

company furnishing service) for the location and installation of the meter of such electric company for each dwelling unit involved. For so long as underground service is maintained in the Underground Residential Subdivision, the electric service to each dwelling unit therein shall be underground, uniform in character and exclusively of the type known as single phase, 120/240 volt, three wire, 60 cycle, alternating current.

The electric company has installed the underground electric distribution system in the Underground Residential Subdivision at no cost to Developer (except for certain conduits, where applicable, and except as hereinafter provided) upon Developer's representation that the Underground Residential Subdivision is being developed for residential dwelling units, including homes, and if permitted by the restrictions applicable to such subdivision, townhouses, duplexes and apartment structures, all of which are designed to be permanently located where originally constructed (such category of dwelling units expressly to exclude mobile homes) which are built for sale or rent and all of which multiple dwelling unit structures are wired so as to provide for separate metering to each dwelling unit. Should the plans of the developer or the lot owners in the Underground Residential Subdivision be changed so as to permit the erection therein of one or more mobile homes, Company shall not be obligated to provide electric service to any such mobile home unless (a) Developer has paid to the Company an amount representing the excess in cost, for the entire Underground Residential Subdivision, of the underground distribution system over the cost of equivalent overhead facilities to serve such Subdivision or (b) the Owner of each affected lot, or the applicant for service to any mobile home, shall pay to the Company the sum of (1) \$1.75 per front lot foot, it having

been agreed that such amount reasonably represents the excess in cost of the underground distribution system to serve such lot or dwelling unit over the cost of equivalent overhead facilities to serve such lot or dwelling unit, plus (2) the cost of rearranging, and adding any electric facilities serving such lot, which arrangement and/or addition is determined by Company to be necessary.

The provisions of the two preceding paragraphs also apply to any future residential development in Reserve(s) shown on the plat of Lakewood Forest Subdivision, Section 17, as such plat exists at the execution of the agreement for underground electric service between the electric company and Developer or thereafter. Specifically, but not by way of limitation, if a lot owner in a former Reserve undertakes some action which would have invoked the above per front lot foot payment if such action had been undertaken in the Underground Residential Subdivision, such owner or applicant for service shall pay the electric company \$1.75 per front lot foot, unless Developer has paid the electric company as above described. The provisions of the two preceding paragraphs do not apply to any future nonresidential development in such Reserve(s).

Section 2. Use of Easements. Easements for underground utility services may be crossed by driveways and walkways provided prior arrangements have been made with the utility furnishing service. Such easements for underground services shall be kept clean of all other improvements, including buildings, patios or other pavings, other than crossing walkways or driveways, and no utility company using the easements shall be liable for any damage done by them or their assigns, their agents, employees or servants,

to shrubbery, trees, flowers or other improvements of the Owner located on the land covered by said easements.

Section 3. The restrictions and covenants contained in this Article shall be applicable to Section 17, Lakewood Forest.

Section 4. No provision of sections 1, 2 or 3 contained in this Article (the text of which is prescribed by the electric company) shall in any manner operate or be construed to permit the construction on any Lot of any type of residential structure other than a single family residence as provided in Article II. The easements and provisions stated in this Article shall in no way affect any of the recorded easements on any of the Properties and/or Lots of the Subdivision, except as expressly provided herein.

ARTICLE VIII

NOTICE REQUIREMENTS; MANAGEMENT AGREEMENTS; LEASES AND DELEGATIONS

Section 1. Notice to LAKEWOOD FOREST FUND, INC. Any Owner who mortgages his Property, conveys his interest in his Property by deed, contract for deed, lease, rental agreement or other conveyance, shall give notice to the LAKEWOOD FOREST FUND, INC., giving the name and address of the mortgagee, grantee, contract purchaser, lessee or renter, as the case may be. The FUND shall maintain such information in its permanent records. It shall be the responsibility of the Lot Owner to notify the FUND of the proper name and address of the current Owner, and unless such

notification is received, all correspondence and billings shall be sent to the name and address contained in the last entry on the rolls of the FUND for that Lot. Such notification shall be deemed sufficient for all notification purposes. Should any Owner lease and/or rent and/or contract to deed his Property, said Owner shall notify the FUND of his current address (including a complete street address, any apartment number or other designations, and the complete zip code) and shall promptly notify the FUND of any subsequent changes of address. Such notification to the FUND of a new address and/or any changes of address shall be made within ten (10) days of the date that the new address is acquired and shall be by written communication to the FUND. Any notice or other written communication required in this Declaration to be sent to a Lot Owner may be sent to the last known address of the Lot Owner, and such notification shall be deemed sufficient for all notification purposes. Should there be any action requiring a vote or assent of the Lot Owners, and the Lot Owner has failed to provide the notifications required by this section, then the FUND need only exercise reasonable diligence to locate the Owner. The burden of showing lack of reasonable diligence shall be upon the Lot Owner. The mailing address for the LAKEWOOD FOREST FUND, INC. shall be 12415 Louetta Road, Cypress, Texas 77429, or such other address as the FUND shall so designate in writing to the Lot Owner(s).

Section 2. Notice of Default. The FUND shall notify a first mortgagee in writing, upon request of such mortgagee, of any default by the mortgagor in the performance of such mortgagor's obligations as set forth in this Declaration, and which default had not been cured within thirty (30) days.

Section 3. Examination of Books. The FUND shall permit record owners of Lots herein to examine the books and records of the FUND during normal business hours and/or by appointment.

Section 4. Reserve Fund. The FUND shall establish an adequate reserve fund for the replacement of the common area Property and any other fixed assets owned by the FUND, and shall fund the same by regular payments rather than by special assessments.

Section 5. Delegation of Owners' Use of Common Areas. Any Owner may delegate, in accordance with Bylaws of the FUND, his right of enjoyment to the common areas and facilities to the members of his family, his tenants, or contract purchasers who reside on the Property. No such delegation shall work a severance of the rights of enjoyment of the common areas and facilities from the ownership of a Lot, and any such delegation by any Owner shall automatically terminate upon conveyance of legal title to such Lot by said Owner.

Section 6. Leases and Rental Agreements. All leases and/or rental agreements and/or contract for deed of any dwellings or other structures on any Lot must: (1) be in writing, (2) provide that all such leases and rental agreements or contract for deed are specifically subject in all respects to the provisions of this Declaration, the Articles of Incorporation of the FUND, and Bylaws of the FUND, and (3) provide that any failure by the lessee or renter or contract purchaser to comply with the terms and conditions of the

documents enumerated in (2) shall be a default under such leases or rental agreements of contract purchaser. Additionally, each Lot Owner shall furnish his tenant(s) with a current copy of this Declaration and deed restrictions on or before the effective date of the lease or rental agreement. The failure of the Lot Owner to so furnish his tenant(s) with a current copy of this Declaration shall in no way relieve either the Lot Owner or the tenant(s) from the duties, obligations, restrictions, conditions or provisions of this Declaration. All lessees and/or renters and/or contract purchasers of any Lot in the Subdivision shall be bound by the provisions of this Declaration even if the lessor and/or grantor fails to comply with the requirements in this section. Other than the foregoing, there shall be no restriction on the right of any Owner to lease his Property in a manner consistent with the provisions of this Declaration.

Section 7. Management Agreements. Any management agreement entered into by the LAKEWOOD FOREST FUND, INC. shall be terminable by the FUND for cause upon not more than sixty (60) days' written notice, and the term of such management agreement will not exceed the period of three (3) years, renewable by agreement of the parties to such agreement for successive three-year periods.

Section 8. Manner of Notice. Every notice required under the provisions of this Declaration may be served by delivering a copy of the notice to the Lot Owner or other party entitled to receipt of the notice, or to his duly authorized agent, either in person or by certified mail to his last known address. Notice by mail shall be complete upon deposit of the notice, enclosed in a post-paid, properly addressed envelope, in a post

office or official depository under the care and custody of the United States Postal Service. Where a particular provision provides for notice by regular mail, such notice may be sent by regular mail under the same provisions as contained in the preceding sentence. Whenever a party has the right or is required to do some act within a prescribed period after the service of the notice upon him by mail, three (3) days shall be added to the prescribed period. Nothing herein shall preclude any party from offering proof that the notice was not received, or, if the notice was sent by mail, that it was not received within three (3) days from the date of deposit in a post office or official depository under the care and custody of the United States Postal Service. However, the burden of proof shall be upon the recipient of the notice to establish conclusively that such notice was not received or, was not received within three (3) days from the date of mailing.

Section 9. Computation of Time Periods. In computing any period of time prescribed or allowed in this Declaration, the day of the act, event or notice after which the designated period of time begins to run is not to be included. The last day of the period so computed is to be included, unless it is a Saturday, Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday, Sunday nor legal holiday. The date for any hearings prescribed by this Declaration shall also be computed by the provisions of this section.

ARTICLE IX
GENERAL PROVISIONS

Section 1. Term and Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties, and shall inure to the benefit of and be binding on the LAKEWOOD FOREST FUND, INC., all signatories hereto and all Lot Owners in the Subdivision, their respective legal representatives, heirs, successors and assigns, for an initial term commencing on the effective date hereof and ending on the thirty-first (31st) day of December, 2020. The rights, uses, easements and privileges of the Lot Owners in and to the common areas as provided for herein shall be deemed to be covenants running with the land and shall be perpetual. During the initial term, the covenants and restrictions of this Declaration may be changed or amended only by an instrument signed by the Record Owners of not less than seventy-five percent (75%) of the Lots in all of the Sections of Lakewood Forest Subdivision, and properly recorded in the appropriate records of Harris County, Texas. Upon the expiration of such initial term, said covenants and restrictions (if not previously amended, and as amended, if amended), and the enforcement rights relative thereto, shall be automatically extended for successive periods of ten (10) years. During such ten-year extension periods, the covenants and restrictions to this Declaration may be changed or amended only by an instrument signed by the Record Owners of not less than seventy-five percent (75%) of all the Lots in all Sections of Lakewood Forest Subdivision, and properly recorded in the appropriate records of Harris County, Texas. Any amendment of this Declaration must be recorded in the Real Property Records of Harris County, Texas.

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If a Lot is owned by joint Owners, there shall be only one vote cast for each such Lot and the approval of any one joint Owner shall be sufficient for the purpose of providing the required approval of this Declaration as to such Lot. Either husband or wife may provide the required approval in cases where such Lot is owned by married persons, but the signature of both husband and wife shall not be required. The signatures of the Lot Owner(s) need not be acknowledged or notarized. It shall be sufficient that the custodian of records of the LAKEWOOD FOREST FUND, INC. verifies that the required number of Lot Owners approved the Declaration; that the signature sheets or cards are maintained and will be maintained in the permanent records of the FUND; and that the names of the Owners of the Lots approving this Declaration have been verified as being the Record Owners of such Lots. The Record Owner shall be such Owner or Owners having title to such Lot at the time the required approval is obtained as to that Lot. After a Lot Owner approves and signs the Declaration, the fact that the Owner subsequently conveys the Lot shall not affect the validity of the previous signing of the Declaration, and further approval as to that Lot shall not be required. Where a Record Owner (such as a builder or developer) owns more than one Lot, his signature on the Declaration shall constitute approval as to all Lots owned by him in the Subdivision.

For Amendment purposes, all Sections of Lakewood Forest shall be treated as if they were one Section such that the combined approval of seventy-five percent (75%) of the Record Owners in such Sections shall be required. It shall not be required that the approval of seventy-five percent (75%) of the Record Owners on a Section-by-Section basis be obtained.

Following any such Amendment, every reference herein to this Declaration shall be held and construed to be a reference to this Declaration as so amended.

It is the intent of this section that all restrictions, covenants, conditions, easements, exceptions, reservations and each and every term and provision of this Declaration shall be perpetual unless amended or terminated in the manner provided in this section.

Section 2. Enforcement. Upon any violation or attempt to violate any of the covenants herein, it shall be lawful for the LAKEWOOD FOREST FUND, INC., or any other Owner to prosecute any proceeding at law or in equity against the person or persons violating or attempting to violate any such covenant and either to prevent him or them from doing so or to recover damages or other dues for such violations. The Board of Trustees of LAKEWOOD FOREST FUND, INC. or any Lot Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. It is expressly provided that the LAKEWOOD FOREST FUND, INC. shall have standing to bring any action to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

In the event of any violation or attempted violation of any of the terms or provisions of this Declaration, enforcement of the terms and provisions shall be authorized by any proceedings at law or in equity against any person or persons so violating or attempting

to violate any of the provisions hereof, including by means of actions to restrain or prevent such violations or attempted violation by injunction, prohibitive or mandatory, and it shall not be a prerequisite to the granting of such injunction that there shall be an inadequate remedy at law or that there shall be any showing of irreparable harm or damage if such injunction is not granted. It shall be stipulated in any such legal action for injunctive relief that there is no adequate remedy at law and that irreparable harm or damage will result if the injunction is not granted. In addition, any person entitled to endorse the provisions hereof may recover such damages, either actual or punitive, as such person may show himself justly entitled by reason of such violation of the terms and provisions hereof.

Failure or delay by the Board of Trustees of the LAKEWOOD FOREST FUND, INC. or by any Owner or by any other person or entity having any rights herein to enforce any covenant or restriction hereof shall not be construed to constitute a waiver of the right to thereafter enforce such provision or any other provision hereof. Such failure or delay of any such party shall not be considered as a basis for estoppel either in equity or at law. Such parties may exercise their rights herein despite said delay or failure to enforce said terms and provisions hereof on a prior occasion.

Section 3. Severability. In the event that any of the provisions hereof, or any portion thereof, shall become or be held to be invalid, whether by judicial decision or otherwise, such invalidity shall not affect, alter or impair any other provision hereof that

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was not so declared invalid, and such other provisions shall be and remain in full force and effect in accordance with the terms hereof.

Section 4. Joinder of Lien Holders. The undersigned lien holder(s) join herein solely for the purpose of subordinating the liens held by them of record upon the Properties to the covenants, conditions and restrictions hereby imposed by this Declaration with, however, the stipulation that such subordination does not extend to any lien or charge imposed by or provided for in this Declaration.

Section 5. Lien Holders' Rights. No violation of any restrictions, covenants or conditions shall affect or impair the rights of any mortgagee, trustee or lien holder under any mortgage, trustee or lien holder, under any such mortgage or deed of trust.

Section 6. Multiple Counterparts. This document has been prepared in multiple original counterparts in order to facilitate its execution by the existing Lot Owners whose names appear below. Each counterpart shall be legally valid and of full force and effect notwithstanding the fact that it does not contain the signatures of all the Lot Owners or their respective spouses and shall be binding upon all signatories thereto.

Section 7. Gender and Grammar; Use of Pronouns and Captions. The singular, wherever used herein, shall be construed to mean or include the plural whenever applicable, and vice versa, and the necessary grammatical changes required to make the provisions hereof apply either to corporations, partnerships, associations or other entities

or to individuals, male or female, shall in all cases be assumed as though in each case were fully expressed.

Use of pronouns, such as the use of neuter, singular or plural pronouns, refer to the parties or things described herein, and shall be deemed a proper reference even though the parties may be an individual, either male or female, partnership, corporation, association, joint venture or other entity.

Section 8. Titles. The titles of this Declaration of the Articles and sections contained herein are for convenience only and shall not be used to construe, interpret or limit the meaning of any term or provision contained in this Declaration. The titles to each of the various Articles and sections shall have no effect on or be deemed part of the text of this Declaration. The word "Section(s)" shall generally refer to Sections of the Subdivision and the word "section(s)" shall refer to paragraph headings within Articles. Further, the captions, numbering sequences, paragraph headings and punctuation organization used in this Declaration are for convenience only and shall in no way define, limit or describe the scope of the Declaration or any part thereof.

Section 9. Incorporation. The terms and provisions of this Declaration shall be construed as being adopted in each and every contract, deed, conveyance, lease, rental agreement, contract for deed or other agreement affecting title to or interest in any and all Lots in the Subdivision heretofore or hereafter executed whether or not referenced to therein, and all estates conveyed therein and warranties of title contained therein shall be

subject to the terms and provisions of this Declaration, and such terms and provisions are hereby incorporated into each such contract, deed, conveyance, lease, rental agreement, contract for deed or other agreement affecting title or interest to such Lots by reference as if set forth therein verbatim.

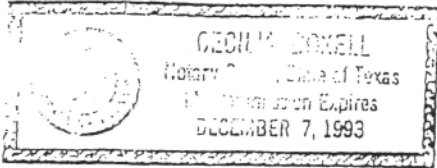
Section 10. Binding Effect; Successors in Title. All the terms and provisions hereof shall be binding on all of the parties hereto, all signatories hereto, all persons or entities who own or possess an interest or title to any Lot(s), whether heretofore or hereafter acquired, and all persons or entities claiming an interest by deed, contract for deed, lease or rental agreement, and/or other conveyance, and to each of the foregoing's respective heirs, personal representatives, successors, executors, administrators, legal representatives and assigns. The terms and provisions of this Declaration shall inure to the benefit of the LAKEWOOD FOREST FUND, INC. and its successors and assigns.

Section 11. Effective Date. When the required approval of this Declaration has been obtained, this Declaration shall become effective and of legal force at 5:00 o'clock p.m. on the date that this Declaration is filed for record in the Real Property Records of the County Clerk's Office of Harris County, Texas.

The filing of the Declaration in the Real Property Records of the County Clerk's Office of Harris County, Texas shall constitute constructive notice of the passage and effective date of this Declaration. Actual notice to the Lot Owners in the "Approving

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 19th day of October, 1992, by KENNETH A. HARLAN, President of LAKEWOOD FOREST FUND, INC., a Texas Non-Profit Corporation, on behalf of said Corporation.



Cecelia Boxell
Notary Public in and for the
State of T E X A S

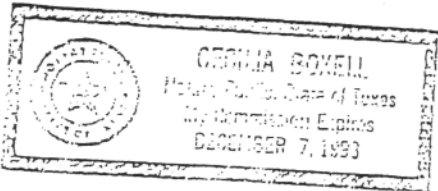
(SEAL)

CECILIA Boxell
Name Printed or Typed

My Commission Expires: 12/7/93

THE STATE OF TEXAS)
)
COUNTY OF HARRIS)

This instrument was acknowledged before me on the 19th day of October, 1992, by ALICE D. KANAHAN, Secretary of LAKEWOOD FOREST FUND, INC., a Texas Non-Profit Corporation, on behalf of said Corporation.



Cecelia Boxell
Notary Public in and for the
State of T E X A S

(SEAL)

CECILIA Boxell
Name Printed or Typed

My Commission Expires: 12/7/93

114-54-0667