

CONDOMINIUM DECLARATION

FOR

111-7826

DEERWOOD

WHEREAS, PORTFOLIO MANAGEMENT, INC., a Delaware corporation licensed to do business in Texas (hereinafter called "Developer") is the owner of a certain tract of real property which, with improvements, is commonly known as "DEERWOOD", consisting of approximately 7.713 acres, more or less, of land with twenty (20) buildings, one (1) or two (2) stories each, thereon, containing a total of 179 apartment-home units, and certain other improvements located thereon (such real property and the improvements located thereon being hereinafter sometimes referred to as the "Property"), such tract of real property being more particularly described on Exhibit "A" attached hereto and made a part hereof, and the improvements thereon being more particularly described on the plan (hereinafter referred to as the "Plan"), attached hereto and made a part hereof for all purposes; and

WHEREAS, Developer desires to submit said Property to a condominium regime pursuant to the Condominium Act (hereinafter called "Act"), Article 1301a of the Texas Revised Civil Statutes;

NOW, THEREFORE, Developer hereby declares that the land described in Exhibit "A" attached hereto, together with all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, is hereby submitted to a condominium regime pursuant to the Act, and that said Property is and shall be held, conveyed, hypothecated, encumbered, pledged, leased, rented, used, occupied, and improved subject to the following limitations, easements, restrictions, covenants, conditions, charges, and liens, all of which are declared to be established for the purpose of enhancing the value, desirability, and attractiveness of said Property and every part thereof. All of said limitations, easements, covenants, restrictions, conditions, charges, and liens shall run with the said Property and shall be binding upon all parties having or acquiring any right, title or interest therein or any part thereof and shall be for the benefit of each owner of any portion of said Property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof.

ARTICLE I

DEFINITIONS

For the purposes of this Declaration, the terms used shall have the following meanings:

A. Apartment-Home Unit (hereinafter called "Unit") shall mean an enclosed space consisting of one or more rooms occupying all or part of a floor or floors of a building, which enclosed space is not owned in common with the co-owners of other Units in the project, together with the associated balcony or patio. Each Unit is numbered as shown on the Plan, and the boundaries of each Unit shall be and are the interior surfaces of the perimeter walls, floor, ceilings, and the exterior surfaces of balconies or patios; and a Unit includes both the portion of the building so described

and the air space so encompassed, excepting common elements. Any Unit may be jointly or commonly owned by more than one person. It is intended that the term "Apartment-Home Unit", as used in this Declaration, shall have the same meaning as the term "Apartment", as used in the Act.

B. Board shall mean the Board of Administrators established pursuant to this Declaration.

C. Building shall mean and refer to any one of the principal structures presently situated on the land.

D. Act shall mean Article 1301a of the Texas Revised Civil Statutes.

E. Project shall mean the Condominium Project established by this Declaration to be known as "DEERWOOD".

F. Common Elements shall mean all of the Property, except for the Units, and, without limiting the generality of the foregoing, shall include the following:

1. The Land;
2. All foundations, bearing walls, and columns, roofs, halls, lobbies, stairways, and entrances and exits or communication ways;
3. All flat roofs, yard, and gardens, except as otherwise provided or stipulated;
4. All compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, air conditioning and heating, reservoirs, water tanks and pumps, swimming pools, and the like;
5. In general, all devices or improvements existing for common use, including but not limited to, driveways, walkways, and recreational facilities;
6. The management office located in Building T; and
7. All other elements of the Buildings desirable or rationally of common use or necessary to the existence, upkeep, and safety of the Project.

G. Co-Owner shall mean a person, firm, corporation, partnership, association, trust, or other legal entity, or any combination thereof, who owns a Unit or Units within the Project, and shall include the Developer, but shall exclude those having an interest in a Unit or Units merely as security for the performance of an obligation. A Co-Owner shall have an exclusive ownership to such Co-Owner's Unit or Units and shall have a common right to a share or shares, with other Co-Owners, in the Common Elements. Each Co-Owner may use the Common Elements in accordance with the purposes for which they are intended, as shown on the Plan, without hindering or encroaching upon the lawful rights of other Co-Owners.

H. Council of Co-Owners shall mean all of the Co-Owners, as defined in Paragraph G of this Article I, which shall be organized as a Texas non-profit corporation.

I. Developer shall mean and refer to PORTFOLIO MANAGEMENT, INC., and any of its affiliate entities and their successors and assigns, provided such successors or assigns are designated in writing by the Developer as a successor or assign of the right of the Developer set forth herein.

J. Land shall mean the Land described in Exhibit "A" attached hereto.

K. Manager shall mean the person or firm selected by the Board pursuant to the provisions of this Declaration.

L. Mortgage shall mean a Mortgage or Deed of Trust covering a Unit and the undivided interest in the Common Elements appurtenant thereto.

M. Mortgagee shall mean a beneficiary under a Mortgage and any servicing agent of such beneficiary.

N. Plan shall mean the plats, plans, and list attached hereto as Exhibit "B" and hereby made a part hereof.

O. Properly shall mean the Land, together with all improvements and structures thereon and all easements, rights, and appurtenances belonging thereto.

P. Limited Common Elements shall mean and include the parking spaces and storage units as set out on the Plan.

1. A parking space or spaces and a storage locker or lockers shall be designated for the exclusive use and possession of the Co-Owners of specified Units to the exclusion of the Co-Owners of other Units. The initial designation shall be made by the Developer. A record of all designations shall be maintained by the Council.

2. The Developer may, at its option, at any time and from time to time, designate parking spaces or storage lockers not previously designated, for the use of the Council.

3. Upon the sale or other transfer of a Unit, the new Co-Owner shall succeed to the rights of the transferring Co-Owner to the use and possession of the parking space or spaces and storage locker or lockers designated to the transferred Unit.

4. Storage lockers designated by the Developer to the Council but not otherwise designated to a Unit may be designated by the Council to one or more Units at its option at any time and from time to time under such terms and conditions as the Council may deem appropriate or for such other uses as the Council may deem appropriate.

5. Each Unit shall be designated at least one parking space and one storage locker at no charge.

ARTICLE II

PARTITION PROHIBITED

The Common Elements shall remain undivided and shall not be the object of an action for partition or division of the co-ownership thereof so long as suitable for a condominium regime, and, in any event, all Mortgages must be paid in full prior to bringing an action for partition or the consent of all Mortgagees must be obtained.

ARTICLE III

UNIT DESCRIPTIONS

A. There are sixteen (16) types of Units, identified by type and name (if any), and generally described as follows:

<u>Type</u>	<u>Name</u>	<u>General Description</u>
A	Betsy Ross	1 Bedroom (BR) - 1 Bath (B) - on one level (1L)
B	Nathan Hale	1 BR - 1 B - (1L)
C	Madison	1 BR - 1 B - (1L)
D	Washington	1 BR - 1 B - (1L)
E	Jefferson	2 BR - 2 B - (1L)
F	Patrick Henry	3 BR - 2 B - (1L)
G	Hawthorne	2 BR - 2 B - (1L)
AB	Bradford	3 BR - 2 B - (1L)
J-1	Emerson	2 BR - 2-1/2 B - on two levels (2L)
J-2	Adams	2 BR - 2-1/2 B - (2L)
J-3	Mason	2 BR - 2-1/2 B - (2L)
J-4	Franklin	2 BR - 2-1/2 B - (2L)
K	Hamilton	2 BR - 2-1/2 B - (2L)
L	--	2 BR - 2-1/2 B - (2L)
M	Winthrop	3 BR - 2-1/2 B - (2L)
N	---	4 BR - 4-1/2 B - (2L)

B. Unit Identification and Location. Each Unit is separately numbered and is identified by type, name (if any), general description, square footage, location (by Building and floor) and associated balcony or patio on the Plan, attached hereto and incorporated herein as if fully recited by reference thereto, and further shown on the respective plats of each floor of each Building attached hereto as part of the Plan.

C. Phases. The Units of the Project are divided into Phases as set out in the Plan. Each Unit shall have the undivided interest in all of the Common Elements of the Condominium as specified in the Plan, notwithstanding the establishment of Phases.

ARTICLE IV

OWNERSHIP INTEREST AND SHARE OF COMMON EXPENSE

The fractional interest, expressed as a percentage, which each Unit bears to the entire Property, and which each Unit owns in and to the Common Elements, and the fractional share, expressed as a percentage, of the common expenses for each Unit, are as set out on the Plan.

ARTICLE V

ENCROACHMENTS

If any portion of the common areas and facilities now encroach upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the common areas and facilities as a result of the construction of the Buildings, or if any such encroachments shall occur hereafter as a result of settling or shifting of the Buildings, a valid easement for said encroachment and for the maintenance of the same, so long as the Buildings stand, shall exist. In the event the Buildings, the Unit, any adjoining Unit, or any adjoining common areas and facilities shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common areas and facilities upon any Unit or of any Unit upon any other Unit or upon any portion of the common areas and facilities, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as Buildings shall stand.

ARTICLE VI

APPLICABLE DOCUMENTS

All present and future Co-Owners, tenants, and occupants of the Units shall be subject to, and shall comply with, the provisions of this Declaration, the By-laws adopted or to be adopted by the Developer or the Council, and the rules and regulations as the same may exist from time to time. The acceptance of a deed or conveyance to, or the entering into of a lease or the entering into the occupancy of, any Unit shall constitute an agreement that the provisions of this Declaration, the By-laws, and the rules and regulations, as they may exist from time to time, are accepted and ratified by such Co-Owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at anytime any interest or estate in any Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

ARTICLE VII

ORGANIZATION OF THE COUNCIL OF CO-OWNERS

A. Incorporation. The Council of Co-Owners shall be organized as a Texas non-profit corporation to be known as "The Deerwood Council of Co-Owners", hereinafter referred to as "The Council of Co-Owners", or "The Council".

B. Membership and Voting. All of the Co-Owners shall be members of the Council of Co-Owners.

1. Subject to the provisions of Article IX, paragraph D-5, the Co-Owner or Co-Owners of one or more Units shall be entitled to one vote per Unit for each Unit owned by such Co-Owner or Co-Owners weighted in proportion to the percentage of interest of such Unit in the Common Elements.

2. No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Council until he has presented evidence of ownership of a Unit in the condominium Project to the Secretary of the Board. The vote of each Co-Owner may only be cast by such Co-Owner or by a proxy given by such Co-Owner to his duly authorized representative. If title to a Unit shall be in the name of two or more persons as Co-Owners, any one of such Co-Owners may vote as the Co-Owner of the Unit at any meeting of the Council and such vote shall be binding on such other Co-Owners who are not present at such meeting until written notice to the contrary has been received by the Secretary of the Board, in which case the unanimous action of all such Co-Owners (in person or by proxy) shall be required to cast their vote. If two or more of such Co-Owners are present at any meeting of the Council, then unanimous action shall be required to cast their vote.

C. By-Laws. The initial condominium By-laws of the Council shall be adopted by the Developer in accordance with the Act and may be amended thereafter as provided for therein.

D. Meetings. Meetings of the Council of Co-Owners to perform its duties under this Declaration shall be in accordance with the condominium By-laws adopted by the Developer and as amended from time to time.

E. Board of Administrators. The affairs of this Council shall be managed by a Board of seven (7) Administrators. Each member of the Board must be a Co-Owner with the exception of the initial Board members who shall be appointed by the Developer (and any replacement Administrators selected by the Developer or the members of the initial Board prior to the first meeting of the Council).

F. Powers of the Board. The Board of Administrators shall have such powers as set out in the By-laws and shall exercise them in accordance with the Act, this Declaration, and said By-laws.

G. Officers of the Council. The Executive Officers of the Council shall be a President, who shall be an Administrator, a Vice-President, who shall be an Administrator, a Treasurer and a Secretary, all of whom shall be elected annually by the Board and who may be pre-emptorily removed by vote of the Board at any meeting. Any person may hold two or more offices except the President shall not also be the Secretary. The Board shall, from time to time, elect such other Officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Council.

H. Officers' Powers and Responsibilities. The Officers shall have such powers and responsibilities as are set out in the By-laws and shall exercise them in accordance with the Act, this Declaration, and the By-laws.

ARTICLE VIII

INDEMNITY, LIABILITY FOR LATENT DEFECTS AND BONDING

A. Indemnification of Administrators and Officers. Each Administrator and Officer of the Council (hereinafter "Official") shall be indemnified by the Council against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon such Official in connection with any proceeding to which the Official may be a party, or in which the Official may become a party, or in which the Official may become involved, by reason of being or having been an Administrator or Officer of the Council, or any settlement thereof, whether or not such person is an Administrator or Officer at the time such expenses are incurred, except in such cases wherein the Official is adjudged guilty of willful malfeasance or bad faith in the performance of duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Council. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Official may be entitled. It is intended that the Officers and Administrators shall have no personal liability with respect to any contract made by them on behalf of the Council or the condominium. It is also intended that the liability of any Co-Owner arising out of any contract made by the Officers or Board or out of the aforesaid indemnity in favor of the Officers and Administrators shall be limited to such proportion of the total liability therefor as such Co-Owner's share of common expenses as set out in the Declaration. Every agreement made by the Board or by the Officers or the managing agent or manager on behalf of the Council or condominium shall provide that the Administrators, the Officers, and agent, as the case may be, are acting only as agents for the Co-Owners and shall have no personal liability thereunder (except as Co-Owners), and that each Co-Owner's liability thereunder shall be limited to such proportion of the total liability therefor as such Co-Owner's share of common expenses as set out in the Declaration.

B. Liability for Latent Defects. Notwithstanding the duty of the Council to maintain and repair parts of the condominium Property, the Council shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the Property to be maintained and repaired by the Council, or by the elements or other Co-Owners or persons.

C. Fidelity Bonds. The Board shall obtain adequate fidelity bonds for all Administrators, Officers, agents and employees of the Council handling or responsible for condominium or Council funds, including, but not limited to, employees of any professional manager. The premiums on such bonds shall constitute a common expense. Such fidelity bonds shall meet the following requirements:

1. All such fidelity bonds shall name the Council as an obligee; and
2. Such fidelity bonds shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the condominium Project, including reserves; and
3. Such fidelity bonds shall contain waivers of any defense bond upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and
4. Such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least 30 days' prior written notice to any Mortgagee.

ARTICLE IX

ASSESSMENTS

A. Determination of Common Expenses. The Developer, initially, and thereafter the Council, through the Board, shall have the power to fix and determine, from time to time the sum or sums of money necessary and adequate to provide for the common expenses of the condominium and, if possible, the amount of said common expenses shall be fixed and determined in advance of each fiscal year. Common expenses shall include expenses for the operation, maintenance, repair, or replacement of the general Common Elements and the Limited Common Elements, cost of carrying out the powers and duties of the Council, all insurance premiums, and expenses relating thereto, including fire insurance and any other expenses designated as common expenses from time to time by the Board. The Board may, on behalf of the Council, make and collect assessments to provide sufficient funds for such purposes. Assessments against the Co-Owners shall be in the proportions or percentages of ownership of Common Elements provided in the Declaration. The Board may also include as common expenses an amount for working capital for the Council, amounts necessary to make up any deficit in the common expenses for a prior year, amounts as may be required for the purchase or lease by the Council or its designee, corporate or otherwise, on behalf of all Co-Owners of any Unit whose Co-Owner has elected to sell or lease such Unit, or of any Unit which is to be sold at a foreclosure or judicial sale, and such amounts as may be necessary to effect any other purpose or requirement of this Declaration. The Board shall establish an adequate reserve fund for replacement of Common Element components to be funded by the assessments paid monthly. Any assessments, however designated and for whatever purpose, which are for the payment of other than current operating expenses or which are being collected in anticipation of a future need and are not going to be expended during the year for which the assessments are being collected, shall be deposited in an account separate from the general operating account and shall not be used for any purpose other than the designated purpose for which the assessment has been collected. After the special or restricted purpose for which such assessments were made has been completed and there are unexpended funds remaining, then the Board shall vote to determine whether these

funds shall be included to the Co-Owners on a pro rata basis or whether these funds shall be transferred to the general operating account and applied as a credit, prorata, toward each Co-Owner's subsequent assessment. The Secretary shall promptly advise all Co-Owners in writing of the amount of the assessment payable by each of them, respectively, as determined by the Board, as aforesaid, and shall furnish copies of the budget on which such assessment is based to all Co-Owners.

Proposed by Council

B. Payment of Assessments. One-twelfth (1/12) of the amount annually assessed against each Co-Owner shall be due and payable on the first day of each calendar month during each year. If said sum estimated proves inadequate for any reason, including nonpayment of any Co-Owner's assessment, the Board may, at any time, levy a further assessment which shall be assessed to the Co-Owners in like proportions, unless otherwise provided herein. Each Co-Owner shall be obligated to pay assessments made pursuant to this paragraph to the Board in equal monthly installments on or before the first day of each month during the year, or in such other reasonable manner as the Board shall designate.

C. Interest on Unpaid Assessments. Assessments that are unpaid for over sixty (60) days after due date shall bear interest at the rate of 10% per annum from due date until paid.

D. Unpaid Assessments: Liens, Penalties and Methods of Collection. The Council shall have a lien on a Unit for any unpaid assessments against the Co-Owners of such Unit, together with interest thereon and reasonable attorney's fees incurred in collection of same and the enforcement of said lien. All such liens shall be subordinate and inferior to the purchase money lien (vendor's or deed of trust or both) of a first Mortgage. The Board shall take such action as it deems necessary to collect assessments and may settle and compromise the same if it is in the best interest of the Council. Said liens shall be effective as and in the manner provided for by the Act and shall have the priorities established by said Act.

1. The Board may bring an action at law against the Co-Owner personally obligated to pay an assessment or foreclose the lien against the Unit, or both, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Co-Owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Co-Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Article 3810 of the Texas Revised Civil Statutes, and such Co-Owner hereby expressly grants to the Board a power of sale in connection with said lien. The Board shall designate a trustee to post the required notices and conduct such foreclosure sale. The lien provided for in this section shall be in favor of the Board and shall be for the common benefit of all Co-Owners. In addition to such notices as required by the aforesaid statute, the designated trustee shall mail to the Co-Owner or Co-Owners and Mortgagee of the Unit for which the assessment has not been paid a copy of the notice of trustee's sale at or before the time of posting same by U. S. Postal Service, postage prepaid, Certified, Return Receipt Requested, at the Unit or such other address as the Board has been advised in writing for receipt of notices under this Declaration.

2. At any foreclosure, judicial or non-judicial, the Council shall be entitled to bid up to the amount of its lien, together with cost and attorney's fees, and to apply as a cash credit against its bid all sums due the Council covered by the

lien foreclosed. From and after any such foreclosure the Co-Owner or Co-Owners shall be required to pay a reasonable rent for the use of the Unit and the purchaser in such foreclosure shall be entitled to the appointment of a receiver to collect same and, further, shall be entitled to sue for recovery of possession of the Unit premises at forcible detainer without the necessity of giving any notice to the former Co-Owner or Co-Owners or any occupants of the Unit sold at foreclosure.

3. The Council may also, at its option, sue to recover a money judgment for unpaid assessments, without thereby waiving the lien securing the same.

4. A foreclosure of the Council's lien for unpaid assessments shall not affect, in any way, a valid first lien of any Mortgagee on any Unit sold at such foreclosure, whether the instruments creating such lien were recorded before or after the time at which the lien for assessments became fixed.

5. In addition to, and cumulative of, any other remedy provided herein, in the case of failure of any Co-Owner to pay any assessment due or comply with the terms and provisions of the governing documents, the Board may suspend the voting rights of any Co-Owner (i) for any period during which such Co-Owner shall be delinquent in the payment of assessments due the Council or during which such Co-Owner shall remain in default of any other obligation herein provided, and (ii) for any period not to exceed thirty (30) days for a single infraction of the By-laws or rules and regulations, or both; provided, however, except for failure to pay assessments, no such suspension shall be effected until the Co-Owner shall have been given the opportunity to present evidence on the Co-Owner's behalf at a hearing before the Board or a committee designated by the Board, and no such hearing shall be held until the Co-Owner shall have received at least ten (10) days' written notice specifying the nature of the alleged default and the exact time and place of the hearing.

E. Liability of Purchaser for Unpaid Assessments.

1. Where a first Mortgagee of record or other purchaser of a Unit obtains title thereto as a result of foreclosure of said first Mortgage, or where said first Mortgagee accepts a deed to said Unit in lieu of foreclosure, such acquirer of the title, heirs, successors, legal representatives, and assigns, shall not be liable for the assessments pertaining to such Unit or chargeable to the former Co-Owner of such Unit which became due prior to acquisition of title thereto in the manner set out above. Such unpaid assessments shall be deemed to be common expenses collectible from all of the Co-Owners including such acquirer, heirs, successors, legal representatives, and assigns, in accordance with their respective share of common expenses as set out in the Declaration.

2. Upon the sale or conveyance of a Unit, except through foreclosure of a first Mortgage of record or deed in lieu thereof, as specifically provided in the immediately preceding paragraph, all unpaid assessments against a Co-Owner shall first be paid out of the sale price as provided in Section 18 of the Act; provided, however, that if such unpaid assessments are not paid or collected at the time of a sale or conveyance of a Unit, the grantee of the same shall be jointly and severally liable with the selling Co-Owner for all unpaid assessments against the latter for his 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 selling Co-Owner the amounts paid by the grantee therefor. Any grantee of a Unit shall be entitled, upon written request therefor, to a statement from the Board setting forth the amount of the unpaid

assessments against the selling Co-Owner due the Board and such grantee shall not be liable for, nor shall the Unit conveyed be subject to, a lien for any unpaid assessments made by the Board against the selling Co-Owner in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any assessments becoming due after the date of any such conveyance; and, further, such grantee shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid assessments due and owing by the former Unit Co-Owner have been paid.

3. The provisions of this part of the By-laws shall be cumulative of the rights of the Council set out in Section 18 of the Act.

F. Assessment for Electrical Service. The Council shall arrange for electrical service for the Project including Common Elements and all Units. If such service is centrally metered, the charge therefor shall be a part of the common expense and included in the annual assessment. If such service is individually metered to each Unit, the charge therefor shall be paid by the Co-Owner of each respective Unit based upon the amount of service actually used by such Unit. All other electrical service consumed by the Project shall be a common expense.

G. Assessments in Case of Liens Against Common Elements. The Board shall also pay any amount necessary to discharge any lien or encumbrance levied against the Property or any part thereof which may, in the opinion of the Board, constitute a lien against the Common Elements, rather than merely against the interests therein of particular Co-Owners. Where one or more Co-Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the amount required to discharge it; and any costs incurred by the Board by reason of said lien or liens shall be specially assessed to said Co-Owners.

ARTICLE X

MAINTENANCE, ALTERATION AND IMPROVEMENTS

Responsibility for the maintenance of the Property and restrictions upon the alteration and improvement thereof shall be as follows:

A. Units and Common Elements Adjacent or Contiguous To, Or Between, Units.

1. By the Council. The Council shall maintain, repair, and replace, as a common expense of the Council:

a. All portions adjacent or contiguous to a Unit, or between Units, contributing to the support of the Buildings, which portions shall include but not be limited to the outside walls of the Buildings and all fixtures on the exterior thereof, boundary walls of Units, floor and ceiling slabs, load-bearing columns, and load-bearing walls.

b. All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services which are contained in the portions described in subparagraph a, above; and all of such facilities contained within a Unit which service part or parts of the condominium, other than the Unit within which contained.

c. The Board, or its agents, may enter any Unit when necessary for the purpose of making inspection or for the purpose of correcting any condition originating in such Unit and threat-

ening another Unit or a common area or facility, or for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services or other common areas and facilities adjacent or contiguous to such Unit, or in connection with any maintenance, landscaping, or construction for which the Board is responsible, provided that requests for entry are made in advance and that any such entry is at a time reasonably convenient to the Unit Co-Owner. In case of an emergency, such right of entry shall be immediate whether the Unit Co-Owner is present at the time or not.

2. By Each Co-Owner. The responsibilities and obligations of a Co-Owner shall be as follows:

a. A Co-Owner shall repair, replace and maintain in good repair and condition (i) the Fixtures (as hereinafter defined) within the Co-Owner's Unit; (ii) the finished interior surfaces of perimeter walls, ceilings, floors, doors and windows of the Unit, including, but not limited to, such materials as gypsum dry wall, paneling, wallpaper, paint, wall and floor tile and flooring (but not including the sub-flooring); (iii) the patios or balconies of the Unit (except the exterior surfaces of same). A Co-Owner shall also replace all broken windows and repair and replace (and paint the exterior surfaces of) all doors in the perimeter walls of the Unit; provided, however, the repair, replacement and maintenance required by this paragraph of these areas or surfaces which are exposed to public view shall be done in a manner consistent with the decor of the Project and shall be subject to the control and direction of the Council. No Co-Owner shall disturb or relocate any Utilities (as hereinafter defined) running through a Unit.

(1) "Utilities" as used herein means all lines, pipes, wires, conduits, or systems located within the walls, floors, or ceilings of a Unit or in a Building, which are a part of the Common Elements.

(2) "Fixtures" as used herein means the personal property, appliances, machinery, and equipment installed in, within, or affixed to an interior surface of, a Unit commencing at the point where such items connect with the Utilities.

b. No Co-Owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of the Buildings.

c. All Co-Owners shall promptly report to the Board any defect or need for repairs, the responsibility for the remedying of which is that of the Council.

3. Alterations and Improvement. Except as otherwise reserved to the Developer, neither a Co-Owner nor the Council shall make any alterations of a Unit or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the Building or impair any easement or affect the Common Elements without first obtaining approval in writing of Co-Owners of all other Units in the same Building and approval of the Board. A copy of plans for all such work shall be filed with the Board at or prior to the time of submitting request for such approval. In the case of plans submitted by a Unit Co-Owner for alterations to a Unit, which would affect the Common Elements, the Board shall approve or disapprove of said plans within thirty (30) days after receipt of such plans and the Co-Owner's request for approval; and, in the absence of disapproval, following the expiration of thirty (30) days, said plans shall be deemed to have been approved by the Board.

4. Painting and Decoration by Unit Co-Owner. Each Co-Owner shall have the exclusive right to paint, re-paint, tile, wax, paper, or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floor, windows, and doors bounding such Co-Owner's Unit; and the right to paint or decorate the interior surface of the fence or enclosure around the patio or balcony space, and landscape and maintain the ground area of the patio space appurtenant to the Unit.

B. Common Elements, General.

1. By the Council. The maintenance and operation of the Common Elements shall be the responsibility and the common expense of the Council.

2. Alteration and Improvement. There shall be no alteration or further improvement of common elements without prior approval in writing by the Co-Owners of 80% of the Unit votes weighted in accordance with their percentage interest in the Common Elements; provided, however, any alteration or improvement of the Common Elements having the approval in writing of two-thirds (2/3) or more of the Unit votes, but less than 80% of the Unit votes and which alteration or improvement does not interfere with the rights of any Co-Owners withholding their consent, may be done if the Co-Owners who do not approve are relieved from the cost thereof. The share of any cost not assessed to non-consenting Co-Owners shall be assessed to the consenting Co-Owners in such proportion as their respective shares in the Common Elements bear to the total shares in the Common Elements owned by all of the consenting Co-Owners. There shall be no change in the share and rights of a Co-Owner in the Common Elements which are altered or further approved, whether or not any Co-Owner or Co-Owners contribute to the cost thereof.

C. Costs Expended for Individual Units. The costs of any materials, supplies, furniture, labor, services, maintenance, repairs, approved structural alterations, insurance, or taxes provided or paid for particular Units shall be specially assessed against the Unit and Co-Owners of the Unit benefited.

D. Required Maintenance of Individual Units - Special Assessments. Maintenance and repair of any Units, if such maintenance or repair is reasonably necessary, in the discretion of the Board, to protect the Common Elements or preserve the appearance and value of the Property, when the Co-Owner or Co-Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board, shall be performed by the Board for which it shall levy a special assessment against the Unit of such Co-Owner or Co-Owners for the cost of said maintenance or repair, the payment of which shall also be secured by the lien for assessments hereinabove provided as in the case of assessments for common expenses.

E. Special Services for Individual Units Prohibited. Nothing herein shall authorize the Board to furnish to any person services primarily for the benefit or convenience of any Co-Owner or Co-Owners, or any occupant or occupants, of any Unit other than services which may be customarily rendered in connection with the rental of space for occupancy only.

F. Alterations by Developer. At any time prior to July 1, 1978, the Developer shall have the right, at its option and sole cost and expense, to make alterations to Units; to combine two or more such Units for use by one or more Co-Owners; or to make improvements to the Common Elements without the prior consent of the Board

or any Co-Owner. No Co-Owner shall ever be assessed for any such changes or improvements done by the Developer pursuant to this provision. In the event of any such alteration, combination or improvement, the Developer, at its sole cost and expense, shall file, subject to the provisions of Article XVII, paragraph D and Article XVIII, paragraph E, any Amendment to the Declaration necessary to reflect such change or improvement. Nothing herein contained shall be construed or deemed to authorize, allow or permit the Developer to change, and the Developer shall not change, the fractional percentage interest in common elements ascribed to any Unit. In the event of a combination of two or more Units, the fractional percentage interest in the Common Elements of such combined Unit, shall be the total of the percentage interest of the individual Units so combined. Nothing herein shall authorize or be construed to authorize the Developer to affect the rights of any Mortgagee of any Unit or Units.

ARTICLE XI

INSURANCE

Insurance, other than such title insurance which shall be secured by each Co-Owner upon their respective Units and appurtenant interests in the general Common Elements, shall be governed by the following provisions:

A. General.

1. All insurance policies on the condominium property shall be purchased by the Board for the benefit of Council and the Co-Owners and their respective Mortgagees as their interests may appear, and provisions shall be made for the issuance of certificates of Mortgagee endorsements to the Mortgagees of Unit Co-Owners. Such policies shall be payable to the Council as trustee for the Co-Owners and Mortgagees, as their interests may appear, and such policies and endorsements thereon shall be deposited with the Board. Co-Owners may obtain insurance coverage at their own expense upon their own Units (including interior surfaces, non-load bearing partition walls, built-in fixtures, and appliances), their own personal property and for their personal liability and cost and expenses incident thereto. Until such time as specific policies of insurance are available in the State of Texas for condominium owners, the Board is authorized to purchase, as a common expense, such insurance as is necessary to afford coverage for damage to or loss of interior surface coverings of individual Units and built-in appliances and fixtures within Units.

2. In no event shall the insurance coverage obtained and maintained be brought into contribution with insurance purchased by the Co-Owners of the condominium Units or their Mortgagees; and

3. All policies shall provide that coverage shall not be prejudiced by (a) any act or neglect of the Co-Owners of condominium Units when such act or neglect is not within the control of the Council or (b) by failure of the Council to comply with any warranty or condition with regard to any portion of the premises over which the Council has no control; and

4. All policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 10 days' prior written notice to any and all insured named thereon; and

5. All such policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Council, the Co-Owner of any condominium Unit and/or their respective

agents, employees or tenants, and of any defenses based upon co-insurance or upon invalidity arising from the acts of the insured.

6. If available, all policies of property insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the prior written approval of the Council.

B. Coverage.

1. Casualty. All Buildings and improvements upon the Land and all personal property included in the Common Elements shall be insured in an amount equal to the maximum insurable replacement value (100% of current "replacement cost" exclusive of land, excavation and other items normally excluded from coverage) as determined annually by the Board. Such coverage shall afford protection against:

a. Loss or damage by fire and other hazards covered by standard extended coverage policies, and debris removal, cost of demolition, vandalism, malicious mischief, windstorm, and water damage;

b. A broad form policy of repair and replacement boiler and machinery insurance in an amount of at least \$50,000.00 per accident per location; and

c. Such other risks as from time to time shall be customarily covered with respect to Buildings similar in construction, location, and use as the Buildings on the Land.

2. Liability.

a. A comprehensive policy or policies of public liability insurance covering all of the common areas in the Project, with a "Severability of Interest Endorsement" or equivalent coverage which would preclude the company from denying the claim of a Unit Co-Owner because of the negligent acts of the Council, Board or Unit Co-Owner, with limits not less than \$1,000,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence, such coverage to include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others, and, if applicable: elevator collision, garage-keeper's liability, host liquor liability, and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

b. A policy or policies of liability insurance insuring the Administrators and Officers of the Council against any claims, losses, liabilities, damages or causes of action arising out of, in connection with or resulting from, any act done or omission to act in their respective capacity. This insurance shall be purchased by the Council to the extent available and the cost thereof shall be a common expense.

3. Workman's Compensation Policy to meet the requirements of law.

4. Such other insurance as the Board shall determine from time to time to be desirable.

C. Premiums - Common Expense. Premiums upon insurance policies purchased by the Board shall be paid as a common expense.

D. Administrators as Trustees of Insurance Proceeds. The duty of the Administrators and their successors from time to time who shall receive proceeds of any insurance policies shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Council, Co-Owners, and their Mortgagees, in the following shares, but which shares need not be set forth on the records of the trustees:

1. Common Elements. Proceeds on account of damage to Common Elements -- an undivided share for each Co-Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Unit.

2. Units. Proceeds on account of damage to Units shall be held in the following undivided shares:

a. When the Building is to be restored -- an undivided share for each Co-Owner of a damaged Unit in proportion to the total cost of repairing the damage suffered by each Unit Co-Owner, which cost shall be determined by the Board.

b. When the Building is not to be restored -- an undivided share for each Co-Owner, such share of the total net proceeds being the same as the undivided share in the Common Elements appurtenant to his Unit.

3. Mortgages. In the event a Mortgagee endorsement has been issued with respect to a Unit, the share of the Co-Owner shall be held in trust for the Mortgagee and the Co-Owner as their interests may appear; provided, however, no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged property shall be reconstructed or repaired.

E. Distribution of Insurance Proceeds. Proceeds of insurance policies received by the trustees shall be distributed to or for the benefit of the beneficial owners or their respective Mortgagees or both in the following manner:

1. Expenses of Trustees. All expenses of the trustees shall be first paid or provision made therefor.

2. Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such cost shall be distributed to the beneficial Co-Owners, remittances to Co-Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

3. Failure to Reconstruct or Repair. If it is determined, in the manner elsewhere provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial Co-Owners, remittances to Co-Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

4. Certification of Co-Owners, Mortgagees and Shares. In making distribution to Unit Co-Owners and their Mortgagees, the trustees may rely upon a certificate of the Secretary of the Council as to the names of the Unit Co-Owners' Mortgagees and their respective shares of the distribution.

F. Board as Agent. The Board is hereby irrevocably appointed agent and attorney in fact for each Co-Owner and for each owner and holder of a Mortgage or other lien upon a Unit and for each Co-Owner of any other interest in the condominium Property to adjust all claims and negotiate losses covered by insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

G. Co-Owner's Insurance.

1. No Co-Owner shall separately insure such Co-Owner's Unit or any part thereof against loss by fire or other casualty covered by the insurance carried under this Article. Should any Co-Owner violate this provision, any diminution in insurance proceeds resulting from the existence of such other insurance, and/or failure to have the proceeds of such other insurance payable pursuant to the provisions of this Article, shall be chargeable to the Co-Owner who acquired such other insurance, who shall be liable to the Council to the extent of any such diminution and/or loss of proceeds.

2. A Co-Owner may carry such personal liability insurance, in addition to that herein covered, as desired. In addition, any improvements made by a Co-Owner to a Unit, as well as the personal property of the Co-Owner, may be separately insured by such Co-Owner, such insurance to be limited to the type and nature of coverage often referred to as "tenants improvements and betterments". All such insurance separately carried shall contain waiver of subrogation rights by the carrier as to negligent Co-Owners.

ARTICLE XII

RECONSTRUCTION AND REPAIR AFTER CASUALTY; EMINENT DOMAIN

A. Determination of Necessity of Reconstruction or Repair. If any part of the condominium Property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

1. Special Meeting. Within fifteen (15) days from the date of such casualty, the Board shall call a special meeting of the Council, such meeting of the Council to be held not less than fifteen (15) days, nor more than forty (40) days, following the date of such casualty. Such notice shall be in writing and personally delivered or mailed, Certified, Return Receipt Requested, to each Co-Owner and shall state the date, time, and place of the meeting of the Council to be held, and the purpose of the meeting which shall be to determine, in accordance with the Act, whether the condominium Project shall be reconstructed.

2. Determination of Extent of Damage. At the meeting of the Council called for the purpose set out above, a vote shall be taken to determine whether the required construction comprises the whole or more than two-thirds (2/3) of the condominium Project.

3. Effect of Damage to More than 2/3 of Project. If, as determined by the vote of the Council, reconstruction is required for the whole or more than 2/3 of the condominium Project, then all insurance proceeds shall be paid by the trustees, in accordance with the provisions of paragraph E,3 of Article XI, and the condominium regime shall be terminated in accordance with Articles XIII and XVIII; provided, however, by unanimous agreement of all Co-Owners, they may agree to reconstruct and repair all of the condominium Property which was damaged by the casualty in accordance with the provisions hereinafter set out.

4. Effect of Damage to Less than 2/3 of Project. If, by vote of the Council, it is determined that the required construction does not comprise more than 2/3 of the condominium Property, then, in that event, the Board shall proceed with the reconstruction and repair of the condominium Property, in accordance with the provisions hereinafter set out and the trustees of the insurance proceeds, if any, shall act in accordance with the provisions hereinabove set out.

5. Certification of Determination of Necessity of Reconstruction. The insurance trustees may rely upon a certificate of the Board made by the President and Secretary to determine whether or not the damaged Property is to be reconstructed or repaired.

B. Plans and Specifications for Reconstruction. All reconstruction and repair must be substantially in accordance with the plans and specifications for the original Buildings and facilities constituting the condominium Project and Property, or, if the same be not available, then according to plans and specifications approved by the Board.

C. Responsibility of Co-Owner and Council. If the damage is only to those parts of one Unit for which the responsibility of maintenance and repair is that of the Unit Co-Owner, all insurance proceeds shall be paid to the Co-Owner or Co-Owners, or Mortgagee or Mortgagees, of such Unit, as their respective interests may appear, and such Co-Owner or Co-Owners, or Mortgagee or Mortgagees, shall use the same to rebuild or repair such Unit in accordance with the original plans and specifications therefor. If such damage extends to two or more Units, or extends to any part of the Common Elements, such insurance proceeds shall be held by the trustees for the benefit of the Co-Owners and their Mortgagees as their respective interests may appear. The Board shall thereupon contract to repair or rebuild the damaged portions of all Units, Buildings, and the Common Elements, in accordance with the original or approved plans and specifications therefor and the insurance proceeds shall be used for this purpose.

D. Board to Obtain Estimates. Immediately after a determination to rebuild or repair damage to Property for which the Council has the responsibility of repair and reconstruction, the Board shall obtain reliable and detailed estimates of the cost to rebuild or repair.

E. Assessments for Construction in Case of Insufficient Insurance Proceeds. If the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Council, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against the Unit Co-Owners who own the damaged Units and against all Unit Co-Owners in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Co-Owners for damage to Units shall be in proportion to the total cost of reconstruction and repair of their respective Units. Such assessments on account of damage to Common Elements shall be in the same proportion as each Co-Owner's share in common expenses. All assessments made pursuant hereto may be enforced in accordance with any other provision hereof relating to regular assessments.

F. Distribution of Remaining Funds After Reconstruction. If there is a balance of funds, including insurance proceeds and assessments, if any, after payment of all costs of reconstruction and

repairs for which funds were collected, such balance shall be distributed to the beneficial Co-Owners thereof in the manner elsewhere stated; except, however, that part of the distribution to a Co-Owner which is not in excess of assessments paid by such Co-Owner for repair and reconstruction shall not be made payable to any Mortgagee.

G. Eminent Domain. In the event of a taking by eminent domain (or condemnation or a deed in lieu of proceedings) of part or all of the Common Elements, the award for such taking shall be payable to the Council, which shall represent the Co-Owners named in the proceedings. Said award shall be utilized to the extent possible for the repair, restoration, replacement or improvement of the remaining Common Elements, if only part are taken. If all or more than two-thirds (2/3) of the Common Elements are taken, it shall be deemed a destruction of more than 2/3 of the Project and the condominium regime shall be terminated as hereinafter provided. Any funds not utilized (in the case of a partial taking) shall be applied in payment of common expenses otherwise assessable. In the event of a taking of all or part of a Unit, the award made shall be payable to the Co-Owner and Unit Mortgagee, if any, as their interests may appear.

ARTICLE XIII

TERMINATION AFTER CASUALTY

A. Project Not Reconstructed; Distribution of Insurance Proceeds; Sale of Project and Termination of Declaration. If more than 2/3 of the Project is destroyed or damaged by fire or other casualty, as determined by the Council of Co-Owners, and the Council does not vote unanimously to reconstruct the Project, then, after the insurance proceeds have been delivered to the Co-Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Co-Owner in the Common Elements as set forth in the Plan, the Board, as soon as reasonably possible and as agent for the Co-Owners, and with the approval of all remaining Mortgagees of Units, shall sell the entire Project, in its then condition, free from the effect of this Declaration, which shall terminate upon such sale, on terms satisfactory to the Board, and the net proceeds of such sale, after the payment of all remaining debts and expenses of the Council, shall thereupon be distributed to the Co-Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Co-Owner in the Common Elements as set forth in the Plan.

B. Partition in the Event of Board's Failure to Sell. If the Co-Owners should not rebuild, pursuant to the above provisions, and the Board fails to consummate a sale pursuant to Paragraph A above within twenty-four (24) months after the destruction or damage occurs, then the Manager or the Board shall, or if they do not, any Co-Owner or Mortgagee may, with the approval of all remaining Mortgagees of Units, record a sworn statement in the Condominium Records and Deed Records describing the Property and setting forth such decision and reciting that under the provisions of this Declaration the condominium form of ownership had terminated and the prohibition against judicial partition contained in the Act and in this Declaration has terminated, and that judicial partition of the Project may be obtained pursuant to the laws of the State of Texas. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall be null and void and of no further force and effect. The provisions of this paragraph can be amended only by the unanimous written consent of the Co-Owners.

ARTICLE XIV

USE AND OCCUPANCY

A. Use as Residence; Limitation on Number of Occupants. Each Unit shall be used only for residential purposes, and as a single-family private dwelling for the Co-Owner and the adult members of the Co-Owner's family and social guests or lessees as otherwise provided. If the Unit contains two (2) bedrooms, then not more than four (4) adults shall ever occupy or live in said Unit; and if said Unit contains three (3) bedrooms, then not more than six (6) adults shall ever occupy or live in said Unit. No children under fourteen (14) years of age shall be permitted to live in a Unit as permanent residents except said children may be permitted to visit as guests of Unit Co-Owners for not more than six (6) months in any twelve-month period.

B. No Hazardous, Annoying, Immoral, Or Illegal Use. Unit Co-Owners shall not permit or suffer anything to be done or kept in their Units which will increase the rate of insurance or the insurance premiums on the condominium Property, or which will obstruct or interfere with the rights of other Unit Co-Owners or annoy them by unreasonable noises or otherwise; nor shall the Unit Co-Owners commit or permit any nuisance, immoral, or illegal act in or about the condominium Property.

C. No Business or Commercial Use. Units may not be used for business or for any commercial use whatsoever.

D. Use to be in Accordance with Law, Declaration, By-Laws, Rules, and Regulations. The use of each Unit shall be consistent, and in compliance, with existing laws, the provisions of this Declaration, the By-laws, and the rules and regulations adopted pursuant to the By-laws.

E. Renting or Leasing of Units. After approval by the Board, as elsewhere required, entire Units may be rented, provided the occupancy is only by the lessee, the lessee's family (subject to the provisions above regarding children under fourteen (14) years of age) and guests, and provided, further, that all of the provisions of this Declaration, By-laws, and the rules and regulations of the Council pertaining to the use and occupancy of the leased Unit shall be applicable and enforceable against any person occupying a Unit as a tenant to the same extent as are applicable to the Co-Owner of a Unit; and the provisions herein contained shall constitute a covenant and agreement by such tenant occupying a Unit to abide by this Declaration and the By-laws, rules, and regulations, as they may exist from time to time. The Board is and will be designated as the agent of the Co-Owner of the Unit for the purpose of and with the authority to terminate any lease covering the Unit upon the violation by the tenant of the provisions herein contained. No Unit may be leased for transient or hotel purposes.

F. Limitation During Sales Period. Notwithstanding any of the provisions hereinabove contained, the provisions of this Article XIV shall not be applicable to the Developer, who is irrevocably authorized, permitted and empowered to sell, lease or rent Units to any purchaser or lessee approved by it upon such terms and conditions as it determines are acceptable to it, and specifically it may sell, lease or rent Units without procuring the consent of the Council, Board or its Officers. The Developer shall have the right to transact any business on the Property necessary to consummate sales of Units, including, but not limited to, the right to maintain models, having signs identifying parcels, maintaining employees in the offices, use of elevators, if any, and

Common Elements on the condominium Property, and to show Units for sale. The sales office, the furniture and furnishings in the model apartments, signs and all items pertaining to sales shall not be considered Common Elements and shall remain the property of the Developer. In the event there are unsold Units, Developer's right as the owner of said unsold Units shall be the same as all other Unit Co-Owners in said condominium Property, and Developer, as the owner of Units, shall contribute to the common expenses in the same manner as other Co-Owners, and shall have a vote in the Council for each unsold Unit weighted in accordance with the interest of those Units in the Common Elements.

ARTICLE XV

MAINTENANCE OF COMMUNITY INTERESTS

In order to maintain a community of congenial residents and thus protect the value of the Units, the transfer of Units by any Co-Owner other than the Developer shall be subject to the following provisions so long as the condominium exists and the Buildings in useful condition exist upon the Land, which provisions each Co-Owner covenants to observe:

A. No Unit Co-Owner may dispose of a Unit or interest therein by lease (except to another Co-Owner) without approval by the Board of the lessee and the terms of the lease.

B. Approval by the Board. The approval of the Board, which is required for the transfer of the ownership of the Units, shall be obtained in the following manner:

1. Notice to Board.

a. A Unit Co-Owner intending to make a bona fide lease of his Unit or any interest therein shall give the Board notice of such intention, together with the name and address of the intended lessee, such other information concerning the intended lessee as the Board may reasonably require, and an executed copy of the proposed lease.

b. Failure to Give Notice. If the notice to the Board herein required is not given, then, at any time after receiving knowledge of a lease or renting of a Unit, the Board, at its election and without notice, may approve or disapprove the transaction. If the Board disapproves the transaction, the Board shall proceed as if it had received the required notice on the date of such disapproval.

2. Certificate of Approval.

a. Within thirty (30) days after receipt of such notice and information the Board must either approve or disapprove the proposed transaction. If approved, the approval shall be stated in a certificate executed by the President and Secretary of the Council in recordable form and shall be delivered to the lessor.

b. Approval of Corporate Co-Owner or Purchaser. Inasmuch as the condominium may be used only for residential purposes and a corporation cannot occupy a Unit for such use, if the Unit Co-Owner or lessee of a Unit is a corporation, the approval of the corporation may be conditioned by requiring that all persons occupying the Unit be also approved by the Board.

C. Disapproval by Board. If the Board shall disapprove a transfer of a Unit, the matter shall be disposed of in the following manner:

1. The Unit Co-Owner shall be advised of the disapproval, in writing, and the lease shall not be made.

D. Mortgage. No Unit Co-Owner may mortgage his Unit, nor any interest therein without the approval of the Board, except to a bank, life insurance company, a savings and loan association, or another Co-Owner. The approval of any other Mortgagee may be upon conditions determined by the Board or may be arbitrarily withheld.

1. Notice to Board. A Unit Co-Owner who Mortgages his Unit shall notify the Board of the name and address of the Mortgagee and shall file a conformed copy of the Mortgage or deed of trust with the Board; the Board shall maintain such information in a separate file or book covering Mortgages of the Unit.

2. Notice of Unpaid Assessments or Other Default. The Board, whenever so requested in writing by a Mortgagee or a prospective Mortgagee of a Unit, shall promptly report any then unpaid assessments due from, or any other default by, the Co-Owner of the Mortgaged Unit and shall consider such request a continuing one and shall report to such Mortgagee any default by such Unit's Co-Owner in the performance of such Co-Owner's obligations under the governing documents which is not cured within sixty (60) days.

3. Notice of Default. The Board, when giving notice to a Unit Co-Owner of a default in the payment of assessments or other default, shall send a copy of such notice to each holder of a Mortgage covering such Unit whose name and address has theretofore been furnished to the Board.

E. Exceptions. The foregoing provisions of this section entitled "Maintenance of Community Interests" shall not apply to a transfer to or purchase by the Developer, a bank, life insurance company, savings and loan association or Co-Owner acquiring title as the result of owning a Mortgage upon the Unit concerned, and this shall be so, whether the title is acquired by deed from the Mortgagor or his successor in title, or through foreclosure proceedings; nor shall such provisions apply to a transfer, sale, or lease by the Developer, a bank, life insurance company, or savings and loan association which so acquires its title. Neither shall such provisions require the approval of a purchaser who acquires the title to a Unit at a duly advertised public sale with open bidding which is provided by law, such as, but not limited to, execution sale, foreclosure sale, judicial sale, or tax sale.

F. Unauthorized Transactions. Any Mortgage, or lease which is not authorized pursuant to the terms of this Declaration shall be void unless subsequently approved by the Board.

G. Notice of Lien or Suit.

1. Notice of Lien. A Unit Co-Owner shall give notice to the Board of every lien upon his Unit, other than for permitted Mortgages, taxes, and special assessments, within five (5) days after the attaching of the lien.

2. Notice of Suit. A Unit Co-Owner shall give notice to the Board of every suit or other proceeding which may affect the title to his Unit, such notice to be given within five (5) days after the Unit Co-Owner receives knowledge thereof.

3. Failure to Give Notice. Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

ARTICLE XVI

COMMON ELEMENTS - EASEMENT OF ENJOYMENT COMPLIANCE AND DEFAULT

A. Easement of Enjoyment. Each Co-Owner shall have a right and non-exclusive easement of enjoyment in and to the Common Elements, and such easement shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

1. The right of the Council to limit or exclude the number of guests of Co-Owners.

2. The right of the Council to suspend the right to use the recreational facilities by a Co-Owner (i) for any period during which such Co-Owner shall be delinquent in the payment of assessments due the Council or during which such Co-Owner shall remain in default of any other obligation herein provided, and (ii) for any period not to exceed thirty (30) days for a single infraction of the By-laws or rules and regulations, or both; provided, however, except for failure to pay assessments, no such suspension shall be effected until the Co-Owner shall have been given the opportunity to present evidence on the Co-Owner's behalf at a hearing before the Board or a committee designated by the Board, and no such hearing shall be held until the Co-Owner shall have received at least ten (10) days' written notice specifying the nature of the alleged default and the exact time and place of the hearing.

B. Compliance and Default. Each Co-Owner shall be governed by and comply with the terms of the Declaration of Condominium, By-laws, and regulations adopted pursuant thereto, and said documents and regulations as they may be amended from time to time. Failure of a Co-Owner to comply therewith shall entitle the Board or other Co-Owners to the following relief in addition to the remedies provided by the Act.

1. Negligence. A Unit Co-Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by neglect, or carelessness, or by that of any member of the Co-Owner's family or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Council. Such liability shall include any increase in insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit or its appurtenances, or of the Common Elements.

2. Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a Co-Owner to comply with the terms of the Declaration, By-laws, and regulations adopted pursuant thereto, and said documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

3. No Waiver of Rights. The failure of the Council, Board, or any Co-Owner to enforce any covenant, restrictions, or other provision of the Condominium Act, the Declaration, the By-laws, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

4. Definition. Failure to comply with any of the terms of this DECLARATION the Articles of Incorporation or By-laws of the Council, or the duly adopted rules and regulations of the Council, shall constitute an event of default and shall be grounds for relief, which may include without limitation an action to recover sums due for damages or injunctive relief, or any combination thereof.

5. Remedies. In addition to all other remedies herein contained or as may be provided by law, the Council may discontinue the furnishing of any services to a Co-Owner who is in default of such Co-Owner's obligations to the Council or other Co-Owners as set forth herein, including, but limited to, the payment of any assessment due hereunder, upon thirty (30) days' written notice to such Co-Owner and to any Mortgagee of such Co-Owner's Unit of its intent to do so, after prior written notice, and the holding, of a hearing as prescribed in paragraph A.2., above.

ARTICLE XVII

AMENDMENTS

This Declaration of Condominium may be amended in the following manner, as well as in the manner elsewhere provided:

A. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of a meeting at which a proposed amendment is considered.

B. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board or by a Co-Owner. Co-Owners not present at the meetings considering the amendment may express their approval in writing. Except as elsewhere provided, such approvals must be either by

1. not less than four (4) Administrators and by not less than 75% of the Unit Co-Owners and 25% of the holders of record of Mortgages on the Units; or

2. until the first election of Administrators, only by all of the Administrators, provided the amendment does not increase the number of Units, nor alter the boundaries of the Common Elements.

C. Agreement. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the record Co-Owners of Units in the condominium in the manner required for the execution of a deed, and such amendment shall be effective when recorded in the Condominium Records of Harris County, Texas.

D. Proviso. Provided, however, that no amendment shall discriminate against any Unit Co-Owner nor against any Unit or class of group of Units, unless the Unit Co-Owners so affected shall consent; and no amendment shall change any Unit nor the share in the Common Elements appurtenant to it, nor increase the Co-Owner's share of the common expenses, unless the record Co-Owner of the Unit concerned and all record owners of Mortgages thereon shall join in the execution of the amendment. Neither shall an amendment of this Declaration make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair After Casualty", unless the record owners of all Mortgages upon Units in the condominium shall join in the execution of the amendment.

E. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Council with formalities of a deed. The amendment shall be effective when such certificate and copy of the amendment are recorded in the Condominium Records of Harris County, Texas.

ARTICLE XVIII

TERMINATION

The condominium may be terminated in the following manner, in addition to the manner provided by the Condominium Act:

A. Destruction. In the event it is determined in the manner elsewhere provided that the condominium Project shall not be reconstructed because of major damage, the condominium plan of ownership will be thereby terminated pursuant to, and in accordance with, Article XIII.

B. Agreement. The condominium may be terminated at any time by the approval, in writing, of all of the Co-Owners of the condominium, and by all record owners of Mortgages upon Units therein. If the proposed termination is submitted to a meeting of the Council, the notice of which meeting gives notice of the proposed termination, and if the approval of the Co-Owners of not less than 75% of the Common Elements and of the record owners of all Mortgages upon Units in the condominium are obtained not later than thirty (30) days from the date of such meeting, then the approving Co-Owners shall have an option to buy all of the Units of the other Co-Owners for the period ending on the 60th day from the date of such meeting. Such option shall be upon the following terms:

1. Exercise of Option. The option shall be exercised by delivery, or mailing by Certified Mail, to each of the record Co-Owners of the Units to be purchased an agreement to purchase signed by the record Co-Owners of Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating Co-Owner and shall agree to purchase all of the Units owned by Co-Owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

2. Price. The sale price of each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by arbitration in accordance with the then existing rules of the American Arbitration Association, except that the arbitrators shall be two appraisers appointed by the American Arbitration Association who shall base their determination upon an average of their appraisals of the Unit; and a judgment of specific performance of the sale upon the award rendered by the arbitrators may be entered in any court of competent jurisdiction. The expense of the arbitration shall be paid by the purchaser.

3. Payment. The purchase price shall be paid in cash.

4. Closing. The sale shall close within ten (10) days following the determination of the sale price.

C. Certification of Termination, Except as Otherwise Provided in Article XIII, Paragraph B. The termination of the condominium in either of the foregoing manners shall be evidenced by an instrument in writing subscribed and acknowledged by all of the Co-Owners requesting the County Clerk of Harris County, Texas, to re-group or merge the records of the filial estates with the principal Property, provided the filial estates are unencumbered, or, if encumbered, then all of the creditors in whose behalf the encumbrances are recorded shall agree to accept, as security, the undivided portions of the property owned by the Co-Owners, which agreement shall be evidenced by an instrument in writing subscribed by each of the creditors and properly acknowledged.

D. Share of Owners After Termination. After termination of the condominium, the Unit Co-Owners shall own the condominium Property and all assets of the Council as tenants in common in undivided shares, and their respective Mortgagees and lienors shall have Mortgages and liens upon the respective mortgaged undivided shares of the Unit Co-Owners. Such undivided shares of the Unit Co-Owners shall be the same as the fractional or percentage interest in the Common Elements appurtenant to the Co-Owners' Units prior to the termination.

E. Amendment. This section concerning termination cannot be amended without consent of all Unit Co-Owners and of all owners of Mortgages required to approve termination by agreement.

ARTICLE XIX

SEVERABILITY


The invalidity in whole or in part of any covenant or restriction, or any section, subsection, sentence, clause, phrase, or word, or other provision of the Declaration and the By-laws and regulations of the Association shall not affect the validity of the remaining portions thereof.

ARTICLE XX

CAPTIONS AND HEADINGS

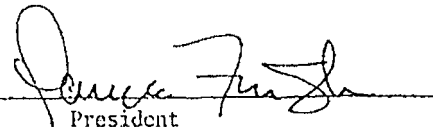
The captions and headings herein are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope of this Declaration, nor the intent or meaning of any provision hereof.

EXECUTED this the 3rd day of FEBRUARY, 1976.

PORTFOLIO MANAGEMENT, INC. 

Attest:


Assistant Secretary

By: 
President

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Richard M. Adams, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said PORTFOLIO MANAGEMENT, INC., and that he executed the same as the act of said corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3rd day of February, 1975.

Nancy Nachtigall
Notary Public in and for
Harris County, Texas

CONSENT OF MORTGAGEE

The undersigned, REPUBLIC OF TEXAS SAVINGS ASSOCIATION, being the owner and holder of an existing Mortgage and liens upon and against the Land and Property described as the Property in the foregoing Declaration, as such Mortgagee and lienholder, does hereby consent to said Declaration and the exhibits attached thereto and to the recording of same for submission of said Property to the provisions and condominium regime of Article 1301a of the Texas Revised Civil Statutes.

This consent shall not be construed or operate as a release of said Mortgage or liens owned and held by the undersigned, or any part thereof, but the undersigned agrees that its said Mortgage and liens shall hereafter be upon and against each and all of the individual Units and all appurtenances thereto, and all of the undivided shares and interests in the Common Elements of the Property and of said condominium regime established by said Declaration.

SIGNED AND ATTESTED by the undersigned by and through its duly authorized officers, this the 3rd day of February, 1976.

REPUBLIC OF TEXAS SAVINGS ASSOCIATION

Attest:

Carol Deane
Secretary

By: [Signature]
Vice-President

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared A. Dalton Smith, Jr., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of said REPUBLIC OF TEXAS SAVINGS ASSOCIATION, a corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 3rd day of February, 1976.

[Signature]
Notary Public in and for
Harris County, Texas

UNIT NO.	BLDG. LETTER	FLOOR	TYPE & NAME	COMMON AREA SHARE %	DESCRIPTION	
					GENERAL	AVERAGE TOTAL SQ.FT.
<u>PHASE I</u>						
105	N	1	E Jefferson	.549	2B-2B	1137
108	N	1	E Jefferson	.549	2B-2B	1137
205	N	2	E Jefferson	.549	2B-2B	1137
206	N	2	G Hawthorne	.594	2B-2B	1230
207	N	2	G Hawthorne	.594	2B-2B	1230
208	N	2	E Jefferson	.549	2B-2B	1137
112	O	1	A/B Bradford	.717	2B-2B-Den	1483
113	O	1	C Madison	.401	1B-1B	829
114	O	1	D Washington	.447	1B-1B	924
115	O	1	D Washington	.447	1B-1B	924
116	O	1	C Madison	.401	1B-1B	829
117	O	1	C Madison	.401	1B-1B	829
118	O	1	D Washington	.447	1B-1B	924
119	O	1	D Washington	.447	1B-1B	924
120	O	1	C Madison	.401	1B-1B	829
121	O	1	A/B Bradford	.717	2B-2B-Den	1483
209	O	2	A Betsy Ross	.334	1B-1B	691
210	O	2	B Nathan Hale	.383	1B-1B	792
211	O	2	B Nathan Hale	.383	1B-1B	792
212	O	2	A Betsy Ross	.334	1B-1B	691
213	O	2	C Madison	.401	1B-1B	829
214	O	2	D Washington	.447	1B-1B	924
215	O	2	D Washington	.447	1B-1B	924
216	O	2	C Madison	.401	1B-1B	829
217	O	2	C Madison	.401	1B-1B	829
218	O	2	D Washington	.447	1B-1B	924
219	O	2	D Washington	.447	1B-1B	924
220	O	2	C Madison	.401	1B-1B	829
221	O	2	A Betsy Ross	.334	1B-1B	691
222	O	2	B Nathan Hale	.383	1B-1B	792
223	O	2	B Nathan Hale	.383	1B-1B	792
224	O	2	A Betsy Ross	.334	1B-1B	691
125	P	1	E Jefferson	.549	2B-2B	1137
128	P	1	E Jefferson	.549	2B-2B	1137
225	P	2	E Jefferson	.549	2B-2B	1137
226	P	2	G Hawthorne	.594	2B-2B	1230
227	P	2	G Hawthorne	.594	2B-2B	1230
228	P	2	E Jefferson	.549	2B-2B	1137
101	Q	1	E Jefferson	.549	2B-2B	1137
102	Q	1	G Hawthorne	.594	2B-2B	1230
103	Q	1	G Hawthorne	.594	2B-2B	1230
104	Q	1	E Jefferson	.549	2B-2B	1137
201	Q	2	E Jefferson	.549	2B-2B	1137
202	Q	2	G Hawthorne	.594	2B-2B	1230
203	Q	2	G Hawthorne	.594	2B-2B	1230
204	Q	2	E Jefferson	.549	2B-2B	1137
101	R	1	E Jefferson	.549	2B-2B	1137
201	R	2	E Jefferson	.549	2B-2B	1137
202	R	2	G Hawthorne	.594	2B-2B	1230
103	S	1	E Jefferson	.549	2B-2B	1137
106	S	1	E Jefferson	.549	2B-2B	1137
107	S	1	E Jefferson	.549	2B-2B	1137
110	S	1	E Jefferson	.549	2B-2B	1137
203	S	2	E Jefferson	.549	2B-2B	1137

PHASE I - Continued

UNIT NO.	BLDG. LETTER	FLOOR	TYPE & NAME	COMMON AREA SHARE %	DESCRIPTION	
					GENERAL	AVERAGE TOTAL SQ. FT.
204	S	2	G Hawthorne	.594	2B-2B	1230
205	S	2	G Hawthorne	.594	2B-2B	1230
206	S	2	E Jefferson	.549	2B-2B	1137
207	S	2	E Jefferson	.549	2B-2B	1137
208	S	2	G Hawthorne	.594	2B-2B	1230
209	S	2	G Hawthorne	.594	2B-2B	1230
210	S	2	E Jefferson	.549	2B-2B	1137
101	T	1	G Hawthorne	.594	2B-2B	1230
102	T	1	A/B Bradford	.717	2B-2B-Den	1483
104	T	1	D Washington	.447	1B-1B	924
105	T	1	C Madison	.401	1B-1B	829
106	T	1	C Madison	.401	1B-1B	829
107	T	1	D Washington	.447	1B-1B	924
108	T	1	B Nathan Hale	.383	1B-1B	792
109	T	1	E Jefferson	.549	2B-2B	1137
201	T	2	G Hawthorne	.594	2B-2B	1230
202	T	2	A Betsy Ross	.334	1B-1B	691
203	T	2	B Nathan Hale	.383	1B-1B	792
204	T	2	D Washington	.447	1B-1B	924
205	T	2	C Madison	.401	1B-1B	829
206	T	2	C Madison	.401	1B-1B	829
207	T	2	D Washington	.447	1B-1B	924
208	T	2	B Nathan Hale	.383	1B-1B	792
209	T	2	E Jefferson	.549	2B-2B	1137

PHASE II

101	I	1	C Madison	.401	1B-1B	829
104	I	1	C Madison	.401	1B-1B	829
105	I	1	A Betsy Ross	.334	1B-1B	691
108	I	1	A Betsy Ross	.334	1B-1B	691
201	I	2	C Madison	.401	1B-1B	829
202	I	2	D Washington	.447	1B-1B	924
203	I	2	D Washington	.447	1B-1B	924
204	I	2	C Madison	.401	1B-1B	829
205	I	2	A Betsy Ross	.334	1B-1B	691
206	I	2	B Nathan Hale	.383	1B-1B	792
207	I	2	B Nathan Hale	.383	1B-1B	792
208	I	2	A Betsy Ross	.334	1B-1B	691
105	J	1	C Madison	.401	1B-1B	829
108	J	1	C Madison	.401	1B-1B	829
205	J	2	C Madison	.401	1B-1B	829
206	J	2	D Washington	.447	1B-1B	924
207	J	2	D Washington	.447	1B-1B	924
208	J	2	C Madison	.401	1B-1B	829
112	K	1	A/B Bradford	.717	2B-2B-Den	1483
113	K	1	C Madison	.401	1B-1B	829
114	K	1	D Washington	.447	1B-1B	924
115	K	1	D Washington	.447	1B-1B	924
116	K	1	C Madison	.401	1B-1B	829
117	K	1	C Madison	.401	1B-1B	829
118	K	1	D Washington	.447	1B-1B	924
119	K	1	D Washington	.447	1B-1B	924
120	K	1	C Madison	.401	1B-1B	829
121	K	1	A/B Bradford	.717	2B-2B Den	1483
209	K	2	A Betsy Ross	.334	1B-1B	691
210	K	2	B Nathan Hale	.383	1B-1B	792
211	K	2	B Nathan Hale	.383	1B-1B	792

PHASE II - Continued

UNIT NO.	BLDG. LETTER	FLOOR	TYPE & NAME	COMMON AREA SHARE %	DESCRIPTION	
					GENERAL	AVERAGE TOTAL SQ. FT.
212	K	2	A Betsy Ross	.334	1B-1B	691
213	K	2	C Madison	.401	1B-1B	829
214	K	2	D Washington	.447	1B-1B	924
215	K	2	D Washington	.447	1B-1B	924
216	K	2	C Madison	.401	1B-1B	829
217	K	2	C Madison	.401	1B-1B	829
218	K	2	D Washington	.447	1B-1B	924
219	K	2	D Washington	.447	1B-1B	924
220	K	2	C Madison	.401	1B-1B	829
221	K	2	A Betsy Ross	.334	1B-1B	691
222	K	2	B Nathan Hale	.383	1B-1B	792
223	K	2	B Nathan Hale	.383	1B-1B	792
224	K	2	A Betsy Ross	.334	1B-1B	691
125	L	1	E Jefferson	.549	2B-2B	1137
128	L	1	E Jefferson	.549	2B-2B	1137
225	L	2	E Jefferson	.549	2B-2B	1137
226	L	2	F Patrick Henry	.602	3B-2B	1246
227	L	2	F Patrick Henry	.602	3B-2B	1246
228	L	2	E Jefferson	.549	2B-2B	1137
101	M	1	E Jefferson	.549	2B-2B	1137
102	M	1	G Hawthorne	.594	2B-2B	1230
103	M	1	G Hawthorne	.594	2B-2B	1230
104	M	1	E Jefferson	.549	2B-2B	1137
201	M	2	E Jefferson	.549	2B-2B	1137
202	M	2	G Hawthorne	.594	2B-2B	1230
203	M	2	G Hawthorne	.594	2B-2B	1230
204	M	2	E Jefferson	.549	2B-2B	1137

PHASE III
TOWNHOUSES--(TH)

102	A	TH	L		1.173	2B-2-1/2B	2428
104	A	TH	M	Winthrop	.982	3B-2-1/2B	2033
106	A	TH	J-3	Mason	.751	2B-2-1/2B	1554
108	A	TH	J-3	Mason	.751	2B-2-1/2B	1554
101	B	TH	M	Winthrop	.982	3B-2-1/2B	2033
103	B	TH	K	Hamilton	.821	2B-2-1/2B	1700
105	B	TH	M	Winthrop	.982	3B-2-1/2B	2033
107	B	TH	N		1.711	4B-4 1/2B	3540
102	C	TH	K	Hamilton	.821	2B-2-1/2B	1700
104	C	TH	K	Hamilton	.821	2B-2-1/2B	1700
106	C	TH	K	Hamilton	.821	2B-2-1/2B	1700
108	C	TH	M	Winthrop	.982	3B-2-1/2B	2033
110	C	TH	L		1.173	2B-2-1/2B	2428
101	D	TH	J-3	Mason	.751	2B-2-1/2B	1554
103	D	TH	J-3	Mason	.751	2B-2-1/2B	1554
105	D	TH	J-2	Adams	.725	2B-2-1/2B	1500
107	D	TH	J-4	Franklin	.753	2B-2-1/2B	1558
109	D	TH	J-1	Emerson	.725	2B-2-1/2B	1500
111	D	TH	J-3	Mason	.751	2B-2-1/2B	1554
102	E	TH	J-4	Franklin	.753	2B-2-1/2B	1558
104	E	TH	J-4	Franklin	.753	2B-2-1/2B	1558
106	E	TH	J-1	Emerson	.725	2B-2-1/2B	1500
108	E	TH	J-3	Mason	.751	2B-2-1/2B	1554
110	E	TH	J-2	Adams	.725	2B-2-1/2B	1500
112	E	TH	J-4	Franklin	.753	2B-2 1/2B	1558
101	F	TH	J-2	Adams	.725	2B-2-1/2B	1500
103	F	TH	J-4	Franklin	.753	2B-2-1/2B	1558

PHASE III
TOWNHOUSES - (TH) - Continued

UNIT NO.	BLDG. LETTER	FLOOR	TYPE & NAME	COMMON AREA SHARE %	DESCRIPTION	
					GENERAL	AVERAGE TOTAL SQ. FT.
105	F	TH	J-3 Mason	.751	2B-2-1/2B	1554
107	F	TH	J-3 Mason	.751	2B-2-1/2B	1554
109	F	TH	J-4 Franklin	.753	2B-2-1/2B	1558
111	F	TH	J-4 Franklin	.753	2B-2-1/2B	1558
102	G	TH	J-3 Mason	.751	2B-2-1/2B	1554
104	G	TH	J-1 Emerson	.725	2B-2-1/2B	1500
106	G	TH	J-4 Franklin	.753	2B-2-1/2B	1558
108	G	TH	J-2 Adams	.725	2B-2-1/2B	1500
110	G	TH	J-3 Mason	.751	2B-2-1/2B	1554
112	G	TH	J-3 Mason	.751	2B-2-1/2B	1554
101	H	TH	J-4 Franklin	.753	2B-2-1/2B	1558
103	H	TH	J-2 Adams	.725	2B-2-1/2B	1500
105	H	TH	J-3 Mason	.751	2B-2-1/2B	1554
107	H	TH	J-1 Emerson	.725	2B-2-1/2B	1500
109	H	TH	J-4 Franklin	.753	2B-2-1/2B	1558
111	H	TH	J-4 Franklin	.753	2B-2-1/2B	1558

PLAN FOR THE DEERWOOD CONDOMINIUM PROJECT

ATTACHED TO

CONDOMINIUM DECLARATION

FOR

DEERWOOD

AS EXHIBIT "B"

A tract of land containing 7.713 acres of land, more or less, in the John D. Taylor League, Abstract No. 72, Harris County, Texas, being all of DEERWOOD TOWNHOUSES AND APARTMENTS, a subdivision in Harris County, Texas, according to the map or plat thereof, recorded in Volume 160, Page 86 of the Map Records of Harris County, Texas; subject to:

1. Taxes for the year 1975 and subsequent years.
2. The following lien(s) and all terms, provisions and conditions of the instrument(s) creating or evidencing said lien(s):

Vendor's Lien retained in deed dated June 30, 1975 from Frank H. Malone and Arthur L. Talk, to Portfolio Management, Inc., a Delaware corporation, securing the payment of one certain promissory note of even date therewith in the principal amount of \$4,250,000.00 payable to the order of Republic of Texas Savings Association, as therein provided. Said note being additionally secured by a Deed of Trust of even date therewith to Conway F. Jordan, Jr., Trustee, filed for record in the office of the County Clerk of Harris County, Texas on July 8, 1975 under Clerk's File No. E-479371, and refiled on July 11, 1975 under Harris County Clerk's File No. E-482353. Said note additionally secured by Assignment of Rentals dated June 30, 1975 under Clerk's File No. E-479372.

3. Twenty (20) foot sanitary sewer easement over the Southwesterly portion of the herein described property as shown on map recorded in Volume 160, Page 86 of the Map Records of Harris County, Texas.
4. Drainage easement to Harris County Flood Control District over the Westerly portion as shown on map recorded in Volume 160, Page 86 of the Map Records of Harris County, Texas.
5. Easement Five (5) feet in width for the use of public utilities, along a portion of the Northerly line of the herein described property as shown on map recorded in Volume 160, Page 86 of the Map Records of Harris County, Texas.
6. Ten (10) foot water main easement, adjacent to and adjoining the paved private street, and Two (2) Ten (10) foot water main easements across said street, as shown on map recorded in Volume 160, Page 86 of the Map Records of Harris County, Texas.
7. Ten (10) foot easement for water line purposes, as granted to the City of Houston in instrument recorded in Volume 8136, Page 239 of the Deed Records of Harris County, Texas.
8. Easement for ingress and egress crossing the South line of the herein described property and within a Forty-one (41) foot roadway, as set out in Deed recorded in Volume 7493, Page 521 of the Deed Records of Harris County, Texas.
9. One-half (1/2) of all oil, gas and other minerals of every character in and under the herein described property reserved by The Board of Regents of The University of Texas in instrument recorded in Volume 1165, Page 652 of the Deed Records of Harris County, Texas, reference to which instrument is here made for all purposes. Title to said interest has not been investigated subsequent to date of the aforesaid instrument.
10. One-half (1/2) royalty interest in all of the oil, gas and other minerals in and under the herein described property reserved by The Board of Regents of The University of Texas, in instrument recorded in Volume 1165, Page 652 of the Deed Records of Harris County, Texas.
11. Unrecorded Agreement referred to in Deed dated January 30, 1969 recorded in Volume 7493, Page 521 of the Deed Records of Harris County, Texas from Fred T. Couper to Frank H. Malone and Arthur L. Talk.
12. Permission to build over various Easements granted to Arthur L. Talk and Frank H. Malone, in instruments recorded in Volume 7970, Page 266, Volume 8057, Page 47, Volume 8057, Page 49, all of the Deed Records of Harris County, Texas.

DEERWOOD GARDENS
A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
VOL.23 PAGE 1

DEERWOOD GARDENS
A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
VOL.23 PAGE 17

STATE OF TEXAS }
COUNTY OF HARRIS }

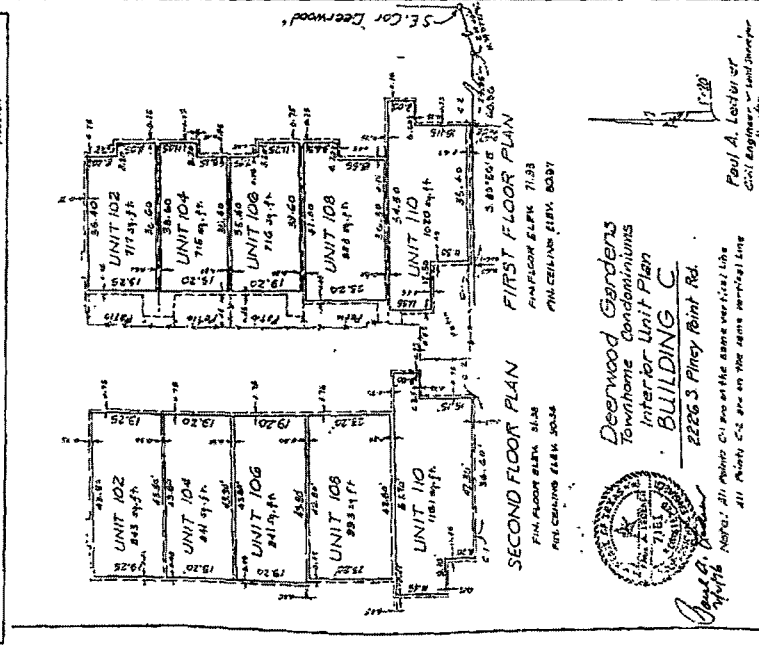
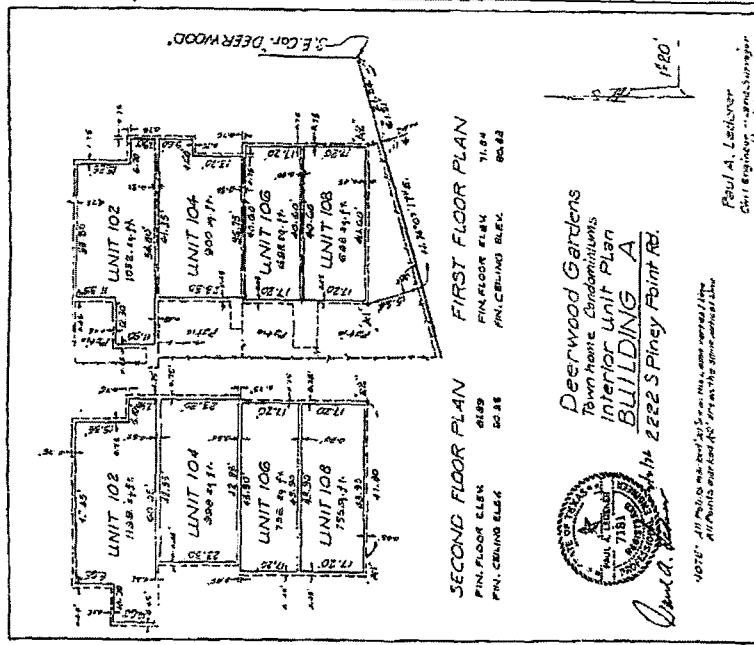
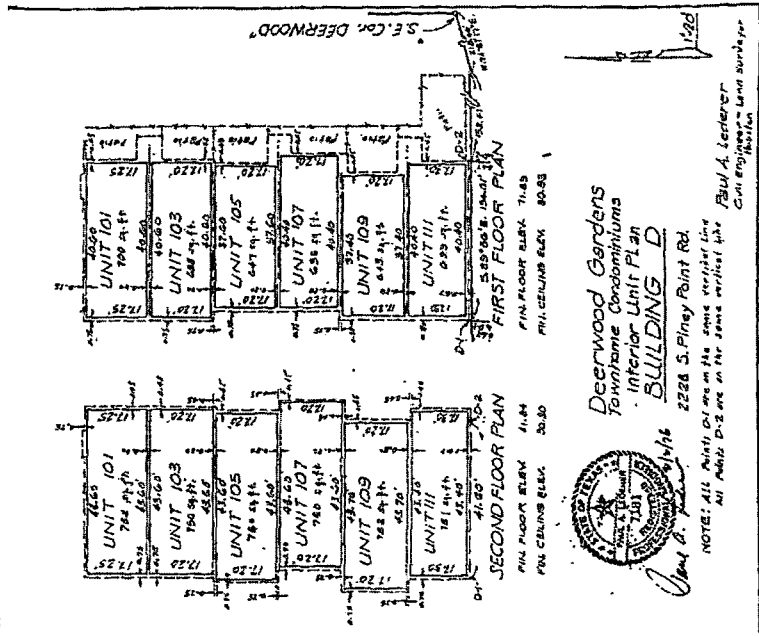
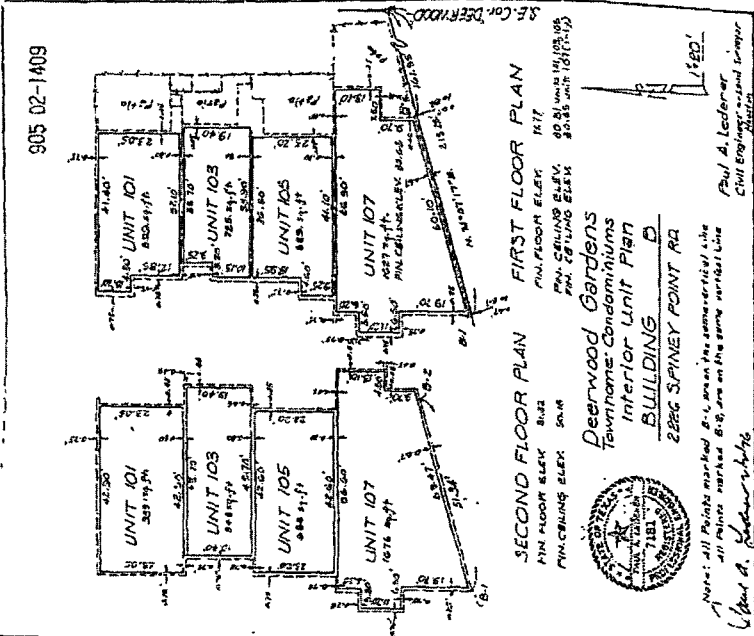
I hereby certify that this instrument was FILED in
File Number Sequence on the date and at the time stamped
hereon by me; and was duly RECORDED, in the Official
Public Records of Real Property of Harris County, Texas on

FEB - 5 1976



[Handwritten Signature]
COUNTY CLERK,
HARRIS COUNTY, TEXAS

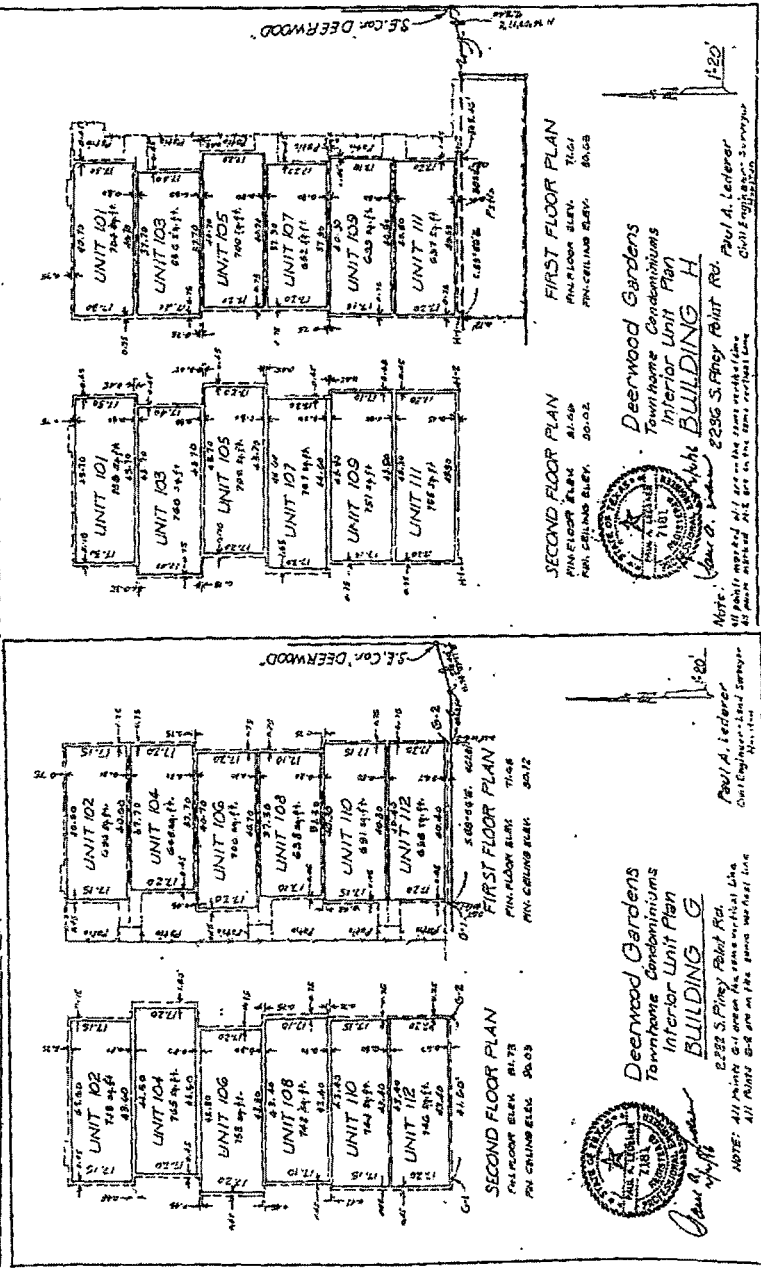
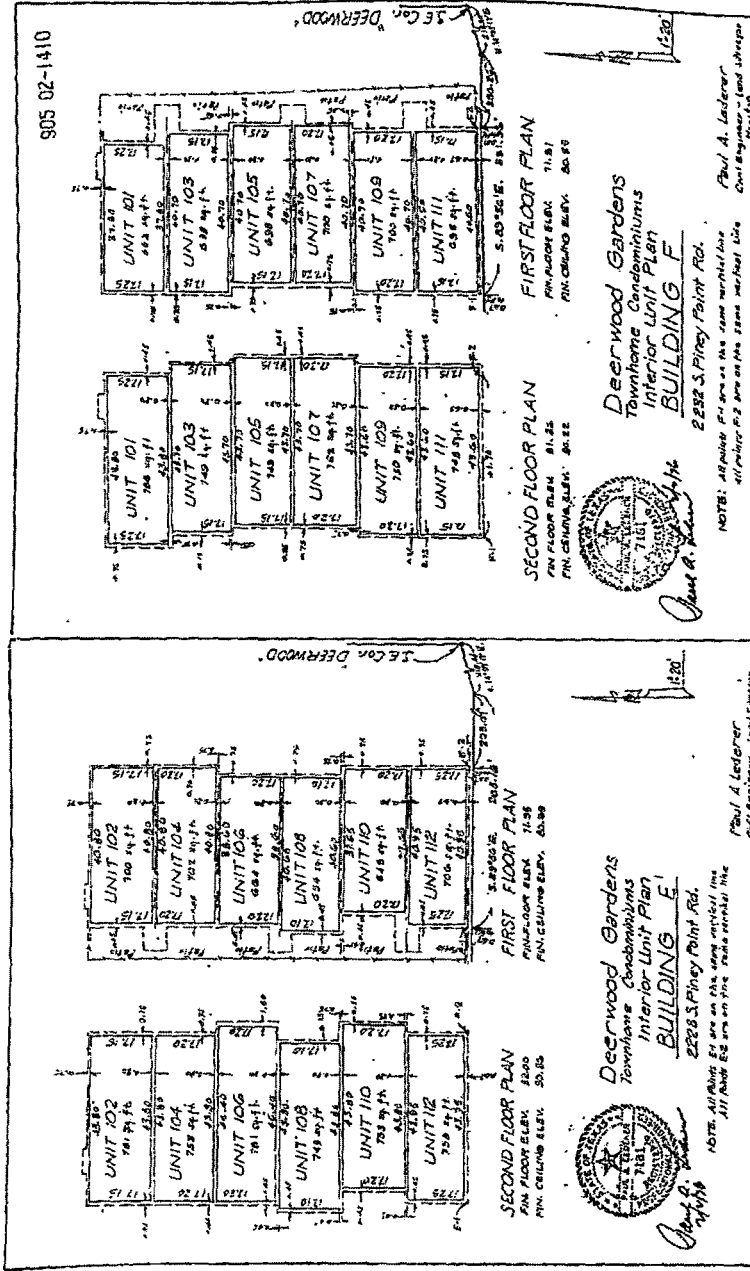
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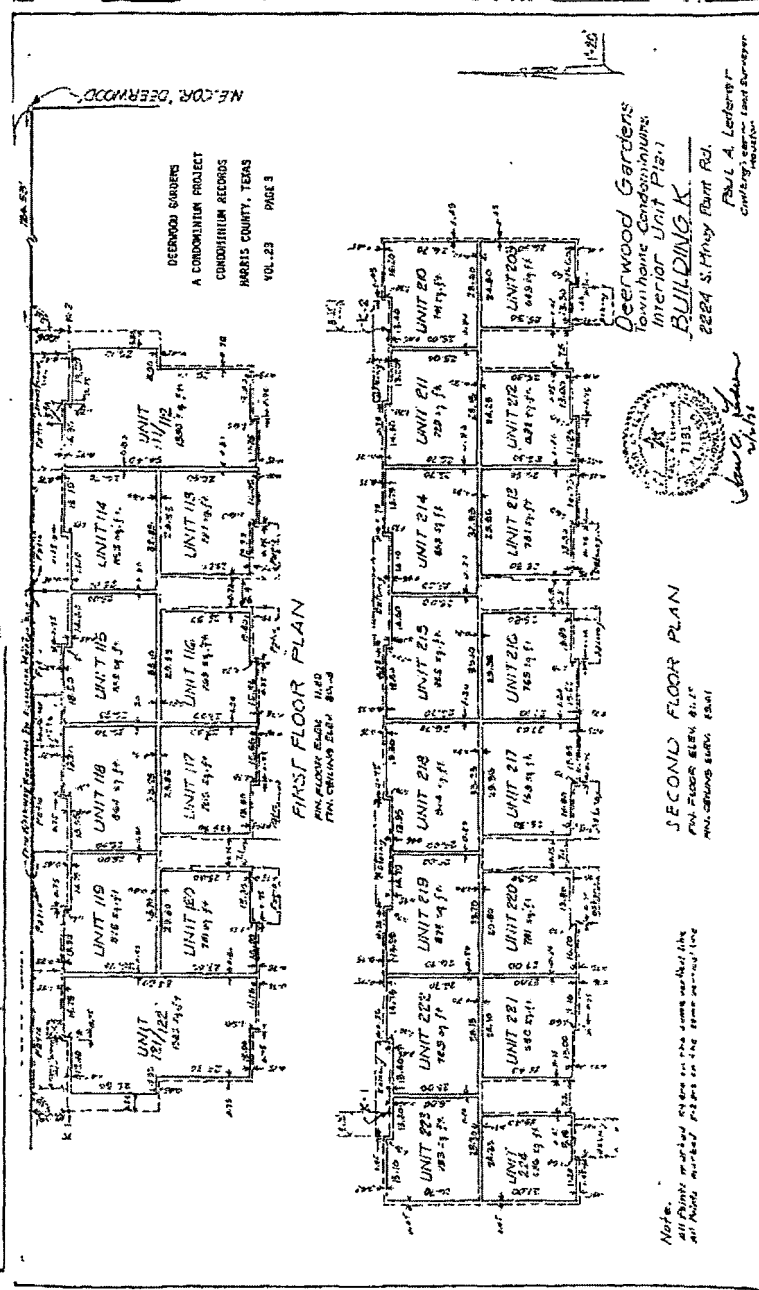
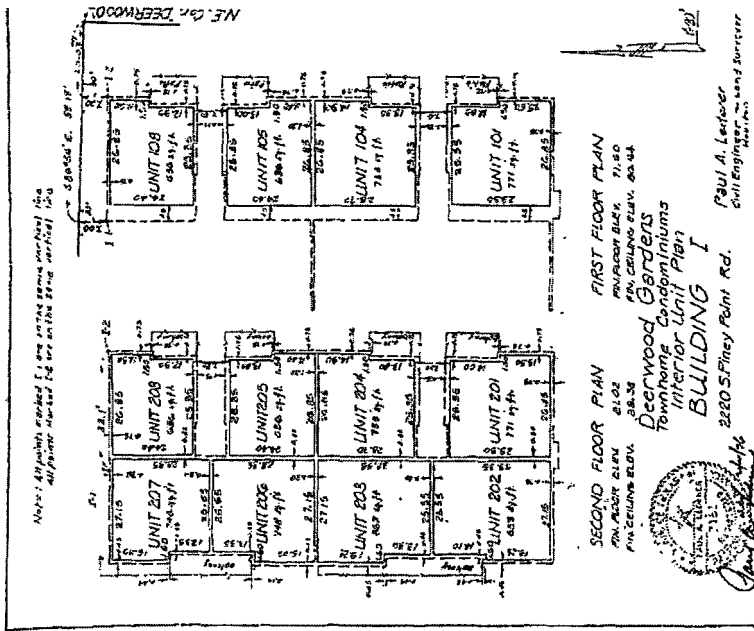
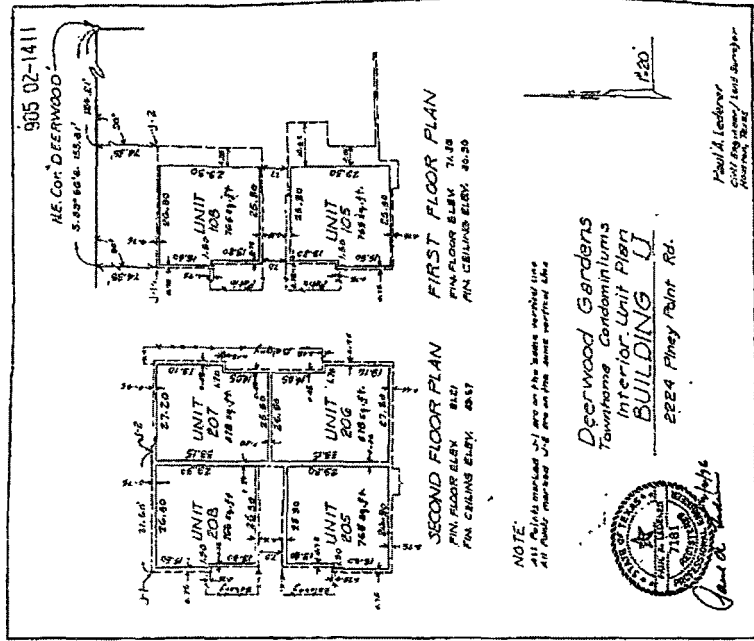
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A CONDOMINIUM PROJECT
COMMITTEE RECORDS
HARRIS COUNTY, TEXAS
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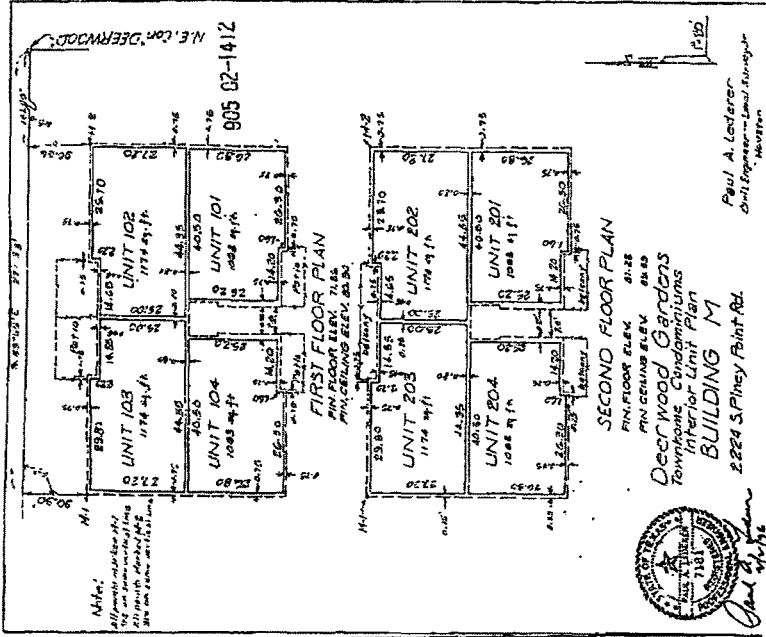
Paul A. Lederer

County Clerk Harris County, Texas

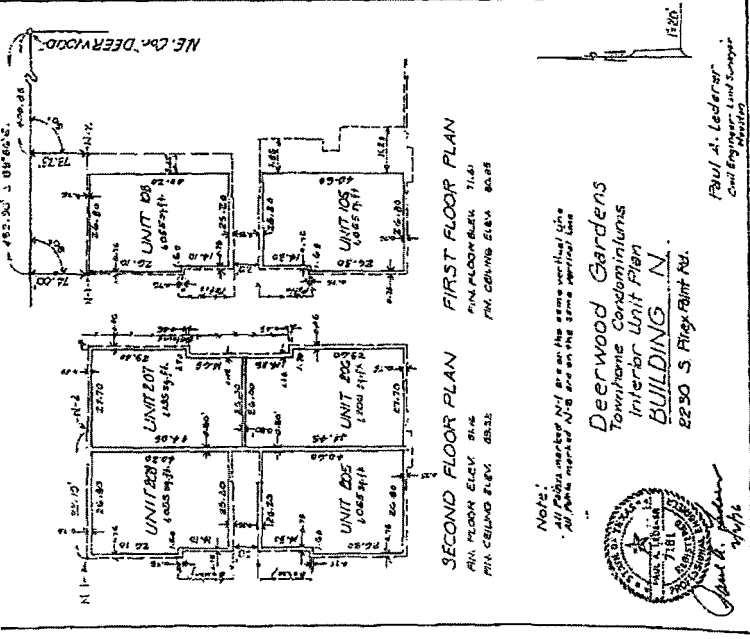
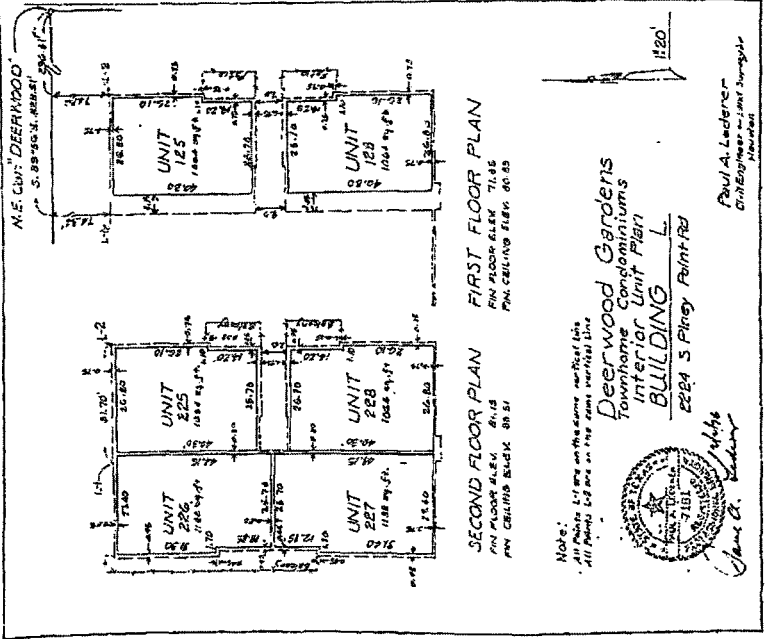


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A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
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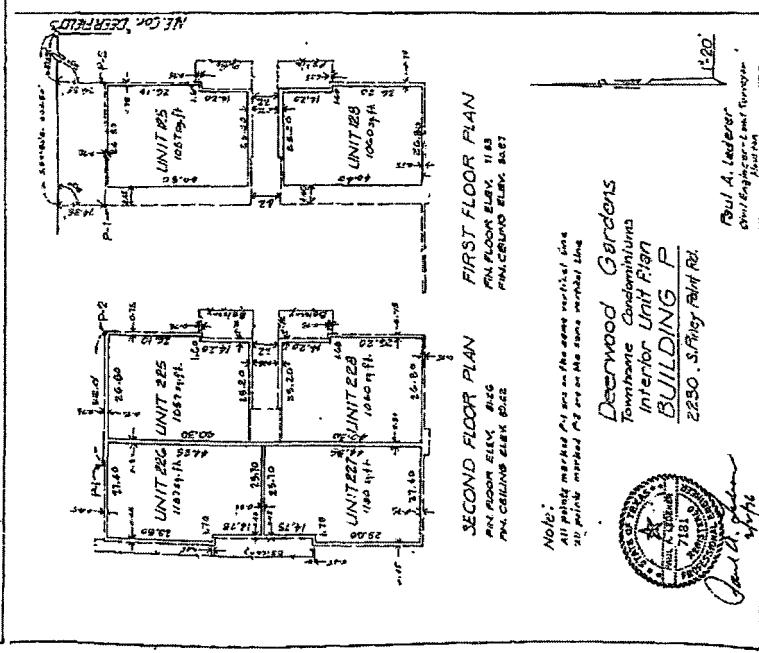
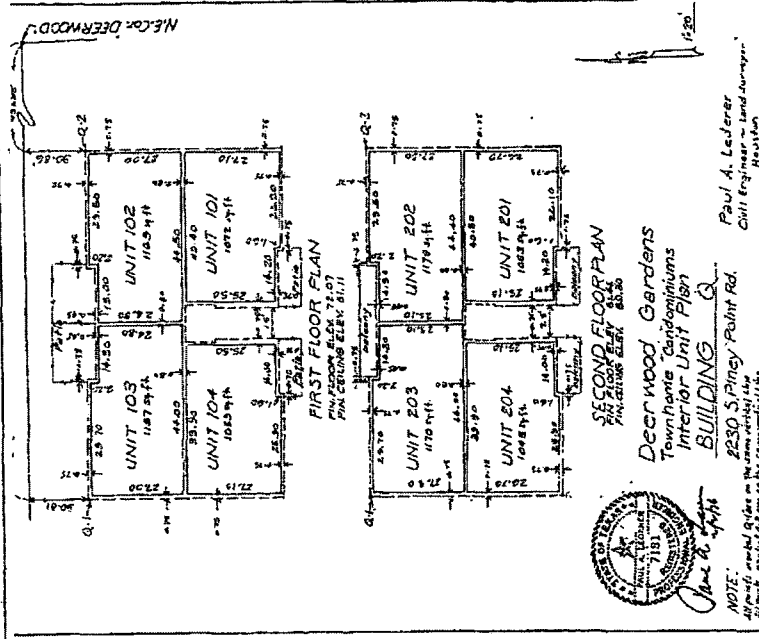
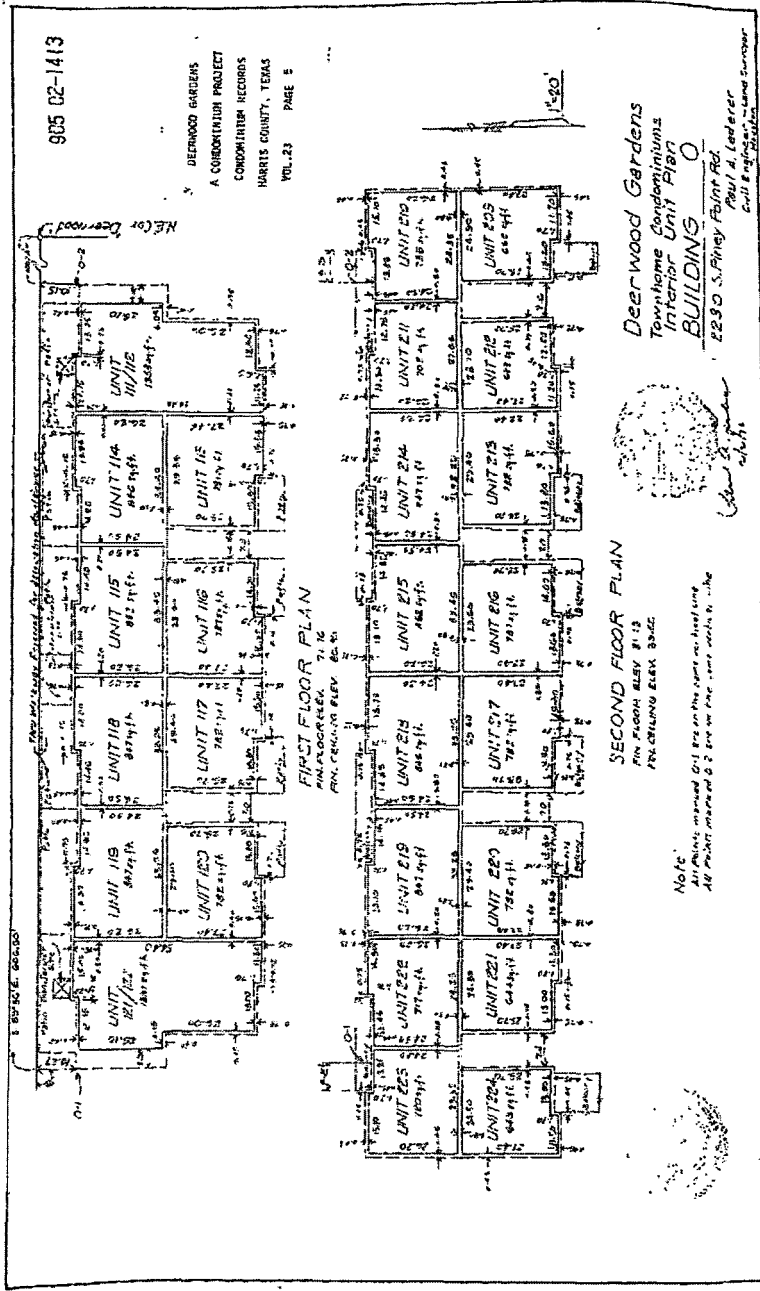




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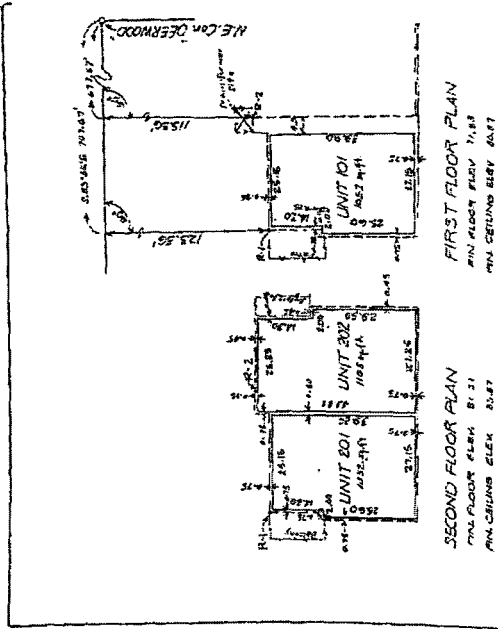
Lucia Malysh



Paul A. Ledner



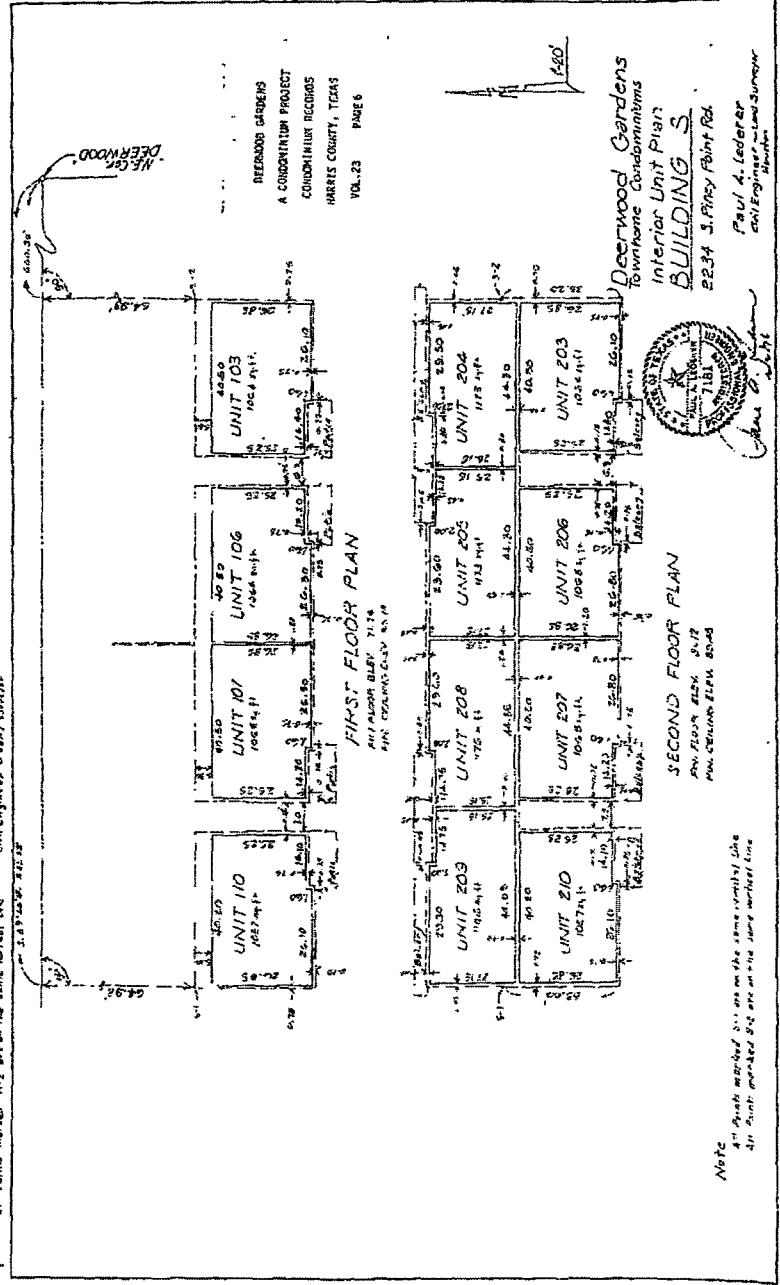
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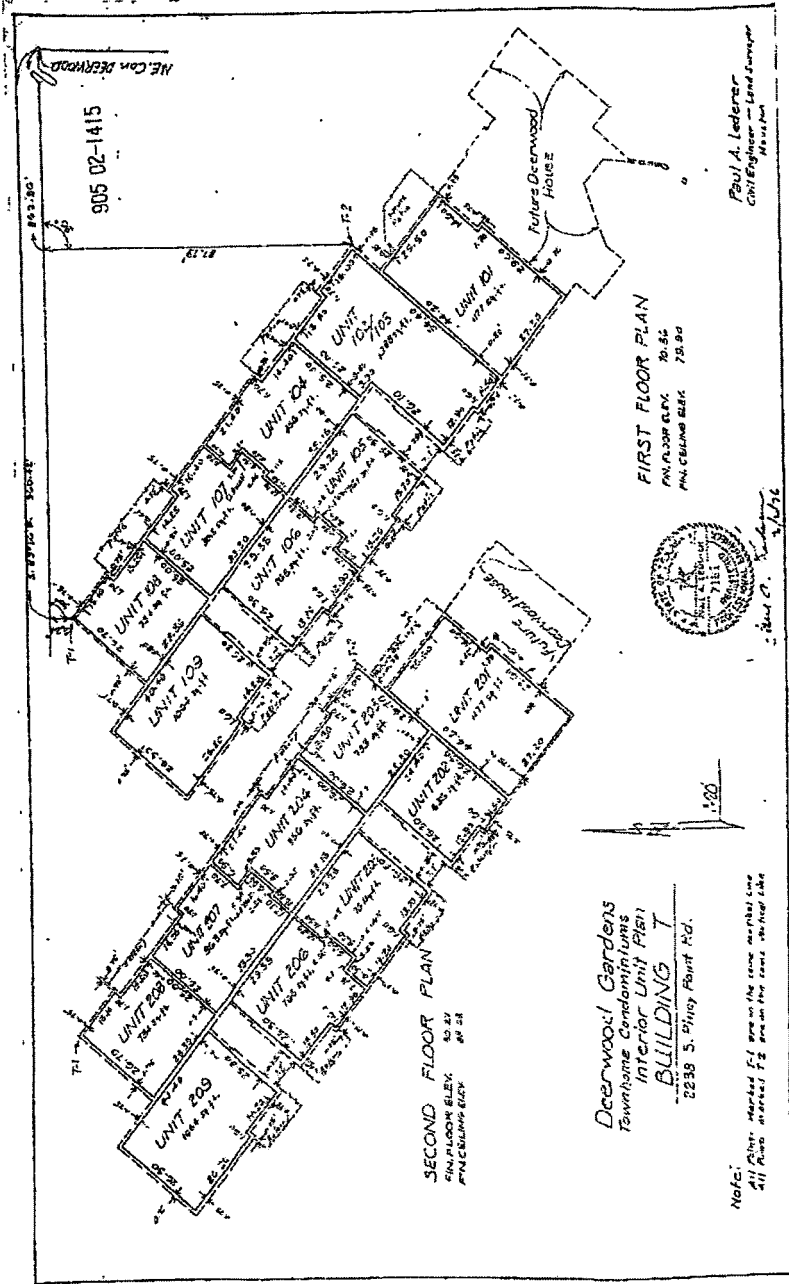


Deerwood Gardens
Townhome Condominiums
Interior Unit Plan
BUILDING R
2234 S. Piney Point Rd.



Paul A. Ledner
Civil Engineer, License No. 7181
Note:
All finish marked S11 are on the same vertical line
All finish marked S12 are on the same vertical line
All finish marked S13 are on the same vertical line





Paul A. Ledner
Civil Engineer - Land Surveyor
No. 11111

FIRST FLOOR PLAN
FIN. FLOOR ELEV. 70.56
FIN. CEILING ELEV. 75.90



Deerwood Gardens
Townhome Condominiums
Interior Unit Plan
BUILDING 7
2238 S. Birch Court Rd.

Note:
All elev. marked F.F. are on the same vertical curve
All elev. marked F.C. are on the same vertical curve.

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