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DEC 14 3 32 PM 1976 DECLARATION OF CONDOMINIUM REGIME

SAN FELIPE SQUARE TOWNHOMES

R. J. ...
COUNTY CLERK
HARRIS COUNTY, TEXAS

Approved March 1977

This Declaration of Condominium Regime is made and executed this 8th day of December, 1976, by SAN FELIPE SQUARE TOWNHOMES, LIMITED, a Texas Limited Partnership (hereinafter referred to as "Developer"), pursuant to the provisions of the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes (hereinafter referred to as the "Act"), for the purpose of submitting the hereinafter described real property and the improvements located thereon to a condominium regime;

W I T N E S S E T H :

WHEREAS, Developer is the owner of certain real property in the City of Houston, County of Harris, State of Texas, (herein called the "Subject Property") more particularly described in a plat recorded under File No. 241, Page 44, of the Map Records of Harris County, Texas;

WHEREAS, Developer has caused to be prepared plans for the construction of two (2) buildings and other improvements appurtenant thereto on the Subject Property which when completed will consist of fourteen (14) separately designated condominium units.

WHEREAS, Developer desires by recording this Declaration of Condominium Regime, together with the condominium by-laws attached hereto as Exhibit "A" and the condominium subdivision plans and specifications attached hereto as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof), to establish a condominium project known as San Felipe Square Townhomes under the provisions of the Act (such project is also known with the City of Houston as San Felipe Place Townhomes).

WHEREAS, Developer further desires to permit the expansion of the Project in order to provide for additional units and common areas.

WHEREAS, Developer by declaring the condominium regime desires to establish a plan for the individual ownership in fee simple of the area or space contained within each unit and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining Subject Property;

NOW, THEREFORE, Developer does upon the recording hereof, establish San Felipe Square Townhomes as a condominium project under the Act and does declare that San Felipe Square Townhomes shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manner utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration of Condominium Regime and Exhibits "A" and "B" hereto, all of which shall be deemed to run with the title to all or any portion of San Felipe Townhomes and shall be a burden and a benefit to Developer, San Felipe Square Townhomes, and any persons acquiring or owning any interest in San Felipe Square Townhomes, their grantees, heirs, executors, administrators, successors and assigns. In furtherance of the establishment of this condominium project, it is provided as follows:

I.

DEFINITIONS

1. Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the following meanings:

A. "Unit" shall mean and refer to an enclosed air space consisting of one or more rooms occupying all or part of one or more floors in a building in the Condominium Project, as such space may be further described, delineated and delimited in the map or plat attached hereto as Exhibit "B" (and as may hereafter be described, delineated and delimited by an amendment or supplement hereto as herein permitted).

B. "Condominium" shall mean and refer to the separate ownership of a Unit, together with an undivided ownership interest in the Limited and General Common Elements expressed as a fraction of the entire ownership interest in the Common Elements as set forth and defined herein.

C. "Condominium Project" shall mean and refer to San Felipe Square Townhomes as a condominium project established in conformance with the provisions of the Act.

D. "Owner" shall mean and refer to a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which is the record owner of fee simple title to one or more Units in the Condominium Project.

E. "Association" shall mean and refer to the San Felipe Square Townhome Association, its successors and assigns, comprised of the Owners of all the Units or a non-profit association, the By-Laws of which shall govern the administration of

this Condominium and the members of which shall be all of the Owners of the Units; which Association may be, at Developer's election and as herein provided, a corporation organized pursuant to the Texas Non-Profit Corporation Act.

F. "Common Elements" shall mean and refer to both the General and Limited Common Elements as described herein.

G. The General and Limited Common Elements of the Condominium Project are as follows:

1. The General Common Elements consist of:

(a) The land in the Condominium Project, as more particularly described in a plat recorded under File No. 241, Page 44 of the Map Records of Harris County, Texas (and the additional land which may be described in a supplement hereto as herein permitted);

(b) The foundations, bearing walls and columns (including any windows, doors and chimneys therein), roofs, attics, ceilings and floors, or communication ways and any other portion of the buildings located on the land described above not included within any Unit;

(c) The premises and facilities, if any, used for maintenance or repair of the Condominium Project;

(d) All common recreational facilities, including without limitation the office and the grounds, yards and walkways;

(e) Parking spaces not yet designated with a Unit number and described on the condominium subdivision plan attached hereto as Exhibit "B" as unassigned parking spaces; provided, however, Developer expressly reserves the right at any time and from time to time to assign, and to charge a fee for the use of pending assignment, any unassigned parking space to any Owner and to retain any sums received therefor; and, provide further, coincident with the assignment of any unassigned parking space the condominium subdivision plan attached hereto as Exhibit "B" shall be amended for the purpose of designating such parking space with a number corresponding to a Unit number, and thereafter such parking space shall be a limited Common Element appurtenant to such Unit.

(f) All other elements desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Project.

Handwritten:
Amended
March 1974

2. The Limited Common Elements, being those common Elements reserved for the use of specified Units to the exclusion of others, consist of:

(a) Parking spaces, if any, designated with a number corresponding to a Unit number as described on the condominium subdivision plan attached hereto as Exhibit "B";

(b) Compartments or installations of central services such as power, light, electricity, telephone, gas, cold and hot water, plumbing, reservoirs, water tanks and pumps, incinerators, and all similar devices and installations corresponding to a building within the Condominium Project or corresponding to a Unit; and

(c) Storage rooms, patios, balconies and decks designated with a number corresponding to a Unit number as described on the condominium subdivision plan and specifications attached hereto as Exhibit "B";

(d) Mail boxes not located at individual Units which are designated with a number corresponding to a Unit number;

(e) All other portions of the General Common Elements which are specifically reserved for the exclusive use of the Owner of a Condominium Unit as shown on Exhibit "B" attached hereto or as may hereafter be shown by supplement or amendment hereto.

H. "Entire Premises" or "property" means and includes the land, buildings, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

I. "Common Expenses" means and includes:

1. All sums lawfully assessed against the general Common Elements by the managing agent or board of managers of the Condominium Project;

2. Expenses of administration and management, maintenance, repair or replacement of the General Common Elements;

3. Expenses agreed upon as Common Expenses by the Owners; and

4. Expenses declared Common Expenses by provisions of this Declaration and by the By-Laws.

J. "By-Laws" means the By-Laws of the Association attached hereto as Exhibit "A" for reference and any amendment, modification or revision thereto as therein permitted.

K. "Map", "Survey Map" or "Plans" means and includes the engineering survey of the land locating thereon all of the improvements, the floor plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements, same being herewith filed, consisting of 4 sheets labelled Exhibits "B-1" through "B-4".

L. "Building" means any one of the two (2) buildings within the Condominium Project.

II.

ESTABLISHMENT OF REGIME

*Reviewed
9/10/11*

2.1 GRANT AND SUBMISSION.

Developer hereby grants and submits to Condominium Ownership all of the Subject Property, the improvements to be constructed thereon, the Condominium Project and all attachments and appurtenants thereto and in anywise belonging.

2.2 DESCRIPTION OF PROPERTY.

The Condominium plans and specifications attached hereto as Exhibit "B" shall be filed for record simultaneously with the recording of this Declaration as a part hereof, and prior to the first conveyance of any Condominium Unit. Such Condominium plans and specifications consists of and sets forth (1) the legal description of the surface of the land; (2) the linear measurements and location, with reference to the exterior boundaries of the land, of the buildings and all other improvements built or to be built on said land by Developer; (3) floor plans and elevation plans of the building built or to be built thereon showing the location, the building designation, the Unit designation and the linear dimensions of each Unit, and the limited common elements; (4) the elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plane. Developer hereby expressly reserves the right to amend Exhibit "B" to conform the map to actual location of the constructed improvements to establish, vacate and relocate outside utility easements, access and parking facilities as same may be located on the ground, all as more fully provided herein.

2.3 DIVISION OF FEE ESTATES.

The real property is hereby divided into the following separate fee simple estates:

(a) Fourteen (14) fee simple estates consisting of fourteen (14) separately designated Units, each such Unit identified by number and by building symbol or designation on the Map, the Units in each building being described as follows:

Building I - Containing four (4) Units numbered I-101 through I-104, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building I attached as Exhibit "B" for reference.

Building II - Containing ten (10) Units numbered II-105 through II-114, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building II attached as Exhibit "B" for reference.

As set forth on the plans and specifications attached hereto as Exhibit "B" for reference, the architectural design of each of the Units covered by this Condominium Declaration are labeled as architectural designs A, B, C, D, E, and F with varying modifications to the basic architectural designs, which variations are indicated by Arabic numbers. Accordingly, references on the attached plans and specifications should be keyed to the basic architectural plans as they relate to the various Unit numbers.

(b) The remaining portion of the entire premises, referred to as the General Common Elements, shall be held in common by the owners, the percentage interest in the general common elements attributable to and appurtenant to the respective Units being set out in Exhibit "C" hereto (at column 2 thereof), each such undivided interest being appurtenant to one of the Units covered hereby as scheduled, subject to increase and revision as set forth in Article 2.5 hereof.

2.4 TITLE.

Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a Deed from Developer or any Owner shall be deemed an acknowledgment of and consent to these provisions.

2.5 EXPANSION OF PROJECT.

The Developer anticipates that the Condominium Regime created hereunder will be expanded to include additional Units and Common Elements to be constructed on the real property described on Exhibit "D" attached hereto for reference, adjacent to the Subject Property which Units shall be designed, modified or revised as Developer may deem advisable in his sole discretion, provided however, in no event shall more than forty-five (45) additional Units (for a

total of fifty-nine (59) Units) be constructed. In this connection, it is hereby stipulated that the undivided interests set forth on Exhibit "C" hereto, which is appurtenant to the Units covered hereby, will be revised as additional Units and Common Elements are built or scheduled to be built, based upon the ratio that the number of square feet contained in each Unit bears to the number of square feet contained in all of the Units, including the additional Units, and correspondingly each Owner will own a percentage interest in the additional Common Elements at such time as the hereinafter amendment or supplement is filed. In order to include the additional Units within the Condominium Regime created hereby, Developer reserves the right to amend or supplement this Declaration at any time prior to December 31, 1978. Such amendment may be made by Developer without the joinder of any Owner or mortgagee of Owner and the filing of such Amendment or supplement shall be binding upon each Owner and mortgagee. In no event, however, may any such Amendment serve to dilute or reduce the respective percentage ownership interests of each Owner as set forth on Exhibit "C" hereto except to the extent provided above and to the extent that each Owners voting rights in the Association will be diluted since more votes will be required to equal the specified number to pass or reject the matter being considered. Further, if the Amendment or supplement herein permitted to be filed is not filed prior to December 31, 1978, the Developer shall not thereafter be entitled to amend this Declaration for the limited purpose set forth in this Article 2.5.

III.

OCCUPATION AND USE

3.1 CONVEYANCE OF CONDOMINIUM UNITS.

Each Unit and the undivided ownership interest in the Common Elements appurtenant thereto shall be inseparable and may be conveyed, leased or encumbered only as a Condominium Unit. Any conveyance of a Unit shall be deemed to include the Common Elements appurtenant thereto.

3.2 DESCRIPTION OF CONDOMINIUM UNITS.

Every deed, lease, mortgage, trust deed or other instrument may legally described a Condominium Unit by its number or letter followed by the words "The San Felipe Square Townhomes" with further reference to this Declaration and the Map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber, or otherwise affect a Unit, the Common Elements appurtenant thereto and such Unit's percentage of interest in the Common Elements.

3.3 EXCLUSIVE POSSESSION AND USE RESTRICTION.

Each Owner shall be entitled to exclusive ownership and possession of such Owner's Unit (including appliances and fixtures therein). Each Owner may use the Common Elements in accordance with the purposes for which they are intended, without hindering or encroaching upon the lawful rights of other Owners. Each Unit, unless otherwise herein provided, shall be used and occupied solely as a single family residence by the Owner and his social guests, invitees, tenants, or any others taking or occupying through said Owner. Notwithstanding the above, the Developer hereby specifically reserves unto itself and the Association, the non-exclusive use of the Common Elements.

3.4 COMBINATION OF UNITS.

In the event that one Owner shall own two or more Units adjacent to each other, such Owners shall have the right to combine such Units into one area to create entries, door openings and stairways between such Units so long as such changes do not affect load-bearing walls or pipes, conduits, ducts, shafts, and wiring for the utility services of the Building and so long as the same is approved by all relevant governmental bodies.

3.5 DIVISION OF UNIT.

The Developer, or a successor developer, hereby reserves the right to divide any Unit into two (equal or unequal) separate Units, by the filing of a supplement to this Declaration and to the Map, which shall describe the Units in the same manner as in this original Declaration and Map. The newly created Units shall be designated with their prior label and with a number, for example, Unit I-101 will be I-101A and I-101B. In the event of division, the percentage interest of ownership in Common Elements allocated to the original Unit being divided shall be divided among the two new separate Units in the ratio that the square footage area of each such new Unit bears to the total square footage area of the original Unit. This reserved right in the Developer shall not run with the Land and shall not inure to the benefit of any subsequent owner of a Unit. However, this right is restricted in that only one division into said two Units may be made as to any Unit. The parking and storage spaces originally assigned to the Unit shall be reassigned, in the event of division, to the newly created Units.

3.6 MODIFICATION OF BUILDING.

Prior to the sale of any Unit within a Building, the Developer reserves the right to modify any proposed Unit or Building for any purpose whatsoever, provided that the aggregated percentage interests allocated to the Building in Exhibit "D" do not change and further provided that the aggregate number of the Units in such Building is not increased.

3.7 RIGHT OF ACCESS AND EMERGENCY REPAIRS.

The Association shall have the right of access to each Unit and its appurtenant Limited Common Elements from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of Common Elements, or at any time deemed necessary for the making of emergency repairs to prevent damage to the Common Elements or to the Unit or to another Unit. In the event any damage occurs to an individual Unit as a result of the repair of or repairs to the Common Elements, the cost for restoration of said damaged Unit shall be a common expense. Further, in the event a Common Element is damaged as a result of actions or inactions of a Unit owner or his guests, invitees, tenants or others taking or occupying through said owner, then such owner shall be liable for any and all costs incurred for the repair and restoration of the damaged Common Element.

3.8 NO PARTITION.

Except as provided herein, no owner shall bring an action for partition of his Condominium Unit or of his Unit or of the Common Elements. This restriction shall not, however, prohibit the division of a Unit as provided in Section 3.5 hereof.

3.9 RIGHT TO MORTGAGE.

Each Owner shall have the right from time to time to encumber his interest in his Condominium Unit by deed of trust, mortgage or other security instrument.

3.10 TAX ASSESSMENTS.

It is specifically stipulated that each Unit may be subjected to separate tax assessments and taxation by the appropriate governmental authority.

3.11 ENCROACHMENTS AND EASEMENTS.

If any portion of the General Common Elements encroaches upon a Unit or Units, for any reason whatsoever, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of an adjoining Unit or Units encroaches upon another Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachment(s) and easement(s) shall not be considered or determined to be encumbrances either on the Common Elements or the Units.

3.12 LABOR AND MATERIALMAN LIEN.

Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in a Unit with the consent or at the request of the Owner

thereof or his agent or his contractor or subcontractor shall be the basis for filing of a lien against the Unit and Common Elements owned by such other Owners. Each Owner shall indemnify and hold harmless each of the other Owners, the Developer and the Association from and against all liability arising from the claim of any lien against the Unit of any other Owner or against the General Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request. Upon written request of any Owner the Association shall have the right to enforce such indemnity.

IV

ADMINISTRATION

4.1 ADMINISTRATION.

The administration of this Condominium Project shall be governed by this Declaration and the By-Laws of San Felipe Square Townhome Condominium Association, a non-profit association, and the Articles of Incorporation of such Association (if any), hereinafter referred to as the "Association". A copy of "By-Laws" is hereto attached marked Exhibit "A" and incorporated herein; and same shall be deemed adopted by Developer as sole owner of the property herein described, and all owners shall be bound thereby. Developer may, at its election, cause to be formed a Texas non-profit corporation bearing said name, in which event such non-profit corporation shall be composed of owners of condominium units as herein set out, and such non-profit corporation shall thereafter act and do all things to be done by "Association", and the said non-profit corporation, if formed, shall be bound by, adopt and observe its By-Laws, the By-Laws hereto attached marked Exhibit "A". "Association" as here used shall refer to the member owners as a group, both before and after incorporation. In the event of incorporation, a certified copy of the Certificate of Incorporation of San Felipe Square Townhome Condominium Association shall be recorded and shall provide that five (5) persons shall act as a Board of Directors and shall serve as the Directors until their successors have been elected and qualified. An Owner of a condominium Unit, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of his ownership. The Managing Agent for the Board of Directors shall be Patcher Corporation, a Texas corporation, whose address is 2001 River Oaks Bank Building, Suite 703, Houston, Texas 77019, and the Managing Agent shall perform all of the duties of the Board of Directors until (i) the date on which Developer elects to call the first meeting of the home owners for election of a Board of Directors, or, (ii) December 31, 1980, or, (iii) until 90% of Units

shall be sold to owner occupants, whichever first occurs, (herein called "Association date"): For purposes of determining the operation of the Association, there shall be two classes of voting membership, all as more particularly set forth in the By-laws attached hereto.

V

MAINTENANCE

5.1 UNIT AND LIMITED COMMON ELEMENTS.

An Owner shall maintain and keep in repair the interior of his own Unit, including the fixtures thereof. All fixtures and equipment, with the heating and air conditioning system, installed within the Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit shall be maintained and kept in repair by the Owner thereof. Without limitation on the generality of the foregoing, an Owner shall maintain and keep in good repair (and replace, if so required) the air conditioning compressor, hot water heater units, fans, ductwork, heating unit and cooling coils, utilized in and for his Unit; as well as all other fixtures situated within or installed into the Limited Common Elements appurtenant to such Unit; and an Owner shall be obliged to promptly repair and replace any broken or cracked windows, doors, or glass therein that might be so broken or cracked. The Owner's obligation to maintain and repair as set forth herein shall also extend to any damage caused by Owner's guests, tenants and invitees.

5.2 LIMITATION ON WORK.

An Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. No Owner shall in any way alter, modify, add to, or otherwise perform any work whatever upon any of the General Common Elements, save with written consent of the Board of Directors first obtained.

5.3 OWNERSHIP.

An Owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and

ceilings surrounding his Unit, nor shall such Owner be deemed to own the utilities running through his Unit which are utilized for, or serve more than one Unit, except as a tenant in common with the other Owners. An Owner, however, shall be deemed to own and shall maintain the inner decorated and/or finished surfaces of the perimeter and interior walls, floors, and ceilings, doors, windows, and other such elements consisting of paint, wallpaper, and other such finishing materials.

5.4 COMPLIANCE.

Each Owner shall comply strictly with the provisions of this Declaration, By-Laws, and the decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief, or both, maintainable by the Managing Agent or Board of Directors on behalf of the Owners, or, in proper cases, by an aggrieved Owner.

VI

EXPENSES

6.1 COMMON EXPENSES.

The costs and expenses (Common Expenses) of managing, operating and maintaining the Condominium Project and the Condominium Units by the Association shall be borne by all Owners. Common Expenses may include, but are not limited to, the overhead expenses of the Association, costs of maintenance, repair and operation of the Common Elements, taxes and special assessments unless separately assessed, insurance premiums for insurance coverage as deemed desirable or necessary by the Association, utility charges for the General Common Elements (including gas, electricity, water, and sewer) trash and garbage collection, guard service, burglar alarm service, landscape maintenance, janitorial service, manager's salary, legal and accounting fees, management fees, and the creation of a reasonable contingency of other reserve or surplus funds.

6.2 ASSESSMENTS.

The assessments made to provide funds for Common Expenses shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or Board of Directors of the Association shall from time to time determine is to be paid by all of the Owners, (including Developer, but only after "Association Date" on Units not sold), to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the General Common Elements, which sum may include, in addition to the costs set forth in Article 6.1 hereof, among other things, cost of management, taxes, assessments, fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached, issued in the amount of the maximum replacement value of all of the condominium Units, casualty and public liability and other insurance premiums, landscaping and care of grounds, common lighting, repairs and renovations, garbage collections, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Managing Agent or Board of Directors under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus funds as well as other costs and expenses relating to the general common elements. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification, or a release of the Owners from the obligation to pay. In no event shall the Developer be liable for any portion of the assessments until after the Association Date.

6.3 INSURANCE.

The Managing Agent or Board of Directors shall obtain and maintain at all times insurance of the type and kind provided hereinabove, and including for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other condominium buildings, fixtures, equipment and personal property, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Texas. [The insurance shall be carried in Blanket policy form naming the Association the insured, which policy or policies shall identify the interest of each condominium unit owner and which shall provide for a standard, non-contributory mortgagee clause in favor of each first mortgagee.] It shall also provide that it cannot be cancelled by either the insured or the insurance company until after ten days prior written notice to each first mortgagee. Said Managing Agent or Board of Directors shall, upon request of any first mortgagee, furnish a certified copy of such blanket policy and the separate certificate identifying the interest of the mortgagor. [All policies

of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular Owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under such policy, as to the interests of all other insured Owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect. Further, such policies shall contain provision requiring that the insurer waive its subrogation rights with respect to asserting any claim it might have against negligent unit owners.

6.4 PAYMENT DATE.

All Owners shall be obligated to pay the estimated assessments imposed by the Board of Directors or Managing Agent of the Association to meet the Common Expenses. Except for insurance premiums, the assessments shall be made pro rata according to each Owner's percentage interest in and to the General Common Elements. Assessments for insurance premiums shall be based upon that portion of the total premium(s) that the insurance carried on a condominium Unit bears to total coverage. Assessments for the estimated Common Expenses, including insurance, shall be due monthly in advance before the fifth day of each month. Failure to pay by the fifth day of each month shall require the imposition and assessment late charge of \$5.00.

Contribution for monthly assessments shall be pro rata the ownership of a condominium Unit commences on a day other than the first day of the month.

6.5 ALL OWNERS OBLIGATED.

No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General or Common Elements, or by abandonment of his Unit.

6.6 LIEN FOR ASSESSMENTS.

All sums assessed but unpaid for the share of Common Expenses chargeable to any condominium Unit, including interest thereon at ten percent (10%) per annum, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances, except only for:

obligation

(a) Tax and special assessment liens in favor of any governmental body with taxing authority over the units, and

(b) A first mortgage or first deed of trust of record prior to the delinquency in the payment, including all unpaid obligatory sums as may be provided by such encumbrance, incurred as a result of the purchase and/or construction thereof.

To evidence such lien the Board of Directors or Managing Agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the condominium unit and a description of the condominium unit. Such a notice shall be signed by one of the Board of Directors or by the Managing Agent and may be recorded in office of the Clerk and Recorder of Harris County, Texas. Such lien for the Common Expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by foreclosure of the lien affecting the defaulting owner's condominium Unit, by the Association, in like manner as a mortgage on real property upon the recording of a notice or claim thereof. In such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay to the Association a reasonable rental for the condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to purchase the condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same. The lien attaching hereunder may be foreclosed judicially. The acquisition of a Unit shall be deemed the consent of an Owner to such lien, and each Owner shall execute such document as may be reasonably required by the Managing Agent or Board of Directors to evidence this lien. If the Owner refuses, the Managing Agent shall be irrevocably vested with a power of attorney for such non-signing Owner, to execute and deliver such documents to the Association.

In addition to the lien herein imposed, a Vendor's Lien shall be retained in each deed from Developer to a Unit in order to secure the payment of all sums due under this Declaration, subordinate however, as above set forth.

The amount of the Common Expenses assessed against each condominium Unit shall also be a debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any encumbrancer holding a lien on a condominium unit may pay any unpaid Common Expense payable with respect to such Unit, and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance.

6.7 ESTOPPEL STATEMENTS.

Upon the written request of any Owner or any encumbrancer or prospective encumbrancer of a condominium unit, and upon payment of a reasonable fee as may from time to time be set by the Association, the Association, by its Managing Agent or Board of Directors, shall issue a written statement setting forth the unpaid common expenses, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association for all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within twenty (20) days, all unpaid common expenses which become due prior to the date of making of such request shall be subordinate to the lien of the person requesting such statement.

6.8 LIABILITY.

The grantee of a Unit shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; provided, however, that upon written request, and payment of a reasonable fee as determined by the Association any such prospective grantee shall be entitled to a statement from the Managing Agent or Board of Directors, setting forth the amount of the unpaid assessments, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within twenty (20) days of such request, then such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the subject Unit.

VII

FINANCING

7.1 RIGHT TO FINANCE.

Any Owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument, provided that such first deed of trust, mortgage and

security agreement shall be subordinate to this Declaration, unless herein specifically provided to the contrary. A first mortgage shall be one which has first and paramount priority under applicable law. The owner of a condominium Unit may create a second mortgage on the following conditions: (1) that any such second mortgage shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for common expenses, and other payments created by this Declaration and by the By-Laws; (2) that the mortgagee under any second mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises, which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a second mortgagee upon written request to the Association.

7.2 FORECLOSURE.

Any first mortgagee, upon foreclosure of its lien on a Unit, or upon acceptance of a deed in lieu of foreclosure thereon, shall be required to pay any unpaid assessments owing on said Unit. Any assessment lien created or claimed under the provisions of this Declaration of Condominium Regime shall be subject and subordinate to the rights of any first mortgagee of any duly recorded first mortgage upon one or more Units made in good faith and for value. No lien created under the provisions hereof shall in any way defeat, invalidate or impair the rights of any first mortgagee under any such duly recorded first mortgage unless such mortgage shall expressly subordinate its interest, in writing, to such lien.

7.3 AMENDMENT AFFECTING FINANCING.

No amendment to this Declaration of Condominium Regime shall affect the rights of the mortgagee of any such mortgage which is made in good faith and for value; provided that any such mortgage is recorded prior to the recordation of such amendment and written notice of delivery and recordation of said mortgage is given to the Association; provided further that the benefit of this paragraph shall not apply to the mortgagee of any such prior mortgage unless such mortgagee shall either join in the execution of such amendment or shall approve said amendment in writing as a part of said amendment.

7.4 BREACH.

No breach of any provision of this Declaration of Condominium Regime shall impair or invalidate any lien of any duly recorded mortgage made in good faith and for value encumbering one or

more Units; provided, however, that all the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitudes contained in this Declaration of Condominium Regime shall be binding upon and effective against any person who acquires title to or any beneficial interest in any Unit by way of foreclosure, or otherwise.

VIII

DAMAGE, REPLACEMENT AND REPAIR

8.1 POWER OF ATTORNEY.

All of the Owners, by the acceptance of any deed or other conveyance of a Unit, irrevocably name, designate, constitute and appoint San Felipe Square Townhome Association, a non-profit association, or its successor non-profit corporation, if same be hereafter organized, their true and lawful attorney in their name, place and stead, for the purpose of dealing with the property upon its destruction or obsolescence as is hereafter provided. This power of attorney shall be coupled with an interest and irrevocable. As attorney-in-fact, the Association, by its president and secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a condominium Unit Owner which are necessary and appropriate to exercise the powers herein granted.

8.2 DEFINITION OF REPAIRS.

Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same conditions in which it existed prior to the damage, with each Unit and the General and Limited Common Elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be made available to the Association for the purpose of repair, restoration or replacements unless the Owners and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

8.3 RECONSTRUCTION WITH INSURANCE PROCEEDS.

In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed.

8.4 ASSESSMENT IF INSURANCE IS INSUFFICIENT.

If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than fifty percent of all of the General Common Elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their condominium Units. Such deficiency assessment shall be a Common Expense made pro rata according to each Owner's percentage interest in and to the General Common Elements and shall be due and payable within thirty days after written notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his condominium Unit and may be enforced and collected as is provided in Paragraph 6.6. In addition thereto, the Association as attorney-in-fact, shall have the absolute right and power to sell the condominium Unit of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium Unit of the delinquent Owner shall be sold by the Association, and each Owner by the acceptance of the conveyance of a Unit does hereby grant to the Association the limited power of sale as herein stipulated. The proceeds derived from the sale of such condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, in following order:

- A. For payment of the balance of the lien of any first mortgage;
- B. For payment of taxes and special assessments liens in favor of any assessing entity;
- C. For payment of unpaid common expenses;
- D. For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
- E. The balance remaining, if any, shall be paid to the condominium Unit Owner.

8.5 SALE AFTER DESTRUCTION.

If more than fifty percent of all of the General Common Elements, not including land, are destroyed or damaged, and if the Owners representing an aggregate ownership interest of sixty-five percent (65%) of the Units then under construction or completed, or more, do not voluntarily, within one hundred days thereafter, make

provision for reconstruction, which plan must have the unanimous approval or consent of every first mortgagee, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire remaining premises shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Unit Owner's interest (as such interests appear on the policy or policies), and such dividend proceeds shall be paid into separate accounts, each such account representing one of the condominium Units. Each such account shall be in the name of the Association, and shall further be identified by the number of the apartment Unit and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from any account to another, toward the full payment of the lien of any first mortgage against the condominium Unit represented by such separate account. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each condominium Unit Owner's percentage interest in the General Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in this article.

8.6 PLAN FOR RECONSTRUCTION.

If the Owners representing an aggregate ownership interest of sixty-five percent (65%) of the Units then under construction or completed, or more, adopt a plan for reconstruction, which plan has the unanimous approval of all first mortgagees, then all of the Owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a Common Expense and made pro rata according to each Owner's percentage interest in the General Common Elements and shall be due and payable as provided by the terms of such plan but not sooner than thirty days after written notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his condominium Unit and may be enforced and collected as is provided in paragraph 6.6. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the condominium Unit of any Owner refusing or failing to pay such assessment within the

time provided, and if not so paid, the Association shall cause to be recorded a notice that the condominium Unit of the delinquent Owner shall be sold by the Association. Each Owner by the acceptance of a conveyance of any Unit hereby grants to the Association the limited power of sale herein set forth. The proceeds derived from sale of such condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in 8.4 hereof.

8.7 OBSOLESCENCE AND REPLACEMENT.

The Owners representing an aggregate ownership interest of sixty-five percent (65%) of the Units then under construction or completed, may agree that the General Common Elements of the property are obsolete and that the same should be renewed or reconstructed. In such instance, then the expense thereof shall be payable by all of the Owners as Common Expenses; provided, however, that any Owner not agreeing to such renewal or reconstruction may give written notice to the Association that such Unit shall be purchased by the Association, for the fair market value thereof. If such Owner and the Association can agree on the fair market value thereof, then such sale shall be consummated within thirty days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "Commencing Date" from which all periods of time mentioned herein shall be measured. Within ten days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party) the appraiser who shall be a member of the Houston Real Estate Board. If either party fails to make such a nomination, the appraiser nominated shall within five days after default by the other party appoint and associate with him another appraiser (to be selected from the Houston Real Estate Board). If the two appraisers designated by the parties, or selected pursuant hereto in the event of the default of one party, are unable to agree, they shall appoint another appraiser (to be selected from the Houston Real Estate Board), if they can agree on such person. If they are unable to agree upon such third appraiser, then each appraiser previously appointed shall nominate two persons (each of whom shall be a member of the Houston Real Estate Board, and from the names of the four persons so nominated shall be drawn by lot by any judge of any court of record in Texas, and the name so drawn shall be such third appraiser. The nominations from whom the third appraiser is to be drawn by lot shall be submitted within ten days the failure of the two appraisers to agree, which in any event shall not be later than twenty days following the appointment of the second appraiser. The decision of the appraisers as to the fair market value or in the case of their disagreement, the decision of the third appraiser, shall be final and binding. The

expenses and fees of such appraisers shall be borne equally by the Association and the Owners. The sale shall be consummated within fifteen days thereafter, and the Association as attorney-in-fact, shall disburse such proceeds as is provided in this article.

8.8 OBSOLESCENCE AND SALE.

The Owners representing an aggregate ownership interest of sixty-five percent (65%) of the Units then under construction or completed, or more, may agree that the General Common Elements of the property are obsolete and that the same should be sold. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's president and secretary, the entire premises shall be sold by the Association, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the General Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the number of the apartment and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such funds, without contribution from one fund to another, for the purposes and in the same order as is provided in this article.

IX.

RIGHT OF FIRST REFUSAL

9.1 OFFER OF PURCHASE.

No Owner, except Developer, may sell such Owner's Condominium Unit or any interest therein except pursuant to the provisions of this Article IX. Any Owner, except Developer, who receives a bona fide offer for the purchase of his condominium Unit, which he intends to accept, shall give prompt written notice to the Association of (i) such offer and of such intention, (ii) the name and address of the proposed purchaser, (iii) the terms of the proposed transaction, and (iv) such other information as the Association may reasonably require, and such Owner shall thereupon offer to sell his condominium Unit, through the agency of the Association, to all other Owners, whether one or more of them, on the same terms and conditions as contained in

the bona fide offer. The giving of notice shall constitute a warranty and representation to the Association for the benefit of the remaining Owners, that such Owner believes the offer to purchase to be bona fide in all respects.

9.2 NOTICE TO REMAINING OWNERS.

Within five (5) business days after the receipt of notice of a bona fide offer, the Association shall mail by regular United States mail, postage prepaid, to each Owner the information as to the bona fide offer to purchase. For a period of twenty (20) days beginning on and including the date of the actual mailing of such information, the other Owners shall have the right to purchase the subject condominium Unit on the same terms and conditions as contained in the bona fide offer.

9.3 EXERCISE OF RIGHT.

In order to exercise the right of first refusal, the Owners, whether one or more of them, must on or before the end of such twenty day period, actually deliver to the Association a written commitment or commitments to purchase the subject condominium Unit. If only one Owner shall submit a written commitment, then such Owner shall be deemed to have the sole right to acquire the offered Condominium Unit by purchase, pursuant to the terms of the bona fide offer. If more than one written commitment is delivered, the Association shall give immediate notice by telephone or telegram to all Owners who delivered such written commitment of the fact of multiple commitments. For a period of six (6) days beginning on and including the day of telephone or telegram notice, the Owners who submitted the multiple commitments may agree among themselves as to a form of undivided ownership and procedure for purchase of the offered condominium Unit. Notice of such agreement shall be delivered to or received by the Association in writing within the six day time period. If no such agreement is delivered to or received by the Association in writing within the six day time period. If no such agreement is delivered to or received by the Association, then the Association shall promptly conduct a drawing between the Owners who submitted the multiple commitments to determine priority as between them and the priority so determined shall be conclusive. The Owner or Owners who shall have validly exercised the right hereunder shall enter into a contract with the offering Owner to purchase the offered condominium Unit upon the same terms and conditions no less favorable to the offering Owner, and tender to the offering Owner any downpayment or deposit heretofore made under the bona fide offer.

9.4 NON-EXERCISE OF RIGHT.

If no Owner shall exercise his rights hereunder within the time period provided, the offering Owner shall be free to accept and close upon the basis of the bona fide offer with the person or persons who made the bona fide offer. If the offering Owner shall not within the period provided in the bona fide offer close the transaction on the terms and conditions as originally contained therein, then the offering Owner shall be required to again comply with all of the terms and provisions of this Article IX in order to subsequently sell the Condominium Unit.

9.5 FAILURE TO COMPLY.

Any sale of a Condominium Unit without full compliance with the terms and provisions of this Article IX shall be voidable at the election of the Association and any such purchaser is deemed to know of this provision due to the recordation of this document. Further, any Owner who violates this article shall be liable in damages, attorneys fees, and costs to this Association.

9.6 CERTIFICATE.

After full compliance by an offering Owner with this Article IX, and after all periods of time provided for purchase by remaining Owners have expired and the right of first refusal has not been exercised, then the Association shall execute a certificate in recordable form stating that the provisions of this Article IX have been complied with and that any right or rights of first refusal theretofore vested in the remaining Owners have terminated. Such certificate may be signed by any member of the Board of Directors of the Association and shall be conclusive upon the Association and the remaining Owners in favor of all persons who rely thereon in good faith.

9.7 EXCEPTIONS.

Notwithstanding the earlier provisions, the following transfers or conveyances of a Condominium Unit are expressly excepted from the provisions of this Article IX:

A. A transfer to or purchase by any mortgagee which acquires its title as a result of foreclosure proceedings or conveyance in lieu thereof; and a transfer, sale or lease by any such mortgagee after acquisition of the Condominium Unit by foreclosure or conveyance in lieu thereof.

B. A transfer or conveyance between or among Owners who are co-tenants of the same or any other of the Condominium Units herein or between an Owner, his wife and/or one or more of his children or issue.

C. A transfer or conveyance by bona fide gift, devise, inheritance, or by operation of law.

D. A transfer or conveyance to the Owner's Revocable or Irrevocable Inter Vivos Trust.

X.

MISCELLANEOUS

10.1 COMPLIANCE WITH DECLARATION.

Each Owner shall comply strictly with the provisions of this Declaration, the Articles of Incorporation, By-Laws, rules, regulations and resolutions of the Association and any management agreement entered into by the Association as the same may from time to time be in force and effect. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages, attorneys fees, or injunctive relief or both, maintainable by the Association in behalf of the Owners, or by an aggrieved Owner.

10.2 SEVERABILITY.

If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, word or section, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provision, paragraph, sentence, clause, phrase, word or section in any other circumstances shall not be affected thereby.

10.3 REVOCATION AND AMENDMENT.

Except as permitted herein, this Declaration shall not be revoked nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of sixty-five percent (65%) of the condominium Units, or more, and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all condominium units unanimously consent and agree to such revocation or amendment by instrument(s) duly recorded, provided, however, that the foregoing shall not prevent the making of physical changes in the interior or a Unit or Units coming into the possession of a mortgagee by virtue of foreclosure of any first mortgage; and physical changes to and alterations of the Unit or Units owned by

virtue of foreclosure of any first mortgage may be made without the consent of the other owners or mortgagees and this Declaration may be amended without other Owners' or mortgagees' consent, by the Owner acquiring same by such foreclosure, to correspond with such physical changes; provided, however, that the percentage of the undivided interest of each Unit Owner in General Common Elements as expressed in this Declaration shall have a permanent character and shall not be altered (except as permitted in Article 2.5 hereof) without the consent of all of the unit Owners expressed in an amended Declaration duly recorded.

Developer reserves, and shall have the continuing right until December 31, 1980, without the joinder of Owners or any person or entity (whether or not condominium units have been conveyed) to amend this Declaration or the By-Laws for the purposes set forth in Article 2.5 or for the purpose of clarifying or resolving any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or omissions here provided that no such Amendment shall change the stated numbers of units nor the percentage interest in the Common Elements attributable thereto, nor materially adversely affect the interest of any Owner.

10.4 NOTICE.

All notices, demands or other notices intended to be served upon an Owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such Owner in care of the apartment number and building address of such Owner. All notices, demands or other notices intended to be served upon the Managing Agent, San Felipe Square Townhomes, or the Board of Directors of the Association or the Association shall be sent by ordinary or certified mail, postage prepaid, to 2001 River Oaks Bank and Trust Building, Suite 703, Houston, Texas 77019, until such address is changed by a notice of address change duly recorded.

10.5 CONSTRUED UNDER LAWS OF TEXAS.

The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Texas and to all other provisions of law.

10.6 WORD CONSTRUCTION.

That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular and the use of any gender shall include all genders.

XI

OPERATION DURING CONSTRUCTION, ETC.

Notwithstanding any other provision expressly or impliedly to the contrary in this Declaration, the Developer reserves the right to exercise the rights, duties, and functions of the Association, Board of Managers, or managing agent, until the development of the Condominium Project has been fully completed, and all Units sold, including the exclusive right and power to delegate to others the duties of the manager or managing agent, or both. The compensation or fee to be paid therefor shall be reasonable, and shall be a part of the Common Expenses. Upon completion of the Condominium Project and the sale of all the Condominium Units, or, at the option of the Developer, at an earlier date, the Developer shall give written notice thereof to the condominium unit owners, at which time the first meeting of the Association members shall be called as indicated earlier, and the powers herein held by the Developer by this Article XI shall be eliminated. Notwithstanding the above, the Association shall take control no later than three (3) years after completion of the project. Further, for purposes of voting hereunder and determining the interest of each Owner of a Unit prior to said three (3) year period, there shall be two classes of voting membership, all as set forth in the By-laws attached hereto for reference.

XII

TERMINATION

11.1 TERMINATION.

The condominium shall be terminated, if at all, as provided herein, and:

(a) If such termination is approved by all Owners and first mortgagees. Such agreement must be evidenced by an instrument in writing and executed in a manner to provide for the conveyance of the property and as otherwise required by the Association. Such termination shall become effective when the agreement has been recorded in the public records of the County of Harris, State of Texas.

(b) If destruction should occur as indicated herein, and the property is not reconstructed as provided herein, the condominium form of ownership will be terminated and the documents herein will be revoked according to procedures provided by law and at the direction of the Board of Directors.

(c) Except as otherwise provided herein, if such termination occurs, the Owners shall own their individual Units as earlier provided, and all Common Elements which are General Common Elements shall be owned as tenants in common and the Limited Common Elements shall be owned as tenancy in common between those who previously shared the Limited Common Elements. Further, the holders of mortgages and liens against the owners properties shall have mortgages and liens respectively according to the undivided tenancy in common interest and the separate interest of the individual owners. All funds and other property of the Association, including insurance proceeds, if any, shall be held by the Association to be distributed in proportion to the ownership shares after all other claims on said funds are paid as determined in the discretion of the Association. The costs incurred by the Association in connection with the termination and winding up of the condominium ownership shall be borne as a Common Expense.

(d) Except as otherwise provided herein, following the termination, if any, of the condominium ownership, the subject property, including Common and Separate Elements, may be partitioned and sold upon the application by any Owner to the Court for such partition agreement. Further, if the Board of Managers determines that a termination of the Declaration and Condominium Association Agreement, including articles, by-laws, and minutes, is most advantageous, and if such determination is ratified by the written consent of ninety-five percent (95%) of all owners of the Association, then the managers, upon unanimous vote by said managers, may seek out the means, terms, and provisions to seek sale of the condominium property. However, such sale shall not work to the disadvantage of any parties who claim a lien on said property. Further, the determination as to any disposition of the condominium must be approved by all said parties holding mortgages or liens on any condominium unit. If the managers comply with the provisions herein for such disposition of property, each Owner shall be bound to execute any documents, including Deed, necessary or required by said managers to conform with their decision as to disposition of the condominium property and appoint the Managing Agent as agent and attorney-in-fact to execute such documents and consummate the sale.

EXECUTED in multiple originals on the date first above written.

SAN FELIPE SQUARE TOWNHOMES, LIMITED
A Texas Limited Partnership

BY *Dennis E. Murphree*
DENNIS E. MURPHREE

BY *James R. Treptow*
JAMES R. TREPTOW

Its Sole General Partners

FIRST AMENDMENT TO DECLARATION OF
CONDOMINIUM REGIME OF
SAN FELIPE SQUARE TOWNHOMES

161-01-2327

076572

This Amendment of Condominium Regime is made and executed this 15th day of March, 1977, by SAN FELIPE SQUARE TOWNHOMES, LIMITED, a Texas Limited Partnership (hereinafter referred to as "Developer"), pursuant to the provisions of the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes (hereinafter referred to as the "Act"), for the purpose of submitting the hereinafter described real property and the improvements located thereon to the Condominium Regime created by Declaration of Condominium Regime made the 8th day of December, 1976, and recorded under Clerk's File No. E981172 of the Real Property Records of Harris County, Texas (herein called the "Declaration");

W I T N E S S E T H :

WHEREAS, as aforesaid, Developer executed and filed that certain Declaration of Condominium Regime for San Felipe Square Townhomes under County Clerk's File No. E981172 of the Real Property Records of Harris County, Texas;

WHEREAS, under Article 2.5 of the Declaration of Condominium Regime the Developer was permitted to expand the project to include additional units and common elements to be constructed on certain real property and in addition, under Article 10.3, owners representing an aggregate ownership interest of sixty-five percent (65%) of the Condominium Units were permitted to amend the Declaration for certain additional reasons;

WHEREAS, the Developer is still the owner of all of the units described in the Declaration;

WHEREAS, the Developer desires to amend the Declaration to impose the Condominium Regime therein created upon the real property described on Exhibit "A" attached hereto for reference, and the improvements to be located thereon under such Condominium Regime;

NOW, THEREFORE, Developer does upon the recording hereof ratify and confirm the Declaration and amend said Declaration by this document such that the real property described in the Declaration and the real property described on Exhibit "A" attached hereto

will be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manner utilized subject to the provisions of the Act and to the covenants, restrictions, uses, limitations and affirmative obligations set forth in the Declaration of Condominium Regime recorded under County Clerk's File No. E981172 of the Real Property Records of Harris County, Texas, and this First Amendment to Declaration of Condominium Regime and Exhibits "A" and "B" hereto, all of which shall be deemed to run with the title to all or any portion of the real property therein or herein described and known as San Felipe Townhomes and shall be a burden and benefit to Developer, San Felipe Square Townhomes, Limited, and any persons acquiring or owning any interest in San Felipe Square Townhomes, their grantees, heirs, executors, administrators, successors and assigns. In furtherance of the Amendment to the Declaration and the establishment of the Condominium Regime and this project, the Declaration is hereby amended to provide as follows:

1. Article I shall be restated in its entirety as follows:

I.

DEFINITIONS

1. Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the following meanings:

A. "Unit" shall mean and refer to an enclosed air space consisting of one or more rooms occupying all or part of one or more floors in a building in the Condominium Project, as such space may be further described, delineated and delimited in the map or plat attached to the Declaration as Exhibit "B" and to this First Amendment as Exhibit "B" (and as may hereafter be described, delineated and delimited by an amendment or supplement hereto as herein permitted).

B. "Condominium" shall mean and refer to the separate ownership of a Unit, together with an undivided ownership interest in the Limited and General Common Elements expressed as a fraction of the entire ownership interest in the Common Elements as set forth and defined herein.

C. "Condominium Project" shall mean and refer to San Felipe Square Townhomes as a condominium project established in conformance with the provisions of the Act.

D. "Owner" shall mean and refer to a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which is the record owner of fee simple title to one or more Units in the Condominium Project.

E. "Association" shall mean and refer to the San Felipe Square Townhome Association, its successors and assigns, comprised of the Owners of all the Units or a non-profit association, the By-Laws of which shall govern the administration of this Condominium and the members of which shall be all of the Owners of the Units; which Association may be, at Developer's election and as herein provided, a corporation organized pursuant to the Texas Non-Profit Corporation Act.

F. "Common Elements" shall mean and refer to both the General and Limited Common Elements as described herein.

G. The General and Limited Common Elements of the Condominium Project are as follows:

1. The General Common Elements consist of:

(a) The land in the Condominium Project, as more particularly described in a plat recorded under File No. 241, Page 44 of the Map Records of Harris County, Texas and in a plat recorded under File No. F046224, Volume 246, Page 79 of the Map Records of Harris County, Texas (and the additional land which may be described in a supplement hereto as herein permitted);

(b) The foundations, bearing walls and columns (including any windows, doors and chimneys therein), roofs, attics, ceilings and floors, or communication ways and any other portion of the buildings located on the land described above not included within any Unit;

(c) The premises and facilities, if any, used for maintenance or repair of the Condominium Project;

(d) All common recreational facilities, including without limitation the office and the grounds, yards and walkways;

(e) Parking spaces not yet designated with a Unit number and described on the condominium subdivision plan attached to the Declaration as Exhibit "B" and attached hereto as Exhibit "B" as unassigned parking spaces; provided, however, Developer expressly reserves the right at any time and from time to time

to assign, and to charge a fee for the use of pending assignment, any unassigned parking space to any Owner and to retain any sums received therefor; and, provided further, coincident with the assignment of any unassigned parking space the condominium subdivision plan attached to the Declaration as Exhibit "B" and attached hereto as Exhibit "B" shall be amended for the purpose of designating such parking space with a number corresponding to a Unit number, and thereafter such parking space shall be a Limited Common Element appurtenant to such Unit.

(f) All other elements desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Project.

2. The Limited Common Elements, being those common Elements reserved for the use of specified Units to the exclusion of others, consist of:

(a) Parking spaces, if any, designated with a number corresponding to a Unit number as described on the condominium subdivision plan attached hereto as Exhibit "B" and to the Declaration as Exhibit "B";

(b) Compartments or installations of central services such as power, light, electricity, telephone, gas, cold and hot water, plumbing, reservoirs, water tanks and pumps, incinerators, and all similar devices and installations corresponding to a building within the Condominium Project or corresponding to a Unit; and

(c) Storage rooms, patios, balconies and decks designated with a number corresponding to a Unit number as described on the condominium subdivision plan attached hereto as Exhibit "B" and to the Declaration as Exhibit "B";

(d) Mail boxes not located at individual Units which are designated with a number corresponding to a Unit number;

(e) All other portions of the General Common Elements which are specifically reserved for the exclusive use of the Owner of a Condominium Unit as shown on Exhibit "B" attached hereto and to the Declaration as Exhibit "B" or as may hereafter be shown by supplement or amendment hereto.

H. "Entire Premises" or "property" means and includes the land, buildings, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

I. "Common Expenses" means and includes:

1. All sums lawfully assessed against the general Common Elements by the managing agent or board of managers of the Condominium Project;

2. Expenses of administration and management, maintenance, repair or replacement of the General Common Elements;

3. Expenses agreed upon as Common Expenses by the Owners; and

4. Expenses declared Common Expenses by provisions of this Declaration and by the By-Laws.

J. "By-Laws" means the By-Laws of the Association attached as Exhibit "A" to the Declaration of Condominium Regime and any amendment, modification or revision thereto as therein permitted.

K. "Map"; "Survey Map" or "Plans" means and includes the engineering survey of the land locating thereon all of the improvements, the floor plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements, same being herewith filed, consisting of 4 sheets labelled Exhibits "B-1" through "B-4", and the map, survey map or plans attached to the Declaration as Exhibits "B-1" through "B-4".

L. "Building" means any one of the four (4) buildings within the Condominium Project.

2. Article II shall be restated in its entirety as follows:

II.

ESTABLISHMENT OF REGIME

2.1 GRANT AND SUBMISSION.

Developer hereby grants and submits to Condominium Ownership all of the Subject Property, the improvements to be constructed thereon, the Condominium Project and all attachments and appurtenants thereto and in anywise belonging.

2.2 DESCRIPTION OF PROPERTY.

The Condominium plans and specifications attached hereto as Exhibit "B" shall be filed for record simultaneously with the recording of this Declaration as a part hereof, and prior to the first conveyance of any Condominium Unit. Such Condominium plans attached hereto as Exhibit "B" and attached to the Declaration as Exhibit "B" consist of and set forth (1) the legal description of the surface of the land; (2) the linear measurements and location, with reference to the exterior boundaries of the land, of the buildings and all other improvements built or to be built on said land by Developer; (3) floor plans and elevation plans of the building built or to be built thereon showing the location, the building designation, the Unit designation and the linear dimensions of each Unit, and the limited common elements; (4) the elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plane. Developer hereby expressly reserves the right to amend Exhibit "B" attached hereto and Exhibit "B" to the Declaration to conform the map to actual location of the constructed improvements to establish, vacate and relocate outside utility easements, access and parking facilities as same may be located on the ground, all as more fully provided herein.

2.3 DIVISION OF FEE ESTATES.

The real property is hereby divided into the following separate fee simple estates:

(a) Twenty-nine (29) fee simple estates consisting of twenty-nine (29) separately designated Units, each such Unit identified by number and/or by building symbol or designation on the Map, the Units in each building being described as follows:

Building I - Containing four (4) Units numbered I-101 through I-104, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building I attached as Exhibit "B" to the Declaration for reference.

Building II - Containing ten (10) Units numbered II-105 through II-114, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building II attached as Exhibit "B" to the Declaration for reference.

Building III - Containing six (6) Units numbered III-115 through III-120, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building III attached hereto as Exhibit "B-2" for reference.

Building IV - Containing nine (9) Units numbered IV-121 through IV-129, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building IV attached hereto as Exhibit "B-3" and "B-4" for reference.

As set forth on the plans and specifications attached hereto as Exhibit "B" and attached to the Declaration as Exhibit "B" for reference, the architectural design of each of the Units covered by this Condominium Declaration are labeled as architectural designs A, B, C, D, E, and F with varying modifications to the basic architectural designs, which variations are indicated by Arabic numbers. Accordingly, references on the attached plans and specifications should be keyed to the basic architectural plans as they relate to the various Unit numbers.

(b) The remaining portion of the entire premises, referred to as the General Common Elements, shall be held in common by the owners, the percentage interest in the general common elements attributable to and appurtenant to the respective Units being set out in Exhibit "C" hereto (at column 2 thereof), each such undivided interest being appurtenant to one of the Units covered hereby as scheduled, subject to increase and revision as set forth in Article 2.5 hereof.

2.4 TITLE.

Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a Deed from Developer or any Owner shall be deemed an acknowledgment of and consent to these provisions.

2.5 EXPANSION OF PROJECT.

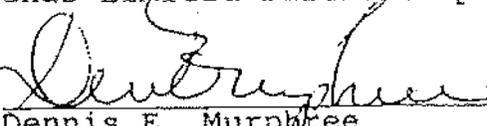
The Developer anticipates that the Condominium Regime created hereunder will be expanded to include additional Units and Common Elements to be constructed on the real property described on Exhibit "D" attached to the Declaration for reference, adjacent to the Subject Property which Units shall be designed, modified or revised as Developer may deem advisable in his sole discretion, provided however, in no event shall more than fifty-nine (59) Units (inclusive of the twenty-nine (29) Units covered hereby and by the Declaration) be constructed. In this connection, it is hereby stipulated that the undivided interests set forth on Exhibit "C" hereto, which is appurtenant to the Units covered hereby, will be revised as additional Units and Common Elements are built or scheduled to be built, based upon the ratio that the number of square feet contained in each Unit bears to the number of square feet contained in all of the Units, including the additional Units, and correspondingly each Owner will own a percentage interest in the additional Common

Elements at such time as the hereinafter amendment or supplement is filed. In order to include the additional Units within the Condominium Regime created hereby, Developer reserves the right to amend or supplement this Declaration at any time prior to December 31, 1978. Such amendment may be made by Developer without the joinder of any Owner or mortgagee of Owner and the filing of such Amendment or supplement shall be binding upon each Owner and mortgagee. In no event, however, may any such Amendment serve to dilute or reduce the respective percentage ownership interests of each Owner as set forth on Exhibit "C" hereto except to the extent provided above and to the extent that each Owners voting rights in the Association will be diluted since more votes will be required to equal the specified number to pass or reject the matter being considered. Further, if the Amendment or supplement herein permitted to be filed is not filed prior to December 31, 1978, the Developer shall not thereafter be entitled to amend this Declaration for the limited purpose set forth in this Article 2.5.

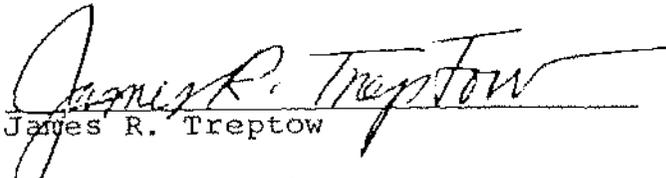
3. Except as herein restated, and/or modified, the Declaration is hereby ratified and confirmed, it being expressly stipulated, that although Articles I and II have been restated in their entirety, certain references contained in the restated Articles I and II relate to and maintain in effect certain portions of the original Articles I and II as stated in the Declaration.

4. In establishing electric service to the Condominium Units, the Developer has been required to enter into a contract with Houston Lighting and Power Company, a true and correct copy of which is attached hereto as Exhibit "D" for reference. Under the terms of such contract, Developer is required to impose certain restrictive covenants and grant certain easements. By this document, said easements are hereby granted and said restrictive covenants are hereby imposed against the Property covered by the Condominium Regime all as more fully set forth in said Contract attached hereto for reference.

SAN FELIPE SQUARE TOWNHOMES, LIMITED
A Texas Limited Partnership

BY: 

Dennis E. Murphree

BY: 

James R. Treptow

Its Sole General Partners

THE STATE OF TEXAS §
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared DENNIS E. MURPHREE, one of the General Partners of SAN FELIPE SQUARE TOWNHOME~~S~~, LIMITED, a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 17th day of March, 1977.

Nancy A. Bower
 Notary Public in and for
 Harris County, T E X A S

THE STATE OF TEXAS §
 COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared JAMES R. TREPTOW, one of the General Partners of SAN FELIPE SQUARE TOWNHOMES, LIMITED, a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 17th day of March, 1977.

Nancy A. Bower
 Notary Public in and for
 Harris County, T E X A S

EXHIBIT "A"

161-01-2336

The following described property to the extent that it is not the same property described in a plat recorded under File No. 241, Page 44 of the Map Records of Harris County, Texas:

TRACT I:

A tract or parcel of land, containing 101,121 square feet, in Lot Twenty-eight (28) and Lot Thirty (30) of Post Oak Gardens, a subdivision recorded in Volume 16, Page 1, of the Map Records of Harris County, Texas, said tract or parcel being more particularly described as follows:

BEGINNING at an iron rod in the East right-of-way line of Bering Drive 60 feet wide said rod being located 171.02 feet North of the Southwest corner of Lot 28 in Post Oak Gardens;

THENCE along the East right-of-way line of Bering Drive, North 198.64 feet to an iron rod for corner;

THENCE North 89 degrees 59 minutes 19 seconds East 508.96 feet to an iron rod for corner;

THENCE along the East line of Lots 30 and 28, South 00 degrees 03 minutes 46 seconds East 198.64 feet to an iron rod for corner;

THENCE South 89 degrees 59 minutes 19 seconds West 509.18 feet to the PLACE OF BEGINNING containing 101,121 square feet of land.

TRACT II:

A tract or parcel of land, containing 72,930 square feet, in Lot Thirty (30) of Post Oak Gardens, a subdivision recorded in Volume 16, Page 1, of the Map Records of Harris County, Texas, said tract or parcel being more particularly described as follows:

BEGINNING at an iron rod in the East right-of-way line of Bering Drive 60 feet wide, said iron rod being located 369.66 feet North from the Southwest corner of Lot 28 of Post Oak Gardens;

THENCE along the East right-of-way line of Bering Drive, North 143.36 feet to an iron rod for corner;

161-01-2337

THENCE East 508.81 feet to a point for corner;

THENCE along the East line of Lot 30, South 00 degrees 03 minutes 46 seconds East, at 1.08 feet past an iron rod in all 143.26 feet to an iron rod for corner;

THENCE South 89 degrees 59 minutes 19 seconds West 508.96 feet to the PLACE OF BEGINNING containing 72,930 square feet of land.

SECOND AMENDMENT TO DECLARATION OF
CONDOMINIUM REGIME OF
SAN FELIPE SQUARE TOWNHOMES

This Amendment of Condominium Regime is made this 15th day of June, 1977, by SAN FELIPE SQUARE TOWNHOMES, LIMITED, a Texas Limited Partnership (hereinafter referred to as "Developer"), pursuant to the provisions of the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes (hereinafter referred to as the "Act"), for the purpose of submitting the hereinafter described real property and the improvements located thereon to the Condominium Regime created by Declaration of Condominium Regime made the 8th day of December, 1976, and recorded under Clerk's File No. E981172 of the Real Property Records of Harris County, Texas (herein called the "Declaration"), as amended by the First Amendment to Declaration of Condominium Regime dated March 15, 1977, and recorded under County Clerk's File No. F076572 of the Real Property Records of Harris County, Texas;

W I T N E S S E T H :

WHEREAS, as aforesaid, Developer executed and filed that certain Declaration of Condominium Regime for San Felipe Square Townhomes under County Clerk's File No. E981172 of the Real Property Records of Harris County, Texas;

WHEREAS, Developer executed and filed that certain First Amendment to Declaration of Condominium Regime for San Felipe Square Townhomes under County Clerk's File No. F076572 of the Real Property Records of Harris County, Texas;

WHEREAS, under Article 2.5 of the Declaration of Condominium Regime the Developer was permitted to expand the project to include additional units and common elements to be constructed on certain real property and in addition, under Article 10.3, owners representing an aggregate ownership interest of sixty-five percent (65%) of the Condominium Units were permitted to amend the Declaration for certain additional reasons;

WHEREAS, the Developer is still the owner of all of the units described in the Declaration;

WHEREAS, the Developer desires to further amend the Declaration to impose the Condominium Regime therein created upon the real property described on Exhibit "A" attached hereto for reference, and the improvements to be located thereon under such Condominium Regime;

NOW, THEREFORE, Developer does upon the recording hereof ratify and confirm the Declaration as amended and further amend said Declaration by this document such that the real property described in the Declaration, the real property described in the First Amendment to the Declaration, and the real property described on Exhibit "A" attached hereto will be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manner utilized subject to the provisions of the Act and to the covenants, restrictions, uses, limitations and affirmative obligations set forth in the Declaration of Condominium Regime recorded under County Clerk's File No. E981172 and set forth in the First Amendment to Declaration of Condominium Regime, recorded under County Clerk's File No. F076572 of the Real Property Records of Harris County, Texas, and this Second Amendment to Declaration of Condominium Regime and Exhibits "A" and "B" hereto, all of which shall be deemed to run with the title to all or any portion of the real property therein or herein described and known as San Felipe Townhomes and shall be a burden and benefit to Developer, San Felipe Square Townhomes, Limited, and any persons acquiring or owning any interest in San Felipe Square Townhomes, their grantees, heirs, executors, administrators, successors and assigns. In furtherance of the Amendment to the Declaration and the establishment of the Condominium Regime and this project, the Declaration is hereby amended to provide as follows:

1. Article I shall be restated in its entirety as follows:

I.

DEFINITIONS

1. Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the following meanings:

A. "Unit" shall mean and refer to an enclosed air space consisting of one or more rooms occupying all or part of one or more floors in a building in the Condominium Project, as such space may be further described, delineated and delimited in the map or plat attached to the Declaration as Exhibit "B", to the First Amendment as Exhibit "B", and to this Second Amendment as Exhibit "B" (and as may hereafter be described, delineated and delimited by an amendment or supplement hereto as herein permitted).

B. "Condominium" shall mean and refer to the separate ownership of a Unit, together with an undivided ownership interest in the Limited and General Common Elements expressed as a fraction of the entire ownership interest in the Common Elements as set forth and defined herein.

C. "Condominium Project" shall mean and refer to San Felipe Square Townhomes as a condominium project established in conformance with the provisions of the Act.

D. "Owner" shall mean and refer to a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which is the record owner of fee simple title to one or more Units in the Condominium Project.

E. "Association" shall mean and refer to the San Felipe Square Townhome Association, its successors and assigns, comprised of the Owners of all the Units or a non-profit association, the By-Laws of which shall govern the administration of this Condominium and the members of which shall be all of the Owners of the Units; which Association may be, at Developer's election and as herein provided, a corporation organized pursuant to the Texas Non-Profit Corporation Act.

F. "Common Elements" shall mean and refer to both the General and Limited Common Elements as described herein.

G. The General and Limited Common Elements of the Condominium Project are as follows:

1. The General Common Elements consist of:

(a) The land in the Condominium Project, as more particularly described in a plat recorded under File No. 241, Page 44 of the Map Records of Harris County, Texas, in a plat recorded under File No. F046224, Volume 246; Page 79 of the Map Records of Harris County, Texas, and in a plat recorded under File No. F076572, Volume 250, Page 115 of the Map Records of Harris County, Texas (and the additional land which may be described in a supplement hereto as herein permitted);

(b) The foundations, bearing walls and columns (including any windows, doors and chimneys therein), roofs, attics, ceilings and floors, or communication ways and any other portion of the buildings located on the land described above not included within any Unit;

(c) The premises and facilities, if any, used for maintenance or repair of the Condominium Project;

(d) All common recreational facilities, including without limitation the office and the grounds, yards and walkways;

(e) Parking spaces not yet designated with a Unit number and described on the condominium subdivision plan attached to the Declaration as Exhibit "B", attached to the First Amendment as Exhibit "B", and attached hereto as Exhibit "B" as unassigned parking spaces; provided, however, Developer expressly reserves the right at any time and from time to time to assign, and to charge a fee for the use of pending assignment, any unassigned parking space to any Owner and to retain any sums received therefor; and, provided further, coincident with the assignment of any unassigned parking space the condominium subdivision plan attached to the Declaration as Exhibit "B", attached to the First Amendment as Exhibit "B", and attached hereto as Exhibit "B" shall be amended for the purpose of designating such parking space with a number corresponding to a Unit number, and thereafter such parking space shall be a limited Common Element appurtenant to such Unit.

(f) All other elements desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Project.

2. The Limited Common Elements, being those common Elements reserved for the use of specified Units to the exclusion of others, consist of:

(a) Parking spaces, if any, designated with a number corresponding to a Unit number as described on the condominium subdivision plan attached hereto as Exhibit "B", to the Declaration as Exhibit "B", and to the First Amendment as Exhibit "B";

(b) Compartments or installations of central service such as power, light, electricity, telephone, gas, cold and hot water, plumbing, reservoirs, water tanks and pumps, incinerators, and all similar devices and installations corresponding to a building within the Condominium Project or corresponding to a Unit; and

(c) Storage rooms, patios, balconies and decks designated with a number corresponding to a Unit number as described on the condominium subdivision plan attached hereto as Exhibit "B", to the Declaration as Exhibit "B", and to the First Amendment as Exhibit "B";

(d) Mail boxes not located at individual Units which are designated with a number corresponding to a Unit number;

(e) All other portions of the General Common Element which are specifically reserved for the exclusive use of the Owner of a Condominium Unit as shown on Exhibit "B" attached hereto, to the Declaration as Exhibit "B", to the First Amendment as Exhibit "B", or as may hereafter be shown by supplement or amendment hereto.

H. "Entire Premises" or "property" means and includes the land, buildings, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

I. "Common Expenses" means and includes:

1. All sums lawfully assessed against the general Common Elements by the managing agent or board of managers of the Condominium Project;

2. Expenses of administration and management, maintenance, repair or replacement of the General Common Elements;

3. Expenses agreed upon as Common Expenses by the Owners; and

4. Expenses declared Common Expenses by provisions of this Declaration and by the By-Laws.

J. "By-Laws" means the By-Laws of the Association attached as Exhibit "A" to the Declaration of Condominium Regime and any amendment, modification or revision thereto as therein permitted.

K. "Map", "Survey Map" or "Plans" means and includes the engineering survey of the land locating thereon all of the improvements, the floor plans and any other drawing or diagrammatic plan depicting a part of or all of the improvements, same being herewith filed, consisting of five (5) sheets labeled Exhibits "B-5" through "B-9", the map, survey map or plans attached to the First Amendment consisting of 4 sheets labelled Exhibits "B-1" through "B-4", and the map, survey map or plans attached to the Declaration as Exhibits "B-1" through "B-4".

L. "Building" means any one of the nine buildings within the Condominium Project.

2. Article II shall be restated in its entirety as follows:

II.

ESTABLISHMENT OF REGIME

2.1 GRANT AND SUBMISSION.

Developer hereby grants and submits to Condominium Ownership all of the Subject Property, the improvements to be constructed thereon, the Condominium Project and all attachments and appurtenant thereto and in anywise belonging.

2.2 DESCRIPTION OF PROPERTY.

The Condominium plans and specifications attached hereto as Exhibit "B" shall be filed for record simultaneously with the recording of this Second Amendment to Declaration as a part hereof, and prior to the first conveyance of any Condominium Unit. Such Condominium plans attached hereto as Exhibit "B" and attached to the Declaration as Exhibit "B", and attached to the First Amendment to Declaration as Exhibit "B" consist of and set forth (1) the legal description of the surface of the land; (2) the linear measurements and location, with reference to the exterior boundaries of the land, of the buildings and all other improvements built or to be built on said land by Developer; (3) floor plans and elevation plans of the building built or to be built thereon showing the location, the building designation, the Unit designation and the linear dimensions of each Unit, and the limited common elements; (4) the elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plane. Developer hereby expressly reserves the right to amend Exhibit "B" attached hereto, Exhibit "B" to the Declaration, and Exhibit "B" attached to the First Amendment to Declaration to conform the map to actual location of the constructed improvements to establish, vacate and relocate outside utility easements, access and parking facilities as same may be located on the ground, all as more fully provided herein.

2.3 DIVISION OF FEE ESTATES.

The real property is hereby divided into the following separate fee simple estates:

(a) Fifty-nine (59) fee simple estates consisting of fifty-nine (59) separately designated Units, each such Unit identified by number and/or by building symbol or designation on the Map, the Units in each building being described as follows:

Section 1. According to map or plat recorded in Volume 241, Page 44 of the Map Records of Harris County, Texas:

Building I - Containing four (4) Units numbered I-101 through I-104, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building I attached as Exhibit "B" to the Declaration for reference.

Building II - Containing ten (10) Units numbered II-105 through II-114, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building II attached as Exhibit "B" to the Declaration for reference.

Section 2. According to map or plat recorded in Volume 246, Page 79 of the Map Records of Harris County, Texas:

Building III - Containing six (6) Units numbered III-115 through III-120, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building III attached to the First Amendment to the Declaration as Exhibit "B-2" for reference.

Building IV - Containing nine (9) Units numbered IV-121 through IV-129, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building IV attached to the First Amendment to the Declaration as Exhibit "B-3" and "B-4" for reference.

Section 3. According to map or plat recorded in Volume 250, Page 115 of the Map Records of Harris County, Texas:

Building V - Containing ten (10) units numbered V-130 through V-139, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building V attached hereto as Exhibit "B-6" and "B-7" for reference.

Building VI - Containing ten (10) Units numbered VI-140 through VI-149, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building VI attached hereto as Exhibit "B-6" and "B-7" for reference.

Building VII - Containing three (3) Units numbered VII-150 through VII-152, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building VII attached hereto as Exhibit "B-8" and "B-9" for reference.

Building VIII - Containing two (2) Units numbered VIII-15 through VIII-154, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building VIII attached hereto as Exhibit "B-8" and "B-9" for reference.

Building IX - Containing five (5) Units numbered IX-155 through IX-159, inclusive, the size, dimensions, location and boundaries of each being detailed on the survey plat of Building IX attached hereto as Exhibit "B-8" and "B-9" for reference.

As set forth on the plans and specifications attached hereto as Exhibit "B" and attached to the Declaration and the First Amendment to Declaration as Exhibit "B" for reference, the architectural design of each of the Units covered by this Condominium Declaration are labeled as architectural designs A, B, C, D, E, and F with varying modifications to the basic architectural designs, which variations are indicated by Arabic numbers. Accordingly, references on the attached plans and specifications should be keyed to the basic architectural plans as they relate to the various Unit numbers.

(b) The remaining portion of the entire premises, referred to as the General Common Elements, shall be held in common by the owners, the percentage interest in the general common elements attributable to and appurtenant to the respective Units being set out in Exhibit "C" hereto (at column 2 thereof), each such undivided interest being appurtenant to one of the Units covered hereby as scheduled, subject to increase and revision as set forth in Article 2.5 hereof.

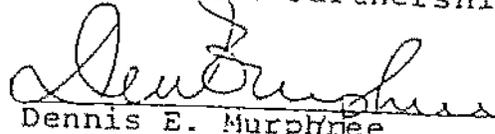
2.4 TITLE.

Title to any Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a Deed from Developer or any Owner shall be deemed an acknowledgment of and consent to these provisions.

3. Except as herein restated, and/or modified, the Declaration and First Amendment to Declaration are hereby ratified and confirmed, it being expressly stipulated, that although Articles I and II have been restated in their entirety, certain references contained in the restated Articles I and II relate to and maintain in effect certain portions of the original Articles I and II as stated in the Declaration.

4. In establishing electric service to the Condominium Units, the Developer has been required to enter into a contract with Houston Lighting and Power Company, a true and correct copy of which is attached to the First Amendment to Declaration as Exhibit "D" for reference. Under the terms of such contract, Developer is required to impose certain restrictive covenants and grant certain easements. By this document, said easements are hereby granted and said restrictive covenants are hereby imposed against the Property covered by the Condominium Regime all as more fully set forth in said Contract attached hereto for reference.

SAN FELIPE SQUARE TOWNHOMES, LIMITED
A Texas Limited Partnership

BY 
Dennis E. Murphy

BY 
James R. Treptow

Its Sole General Partners