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107-14-0709

STATE OF TEXAS I
 I KNOW ALL MEN BY THESE PRESENTS: THAT
COUNTY OF HARRIS I

FRIENDSWOOD DEVELOPMENT COMPANY, a corporation of Harris County, Texas, and KING RANCH, INC., a corporation of Kleberg County, Texas, hereinafter jointly called "Friendswood", are the owners of that certain land in Harris County, Texas, constituting Sections One, Two and Three of Kingwood Lakes Village, subdivisions in Harris County, Texas, according to the plats thereof recorded respectively in Volume 218, Page 89; Volume 218, Page 96; and in Volume 218, Page 80, in the Map Records of Harris County, Texas, and said land is hereby subjected to the provisions of this instrument, together with any land adjacent or contiguous thereto which Friendswood shall hereafter add thereto as a part of Kingwood Lakes Village for the purposes hereof by express dedication and plat or by deed of conveyance or other instrument duly filed for record in the office of the County Clerk of Harris County, Texas, but only if such dedication and plat or such deed or other instrument shall expressly state that such land constitutes a part of, or an addition to Kingwood Lakes Village.

In order to provide a common fund to be applied toward the common good of Kingwood Lakes Village for the purpose of rendering constructive civic service, promoting the social welfare of Kingwood Lakes Village and of the residents thereof, to promote and provide municipal, educational, and recreational services and facilities for the Citizens (hereinafter defined) of Kingwood Lakes Village, to provide parkway, public grounds and lake maintenance, negotiation of garbage and trash collection contract, police service, fire protection, and other similar services, Friendswood does hereby subject all of the property in Sections One, Two and Three of Kingwood Lakes Village, together with land which Friendswood may

add thereto as aforesaid, and which may be sold by it, to an annual community services charge, the provisions of which are as set out below and shall be deemed to be included in all deeds of conveyance of any such land hereafter executed the same as if said provisions were set out in full in each of said deeds of conveyance. It is specifically understood that deeds of conveyance of said property, or any part thereof, may contain the community services charge provisions by reference to this document, but whether or not such reference is made, such charge shall be valid and binding upon the respective grantees. Said community services charge provisions, which shall be applicable to each lot or tract of land sold, are as follows:

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"The property herein conveyed is hereby subjected to an annual community service charge currently set at:

- (a) One Hundred Ninety-Two and no/100 Dollars (\$192.00) for each single-family estate lot;
- (b) One Hundred Ninety-Two and no/100 Dollars (\$192.00) for each patio house lot;
- (c) One Hundred Ninety-Two and no/100 Dollars (\$192.00) for each townhouse lot or condominium living unit;
- (d) Ninety-Six and no/100 Dollars (\$96.00) for each apartment residential living unit;

for the purpose of creating a fund to be known as "Community Services Fund" to be paid by the then owner (except as to the limitations hereinafter expressed) of this property (in conjunction with a like charge to be paid by the owners of other properties subjected to the applicable charge in Kingwood Lakes Village) annually in advance to Grantor herein, its successors and assigns, in Houston, Texas, on the first day of July of each year. All past-due service charges shall bear interest from their due date at the highest legal interest rate per annum allowed by the State of Texas until paid. Such charges shall be a covenant running with the land, and to secure payment thereof, a vendor's lien is hereby retained upon the property herein conveyed, subject and inferior, however, to a purchase money lien

or purchase money mortgage or any lien established to secure financing of construction of improvements to the extent (but only to the extent) of any such charges accrued and unpaid prior to foreclosure of any such lien or mortgage; provided, however, that Grantee shall pay at the time of this conveyance (except as to the limitations hereinafter expressed) that fractional part of the annual community services charge determined by multiplying said annual community services charge by a fraction, the numerator of which is the number of months before the first day of the month following the date of this conveyance and the next succeeding first day of July and the denominator of which is twelve (12). Such charge and lien are hereby assigned by Grantor to Kingwood Lakes Community Association, Inc., a Texas nonprofit corporation (without recourse on Grantor in any manner for payment of such charge) which will collect all such annual community services charges and will administer such Community Services Fund, in order that uniformity and continuity may be maintained and preserved."

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"Such annual charge may be adjusted from year to year by Kingwood Lakes Community Association, Inc., its successors or assigns, as the needs of the property may, in its judgement, require, but in no event shall such charge be raised above the unit rates set out above unless (1) raised by the then owners of a majority of the residential and multi-family living units in all sections of Kingwood Lakes Village paying such charge (for all voting purposes the owner or owners of a single-family estate lot or a patio house lot or townhouse lot or a condominium residential living unit shall have one vote for each such lot or condominium residential living unit owned, and the owner of an apartment building shall have one-fourth (1/4) vote for each apartment residential living unit owned), or (2) raised by a majority of the then members of the Board of Trustees of the Kingwood Lakes Community Association, Inc.; if raised by the Board of Trustees as aforesaid, only to the extent the Consumer

Price Index, as published by the Bureau of Labor Statistics, United States Department of Labor, exceeds the index as published for the year 1973, hereinafter called the base year. Any such increase approved by the said Board of Trustees shall be not more than the percentage increase between the base year for which the last Consumer Price Index was published."

"Funds arising from such charge shall be applied, so far as sufficient, toward the common good of the community, civic betterment, municipal, educational and public recreational purposes (but not by way of limitation) as follows:

1. To render constructive civic welfare for the promotion of the social welfare of the community and of the Citizens of Kingwood Lakes Village, to inculcate civic consciousness by means of active participation in constructive projects which will improve the community, state and nation;

2. To promote and/or to provide municipal services and educational and public recreational services and facilities for the Citizens of Kingwood Lakes Village.

3. To acquire, maintain and conduct buildings and property for public services and educational and recreational facilities;

4. To do any other thing necessary or desirable or of general benefit to the community, including (but not by way of limitation) the following:

Street lighting (including one-half the cost of the perimeter streets of Kingwood Lakes Village), parkway and lake maintenance, mosquito abatement, police service, fire protection, street sweeping and maintenance (including one-half the cost of such sweeping, and maintenance of Kingwood Drive and Woodland Hills Drive adjacent to Kingwood Lakes Village), parks and public grounds maintenance, community recreation, negotiations of contracts and garbage and refuse removal (which services will be billed directly to each property owner separate from and in addition to the community services

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charge), and the enforcement of restrictions upon the use of property in Kingwood Lakes Village.

"It is understood that the judgment of the said Kingwood Lakes Village Community Association, Inc., its successors and assigns, in the allocation and expenditure of said funds shall be final so long as such judgment is exercised in good faith. The enumeration of services above carries no obligation to furnish any of such services except to the extent of funds actually received."

"For the purposes hereof, Citizens shall mean the residents, tenants, and property owners in Kingwood Lakes Village (and each of them and their respective guests and invitees)."

"Such charge shall continue until July 20, 2010, and for successive ten (10)-year periods of extension unless the then owners of the majority of the owners of the single-family estate lots, patio house lots, townhouse lots, condominium residential living units and apartment buildings subject to the services charge in Kingwood Lakes Village vote (as hereinabove provided) to discontinue such charge. The discontinuance of such charge shall be evidenced by a written instrument certifying such vote and signed and acknowledged by the then Board of Trustees of Kingwood Lakes Community Association, Inc., and recorded in the appropriate records of the County Clerk of Harris County, Texas. Notwithstanding the above, the discontinuance of such services charge may be enacted only if any and all indebtedness of the Association to Grantor has been satisfied or unless otherwise approved by lienholders of property for services or property for which the Association is obligated."

"Notwithstanding anything to the contrary herein contained, the community services charge shall never be applicable to: (1) any property (whether retained by Grantor or sold to others) used as parks, public recreational areas, golf courses, esplanades, schools, churches or for other public uses; (2) lands included in drill sites required by owners of the mineral estate

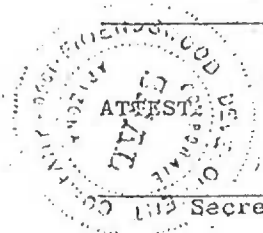
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for the development of the reserved mineral interests; (3) lots or unimproved land owned by Friendswood or unimproved land sold to a developer provided Grantor shall obligate such developer to assume Grantor's obligation hereunder with respect to incorporating provisions for such charge in all conveyances of such land by such developer, and (4) patio house lots, townhouse lots or land restricted to condominium or apartment residential living units unless and until construction of a patio house, townhouse or condominium or apartment living unit has been commenced thereon, or six (6) months has expired since the conveyance of such lot or land by Friendswood, whichever date occurs first, and the service charge shall be due on the first day of the month following such date. For the purposes hereof, the date of commencement of construction shall be considered to be the date work begins on the building foundation on the applicable lot or living unit.

CULLEN CENTER BANK AND TRUST, a state banking association, as lienholder of the hereinabove-described land, has hereunto caused its name to be signed and its seal to be affixed, and the same to be done and attested by the signatures of its duly authorized officers for the purpose of consenting to, ratifying, confirming and adopting this Community Services Charge and for the purpose of subordinating its lien to the same.

This instrument levying and fixing a community services charge for Kingwood Lakes Village has been executed by FRIENDSWOOD DEVELOPMENT COMPANY and KING RANCH, INC. on the ___ day of _____, 1974.



FRIENDSWOOD DEVELOPMENT COMPANY,
Acting Herein for Itself and for
KING RANCH, INC.

FORM
OK
TRANS
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CONT. 73

By: J. C. Byrd
J. C. BYRD, Vice President

CULLEN CENTER BANK AND TRUST

By: [Signature]
[Signature], Vice President

RECORDER'S MEMORANDUM:
The changes made on this instrument
were present at the time instrument
was filed and recorded.

RECORDER'S MEMORANDUM:
The additions on this instrument were
present at the time instrument was filed
and recorded.

