

CORPORATE BY-LAWS

AS ADOPTED MARCH 9, 1978

SECTION 1. ANNUAL MEETING OF MEMBERS

The annual meeting of the Corporate members will be held on the second Tuesday of December each year at a time and place designated by the Board of Directors. An alternate date may be set at the discretion of the board, but in either event notices shall be mailed or delivered at least 10 days prior to such meeting to each corporate member at his last address on record. The corporate members are comprised of the property owners within the Lakewood subdivision. Each member is entitled to one vote for each lot owned in accordance with the recorded plat of the subdivision.

The members present shall elect a temporary chairman to preside and conduct the election of the new directors for the ensuing calendar year together with any other business to come before the meeting.

SECTION 2. SPECIAL MEETINGS

Special meetings may be called by the directors, the president or by a majority of the members at any time, by giving at least 10 days notice of the time, place, and object of such meeting. Such notices shall be in writing and mailed or delivered to each member at his last address of record.

SECTION 3. SELECTION OF CANDIDATES FOR NEW BOARD

The outgoing directors shall serve as a nominating committee for the new directors and shall seek acceptance for the nominations from each candidate prior to each annual meeting. The outgoing directors shall also make recommendations to the members to affix the number of directors. They further shall tabulate the votes in person and by proxy and report the results of the election to the temporary chairman.

SECTION 4. ORGANIZATION OF NEW BOARD

The newly elected directors or a majority thereof shall assemble and elect a president, vice-president, a secretary-treasurer and such other officers as may be deemed necessary to expediently conduct the affairs of the corporation. The secretary shall keep a complete record of the proceedings, the same being recorded in the minute book of the corporation. The old board shall continue to serve until their successors have been elected and have accepted their positions as directors in accordance with these by-laws.

SECTION 5. DUTIES OF THE PRESIDENT

The president shall take office on January 1st and hold such office for the ensuing calendar year or until such time as his successor has been elected by the board. He shall preside at all board meetings when present and appoint the members of all committees. He shall

SECTION 5. DUTIES OF THE PRESIDENT CONTINUED

sign the minutes of all meetings at which he presided. He shall further have the authority and responsibility to employ contractors, consultants and professional assistance for the care, maintenance and control of parks, lakes and other community owned land as from time to time he is authorized and directed by the board of directors.

SECTION 6. DUTIES OF VICE PRESIDENT

The vice president shall perform all duties of the president in his absence or in his inability or disqualification to act. He may also perform such other duties as from time to time are designated by the board of directors including serving as chairman of the architectural control committee.

SECTION 7. DUTIES OF SECRETARY-TREASURER

The secretary-treasurer shall be responsible for the funds of the corporation and keep an accurate accounting of same. He shall pay all bills as authorized and approved by the board and be authorized to sign and endorse checks for the corporation in a manner prescribed by the board. As secretary he shall keep a complete record of proceedings at each board meeting and record in the minute book of the corporation. As treasurer he shall make a report to the board of the financial position of the corporation in a manner prescribed by the board which shall be approved at each meeting.

SECTION 8. OTHER OFFICERS

The board of directors shall have the authority to elect such other officers as may become necessary for the expedient conduct of the corporation's business.

SECTION 9. COMMITTEES

a. There shall be an architectural control committee appointed each year by the president from the board or other members of the corporation as provided in the deed restrictions and subsequent resolution recorded in Vol. 470, Page 799 of the deed records of Freestone County. This committee shall have duties and responsibilities as outlined in the original deed restrictions of the Lakewood Subdivision together with such other duties and responsibilities as from time to time are designated by the board of directors.

b. The board shall have the authority to direct the president to appoint "a maintenance committee" and or such other committees from the board or corporate members as deemed necessary from time to time. The maintenance committee shall assume the duties and responsibilities of the proper maintenance and control of the parks, lakes and other public lands of the subdivision. The committee shall be empowered to negotiate with the county, city, state highway dept. and other public bodies as well as private contractors for the proper maintenance of public and private roads to and through the subdivision. In addition the committee shall prepare a budget for each following year and present it to the board, who will subsequently review same and present it to the corporation members at the annual meeting or at a special meeting and give its appropriate recommendation for adoption.

SECTION 10. COMPENSATION OF OFFICERS, DIRECTORS AND COMMITTEEMEN

No compensation has been provided for any director, officer or committee men. Any of the above shall however, be entitled to recover any "out of pocket" expenses with the subsequent approval of the board. Should any compensation become necessary or advisable, it must take place through an amendment to article 10 of these by-laws at any regular or special meeting of the corporate members.

SECTION 11. MINUTE BOOK

Minutes of each regular or special meeting of the directors or the members shall be kept and maintained by the secretary. The corporate charter, the articles of incorporation, the corporate by-laws and all amendments thereto shall also be kept and maintained by the secretary as well as copies of treasurer's reports, committee reports and correspondence.

SECTION 12. BOOKS AND ACCOUNTS

Accounts receivable ledger, general ledger, including income and expense accounts and posting journals, corporate check books and other financial records shall be kept maintained and in the custody of the treasurer, or such other officer as may be designated by the board. The board of directors shall have the power to prescribe or change the form and manner in which the books and accounts are kept, and to employ professional assistance when deemed necessary.

SECTION 13. RECORDATION

These corporate by-laws and deed restrictions together with any amendments thereto shall be filed for record with the county clerk of Freestone County. Amendments to articles of incorporation shall be filed with the secretary of State in Austin.

SECTION 14. AMENDMENTS

The articles of incorporation, the corporate by-laws and the deed restrictions may be amended from time to time by a majority vote of the corporate members at any regular or special meeting. Such amendments shall be filed for record as prescribed in Section 13.

IF YOU HAVE QUESTIONS CALL
DALE MASSEY 389-3106
RESTRICTIONS

LAKEMOOD SUBDIVISION, FREESTONE COUNTY, TEXAS

THE STATE OF TEXAS]
COUNTY OF FREESTONE]

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Neal Development Corp. is the owner of a tract of land in the REEDIN GAINOR LEAGUE, A-12, Freestone County, Texas, which has been subdivided and platted as Lakewood, as shown by map thereof, recorded in Vol. 1, page 76 of the Map Records of Freestone County, Texas; and,

WHEREAS, it is deemed to be in the best interest of said Neal Development Corp. and of the persons who may purchase lots described in and covered by the above mentioned plat, that there be established and maintained a uniform plan for the improvements and development of the lands covered thereby as a highly restricted and modern subdivision;

NOW, THEREFORE, Neal Development Corp. being the owner of said subdivision, does hereby adopt the following covenants and restrictions which shall be taken and deemed to be covenants to run with the lands and shall be binding on Neal Development Corp. and all persons and entities claiming under them until January 1, 1975 at which time said covenants, conditions and restrictions shall be automatically extended for successive period of ten (10) years each unless by duly recorded instrument signed by a majority of the property owners in said addition it is agreed to change said covenants, conditions and restrictions in whole or in part.

If the above named owner or any of its successors or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning any real property situated in the above referred to subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants and either to prevent him or them from so doing or to recover damages or other dues for such violations.

Invalidation of any of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in force and effect.

(a) No lot shall be used except for residential purposes; provided that any lot may be used for the erection and operation of a sales office, construction office,

or model home by Neal Development Corp. or its designees, successors or assigns. The term "Residential Purposes" as used herein shall be held and construed to exclude hospitals, clinics, duplex houses, apartment houses, boarding houses, hotels and to exclude commercial and professional uses whether from homes, residences or otherwise, and all such uses of said property are hereby expressly prohibited; provided, however, that the business of furnishing utilities and sewage disposal shall not be considered a prohibited business. No building shall be erected, altered, placed or permitted to remain on any lot other than (1) one detached single family dwelling not to exceed two (2) stories in height, together with a private garage or carport for not more than three (3) cars and servant's type quarters which may be occupied by an integral part of the family occupying the main residence on the building site, or by servants employed on the premises; (2) a tool shed or work shop, attached or unattached to the residence building; and (3) one 1-story horse barn or shed not to exceed 400 square feet of floor area upon those lots where the keeping of horses is permissible as hereinafter provided.

(b) No improvements of any nature shall be erected, placed or altered on any building plot in this subdivision until the plans, specifications and plot plans showing the location of such improvements have been approved in writing as to conformity and harmony of external design with existing structures in the subdivision, and as to location with respect to topography and finished ground elevation by an Architectural Control Committee composed of C. E. Neal, Jr., C. E. Neal, Sr., and Steven A. Neal, or by a representative designated by a majority of the members of said committee.

In the event of death or resignation of any member of said committee the remaining member or members shall have the full authority to approve or disapprove such design and location or to designate a representative with like authority.

In the event said committee, or its designated representative fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, or in any event, if no suit to enjoin the erection of such building or the making of such alterations have been commenced prior to sixty (60) days after completion thereof, such approval will not be required and this covenant shall be deemed to have been complied with. Neither the members of such committee, nor its designated representative shall be entitled to any compensa-

flow for services performed pursuant to this covenant.

The duties and powers of such committee and of its designated representatives shall cease on and after January 1, 1976. Thereafter, the approval described in this covenant shall not be required unless, prior to said date and effective thereon, a written instrument shall be executed by the then record owners of a majority of the lots in this subdivision and duly recorded appointing a representative or representatives, who shall thereafter exercise the same powers previously exercised by said committee.

~~X~~ (c) Except as may be authorized in writing by the Architectural Control Committee, no building shall be located nearer to the front lot line or nearer to any public street than 25 feet. No slab or foundation of any building (including garages, sheds, and barns) shall be located nearer than ten (10) feet from the rear/lot lines and from the side. Overhang of the walls and roofs of buildings shall be permitted so long as such overhang does not extend out more than two (2) feet from the slab or foundation. All improvements shall be constructed to front on the street upon which site faces, with provision that each corner site may face on any street on which it has frontage, and garage may also face on any street on which the lot has frontage.

(d) No residential structure shall be erected or placed on any building plot having an area of less than seven thousand, five hundred (7,500) square feet or a width of less than seventy-five (75) feet at the front building set back line.

(e) No noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done or kept thereon which may become an annoyance or nuisance to the neighborhood.

~~X~~(f) No basement, tent, shack, garage, barn or other outbuilding erected on the tract shall at any time be used as a residence temporarily or permanently, nor shall any structure of a temporary character be used as a residence, with the exception that one mobile home may be used as a residence on each lot on a temporary basis, prior to the construction of a permanent residence, for a period not to exceed twenty-four (24) months from date of purchase of the lot. Each mobile home to be used as a temporary residence must first be approved in writing by the Architectural Control Committee and such mobile home must have a minimum living area of five hundred (500)

more feet. The mobile home must have been initially registered no earlier than January 1, 1963, it must be placed on the lot with the long axis of the vehicle parallel to the street, and in the case of a corner lot location, must be placed with the long axis of the vehicle parallel to the street upon which the lot has the greater frontage. It must be connected to the water and sewer lines of the subdivision if available (or to an Architectural Control Committee approved septic tank system on those lots where sewer is not available). The foundation of the mobile home must be covered or closed in with wood or other material approved by the Architectural Control Committee, and the mobile home must in all other instances conform to the other requirements of these restrictions for permanent residences.

(g) No permanent residential structure shall be placed on any lot unless its living area has a minimum of one thousand (1,000) square feet of floor area exclusive of porches and garage.

(h) The exterior walls of all residences, garages and outbuildings shall be at least fifty-one per cent (51%) brick, brick veneer, stone, stone veneer, rough cedar, or redwood, and all roofs shall be of the wood-shingle or composition-shingle

); provided, however, the Architectural Control Committee may approve variations from such construction requirements in specific cases.

(i) There is hereby specifically reserved to Neal Development Corp., its successors and assigns, and all lot sales shall be subject to a right of way easement upon, across, through, over and under all lands designated on the Plat as easements or as dedicated to public use. The right is hereby reserved at all times to use any of such lands for laying, placing, erecting, constructing, maintaining, repairing, altering, removing, replacing, and operating any and all kinds of pipe, lines, wires, cables, poles, towers, and any other equipment and structures necessary or incidental to the furnishing, supplying, transporting, and transmitting of water, sewage, gas and electric power and all types of communications including, but not limited to, telephone, television and radios, whether or not such services qualify as public utilities. In addition, but not by way of limitation, Neal Development Corp. and the Pine Valley Land and Cattle Company, their successors, assigns and designees shall have the right to drill water well or wells on such easements and to operate and maintain water and sewage systems to serve this subdivision and any

other subdivision served by said company, and to build or plant walls or screens to shelter necessary equipment or structures from the view of the public streets or adjoining lots.

(j) The raising or keeping of hogs, horses, poultry, fowls, or other livestock on any residential lot in the subdivision is strictly prohibited with the exception that no more than two (2) horses together with their offspring under the age of one (1) year may be kept on Lots 1 through 42, inclusive, and lots 98 through 103, inclusive; provided, that on Lots 1 through 42 inclusive, the quarters and area used for such animals may not at any point be closer than one hundred twenty-five (125) feet to any public street, and on lots 98 through 103, inclusive, the quarters and area used for horses may not extend north of the north line of the Gulf Pipe Line Easement which crosses these lots. Buildings used for the keeping of horses must conform to the architectural requirements for the subdivision, must be approved in writing by the Architectural Control Committee, and must be kept in a clean and sanitary condition.

(k) No spirituous, vinous, or malt liquors or medicated bitters capable of producing intoxication, shall ever be sold or offered for sale on any residential lot in this subdivision, nor shall said premises or any part thereof be used for vicious, illegal or immoral purposes, nor for any purpose in violation of the laws of the State of Texas, or of the United States, or of police, health, sanitary, buildings or fire code, regulation or instruction relating to or affecting the use, occupancy or possession of any of the said sites.

(l) No sign, of any kind shall be displayed to the public view except one sign of not more than five (5) square feet, advertising property for sale or rent, or signs used by a builder to advertise the property during the construction and sales period.

(m) No water well, cistern, or storage tank, either above or below the ground, shall be drilled, dug, placed, or erected in, under, or on any lot. Provided, however, that Neal Development Company or its successors and assigns or designate may drill a water well or wells on any lot or lots or any easement or road right of way it sees fit so long as some or all of the water produced is furnished to lot owners.

(n) No outside privies or toilets will be permitted. Without exception, all houses shall be connected to a central sewage disposal system as it becomes available. All septic tank systems will be required to have a double septic tank, 250 gallon capacity to each tank, a separate 75 gallon grease trap, and at least 150 feet of field line. A detailed layout for each septic tank system must be presented to the Architectural Control Committee and approved by same in writing. The system must further be inspected physically and approved by a member of the Architectural Control Committee or a duly appointed representative, before the system is covered up.

(o) Lots or fractions of lots may be combined to form a single lot, or existing lots may be divided into two (2) or more new lots, just as if originally platted as such on the Plat; provided, that after combination or division, all resulting lots shall have at least seven thousand five hundred (7,500) square feet of area, and all lots shall be at least seventy-five (75) feet wide at the front building line set-back, and shall have at least seventy-five (75) feet frontage on a public street. Side and rear lot lines, and front building set-back lines for lots created by division or reformation shall be the same as if originally platted as such on the Plat. However, no lot or lot line shall be changed, altered, divided, or reformed without the approval in writing of the Architectural Control Committee which shall have the right to disapprove any such change which, in their opinion, would not be in keeping with the arrangement of the remainder of the subdivision. Use of any lot or portion of any lot for a public street, for a public alley, or for an access easement to property outside the subdivision is strictly forbidden except by the written agreement of the Architectural Control Committee.

(p) Each property owner in the subdivision shall be subject to an Annual Maintenance Charge at an initial rate of \$24.00 per year for the purpose of creating a fund to be known as "Froestons-Lakewood Maintenance Fund" and to be paid by each owner of property in the subdivision.

This charge shall be payable to the Froestons-Lakewood Maintenance Fund, Inc., a Texas non-profit corporation, annually in advance of January 1st of each year and shall commence from the date of the sale of the building plot by Neal Development Corp. To secure the payment of this Maintenance Charge, a vendor's lien shall be retained in each Deed from Neal Development Corp., against the residential plot conveyed by any such Deed, which lien shall be reserved in favor of Froestons-

Lakewood Maintenance Fund, Inc., its successors and assigns. The initial amount of the Maintenance Fund shall be \$24,00 per year. The first payment shall be made in advance on the date of closing and shall be prorated for the remainder of the calendar year in which the sale is closed. The amount of the Maintenance charge may be increased by the Board of Directors up to a maximum \$30.00 per year by majority vote of the Directors. Such increase or increases to \$30.00 per year shall be evidenced by an instrument duly executed and acknowledged by a majority of the Directors and placed of record in the Office of the County Clerk. Subsequent adjustment in the amount of the Maintenance Charge in excess of \$30.00 per year shall be recommended by the Directors to the Members, and shall become effective only at such time as 75% of the lots in the subdivision shall have voted in favor of such adjustment.

Any Maintenance Charge not paid when due shall bear interest from the date it became due until paid, at the rate of 10% per annum.

The total fund accumulated from this charge, insofar as the same may be sufficient, shall be applied toward the payment of Maintenance Expenses incurred for any or all of the following purposes in regard to all easements and rights of way dedicated to the public use and use of lot owners and all property owned in fee by Freestone-Lakewood Maintenance Fund, Inc.:

Lighting, improving and maintaining streets, parks, parkways, lakes, bridge paths, esplanades, dams, spillways, launching ramps, docks, and diving platforms; collecting and disposing of garbage, ashes, rubbish and the like; caring for vacant lots; payment of legal and all other expenses incurred in connection with the collection, enforcement and administration of the "Maintenance Fund" and the enforcement of all covenants and restrictions for the subdivision; and doing any other thing necessary or desirable in the opinion of the Trustees of Freestone-Lakewood Maintenance Fund, Inc. to keep the property in the subdivision and property owned by Freestone-Lakewood Maintenance Fund, Inc. neat and in good order, or which they consider of general benefit to the owners or occupants of the subdivision. It is understood that the judgment of the Directors of Freestone-Lakewood MAINTENANCE Fund, Inc., in the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.

The Directors of Freestone-Lakewood Maintenance Fund, Inc., are authorized to borrow money, without personal liability on the part of the directors, for the purposes of the "Maintenance Fund", giving as security funds then or in the future paid into the "Maintenance Fund".

The Maintenance Charge shall remain effective until January 1, 1980, and shall automatically be extended thereafter for successive periods of ten (10) years, provided, however, that owners of a majority of the square foot area of all residential lots in the subdivision subject to such Maintenance Charge may revoke the Maintenance Charge on January 1, 1980, or at the end of any successive ten year period thereafter, by executing and acknowledging an appropriate agreement or agreements, in writing, for such purpose and filing the same for record in the office of the County Clerk of Freestone County, Texas, at least one (1) year prior to January 1, 1980, or at any time prior to one (1) year preceding the expiration of any successive ten year period thereafter.

The agreement or agreements so executed for this purpose shall be acknowledged by the persons executing the same in the manner as is required for the execution of deeds entitled to be recorded in the County Clerk's office.

The initial Board of Directors of Freestone-Lakewood Maintenance Fund, Inc. shall be composed of ^{Neil Development Corp.} ~~C. E. Neal, Sr.~~, ^{Neil Development Corp.} ~~C. E. Neal, Jr.~~ and ^{Neil Development Corp.} ~~C. E. Neal, III~~, who shall serve until January 1, 1973, unless all three initial directors resign prior to that time. In case of the resignation, death or incapacity of less than all three initial directors, the remaining director or directors may appoint a substitute director or directors to serve the remainder of said term. The members of Freestone-Lakewood Maintenance Fund, Inc. shall be the owners of lots in Lakewood. Each member shall be entitled to one vote for each lot owned in the subdivision at any meeting of the members. After January 1, 1973, or sooner if all three initial directors resign, the members shall elect three directors annually at the meeting of members and each director shall be an owner of a lot in the subdivision or an officer of a corporation owning one or more lots in the subdivision.

(4) All lands now owned by Freestone-Lakewood Maintenance Fund, Inc. and all lands hereafter acquired by the corporation shall be subject to all the restrictions herein contained and upon request by Neil Development Corp., its successors and assigns, Freestone-Lakewood Maintenance Fund, Inc. shall grant any and all easements

over lands owned and hereafter acquired necessary or convenient for the building and maintenance of sewage facilities and utilities including water wells and storage.

EXECUTED this ____ day of August, 1970.

NEAL DEVELOPMENT CORP.

By _____
C. E. Neal, Sr., President

ATTEST:

Secretary

THE STATE OF TEXAS ()

COUNTY OF FREESTONE ()

BEFORE ME, the undersigned, a Notary Public in and for said County and State, in this day personally appeared C. E. NEAL, SR., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said NEAL DEVELOPMENT CORP, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of August, A. D. 1970.

Notary Public in and for Freestone County, Texas

THE STATE OF TEXAS
County of Freestone

I, Henry McCormick, Clerk of the County Court of said County, do hereby certify that the foregoing instrument of writing, with its certificate of authentication, was filed for record in my office on the ____ day of _____, A. D. 19____, at _____ o'clock _____ M., and was duly recorded by me on the ____ day of _____, A. D. 19____, in Vol. _____ Page _____ of the Record of _____ said County.

WITNESS MY HAND and the Seal of the County Court of said County, at my office in Fairfield, Texas, the day and year last above written.

(L. S.)

HENRY MCCORMICK,
Clerk County Court, Freestone County, Texas.
By _____ Deputy