

1. **Article 5 of the Restrictions is hereby deleted in its entirety and replaced by the following:**

5. CONSOLIDATION OF LOTS.

Two (2) adjacent Lots owned by the same member(s) may be consolidated into a single building site, with the privilege of placing or constructing improvements thereon subject to these Restrictions on the resulting single building site; provided that each such consolidation does not result in any building site with a width of less than seventy (70) feet at the front building line and a total area of less than eight thousand (8,000) square feet. Said front building line width restriction does not apply to Lots in Lakeside Forest, Section 5. Notwithstanding any provision herein to the contrary, each of the 541 Lots in the Subdivision in existence at the time of the recording of the FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LAKESIDE ESTATES AND LAKESIDE FOREST, whether or not same shall be consolidated with another lot at any time thereafter, shall be: (a) allocated one (1) vote for purposes of any vote of the members of the Association and (b) subject to the payment of any assessment, including special assessments, levied by the Association on the Lots in the Subdivision. For the avoidance of doubt, in the event two (2) adjoining Lots shall be consolidated into a single building site, the owner(s) of the resulting single building site shall be allocated two (2) votes for the resulting single building site and shall pay two (2) assessments, including special assessments, any time the Association levies an assessment on the Lots in the Subdivision.

2. **Article 20 of the Restrictions is hereby deleted in its entirety and replaced by the following¹:**

20. MAINTENANCE PROGRAM AND FUND.

Each residential Lot, including any Lots that have been consolidated into a single building site pursuant to Article 5 herein above, shall be subject to an annual maintenance charge for the purpose of establishing and continuing a subdivision maintenance fund. The Association shall have the duty of assessing and collecting the annual maintenance charge imposed hereby, managing said fund and arranging for the performance of the services contemplated and making payment therefore out of said fund. In

¹ The lien referenced in Article 20 of the Restrictions shall continue in full force and effect, without interruption, prior to, during and after the amendment process for this First Amendment. The phrase "deleted in its entirety and replaced by the following" is a term of art, used for the purpose of avoiding confusion by

this regard, the Association shall have all the powers granted by the Texas Property Code, Texas Business Organizations Code or any successor statutes.

The Owner(s) of each Lot, by virtue of ownership of same, covenants and agrees to timely and fully pay to the Association the annual maintenance charge for each year. The annual maintenance charges, together with attorney's fees, late fees, interest, and costs associated with same, shall be a charge and continuing lien upon the Lot against which such charges are made. Each such annual maintenance charge, together with attorney's fees, late fees, interest, and costs associated with same, shall also be the personal obligation of the person(s) or entity(ies) who was/were the Owner(s) of the Lot at the time when said charges became due. The annual maintenance charge shall be assessed and due as of January 1st of each calendar year and notice of the amount of the annual maintenance charge shall be mailed or otherwise delivered to each Lot owner not less than 20 days prior to January 1 of each year. Each annual maintenance charge shall be considered delinquent if not paid by February 1 of the year in which same was assessed. Each delinquent annual maintenance charge shall accrue interest at the rate of ten percent (10%) per annum from the due date of same until paid. Each year, prior to the setting of the amount of the annual maintenance charge for the following year, the board of directors of the Association shall take into consideration the assets, debts and financial obligations of the Association, including but not limited to the payment of regular operating costs as well as any needed repairs or maintenance, and set a budget for the following year, including the amount of the annual maintenance charge that shall be levied upon and collected from each Lot

The annual maintenance charge for each residential Lot shall be as follows:

(a) For the calendar year 2024 the maximum annual maintenance charge per Lot shall be the sum of Nine Hundred Two and no/100 U.S Dollars (\$902.00). For calendar year 2025, the maximum annual maintenance charge per Lot shall be 109% of the actual per-Lot assessment levied for 2024.

(b) Thereafter, the amount of the per-Lot assessment for each year shall not exceed, unless approved by the membership as provided herein below, the greater of: (1) 109% of the prior year's per-Lot assessment,

inserting or deleting partial provisions within an existing Article, and does not in any way affect the lien in favor of the Association established by the Restrictions and/or their predecessor(s).

or (2) the highest per-Lot assessment previously levied by the Association since the filing of this amendment.

(c) When setting the budget, if the board of directors should determine that the amount of the annual maintenance charge per Lot for the upcoming year should be set at an amount in excess of the amounts listed in the previous subsection (b), it shall hold a vote of the members to vote on whether to approve said increase. Any increase greater than 109% of the present year's assessment shall only be levied by the Association if same is approved by the affirmative vote of members representing a majority of the votes present, in person or by proxy or absentee ballot, at a meeting of members duly called by the board of directors at which a quorum is present. At such meeting, a quorum shall be established if members representing not fewer than ten percent (10%) of the Lots in the Subdivision are present, in person or by proxy or absentee ballot, and each Lot shall be entitled to one (1) vote.

The services to be provided for out of the maintenance fund shall include, by way of illustration, but not limitation, the maintenance of parks, parkways and esplanades; providing police or watchman services; providing and maintaining shrubbery or trees at the entrances; fogging for insect control; garbage and rubbish pickup; operation of recreational facilities or community buildings; payment of legal and other expenses for the enforcement of these restrictions; and all other things necessary or desirable for the maintenance or improvement of the Subdivision, as may be determined by the Board of Directors of the Association.

To secure the payment of the maintenance charges established hereby, a vendor's lien is retained against each Lot for the benefit of the Association to the extent of such maintenance charge and any interest, late fees, collection costs and/or attorney's fees associated with the collection thereof, which lien may be foreclosed by any means provided under Texas law. At any foreclosure proceeding, any person or entity, including but not limited to the Association, shall have the right to bid for such Lot at the foreclosure sale and to acquire and hold, lease, mortgage and convey same. In order to pursue collection of any delinquent maintenance charge and any interest, late fees, collection costs and/or attorney's fees related to same, the Association may elect any of the following remedies and/or any combination of same: a suit for personal judgment, a suit for judicial foreclosure and/or an expedited foreclosure proceeding.

The lien described herein shall be subordinate and inferior to all liens given to secure the payment of monies in connection with the purchase of

any Lot or improvements or the construction of improvements on any Lot. It is further provided that as a condition precedent to any proceeding to enforce the lien securing the charges described herein where there is any other recorded outstanding valid and subsisting inferior lien, the Association shall give the holder of such inferior lien at least 60 days advance written notice of any proposed action, and thereby provide such other inferior lienholder an opportunity to remedy the default of the Lot owner prior to such action. Such notice shall be given by certified or registered mail, return receipt requested.

Accordingly, it is specifically provided that, if the Association is so designated, the officers and directors of said Association shall be entitled to commingle monies received from and perform services on behalf of the several subdivisions it may be serving, regardless of whether the annual maintenance charge is the same amount per Lot in each subdivision served. The owner of each Lot affected hereby shall be deemed to have agreed to this provision by his acceptance of a conveyance of such Lot.

SPECIAL ASSESSMENTS.

If the Board at any time, or from time to time, determines that the annual maintenance charges assessed for any period are insufficient to provide for the continued operation of the Association, Subdivision and/or any other purpose contemplated by these Restrictions, including but not limited to the construction, repair and/or replacement of any capital improvements, the Board shall have the authority to levy such Special Assessment(s) as it shall deem necessary to provide for such continued maintenance and operation (a "**Special Assessment**"). However, no Special Assessment shall be effective, levied or collected by the Association unless and until same is approved by the affirmative vote of members representing a majority of the votes present, in person or by proxy or absentee ballot, at a meeting of members duly called by the board of directors, at which a quorum is present. At such meeting, a quorum shall be established if members representing not fewer than ten percent (10%) of the Lots in the Subdivision are present, in person or by proxy or absentee ballot, and each Lot shall be entitled to one (1) vote. Any such approved Special Assessment shall be payable in the manner determined by the Board, secured by the lien provided for in this Article 20 for the annual maintenance charges and related charges, and subject to the same interest, late charges, costs, and attorney fees provided for in this Article 20 for annual maintenance charges.

3. **Article 21 of the Restrictions is hereby deleted in its entirety.**