

STATE OF TEXAS § FOURTH AMENDED DECLARATION OF
 § LIMITATION AND RESTRICTIONS FOR
 § FOREST WOODS
 COUNTY OF MEDINA § SUBDIVISION PHASE TWO

LYTLE PROPERTIES, INC., A Texas Corporation, (the "Developer") being the Owner of the surface estate of the following described real property lying and being situated in the County of Medina and State of Texas and being more particularly described as follows, to wit:

FOREST WOODS SUBDIVISION-PHASE TWO, a subdivision in Medina County, Texas, Lots 8 through 131 inclusive, as shown by plat recorded in Plat Book No. 8, Pages 17, Plat Records of Medina County, Texas, to which reference is hereby made, (The Subdivision),

for the purpose of carrying out a uniform plan for the development of a high quality residential neighborhood and protecting the value and desirability thereof, does hereby make, declare, adopt and impose upon the above described real property the following covenants, conditions, restrictions, and limitations which shall apply to and become a part of all contracts of sale, contracts for deed, deeds, and other legal instruments whereby title or possession to any lot in said Subdivision is hereafter conveyed or transferred, such covenants, conditions, restrictions, and limitations to run with the land and to be binding upon and inure to the benefit of all parties, now and hereafter, owning or using the above described property or any portion thereof, their heirs, executors, administrators, successors, and assigns.

1. Property Use: Except as otherwise provided herein or as noted on the plat of the subdivision recorded in Plat Records of Medina county, Texas, all lots shall be used for single-family residential purposes only, no lot may have more than one single-family residence thereon, and no lot or portion thereof shall ever be used for a business or commercial purpose or for carrying on a trade or profession.
2. Permanent Homes: All permanent homes and buildings, must be of new construction and not exceed two stores in height. Each one-story home shall contain a minimum of 1750 square feet of living area, exclusive of garages, carports and porches. Each two-story home shall contain a minimum of 2100 square feet of living area, exclusive of garages, carports, and porches. All plans and specifications are subject to the prior written approval of the Architectural Committee.
3. Manufactured Homes: Manufactured homes (double-wide only) and modular homes are permitted on lots 43 - 65 inclusive in the Subdivision as the single-family residence. Such manufactured homes and modular homes must observe and comply with the following restrictions and limitations, in addition to any other restrictions and limitations contained herein, to-wit:
 - a. All manufactured homes shall be no older than three years from date of purchase when placed on a lot unless approved in writing in advance by the Architectural Committee.
 - b. No manufactured home or double wide modular home of less than 1450 square feet shall be permitted.
 - c. All manufactured homes and modular homes shall be anchored to the land in the manner prescribed by the Texas Department of Labor and Standards.
 - d. All manufactured homes and modular homes must have the wheels removed and such home placed either on a slab or upon blocks or piers.
 - e. Within 90 days after placement on property, all manufactured homes and modular homes must be skirted with masonry, plaster, a material to match the exterior siding of the residence, a material designed by the manufacturer of the home, or any other material having the prior written approval of the Architectural Committee.
 - f. If a manufactured home or modular home has a front porch, the design of such porch must be approved in writing by the Architectural Committee.

All plans and specifications are subject to the prior written approval of the Architectural Committee. It is intended hereby to delegate to the Architectural Committee control to insure the development of a high quality residential area. Failure of the Architectural Committee to approve or disapprove any application required herein within thirty (30) days after receipt thereof shall be deemed for all purposes as the approval thereof.

4. Quality Construction and Maintenance: All improvements and structures including but not limited to homes, garages, barns, fences, and other improvements shall be constructed of good quality new material and in a workmanlike manner. Such improvements and structures shall be maintained in a good state of repair and situated so that their appearance will not be detrimental to the Subdivision as a whole. All improvements and structures shall be kept weatherproofed by painting or such other method as may be necessary and appropriate to preserve the attractiveness thereof and none of the improvements or structures shall be allowed to deteriorate to the detriment of the Subdivision as a whole. In the event improvements or structures situated thereon are not maintained in a neat and orderly manner, the Developer or the Architectural Committee shall have the right, through its agents and employees, to enter upon said lot and to repair, maintain, and restore the lot and exterior of the structures and any other improvements erected thereon, all at the expense of the lot owner or party in possession of said lot.

5. Additional Improvements and Structures: Any building, garage, carport, shed, structure, addition or remodeling to a residence, must be of all new material, must be of equal construction quality as and harmonious architectural design with the residence, and shall be subject to the prior written approval of the Architectural Committee.

6. Fascia: Fascia must be installed on any improvement or structure attached to a Residence such as a carport, garage, awning, patio cover, or porch, so as to match the fascia of the residence, and shall be subject to the prior written approval of the Architectural Committee.

7. Roof: Roofing materials on any improvement or structure attached to or adjacent to a home, if visible from any street, must match the roofing material of the residence to which it is attached or adjacent. Rolled roofing and corrugated sheet metal shall not be used as a roof on any residence or other improvement or structure, if visible from any street in the Subdivision unless approved in advance by the Architectural Committee.

8. Setback Requirements: No buildings or structures of any nature shall be located on any lot closer to the front property line than the building set back line designated on the Subdivision plat filed for record in Medina County, Texas, nor closer than one hundred thirty (130) feet from the front and thirty (30) feet to any side or back property line. The setback for lots 42-45 inclusive shall be one hundred (100) feet from the front. Variations from this requirement may be granted in individual cases where tract size, shape, or topography makes this requirement impractical but any such variations must have the prior written approval of the Architectural Committee.

9. Easement: A designated distance inside of all property lines, as shown on the Subdivision plat, shall be reserved as a public utility easement (plus such additional space as may be required for guys or other utility pole support structures), a drainage easement, or any other easement which would be beneficial to the common good. Any lot owner installing a fence or locating plants and other property within the area encumbered by the easement does so at his own risk since such property could be subject to damage by those entitled to use the easement. No utility company, water district, political subdivision, or other authorized entity using the easements herein referred to shall be liable for any damage done by them or their assigns, agents, employees, or servants, to fences, shrubbery, trees, or flowers, or to other property of the lot owner situated within any such easement.

10. Time for Completion: Any dwelling or other structure or building, once commenced, shall be completed with reasonable diligence and, in all events, shall be completed as to its exterior within nine months from the commencement of construction. No building materials of any kind shall be placed or stored upon any lot until the lot owner is ready to commence construction.

11. Temporary Structures: No structure or emplacement of a temporary character, nor any trailer, tent, shack, garage, barn or other outbuilding shall at any time be used as a residence or dwelling, either temporarily or permanently, without the prior written approval of the Architectural Committee.
12. Septic Tanks and Water Wells: No residence shall be permitted in the subdivision unless it is served by (a) septic tank, sewer system or some other sewage-disposal system and (b) a water system, both meeting the requirements of and approved by the Texas State Health Department. This includes, but is not limited to, the maintenance of a 150 foot sanitary control easement around any water well (i.e. no septic tank within 150 feet of any water well, whether the well is on the owner's lot or not). Outhouses or privies are not allowed on any lot in the Subdivision.
13. Draining Structures, Ditches, and Stock Tanks: Drainage structures under private driveways shall be constructed to Medina county specifications and must be constructed before any residence or other improvement or structure may be placed on the lot. Such structures, where needed, are to be installed and maintained continuously at the expense of the lot owner. Natural drainage shall not be disrupted, altered or changed without prior written approval of the Architectural Committee. No ponds, stock tanks, etc. shall be constructed in the 100 year Flood Plain delineated on the subdivision plat, unless designated and certified by a Registered Engineer or Surveyor and approved in writing by the Architectural Committee.
14. Removal and Landfill Operations: No commercial operations for the removal of sand, gravel, topsoil, caliche, or other earthen substances shall be permitted on a lot in the Subdivision, nor shall commercial landfill operations of any kind be permitted on a lot in the Subdivision.
15. Storage of Trash and Weeds: No lot shall ever be used for outside, unenclosed storage of any nature, nor shall any lot or part thereof be used or maintained as a dumping ground for rubbish, debris or junk. Trash, garbage or other wastes shall not be permitted except in sanitary, securely closed containers. All incinerators, cans, or other equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition and behind lot improvements so they are not visible from the street. No dumpsters shall be allowed on any lot except during the construction of a house.
16. Parking: Street shall not be used for parking except for occasional or emergency parking of vehicles. No continuous parking of automobiles or any other type of vehicle will be permitted on any street or road right-of-way in the Subdivision at any time. No truck, bus, boat, or trailer shall be parked on any portion of the lot or driveway unless it is parked to the rear of the residence and not closer than thirty (30) feet from any side or back property line, except with the prior written approval of the Architectural Committee.
17. Vehicles: Eighteen wheelers and tractor-trailers or any vehicle over a ton and a half are not permitted in the subdivision.
18. Unused Vehicles: The storage of junked, abandoned or wrecked items such as motor vehicles, boats, or other equipment or materials shall not be permitted on any lot in the Subdivision. Any car or vehicle not in running condition or regularly used by the owner thereof or his agent shall not be allowed to remain on any lot in the Subdivision for more than one week. Repairing of motor vehicles, boats, or other items of a mechanical nature shall not be permitted on any lot in the Subdivision.
19. Livestock and Pets: No exotic animals. Dogs, cats or other household pets, not to exceed a total of four in number (exclusive of unweaned offspring), may be kept on any lot so long as they are not kept, bred or maintained for any commercial purpose. In the case of poultry (excluding roosters), rabbits, or an FFA or club project such as a calf or lamb (but no pigs, hogs, or swine), no more than three (3) per acre of each type of such small animal may be kept; provided that they are not kept, bred, or maintained for any commercial purpose. The cumulative total of cows, horses, and like animals that may be possessed at any one time shall not exceed one (1) per each acre of land owned. Any pen, corral, hutch, structure or enclosure of any kind must be constructed of new material and must be attractive in appearance in keeping with the general standard of improvement in the Subdivision, and must at all times be maintained and kept neat and clean in appearance, consistent with the requirements herein specified for other improvements and structures in the Subdivision. All such improvements and structures must be located to the rear of the residence and not

closer than thirty (30) feet to any side or back property line. No such pets or animals may be kept in a way or manner or location that creates a nuisance to other property owners such as annoying noise or flies or odors or unsightly premises.

20. Animals to be Contained: All animals shall be contained within the lot lines either by fence, leash, or other comparable devise. Animals shall not be allowed outside an owner's lot.

21. Fences: No fence shall be permitted on the front part of a lot without the prior written approval of the Architectural Committee. The front portion of a lot is defined as that portion of a lot between the street right-of-way and the residence (or building set-back line if no residence exists). In no event shall chain link fencing taller than forty-eight(48) inches or barbed-wire fencing taller than fifty-two (52) inches be allowed on the front portion of a lot.

22. Trees: Painting or any other application method which discolors any tree is prohibited. No tree six (6) inches or greater in diameter now or hereafter located within one hundred (100) feet of the front lot line shall be removed, cut-down, or in anyway damaged or destroyed, except where improvements are to be located or where such tree is diseased or dead, without the prior written approval of the Architectural Committee. The Architectural Committee may require that a lot owner, at lot owner's expense, cut-down and remove a diseased or dead tree from a lot.

23. Signs: Except for one sign of not more than 6 square feet advertising the property for sale or for rent, no signs of any kind shall be displayed to the public view from any lot. However, signs, offices, storage areas, and model units may be used by the Developer, a contractor or other builder to sell and advertise (a) Subdivision property and (b) residences in the Subdivision during the course of construction and for a reasonable sales period thereafter.

24. Noxious Activity: No noxious or offensive activity shall be carried on or maintained on any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood in the Subdivision.

25. Seasonal Decorations: All holiday decorations cannot be displayed any earlier than one month prior to holiday date and must be removed no later than one month from actual holiday date.

26. Firearms: The use or discharge of any type of firearm is expressly prohibited within the Subdivision.

27. Boats and Trailers: No boats, boat trailers, travel trailers, recreational vehicles, oversize vehicles larger than a Suburban or other similar property shall be allowed to remain in the driveway, front yard, on the street, or any other location on any lot unless parked to the rear of the residence and not closer than thirty (30) feet from any side or back property line, except with the prior written approval of the Architectural Committee.

28. Mail Boxes: All mail boxes shall be of a type and design, and placed in a location, approved by the U.S. Postmaster and the Architectural Committee.

29. Clotheslines: Absolutely no outside clotheslines are permitted.

30. Enforcement of Conditions and Restrictions: After 30 days written notice from the Architectural committee of violation of restrictions, any other person or entity owning any interest in any of the lots in said Subdivision, including mortgage interest, may enforce these restrictions through a proceeding at law or in equity against the person, persons, or entity violating or attempting to violate any covenant, condition, reservation, restriction, or limitation, either to prevent or to correct such violation, or to recover damages, or to obtain other relief for such violation. All expenses, including reasonable attorneys fees, shall be recovered from anyone adjudged to have violated these restrictions by the party bringing the suit or other action. Failure to enforce any covenant, condition, reservation, restriction or limitation herein contained shall in no event be deemed a waiver of the right to do so thereafter.

31. Architectural Committee: There is hereby created and activated an Architectural Committee for the purpose of ensuring compliance with this Declaration by supervising, controlling and approving all construction plans for residences, structures and other improvements to be built or placed upon any lot, provided adequate notice of specific restrictions sought to be

enforced is furnished to such lot owner, and for further purpose of performing such other duties and responsibilities as are allocated under other paragraphs of this Declaration. The Committee is also given authority to enforce or amend these restrictions in any manner it deems appropriate and to act for the best interest of the Subdivision. The initial members of the Committee shall be Joseph P. Gerlich and Samuel H. Vester, Jr. If any one or more of the two members refuses or fails to serve, the remaining member or members are hereby authorized to appoint a person or persons as replacement members. In the event all of the Committee members fail, refuse or are unable to serve, then the owners of the property in the Subdivision shall elect a new Architectural Committee, each lot in the Subdivision to have one vote in such election. Upon activation of the property owners association, hereinafter provided, all rights, duties and responsibilities of the Architectural Committee, except the right to amend these restrictions which shall terminate as to both the Architectural Committee and the property owners association, shall automatically be transferred to and vested in the Board of Directors of the property owners association, whereupon the architectural Committee shall be and is hereby abolished.

32. Property Owners Association: The FOREST WOODS SUBDIVISION- PHASE TWO Property Owners Association (the Association) is hereby established. Each owner of a lot in the Subdivision shall be a member of the Association. The Association shall be activated at such time as may be determined by the Developer, in its sole discretion, but in no event shall such Association be activated later than thirty (30) days after the date that the Developer has divested itself of title to 75% or more of the lots in the Subdivision. A meeting of all members of the Association shall be called by the Developer or a majority of lot owners within thirty (30) days following the date of the activation of the Association for the purpose of electing a Board of Directors and conducting such other business as may properly be brought before such meeting as explained in a written notice sent to lot owners in advance by the meeting organizer(s). Each lot in the Subdivision shall be entitled to one vote in the Association. When more Than one person holds an interest in any one lot, all such persons shall be members of the Association but they shall collectively cast only one vote for each lot owned. The Association shall be incorporated under the Texas Non-Profit Corporation Act, shall have a Board of Directors consisting of seven (7) members until otherwise determined, and shall act by majority vote in accordance with this Declaration and with the By-Laws of the Association.

33. Membership in Association: Each lot owner is required to be a member of the Association. By acceptance of a deed to any lot or lots in the Subdivision, the owner thereof personally agrees to be and become a member of the Association and to be and become bound and obligated by the terms and provisions of this Declaration.

34. Obligations of Lot Owners: Each owner of a lot in the Subdivision covenants and agrees, and by acceptance of a deed to such lot is deemed to covenant and agree, to pay the Architectural Committee during its existence, and thereafter to the Association: (a) an annual assessment or charge and (b) special assessments as and when levied. The annual and special assessments, together with interest, costs, and reasonable attorneys fees, shall, and to the full extent permitted by law, be a charge and a lien on the lots subject to this Declaration and each shall be a continuing lien upon the property against which such assessment is made. Each such assessment. Together with interest, costs, and reasonable attorneys fees, shall also be the personal obligation of the person or entity who was the owner of each lot in the Subdivision at the time the assessment became due. The Architectural committee may establish, collect and administer all assessments prior to the formation of the Association. From and after the activation of the Association, the Association shall have the duty and obligation to establish, collect and administer such assessments.

35. Annual Assessments: Each lot in the Subdivision is subject to an annual maintenance charge assessed equally against all lots subject to this Declaration in an amount to be established by the Architectural Committee during its existence and by the Board of Directors of the Association thereafter. Such assessment shall be the obligation of the record owner of each lot in the Subdivision at the time the assessment is due. The amount of the annual assessment shall be determined by the levying authority at least thirty (30) days prior to January 1 and written notice of such assessment shall be sent immediately to each member of the Association. If not paid by March 1, the annual assessment shall be deemed delinquent and shall be subject to a late charge equal to twenty-five percent (25%) of the amount of the assessment.

36. Special Assessment: In addition to the annual assessment herein authorized, the Architectural Committee during its existence and the Board of Directors of the Association thereafter, may levy a special assessment at any time deemed necessary, applicable for the current year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, maintenance, repair or replacement of (a) any bridge or road within the Subdivision not being maintained by a public entity, or (b) any property within the subdivision conveyed to the Architectural Committee or the Association, when activated, by the owner thereof, and for other purposes deemed necessary by the Architectural Committee or the Board of Directors of the Association, when activated, to maintain or improve the Subdivision for the general benefit of the owners and occupants thereof.

37. Vote on Special Assessment: If ten percent (10%) of the members of the Association object in writing to the levy of any special assessment, such assessment shall not be valid unless and until it has been approved by a majority vote of the members at a meeting duly called for such purpose. Written notice of the meeting with explanation of the proposed action shall be sent to each member of the Association not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. Twenty percent (20%) of all members of the Association shall constitute a quorum and such special assessments shall not be levied unless approved by a majority of those present and voting at such meeting, a quorum being present.

38. Cleaning Lots: After thirty (30) days notice to the owner thereof, the Architectural Committee or the Association, when activated, shall have the right to clean and clear lots of unsightly weeds, grass, brush, trash, and refuse, such cleaning and clearing to be at the expense of the particular lot owner and for which a lien in favor of the Association may be placed upon the property, including interest, costs, and attorneys fees. Such lien shall be treated by the Association in the same manner as other assessments against such lot.

39. Uniform Assessments: Both annual and special assessments must be fixed at a uniform rate for all lots; provided, however, individual lot owners may be separately assessed for the reasonable cost of clearing and cleaning lots as authorized elsewhere in this Declaration.

40. Lien of Assessment: The lien of any assessment shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien and such sale or transfer shall be subject to such lien. No sale or transfer shall relieve the lot owner from individual liability for assessments made during the period of his ownership and extinguishment of the lien shall not relieve the owner of his personal obligation and liability. No assessment lien shall be impressed against any lot as long as the Veterans Land Board holds title. (This applies to purchases made under the Veterans Land Board program only.)

41. Partial Invalidity: If any portion of this Declaration is declared illegal, invalid, or unenforceable by law or court order, such action shall not affect the validity of any other provision hereof. Failure to enforce any one or more provisions hereof shall not constitute a waiver thereof as to future enforcement and shall not serve to invalidate any other provision of this Declaration.

42. Duration of Restrictions: The covenants, conditions, reservations, restrictions, and limitations herein published and impressed on all lots in the Subdivision shall be binding on all owners of properties in the Subdivision for a period of twenty-five (25) years from and after the date hereof and shall be automatically extended for an additional period of twenty-five (25) years unless specifically terminated by vote as hereinafter provided. At any time within six (6) months before the expiration of the first twenty-five (25) year period, any five (5) property owners in the Subdivision may call an election to be held in the subdivision for the purpose of terminating this Declaration. At such meeting, the vote to terminate must receive a three-fourths (3/4) majority of the owners of all lots in the Subdivision. If such meeting is not called, or if such a meeting is called and the vote to terminate is less than the three-fourths (3/4) majority herein required, then this Declaration, and all covenants, conditions, reservations, restrictions, and limitations herein contained, shall be automatically extended for an additional period of twenty-five (25) years.

43. Second Extension of Declaration: Within six (6) months before the expiration of the second twenty-five (25) year period, any five (5) property owners in the Subdivision may call an election to be held in the Subdivision for the purpose of determining whether or not the restrictions and covenants of this Declaration shall be extended beyond the end of the second twenty-five (25) year period. At such meeting the questions shall be whether or not

the Declaration shall be again extended. If a majority of the votes cast in said election shall favor the continuation of the provisions of this Declaration, the results of said election shall be set forth in a written instrument which shall be signed and acknowledged by one of those who called the election and filed for record in the office of the County Clerk of Medina County, Texas. By the filing of such written instrument, this Declaration, and all of its terms and provisions, shall thus be extended for a third period of twenty-five (25) years. If a majority of the votes casts in said election do not favor the continuation of the provisions of this Declaration, then and in such event, all provisions of this Declaration shall be null and void upon expiration of the second twenty-five (25) year period.

44. Further Extension: If the provisions of this Declaration are extended for a third twenty-five (25) year period, another election can be held in a similar manner to determine whether or not such provisions shall be extended for a fourth twenty-five (25) year period, with the results to be determined in the same manner as describe for the third twenty-five (25) year period. Subsequent elections may be held each and every twenty-five (25) years thereafter as long as the owners of lots in the Subdivision desire to continue to impose such limitations and restrictions. If no election is called at the end of the second or any subsequent twenty-five (25) year period, then all provisions of this Declaration will automatically terminate at the end of such period and become null and void.

45. Amendment: The Architectural committee as herein constituted shall have the power and authority to amend this Declaration by filing and recording such changes in the same manner as this Declaration; provided, however, when the Architectural Committee is abolished under other provisions of the Declaration, the right of amendment shall terminate and such right shall not be exercised by the successors to the Architectural Committee, except as otherwise allowed by law.

46. Deviations: The Architectural committee or the Board of Directors of the Association, when activated, may exercise a limited right to approve deviations from the provisions hereof without an actual amendment of the Declaration, when, in the opinion of the Architectural Committee or said Board of Directors, such deviation will be beneficial to other owners of lots in the Subdivision.

47. Rights of Developer: The Developer or its agents shall have the right to use any unsold lot for a sales office location, future road right-of-way, or any other purpose Developer deems necessary.

48. Future Phases: If and when a property owners association is activated in any future phase(s) of the FOREST WOODS SUBDIVISION, such property owners association may be activated as part of the Association, formed in this Declaration of Limitations and Restrictions for FOREST WOODS SUBDIVISION – PHASE TWO, with all rights, duties and responsibilities of such property owners association for any future phase(s) being transferred to and vested in the Board of Directors of the Association.

49. Drilling: No oil or gas well drilling, oil or gas development operations, oil refining, quarrying, or mining operations of any kind shall be permitted on a lot in the Subdivision, nor shall oil wells, gas wells, tanks, tunnels, mineral excavations, or shafts be permitted on any lot in the Subdivision. No derrick or other structure designed for use in boring for oil, natural gas, or other minerals, shall be erected, maintained, or permitted on any lot in the Subdivision. Upon the expiration of any mineral leases existing as of the date hereof, further drilling will be prohibited as described herein, except for any drill sites designated by the Architectural Committee or Association, when activated.

IN WITNESS WHEREOF, Developer has caused this Declaration to be executed by a duly authorized officer this _____ day of _____, 2002.

FOREST WOODS SUBDIVISION
LYTLE PROPERTIES, INC.

BY: _____
JOSEPH P. GERLICH
Vice President

ACKNOWLEDGEMENT

STATE OF TEXAS §
 §
COUNTY OF MEDINA §

This instrument was acknowledged before me on the _____ day of _____, 2002, by Joseph P. Gerlich.

NOTARY PUBLIC, STATE OF TEXAS

AFTER FILING, RETURN TO:

Lytle Properties, Inc.
4241 E. Piedras Dr., Ste. 150
San Antonio, TX 78228