unless the breach is a continuing breach in which case exclusion shall continue for so long as such breach continues; (iv) by suspension, after notice and hearing, of the voting rights of a Member during and for up to sixty (60) days following any breach by such Member or a Related User of a provision of this Declaration or such Rules and Regulations, unless the breach is a continuing breach in which case such suspension shall continue for so long as such breach continues; (v) by levying and collecting, after notice and hearing, an assessment against any Member for breach of this Declaration or such Rules and Regulations by such Member or a Related User, which assessment shall be paid to the Association as reimbursement for the costs incurred by the Association in connection with such breach; (vi) by levying and collecting, after notice and hearing, reasonable and uniformly applied fines and penalties, established in advance in the Rules and Regulations of the Association, from any Member or Related User for breach of this Declaration or such Rules and Regulations by such Member or a Related User; and (vii) by taking action itself to cure or abate such violation and to charge the expenses thereof, if any, to such violating Members, plus attorneys' fees incurred by the Association with respect to exercising such remedy.

Before the Board of Directors may invoke the remedies provided above, it shall give registered or certified mail notice of such alleged violation to the Owner, and shall afford the Owner a hearing. If, after the hearing, a violation is found to exist, the Board to Directors's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Declarant, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver of their right to take enforcement action thereafter or upon a subsequent breach or default.

Section 8.11 Power to Grant Easements. In addition to any blanket easements described in this Declaration, the Association shall have the power to grant access, utility, drainage, water facility and other such easements in, on, over or under the Common Area. Additionally, the Association, from and after the Control Transfer Date, shall have the power to grant access, utility, drainage, water facility and other similar easements in, on, over and under Lots provided that such easements do not unreasonably interfere with the rights of the Owner of such Lots.

Section 8.12 Power to Convey and Dedicate Property to Government Agencies . The Association shall have the power to grant, convey, dedicate or transfer any Common Areas or facilities to any public or governmental agency or authority for such purposes and subject to such terms and conditions as the Association shall deem appropriate, which power may be exercised (i) prior to the Control Transfer Date by the Board of Directors and (ii) from and after the Control Transfer Date by the Association, with the approval of not less than two-thirds (2/3rds) of the Members agreeing in writing or by voting at any scheduled meeting of the Members and with the prior written approval of the Declarant. The Association may, subject to the limitations of the preceding sentence, convey property to a public or governmental agency or authority in lieu of such property being condemned by such public or governmental agency or authority.

ARTICLE IX

REQUIRED SUBDIVISION IMPROVEMENTS

Section 9.01 Dedication. Certain subdivision improvements which are required by the subdivision regulations of the City of Conroe, Texas have been dedicated for the use and benefit of Owners within the Subdivision. The Association shall be responsible for the maintenance and upkeep of these required improvements and shall be authorized to assess and collect the maintenance charge against the Lots and to expend funds so collected for such purposes.

Section 9.02 Street Lights. The Association shall be responsible for the operation and maintenance of street lighting within the Subdivision until such responsibility is assumed by a public entity.

Section 9.03 Storm Water Detention Facilities. Storm water detention facilities have been located within the Subdivision or in Drainage Easements, Detention Easements or Storm Sewer Easements situated on property adjacent to the Subdivision. These facilities are intended to contain the storm water runoff associated with the development of the Subdivision. The Association shall be responsible for the operation and maintenance of these facilities.

Section 9.04 Open Space and Common Areas. The Association shall be responsible for open spaces and Common Areas, if any, within the Subdivision. These facilities are dedicated for the use and benefit of Lot Owners within the Subdivision only.

Section 9.05 Amendment of Article. Notwithstanding any provision to the contrary contained in this Declaration, the provisions of this Article may not be amended without the express written consent of the Planning Commission of the City of Conroe, Texas.

Section 9.06 Exercise of Maintenance and Assessment Powers by City. In the event the Association shall fail or refuse to adequately maintain the required subdivision improvements described or referred in this Article, the City shall be authorized, but not obligated, to exercise the assessment and maintenance powers in place of the Association. The City may utilize the proceeds of the maintenance funds to reimburse funds advanced by the City for maintenance of the required subdivision improvements. It shall be the duty of the Board of Directors to assess and collect the Maintenance Charge established by Article VI and to utilize such funds for the maintenance and upkeep of the required subdivision improvements located within the Subdivision. If, for any reason, the Board of Directors shall fail to provide for the assessment and collection of the Maintenance Charge, or for the proper maintenance and upkeep of the required subdivision improvements, then, the City Council of the City of Conroe, Texas, shall be authorized, but not required, to exercise such power in the place of the Board of Directors. In the event the City shall advance its own funds to defray expenses of maintenance of the required subdivision improvements, the City shall be entitled to reimbursement from the Maintenance Fund and may increase the Maintenance Charge as necessary to insure repayment.

ARTICLE X

GENERAL PROVISIONS

Section 10.01 Term. The provisions hereof shall run with all property in the Subdivision and shall be binding upon all Owners and all persons claiming under them for a period of forty (40) years from the date this Declaration is recorded, after which time said Declaration shall be automatically extended for successive periods of ten (10) years each.

Section 10.02 Amendments. This Declaration may be amended or changed, in whole or in part, at any time by the written agreement or signed ballots of Owners (including the Declarant) representing not less than two-thirds (2/3) of all of the votes entitled to be cast by all of the Owners. If the Declaration is amended by a written instrument signed by those Owners representing not less than two-thirds (2/3) of all of the votes of the Owners, such amendment must be approved by said Owners within three hundred sixty-five (365) days of the date the first Owner executes such amendment. The date an Owner's signature is acknowledged shall constitute prima facia evidence of the date of execution of said amendment by such Owner. Those Members (Owners, including the Declarant) representing not less than two-thirds (2/3) of all of the votes entitled to be cast by the Members of the Association may also vote to amend this Declaration, in person, or by proxy, at a meeting of the Members (Owners, including the Declarant) duly called for such purpose, written notice of which shall be given to all Owners at least ten (10) days and not more than sixty (60) days in advance and shall set forth the purpose of such meeting. Any such amendment shall become effective when an instrument is filed for record in the Real Property Records of Montgomery County, Texas, accompanied by a certificate, signed by a majority of the Board of Directors, stating that the required number of Members (Owners, including the Declarant) executed the instrument amending this

Declaration or cast a written vote, in person or by proxy, in favor of said amendment at the meeting called for such purpose. Copies of the written ballots pertaining to such amendment shall be retained by the Association for a period of not less than three (3) years after the date of filing of the amendment or termination.

Section 10.03 Amendments by the Declarant. The Declarant shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged, and filed for record for the purpose of correcting any typographical, scrivener or grammatical error, oversight, ambiguity or inconsistency appearing herein, provided that any such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by this Declaration and shall not impair or adversely affect the vested property or other rights of any Owner or his mortgagee. Additionally, Declarant shall have and reserves the right at any time and from time to time prior to the Control Transfer Date, without the joinder or consent of any Owner or other party, to amend this Declaration by an instrument in writing duly signed, acknowledged and filed for record for the purpose of bringing this Declaration into compliance with any HUD requirements.

Section 10.04 FHA Approval of Amendments, Etc. Notwithstanding any provision to the contrary contained in this Declaration, as long as there is a Class B membership, the dedication of Common Areas (except any Common Areas depicted on the Plat or on the plat of any other section of Forest West Subdivision, or referenced in this Declaration or a similar declaration for any other section of Forest West Subdivision) and the amendment of this Declaration (except for amendments by the Declarant to correct typographical, scrivener or grammatical errors or to comply with HUD requirements) shall require the prior approval of HUD/VA.

Section 10.05 Severability. Each of the provisions of this Declaration shall be deemed independent and severable and the invalidity or unenforceability or partial invalidity or partial unenforceability of any provision or portion hereof shall not affect the validity or enforceability of any other provision.

Section 10.06 Mergers and Consolidations. The Association may participate in mergers and consolidations with other non-profit corporations organized for the same purposes, provided that (i) prior to the Control Transfer Date any such merger or consolidation shall be approved (in writing or at a meeting duly called for such purpose) by two-thirds (2/3) of the Directors and (ii) from and after the Control Transfer Date any such merger or consolidation shall have the consent (in writing or at a meeting duly called for such purpose) of those Members representing not less than two-thirds (2/3) of all of the votes entitled to be cast by all of the members.

Upon a merger or consolidation of the Association with another association as provided in its Articles of Incorporation, the properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association, or alternatively, the properties, rights and obligations of the other association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to the merger. The surviving or consolidated association will be subject to the covenants and restrictions established by this Declaration within the Subdivision, together with the covenants and restrictions established upon any other properties as one scheme. No such merger or consolidation, however, shall effect any revocation, change or addition to the covenants and restrictions established by this Declaration, except as changed by amendment of this Declaration or by the plan of merger or consolidation. In the event of any inconsistency between the terms and provisions of this Declaration and the terms and provisions of any of the merger or consolidation documents, the terms and provisions of this Declaration shall control.

Section 10.07 Liberal Interpretation. The provisions of this Declaration shall be liberally construed as a whole to effectuate the purpose of this Declaration.

Section 10.08 Successors and Assigns. The provisions hereof shall be binding upon and inure to the benefit of the Owners, the Declarant and the Association, and their respective heirs, legal representatives, executors, administrators, successors and assigns.

Section 10.09 Effect of Violations on Mortgages. No violation of the provisions herein contained, or any portion thereof, shall affect the lien of any mortgage or deed of trust presently or hereafter placed of record or otherwise affect the rights of the mortgagee under any such mortgage, the holder of any such lien or beneficiary of any such deed of trust; and any such mortgage, lien, or deed of trust may, nevertheless, be enforced in accordance with its terms, subject, nevertheless, to the provisions herein contained.

Section 10.10 Terminology. All personal pronouns used in this Declaration and all exhibits attached hereto, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Title of Articles and Sections are for convenience only and neither limit nor amplify the provisions of this Declaration itself. The terms "herein," "hereof" and similar terms, as used in this instrument, refer to the entire agreement and are not limited to referring only to the specific paragraph, section or article in which such terms appear.

Section 10.11 Effect on Annexable Area. The provisions of this Declaration do not impose any restrictions whatsoever or otherwise encumber the Annexable Area, unless and until portions of the Annexable Area are made subject to the jurisdiction of the Association by a separate instrument executed solely by Declarant or its successors and assigns and any lienholders, and recorded in the Real Property Records of Montgomery County, Texas.

Section 10.12 Declarant's Rights and Prerogatives. Prior to the Control Transfer Date, the Declarant may file a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for the Declarant's (i) discontinuance of the exercise of any right or prerogative provided for in this Declaration to be exercised by the Declarant or (ii) assignment to any third party owning property in the Subdivision or Annexable Area, of one or more of Declarant's specific rights and prerogatives provided in this Declaration to be exercised by Declarant. The assignee designated by Declarant to exercise one or more of Declarant's rights or prerogatives hereunder shall be entitled to exercise such right or prerogative until the earlier to occur of the (i) Control Transfer Date or (ii) date that said assignee files a statement in the Real Property Records of Montgomery County, Texas, which expressly provides for said assignee's discontinuance of the exercise of said right or prerogative. From and after the date that the Declarant discontinues its exercise of any right or prerogative hereunder and/or assigns its right to exercise one or more of its rights or prerogatives to an assignee, the Declarant shall not incur any liability to any Owner, the Association or any other party by reason of the Declarant's discontinuance or assignment of the exercise of said right(s) or prerogative(s). Upon the Declarant's assignment of its rights as of the Transfer Control Date to the Association, the Association shall be entitled to exercise all the rights and prerogatives of the Declarant.

Section 10.13 Electrical Distribution. The electric distribution system will be installed in the Subdivision, which electrical service area embraces all of the Lots which are platted in the Subdivision at the time of the execution of an Electrical Distribution Agreement ("Agreement") between the Declarant and the applicable electric company (hereinafter sometimes called the "Company"), and additional portions of the Annexable Area hereafter platted by Declarant. The Owner of each Lot containing a Dwelling shall, at his or its own cost, furnish, install, own and maintain (all in accordance with the requirements of local governing authorities and the National Electrical Code) the service cable and appurtenances from the point of the Company's metering at the 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 Company at a point designated by such Company at the property line of each Lot. The Company furnishing service shall make the necessary connections at said point of attachment and at the meter. Declarant has, either by designation on the Plat of the Subdivision or by separate instrument granted necessary easements to the Company providing for the installation, maintenance and operation of its electric distribution system and has also granted to the various Owners reciprocal easements providing for access to the areas occupied by and centered on the service wires of the various Owners to permit installation, repair, and maintenance of each Owner's owned and installed service wires. In addition, the Owner of each Lot shall at his or its own cost, furnish, install, own and maintain a meter loop (in accordance with the then current standards and specifications of the Company furnishing service) for the location and installation of the meter of such Company for each Dwelling involved. For so long as electrical service is maintained

in the Subdivision, the electric service to each dwelling unit therein shall be uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand as of this 1st day of May, 2003.

CLASTECK DEVELOPERS, LTD.,
a Texas limited partnership

BY: SIG-STECK, INC.,
a Texas corporation, as General Partner

By: *Michael B. Stoecker*
Michael B. Stoecker, President

STATE OF TEXAS

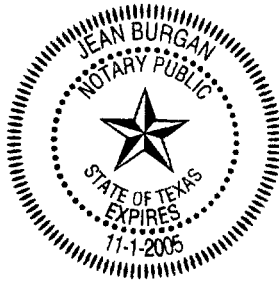
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COUNTY OF MONTGOMERY

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This instrument was acknowledged before me on the 1st day of May, 2003, by Michael B. Stoecker, President of Sig-Steck, Inc., a Texas corporation, on behalf of said corporation, as General Partner of Clasteck Developers, Ltd., a Texas limited partnership, on behalf of said partnership.

Jan Borgan
Notary Public, State of Texas



STATE OF TEXAS
COUNTY OF MONTGOMERY
I hereby certify this instrument was filed in
File Number Sequence on the date and at the time
stamped herein by me and was duly RECORDED in
the Official Public Records of Real Property at
Montgomery County, Texas.

MAY - 2 2003



Mark Turnbull
County Clerk
Montgomery County, Texas

FILED FOR RECORD

2003 MAY -2 PM 1:02

Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY TEXAS

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 black-outs, additions and changes were present at the time the instrument was filed and recorded.