

house or houses in the immediate vicinity, or for the servicing of or delivery of goods or merchandise to such house or houses, and no truck, truck-tractor, tractor-trailer, bus, boat or marine craft or trailer shall be left parked in any driveway or other portion of a lot, unless inside a garage or out of sight behind fence. No vehicle, marine craft or trailer shall be left parked on any unpaved portion of a lot for more than four (4) hours unless out of sight behind fence.

B. SIZE AND CONDITION OF DWELLING

(1) No building shall be erected, altered, placed or permitted to remain on any lot other than one (1) single family detached dwelling or house, not to exceed two and one-half (2-1/2) stories in height, a private garage built to accommodate not more than four (4) passenger automobiles, and other outbuildings incidental to residential use of the lot, all subject to the same height limit prescribed for the house. No building may be constructed or erected on a lot to a height of more than thirty-five (35) feet above the finished grade level of said lot.

(2) The living area of the main house, exclusive of open porches, patios, lanais, breeze-ways, and garages, shall contain not less than 1,500 square feet in a one-story house and shall contain not less than 1,800 square feet in a two-story house. Any dwelling which does not comply with these provisions shall be required to comply or shall be removed from the lot.

C. LOCATIONS OF RESIDENTIAL STRUCTURES

(1) No building shall be located on any lot nearer to the front line or nearer to the side street line, if any, than the minimum building setback lines shown on the recorded plat of Lakeway Subdivision.

(2) In any event, no building shall be located on any lot nearer than five feet (5') to any side property line.

(3) No building shall be located nearer than five feet (5') to an interior lot side line.

(4) All residences erected on lots in Lakeway Subdivision, shall be oriented toward the front lot line, providing, however, the main entrance to such residence may be situated in a side exterior wall of such residence but in no case, shall such entrance face, in whole or in part, the rear lot line.

(5) Nothing herein contained shall be construed to prevent the use as a building site of two (2) or more consecutively adjacent lots, or the use as a building site of portions of two (2) or more such lots, all having a common street frontage, and a street frontage not less than the frontage of any lot, a portion of which is included in such site.

D. ARCHITECTURAL STYLE

Architectural style may vary, consistent with maintaining a highly compatible appearance throughout. Vivid colors and radically different styles shall not be permitted. All styles and exterior colors and materials shall be approved by the Architectural Control Committee

(ACC) of Lake Anahuac Homeowners Association, Inc. Builders may submit one-time multiple plans and elevations to the ACC for initial one-time approval.

E. EXTERIOR FINISHES

(1) All houses in the Subdivision shall not have less than 50% masonry over all exterior walls. "Masonry" as used and required herein shall refer to brick, brick-veneer or stucco and all material commonly referred to in the Texas building industry as masonry. The above percentage calculation for exterior walls excludes gables, doors and windows. Any construction materials used other than brick or masonry stucco must have complete ACC approval.

(2) Brick color and selection and exterior color selections shall be submitted to the Architectural Control Committee of Lake Anahuac Homeowners Association, Inc. at the time the plans are presented for approval and all exterior colors shall be subject to Committee approval.

F. GARAGES

No garage area may be used, or converted at any time for living area or quarters, however, quarters may be built above detached garages.

G. RECREATIONAL VEHICLES

Boats, trailers, recreational vehicles, and similar vehicles stored on premises must be within enclosed garages or storage areas and not exposed to view from any street or common area.

H. ENERGY CONSERVATION EQUIPMENT

No solar energy collector panels or attendant hardware or other energy conservation equipment shall be constructed or installed on any lot unless it is an integral and harmonious part of the architectural design of a structure, as determined in the sole discretion of the ACC. No windmills, wind generators or other apparatus for generating power from the wind shall be erected or installed on any lot.

I. ANTENNAS

All antennas, video discs, satellite receivers (including without limitation radio or television transmitting or receiving antennas) shall be installed so that no antenna, discs, etc. are visible from any street or common area.

J. FENCES, WALKS AND HEDGES

(1) No fence or wall of any character shall be erected nearer than the front building line and no fence or wall shall exceed 6 feet in height. The only acceptable fence materials shall be brick or wood; except that lots with lot lines adjacent to Lake Anahuac may also use wrought-iron fencing.

(2) No hedge of more than 6 feet in height shall be permitted in front of any dwelling.

K. LANDSCAPING

(1) Grasses and weeds growing on any front, side or rear yard of a lot shall be cut or mowed at such intervals as to maintain front, side, or rear, of not more than six inches (6") above the sod thereunder. Until a dwelling is built on a lot, the Declarant, or its duly authorized agents or assigns, may, at its option, cut such grasses and weeds to meet this covenant and may have dead trees, shrubs, and plants removed from the lot and the owner of said lot shall be held, by the acceptance of a deed thereto, to be obligated to pay and reimburse it, its duly authorized agents or assigns for the cost thus incurred.

(2) When any building is erected upon a lot, that portion of the lot lying between the front lot line, the front setback line, and the enclosing side lot lines, shall be sodded, seeded, planted and maintained as a lawn, excepting such described area as may be maintained for paved driveways, parking areas, and shrubbery, nursery, and hedge plantings, or any combinations thereof, consistent with all other requirements of the covenants hereof.

(3) Landscaping of a lot shall be completed within ninety (90) days after completion of the main residential structure.

L. CONCRETE DRIVEWAYS, APPROACHES AND WALKS

Driveway locations must be coordinated with the master layout as specified in the Lakeway Subdivision engineering plan. The drive approach and driveway shall be constructed in such a manner as to conform to the Chambers County specifications. Walks from the street curb to the residence shall be a minimum of three feet (3') in width. All walks, if any, as required by the Chambers County shall be constructed according to County specifications.

M. GARBAGE AND TRASH COLLECTION

No lot shall be used or maintained as a dumping ground for garbage, rubbish or trash. Garbage, rubbish, or trash shall not be permitted on any lot unless the same is stored in a sanitary container or containers and removed from the premises promptly. Garbage removal by any governmental Sanitation Division on its regular schedule for servicing the street upon which a lot is situated shall be deemed requisite promptitude for the removal of garbage. Accumulations of rubbish or trash, including, but not limited to, grass cuttings and tree limbs, shall be removed not less often than twice a month.

N. PARKING REQUIREMENTS

The parking of any vehicles on any street for more than a forty-eight (48) hour period shall be strictly prohibited.

O. UNACCEPTABLE AND OFFENSIVE ACTIVITIES

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

(2) No oil or gas drilling, oil or gas storage, mineral production, oil exploration or development operations, oil refining, quarrying or mining operation shall be permitted upon, in or under any lot provided, however, the present facilities and activities in connection therewith on any recorded replat pipeline easements shall not be deemed a violation of this covenant.

(3) No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats or other household pets may be kept, provided, however, that such are not kept, bred or maintained for commercial purposes, and that such does not create an annoyance or a nuisance to the neighborhood.

(4) No boats or marine craft shall be stored or parked in any driveway or open parking area of a lot.

(5) No recreational equipment, including without limitation, basketball goals (except goals on detached garages) or poles, volleyball net poles, or any other type of athletic or similar equipment, whether temporary or permanent, shall be constructed or placed on any lot unless specifically approved by the ACC.

P. EASEMENTS; UTILITIES

(1) Easements for installation and maintenance of utilities and drainage facilities and for ingress and egress of the Declarant and all other authorized to install or maintain such utilities and facilities are reserved as shown on the recorded plat of Lakeway Subdivision. Within a lot area where fences, walling or planting is permitted, any fence, wall, or planting in or across said easements may be removed by said utilities, their duly authorized agents or assigns, and by said grantor, its duly authorized agent or assigns, free of all liability or obligation to the owner or owners of such fence, wall or planting on account of such removal. Said utilities easements are for all utilities now or hereafter to be installed and maintained in said replat locations according to custom and usage from time to time.

(2) All electrical and telephone service and subdivision distribution lines that are buried will be in conformance with the then applicable National Electrical Safety Code.

Q. COMMON AREA

Declarant will transfer ownership in common areas as defined in the recorded plat to the Homeowners Association and said Homeowners Association will be solely responsible for maintenance of Common Areas.

R. PERIMETER LOTS; FENCING

Some of the outside perimeter lots in Lakeway Subdivision may have a fence installed by the Declarant along the rear lot line of the lots. The owners of the respective lots shall not damage or destroy the fence. Any lot owner that willfully or negligently destroys the fence will be liable to for any damage. Additionally, any owner of a lot with the fence installed shall allow Declarant or the Homeowners Association reasonable access over and through their lot for the purpose of repairing, maintaining, or replacing the fence.

III. ARCHITECTURAL CONTROL COMMITTEE

A. CREATION

There is hereby created and established the Architectural Control Committee of Lake Anahuac Homeowners Association, Inc.

B. OBJECTIVES

The Architectural Control Committee has been established to encourage the construction of dwellings or superior architectural design, quality, proper size, and overall compatibility with the conceptual plat of Lakeway Subdivision.

C. MEMBERSHIP

Membership of the Architectural Control Committee shall consist of three (3) persons, who shall serve for a term of two years. Its officers shall consist of a President and a Secretary, elected by majority vote of qualified and serving members of the Committee. Committee may adopt and amend By-Laws from time to time for the government of its meeting and internal operation consistent with these covenants, by majority vote of the qualified and serving members.

The initial Committee shall be constituted as follows:

1. Jay Atchley, President
2. Irma Walton
3. Karyn Green

A majority of the Committee may designate a representative to act for it. Such designation shall be recorded in the Minutes of the Committee. In the events of death, resignation, inability or refusal to serve of any member of the Committee, the remaining member or members shall have full authority to designate a successor.

D. FUNCTION AND CONTROL

Dwellings should be designated to create an attractive and harmonious blend with existing houses. No building shall be erected, constructed, remodeled, or altered on any lot until construction plans and specifications have been submitted to and approved in writing by the Architectural Control Committee.

E. REVIEW PROCESS

(1) The review process for approval of plans by the Architectural Control Committee has been created to evaluate construction plans to ensure conformity with the application of the deed restrictions.

(2) One (1) set of drawings, including the following, shall be submitted to the Architectural Control Committee. These drawings will be evaluated as to compliance with all deed restrictions and conformity and harmony of exterior architectural design.

F. APPROVALS

The Committee's approval or disapproval of plans and specifications as required in these covenants shall be in writing, and shall specify the reasons for disapproval, if such be the case. However, in the event the Committee or its designated representative, if any, fails to approve or disapprove within thirty (30) days after proper plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction or remodeling has been filed in court of competent jurisdiction prior to the completion thereof, approval will not be required and the requisite covenants shall be deemed to have been fully complied with.

G. Neither the Committee nor any architect or agent thereof, nor Lake Anahuac Homeowners Association, Inc., nor any agent or employee of any of the foregoing shall be responsible in any way for any failure of structures to comply with the requirements of this declaration, although a certificate of compliance has been issued, any defects in any plans and specifications submitted, revised or approved in accordance with foregoing provisions, nor any structural or other defects in any work done according to such plans and specifications, and all persons relying thereon, agree not to sue or claim against the entities and persons referred to in this section for any cause arising out of the matters referred to herein and further agree to and do hereby release said entities and persons from each and every such cause of action.

IV. HIGHER RESTRICTIONS - SUBSEQUENT CONVEYANCE

The Declarant or other owner of any lot or lots in Lakeway Subdivision may provide more onerous restrictions in any deed to any particular lot, whether by increasing the floor space requirements or by other changes, so long as said changes work to raise the architectural and living standards applicable to said lot and are incorporated in the deed or other instrument at or prior to the time of passage of title.

V. REMEDIES FOR VIOLATION

Violation of any restrictions, condition or covenant affecting any lot as provided herein shall vest in the Declarant, who is vested with the right to enter upon such lot and similarly abate or remove the same at the expense of the owner or owners of said lot and such entry, abatement, or removal shall not be deemed a trespass and the remedy provided for herein shall be cumulative of and in addition to all other remedies which the Declarant may have, and not in lieu thereof, and shall be in addition to the remedies of the other lot owners affected by these restrictions, conditions and covenants.

VI. MODIFICATIONS & AMENDMENTS

The Declarant shall have and hereby reserves the right to modify and amend these restrictions, conditions and covenants with reference to location or setback of any of the improvements within the Subdivision and the direction which the same shall face to such extent as it deems for the best interests of the Subdivision as a whole. Such modifications and amendments, if any, shall be in writing.

VII. TERM OF RESTRICTIONS: ENTITLEMENT THEREUNDER

These restrictions and conditions shall be covenants running with the land and shall be binding on all parties and persons owning any of the lots in Lakeway Subdivision from the date hereof until the same are changed or removed in accordance with the provisions hereof. Each owner of any lot or lots herein shall have the right to enforce these restrictions, conditions and covenants at law or in equity against the person or persons violating or attempting to violate any part hereof.

The then owners of record of sixty-seven percent (67%) of all lots in Lakeway Subdivision (regardless of the square foot area or perimeter dimensions of the respective lots), may, by a written instrument or vote, the outcome of which must be filed for record in the Office of the County Clerk of Chambers County, Texas, change these restrictions, conditions and covenants in whole or in part, as to any or all of said Subdivision. The execution of said written instrument shall include at least one (1) acknowledgment thereof in the manner entitling the same to be placed of record, but said instruments need not all be under one cover but may be several different instruments.

Unless a change be made according to the provisions hereof and an additional term of covenants thereby established, the restrictions, conditions and covenants hereof shall automatically renew for successive periods of ten years after September 30, 2029.

The Declarant shall have and reserve the right at any time and from time to time, without the joinder or consent of any other party to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record for the purpose of correcting any typographical or grammatical error, ambiguity or inconsistency appearing herein, provided that such amendment shall be consistent with and in furtherance of the general plan and scheme of development as evidenced by the Declaration and any supplemental declarations taken collectively, and shall not impair or affect the vested property rights of any Owner or his mortgagee. As long as the Declarant shall own three (3) Lots, the Declarant shall have and reserve the right at any time and from time to time, without the joinder or consent of any other party to amend this Declaration by any instrument in writing duly signed, acknowledged and filed for record. The Declarant's right of amendment includes the right to annex or deannex additional Lots as desired

VIII. SEVERABILITY

It is hereby stated to be the intent of the Declarant hereof to create and covenant each separate provision hereof independently in its operative effect of all other provisions, and the fact that any article, section, paragraph, sentence, clause, word or part of this instrument shall be declared invalid or unconstitutional by final judgment of any court of competent jurisdiction shall in no event affect any other article, section, paragraph, sentence, clause, word, or part of this instrument, and it is hereby declared to be the intent of the maker hereof to have created and covenanted each article, section, paragraph, sentence, clause, word or part hereof severable.

IX. LAKE ANAHUAC HOMEOWNERS ASSOCIATION, INC.

A. ORGANIZATION

Declarant has heretofore caused the Association to be organized and formed as a non-profit corporation under the laws of the State of Texas. The principal purposes of the Association are the collection, expenditure and management of the maintenance charge funds, enforcement of the Declaration, providing for the maintenance, preservation and architectural

control (when the powers of the Committee terminate and the Committee's powers vest in the Association) within the subdivision, the general overall supervision of all of the affairs and wellbeing of the subdivision and the promotion of the health, safety and welfare of the residents within the subdivision.

B. BOARD OF DIRECTORS

The Association acts through a Board of Directors, which manages the affairs of the Association as specified in the By-Laws of the Association.

C. MEMBERSHIP

Every owner of a lot within Lakeway Subdivision shall be a member of the Association. Lot ownership is the sole requirement for membership and no owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of the land that is subject to assessment by the Association and shall automatically pass with the title to the lot.

D. VOTING

The Association shall have two classes of voting membership with respect to the Subdivision covered by this Declaration;

(1) CLASS A. Class A members shall be all owners, except for the Declarant, and shall be entitled to one vote for each lot owned. When more than one individual or entity holds an ownership interest in a lot, all such persons shall be members, but in no event shall they be entitled to more than one vote with respect to that particular lot.

(2) CLASS B. Class B members shall be the Declarant. Class B members shall be entitled to ten (10) votes for each lot owned. The Class B ownership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs first: (i) When the total votes outstanding in Class A Membership equal the total votes outstanding in Class B Membership, or (ii) on September 30, 2029. However, if Class B Membership has automatically converted to one vote per lot owned, it shall automatically revert to ten (10) votes per lot owned in the event additional lots are subjected to the jurisdiction of the Association such that the Declarant owns more than twenty-five percent (25%) of all lots.

X. COVENANT FOR MAINTENANCE ASSESSMENTS

A. CREATION OF THE LIEN AND PERSONAL OBLIGATION FOR ASSESSMENTS

Each lot within the subdivision shall be subject to the assessments provided for herein. Notwithstanding the foregoing, Lots owned by the Declarant shall be exempt from all assessments. Upon conveyance by the Declarant, each owner of any Lot, by acceptance of a Deed therefore, whether or not it shall be express in the Deed or other evidence of the conveyance, covenants and agrees to pay to the Association the following:

(1) Annual assessments of charges; and

(2) Special assessments for capital improvements.

Such assessments or charges are to be fixed, established and collected as hereinafter provided. These charges and assessments, together with such interest thereon and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be secured by a continuing Vendor's Lien upon the lot against which such assessments or charges are made. Each such assessment or charge, together with such interests, costs and reasonable attorney's fees shall also be and remain the personal obligation of the individual or entity who owned the particular lot at the time the assessment or charge fell due notwithstanding any subsequent transfer of title to such lot. Upon a transfer of a lot, the assessments accrued to the date of transfer must be paid in full. In addition to such annual assessments a transfer fee of no more than \$75.00 per lot may be assessed and payable whenever a lot is sold.

B. PURPOSE OF ASSESSMENTS

The assessments levied by the Association shall be used exclusively for promoting the recreation, health, safety and welfare of the residents of the subdivision. Without limiting the foregoing, the total assessments accumulated by the Association, insofar as the same may be sufficient, shall be applied toward the payment of all taxes, insurance premiums and repair, maintenance and acquisition expenses incurred by the Association and, at the option of the Board of Directors of the Association, for any and all of the following purposes: lighting, improving and maintaining streets, alleyways, sidewalks, paths, parks, parkways, perimeter fence and esplanades in the Subdivision; collecting and disposing of garbage, ashes, rubbish and materials of a similar nature; payment of legal and all other expense incurred in connection with the collection, enforcement an administration of all assessments and charges and in connection with the enforcement of this Declaration; employing policemen of watchmen and/or a security service; fogging and furnishing other general insecticide services; providing for the mowing of vacant lots in the subdivision, mowing and maintenance of Detention Area and the planting and upkeep of trees, grass and shrubbery on esplanades and easements and in the Common Area; acquiring and maintaining any amenities or recreational facilities that are or will be operated in whole or in part for the benefit of the owners; and doing any other thing necessary or desirable in the opinion of the Board of Directors of the Association to keep and maintain the property in the subdivision in neat and good order, or which they consider of general benefit to the owners or occupants of the subdivision, including the establishment and maintenance of a reserve for repair, maintenance, taxes, insurance and other charges as specified herein. The judgment of the Board of Directors of the Association in establishing annual assessments, special assessments and other charges and in the expenditure of said funds shall be final and conclusive so long as said judgment is exercised in good faith.

C. BASIS AND MAXIMUM LEVEL OF ANNUAL ASSESSMENTS

Until January 1 of the year immediately following the date of commencement of the first annual assessment as determined by the Board of Directors, the maximum annual assessment shall be **\$750.00** per lot per year. From and after the first day of January of the year immediately following the date of commencement of the first annual assessment, the maximum annual assessment may be increased by the Board of Directors of the Association, effective the first day of January of each year, in conformance with the rise, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by Department of Labor, Washington, D.C., or any successor publication, for the preceding month of July or alternatively, by an amount equal to a ten percent (10%) increase over the prior year's annual assessment, whichever is greater,

without a vote of the members of the Association. The maximum annual assessment may be increased above that established by the Consumer Price Index formula or the above-mentioned percentage increase only by approval of two-thirds (2/3) of each class of members in the Association present and voting at a meeting duly called for this purpose. In lieu of notice and a meeting of members as provided in the By-Laws of the Association, a door to door canvass may be used to secure the written approval of two-thirds (2/3) of each class members for such increase in the annual assessment or in the special assessment for capital improvements as provided below. This increase shall become effective on the date specified in the document evidencing such approval only after such document has been filed for record in the office of the County Clerk of Chambers County, Texas. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum amount approved by the members.

D. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS

In addition to the annual assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a particular capital improvement located upon the Community Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the approval by 2/3 of each class of the Members as set forth in Section X above.

E. QUORUM FOR ANY ACTION AUTHORIZED UNDER SECTION IX OR SECTION X HEREIN

The quorum for any action authorized under Sections IX or X herein shall be as follows:

At any meeting of the Association, the presence at the meeting of Members, or of proxies, entitled to cast ten percent (10%) of all votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called and the required quorum at any subsequent meeting shall be one-half (1/2) the required quorum at the preceding meeting, provided that such reduced quorum requirement shall not be applicable to any such subsequent meeting held more than sixty (60) days following the preceding meeting.

F. RATES OF ASSESSMENT

Both annual and special assessments on all lots not owned by the Declarant, shall be fixed at uniform rates provided, however, the rate applicable to lots that are owned by Declarant and are not occupied as residences shall be equal to Zero. The rate of assessment for each lot shall change as the character of ownership and the status of occupancy changes.

G. DATE OF COMMENCEMENT AND DETERMINATION OF ANNUAL ASSESSMENT

The annual assessment provided for herein shall commence as to all lots on a date fixed by the Board of Directors of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. On or before the 30th day of November in each year, the Board of Directors of the Association shall, subject to the limitations contained in Article IX, Section B above, fix the amount of the annual assessment to be levied against each lot in the next calendar year. Written notice of the figure at which the Board of Directors of the Association has set the annual assessment shall be sent to every owner whose lot

is subject to the payment thereof. The annual assessment shall be due and payable in advance on the first day of January. The Association shall, upon demand, and for reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid. A properly executed certificate of the Association as to the status of assessments on a particular lot is binding upon the Association as of the date of its issuance.

H. EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION

Any assessments of charges that are not paid when due shall be delinquent. If any assessment or charges are not paid within thirty (30) days after the due date, the Association may bring an action at law against the owner personally obligated to pay the same, or to foreclose the Vendor's Lien herein retained against the lot. Interest accruing on past due assessments at the maximum rate permitted by law, costs and reasonable attorney's fees incurred in any such action shall be added to the amount of such assessment or charge. Each such owner, by his acceptance of a Deed to a lot, hereby expressly vests in the Association or its agents, the right and power to bring all actions against such owner personally for the collection of such assessments and charges as a debt and to enforce the Vendor's Lien by all methods available for the enforcement of such liens, including foreclosure by an action brought in the name of the Association either judicially or non-judicially by power of sale, and such owner expressly grants to the Association a power of sale in connection with the non-judicial foreclosure of the Vendor's Lien. Non-judicial foreclosure shall be conducted by notice and posting of sale in accordance with the then applicable laws of the State of Texas. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his lot.

I. SUBORDINATION OF THE LIEN TO MORTGAGES

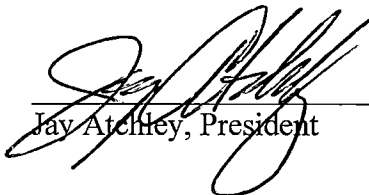
As hereinabove provided, the title to each lot shall be subject to a vendor's lien securing the payment of all assessments and charges due the Association, HOWEVER, the vendor's lien in favor of the Association shall be subordinate to: any valid purchase money lien; any valid lien securing the cost of construction of home improvements; and any valid sale or transfer of any lot shall not affect the Vendor's Lien provided, however, the sale or transfer of any lot pursuant to a judicial or non-judicial foreclosure under the aforesaid superior liens shall extinguish the Vendor's Lien securing such assessment or charge as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot or the owner thereof from liability for any charges or assessments thereafter becoming due or from the lien thereof. In addition to the automatic subordination provided for hereinabove, the Association, in the discretion of its Board of Directors, may subordinate the Vendor's Lien herein retained to any other mortgage, lien or encumbrance, subject to such limitations, if any, as the Board of Directors may determine.

J. EXEMPT PROPERTY

All properties dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Texas shall be exempt from the assessments and charges created herein. Notwithstanding the foregoing, no lot which is used as a residence shall be exempt from said assessments and charges.

EXECUTED THIS 4th day of May 2021
2019.

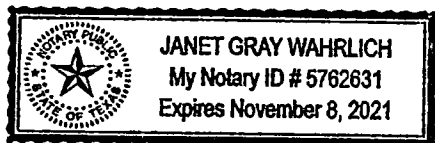
LAKE ANAHUAC HOMEOWNERS ASSOCIATION, INC., Board of Directors

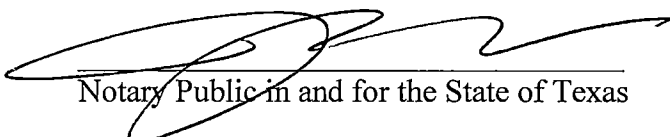

Jay Atchley, President

STATE OF TEXAS §
COUNTY OF Morris §

BEFORE ME, the undersigned authority, on this day personally appeared, Jay Atchley, President of The Board of Directors of LAKE ANAHUAC HOMEOWNERS ASSOCIATION, INC., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein expressed, and as the act and deed of said partnership. ~~partnership.~~ corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the 4th day of MAY 2021
2019.




Notary Public in and for the State of Texas

FILED FOR RECORD IN:
Chambers County Clerk
On: 05/07/2021 1:16PM
Doc Number: 2021-167391
Number of Pages: 14
Amount: \$74.00
Order#: 20210507000028
By: SL
Heather H. Hawthorne

