THE SPIRES ASSOCIATION

Articles of Incorporation
By-Laws
Declaration

PoC-aM(IC+)

The State of Texas

Secretary of State

CERTIFICATE OF AMENDMENT

FOR

THE SPIRES ASSOCIATION

FORMERLY

THE SPIRES COUNCIL OF CO-OWNERS
CHARTER NUMBER 00661170

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF AMENDMENT FOR THE ABOVE NAMED ENTITY HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF AMENDMENT.

DATED OCT. 28, 1996

EFFECTIVE OCT. 28, 1996

Antonio O. Garza, Jr., Secretary of State

FILED
In the Office of the
Secretary of State of Texas
OCT 2 8 1996
Corporations Section

THE SPIRES

FIRST AMENDED AND RESTATED ARTICLES OF INCORPORATION

Pursuant to the provisions of Article 1396-4.06 of the Texas Non-Profit Corporation Act (hereafter referred to as the "Act"), the undersigned Corporation adopts the following First Amended and Restated Articles of Incorporation, the effect of the hereinafter stated provisions being the following:

1. Restate the Articles of Incorporation of the Corporation pursuant to Article 1396-4.06.A.(2) of the Act, based on the combined effect of:

   (a) The Corporation's Articles of Incorporation dated June 15, 1983 filed in the Office of the Secretary of State of Texas on June 24, 1983; and

   (b) The amendments set forth in this First Amended and Restated Articles of Incorporation as more particularly described in Item 2 next succeeding and as expressly stated subsequently in this instrument.

2. Amend such Articles of Incorporation for the following purposes:

   (a) To change the name of the Corporation from The Spires Council of Co-Owners to The Spires Association;

   (b) To indicate, in substance, that notwithstanding that The Spires was "established" pursuant to the Texas Condominium Act (as presently provided in Article IV(1) of the Articles of Incorporation), The Spires is electing to be governed by the Uniform Condominium Act (and ceasing to be governed by the Texas Condominium Act) and to indicate an enlargement of the purposes of the Corporation;

   (c) To delete the entirety of the second paragraph of existing Article VIII of the Articles of Incorporation;

   (d) To delete existing Article X of the Articles of Incorporation;

   (e) To delete existing Article XI of the Articles of Incorporation (relating to alteration, amendment and repeal of the By-Laws of the Corporation) for the purpose of providing that the procedures and necessary approvals for amending the By-Laws of the Corporation shall not be contained in the Articles of Incorporation;

(f) To provide for exculpation of directors of the Corporation pursuant to Article 1302-7.06 of the Texas Miscellaneous Corporation Laws Act;

(g) Pursuant to Article 1396-9.08 (entitled "Greater Voting Requirements") of the Act, to provide in the Articles of Incorporation, as hereby amended and restated, that any portion of the By-Laws of the Corporation which, from time to time, requires the vote or concurrence of a greater proportion of the members than is required by the Act, shall be deemed required by the Articles of Incorporation, as amended and restated; and

(h) To comply with the provisions of Article 1396-9.10.C.(1) of the Act which provides that Articles of Incorporation may provide that any action required by the Act which is to be taken at a meeting of the members or directors (or that any action which may be taken at a meeting of the members or directors) may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members or directors as would be necessary to take that action at a meeting at which all of the members or directors were present and voted;

ARTICLE I.

The name of the Corporation is:

THE SPIRES ASSOCIATION

ARTICLE II.

The Corporation is a non-profit corporation.

ARTICLE III.

The period of the Corporation's duration shall be perpetual.

ARTICLE IV.

The purpose or purposes for which the Corporation is organized are:

1. To provide for the administration, management, maintenance, preservation and control of The Spires, a condominium project located in Houston, Harris County, Texas ("The Spires"), established pursuant to the Texas Condominium Act, Tex. Prop. Code Ann. (Vernon's 1984)

§ 81.001, *et seq.*, formerly, prior to its recodification, cited as Tex. Rev. Civ. Stat. (Vernon's 1963) Art. 1301(a), *et seq.*

Notwithstanding the provisions of the preceding sentence indicating that The Spires was "established" pursuant to the Texas Condominium Act, by a separate instrument being filed in the Official Pubic Records of Real Property of Harris County, Texas, the Corporation is electing to be governed exclusively under Chapter 82 (entitled "Uniform Condominium Act") of the Texas Property Code, Tex. Prop. Code (Vernon's 1994) § 82.001, *et seq.* (hereafter referred to as the "Uniform Condominium Act") in the manner provided in the Uniform Condominium Act.

2. To exercise all of the powers of a unit owners' association pursuant to Tex. Prop. Code (Vernon's 1994) § 82.102 (except, however, that, notwithstanding the provisions of Paragraph (a) of said § 82.102 authorizing the Board of Directors to adopt or amend By-Laws of the Corporation unless otherwise provided by the Declaration, except in the event that the powers of the Board of Directors of the Corporation are subsequently hereafter enlarged by means of amendment of the Articles of Incorporation or By-Laws or Declaration of the Corporation to specifically authorize such action, the Board of Directors of the Corporation is not authorized to adopt or amend the By-Laws of the Corporation) and henceforth (and heretofore) one of the purposes for which the Corporation is (and was) organized and shall be (and has been) operated is primarily for the purpose of carrying on one or more of the exempt functions of a homeowners association (as a condominium management association) under Section 528 of the Internal Revenue Code of 1986 and the regulations promulgated pursuant thereto (specifically including Treas. Reg. Sec. 1.528-2(1)), such functions being the acquisition, construction, management, maintenance, and care of Corporation property.

3. To exercise all powers and perform all duties imposed upon this corporation in accordance with the Declaration of Condominium of The Spires, as such Declaration may hereafter be amended, including, without limitation, to fix, levy, collect and enforce payment by lawful means of all charges or assessments affecting The Spires; to pay all expenses in connection therewith and all expenditures incident to the conduct of the administration and business of The Spires and all licenses, franchise taxes, and governmental charges levied or imposed against the Corporation or the Common Elements of The Spires.

4. In connection with the affairs of The Spires, to buy, sell and deal in real property, personal property and services and to exercise any and all other powers, rights and privileges which a corporation organized under the Act by law may now or hereafter exercise.

The aforesaid statement of purposes shall be construed as a statement of both purposes and of powers and shall be broadly construed to effectuate its intent. Notwithstanding the foregoing, nothing contained herein shall be construed as authorizing the Corporation to transact any business in the State of Texas which is expressly prohibited by any law of Texas, or to engage in any activity which cannot be lawfully engaged in by a corporation under the Act.

ARTICLE V.

The street address of the registered office of the Corporation is 808 Travis Street, Houston, Texas 77002, and the name of the Corporation's registered agent at such address is Richard C. Lievens.

ARTICLE VI.

The number of Directors constituting the Board of Directors of the Corporation is eleven (11) and the names and addresses of the persons serving as Directors on August 19, 1996, the effective date hereof, are:

Name	*Address*
Raye Lynn Alford	2001 Holcombe Houston, Texas 77030
Mostafa Banijamali	2001 Holcombe Houston, Texas 77030
Pam Blohm	2001 Holcombe Houston, Texas 77030
Maurice Blonstein	2001 Holcombe Houston, Texas 77030
Mary Fairbrother	2001 Holcombe Houston, Texas 77030
Lewis Humke	2001 Holcombe Houston, Texas 77030
Mahmood Pakzaban	2001 Holcombe Houston, Texas 77030

Richard Palmer	2001 Holcombe Houston, Texas 77030
David Rieniets	2001 Holcombe Houston, Texas 77030
Nancy Wagner	2001 Holcombe Houston, Texas 77030
Ralph Yarborough	2001 Holcombe Houston, Texas 77030

ARTICLE VII.

These First Amended and Restated Articles of Incorporation may be amended only upon the affirmative vote of the holders of seventy-five (75%) percent or more of the total number of votes entitled to be cast by all of the members of the Corporation.

ARTICLE VIII.

Every person or entity who is a record owner of a residence unit ("Residence Unit") or legal interest therein, in The Spires (except those persons or entities holding an interest only as security for the performance of an obligation), and only such persons or entities, shall be a member of the Corporation. Membership in the Corporation shall be appurtenant to and may not be separated from ownership of any Residence Unit in The Spires. Ownership of such Residence Unit or interest therein shall be the sole qualification for membership in the Corporation. The Corporation may (but shall not be required to) issue certificates evidencing membership herein.

ARTICLE IX.

Pursuant to Article 1302-7.06 of the Texas Miscellaneous Corporation Laws Act, it is hereby provided that a director of the Corporation shall not be liable to the Corporation or its members for monetary damages for an act or omission in the director's capacity as a director, except that this provision does not eliminate or limit the liability of a director to the extent that the director is found liable for:

(a) A breach of the director's duty of loyalty to the Corporation or its members;

(b) An act or omission not in good faith that constitutes a breach of the duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of the law;

(c) A transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or

(d) An act or omission for which the liability of a director is expressly provided by an applicable statute.

ARTICLE X.

Pursuant to Article 1396-9.08 (entitled "Greater Voting Requirements") of the Act, it is here provided that any portion of the By-Laws of the Corporation which, from time to time, requires the vote or concurrence of a greater proportion of the members than is required by the Act, shall be deemed required by these First Amended and Restated Articles of Incorporation.

ARTICLE XI.

In order to comply with the provisions of Article 1396-9.10.C.(1) of the Act, it is here provided that any action required by the Act which is to be taken at a meeting of the members or directors (or that any action which may be taken at a meeting of the members or directors) may be taken without a meeting of the members or directors if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members or directors as would be necessary to take that action at a meeting at which all of the members or directors were present and voted. In this connection, to the extent applicable, the other provisions of Article 1396-9.10.C. of the Act shall also be complied with.

ARTICLE XII.

The members of the Corporation have voting rights. Effective as of August 19, 1996, the amendments in the Articles of Incorporation of the Corporation which are set forth in this First Amended and Restated Articles of Incorporation were adopted at an annual meeting of members held on such date (as adjourned to August 28, 1996). A quorum was present at such meeting (as adjourned to August 28, 1996). Such amendments received the requisite affirmative vote (in person or by proxy) of the holders of not less than seventy-five percent (75%) of the total number of votes entitled to be cast by all of the members of the Corporation.

ARTICLE XIII.

This instrument accurately copies the Articles of Incorporation of the Corporation and all amendments thereto that are in effect to date (of which there are none) and as further amended by these First Amended and Restated Articles of Incorporation; and this instrument contains no other change in any provision of such Articles of Incorporation.

ARTICLE XIV.

Each amendment of said Articles of Incorporation made by this First Amended and Restated Articles of Incorporation has been effected in conformity with the provisions of the Act.

IN WITNESS WHEREOF, the undersigned officer has executed these Articles of Amendment on behalf of the Corporation effective as of the 19th day of August, 1996.

THE SPIRES COUNCIL OF CO-OWNERS (henceforth to be known as THE SPIRES ASSOCIATION)

By: Maurice Blonstein
Maurice Blonstein, President

Date: October 4, 1996

STATE OF TEXAS §
§
COUNTY OF HARRIS §

The undersigned, a Notary Public in and for the State of Texas, does hereby certify that on this the 4TH day of October, 1996 personally appeared before me ***Maurice Blonstein***, who declared that he is President of the corporation executing the foregoing document, and being first duly sworn, acknowledged under oath that he signed the foregoing document in the capacity therein set forth, and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year before written.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/98

Lori Lassiter-Cole
Notary Public, State of Texas

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THE SPIRES

SECOND
AMENDED AND RESTATED
BY-LAWS OF
THE SPIRES ASSOCIATION

THE SPIRES ASSOCIATION (formerly known as the "Spires Council of Co-Owners"), a Texas non-profit corporation, is the corporation referred to in the Declaration of Condominium of The Spires dated July 6, 1983, recorded in Volume 137, Page 1 of the Condominium Records of Harris County, Texas (hereafter referred to, inclusive of its amendments, as the "original Declaration"), a Condominium Regime in Houston, Harris County, Texas, created pursuant to the provisions of the Texas Condominium Act. Said Declaration of Condominium, as previously amended, has been further amended and restated by that certain instrument dated effective as of August 19, 1996 entitled "Fourth Amended and Restated Declaration of Condominium" (hereafter referred to as the "current Declaration") governed exclusively under Chapter 82 (entitled "Uniform Condominium Act") of the Texas Property Code, Tex. Prop. Code (Vernon's 1994) § 82.001, *et seq.* (hereafter referred to as the "Uniform Condominium Act"). This corporation is, and shall have all of the powers of, the "Council of Co-Owners" as described in the original Declaration and as authorized by the Uniform Condominium Act, as modified by the current Declaration. The terms used in these By-Laws shall have the same meanings given to them in the current Declaration unless otherwise specifically provided. All capitalized terms stated in these By-Laws shall have the same meaning as such capitalized terms when used in the current Declaration.

ARTICLE I. OFFICES

The principal office of The Spires Association (referred to in the current Declaration as the "Association" and hereafter referred to in these By-Laws as either the "Association" or as the "corporation") shall be at 2001 Holcombe Boulevard, Houston, Texas 77030.

ARTICLE II. MEETINGS OF MEMBERS

Section 1. Order of Business and Annual Meeting. At the annual meeting of the Members, the following shall be the order of business:

(a) Reading and Approval (or correction) of the minutes from the last annual meeting of the Members;

(b) President's report;

(c) Report from the Board of Directors containing, but not limited to, a summary of the principal activities and actions of the Board of Directors since the last annual meeting of Members, including any urgent issues before the Board of Directors;

(d) Summarized report from the Treasurer, including a Board of Directors approved, detailed budget for the upcoming fiscal year;

(e) Summarized update on the Ten Year Plan presented by the Board of Directors (the phrase "Ten Year Plan" meaning the plan to cover anticipated repairs, replacements, modifications and upkeep of equipment, building and facilities of the Association);

(f) Introduction of the newly elected directors of the Association for the ensuing year to replace directors whose terms have expired in accordance with the terms of the original Declaration or in accordance with the terms of the current Declaration; and

(g) Other business that may be properly brought before the meeting.

Section 2. Notice of Meeting. Notice of meetings of Members of the Association, whether annual meetings or special meetings, shall be given by regular U.S. Mail to the last known residence address of the Member. A waiver of notice signed by the person entitled to notice of such meeting, whether before or after the meeting, shall be equivalent to the giving of such notice. The manner of fixing a date as the record date for determining the Members entitled to notice of a Member meeting and as the record date for determining the Members entitled to vote (to the extent referred to in these By-Laws) at a Members meeting and exercise any rights regarding any other lawful action are here provided to be governed by the current Declaration as it may, from time to time, be amended.

Section 3. List of Members. The Secretary of the Association shall keep at all times a current and complete list of the Members of the Association. Such list shall be arranged in alphabetical order, with the address of and the Percentage Ownership Interest of each such Member. Such list shall be kept on file at the office of the Association and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be present and kept open at the time and place of all meetings of Members; shall be available for inspection of any Member during the time of such meeting; and shall be prima facie evidence as to the identity of Members. Said list shall show the address of each Member and the number of votes such Member is entitled to cast.

Section 4. Method of Voting at Meetings of Members and Limitation as to Voting at Annual Meetings of Members. Voting on any question at any meeting of Members may be by voice vote or show of hands (as determined by the presiding officer) unless the presiding officer shall order, or any Member shall demand, that voting be by roll call or by written ballot. A majority of the votes cast by the Members (eligible to vote) at any annual meeting or special meeting of the Association at which a quorum is present shall be the act of the Association, unless the vote of a greater number is required by the terms and provisions of the current Declaration, or the Articles of Incorporation or By-Laws of the Association or by law (it being understood, in this connection, that approval of any of the matters referred to in Items (2) through (9) of the next succeeding paragraph shall require an affirmative vote of both: (a) not fewer than fifty-one percent [51%] of the total number of votes of all Members (eligible to vote); and (b) not fewer than the number of votes which Members who are present at such meeting in person or by proxy are entitled to cast, as required under the "Act" identified in the next succeeding paragraph).

The only matters which are authorized to be voted on at any annual meeting of the Members shall be the following: (1) the matter of Members voting on approving (and/or correcting) the minutes of the last prior annual meeting of the Members; (2) the matter of Members voting on any proposed amendment to the Articles of Incorporation (as currently referred to in Article 1396-4.02. of the Texas Non-Profit Corporation Act [hereafter referred to in this paragraph as the "Act"]); (3) the matter of Members voting on any amended or supplemented restated Articles of Incorporation (as currently referred to in Article 1396-4.06. of the Act); (4) the matter of Members voting on any proposed merger or consolidation of the corporation with some other domestic corporation (as currently referred to in Article 1396-5.03. of the Act); (5) the matter of Members voting on any proposed merger or consolidation of the corporation with any foreign corporation (as currently referred to in Article 1396-5.07. of the Act); (6) the matter of Members voting on any proposed sale, lease or exchange of all, or substantially all, the property and assets of the corporation (as currently provided for in Article 1396-5.09. of the Act); (7) the matter of members voting on any proposed voluntary dissolution of the corporation (as currently provided for in Article 1396-6.01. of the Act); (8) the matter of Members voting on any proposed adoption of a plan providing for the distribution of assets of the corporation if the corporation is in the process of dissolution (as currently provided for in Article 1396-6.03 of the Act); (9) the matter of Members voting on any proposed revocation of voluntary dissolution proceedings of the corporation (as currently provided for in Article 1396-6.04. of the Act); or (10) any matter which the current Declaration provides may or shall be voted on by Members at a meeting of Members. Except as stated in the preceding sentence, no other matter (including, without limitation, unfinished business and new business) may validly be voted on at any annual meeting of the Members. No matter is authorized to be voted on at any special meeting of the Members except such matters as are described in Items (2) through (10) of the first sentence of this paragraph.

Matters of business (other than the matter of approval and/or correction of the minutes of an annual meeting of the Members as referred to in Item (1) of the first sentence of the preceding paragraph and other than such other matters as are described in Items (2) through (10) of the first sentence of the preceding paragraph) may validly be voted on only by written ballot of the Members (under the provisions of Article VII [entitled "Elections and Balloting"] of these By-Laws) without an annual meeting of the Members and without a special meeting of the Members.

Section 5. Quorum. Except as may otherwise be provided in the Articles of Incorporation or current Declaration or these By-Laws, the presence in person or by proxy of Members having at least twenty percent (20%) of the votes in the Association shall constitute a quorum at any meeting of the Members.

Section 6. Proxies. Votes may be cast in person or by proxy in accordance with the provisions of the current Declaration and these By-Laws. For purposes of the validity of any proxy with respect to either establishing the existence of a quorum at a meeting or voting on any matter which may properly be voted on at such meeting, a written proxy (signed by the Member granting such proxy and designating the name of the party to whom such proxy is granted and dated) must be filed with the President or Vice President or Secretary of the Association at any time prior to or during the meeting with respect to which such proxy is being granted.

If a quorum is present at any annual meeting of the Members and the matter of approving (and/or correcting) the minutes of the last prior annual meeting of the Members which is voted on at such annual meeting (and/or the matter of approving any of the other matters referred to in Items (2) through (10) of the first sentence of the second paragraph of preceding Section 4) receives the requisite majority approval at the time of such vote, the fact that, subsequent to such vote, one or more additional proxies are received from Members shall not alter the effectiveness of such vote. Similarly, if a quorum is present at any special meeting of the members and any type of matter properly voted on at such meeting (pursuant to the last sentence of the second paragraph of preceding Section 4) receives the requisite majority approval at the time of such vote, the fact that, subsequent to such vote, one or more additional proxies are received from Members shall not alter the effectiveness of such vote.

For purposes of the validity of any proxy with respect to voting by secret written ballot outside of a meeting of Members, either with respect to the election of directors or with respect to any other matter being voted on in such manner, in addition to compliance with the provisions of the current Declaration and other provisions of these By-Laws, there must also be compliance with the provisions of Section 4 of Article VII of these By-Laws and the proxy must be a written proxy (signed by the Member granting such proxy and designating the name of the party to whom such proxy is granted and dated).

Section 7. Actions of Members Without a Meeting. Notwithstanding any other provision of these By-Laws, pursuant to the provisions of Article 1396-9.10.C.(1) of the Texas Non-Profit Corporation Act (the "Act"), it is here provided that any action required by the Act which is to be taken at a meeting of the Members (or that any action which may be taken at a meeting of the Members) may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Members as would be necessary to take that action at a meeting in which all of the Members were present and voted. In this connection, to the extent applicable, the other provisions of Article 1396-9.10.C. of the Act shall also be complied with. Exercise of rights under this paragraph is based on inclusion in the Association's First Amended and Restated Articles of Incorporation of the provisions authorized in Article 1396.9.10.C. of the Act.

ARTICLE III. DIRECTORS

Section 1. Election and Qualification. Directors shall be elected and qualified as provided in the current Declaration and the Articles of Incorporation and these By-Laws of the Association as such instruments may be amended hereafter from time to time.

Section 2. Removal of Directors. Any director may be removed from his/her position as director, either with or without cause, by the vote of two-thirds (2/3rds) of the total vote of the Members of the Association. Any director who fails to attend two-thirds (2/3rds) of the meetings of the Board of Directors in any calendar year may be removed from the Board of Directors by a two-thirds (2/3rds) vote of the Board of Directors.

Section 3. Vacancies and Filling of Vacancies. A particular directorship shall be deemed to be vacant upon the removal of a director as provided in this Article, upon the death of the person holding such directorship, upon the refusal or failure of a person elected to such directorship to serve, upon the resignation of the person holding such directorship or upon the sale or lease by the director of his/her Residence Unit (with the result that such director no longer owns [or occupies] a Residence Unit at The Spires which is such director's primary residence). Any member of the Board of Directors who becomes two (2) consecutive months delinquent in payment of Common Expense Charges or Special Assessments (including interest, late fees, or delinquency charges) owing to the Association automatically forfeits his/her position on the Board of Directors. Any vacancy occurring in the Board of Directors shall be filled at the next meeting of the Board of Directors following the occurrence of such vacancy, or, if the vacancy occurs while a directors' meeting is in progress, such vacancy shall be filled at such meeting. In any of the circumstances referred to in the preceding sentence, the person selected to fill the vacancy shall be elected by a majority vote of the Board of Directors. A director who is selected to fill a vacancy shall serve for the unexpired term of his/her predecessor in such directorship.

Section 4. Adjournment. Any meeting of the Board of Directors may be adjourned from time to time by those present, whether a quorum is present or not.

Section 5. Quorum. The presence of eight (8) directors at a meeting of the Board of Directors shall constitute a quorum for the transaction of business. The action of six (6) directors at a meeting of the Board of Directors at which there is a quorum shall be the act of the Board of Directors.

Section 6. Waiver of Notices. Notice of any special meeting of the Board of Directors may be waived in writing signed by the director or directors entitled to such notice; such waiver may be executed at any time before or after the time specified in the current Declaration for the giving of such notice. Attendance of a director at a special meeting shall constitute a waiver of notice of such special meeting, except where a director attends such meeting for the express purpose of objecting to the transaction of any business or to notify the Board of Directors that the meeting is not properly called or convened in accordance with the terms of the current Declaration or these By-Laws.

Section 7. Compensation. Directors as such shall not receive any stated salary for their services.

Section 8. Actions of Directors Without a Meeting. Notwithstanding any other provision of these By-Laws, pursuant to the provisions of Article 1396-9.10.C.(1) of the Texas Non-Profit Corporation Act (the "Act"), it is here provided that any action required by the Act which is to be taken at a meeting of the directors (or that any action which may be taken at a meeting of the directors) may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of directors as would be necessary to take that action at a meeting in which all of the directors were present and voted. In this connection, to the extent applicable, the other provisions of Article 1396-9.10.C. of the Act shall also be complied with. Exercise of rights under this paragraph is based on inclusion in the Association's First Amended and Restated Articles of Incorporation of the provisions authorized in Article 1396-9.10.C. of the Act.

ARTICLE IV. OFFICERS

Section 1. President. The President shall be the principal executive officer of the Association. The President shall preside at all meetings of the Members and all meetings of the Board of Directors. He/she shall sign, with the Secretary or an Assistant Secretary, certificates of membership, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general he/she shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall not have the authority to bind the Association to any employment agreement on behalf of the Association unless such employment agreement be expressly approved and authorized in advance by resolution of the Board of Directors. In the event that any such employment agreement provides for the employment by the Association of any person who at the time of such employment or at any time during the period of such employment is an officer of the Association, then no provision of such employment agreement purporting to amplify the authority of such officer beyond the authority set forth in these By-Laws shall be valid or effective unless these By-Laws are amended in a manner consistent with such employment agreement; and the mere signing of such employment agreement on behalf of the Association and its approval at a meeting of the Board of Directors (and/or Members) shall not constitute an amendment of these By-Laws. In the event that any such employment agreement (whether or not these By-Laws be amended incident thereto) limits or qualifies the authority of any such officer in a manner inconsistent with these By-Laws, then the provisions of such employment agreement limiting and qualifying such authority and imposing such duties shall be valid and effective notwithstanding any inconsistency between the provisions of such employment agreement and the provisions of these By-Laws.

Section 2. Vice Presidents. In the absence of the President or in the event of his/her inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 3. Secretary. The Secretary shall: (a) keep the minutes of the meetings of Members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of the current Declaration and these By-Laws or as required by law; (c) be custodian of the Association's records and of the seal of the Association and see that the seal of the Association is affixed to all certificates of membership prior to the issuance thereof and to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these By-Laws; (d) keep a register of the post office address of each Member; (e) sign with the President certificates of membership, the issue of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the books of the Association; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 4. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. He/she shall: (a) have charge and custody of, and be responsible for, all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and (b) in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him/her by the Board of Directors.

Section 5. Additional Officers. Officers in addition to the President, Vice President, Secretary and Treasurer may be appointed by the Board of Directors and shall hold such offices for such terms and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors by resolution not inconsistent with these By-Laws. Assistant Secretaries as thereunto authorized by the Board of Directors may sign, with the President, certificates of membership, the issuance of which shall have been authorized by a resolution of the Board of Directors. Assistant Treasurers shall respectively, if required by the President or Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the President or Board of Directors shall determine. In general, Assistant Treasurers and Assistant Secretaries shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or the Board of Directors.

Section 6. Executive Committee. The Board of Directors may, at its discretion, cause to be formed an Executive Committee. The Executive Committee, if formed by the Board of Directors, shall be made up of the officers of the Association, including the President, the Vice-President, the Treasurer, the Secretary, and any other officers who may be elected by the Board of Directors. Such Executive Committee shall, in general, assist the Managing Agent in conducting the business and affairs of the Association. The Executive Committee shall not have the authority to bind the Association to any agreement, expenditure, or other action, unless such agreement, expenditure, or other action, has been expressly approved and authorized in advance by resolution of the Board of Directors. Any agreement approved, expenditure approved, or other action authorized by the Executive Committee shall be deferred pending a resolution of approval by the Board of Directors if such resolution of approval has not been adopted by the Board of Directors in advance of any such approval or authorization by the Executive Committee.

Section 7. Removal of an Officer. An officer of the Association may be removed from his/her office by a two-thirds (2/3rds) vote of all of the Members of the Board of Directors.

Section 8. Vacancies. A vacancy in any office for any reason, including the death, resignation, removal, or disqualification of the officer previously filling such office, may be filled by the Board of Directors for the unexpired portion of the term of the officer previously filling such office, in accordance with Article III, Section 3 of these By-Laws. An officer who is appointed to fill a vacancy shall serve for the unexpired term of his/her predecessor in such office.

ARTICLE V. INDEMNITY

Section 1. Indemnification. Pursuant to Section G of Article 1396-2.22A of the Texas Non-Profit Corporation Act (hereafter referred to as the "Act") and utilizing (for purposes of these By-Laws) the definitions and other provisions contained in Section A of Article 1396-2.22A of the Act (including an "officer" as being within the definition of "director" as provided in Section A(2) of said Article 1396-2.22A of the Act), by these By-Laws it is hereby made mandatory that the Association provide the indemnification permitted under Section B of said Article 1396-2.22A of the Act which provides, in substance, that the Association may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director or officer only if it is determined in accordance with Section F of said Article 1396-2.22A of the Act that the person:

(1) conducted himself (or herself) in good faith;

(2) reasonably believed:

(a) in the case of conduct in such person's official capacity as a director or officer of the Association, that such person's conduct was in the Association's best interests; and

(b) in all other cases, that such person's conduct as a director or officer of the Association was at least not opposed to the Association's best interests; and

(3) in the case of any criminal proceeding, such person had reasonable cause to believe such person's conduct was lawful.

The scope of indemnity by the Association mandatorily provided for under this Section 1 shall be that scope of indemnity which is permitted under Sections B, E and H of Article 1396-2.22A of the Act as said Sections B, E and H presently exist and as such Sections may hereafter, from time to time, be amended.

The Association may not indemnify any director or officer with respect to either: (a) any matter as to which such indemnification is prohibited under Section C of Article 1396-2.22A of the Act except to the extent permitted by Section E of Article 1396-2.22A of the Act, or (b) any matter referred to in Items (1) or (2) or (3) of Subsection (f) of Section 82.103 of the Uniform Condominium Act.

The Association may (but is not obligated to) exercise all of its other rights under Article 1396-2.22A of the Act as presently existing and as such rights may hereafter, from time to time, be amended.

Section 2. Insurance and Survival. The rights of indemnification, herein provided may be insured against by policies of insurance maintained by the Association; shall not affect any other rights of indemnification to which any director or officer may now or hereafter be entitled; shall continue as to a person who has ceased to be such director or officer (as to claims asserted against such person relating to acts or omissions of such person while such person was a director or officer and pertaining to such person's service in such capacity or capacities) and shall inure to the benefit of the heirs, executors and administrators of such a person. Nothing contained herein shall affect any rights to indemnification to which Association personnel other than directors and officers may be entitled by contract or otherwise under law.

Section 3. Expenses. Expenses in connection with the preparation and presentation of a defense to any claim, action, suit or proceeding of the character described in Section 1 hereof may, upon approval by the Board of Directors, be advanced by the Association prior to final disposition thereof upon receipt of an undertaking by or on behalf of the director or officer, secured by a surety bond or other suitable insurance issued by a company authorized to conduct such business in the State of Texas or other suitable collateral approved by the Board of Directors, to repay such amount if it is ultimately determined that he/she is not entitled to indemnification under this Article.

Section 4. Services. No director and, unless otherwise determined by the Board of Directors, no officer shall be required to devote his/her time or any particular portion of his/her time or render services or any particular services exclusively to the Association. Each and every director and, unless otherwise determined by the Board of Directors, each and every officer shall be entirely free to engage, participate and invest in any and all such businesses, enterprises, and activities, either similar or dissimilar to the business, enterprise and activities of the Association, without breach of duty to the Association in any event or under any circumstances or conditions. Each and every director and, unless otherwise determined by the Board of Directors, each and every officer shall, respectively, be entirely free to act for, serve and represent any other corporation or corporations, entity or entities, and any person or persons, in any capacity or capacities, and be or become a director or officer, or both, of any other corporation or corporations, entity or entities, irrespective of whether or not the business, purposes, enterprises and activities, or any of them, be similar or dissimilar to the purposes, enterprises and activities, or any of them, of the Association, without breach or duty to the Association and without accountability or liability of any character or description to the Association in any event or under any circumstances or conditions.

Section 5. Directors' and Officers' Interests in Contracts. No contract or other transaction between the Association and one or more of its directors or officers, or between the Association and any firm or partnership of which one or more of its directors or officers are Members or employees or in which they are otherwise interested, or between the Association and any corporation or association or other entity in which one or more of the Association's directors or officers or Members or employees or in which they are otherwise interested, shall be void or voidable by reason of or as a result of such connection with or holding an office or offices as a director or officer or as directors or officers of the Association or such interest in or connection with such other firm, partnership, corporation, association, or other entity, notwithstanding the presence of such director or directors, officer or officers, at the meeting of the Board of Directors which acts upon or in reference to any such contract or other transaction, and notwithstanding his/her or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall authorize, approve or ratify such contract or other transaction by a vote of a majority of the directors present, such interested director or directors to be counted in determining whether a quorum is present, but not to be counted in calculating the majority necessary to carry such vote, nor shall any director or officer be responsible to, or liable to account to the Association for any profits realized by or from or through any such contract or other transaction of the Association so authorized, ratified or approved by reason of such interest or his/her being or having been a director or officer, or both, of the Association. Nothing herein contained shall create responsibility or liability in or in connection with any such event or events or prevent the authorization, ratification or approval of such contracts or other transactions in any other manner permitted by law or by statute. This section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common or statutory law applicable thereto.

ARTICLE VI. CONTRACTS, LOANS, CHECKS, DEPOSITS AND TRANSACTIONS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to the specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall, from time to time, be determined by Resolution of the Board of Directors.

Section 3. Deposits. All funds of the Association not otherwise employed shall be deposited, from time to time, to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Transactions with Members, Directors and Officers. The Association may enter into contracts or transact business with one or more of its directors, officers, or Members, or with any firm of which one or more of its directors, officers or Members are Members, or with any corporation, association, company, organization or entity in which one or more of its directors, officers or Members are directors, officers, trustees, shareholders, beneficiaries or are otherwise interested, and in the absence of fraud, any such contract or transaction shall not be invalidated or anywise affected by the fact that such directors, officers or Members having such adverse interest may have been necessary to obligate the Association upon such contract or transaction.

ARTICLE VII. ELECTIONS AND BALLOTING

Section 1. Nomination of Candidates for the Board of Directors. In May of each year, the Board of Directors will announce by written notice (given in the matter subsequently stated in this sentence) that nominations of candidates for the Board of Directors will be accepted no earlier than the third Monday of June of such year and no later than the third Monday of July of such year (such written notice previously referred to in this sentence to be given to the Members by means of any one or more of The Spires periodic newsletter [currently called "The Spires Voice"], bulletins posted in the mail room and elevators or written notice delivered to each Residence Unit door). Nominations of candidates for the Board of Directors are required to be made within the time period stated in the preceding sentence by submitting in writing the name of the candidate to the Managing Agent. Candidates may nominate themselves or be nominated by a third party who meets the qualifications of the current Declaration for voting as a Member of the Association (but candidates for the Board of Directors may not otherwise be nominated by any person).

All candidates must qualify under the following conditions: the candidate must be a resident Residence Unit owner in The Spires (and such Residence Unit must be the primary residence of such candidate); the candidate must be current in the payment of all Common Expense Charges and Special Assessments (including interest, late fees, or delinquency charges) due and payable to the Association; the candidate must understand the obligations and responsibilities of a director of the Association and the candidate must be willing to carry out all such obligations and responsibilities. In addition, it is recommended, but not mandatory, that the candidate submit a short autobiography to the Managing Agent. By resolution of the Board of Directors, the Board of Directors may designate a mandatory cut-off date for submission of such autobiography by each candidate for the Board of Directors.

Section 2. Presentation of Candidates for the Board of Directors. Nominated candidates for the Board of Directors (whose nominations shall have been submitted in accordance with the requirements of these By-Laws) will be presented to the Residence Unit owners through no less than two forums (of a town-hall type), the latter of which is held no later than one week prior to the annual meeting of the Association. The Board of Directors shall determine the general format of each of such forums and, at least twenty-four (24) hours prior to the scheduled time of each of such forums, shall cause written notice of the date, time and place of each of such forums to be given to the Members by means of any one or more of The Spires periodic newsletter (currently called "The Spires Voice"), bulletins posted in the mail room and elevators or written notice delivered to each Residence Unit door.

Section 3. Advance Submission of Election Materials. Not later than fourteen (14) days prior to the annual meeting of the Association, the Board of Directors shall cause ballots, envelopes (as more particularly described in Section 4 below), proxies and other election materials to be distributed to all Members of the Association eligible to vote. Such other election materials shall include (but are not necessarily limited to) the names of those directors whose terms are expiring, the names of all candidates for the Board of Directors, information as to the number of positions on the Board of Directors to be filled, a copy of any proposed amendments to the Declaration or proposed amendments to the By-Laws or rules and regulations and a copy of the text of any other proposal or other matter being voted on by ballot accompanied, in each such case, by some related explanatory material, information as to possible issues expected to be discussed and considered at the annual meeting and information as to the time and place at which ballots which are cast for the election of directors (as well as ballots which are cast with respect to any other matters being voted on in such balloting) are to be deposited. For purposes of providing for the security and authenticity of ballots and proxies, the Board of Directors is authorized to use special stationery, rubber stamps and/or other reasonable means.

Section 4. Method of Election of Directors by Ballot and Method of Voting on Other Matters by Ballot. Voting on candidates for the Board of Directors and voting on other matters by ballot (not at any annual meeting or special meeting of the Members) shall be by secret written ballot of each Member voting personally or through a proxy.

For purposes of these By-Laws, the phrase "secret written ballot" means a written ballot on which there is marked the Member's (or proxy's) preference as to the candidates being voted on and the Member's (or proxy's) preference as to any other matters being voted on and which is not signed by the Member voting (personally or through a proxy) by means of such ballot and does not otherwise identify the Member (or proxy) voting or the Residence Unit owned by such Member (and which is not read by any counter of votes in the election or party other than the voter himself or herself prior to the time that all votes in the election are counted as hereafter provided).

Each of such secret written ballots is to be delivered (by the Member voting personally or through proxy or is to be delivered by such proxy) to the place designated by the Board of Directors (in the notice referred to in Section 3 of this Article VII) not later than the time indicated by the Board of Directors in the information distributed to Members by the Board of Directors pursuant to preceding Section 3 of this Article VII; and, in the case of ballots pertaining to the election of directors (irrespective of whether any other matter is then being voted on), such required time of delivery of such ballots is to be not less than one-half (1/2) hour prior to the scheduled time of the relevant annual meeting.

Each of such ballots being cast shall be contained in an inner envelope (distributed pursuant to preceding Section 3) which does not identify the name of the Member (or proxy) voting and does not identify the Residence Unit owned by such Member and which is sealed when delivered to the place designated by the Board of Directors. Each of the sealed inner envelopes containing such ballot shall itself be contained in an outer envelope which identifies the Residence Unit number of the Owner casting such ballot (personally or by proxy) and, in those circumstances where any matter being voted on requires for its adoption the approval of a particular percentage of the Percentage Ownership Interests, each such outer envelope shall also contain a statement of such Owner's Percentage Ownership Interest associated with such Residence Unit; and each such outer envelope shall contain, in addition to such sealed inner envelope (containing such ballot), the written proxy, if any, granted by such Owner; and such outer envelope shall also be sealed at the time of delivery to the place designated by the Board of Directors. Promptly following receipt of such sealed outer envelope, the Managing Agent (or other representative of the Board of Directors) shall check each such sealed outer envelope against the list of Members referred to in Section 3 of Article II of these By-Laws and other pertinent records of the Association for the purpose of determining that the party casting such ballot (or for whom such ballot is being cast by a proxy) is eligible to vote as a Member and shall check each such proxy, if any, to determine that such proxy complies with these By-Laws and the current Declaration. In cases of ineligibility of a Member to vote (or non-compliance of a proxy), the Managing Agent or Secretary (or other party appointed by the Board of Directors) shall give prompt written notice to the owner of the applicable Residence Unit that, according to the records of the Association, such owner is not eligible to vote (and/or that any such proxy does not comply with these By-Laws and/or the current Declaration).

In the case of ballots submitted by Members (or proxies) who are eligible to vote, the Managing Agent (or other party appointed by the Board of Directors) shall open the outer envelope and dispose of it and then place the inner sealed envelope with the other inner sealed envelopes and deliver all of such inner sealed envelopes to the Managing Agent (or other party appointed by the Board of Directors) prior to or at the annual meeting at which the ballots are to be counted.

In order for the results of an election of directors or vote on any other matter to be valid, ballots must be cast by Members (or proxies) having at least fifty-one percent (51%) of the total number of votes of all Members eligible to vote in such election.

Expiring terms on the Board of Directors will be filled by the candidates receiving the highest number of votes, regardless of percentage, provided that Members (or proxies) having at least fifty-one percent (51%) of the total number of votes of all Members eligible to vote in such election have, in fact, voted.

Section 5. Method of Voting on Changes in the By-Laws. Voting on changes in the By-Laws shall be as provided in Article VIII, Section 1 of these By-Laws.

Section 6. Counting of Ballots. Ballots shall be opened and counted during the annual meeting of the Members, and such process shall be monitored by an attorney for the Association. The Board of Directors, by resolution, may also require that one or more other parties monitor and assist with such process.

ARTICLE VIII. AMENDMENT

Section 1. Amendment. These By-Laws may be amended only by the affirmative vote of the Members having at least fifty-one percent (51%) of the total number of votes of all Members eligible to vote on such question.

EXECUTED AND DELIVERED effective as of the 19th day of August, 1996.

BOARD OF DIRECTORS (on August 19, 1996):

Raye Lynn Alford
Date: October 4, 1996

Mahmood Pakzaban
Date: October 7, 1996

Mostafa Banijamali
Date: October 21, 1996

Richard Palmer
Date: October 4, 1996

Pam Blohm
Date: October 11, 1996

David Rieniets
Date: October 23, 1996

Maurice Blonstein
Date: October 4, 1996

Nancy Wagner
Date: October 21, 1996

Mary Fairbrother
Date: October 7, 1996

Ralph Yarborough
Date: October 21st, 1996

Lewis Humke
Date: October 7, 1996

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FOURTH AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
THE SPIRES
HOUSTON, TEXAS

THE SPIRES ASSOCIATION

FOURTH AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM

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COUNTY CLERK
HARRIS COUNTY, TEXAS

Fourth Amended and Restated
Declaration of Condominium

THE STATE OF TEXAS §

§ KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS §

THAT, WHEREAS, heretofore the following has occurred:

(a) Campeau Corporation, Texas, a Texas corporation, as "Developer," has established a condominium regime known as The Spires ("the Condominium") pursuant to that certain Declaration of Condominium (the "Declaration") dated July 6, 1983, recorded in Volume 137, Page 1 of the Condominium Records of Harris County, Texas, said Declaration covering and affecting the following described real property together with all improvements thereon, situated in Houston, Harris County, Texas, to wit:

> All that certain tract of land containing 2.0921 acres out of the D.W.C. Harris Survey, A-325, Harris County, Texas, said 2.0921 acres of land (the "Land") being more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes; and

(b) Said Declaration was amended by that certain instrument entitled "First Amendment and Certificate of and Declaration of Annexation to The Spires Declaration of Condominium" (hereafter referred to as the "First Amendment") dated October 29, 1984, recorded in Volume 149, Page 138 of the Condominium Records of Harris County, Texas; and

(c) Said Declaration, as amended by the First Amendment, was further amended by that certain instrument entitled "Second Amendment to the Declaration of Condominium for The Spires Condominium" (hereafter referred to as the "Second Amendment") dated effective July 31, 1989, recorded in Volume 157, Page 104 of the Condominium Records of Harris County, Texas, and in Volume 157, Page 125 of the Condominium Records of Harris County, Texas; and

(d) Said Declaration, as amended by the First Amendment and Second Amendment, was further amended by that certain instrument entitled "Third Amendment to the Declaration of Condominium for The Spires Condominium" (hereafter referred to as the "Third Amendment") dated effective November 1, 1989, recorded in Volume 158, Page 46 of the Condominium Records of Harris County, Texas; and

WHEREAS, the Declaration, as amended by the First Amendment, Second Amendment, and Third Amendment (collectively referred to as the "Original Declaration"), was promulgated pursuant to and governed by the Condominium Act, formerly, Tex. Rev. Civ. Stat. (Vernon's 1963) Art. 1301(a), *et. seq.*, recodified as Tex. Prop. Code Ann. (Vernon's 1984) § 81.001, *et seq.*; and

WHEREAS, at an annual meeting of the Owners of The Spires Council of Co-Owners, a Texas non-profit corporation (henceforth, to be known as The Spires Association), duly called and held on August 19, 1996, upon notice to all Owners as required by the Original Declaration, and with a quorum present in person or by proxy, this Fourth Amended and Restated Declaration of Condominium, on August 28, 1996, the date to which such annual meeting was adjourned, was approved by Owners with at least sixty-seven percent (67%) of the Percentage Ownership Interests in the Condominium for the purpose of restating in a single document the Original Declaration, as hereby further amended, and for the purpose of having the Condominium and this Fourth Amended and Restated Declaration of Condominium (hereafter referred to as "this Declaration") governed exclusively under Chapter 82 (entitled "Uniform Condominium Act") of the Texas Property Code, Tex. Prop. Code (Vernon's 1995) § 82.001, *et seq.* (hereafter referred to as the "Uniform Condominium Act"), it being recognized that pursuant to Section 82.002(c) of the Uniform Condominium Act, the sections referred to in the first sentence thereof automatically apply to the Condominium with respect to events and circumstances occurring on or after January 1, 1994;

NOW, THEREFORE, by this Declaration, which is hereby adopted, approved and agreed upon for the purposes stated in the preceding "Whereas" recital paragraph, there is hereby published, declared and promulgated the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations, to run with the Land (and improvements thereon) and to inure to the benefit of and be binding upon the "Association" (hereafter defined) and the Owners (hereafter defined) and their respective heirs, executors, administrators, successors and assigns (it being understood that the aforesaid reference to "successors and assigns" does not alter the provisions of this Declaration relating to and/or restricting transfers of Residence Units, interests in Common Elements, exclusive rights of usage of Parking Spaces and Storage Spaces and other rights).

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REDUCTION 16x CAMERA DESIGNATION MRG1

ARTICLE I
DEFINITIONS

Section 1.1 Definitions of Terms. When used in this Declaration (the phrase "this Declaration" meaning not only this instrument but also any subsequent duly adopted recorded amendment of this instrument), the words set out below shall have the following meanings:

(a) Association -- "Association" means The Spires Association, a Texas non-profit corporation (formerly known as "The Spires Council of Co-Owners" and formerly referred to as the "Council"), the members of which (referred to in this Declaration singularly as "Member" and plurally as "Members") shall be the Owners of Residence Units within the Condominium Regime during the period of their respective ownerships, and the successors and assigns of such Owners.

(b) Balcony -- "Balcony" means any balcony area attached to the Building and designated as such on Exhibit "B" attached hereto and made a part hereof. Portions of each Balcony are a part of the Residence Unit to which such Balcony is adjacent as set forth in the definition of Residence Unit hereinafter set forth.

(c) Board -- "Board" means the Board of Directors of The Spires Association.

(d) Building -- "Building" means the residential building, the Garage, and all other improvements now or hereafter placed on the Land. The location of the Building on the Land is more particularly described on Exhibit "B" attached hereto and made a part hereof for all purposes. The Building and Residence Units are more completely described on the plats which are attached hereto as Exhibit "B" and made a part hereof for all purposes.

(e) By-Laws -- "By-Laws" means the By-Laws of The Spires Association (including all, if any, amendments thereof from time to time existing).

(f) Common Elements -- "Common Elements" means all portions of the Condominium other than the Residence Units; and the "Common Elements" consist of both the "General Common Elements" (hereafter defined) and the "Limited Common Elements" (hereafter defined).

(g) Common Expense Charge -- "Common Expense Charge" means the assessment made and levied against each Owner and such Owner's Residence Unit (and allocated to such Residence Unit) for management and operation of the Condominium and the Condominium Regime and for repairs, maintenance, additions, alterations, reconstruction, administration and operation of the Common Elements (including reserves for replacements) and for other expenditures by and financial liabilities of the Association together with other allocations to reserves, in accordance with the provisions hereof.

(h) Common Expense Fund -- "Common Expense Fund" means the accumulated Common Expense Charges collected or received by and due and payable to the Association for use or purposes authorized under this Declaration and the Uniform Condominium Act and any applicable laws.

(i) Condominium -- "Condominium" means the Land, the Building (including the Garage) and all other improvements erected upon and rights appurtenant to the Land and improvements. The components of the Condominium are further herein classified as "General Common Elements," "Limited Common Elements," and "Residence Units," as defined herein. The legal rights and duties of ownership, use and administration created by the terms of the Uniform Condominium Act, this Declaration, the By-Laws and the Rules and Regulations promulgated thereunder are also a part of the Condominium and are sometimes referred to as the Condominium Regime.

(j) Easement -- "Easement" means an exclusive right to use a particular part of the General Common Elements for the purposes for which they were designed and in compliance with the terms of this Declaration, the By-Laws and the Rules and Regulations.

(k) Emergency -- "Emergency" means any circumstances necessitating or making reasonably advisable prompt action for the purpose of avoiding (or seeking to mitigate the effects of) bodily injury or death or property loss or damage exceeding $500.00.

(l) Family -- "Family" or "family" means a Residence Unit Owner's spouse, lineal descendants (and their spouses), parents and other lineal ascendents (and their spouses) and siblings (and their respective spouses).

(m) Garage -- "Garage" means that part of the Building designed for the parking of vehicles and designated "Garage" on Exhibit "B."

(n) General Common Elements -- "General Common Elements" means all of the Land and Building except the Residence Units (as hereafter defined) and except the Limited Common Elements (as hereafter defined) and shall include, without limiting the generality of the foregoing, the following (all of which are owned in undivided interests by the Owners of the Residence Units):

(1) Foundations, supporting columns, girders, beams, slabs, supports, dividing walls (but not including drywalls) between two or more Residence Units or between Residence Units and Common Elements (hereinafter referred to as "dividing walls"), and roofs;

(2) Halls, lobbies, walkways, stairs, stairways, fire escapes, entrances and exits of the Building, basements, grounds, gardens, the Garage, Retail Space, swimming pool, club rooms, tennis courts, racquetball courts, managerial offices and units, mailroom, guardhouse, areas used for storage of janitorial supplies;

(3) Maintenance equipment, tools and materials;

(4) Installations consisting of all central services and equipment, including power, light, gas, water, heating, air conditioning, and waste collection, elevators, tanks, pumps, motors, fans, compressors, ducts, driveways;

(5) In general, all apparatus and installations existing for the common use or necessary or convenient to the operation, maintenance and use of the Property as a condominium including those which have been designated as common areas and facilities on the plats attached hereto;

(6) All repairs and replacements of or additions to any of the foregoing.

(o) Land -- "Land" means the real property more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes.

(p) Limited Common Elements -- "Limited Common Elements" means those portions of the Common Elements allocated by this Declaration or designated pursuant to Section 82.052 of the Uniform Condominium Act for the exclusive use of the Owners of certain Residence Units to the exclusion of the Owners of all other Residence Units although owned in undivided interests by the Owners of all Residence Units.

(q) Managing Agent -- "Managing Agent" means such person or persons as may from time to time be employed or otherwise engaged by the Association in such capacity for the purpose of rendering administrative and management services relative to the Association and Condominium with such functions, responsibilities and authority as from time to time may be indicated by the Board of Directors in a "Managing Agent-Job Description" or otherwise, all subject to the limitation, however, that no such person has the authority to execute or enter into any contract binding on the Association.

(r) Map or Plans or Plat -- "Map" or "Plans" or "Plat" means and includes the engineering survey of the Land, locating thereon all of the improvements, the floor and elevation plans and any other drawings or diagrammatic plans depicting a part or all of the improvements, same being filed herewith, consisting of 46 sheets labeled Exhibit "B," sheets No. 1 through No. 46, inclusive and incorporated herein.

(s) Mortgage -- "Mortgage" means the grant (or reservation of) a lien on a Residence Unit in favor of a creditor as security for the repayment of a loan made to an existing or prior Owner or reserved as security for the unpaid balance of the purchase price of a Residence Unit. A deed of trust shall constitute a "Mortgage" and a vendor's lien shall also constitute a "Mortgage."

(t) Mortgagee -- "Mortgagee" means the person or entity who or which holds a lien on a Residence Unit to secure the payment of a debt. The beneficiary of a deed of trust on a Residence Unit shall constitute a Mortgagee and the holder of a vendor's lien on a Residence Unit shall also constitute a Mortgagee.

(u) Mortgagor -- "Mortgagor" means the owner of a Residence Unit who has granted a lien (or consented to the reservation of a lien) on such Residence Unit to secure the payment of a debt. The grantor under a deed of trust on a Residence Unit constitutes a Mortgagor.

(v) Owner -- "Owner" means any person or persons, firm, corporation or other entity which owns, of record, a Residence Unit in the Condominium, or legal interest therein, but the term "Owner" shall not include any Mortgagee.

(w) Parking Spaces -- "Parking Spaces" means the spaces for the parking of vehicles within the Garage as shown on the attached Exhibit "B."

(x) Percentage Ownership Interests -- "Percentage Ownership Interests" means the undivided interest in and to the Common Elements associated with and appurtenant to each Residence Unit as set forth on Exhibit "C" attached hereto and made a part hereof for all purposes.

(y) Residence Unit -- "Residence Unit" means each of the two hundred thirty (230) condominium units designated on Exhibit "B" attached hereto, each of which constitutes a physical portion of the Condominium designated for separate ownership or occupancy, the boundaries of which are described in the succeeding sentence. The boundaries of each Residence Unit shall be the interior surfaces of the perimeter (i) dividing walls (not drywalls), (ii) floors, (iii) ceilings, (iv) windows and window frames and (v) doors and door frames and the exterior surfaces of Balconies. Residence Units shall include the portions of the Building so described and the air space so encompassed, excepting Common Elements; the square footage contained in each Residence Unit being set forth on Exhibit "D," attached hereto. The term Residence Unit shall have the same meaning as the term "unit" as used in the Uniform Condominium Act. A Residence Unit is sometimes referred to in this Declaration as a "Unit." Included within the boundaries of each Residence Unit, without limitation, shall be interior trim around windows and doors and any finishing materials applied or affixed to the interior surfaces of the dividing walls, floors or ceilings (such as, but without limitation, drywalls erected within the Residence Unit and adjacent to the dividing wall, drywall and other covering materials surrounding the concrete structural columns and utility chases, lath, furring, wallboard, plasterboard, plaster, paneling, tiles, paint, wallpaper, vinyl wall or floor coverings, finished flooring, carpets and any other materials constituting part of the finished surfaces (but all other portions of the walls, floors, or ceilings are a part of the Common Elements); and interior walls are also part of the Residence Unit at which such interior wall is situated; however, as provided in Section 82.052(2) of the Uniform Condominium Act, and in the case of chutes, flues, ducts, wires, conduit, bearing walls, bearing columns, or any other fixture which is partially within and partially outside of the designated boundaries of a Residence Unit, the portion thereof serving only that Residence Unit is a Limited Common Element allocated solely to that Residence Unit, and the portion thereof serving more than one Residence Unit or serving the Common Elements is a part of the General Common Elements . Except as provided in the preceding sentence, the spaces, interior partitions, and other fixtures and improvements within the boundaries of a Residence Unit are part of such Residence Unit.

The phrase "exterior surfaces of Balconies" shall mean the area enclosed by (i) those horizontal planes being the top of the concrete floor surface of the Balcony in question and the plane of the ceiling of the Residence Unit of which such Balcony is a part, and by (ii) those vertical planes being the vertical interior surfaces of the Balcony and those planes adjacent to the vertical interior edges of the Balcony; provided, however, without in any way enlarging the definition of "exterior surfaces of Balconies" previously stated in this sentence, it is expressly provided that such quoted phrase excludes horizontal surfaces of Balcony walls and excludes the metal railings at Balconies.

(z) Retail Space -- "Retail Space" means that part or parts of the Building designed for use as a retail store or outlet and designated "Retail Space" on Exhibit "B."

(aa) Roof Terraces -- "Roof Terraces" means those areas on the roof of the Building reserved for the exclusive use of the owners of Residence Units 4005 and 4006 and designated as Roof Terraces on Exhibit "B." Such Roof Terraces constitute Limited Common Elements.

(ab) Rules and Regulations -- "Rules and Regulations" means the rules (and amendments of such rules) from time to time adopted by The Spires Association concerning the management and administration of the Condominium Regime and the use of the Common Elements in order to assure to all Owners the pleasures and benefits of ownership of a Residence Unit and use of the Common Elements and in order to serve such other purposes as The Spires Association from time to time deems appropriate.

(ac) Special Assessment -- "Special Assessment" means an assessment (over and above the Common Expense Charge) reasonably necessary or appropriate for the preservation, maintenance, management and administration of the Condominium.

(ad) Storage Spaces -- "Storage Spaces" means those areas designed for storage of personal property located in the basement of the Building and designated as "Storage Spaces" on Exhibit "B."

(ae) Texas Condominium Act -- "Texas Condominium Act" means the statute cited as Tex. Prop. Code Ann. (Vernon's 1984) § 81.001, *et seq.*, formerly, prior to its recodification, cited as Tex. Rev. Civ. Stat. (Vernon's 1963) Art. 1301(a), *et seq.*, which permits the creation of condominium regimes and provides the basic rules for their operation.

(af) Uniform Condominium Act -- "Uniform Condominium Act" means the statute, effective January 1, 1994, cited as Tex. Prop. Code (Vernon's 1995) § 82.001, *et seq.* By the Owners' approval of this Declaration by Owners having at least sixty-seven percent (67%) of the Percentage Ownership Interests in the Condominium and the filing of this Declaration in the Condominium Records of Harris County, Texas, the Original Declaration has been amended in accordance with the amendment process therein provided for and such Owners have determined to have the Uniform Condominium Act apply in its entirety commencing on the date by which such filing (after such approval) occurs with respect to events and circumstances occurring on or after such date except to such extent as this Declaration or the Articles of Incorporation or By-Laws of the Association, as such documents from time to time provide, may be inconsistent with the provisions of the Uniform Condominium Act in which case the provisions of such documents shall prevail unless the Uniform Condominium Act may not validly be varied by such inconsistent provision(s) of such document(s).

Section 1.2 Map Recordation. The Map shall be filed for record simultaneously with the recording of this Declaration as a part hereof. Such Map shall consist of and set forth (1) the legal description of the surface of the Land; (2) the linear measurements and location, with reference to the exterior boundaries of the Land, of the Building and all other improvements built or to be built on said Land; (3) floor plans and elevation plans of the Building built or to be built thereon showing the location, the Residence Unit designation and the linear dimensions of each Residence Unit, and the Limited Common Elements; (4) the elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plane; and (5) all such other features as are required by the provisions of the Uniform Condominium Act.

Section 1.3 Definitions of Rights and Responsibilities.

(a) Each Owner shall have exclusive ownership of his/her respective Residence Unit, shall have exclusive use of those Limited Common Elements designated as such with respect to such Owner's Residence Unit, subject however, to the right of entry reserved and retained by the Association in Section 3.1(15) and Section 3.10 of this Declaration, and shall have the common right to share, with all other Owners, in the use of the General Common Elements in accordance with the purpose for which they are intended and the provisions hereof, without hindering or encroaching upon the lawful rights of other Owners.

(b) Where the term "Owner" is used in the granting of licenses, easements or rights to use Residence Units, General Common Elements or Limited Common Elements, except as otherwise from time to time provided in the Rules and Regulations, provided that the prior consent of such Owner has been obtained, the Family of such Owner and each member thereof, such Owner's guests, tenants, servants, employees and invitees shall also be entitled to the reasonable exercise of the rights, easements or licenses so granted.

(c) The existing physical boundaries of each Residence Unit or Residence Units constructed in accordance with the original plans therefor shall be conclusively presumed to be its boundaries regardless of settling, rising or lateral movement of the Building and regardless of variances between boundaries shown on the plat and those of the Building. None of the rights and obligations of the Owners created herein, or by any deed delivered to any Owner, shall be altered in any way by encroachments due to the settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as they shall exist; provided, however, that in no event shall a valid easement for any encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful conduct of said Owner or Owners.

(d) Each Residence Unit, together with its interest in the Common Elements, constitutes for all purposes a separate parcel of real property.

Section 1.4 Parking Spaces and Storage Spaces. Parking Spaces and Storage Spaces shall be Limited Common Elements for the exclusive use of the Owner of the Residence Unit to which they are assigned of record by this Declaration. Such Parking Spaces and Storage Spaces, being Limited Common Elements, shall be perpetually appurtenant to the Residence Unit to which they are assigned of record by this Declaration, except as provided in this Declaration with respect to transfers of exclusive usage rights in such Parking Spaces and Storage Spaces permitted under this Declaration. Any conveyance or encumbrance of any Residence Unit by the Owner of such Residence Unit shall be deemed to convey or encumber also the transferor's interest in the General Common Elements as well as Limited Common Elements assigned to such transferor including such transferor's exclusive usage rights in such Parking Spaces and Storage Spaces even though made without specifically or particularly referring to the same. An Owner may (without compliance with the provisions of Article VIII [entitled "Transfer of Unit: Right of First Refusal"] of this Declaration) lease or rent (but may not sell) his/her exclusive right to use a Parking Space or Storage Space which is appurtenant to his/her Residence Unit (provided such Owner does not contemporaneously lease or rent his/her Residence Unit) but only to another Owner or to the Association or to a tenant who is then leasing or renting a Residence Unit (from some other Residence Unit Owner); provided, however, upon compliance with (but not in the absence of compliance with) the provisions of Article VIII (entitled "Transfer of Unit; Right of First Refusal") of this Declaration, an Owner may sell, lease or rent his/her exclusive right to use such Parking Space and Storage Space to a party provided that such party contemporaneously becomes the owner of such Owner's related Residence Unit (in the case of a sale of such Owner's related Residence Unit) or that such party contemporaneously becomes the tenant of such Owner's related Residence Unit (in the case of a leasing or renting of such Owner's related Residence Unit).

Except as expressly provided under the preceding sentence, any attempt to lease or rent the exclusive right to use a Parking Space or Storage Space appurtenant to a Residence Unit as well as any attempt to sell the exclusive right to use a Parking Space or Storage Space appurtenant to a Residence Unit shall be void and of no effect.

No rent/lease or other transfer of the exclusive right to use a Parking Space or Storage Space shall have the effect of releasing or diminishing any encumbrance affecting a Parking Space or Storage Space appurtenant to a Residence Unit covered by such encumbrance or of diminishing the Percentage Ownership Interest or Common Expense Charge attributable to the Residence Unit owned by the transferor. Notwithstanding the rights of exclusive use herein created for Parking Spaces and Storage Spaces, the Garage and basement of the Building in which such Parking Spaces and Storage Spaces are respectively located shall be and always remain General Common Elements. Parking Spaces which may be designated as Guest Parking Spaces shall be under the control of the Board which shall promulgate rules and regulations for the use thereof.

ARTICLE II
GENERAL PROVISIONS

Section 2.1 Use Restrictions.

Residence Unit 106 (as designated on Exhibit "B" attached hereto and made a part hereof) is presently owned by the Association. Notwithstanding anything to the contrary herein, Residence Unit 106 may be hereafter utilized from time to time by the Association for such use, purpose or purposes deemed reasonable, necessary or desirable by the Board of Directors of the Association, including, without limitation, commercial, business, or professional use. The Association, acting by and through its Board of Directors, shall have the plenary right (but not the obligation) to lease such Residence Unit 106 to such entity or entities upon such terms, provisions, and conditions as the Board of Directors shall deem reasonable, necessary or desirable for the benefit of the Association. Such uses may specifically include, without limitation, the leasing of such Residence Unit 106 to an entity or entities for the purpose of maintaining and operating a sales or leasing office for Residence Units in The Spires Condominium.

(a) Except as otherwise provided in the preceding paragraph, all Residence Units shall be used and occupied only for dwelling purposes for the Owner, his/her Family and his/her social guests or for leasing or renting to tenants on a month-to-month (or longer term) basis but not as a hotel or "bed and breakfast" and not for leasing or renting or for licensing usage or occupancy on a shorter term basis than as previously stated in this sentence.

For the purpose of this provision, a Residence Unit shall be deemed to be used for dwelling purposes when it is used to house persons and their belongings, without regard to whether the persons are owners of the Residence Units or occupy the Residence Unit pursuant to a rental, leasing or other arrangement. Except as otherwise provided with respect to Residence Unit 106 in the first paragraph of this Section 2.1 and except for the leasing or rental of any Residence Unit for dwelling purposes in accordance with the limitations stated in the first sentence of this Paragraph (a), no Residence Unit shall be used for any commercial, business or professional purpose nor for church purposes. The use of a Residence Unit for the maintenance of a personal or professional library, or for the keeping of personal business or professional records of accounts, or for the handling of personal business or professional telephone calls or correspondence, shall not, in any of the aforesaid circumstances previously stated in this sentence, be deemed to be a violation of this provision; but regular consultation with clients or customers or patients at a Residence Unit is prohibited.

(b) No noxious or offensive activities of any sort shall be permitted, nor shall anything be done in any Residence Unit or in any General Common Element which shall be or may become an annoyance or nuisance to the other Owners.

(c) The provisions of this Article II shall not prohibit the use by the Association of all General Common Elements in any reasonable manner necessary in connection with the operation and maintenance of the Condominium.

(d) Nothing shall be done in or on or at or kept in or on or at any Residence Unit, Balcony, Parking Space, Storage Space or General Common Element which may endanger the lives or property of or cause injury to others or increase the rate of insurance on the Condominium or any Residence Unit over that applicable to residential buildings, or would result in the uninsurability of the Condominium or any part thereof, or the cancellation, suspension, modification or reduction of insurance in or on or covering the Condominium or any part thereof. If, by reason of the occupancy or use of any Residence Unit by any Owner, the rate of insurance on all or any portion of the Condominium shall be increased, such Owner shall be personally liable to the Association for such increase caused thereby and such sum shall be payable to the Association at the same time and in the same manner as provided for the payment of the Common Expense Charge.

(e) No Owner shall install, attach, or hang or allow to be installed, attached or hung any equipment or wiring or electrical installations, television or radio transmitting or receiving antennas, air conditioning units or any other like equipment or wiring in, through or across any portion of any General or Limited Common Elements or any Balcony, except as approved by the Association. All radios, televisions, electrical equipment or appliances of any kind or nature and the wiring therefor installed or used in a Residence Unit shall fully comply with all rules, regulations or requirements of all state and local public authorities having jurisdiction.

(f) Each Owner shall promptly and fully comply with any and all applicable laws, rules, ordinances, statutes, regulations or requirements of any governmental agency or authority with respect to the occupancy and use of his/her Residence Unit and with the provisions of this Declaration, and the By-Laws and Rules and Regulations promulgated hereunder.

(g) Without waiver of the claims of any Owner, each Owner is liable to the Association for violations of this Declaration, the By-Laws, or Rules and Regulations of the Association by such Owner, an occupant of such Owner's Residence Unit (including, without limitation, any tenant), or the Owner's or occupant's Family, guests, employees, agents, or invitees, and for reasonable costs incurred by the Association to obtain compliance (and/or to abate any such violation and/or to recover damages sustained on account of any such violation), including reasonable attorneys' fees whether or not suit is filed.

Section 2.2 Decoration, Maintenance and Repairs of Residence Units. Any Owner may decorate and redecorate his/her Residence Unit (subject to the restrictions regarding same contained in this Declaration, the By-Laws and the Rules and Regulations) and make any improvements or alterations within his/her Residence Unit (but not to any General or Limited Common Elements or to any Balcony) and shall have the right to paint, repaint, tile, wax, paper, drywall or otherwise furnish or decorate any interior surfaces of dividing walls, partitions, ceilings and floors within the Residence Unit. All decorative treatment (drapes, curtains, blinds, etc.) of exterior windows visible from outside the Building shall either be beige or include beige liners, which must be installed between any window covering and the interior surface of such exterior windows, unless an alternative window covering or liner is approved by the Board. No Owner shall install or place any window covering between the beige fabric liners and the interior surface of such exterior windows. Each Owner shall cause to be installed acoustical cushions, separations or subflooring of a type and quality, and having specifications for noise abatement approved by the Board in writing, between any wood, tile or other hard surface flooring installed in a Residence Unit and the concrete slab floor for such Residence Unit.

Except as otherwise provided in Article VI (entitled "Fire or Casualty: Rebuilding") of this Declaration or Article VII (entitled "Eminent Domain") of this Declaration (but without waiver of or prejudice to any claim of such Owner under either Article VI or Article VII of this Declaration), each Owner shall, at his/her own cost and expense, maintain, repair and replace his/her Residence Unit (including, without limitation, the exterior surfaces of his/her Balcony) in good condition and repair, including, without limitation, windows and doors serving only the Owner's Residence Unit, and all fixtures, plumbing, electrical, heating and air conditioning and other equipment and systems installed within the Residence Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems enter the Residence Unit.

In the event an Owner obligated to do so fails or refuses to maintain his/her Residence Unit in good condition and repair, without prejudice to any other legal or equitable remedy of the Association or any other party, the Association shall have the right to enter and provide such maintenance and/or make such repairs, in compliance with the applicable notice and other provisions of Section 3.10 of this Declaration or pursuant to Section 3.1 (15) if the emergency circumstances there referred to are present. Such Owner shall reimburse the Association for costs and expenses for such maintenance and/or repairs. Each Owner shall indemnify and hold harmless each other Owner from and against any and all claims of mechanic's liens filed against other Residence Units and the appurtenant Common Elements for labor, materials or specially fabricated products performed upon or installed in such Owner's Residence Unit and appurtenant Common Elements.

Section 2.3 Balconies. No Owner shall paint, remodel, alter or enclose any Balcony or store objects or things on such Balcony, or dry clothing, or place other materials on such Balcony in any manner which is likely to impair the uniform appearance of the exterior of the Building. An Owner may furnish a Balcony with outdoor furniture in keeping with the provisions of this Declaration and the Rules and Regulations promulgated thereunder.

Section 2.4 Alterations. No Owner shall do any act or permit any act to be done in, on or at any Residence Unit, Balcony, Parking Space, Storage Space or General Common Element or Limited Common Element which will impair the structural integrity, or impair any mechanical system or weaken or lessen the support or otherwise adversely affect the Building or any Limited Common Element or any General Common Element or change the appearance of any Limited Common Element or General Common Element or change the exterior appearance of any Residence Unit or any other portion of the Condominium.

Decorative wall items such as lights, shelves and art work may be affixed to or installed on the dividing walls, floors, doors (except the side of any door facing the Building corridor), and ceilings of any Residence Units which are General Common Elements or Limited Common Elements without prior approval of the Association provided such affixation or installation is done in a good and workmanlike manner and without causing damage to Limited Common Elements or General Common Elements. Except for such affixation or installation of decorative wall items, no Owner shall make any alterations to any of the General Common Elements or Limited Common Elements (including dividing walls, windows and doors which are General Common Elements) nor install, attach, paste or nail any article thereto without the prior approval of the Association, provided however, that Owners may remove or alter any drywalls or other non-structural covering materials contained within their respective Residence Units in accordance with Section 10.3 of this Declaration.

Roof Terraces are Limited Common Elements and shall be for the exclusive use of the respective Owners of the Residence Units reflected on Exhibit "B" except as otherwise provided in this Declaration. No improvements, alterations or modifications shall be constructed, installed or placed to or on any Roof Terrace without the prior written consent of the Board nor shall any Owner store objects or things on any Roof Terrace, or dry clothing, or place other materials on any Roof Terrace in any manner which is likely to impair the uniform appearance of the exterior of the Building. Notwithstanding anything contained in this Declaration to the contrary, the above described Owners' rights to the exclusive use of the Roof Terraces are subject to the rights of the Association to enter the Roof Terraces and complete the construction or installation of (and any necessary or appropriate maintenance, repair and/or replacement of) any and all improvements or equipment shown on the drawings and diagrammatic plans attached hereto and labeled as Exhibit "B," including, by way of example and not by way of limitation, chimneys, vents, and heating and air conditioning equipment. Use of any Roof Terrace shall be at the sole risk, liability and expense of the owner of the Residence Unit having exclusive use thereof. The Owner of the Residence Unit having exclusive use of any Roof Terrace shall, at such Owner's sole risk and expense, but without prejudice to any claim of such Owner, perform all repairs upon any improvements, alterations or modifications constructed, installed or placed to or on such Roof Terrace and shall maintain same in good and safe condition.

Section 2.5 Common Elements. Except as otherwise provided by this Declaration, the Association is responsible for maintenance, repair, and replacement of the Common Elements. Without waiver of or prejudice to any claim of an Owner, such Owner shall be responsible for and shall indemnify and hold the Association and each other Owner harmless from and against all expenses and liability resulting from negligence or willful misconduct of such Owner, any occupant of such Owner's Residence Unit, or the Owner's or any such occupant's Family, guests, employees, servants, contractors, agents, visitors, invitees, or licensees or caused by pets of any of such parties (in excess of actual insurance proceeds, if any, collected with respect to such expense or liability) for damage or destruction inflicted on any part of the Common Elements irrespective of whether such damaged or destroyed Common Elements are situated within such Owner's Residence Unit or damage or destruction inflicted on another Residence Unit or resulting from negligence or willful misconduct of such Owner or any of such previously mentioned parties or caused by pets of any of such parties (in excess of actual insurance proceeds, if any, collected with respect to such expense or liability). The preceding provisions of this Section 2.5 shall not be interpreted to negate the rights of any Owner for whose benefit there has been a waiver of subrogation.

Section 2.6 Additional Provisions. The Association, by provisions of its By-Laws, or the Board, by Rules and Regulations enacted by the Board, may provide such additional rules and regulations for use of the General Common Elements and the Limited Common Elements, the Parking Spaces, the Storage Spaces, and the Residence Units as are necessary or desirable in the judgment of the Association (in the case of such By-Laws) or the Board (in the case of such Rules and Regulations) for the operation of the Condominium, provided such By-Laws and Rules and Regulations are not in conflict with the provisions of this Declaration. Such By-Laws, Rules and Regulations shall be applicable to the General Common Elements and the Residence Units as though set forth herein at length.

Section 2.7 Retail Space. The Retail Space may, at the Association's option, be leased or rented to an individual or individuals or business entity or entities (the "Tenants") for the purpose of operating a retail store or stores therein. Such retail store or stores shall be operated for the purpose of providing, by way of example, and not by way of limitation, a grocery store, convenience store, dry cleaners, or other similar business activity which the Association determines to be of a benefit to the Owners. No other part of the Condominium shall be used for retail sales purposes. The Board shall have the authority to execute and deliver any and all leases or rental agreements by and between the Association and the Tenant(s) upon such terms and conditions as the Board deems appropriate, after reasonable diligence has been exercised to obtain one or more leases which provide rent which is the fair market rental value of such Retail Space and which are advantageous to the Association also in terms of the non-monetary covenants of each such lease and after conflict of interest issues have been considered.

Each such lease or rental agreement shall provide that the Retail Space shall at all reasonable times be operated and maintained in such a manner as to not cause any undue inconvenience or nuisance to the Owners.

Notwithstanding anything contained herein to the contrary, the Association shall never rent, lease or otherwise operate the Retail Space in such a manner as to jeopardize its status as a nonprofit corporation (as that term is defined under Vernon's Ann. Civ. St. art. 1396 *et seq.* and under V.T.C.A., Tax Code § 171.082) or its status as a condominium management association (as that term is defined under I. R. C. § 528). The Association shall operate the Retail Space according to the requirements of I. R. C. § 528 and the regulations promulgated pursuant thereto, including, without limitation, the following, to-wit:

(a) Eighty-five percent (85%) or more of the total square footage of all units within the Condominium shall be used by individuals for residential purposes;

(b) Sixty percent (60%) or more of the Association's gross income for each taxable year shall consist of amounts received as membership dues, fees or assessments from Owners of Residence Units;

(c) Ninety percent (90%) or more of the Association's expenditures for each taxable year must be expenditures for the acquisition, construction, management, maintenance and care of the Condominium;

(d) No part of the Association's net earnings shall inure (other than indirectly through the acquisition, management and maintenance of the Condominium, and other than through the rebate of excess membership dues, fees or assessments) to the benefit of any individual; and

(e) The Association elects (at such time and in such manner as the Secretary of Treasury of the United States by regulations prescribes) to have said Section 528 apply for the taxable year, this election requirement currently requiring (pursuant to Reg. § 1.528-8(a) and (b)) that the Association file a properly completed Form 1120-H (or such other form as the Secretary of the Treasury may prescribe) by the time, including extensions, for filing a federal income tax return for the year in which the election is to apply.

Common Expense Charges and Special Assessments must be paid by Owners and not by tenants of Owners or tenants of Retail Space; provided, however, the preceding portion of this sentence shall not be interpreted to prohibit the establishment of rent or other charges (by agreement of any such Owner, as landlord, and the tenant of the leased premises) under such lease which would be of sufficient amount to cover such Owner's obligation to pay Common Expense Charges and Special Assessments.

ARTICLE III

ASSOCIATION

Section 3.1 Authority to Manage. The affairs of the Condominium and Condominium Regime shall be administered by The Spires Association, a Texas non-profit corporation. The Association shall have all rights, powers and duties of the "Association" or "association"), as that term is used in the Uniform Condominium Act and, acting through its Board of Directors, may: (1) adopt and amend budgets for revenues, expenditures, and reserves, and collect assessments for common expenses from Residence Unit Owners; (2) hire and terminate Managing Agents and other employees, agents, and independent contractors; (3) institute, defend, intervene in, settle, or compromise litigation or administrative proceedings in its own name on behalf of itself or two or more Residence Unit Owners on matters affecting the Condominium; (4) make contracts and incur liabilities relating to the operation of the Condominium; (5) regulate the use, maintenance, repair, replacement, modification, and appearance of the Condominium; (6) adopt and amend rules regulating the use, occupancy, leasing or sale, maintenance, repair, modification, and appearance of Residence Units and Common Elements, to the extent the regulated actions affect Common Elements or other Residence Units; (7) cause additional improvements to be made as a part of the Common Elements; (8) acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, except Common Elements of the Condominium; (9) grant easements, leases, licenses, and concessions through or over the Common Elements; (10) impose and receive payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Residence Unit Owners; (11) impose interest and late charges for late payments of assessments, returned check charges, and, if notice and an opportunity to be heard are given (and the provisions of Section 82.102(d) and (e) of the Uniform Condominium Act are complied with), reasonable fines for violations of this Declaration, the By-Laws, and Rules and Regulations of the Association; (12) adopt and amend rules regulating the collection of delinquent assessments and the application of payments; (13) adopt and amend rules regulating the termination of utility service to a Residence Unit, the Owner of which is delinquent in the payment of an assessment that is used, in whole or in part, to pay the cost of that utility; (14) impose reasonable charges for preparing, recording, or copying declaration amendments, resale certificates, or statements of unpaid assessments; (15) enter a Residence Unit for emergency purposes and enter a Residence Unit for any one or more of the purposes stated in Section 3.10 (entitled "Right of

Entry") of this Declaration, all such rights of entry, whether under this Section 3.1(15) or under Section 3.10, to be exercised in accordance with the terms and provisions set forth in the second paragraph of Section 3.10 of this Declaration; (16) assign its right to future income, including the right to receive Common Expense Assessments, but only to the extent this Declaration so provides; (17) suspend the voting privileges of and the use of certain General Common Elements by an Owner delinquent for more than thirty (30) days in the payment of Common Expense Charges or Assessments (including interest, late fees, or delinquency charges) owing to the Association by such Owner and suspend such voting privileges and the use of certain General Common Elements by an Owner who is not in compliance with the requirements of Section 5.2 of this Declaration relative to carrying insurance or providing the Association with a certificate or such other evidence of compliance with said Section 5.2 as the Association may reasonably request; (18) purchase insurance and fidelity bonds it considers appropriate or necessary; (19) exercise any other powers conferred by this Declaration or the By-Laws; (20) exercise any other powers that may be exercised in this state by a corporation of the same type as the Association (i.e., a non-profit corporation formed under the Texas Non-Profit Corporation Act); (21) evict a tenant of a Residence Unit Owner for the tenant's violation of this Declaration, or the By-Laws or Rules and Regulations of the Association; (22) bring an action to evict a tenant of a Residence Unit Owner who fails to pay the Association for the cost of repairs to Common Elements damaged substantially by such Owner's tenant; (23) collect rents from a tenant of a Residence Unit Owner who is at least sixty (60) days delinquent in the payment of any amount due to the Association; and (24) exercise any other powers necessary and proper for the government and operation of the Association (it being understood, however, that before the Association may charge a Residence Unit Owner for property damage for which a Residence Unit Owner is liable or levy a fine for violation of this Declaration, the By-Laws or the Rules or Regulations of the Association, the Association shall comply with the provisions of Section 82.102(d) and (e) of the Uniform Condominium Act); provided, however, notwithstanding the preceding terms and provisions and notwithstanding any of the other terms or provisions of this Declaration and notwithstanding the terms and provisions of Section 82.102(a)(1) of the Uniform Condominium Act, the Association shall not have the power or authority to adopt and amend By-Laws of the Association (and any attempt to do so shall be void and of no effect). The Association shall have the right, power, and obligation to provide for the maintenance, repair, replacement, administration and operation of the Condominium and Condominium Regime as provided herein and in the By-Laws and in the Rules and Regulations promulgated by the

Board of Directors. The business and affairs of the Association shall be managed by the Board of Directors.

Section 3.2 Membership in the Association. Each Owner (and only an Owner) shall be a Member of the Association so long as he/she shall be an Owner and such membership shall automatically terminate when he/she ceases to be an Owner. Upon the transfer of ownership of a Residence Unit, the new Owner succeeding to such ownership shall likewise succeed to membership in the Association. The Association may issue certificates evidencing membership therein.

Section 3.3 Voting of Members. There shall be one vote in the affairs and management of the Association for each Residence Unit. In the event that ownership interests in a Residence Unit are owned by more than one Member of the Association, the Member (if any) who owns more than fifty percent (50%) of the whole ownership of such Residence Unit shall be entitled to vote the one vote of that Residence Unit at any meeting of the Association as well as in any balloting of the Owners which is provided for under the By-Laws without a meeting of the Association; however, if no one Member of the Association owns more than fifty percent (50%) of the whole ownership of such Residence Unit, then Members who own percentage interests in such Residence Unit aggregating more than fifty percent (50%) of the whole ownership thereof shall designate one Member who shall be entitled to vote the one vote of that Residence Unit at any meeting of the Association as well as in any balloting of the Owners which is provided for under the By-Laws without a meeting of the Association. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual written notice to the Board or upon the death or judicially declared incompetence of any one of the Members. In the event that a Residence Unit is owned by more than one Member (and no one Member owning such Residence Unit owns an interest in such Residence Unit of more than fifty percent (50%) of the whole ownership thereof) and no one Member is designated in writing (by Members who own percentage interests in such Residence Unit aggregating more than fifty percent (50%) of the whole ownership thereof) to vote on behalf of the Members having an ownership interest in such Residence Unit, then none of such Members shall be allowed to vote; provided, however, if any Residence Unit is owned by multiple Members (none of whom owns a percentage interest in such Residence Unit aggregating more than fifty percent (50%) of the whole ownership thereof) and only one of such multiple Members is present at a meeting of the Association (and no one Member is designated in writing [by Members who own percentage interests in such Residence Unit aggregating more than fifty percent (50%) of the whole ownership thereof] to vote on behalf of the Members having an ownership interest in such

Residence Unit and no proxy has been validly given with respect to such Residence Unit), then the one of such multiple Members who is present at a meeting of the Association may cast the vote allocated to that Residence Unit; but if, under the circumstances previously described in this sentence, more than one of such multiple Members is present at such meeting of the Association, the vote allocated to that Residence Unit may be cast only in accordance with the unanimous agreement of the Members (who are multiple owners of such Residence Unit, even though not constituting a majority) who are present at such meeting. Multiple Owners shall be considered to be in unanimous agreement if one of the multiple Owners casts the vote allocated to a Residence Unit and none of the other Owners makes prompt protest to the person presiding over the meeting. If part or all of two (2) or more Residence Units are merged into one or more Residence Units pursuant to the provisions of this Declaration, there shall be one vote for each resulting Residence Unit.

As provided in Section 4.4 of this Declaration, the Board of Directors may suspend the voting privileges of (and/or the use of certain General Common Elements by) any Owner (or such Owner's proxy) in default in the payment of the Common Expense Charges or Special Assessments (including interest, late fees, or delinquency charges) for more than thirty (30) days so long as such default exists nor (so long as any such suspension is in effect), under any of the circumstances referred to in this sentence, shall such Owner or the holder of such Owner's proxy be entitled to vote at any such meeting or in any balloting of the Owners which is provided for in the By-Laws without a meeting of the Association.

Cumulative voting is not allowed.

Section 3.4 Meetings of the Members.

(a) An annual meeting of the Members of the Association shall be held in the Building or at such other place (in Houston, Harris County, Texas) as may be designated by the Board of Directors once each calendar year, written or printed notice of which (stating the place, day, and hour of such meeting) shall be given to the Members by the Board of Directors in accordance with the provisions of the By-Laws of the Association.

(b) At the annual meeting of the Members of the Association, the Board of Directors shall present an audit of the Common Expense Fund, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each Owner and the estimated Common Expense Charges for the coming calendar year. Within thirty (30) days after such annual meeting, the statements and estimates presented at such annual meeting by the Board of Directors shall be delivered to all Owners.

(c) Special meetings of the Members of the Association may be called at any time by the President of the Association or by a majority of the Board of Directors or by Residence Unit Owners having at least twenty percent (20%) of the votes in the Association.

Written or printed notice stating the place, day and hour of such special meeting and the purpose or purposes for which the meeting is called shall be given to the Members in accordance with the provisions of the By-Laws of the Association. The place of holding such special meeting of the Members of the Association shall be the Building or such other place (in Houston, Harris County, Texas) as may be designated by the Board of Directors in such notice.

(d) For the purpose of determining the Members entitled to notice of any meeting, the membership of the Association shall be determined by the Secretary from the Association's records at the close of business on the fifth (5th) day (or the first business day prior thereto if such fifth (5th) day is a governmental or religious holiday) preceding the date of the notice of such meeting (the "membership determination date"). Only those persons shown as Members by the Association's records as of the membership determination date (as determined by the Secretary from such records)shall be entitled to notice of such meeting, provided however, that in the event a Member has transferred legal title of a Residence Unit between the membership determination date and the date of such meeting, the purchaser or transferee of such Residence Unit may attend such meeting and shall be entitled to participate and vote at such meeting if the purchaser or transferee provides evidence reasonably satisfactory to the Secretary, in the Secretary's sole discretion, at or before such meeting that legal title to the Residence Unit has passed to such purchaser or transferee as of or prior to the date of such meeting.

(e) All meetings (whether annual or special) of the Association shall be presided over by the President of the Association or, in his/her absence, by a Vice President of the Association, as chairperson of the meeting, and shall be governed by the most current edition (as of the time of such meeting) of Robert's Rules of Order (as interpreted by the acting parliamentarian for such meeting, who shall be appointed by such chairperson).

(f) All Members of the Association may be present at any meeting of the Association and, except as otherwise provided in this Declaration or the By-Laws of the Association, may vote at such meetings either in person or by written proxy executed by the Owner of the Residence Unit. If a Residence Unit is owned by more than one person, in order to be valid a written proxy must be signed by a majority in interests of the Owners of such Residence Unit. The Owner of a Residence Unit may not revoke a proxy except by giving actual written notice of revocation to the person presiding over a meeting of the Association.

A proxy is void if it is not dated or if it purports to be revocable without notice. A proxy terminates one year after its date unless such proxy specifies a shorter or longer time.

Except as otherwise specified in this Declaration or in the Articles of Incorporation or By-Laws of the Association, actions by the Association shall be authorized by a majority of the votes cast by the Members at any annual or special meeting of the Members of the Association at which a quorum is present. A quorum is present throughout any meeting of the Association if persons entitled to cast at least twenty percent (20%) of the votes in the Association are present in person or by proxy at the beginning of the meeting.

Section 3.5 Board of Directors.

(a) The Board of Directors consists of and shall consist of eleven (11) persons who are Members of the Association who reside in their respective Residence Units as their respective primary residences.

(b) The Directors shall be elected by the Members of the Association. The Members of the Association shall elect such Directors as may be necessary to fill any expiring terms, each Director to serve for a term of three (3) years. The election of successor Directors shall be held in accordance with the provisions of the By-Laws of the Association. The current system of staggered terms of Directors shall continue in full force and effect. Accordingly, the following shall apply: (1) in 1996, four (4) persons shall be elected Directors (for terms of three [3] years each) to succeed the persons whose terms as Directors end in August 1996; (2) in 1997, four (4) persons shall be elected Directors (for terms of three [3] years each) to succeed the persons whose terms as Directors end in August 1997; and (3) in 1998, three (3) persons shall be elected Directors (for terms of three [3] years each) to succeed the persons whose terms as Directors end in August 1998. The aforesaid process shall continue thereafter (subsequent to such dates) unless hereafter modified by amendment of this Declaration.

(c) The Members of the Board of Directors elected by means of the balloting process provided for in the By-Laws of the Association shall each serve for a term of three (3) years commencing at the adjournment of the annual meeting of the Members (first following the balloting process through which such Directors were elected) and continuing until the end of said three (3) year term, or until their death, resignation, removal or until they are no longer Members of the Association, whichever is earliest.

(d) There shall be one or more candidates for each of the particular Director positions being filled through such balloting process. In the case of each of such Director positions, the candidate for such Director position receiving the requisite votes provided for in the By-Laws shall be deemed elected. All votes shall be cast by written ballot in accordance with the provisions of the By-Laws. Cumulative voting for the election of Directors is prohibited and shall not be effective.

(e) The annual meeting of the Board of Directors shall be held each year following the annual meeting of the Members (at the same place as the annual meeting of the Members) for the consideration of any business that may be properly brought before such meeting. Regular meetings of the Board of Directors shall be held at such times and places (in Houston, Harris County, Texas) as the Board of Directors shall determine. Special meetings of the Board of Directors shall be held at any time upon the call of the President, Vice President, or Treasurer or upon call by any three (3) Directors. Notice of such special meetings shall be in writing and shall be delivered to each Director not less than three (3) calendar days nor more than ten (10) calendar days prior to the date of such special meeting and each such special meeting shall be held in Houston, Harris County, Texas, at the place designated in such notice.

(f) A meeting of the Board of Directors may be held by any method of communication, including electronic and telephonic, by which each Director may hear and be heard by every other Director.

(g) The Board of Directors shall have the authority to create one or more committees from time to time and at any time. All such committees shall exist and function subject to Board approval and Board direction and may be terminated at any time by the Board, and for any reason. Each committee, except the Executive Committee, shall be composed of one or more Board Members and one or more non-Board Members of the Association. Such committees, including the Executive Committee, shall serve as advisors to the Board and shall not have any authority, express or implied, to make any decisions for or commitment on behalf of the Board of Directors.

(h) Meetings of the Association and Board of Directors must be open to Members, subject to the right of the Board of Directors to adjourn a meeting of the Board of Directors and reconvene in closed executive session to consider actions involving personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Residence Unit Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors. The general nature of any business to be considered in executive session must first be announced at the open meeting.

Section 3.6 Actions without Meetings. Pursuant to the Association's First Amended and Restated Articles of Incorporation (and based on the provisions of Article 1396-9.10.C. of the Texas Non-Profit Corporation Act [the "Act"]), any action required by this Declaration or by law to be taken at a meeting of the Members or at a meeting of the Board of Directors or any action which may be taken at a meeting of the Members or at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action to be taken, shall be signed by a sufficient number of Members or Directors as would be necessary to take that action at a meeting at which all of the Members or Directors were present and voted. Any such written consent of the Members shall be filed with the minutes of meetings of the Members and any such written consent of the Board of Directors shall be filed with the minutes of the meetings of the Board of Directors. In this connection, to the extent applicable, the other provisions of Article 1396-9.10.C. of the Act shall be complied with.

Section 3.7 Officers. The officers of the Association shall be elected by the Board of Directors and shall consist of a President, a Vice President, a Secretary and a Treasurer and such other Vice Presidents, Assistant Secretaries, and Assistant Treasurers as may be convenient or necessary in the judgment of the Board of Directors for the administration and operation of the Condominium. The officers shall be elected from among the members of the Board of Directors.

Section 3.8 Administration of the Condominium.

Except as provided by this Declaration, the By-Laws or the Uniform Condominium Act, the Board of Directors shall act in all instances on behalf of the Association if, in the good faith judgment of the Board of Directors, the action is reasonable. Each officer or member of the Board of Directors is liable as a fiduciary of the Members for the officer's or director's acts or omissions. All acts of the Association must be by and through the Board of Directors unless otherwise provided by this Declaration or the By-Laws or by law. The Board of Directors may not act on behalf of the Association to amend this Declaration except as permitted by the Uniform Condominium Act, to terminate the Condominium, to elect members of the Board of Directors, or to determine the qualifications, powers and duties, or terms of office of members of the Board of Directors. The Board of Directors may fill a vacancy in its membership for the unexpired portion of a term.

The Association, acting through its Board of Directors, its officers or other duly authorized management representatives, shall manage the business and affairs of the Condominium and shall, without limitation, have the powers of collection and enforcement set forth herein, and for the benefit of all of the Owners in the Condominium shall provide, perform, cause to be performed, maintained, acquired, contracted and paid for (which shall include the creation of such reserves for any of the following items as the Board of Directors shall determine, in the exercise of its business discretion, to be necessary) out of the Common Expense Fund the following:

(a) Utility services used in or for the Common Elements, water and sewer services used by or consumed by the Residence Units, and, if not metered or charged, other utility services for the Residence Units. Electricity, telephone, and other utility services separately metered or charged shall be paid for by the Owner of the Residence Unit served by such utility service.

(b) The insurance required by Section 5.1 hereof and such other policies of casualty, liability and/or other insurance covering persons, property and risks as are in the best interest of the Condominium.

(c) The services of a Managing Agent (or other management personnel) and such other persons as the Board of Directors shall from time to time determine are necessary or proper to the daily management, operation and maintenance of the Condominium, it being here provided that the Managing Agent's (or other manager's) performance will be reviewed by the Board of Directors each year and that, in addition, the Board of Directors shall determine the Managing Agent's (or other manager's) salary, considering merit raises, at the end of each fiscal year or at the expiration of a signed legal contract with the Managing Agent (or other manager), whichever comes first.

(d) All supplies, tools and equipment reasonably required for use in the management, operation, maintenance, cleaning and enjoyment of the Condominium.

(e) The cleaning, maintenance, repairing, reconstruction and replacement of the Common Elements as the Board of Directors shall determine is necessary.

(f) The services of gardeners, parking attendants, doormen, security guards, valets and such other persons to the extent necessary for the operation of the Condominium in the manner desired by the Members of the Association.

(g) The removal of all trash, garbage and rubbish from the trash rooms located on each floor of the Building at which Residence Units are situated and the central garbage receptacle or receptacles of the Building; including the employment of the services of a garbage collection company or agency, public or private.

(h) Costs of bookkeeping of the accounts of the Association and the annual audit provided for herein; legal and accounting services and fees of the Association; premiums of fidelity bonds; taxes or assessments of whatever type assessed or imposed against any of the Common Elements.

(i) Costs of providing basic cable television service only, including the costs for installing a maximum of two (2) cable television wall outlets per Residence Unit. Owners shall be required to pay for any and all additional or premium cable television service which may be available or become available and which they desire to have, including, without limitation, additional cable television wall outlets, premium movie or cable services and pay per view services.

(j) Costs of maintaining and repairing the Fountain, the Lake, the improvements surrounding same and the Sewage Lift Station.

The Board of Directors shall not, without the prior authorization of the Members of the Association, contract for or pay for any one (1) unbudgeted item of capital addition or capital improvement (other than replacement of malfunctioning or inoperable then-existing Common Elements) a sum in excess of Ten Thousand and No/100 Dollars ($10,000.00), nor, without such prior authorization of the Members of the Association, cumulative unbudgeted capital additions or capital improvements in a single year in excess of Thirty Thousand and No/100 Dollars ($30,000.00) (other than replacement of malfunctioning or inoperable then-existing Common Elements). Any such replacement must be comparable in function to that item (or those items) of then-existing Common Elements which are replaced pursuant to the provisions of the preceding sentence. Additionally, without the prior authorization of the Members of the Association, the Board of Directors may take the action previously referred to in this paragraph (not subject to the dollar limitations previously stated in this paragraph) in the case of any emergency.

Nothing herein shall authorize the Board of Directors to furnish to any person services primarily for the benefit or convenience of any Owner or Owners or any occupant or occupants of any Residence Units other than services customarily rendered to all Owners and occupants of Residence Units. The Board of Directors shall have the exclusive right and obligation to contract for all goods, services and insurance in connection with the administration of the Condominium, payment for which is to be made from the Common Expense Fund.

An officer or director of the Association is not liable for any omission or improper exercise by the Managing Agent of any deed, power or function delegated to (or otherwise taken by) the Managing Agent; and an officer or director is not liable for monetary damages for an act or omission occurring in the person's capacity as an officer or director unless: (i) the officer or director breached a fiduciary duty to the Association or an Owner of a Residence Unit; or (ii) the officer or director received an improper benefit; or (iii) the act or omission was in bad faith or involved intentional misconduct; or (iv) the act or omission was one for which liability is expressly provided by statute; provided, however, the preceding provisions of this sentence do not diminish any limitation of liability provided an officer or director of the Association by this Declaration, the By-Laws, Articles of Incorporation of the Association, or other laws.

Section 3.9 Accounting, Audit and Association Records. The Association shall keep or cause to be kept detailed financial records including, without limitation, books of detailed account of the receipts and expenditures affecting the Condominium and its administration and specifying the maintenance and repair expenses affecting the Condominium and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Condominium or the Association. All financial and other records of the Association including, without limitation, the books of accounts and all vouchers supporting the entries made therein, shall be reasonably available for examination at the registered office or principal office of the Association in the State of Texas by all Owners (and any Owner's agent) at convenient hours on working days, and the Board of Directors shall cause to be established and announced for general knowledge the days and hours within which such books and other financial records of the Association shall be available for inspection. An attorney's files and records relating to the Association are not records of the Association and are not subject to inspection by Owners of Residence Units or production in any legal proceeding. All such books and records shall be kept in accordance with generally accepted accounting principles, consistently applied, which are sufficiently detailed to enable the Association to prepare a resale certificate under Section 82.157 of the Uniform Condominium Act and in accordance with other applicable provisions of this Declaration. The Association shall, as a common expense, be independently audited at least once a year by an outside auditor pursuant to the terms and provisions of the By-Laws of the Association. An audit required pursuant to the preceding sentence shall be performed by a certified public accountant if required by the By-Laws or a vote of the Board of Directors or a majority vote of the Members of the Association voting at a meeting of the Association. Copies of such audit must be made available to Owners of the Residence Units. The fiscal year of the Association shall be from July 1 of each year until June 30 of the following year unless another period is established by the Board of Directors.

As provided in Section 82.114 of the Uniform Condominium Act, the Association shall also keep: (i) the condominium information statement prepared under Section 82.152 of the Uniform Condominium Act and any amendments; (ii) the name and mailing address of each Owner of a Residence Unit; (iii) voting records, proxies, and correspondence relating to amendments to this Declaration; (iv) minutes of meetings of the Association and Board of Directors; and (v) the plans and specifications used to construct the Condominium except for buildings originally constructed before January 1, 1994.

Not later than the thirtieth (30th) day after the date of acquiring an interest in a Residence Unit, the Owner of such Residence Unit shall provide the Association with: (i) the Residence Unit Owner's mailing address, telephone number, and driver's license number, if any; (ii) the name and address of the holder of any lien against the Residence Unit, and any loan number; (iii) the name and telephone number of any person occupying the Residence Unit other than the Residence Unit Owner; and (iv) the name, address, and telephone number of any person managing the Residence Unit as agent of the Residence Unit Owner.

A Residence Unit Owner shall notify the Association not later than the thirtieth (30th) day after the date the Residence Unit Owner has notice of a change in any information required by the preceding paragraph, and shall provide the information on request by the Association from time to time.

The Association shall record in the Official Public Records of Real Property of Harris County, Texas a certificate (hereafter referred to and referred to in Section 82.116 of the Uniform Condominium Act as a "management certificate"), signed and acknowledged by an officer of the Association, stating: (i) the name of the Condominium; (ii) the name of the Association; (iii) the location of the Condominium; (iv) the recording data for this Declaration; (v) the mailing address of the Association, or the name and mailing address of the person or entity managing the Association; and (vi) other information the Association considers appropriate. The Association shall record a management certificate not later than the thirtieth (30th) day after the date the Association has notice of a change in any information in a recorded certificate required by the preceding sentence. The Association and its officers, directors, employees, and agents are not subject to liability to any person for delay or failure to record a management certificate, unless the delay or failure is willful or caused by gross negligence.

Section 3.10 Right of Entry. The Association, or its duly authorized representatives, shall have the right and authority to enter any Residence Unit for any one or more of the following purposes:

(a) Making repairs therein or providing maintenance thereto or to the cable television system and equipment or performing services provided or available to all Residence Units by or from the Association.

(b) Performing necessary maintenance or repairs to the Common Elements or Limited Common Elements, for which the Association is responsible.

(c) Abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such Residence Unit.

Section 3.11 Notices. Any notice permitted or required to be given to a member of the Board of Directors or to an Owner may be delivered personally, by mail or by placing such notice in the mail distribution facilities of each Owner if such facilities are present in the Building. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after deposit in the U. S. Mail, postage prepaid, addressed to an Owner at his/her Residence Unit or to such other address as the Owner may have given in writing to the Secretary of the Association for the purpose of service of notices. Any address of an Owner for purposes of notice to such Owner may be changed from time to time by such Owner's giving notice in writing to the Secretary.

ARTICLE IV

COMMON EXPENSE FUND; ASSESSMENTS; COLLECTION

Section 4.1 Common Expense Charges. All owners are bound to contribute, in proportion to their Percentage Ownership Interests, to the Common Expense Fund as a Common Expense Charge, the expenses of administration of the Condominium Regime and the administration, maintenance and repairs of the Common Elements, and other expenses provided by the terms of this Declaration to be paid by the Association or those expenses agreed upon to be assumed by the Association pursuant to this Declaration, the By-Laws and the Rules and Regulations. No Owner shall be exempt from the obligation to make such contribution to the Common Expense Fund by waiver of the use or enjoyment of the Common Elements, either General or Limited, or by the abandonment of the Residence Unit belonging to him/her, or under any other circumstances.

Section 4.2 Budgets, Establishment of Common Expense Charges, and Special Assessments. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies and reserves for repairs to or replacements of Common Elements. The Common Expense Charge for such year shall be established by the adoption of such annual budget by the Board of Directors of the Association and shall be based on such annual budget. Copies of each such budget shall be delivered to each Owner by such reasonable means as the Board of Directors may provide. In the event that the Board of Directors at any time determines that the Common Expense Charges so levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium for such fiscal year or in the event of casualty losses, condemnation losses or other events (including nonpayment of Common Expense Charges by some Owners) which require additional funds be supplied for preservation and operation of the Condominium, the

(d) Preventing or terminating waste of water purchased by the Association as a common expense.

(e) Performing maintenance and repairs of the Condominium that, if not performed, may result in increased damage by water to components of the Condominium that the Association maintains.

(f) Protecting the property rights and welfare of other Owners.

(g) Enforcing the provisions of the Declaration of Condominium, the By-Laws or the Rules and Regulations promulgated thereunder.

(h) As provided in Section 3.1(15) of this Declaration, for emergency purposes.

(i) As provided in Section 82.107 of the Uniform Condominium Act, for purposes of access by the Association, other Residence Unit Owners and their agents or employees for the maintenance, repair and replacement of the Common Elements and each Residence Unit. If damage is inflicted on the Common Elements or on any Residence Unit through which access is taken, the Residence Unit Owner responsible for the damage, or the Association if it is responsible, is liable for the prompt repair of the damage, without prejudice, however, to waivers of subrogation rights.

Except in the event of an emergency or in the event the Board of Directors or the Managing Agent is unable to contact any Owner or occupant of a Residence Unit after reasonable efforts (in either of which circumstances, such right of entry may be exercised promptly and without the Owner or other occupant of the Residence Unit being present), such right of entry shall be exercised only after at least one (1) day's written notice to the Owner or the occupant of the Residence Unit or (without any such written notice) may be exercised in the presence of the Owner or other occupant of the Residence Unit which is entered. In all events, such right of entry shall be exercised in such manner as to avoid any unreasonable or unnecessary interference with the possession, use or enjoyment of the Residence Unit by the Owner or occupant thereof and shall, except as otherwise provided in the preceding sentence, be preceded by at least one (1) day's prior written notice to the Owner or occupant thereof. In the event that any damage is negligently caused to the property of any Owner or is caused to the Common Elements in connection with the exercise of any such right of entry, such damage shall be repaired at the expense of the Association, and the Board of Directors is authorized to expend Common Expense Fund funds therefor; provided, however, if, in connection with the exercise of any such right of entry, damage is caused to the Common Elements or any Residence Unit through which access is taken and an Owner is responsible for such damage, then such Owner is liable for the prompt repair of such damage.

Board of Directors shall have the authority at any time or from time to time to levy such Special Assessments as it shall deem necessary for such purposes. Such Special Assessment shall not be levied, however, without the prior approval of Owners having at least a majority of the votes in the Association, unless a greater number of votes is required by law.

The failure or delay of the Board of Directors to prepare any annual budget or to deliver copies of such budgets to each Owner shall not constitute a waiver or release in any manner of any Owner's obligation to pay Common Expense Charges whenever the same shall be determined, and in the event of any delay or failure to establish any annual budget each Owner shall continue to pay the Common Expense Charge, monthly, at the rate established for the previous period until a new annual budget is established.

Section 4.3 Payment of Common Expense Charges and Special Assessments. Common Expense Charges shall be due and payable monthly in advance. Special Assessments shall be due and payable at such time as determined by the Board of Directors. Payment of Common Expense Charges and Special Assessments shall be in default if such Common Expense Charges or Special Assessments are not paid to the Association on or before the due date for such payment. Common Expense Charges and Special Assessments in default shall bear interest from the date of delinquency until paid at such lawful rate per annum as may be established from time to time by the Board of Directors, it being understood that a lawful rate so established by the Board of Directors for an amount owing for Common Expense Charges and/or Special Assessments in default shall continue in effect until such amount is fully paid. Each Owner (whether one or more persons) shall be personally liable for the payment of all Common Expense Charges and Special Assessments which may be levied against such Owner and his/her Residence Unit pursuant to the provisions of this Declaration.

Except as provided by this Declaration and Section 82.107 of the Uniform Condominium Act, Common Expense Charges and Special Assessments for the maintenance, repair, or replacement of a Limited Common Element shall be assessed against all Residence Units as if such Limited Common Element were a General Common Element.

If common expense liabilities are reallocated, Common Expense Charges not yet due and any Special Assessment installment not yet due shall be recomputed in accordance with the reallocated common expense liabilities.

The Board of Directors is authorized to allow the accumulation of reserve funds for an unspecified period to provide for any anticipated expense of the Condominium.

Section 4.4 Enforcement. In order to secure the payment of the Common Expense Charges and Special Assessments levied hereunder (including, without limitation, interest, late fees, or delinquency charges for which Owners of Residence Units are liable to the

Association under this Declaration), and to secure payment of all damages and/or repairs for which an Owner may be liable under the terms hereof (damage charges) and all other amounts from time to time owing to the Association by a Residence Unit Owner, an express contractual lien shall be and is hereby imposed upon and reserved in and to and in favor of the Association, and is hereby granted to the Association by each Owner of a Residence Unit with respect to such Owner's Residence Unit as well as such Owner's usage rights with respect to Storage Space(s), usage rights with respect to Parking Space(s) and such Owner's interest in the Common Elements.

Further, all liens in favor of the Association on Residence Units, Storage Space(s), Parking Space(s) and interests in Common Elements provided for under the Original Declaration are hereby renewed and extended and shall continue in full force and effect.

The lien in favor of the Association granted pursuant to this Section 4.4 and all liens in favor of the Association on Residence Units (and/or Storage Spaces, Parking Spaces and interests of Residence Unit Owners in the Common Elements) as provided for under the Original Declaration which are being renewed and extended as previously provided in this Section 4.4 shall be in addition to (not in lieu of) the statutory lien in favor of the Association provided for under Paragraph (c) of Section 82.113 of the Uniform Condominium Act indicating, in substance, that the Association's lien for "assessments" (as defined in Section 82.113(a) of the Uniform Condominium Act) is created by recordation of this Declaration, which constitutes record notice and perfection of such statutory lien; and it is here provided that no other recordation of a lien or notice of lien is required.

To evidence such contractual lien, the Board of Directors or Managing Agent of the Association may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid Common Expense Charges, Special Assessments (including interest, late fees, or delinquency charges), or damage charges, the name of the Owner of the Residence Unit and a description of the Residence Unit. Such a notice, if prepared, may be signed by one of the Directors of the Board of Directors or by the Managing Agent, or the duly authorized agent or attorney of either, and may be recorded in the Office of the County Clerk of Harris County, Texas.

Each Residence Unit Owner, by his/her signature hereinbelow or by acceptance of conveyance of a Residence Unit heretofore prior to the recordation of this Declaration (but after the recordation of the Original Declaration) or by acceptance of conveyance of a Residence Unit hereafter, as may be applicable, irrevocably grants to the Association a power of sale so that the lien or liens of the Association for any unpaid Common Expense Charges, Special Assessments (including interest, the Association's attorneys' fees incurred in connection with any such Common Expense Charges or Special Assessments [if not timely paid by an Owner] and other amounts relating thereto properly payable to the Association by an Owner [including, to the extent provided for under this Declaration, dues, fees, charges, late fees, fines, collection costs and any other amount due to the Association by a Residence Unit Owner), or damage charges or repair charges required to be paid by this Declaration may be foreclosed by the Association in the same manner as is provided for foreclosure of a contractual lien on real property pursuant to Tex. Prop. Code § 51.002 (Recodification of Vernon's Annotated Civil Statutes of Texas, Article 3810), or any amendment or recodification thereof, or by judicial foreclosure; provided, however, the Association may not foreclose a lien for assessments consisting solely of fines. Costs of foreclosure may be added to the amount owed by the Residence Unit Owner to the Association. The Association may designate a trustee, in writing, from time to time to post or cause to be posted the required notices of foreclosure, and to conduct such a foreclosure sale. The trustee may be changed at any time and from time to time by a written Resolution of the Board of Directors or by an instrument in writing signed by the President or a Vice President of the Association and attested by the Secretary or any Assistant Secretary of the Association. Such appointment of trustee or successor trustee(s), as applicable, may, but shall not be required to, be filed for record in the Official Public Records of Real Property of Harris County, Texas. The lien(s) provided for (and referred to) in this Section 4.4 shall be in favor of the Association for the common benefit of all Residence Unit Owners.

In the event that the Board of Directors has decided to foreclose the contractual lien provided under this Declaration (or in the Original Declaration) or the statutory lien under Paragraph (c) of Section 82.113 of the Uniform Condominium Act for the nonpayment of Common Expense Charges or Special Assessments and/or any other amount due and owing to the Association by any Owner, the Board of Directors, its agents or assigns, shall mail to such Owner or Owners of the Residence Unit for which the Common Expense Charges or Special Assessments and/or any other amounts owing to the Association by any Owner which have not been paid, a copy of the Notice of Trustee's Sale not less than twenty-one (21) days prior to the date on which said sale is scheduled by mailing same through the U. S. Postal Service, postage prepaid, certified or registered, return receipt requested, properly addressed to such Owner at his/her or their last known address according to the records of the Association. The Board of Directors, its agents or assigns, shall further post the said Notice of Trustee's Sale at the proper location at the County Courthouse of Harris County, Texas, no less than twenty-one (21) days prior to the date on which said sale is scheduled. The Board of Directors, its agents or assigns, shall also cause to have filed a copy of such Notice of

Trustee's Sale in the Official Public Records of Real Property of Harris County, Texas, all in accordance with Tex. Prop. Code § 51.002. The Board of Directors, its agents or assigns, shall also comply with all other requirements of applicable law, including the requirements of Tex. Prop. Code § 51.002 as same may be amended or recodified hereafter. The Association (acting through the Board of Directors, its agents or assigns) may be the bidder at any such foreclosure sale and, if the Association is the purchaser at any such foreclosure sale, the Association may have the amount for which the Residence Unit (including the appurtenant Storage Space, Parking Space(s) and interest in the Common Elements) in question is sold credited on the sums owing the Association. From and after any such foreclosure, the occupants of such Residence Unit (and appurtenant Storage Space and Parking Space(s)) shall constitute tenants-at-sufferance of the purchaser at such foreclosure and shall be required to pay such purchaser a reasonable rent for the use of such Residence Unit (and appurtenant Storage Space and Parking Space(s)) and the purchaser at such foreclosure sale shall be entitled to the appointment of a receiver to collect same, and, further, shall be entitled to sue for and obtain recovery of possession of such Residence Unit (and appurtenant Storage Space and Parking Space(s)) by an action of forcible detainer without the necessity of giving any notice to the former Owner or Owners or occupants of the Residence Unit (and appurtenant Storage Space and Parking Space(s)) sold at foreclosure. With respect to each Residence Unit (and appurtenant Storage Space and Parking Space(s)), the contractual liens of the Association under the Original Declaration which have been hereby renewed and extended and the contractual lien provided for under this Declaration and the statutory lien of the Association (under Section 82.113(c) of the Uniform Condominium Act) for "assessments" (as defined in Section 82.113(a) of the Uniform Condominium Act) shall have priority over any other lien except: (i) a lien for real property taxes and other governmental assessments or charges against the Residence Unit unless otherwise provided by Section 32.05, Tax Code (V.T.C.A., Tax Code § 32.05); (ii) a lien or encumbrance recorded both before this Declaration is recorded and before the Original Declaration was recorded; (iii) a first vendor's lien or first deed of trust lien recorded before the date on which the assessment sought to be enforced becomes delinquent under this Declaration, the By-Laws, or Rules and Regulations; and (iv) unless this Declaration provides otherwise, a lien for construction of improvements to the Residence Unit or an assignment of the right to insurance proceeds on the Residence Unit if the lien or assignment is recorded or duly perfected before the date on which the assessment sought to be enforced becomes delinquent under this Declaration, the By-Laws, or Rules and Regulations. The foreclosure of any of the aforesaid liens (referred to in the preceding sentence) having priority over the Association's lien for assessments and other amounts owing to the Association does not preclude or terminate the Association's lien for assessments and other amounts owing to the Association by an Owner which become delinquent (under this Declaration, the By-Laws or Rules and Regulations) after the date of foreclosure of any such lien (referred to in the preceding sentence) having priority over the Association's lien for assessments and other amounts owing to the Association. In the event foreclosure proceedings are followed as stated hereinabove, reasonable attorney's fees shall be included as part of the lien for Common Expense Charges, Special Assessments (including interest, late fees, or delinquency charges), or damage charges, assessments or other amounts owing to the Association constituting the basis of said foreclosure.

A Residence Unit Owner may not petition a court to set aside a foreclosure sale solely because the purchase price at the foreclosure sale was insufficient to fully satisfy the Residence Unit Owner's indebtedness to the Association.

The Association may bid for and purchase the Residence Unit (and appurtenant Storage Space and Parking Space(s) and interest in Common Elements) at foreclosure sale as a common expense. The Association may own, lease, encumber, exchange, sell, or convey the Residence Unit (and appurtenant Storage Space and Parking Space(s) and interest in Common Elements) owned by the Association.

The amount of the Common Expense Charges, Special Assessments (including interest, late fees, or delinquency charges), or damage charges against each Residence Unit, as well as "assessments" as defined in Section 82.113(a) of the Uniform Condominium Act and all other amounts owing to the Association, shall also be a personal obligation of the Residence Unit Owner thereof at the time the charge is made. Suit to recover a money judgment for unpaid Common Expense Charges, Special Assessments (including interest, late fees, or delinquency charges or damage charges, as well as "assessments" as defined in Section 82.113(a) of the Uniform Condominium Act and all other amounts owing to the Association, shall be maintainable without foreclosing or waiving the lien securing same.

As provided in Paragraph (a)(18) of Section 82.102 of the Uniform Condominium Act, the Association, acting through the Board of Directors, may suspend the voting privileges (whether at any meeting or at any balloting which is provided for in the By-Laws without a meeting of the Association) of (and/or the use of certain General Common Elements by) the Owner of a Residence Unit (or such Owner's proxy) in default for more than thirty (30) days in the payment of Common Expense Charges or Special Assessments (including interest, late fees, or delinquency charges) so long as such default exists.

As provided in Section 82.102(d) of the Uniform Condominium Act, before the Association may charge the Owner of a Residence Unit for property damage for which such

Owner is liable or levy a fine for violation of this Declaration, the By-Laws of the Association, or the Rules and Regulations, the Association shall give such Owner written notice in accordance with the provisions of Section 82.102(d) of the Uniform Condominium Act and accord such Owner the rights therein provided. Further, as provided in Section 82.102(e) of the Uniform Condominium Act, the Association may give a copy of such notice required by Section 82.102(d) of the Uniform Condominium Act (as referred to in the preceding sentence) to an occupant of such Residence Unit; and the Association must give notice of a levied fine or damage charge to the Owner of a Residence Unit (against whom such fine is levied or such damage is charged) not later than the thirtieth (30th) day after the date of such levy or charge.

In order to benefit the Association and facilitate the Association's collection of amounts due and payable to the Association in the event of the Residence Unit Owner's failure or refusal to make timely payment when due of the Common Expense Charges, Special Assessments levied hereunder (including interest, late fees, or delinquency charges), or damage charges, as well as "assessments" as defined in Section 82.113(a) of the Uniform Condominium Act and all other amounts owing to the Association, each Residence Unit Owner (as "Assignor"), (i) effective as of the date of the approval of this Declaration; and/or (ii) by acceptance of conveyance of a Residence Unit heretofore prior to the recordation of this Declaration (but subsequent to the recordation of the Original Declaration) or hereafter, as may be applicable, shall be deemed to absolutely and unconditionally assign to the Association (as "Assignee") all of the rents (the "Rents") presently or hereafter payable by the tenant under any lease (now or hereafter in effect) covering such Owner's Residence Unit and, additionally, each Residence Unit Owner (as "Assignor") shall be deemed to collaterally transfer to the Association (as "Assignee") any and all leases now or hereafter in effect including any renewals or extensions thereof affecting or covering his/her respective Residence Unit (the "Leases").

In the case of such absolute assignment of Rents to the Association, as Assignee, so long as the Residence Unit Owner, as Assignor, is current in payment to the Association of the Residence Unit Owner's Common Expense Charges, Special Assessments (including interest, late fees, or delinquency charges), damage charges, repair charges, "assessments" (as defined in Section 82.113(a) of the Uniform Condominium Act) and all other amounts owing by the Residence Unit Owner to the Association, the Residence Unit Owner is hereby granted the license to collect all such Rents payable under the Leases. In the event, however, that a Residence Unit Owner fails or refuses to pay such Common Expense Charges, Special Assessments (including interest, late fees, or delinquency charges) or damage charges or repair charges or "assessments" (as defined in Section 82.113(a) of the Uniform Condominium Act) or any other amount owing by the Residence Unit Owner to the Association, the license of the Residence Unit Owner to collect such Rents payable under the Lease of the Residence Unit of such Owner shall automatically cease (with or without notice to the Residence Unit Owner); and the Association shall thereupon be authorized to collect all Rents payable under such Lease as such Rents become due. At the option of the Association, the Association may exercise such right until such time as all of such Residence Unit Owner's unpaid Common Expense Charges, Special Assessments (including, interest, late fees or delinquency charges), damage charges, repair charges and "assessments" (as defined in Section 82.113(a) of the Uniform Condominium Act) and all other amounts owing by such Residence Unit Owner to the Association have been fully paid. The aforesaid absolute assignment of Rents by a Residence Unit Owner to the Association shall not be deemed to constitute any *pro tanto* payment to the Association and the Association shall not be deemed to have been paid any portion of such Rents unless and until such time as the aforesaid license of the Residence Unit Owner (as "Assignor") is terminated and such Rents are actually collected by the Association (as "Assignee") and applied by the Association to such monetary obligations.

Further, in the event of such default in the payment of such Common Expense Charges, Special Assessments (including interest, late fees, or delinquency charges) or damage charges or repair charges or "assessments" (as defined in Section 82.113(a) of the Uniform Condominium Act) or any other amount due and payable by the Residence Unit Owner (as "Assignor") to the Association (as "Assignee"), pursuant to the aforesaid collateral transfer of Leases by the Residence Unit Owner (as "Assignor") to the Association (as "Assignee"), the Assignee may, at its option, enter and take possession of the Residence Unit subject to any such Lease, or any part thereof, and exercise all the rights and privileges of Assignor thereunder including the right to let or re-let the leased premises, or any part thereof, and to collect the rents, income and profits under such new lease and exercise all other rights of Assignee (as if such new lease constituted a "Lease") in accordance with the foregoing. Assignee shall only be accountable for money actually received pursuant to this collateral transfer of Leases.

Pursuant to the aforesaid collateral transfer of Leases, Assignor agrees that Assignee may, at Assignee's election and without the consent of Assignor, perform any of Assignor's obligations to the tenant(s) under said Lease(s), exercise any of Assignor's rights, powers or privileges under said Lease(s), modify said Lease(s), and execute new leases on all property covered by said Leases. All obligations created by the exercise of such authority hereby granted by Assignor to Assignee shall be those of Assignor and not those of Assignee except as otherwise provided herein. Under no circumstances shall the provisions of this paragraph or any of the other rights of the Association, as Assignee, create any nature of fiduciary relationship of Assignee to Assignor.

By notice to any such tenant, Assignee shall have the right (but no obligation) to unilaterally subordinate Assignee's liens (for the enforcement of unpaid obligations of the Residence Unit Owner to the Association) to any such Lease so that a foreclosure by the Association of the Association's liens shall not have the effect of terminating any such Lease.

Whether Assignee exercises Assignee's rights with respect to the hereinabove set forth absolute assignment of Rents to Assignee or with respect to the hereinabove set forth collateral transfer of Leases to Assignee, with respect to all expenses incurred by Assignee in the exercise of any of the rights, powers or privileges accorded to Assignee hereunder, Assignor will promptly, upon demand, pay Assignee for any expenses and liabilities incurred by Assignee. Furthermore, a failure or refusal by Assignor to pay Assignee shall constitute a default by Assignor under this instrument. Furthermore, the above mentioned Rents shall be first applied towards the payment of such expenses whether or not any other debts secured by this Declaration have first accrued.

The rights and remedies of Assignee under this Declaration are cumulative, are not in lieu of but are in addition to, and their exercise or failure to exercise them shall not constitute a waiver of, any other rights and remedies which the Assignee shall have. The rights and remedies of Assignee hereunder may be exercised from time to time and as often as such exercise is deemed expedient by Assignee.

The aforesaid absolute assignment of Rents and the aforesaid collateral transfer of Leases and the exercise of rights by Assignee with respect to such absolute assignment and such collateral transfer, in each case, shall not operate to place responsibility for the control, care, management or repair of any Residence Unit upon Assignee, nor for the carrying out of any of the terms and provisions of said Leases unless such responsibility is specifically assumed by Assignee in writing; nor shall either the aforesaid absolute assignment of Rents or the aforesaid collateral transfer of Leases or the exercise of rights by Assignee with respect to such absolute assignment and collateral transfer operate to make Assignee responsible or liable for any waste committed in any leased Residence Unit by the tenant or any other party or render Assignee responsible or liable for any of the obligations of the Owner of such Residence Unit under this Declaration, the By-Laws, the Rules and Regulations or otherwise.

Section 4.5 Common Expense Fund. The Common Expense Charges collected shall be paid into the Common Expense Fund to be held and used for the benefit, directly or indirectly, of the Condominium; and, such Common Expense Fund may be expended by the

Board of Directors for the purposes set forth in this Declaration, including, without limitation, providing for the enforcement of the provisions of this Declaration, the By-Laws of the Association and Rules and Regulations promulgated thereunder; for the maintenance, operation, repair, benefit and welfare of the Common Elements, and generally for doing those things necessary or desirable in the opinion of the Board of Directors to maintain or improve the Condominium. The use of the Common Expense Fund for any of those purposes, except as provided in this Declaration, is permissive and not mandatory, and the decision of the Board of Directors with respect thereto shall be final, so long as made in good faith.

Section 4.6 Payment Upon Purchase of Residence Unit. At the closing of each and every purchase of any Residence Unit, the purchaser of such Residence Unit shall pay to the Association a non-refundable fee to be utilized by the Association to fund and maintain the reserve funds to be held by the Association and utilized as an allowance for contingencies, and reserves for repairs to or replacement(s) of Common Elements. Such payment shall be in an amount equal to three (3) times the monthly Common Expense Charge applicable to the Residence Unit which was the subject of such sale at the time of such sale, and shall be paid to the Association and deposited in the reserve fund maintained by the Association. Such payment shall be and is non-refundable.

Section 4.7 Avoidance of Foreclosure. At any time before a non-judicial foreclosure sale of the Association's lien on a Residence Unit for nonpayment of amounts owing to the Association by a Residence Unit Owner, the Residence Unit Owner may avoid foreclosure by paying to the Association all amounts due to the Association with respect to such Residence Unit.

Section 4.8 Residence Unit Owner's Right of Redemption. The Owner of a Residence Unit purchased by the Association at a foreclosure sale of the Association's lien for assessments may redeem the Residence Unit not later than the ninetieth (90th) day after the date of the foreclosure sale as provided for and subject to all of the terms and provisions of Paragraph (g) of Section 82.113 of the Uniform Condominium Act including, without limitation, payment to the Association by the Owner of such Residence Unit of all amounts there referred to.

ARTICLE V
INSURANCE

Section 5.1 General Provisions. The Board of Directors of the Association shall have the authority to and, to the extent reasonably available, shall obtain insurance for the Condominium as follows:

(a) Insurance on the Building, including the Residence Units (which shall include interior walls but may exclude improvements and betterments installed by Residence Unit Owners) and the Common Elements, against loss or damage by fire and loss or damage by all risks now or hereafter embraced by standard extended coverage policies in use in the State of Texas (with vandalism and malicious mischief endorsements), in amounts sufficient to prevent the Association or the Owners from becoming a co-insurer within the terms of the applicable policies, but in any event in an amount not less than the full insurable replacement cost thereof. The "full insurable replacement cost" of the Building, including the Residence Units and the Common Elements, shall be determined from time to time but not less often than once in a twelve (12) month period by the Board of Directors, and the Board of Directors shall have the authority to obtain and pay for an appraisal by a person or organization selected by the Board of Directors in making such determination. The cost of any and all such appraisals shall be borne by the Common Expense Fund.

(b) Insurance on the Building against all loss or damage from explosion of boilers, heating apparatus, pressure vessels and pressure pipes installed in, on or about the Building, without coinsurance clause, so long as available, in such amount as the Board of Directors may deem desirable.

(c) Commercial general liability insurance, in an amount determined by the Board of Directors covering all occurrences commonly insured against for death, bodily injury, and property damage suffered by the public or any Owner, the family, agent, employee or invitee of any Owner, arising out of or in connection with the use, ownership, or maintenance of the Common Elements or occurring in, on or about the General Common Elements or upon, in or about the private driveways, roadways, walkways, and passageways, on or adjoining the Condominium, which commercial general liability insurance shall afford protection to such limits as the Board of Directors shall deem desirable. Such commercial general liability insurance policy shall contain a cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not prejudice his, her or their action or actions against another named insured.

(d) Such worker's compensation insurance as may be necessary to comply with applicable laws.

(e) Employer's liability insurance in such amount as the Board of Directors may deem desirable.

(f) Fidelity bonds indemnifying the Association, the Board of Directors and the Owners from loss of funds resulting from fraudulent or dishonest acts of any employee of the

Association or of any other person handling the funds of the Association in such amount as the Board of Directors may deem desirable.

(g) Directors' and Officers' insurance in such amounts as the Board of Directors may deem desirable.

(h) Such other insurance in such reasonable amounts as the Board of Directors may deem desirable.

Neither the provisions of this Section 5.1 (or any other portion of this Declaration) nor the provisions of Section 82.111 of the Uniform Condominium Act affect the right of a holder of a mortgage on a Residence Unit to require the Owner of such Residence Unit to acquire insurance in addition to that provided by the Association.

The insurance maintained by the Association pursuant to Subsections (a) and (b) of this Section 5.1, to the extent reasonably available, must include the Residence Units, but need not include improvements and betterments installed by Owners of Residence Units.

If the insurance described by Subsections (a), (b) and (c) of this Section 5.1 is not reasonably available, the Association shall cause written notice of that fact to be delivered or mailed to all Owners of Residence Units and lienholders.

The premiums for all insurance acquired on behalf of the Association or the Owners pursuant to the provisions hereof shall be borne by the Common Expense Fund.

All insurance provided for in this Section shall be effected under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Texas. All policies of insurance of the character described in Subsections (a), (b) and (c) of this Section 5.1 must provide the following: (i) each such policy shall name as insureds the Association and each Owner in the Percentage Ownership Interest established in Exhibit "C" to this Declaration with respect to liability arising out of the Owner's ownership of an undivided interest in the Common Elements or membership in the Association; (ii) each such policy shall provide that the insurer waives its right to subrogation under the policy against a Residence Unit Owner; (iii) each such policy shall provide that no action or omission of a Residence Unit Owner, unless within the scope of the Residence Unit Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; (iv) each such policy shall provide that if, at the time of a loss under the policy, there is other insurance in the name of a Residence Unit Owner covering the same property covered by the policy, the Association's policy provides primary insurance; (v) each such policy shall contain standard mortgagee clause endorsements in favor of the Mortgagee or Mortgagees of each Residence Unit, if any, as their respective interests may appear; (vi) each such policy shall be without contribution with regard to any other such policies of insurance carried individually by any Owner, whether such other insurance covers the Residence Unit owned by such Owner and/or the additions and improvements made by such Owner to his/her respective Unit; and (vii) each such policy shall provide that such policy shall not be terminated for nonpayment of premiums or for any other cause without at least thirty (30) days prior written notice to the Association and at least ten (10) days prior written notice to the Mortgagee of each Residence Unit. If possible, all policies of insurance of the character described in Subsection (a) of this Section 5.1 shall contain an endorsement extending coverage to include the payment of Maintenance Charges with respect to Residence Units damaged during the period of reconstruction thereof.

Each insurer issuing a policy of insurance provided for under this Section 5.1 may not cancel or refuse to renew such policy less than thirty (30) days after written notice of the proposed cancellation or nonrenewal has been mailed to the Association.

A claim for any loss covered by the policy or policies under Subsection (a) or Subsection (b) of this Section 5.1 must be submitted by and adjusted with the Association. The insurance proceeds for that loss shall be payable to an insurance trustee designated by the Association for that purpose, if the designation of an insurance trustee is considered by the Board of Directors to be necessary or desirable, or otherwise to the Association, and not to any Residence Unit Owner or lienholder. Such insurance proceeds must be paid to a trustee under the circumstances provided in Section 6.1 of this Declaration.

The insurance trustee or the Association shall hold insurance proceeds in trust for Owners of Residence Units and lienholders as their interests may appear. Subject to Subsection (i) of Section 82.111 of the Uniform Condominium Act and the provisions of Article VI of this Declaration, proceeds paid under a policy must be disbursed first for the repair or restoration of the damaged Common Elements and Residence Units, and Owners of Residence Units and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the Condominium is terminated.

In the event that an insurance policy or policies specifically designed to meet the insurance needs of condominium regimes become available in Texas through action by appropriate governmental agencies or otherwise, the Board of Directors shall be authorized to obtain such a policy if the coverages provided by such policy are at least equal to the coverages provided by those policies enumerated hereinabove.

Section 5.2 Individual Insurance. An insurance policy issued to the Association does not prevent the Owner of a Residence Unit from obtaining insurance for such Owner's own benefit. Each Owner must carry insurance on the contents of his/her Residence Unit and the furnishings, wall and floor coverings, appliances and all parts of the Residence Unit not Common Elements, and personal property therein. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty insurance obtained by the Association for the benefit of all of the Owners as above provided. Each Owner must, at such Owner's own cost and expense, carry a policy of liability insurance with minimum limits of three hundred thousand dollars ($300,000). Upon written notice from the Association, each Owner of a Residence Unit must promptly provide the Association such certificate or other evidence of compliance with the provisions of this Section 5.2 as the Association may reasonably request. Notwithstanding the right of the Association provided under the preceding sentence, the Association and Board of Directors and officers shall have no obligation to give any such notice and are hereby exculpated from any liability for failing to give any such notice or on account of any Owner's failure or refusal to maintain in effect any insurance required under this Declaration or on account of failing to take any other action for the purpose of ascertaining (or enforcing) compliance by Owners with the provisions of this Section 5.2 irrespective of whether the failure of the Association or Board of Directors or officers to do so would constitute negligence.

Section 5.3 Waiver of Subrogation. All insurance policies provided for in this Article V shall, if obtainable, contain provisions requiring the insurer to waive its subrogation rights with respect to any losses covered by such insurance. If the Owner of a Residence Unit sustains loss or damage to the property of such Owner which results from the fault of the Owner of another Residence Unit or the fault of some other party, to the extent (but only to the extent) that the Owner of the Residence Unit who has sustained such loss or damage obtains any recovery of insurance proceeds, the Owner sustaining such loss or damage waives such Owner's right of recovery against the Owner of another Residence Unit or the other party causing such loss or damage and agrees that the insurance carrier of the Owner sustaining such loss or damage shall have no right of recovery against the Owner of a Residence Unit or other party causing such loss or damage, whether by way of assignment or subrogation or otherwise.

ARTICLE VI

FIRE OR CASUALTY: REBUILDING

Section 6.1 Mandatory Repair or Replacement. As provided in Section 82.111(i) of the Uniform Condominium Act, any portion of the Condominium for which insurance is required that is damaged or destroyed shall be promptly repaired or replaced by the Association unless the Condominium is terminated by the requisite vote provided for in Section 9.3 of this Declaration, or repair or replacement would be illegal under any state or local health or safety statute or ordinance, or at least eighty percent (80%) of the Residence Unit Owners, including each Owner of a Residence Unit or assigned Limited Common Element that will not be rebuilt or repaired, vote to not rebuild the damaged or destroyed portion of the Condominium. A vote to not rebuild does not increase an insurer's liability to loss payment obligation under a policy, and the vote does not cause a presumption of total loss.

In the event that, pursuant to the preceding paragraph, the Condominium is terminated, all proceeds of insurance policies carried by the Association and all accrued and collected Common Expense Charges and all other assets of the Association shall be distributed and all other matters relating to termination of the Condominium shall be governed by the provisions of Section 82.068 of the Uniform Condominium Act. Upon such termination, the Residence Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interests by all Owners as tenants-in-common in the Percentage Ownership Interests previously owned by each Owner in the Common Elements.

Section 6.2 Entire Repair or Replacement. In the event that damage to or destruction of the Condominium is to be entirely repaired or replaced by the Association under the provisions of Section 6.1, then all proceeds of insurance policies with respect to such fire or casualty, carried by the Association, shall be paid to a bank (selected by the Board of Directors) acting as Trustee, said bank to be insured by the Federal Deposit Insurance Corporations (or its successors) and located in Harris County, Texas, said proceeds to be held in trust and constitute a "Trust Fund" for the benefit of the Owners and their Mortgagees as their respective interests may appear. The Board of Directors shall thereupon cause the Association to contract to repair or rebuild the damaged portions of all Residence Units, Building, and General Common Elements in accordance with the original Plans and Specifications therefor (as modified by any amendments thereof which were utilized either in the original construction or later modification of the damaged portions of such Residence Units, Building, and General Common Elements); and the funds held in the Trust Fund in such depository bank shall be used for this purpose and disbursed by the Board of Directors in accordance with the terms of the contract of repair and rebuilding.

In the event that such insurance proceeds are insufficient to provide for such repair, restoration or rebuilding, the building costs in excess of the insurance proceeds shall be a common expense and shall be assessed against all of the Owners as a Special Assessment, in proportion to the Percentage Ownership Interest of each Owner, as set forth in this Declaration. Such Special Assessment shall not require the consent of the Members of the Association notwithstanding the provisions of Section 4.2 (or any other portion) of this

Declaration. If any Owner shall fail to pay such Special Assessment when due, the Board of Directors may make up the deficiency by payment from the Common Expense Fund, which payment shall not in any way release the Owner who has failed to make payment of such Special Assessment from liability therefor. Such assessment shall be enforceable as provided for other Special Assessments and other amounts owing to the Association as provided in this Declaration. The provisions of this Section 6.2 may be changed only by unanimous resolution of the Owners, adopted subsequent to the date on which such fire or casualty loss occurs.

Section 6.3 Repair of Residence Units. If, pursuant to the provisions of Section 6.1 of this Declaration, the Condominium is to be repaired or replaced by the Association, in the event of damage to or destruction of the property hereafter referred to in this Section 6.3, then, without waiver by any Owner of any claims of such Owner by reason of the damage to or destruction of the property hereafter referred to in this Section 6.3, unless an Owner's Residence Unit is not to be repaired or replaced pursuant to Section 6.1 of this Declaration (in which case Section 6.5 of this Declaration shall be applicable), each Owner shall be responsible for the reasonable reconstruction, repair and replacement of all personal property and other property which is not a General Common Element or Limited Common Element in or a part of his/her Residence Unit, including, but not limited to, drywalls and other non-structural covering materials located within the Residence Unit, the floor coverings, wall coverings, furniture, furnishings, decorative light fixtures and appliances located therein; provided, however, notwithstanding the preceding provisions of this sentence, the Owner of a Residence Unit shall not be responsible for the cost of reconstruction, repair or replacement of any General Common Element or Limited Common Element except as otherwise provided in Section 6.4 (entitled "Indemnity of Association") of this Declaration.

Section 6.4 Indemnity of Association. Except as otherwise provided in this Section 6.4, each Owner shall be responsible for the reasonable reconstruction, repair and replacement costs of the Association (referred to in Section 6.2 of this Declaration) in excess of insurance proceeds actually collected by the Association from insurance carried by the Association to the extent the loss or damage was caused by such Owner's negligence or intentionally tortious conduct or was caused by the negligence or intentionally tortious conduct of a member of such Owner's Family, or was caused by the negligence of such Owner's agents or employees in the course of their duties, and to the extent the loss or damage was caused as previously provided in this sentence, shall indemnify the Association and all Owners against any such costs of reconstruction, repair and replacement of any portion of the Building in excess of insurance proceeds actually collected by the Association from insurance carried by the Association, provided, however, the preceding provisions of this

Section 6.4: (i) shall not be interpreted to cause any Owner (regardless of such Owner's negligence or intentionally tortious conduct or the negligence or intentionally tortious conduct of a member of such Owner's Family or the negligence of such Owner's agents or employees in the course of their duties) to bear the risk of any insurance carrier's unwillingness or inability to pay any claim insured by such insurance carrier; and (ii) shall not be interpreted to cause any Owner (regardless of such Owner's negligence or intentionally tortious conduct or the negligence or intentionally tortious conduct of a member of such Owner's Family or the negligence of such Owner's agents or employees in the course of their duties) to bear the risk of any absence of insurance proceeds being collected by the Association because the Association failed to take out or maintain in effect insurance in accordance with the provisions of Article V (entitled "Insurance") of this Declaration or failed to pursue with reasonable diligence the collection of insurance proceeds from any insurer issuing a policy to the Association; and (iii) shall not be interpreted to cause any Owner (regardless of such Owner's negligence or intentionally tortious conduct or the negligence or intentionally tortious conduct of a member of such Owner's Family or the negligence of such Owner's agents or employees in the course of their duties) to not have the benefit of any waiver of subrogation which exists or would have existed had the Association complied with the provisions of this Declaration.

Section 6.5 Partial Repair or Replacement. As provided in Section 82.111(i) of the Uniform Condominium Act, if the Condominium is partially but not entirely repaired or replaced, any insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium, the insurance proceeds attributable to Residence Units that are not rebuilt shall be distributed to the Owners of those Residence Units and the insurance proceeds attributable to Limited Common Elements that are not rebuilt shall be distributed to the Owners of the Residence Units to which those Limited Common Elements were assigned, or to their Mortgagees, as their interests may appear (provided, however, without prejudice to the rights of the Mortgagees of Owners of Residence Units that are not rebuilt, the Owners of such Residence Units hereby assign to the Association such Residence Unit Owners' interests in the insurance proceeds attributable to the Limited Common Elements that are not rebuilt), and the remainder of the insurance proceeds shall be distributed to all of the Residence Unit Owners as their interests may appear. If the Residence Unit Owners vote to not rebuild any Residence Unit, that Owner's Percentage Ownership Interest shall be automatically reallocated on the vote as if the Residence Unit had been condemned, and the

Association shall prepare, execute, and record an amendment to the Declaration reflecting the reallocation.

ARTICLE VII

EMINENT DOMAIN

Section 7.1 General Provisions. If all or any part of the Condominium is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Board of Directors and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Board of Directors shall give notice of the existence or threat of such proceedings (known to the Board of Directors) to all Owners and to all Mortgagees known to the Board of Directors to have an interest in any Residence Unit. The expense of participation in such proceedings by the Board of Directors shall be borne by the Common Expense Fund. The Board of Directors is specifically authorized to obtain and pay for such assistance from such attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board of Directors in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings or threatened proceedings. All damages or awards for any such taking shall be deposited with the Board of Directors, acting as Trustee, and such damages or awards shall be applied or paid as provided herein.

Section 7.2 Taking of Common Elements. In the event that an action in eminent domain is brought to condemn a portion of the Common Elements (together with or apart from any Residence Unit), the Board of Directors, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking of part of the Common Elements but not any Residential Unit, the condemnation award for the taking of such Common Elements must be paid to the Association, as trustee for the Residence Unit Owners, and to persons holding liens on the condemned property, as their interests may appear. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Residence Unit Owners in proportion to their respective Percentage Ownership Interests in the Common Elements before the taking (or conveyance in lieu of such taking), but the portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Residence Units to which that Limited Common Element was allocated at the time of acquisition. The Board of Directors shall call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible the Common Elements so taken or damaged. In the event it is determined that such Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the Map shall be duly amended by instruments executed by the Board of Directors on behalf of the Owners.

Section 7.3 Taking of Residence Units. In the event that such eminent domain proceeding results in the taking of or damage to one or more, but less than two-thirds (2/3rds) of the total number of Residence Units, then the damages and awards for such taking shall be determined for each Residence Unit and the following shall apply:

(a) The Board of Directors shall determine which of the Residence Units damaged (but not wholly taken) by such taking may and which may not practically or lawfully be made usable for dwelling purposes, taking into account the nature of this Condominium and the reduced size of each Residence Unit so damaged.

(b) The Board of Directors shall promptly call one or more meetings of the Members of the Association to determine whether it is reasonably practicable to operate the remaining Residence Units of the Condominium, consisting of the undamaged Residence Units and those damaged (but not wholly taken) Residence Units which may practically and lawfully be made usable (for dwelling purposes), as a condominium in the manner provided in this Declaration.

(c) In the event that the Association, by the requisite vote referred to in Section 9.3 of this Declaration for termination of the Condominium, determines that it is not reasonably practicable to operate the undamaged Residence Units and the damaged (but not wholly taken) Residence Units (which can practically and lawfully be made usable for dwelling purposes) as a condominium in the manner provided in this Declaration, then the Condominium shall be deemed to be regrouped and merged into a single estate owned jointly in undivided interests by all Owners, as tenants-in-common, in the Percentage Ownership Interests previously owned by each Owner in the Common Elements.

(d) In the event that the Association determines that it is reasonably practicable to operate the undamaged Residence Units and the damaged (but not wholly taken) Residence Units which can practically and lawfully be made usable (for dwelling purposes) as a condominium in the manner provided in this Declaration (a determination which shall be deemed to be made if, with respect to preceding Paragraph (c), there is not the requisite vote referred to in Section 9.3 of this Declaration for termination of the Condominium), then the damages and condemnation awards made with respect to each damaged (but not wholly taken) Residence Unit which has been determined to be capable of practically and lawfully being made usable (for dwelling purposes) shall be applied, first, to compensate the Owner of such

Residence Unit for the reduction in value of such Residence Unit and its Common Element interest, and, second, the balance, if any, of such award shall be used to repair and reconstruct such damaged (but not wholly taken) Residence Unit so that it is practically and lawfully made usable (for dwelling purposes). If the cost of such work exceeds the portion of the condemnation award which is to be used to repair and reconstruct such Residence Unit so that it is practically and lawfully made usable (for dwelling purposes), the additional funds required shall be assessed against the Owner of such Residence Unit. With respect to those damaged (but not wholly taken) Residence Units which are left with a remnant which may not practically and lawfully be made usable (for dwelling purposes), the condemnation award must compensate the Residence Unit Owner for the Residence Unit and its Percentage Ownership Interest, whether or not any Common Element interest is acquired; and the award made with respect to each such Residence Unit shall be paid to the Owner of such Residence Unit or his/her Mortgagee or Mortgagees, as their interests may appear, and the remaining portion (i.e., the remnant) of such Residence Units, if any, shall become a part of the Common Elements and repair and use of such Residence Units shall be determined by the Board of Directors.

If a Residence Unit is wholly taken by condemnation, or if a Residence Unit is damaged (but not wholly taken) by condemnation and such Residence Unit is left with a remnant which may not practically and lawfully be made usable (for dwelling purposes), on acquisition, unless the decree provides otherwise, the condemned Residence Unit's entire Percentage Ownership Interest shall automatically be reallocated to the remaining Residence Units in proportion to the respective Percentage Ownership Interest of those remaining Residence Units before the taking, and the Association shall promptly prepare, execute, and record an amendment to the Declaration reflecting the reallocations. A remnant of a Residence Unit remaining after part of a Residence Unit is taken, if such remnant may not practically and lawfully be made usable (for dwelling purposes), shall constitute a Common Element.

If a Residence Unit is damaged (but not wholly taken) by condemnation and such Residence Unit can practically and lawfully be made usable (for dwelling purposes), the award must compensate the Residence Unit Owner for the reduction in value of the Residence Unit and its Common Element interest. On acquisition, the condemned Residence Unit's Percentage Ownership Interest shall be reduced in proportion to the reduction in the size of the Residence Unit, and the portion of the Percentage Ownership Interest divested from the damaged (but not wholly taken) acquired Residence Unit shall automatically be reallocated to that Residence Unit and the remaining Residence Units in proportion to the respective

Percentage Ownership Interests of such Residence Units before the taking, with the damaged (partially acquired) Residence Unit participating in the reallocation on the basis of its reduced Percentage Ownership Interest.

If the entire Condominium is taken, or two-thirds (2/3rds) or more of the Residence Units are taken or are damaged (but not wholly taken) by such taking and it is determined, by the requisite vote referred to in Section 9.3 of this Declaration for termination of the Condominium, that such damaged (but not wholly taken) Residence Units may not practically and lawfully be made usable (for dwelling purposes), all damages and awards shall be paid to the accounts of all Owners of Residence Units, in proportion to their Percentage Ownership Interests in the Common Elements and this Condominium Regime shall terminate upon such payment. Upon such termination, the Residence Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned by all owners as tenants-in-common in the Percentage Ownership Interest previously owned by each Owner in the Common Elements.

Section 7.4 Payment of Awards and Damages. Any damages or awards provided in this Article to be paid to or for the account of any Owner shall be applied as follows: first, to the payment of any taxes or assessments by governmental authorities past due and unpaid with respect to that Residence Unit; secondly, to amounts due under any Mortgage duly perfected; thirdly, to the payment of any Common Expense Charges and Special Assessments and other amounts owing to the Association charged to or made against the Residence Unit and unpaid; and, finally, to the Owner of such Residence Unit.

ARTICLE VIII

TRANSFER OF UNIT; RIGHT OF FIRST REFUSAL

Section 8.1 Right of First Refusal. Except as provided below, should the Owner of any Residence Unit desire to lease or sell such Residence Unit, the Association is hereby given and granted the right of first refusal to lease or purchase such Residence Unit, as the case may be, on the terms and conditions herein stated; and no Owner of a Residence Unit shall lease or sell such Residence Unit to any party without first giving the Association notice in writing of such proposed lease or sale as herein provided and giving the Association the opportunity to determine whether it will exercise the right of first refusal to lease or purchase said Residence Unit on the same terms and conditions as those contained in any bona fide offer which the Owner of such Residence Unit may have received (and desires to accept) for the lease or purchase of his/her said Residence Unit. Any leasing or sale of a Residence Unit without compliance with the terms of this Article VIII shall be void and of no force or effect and shall confer no title or interest in a Residence Unit to the purported purchaser or lessee.

Section 8.2 Notice and Exercise of Option. Whenever the Owner of any Residence Unit has received a bona fide offer to lease or purchase his/her Residence Unit and desires to accept such bona fide offer, the Owner of such Residence Unit shall promptly give the Board of Directors (in behalf of the Association) written notice of such Owner's desire to accept such offer for the lease or purchase of such Owner's Residence Unit, stating the name, address, business, occupation or employment of the offeror, and shall promptly provide the Board of Directors (in behalf of the Association) an executed counterpart (signed by the offeror) of such bona fide offer for said lease or purchase which the Owner of such Residence Unit desires to accept.

If the Board of Directors (acting for the Association) desires to exercise the Association's option to lease or purchase said Residence Unit on the same terms and conditions as are contained in said offer, then the Board of Directors (acting for the Association) shall notify the Owner of said Residence Unit desiring to lease or sell the same of the exercise of the Association's option, such notice to be in writing and delivered by registered or certified mail to said Owner within five (5) business days from the date of receipt by the Board of Directors (acting in behalf of the Association) of the Owner's notice to said Board of Directors (acting in behalf of the Association) and said executed counterpart (signed by the offeror) of such bona fide offer for said lease or purchase as hereinabove required, or written notice may be personally delivered to said Owner within said period. If the Board of Directors (acting in behalf of the Association) has elected to lease or purchase said Residence Unit, then, within a reasonable time after the giving of such notice to the Owner of such Residence Unit of the Association's election to lease or purchase said Unit, the Board of Directors (acting in behalf of the Association) shall execute and deliver to such Owner a lease or contract to purchase, and, in the case of a contract to purchase, shall consummate such contract to purchase on all of the same terms and conditions as those contained in said bona fide offer.

When any Owner of a Residence Unit has notified the Board of Directors (acting in behalf of the Association) as above provided of his/her desire to lease or sell his/her Residence Unit and his/her desire to accept such bona fide offer to lease or purchase such Owner's Residence Unit in compliance with all of the provisions of the first paragraph of this Section 8.2, such Owner shall be free to consummate such lease or sale of his Residence Unit in accordance with the terms and provisions of such bona fide offer unless, within five (5) business days after receipt of such Owner's notice by the Board of Directors (acting in behalf of the Association), the Board of Directors (acting in behalf of the Association) has notified said Owner of the Association's intention to exercise the Association's right of first refusal as set out herein and the Board of Directors (acting in behalf of the Association) has (as above provided) executed and delivered to such Owner a lease or contract to purchase (as above provided) within a reasonable time after the giving of such notice to the Owner of such Residence Unit.

In the event that the Association elects not to exercise its right of first refusal, the Owner of said Residence Unit shall be free to lease or sell said Residence Unit only to the party and only upon the terms described in the required notice and counterpart of the signed offer from the offeror for such lease or purchase which was previously given to the Board of Directors by such Residence Unit Owner.

In the event that the proposed transaction with regard to which the Board of Directors has declined to exercise its right of first refusal is not consummated within forty-five (45) days of the date of the Residence Unit Owner's giving of the required notice to the Board of Directors, the Owner of such Residence Unit must again give notice to the Association and a signed counterpart of the offer from the offeror which the Residence Unit Owner desires to accept and the Association shall again have a right of first refusal as provided in this Article VIII. The right of first refusal to lease or purchase herein set forth in this Article VIII shall be a continuing right and the Association's non-exercise of the right in any instance shall not be deemed a waiver thereof by the Association in any other instance or against any other Owner.

Section 8.3 Purchase by Nominee of Association. If the Association shall so elect, it may cause its right of first refusal to lease or purchase any Residence Unit to be exercised in its name for itself or in its name for a party approved by the Board of Directors, or the Board of Directors (acting in behalf of the Association) may elect to cause said Residence Unit to be leased or purchased directly in the name of a party approved by it, which party shall enter into a lease or contract to purchase and, in the case of a contract to purchase, consummate such contract to purchase in the same manner as would the Board of Directors upon its exercise of said right of first refusal to lease or purchase the said Residence Unit.

Section 8.4 Terms of Lease. Notwithstanding that the Board of Directors may have declined to exercise its right of first refusal with respect to any leasing of any Residence Unit, no Residence Unit shall be leased unless the terms and provisions of such lease specifically provide that such lease may not be assigned to and such Residence Unit may not be sublet to or be occupied by any person or persons other than the person or persons named in the required notice provided for hereinabove without the prior written approval of the Board of Directors being first had and obtained, and any lease shall provide that the lessee shall comply with and abide by all of the restrictions pertaining to the use of Residence Units and the Common Elements set forth in this Declaration, the By-Laws, Rules and Regulations promulgated hereunder and the laws of the City of Houston, State of Texas and other laws now or hereafter established governing the use of such Residence Units and the Common Elements. Should any lessee or occupant not comply with any of such lease provisions, then the Board of Directors (without thereby incurring any liability to the Owner of such Residence Unit) shall have the right (but no obligation) to cancel and terminate such lease, without any obligation or liability imposed upon the Owner, and for such purpose, the Board of Directors shall be regarded as the Owner's agent and fully authorized to take such steps as may be necessary to effect the cancellation and termination of such lease and the eviction of all occupants of such Residence Unit.

Section 8.5 Exceptions to Right of First Refusal. The right of first refusal granted to the Association under this Article VIII shall not apply to or be operative with respect to: (i) any transfer of ownership of any Residence Unit (or interest therein) by one spouse to or for the benefit of the other spouse and/or any member of the Owner's Family; (ii) any transfer of an interest in a Residence Unit by one Owner (of an interest in such Residence Unit) to another Owner (of an interest in such Residence Unit); (iii) any transfer provided for in Sections 8.3 or 10.3 of this Declaration; (iv) any non-judicial foreclosure or judicial sale of a Residence Unit (or interest in such Residence Unit); (v) the sale or leasing of a Residence Unit by the Association after the Association has acquired such Residence Unit or a leasehold estate therein pursuant to the terms of this Article VIII; (vi) any conveyance made by the Owner of a Residence Unit to a bona fide Mortgagee in lieu of such foreclosure, provided that the title of a purchaser from such Mortgagee or the title of a purchaser obtained at any foreclosure or judicial sale shall thereafter be subject to the terms and provisions of this Article VIII with respect to any further lease or sale of any such Residence Unit; (vii) any lease, rental or occupancy arrangement for any Residence Unit, the Owner of which is a corporation, limited partnership, trust or other legal entity other than a natural person or persons, for the housing of any of the officers, directors, partners, trustees, beneficiaries or other designated agents or employees of any such entity, provided that such entity is engaged in substantial business endeavors other than the renting or leasing of Residence Units in the Condominium; and (viii) the creation of a security interest in or Mortgage encumbering a Residence Unit whereby a bank, insurance company, savings and loan association or other similar financial institution becomes the Mortgagee.

Section 8.6 Application of Proceeds of Sale. Upon the sale or conveyance of a Residence Unit by an Owner, the proceeds of such sale or conveyance shall be applied as follows:

(a) First, to taxes, assessments, liens, and charges in favor of the state and any political subdivision thereof for such amounts as are past due and unpaid on the Residence Unit;

(b) Secondly, to amounts due under Mortgage instruments duly recorded;

(c) Thirdly, to the payment of all unpaid Common Expense Charges and Special Assessments against the Residence Unit and the Owner thereof and other amounts due to the Association with respect to such Residence Unit; and

(d) Fourthly, to the Owner of such Residence Unit.

If such unpaid Common Expense Charges or Special Assessments or other amounts are not paid or collected at the time of sale or conveyance of a Residential Unit, except as otherwise provided in the next succeeding paragraph, the grantee of such sale or conveyance shall be jointly and severally liable with the selling Owner for all unpaid Common Expense Charges and Special Assessments and other amounts against the Residence Unit and Owner thereof owing to the Association up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the selling Owner the amounts paid by the grantee therefor.

In the event of a foreclosure of a first and prior lien on any Residence Unit, the purchaser at such foreclosure sale and any successor in title to such Residence Unit from the purchaser at such foreclosure sale (except the Owner upon whom such lien was foreclosed) shall not be liable for the Common Expense Charges or Special Assessments or other amounts chargeable to such Residence Unit or Owner which became due prior to such foreclosure. Similarly, in the event of a conveyance of a Residence Unit in lieu of foreclosure whereby such Residence Unit is conveyed to the holder of a first and prior lien on such Residence Unit, the grantee under such conveyance shall not be liable for Common Expense Charges or Special Assessments or other amounts chargeable to such Residence Unit or Owner which became due prior to such conveyance in lieu of foreclosure.

Section 8.7 Resale of a Residence Unit - Application. In the event an Owner of any Residence Unit desires to sell or lease such Residence Unit, as a condition precedent to such sale or lease, such Residence Unit Owner and the prospective purchaser or lessee of such Residence Unit shall be obligated to furnish an "Application" form duly completed and executed by the proposed purchaser and/or lessee in such form and substance as the Association shall require. The Association shall be entitled to levy and collect a reasonable "Application Fee" in connection with the processing of such Application and such sale or lease, which Application Fee shall be due and payable prior to the consummation of such sale, or lease. The provisions and requirements of this paragraph shall be independent of and from any of the other provisions of this Article VIII.

Section 8.8 Resale of a Residence Unit - Resale Certificate. Except as provided by Section 8.10, as provided by Section 82.157(a) of the Uniform Condominium Act, if an Owner intends to sell a Residence Unit, before executing a contract or conveying such Residence Unit, the Owner must furnish to the purchaser a current copy of the Declaration, By-Laws, Rules and Regulations and a Resale Certificate that must have been prepared not earlier than three (3) months before the date it is delivered to the purchaser. The Resale Certificate must be issued by the Association and must contain the current operating budget of the Association and statements of:

(1) any right of first refusal or other restraint contained in this Declaration that restricts the right to transfer a Residence Unit;

(2) the amount of the periodic Common Expense assessment and the unpaid Common Expense assessment and the unpaid Common Expenses or Special Assessments currently due and payable from the selling Residence Unit Owner;

(3) other unpaid fees or amounts payable to the Association by the selling Residence Unit Owner;

(4) capital expenditures, if any, approved by the Association for the next twelve (12) months;

(5) the amount of reserves, if any, for capital expenditures and of portions of those reserves designated by the Association for a specified project;

(6) any unsatisfied judgments against the Association;

(7) the nature of any pending suits against the Association;

(8) insurance coverage provided for the benefit of Residence Unit Owners;

(9) whether the Board of Directors has knowledge that any alterations or improvements to the Residence Unit or to the Limited Common Elements assigned to that Residence Unit violate the Declaration, By-Laws, or Association Rules and Regulations;

(10) whether the Board of Directors has received notice from a governmental authority concerning violations of health or building codes with respect to the Residence Unit, the Limited Common Elements assigned to that Residence Unit, or any other portion of the Condominium;

(11) the remaining term of any leasehold estate that affects the Condominium and the provisions governing an extension or renewal of the lease; and

(12) the name, mailing address, and telephone number of the Association's Managing Agent, if any.

Section 8.9 Obligation of Association Relative to Resale Certificate. As provided by Section 82.157(b) of the Uniform Condominium Act, not later than the tenth day after the date of receiving a written request by a Residence Unit Owner, the Association shall furnish to the selling Residence Unit Owner or the Owner's agent a Resale Certificate signed and dated by an officer or authorized agent of the Association containing the information required by Section 8.8 preceding. A selling Residence Unit Owner or the Owner's agent is not liable to the purchaser for erroneous information provided by the Association in the Resale Certificate. If the Association does not furnish a Resale Certificate or any information required in the Resale Certificate within the stated ten day period, the Residence Unit Owner may provide the purchaser with a sworn affidavit signed by the Residence Unit Owner in lieu of the Resale Certificate. An affidavit must state that the Residence Unit Owner requested information from the Association concerning its financial condition, as required by Section 82.157(a) of the Uniform Condominium Act (set forth in Section 8.8 preceding), and that the Association did not timely provide a Resale Certificate or the information required in the Resale Certificate. If a Residence Unit Owner has furnished an affidavit to a purchaser, the Residence Unit Owner and the purchaser may agree in writing to waive the requirement to furnish a Resale Certificate. The Association is not liable to a selling Residential Unit Owner for delay or failure to furnish a Resale Certificate, and an officer or agent of the Association is not liable for a delay or failure to furnish a Resale Certificate unless the officer or agent wilfully refuses to furnish the Resale Certificate or is grossly negligent in not furnishing the Resale Certificate. Failure to provide a Resale Certificate does not void a deed to a purchaser.

Section 8.10 Properly Executed But Erroneous Resale Certificate; Failure or Delay of Association to Provide Resale Certificate. As provided in Section 82.157(c) of the Uniform Condominium Act, if a properly executed Resale Certificate incorrectly states the total of delinquent sums owed by the selling Residence Unit Owner to the Association, the purchaser is not liable for payment of additional delinquencies that are unpaid on the date the Resale Certificate is prepared and that exceed the total sum stated in the Resale Certificate. A Residence Unit Owner or the Owner's agent is not liable to a purchaser for the failure or delay of the Association to provide the Resale Certificate in a timely manner.

Section 8.11 Miscellaneous Aspects of Resale Certificate. As provided in Section 82.157(d) of the Uniform Condominium Act, a Resale Certificate does not affect: (i) the Association's right to recover debts or claims that arise or become due after the date the Resale Certificate is prepared; or (ii) the Association's lien on a Residence Unit securing payment of future assessments.

As provided in Section 82.157(e) of the Uniform Condominium Act, a purchaser, lender, or title insurer who relies on a Resale Certificate is not liable for any debt or claim that is not disclosed in the Resale Certificate.

The Association may not deny the validity of any statement in the Resale Certificate.

Section 8.12 Purchaser's Right to Cancel. As provided in Section 82.156(a) of the Uniform Condominium Act, if a purchaser of a Residence Unit from a Residence Unit Owner has not received from such Owner a current copy of the Declaration, By-Laws, and Association Rules and Regulations required to be provided pursuant to Section 8.8 of this Declaration before the purchaser executes a contract of sale or if such contract does not contain an underlined or bold-print provision acknowledging the purchaser's receipt of those documents and recommending that the purchaser read those documents before executing the contract, the purchaser may cancel the contract before the sixth day after the date the purchaser receives those documents. If a purchaser has not received a Resale Certificate before executing the contract of sale, the purchaser may cancel the contract before the sixth day after the date the purchaser receives the Resale Certificate or executes a waiver pursuant to Section 8.9 of this Declaration (Section 82.157(a) of the Uniform Condominium Act), whichever occurs first.

As provided in Section 82.156(c) of the Uniform Condominium Act, if a purchaser elects to cancel a contract under the preceding paragraph, the cancellation must be by hand-delivering written notice of cancellation to the selling Residence Unit Owner or by mailing notice of cancellation by Certified United States Mail, Return Receipt Requested, to the offeror or the offeror's agent for service of process within the five-day cancellation period. Cancellation is without penalty, and all payments made by the purchaser before cancellation must be refunded.

Section 8.13 Closing Contingency. As provided in Section 82.156(d) of the Uniform Condominium Act, a selling Residence Unit Owner may not require a purchaser to close until the purchaser is given a current copy of the Declaration, By-Laws and Association Rules and Regulations.

ARTICLE IX
AMENDMENT OF DECLARATION, CONSTRUCTION AND VALIDITY OF DECLARATION AND BY-LAWS AND TERMINATION OF CONDOMINIUM

Section 9.1 Amendment of Declaration. Except as otherwise provided by law (specifically including Paragraph (b) of Section 82.067 of the Uniform Condominium Act) or this Section 9.1 or any other provision of this Declaration (including, without limitation, Section 6.2 of this Declaration), and except for the designation of the Percentage Ownership Interest which pertains to each Residence Unit, the provisions of this Declaration may only be amended at a meeting of the Members at which the amendment is approved (or by the balloting procedure provided for under Article VII of the By-Laws of the Association pursuant to which the Amendment is approved) by Owners with at least sixty-seven percent (67%) of the Percentage Ownership Interests in the Condominium, provided that any amendment of the Declaration which includes provisions which will permit the alteration or destruction of a Residence Unit or a Limited Common Element must have, in addition to (or as a part of the foregoing approval of at least sixty-seven percent (67%) of such Percentage Ownership Interests), the consent of all Owners affected by such alteration or destruction (being those Owners whose Residence Units and/or the Limited Common Elements serving such Residence Units would be altered or destroyed by such amendment) and also the consent of all such Owners' first lien Mortgagees; provided, however, reference should be made to Article VI (entitled "Fire or Casualty: Rebuilding") of this Declaration relative to any determination not to repair or replace particular damaged or destroyed Residence Units or Common Elements, reference should be made to Article VII (entitled "Eminent Domain") of this Declaration relative to any determination not to replace or restore particular Residence Units or Common Elements, and reference should be made to Section 10.3 of this Declaration relative to alteration of the boundaries of any Residence Unit. Except in the event of redistribution of Percentage Ownership Interests in connection with the occurrence of a fire, casualty or eminent domain taking, in order to amend the allocation of the Percentage Ownership Interests in the Common Elements appertaining to any Residence Unit, it shall be necessary not only that the Owners having not less than sixty-seven percent (67%) of the Percentage Ownership Interests approve such amendment, but, in addition (or as a part of the foregoing approval of at least sixty-seven percent (67%) of such Percentage Ownership Interests), it shall also be necessary in order to amend such allocation of Percentage Ownership Interests in the Common elements that the Owners of those Residence Units whose Percentage Ownership Interests are increased or decreased by such amendment join in such amendment. Any such amendment of this Declaration which is approved in a manner which complies with the provisions of this Section 9.1 shall be evidenced by an instrument in writing signed and acknowledged by the requisite Owners as provided for under this Section 9.1 and duly recorded.

Section 9.2 Construction and Validity of Declaration and By-Laws. The provisions of this Declaration and the provisions of the By-Laws are severable.

The rule against perpetuities may not be applied to defeat any provision of this Declaration, or the By-Laws, or the Rules and Regulations.

If there is a conflict between the provisions of this Declaration, on the one hand, and the By-Laws, on the other hand, the provisions of this Declaration shall prevail except to the extent that any of the provisions of this Declaration is inconsistent with any provision of the Uniform Condominium Act which, pursuant to the provisions of the Uniform Condominium Act, cannot lawfully be varied by a declaration.

Section 9.3 Termination of Condominium. Except for a taking of all of the Residence Units at condemnation or as provided in Article VI (entitled "Fire or Casualty: Rebuilding"), the Condominium may be terminated only by the agreement of ninety percent (90%) of the votes in the Association and each holder of a deed of trust or vendor's lien on a Residence Unit.

The provisions of Section 82.068 of the Uniform Condominium Act shall be applicable in connection with matters pertaining to the subject of termination and the other subjects dealt with in Section 82.068 of the Uniform Condominium Act.

ARTICLE X
MISCELLANEOUS

Section 10.1 Estoppel Certificate. Any Mortgagee and any prospective Mortgagee of a Residence Unit shall be entitled upon written request therefor to a statement from the Association setting forth the amount of any unpaid Common Expense Charges and Special Assessments and other amounts owing to the Association not paid by the Owner of a Residence Unit in which such Mortgagee or prospective Mortgagee has an interest.

Section 10.2 No Partition. The Common Elements shall remain undivided and shall not be subject to 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 secured by an interest in the Common Elements must be paid in full prior to bringing any action for partition or the consent of all holders of such Mortgages must be obtained prior to bringing any such action; provided, however, that if any Residence Unit shall be owned by two (2) or more Owners as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition by sale of such Residence Unit as between the tenants-in-common owning such Residence Unit or the joint-tenants owning such Residence Unit.

Section 10.3 Alteration of Boundaries of Residence Units. If one person, firm or entity is the Owner of all or part of two (2) or more Residence Units which are adjoining, whether adjoining vertically (above and below each other) or horizontally (on the same floor of the Building) or if two (2) or more Owners of adjoining Residence Units so agree, then, upon compliance with this Section 10.3 and any other applicable provision of this Declaration and applicable laws, such Owner or Owners shall have the right to remove all or any part of any intervening partition or floor or to create doorways or other openings in such partition of floor, notwithstanding the fact that such partition or floor may in whole or part be a Common Element, so long as no portion of any bearing wall or bearing column is weakened or removed and no portion of any General Common Element other than that partition is damaged, destroyed or endangered. In any of such events, prior to any commencement of such alterations, the Owner or Owners shall be required to submit to the Board of Directors for approval an application (in such form and containing such reasonable information as the Board of Directors may require) and any and all proposed plans and specifications for such alterations, not less than thirty (30) days prior to the scheduled commencement of said alterations. The Board of Directors shall promptly review such application and such proposed plans and specifications based on the provisions of this Section 10.3; and such alterations shall not be commenced without the written approval of the Board of Directors granting such approval. If the Owners of the adjoining Residence Units have specified a reallocation between their Residence Units of their allocated interests, the application filed by such Owners with the Board of Directors shall state such proposed reallocations. If such application and proposed plans and specifications shall be approved by the Board of Directors, all of such alterations shall be constructed only in compliance with such approved plans and specifications. Upon completion of removal alterations, and prior to any reconstruction efforts, the Board of Directors shall cause an inspection to be completed, at the Owner or Owners' expense, in order to verify that no structural damage has been done to the Building as a result of said alterations. Should any such damage be found, the Owner or Owners shall be liable for the correction of such damage at his/her/their own expense and shall pay all additional reasonable expenses for future inspections by the Board of Directors until the Board of Directors is satisfied that any damage has been repaired in full. In any of such events, upon compliance with this Section 10.3 and any other applicable provision of this Declaration and applicable laws, the Owner or Owners involved may relocate or remove the boundaries between adjoining Residence Units in order to merge two (2) or more Residence Units into one (1) Residence Unit or to reverse such process.

Unless the Board of Directors determines not later than the thirtieth (30th) day after the date the application from such Owners (and such proposed plans and specifications) is received by the Board of Directors that the reallocation of allocated interests is unreasonable, the Association shall prepare an amendment of this Declaration which, in addition to fulfilling the requirements of the next-succeeding paragraph, is executed by the applying Residence Unit Owners, and contains words of conveyance between them.

At the expense of the Owner or Owners involved, the Association shall cause to be prepared an instrument of amendment of this Declaration. Such instrument of amendment: (i) shall, where applicable, identify the Residence Units involved and show the boundaries between those Residence Units the boundaries of which are being relocated; (ii) shall recite the occurrence of any conveyancing between the Owners of such adjacent Residence Units and contain words of conveyance between such Owners; (iii) shall, where applicable, specify any reasonable allocation as agreed upon between the Owners of the Residence Units involved of the aggregate Percentage Ownership Interests in the Common Elements pertaining to those Residence Units; and (iv) shall, where applicable, specify any reallocation of Parking Spaces or Storage Spaces appurtenant to either of such Residence Units. The Association shall, at the expense of the Owners of the Residence Units involved, cause such plats and floor plans as may be necessary to show the altered boundaries between the Residence Units involved (as well as showing the dimensions and identifying numbers of the Residence Units involved) to be prepared and certified as to their accuracy by a registered architect or engineer or any registered public surveyor licensed by the State of Texas; and such plats and floor plans shall be attached as an exhibit to the aforesaid instrument of amendment which shall be recorded, at the expense of the Owners of the Residence Units involved, in the Official Public Records of Real Property of Harris County, Texas.

No single Residence Unit as constituted as such in the original plans of the Building as described in Exhibit "B" attached hereto may be divided into two (2) or more Residence Units nor may it be reconstructed in any way that would reduce the originally designed square footage for any such single Residence Unit.

Section 10.4 Alterations of Residence Units. Subject to the provisions of this Declaration and other provisions of applicable law, a Residence Unit Owner: (i) may make improvements or alterations to the Residence Unit Owner's Residence Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Building; (ii) may not change the appearance of the Common Elements or the exterior appearance of a Residence Unit or any other portion of the Building; and (iii) after acquiring an adjoining Residence Unit or an adjoining part of an adjoining Residence Unit, with the prior written approval of the Association, may remove, alter, and create apertures in an intervening partition, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Building, it being understood that removal of partitions or creation of apertures under the preceding portion of this Item (iii) does not constitute an alteration of boundaries to which preceding Section 10.3 (entitled "Alteration of Boundaries of Residence Units") of this Declaration is applicable.

Section 10.5 Basic Obligation of Residence Unit Owners. Without limiting the obligations of Residence Unit Owners, each Residence Unit Owner shall comply with this Declaration, the By-Laws and Rules and Regulations.

Section 10.6 Enforcement. Pursuant to Section 82.161 of the Uniform Condominium Act, it is here provided that if any person subject to the Uniform Condominium Act violates the Uniform Condominium Act or this Declaration or the By-Laws or any of the Rules and Regulations of the Association, any person or class of persons adversely affected by any such violation has a claim for appropriate relief. The Board of Directors or any Owner shall have the right to enforce, by any proceedings at law or in equity, all of the terms and provisions of this Declaration, the By-Laws and the Rules and Regulations of the Association. Failure by the Board of Directors or by any Owner to enforce any provision of this Declaration or the By-Laws or the Rules and Regulations of the Association shall in no event be deemed to be a waiver of the right to enforce this Declaration or the By-Laws or the Rules and Regulations of the Association thereafter.

The prevailing party in any action to enforce this Declaration or the By-Laws or the Rules and Regulations of the Association is entitled to reasonable attorneys' fees and costs of litigation from the nonprevailing party.

Section 10.7 Joinder by Board of Directors (Acting in Behalf of the Association) for a Stated Purpose. The undersigned members of the Board of Directors (as of the effective date stated below) have joined in this Declaration by signing below in order to evidence their action in behalf of the Association approving all of the terms and provisions of this Declaration including, without limitation, those terms and provisions contained in Section 4.4 of this Declaration; and, similarly, the undersigned officers of the Spires Association, have signed below for the same purposes.

Section 10.8 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one or more provisions or portions of this Declaration shall not affect the validity or enforceability of any other provision or portion of this Declaration.

EXECUTED AND DELIVERED by the undersigned officers and Directors of The Spires Association by reason of and based on approval of the provisions of this Declaration (on August 28, 1996, the date to which the August 19, 1996 annual meeting of Owners was adjourned) by Owners with at least sixty-seven percent (67%) of the Percentage Ownership Interests in the Condominium (on the respective dates set forth below the signatures of officers and Directors) effective as of the 19th day of August, 1996.

ATTEST:

Secretary

Date: October 4, 1996

THE SPIRES ASSOCIATION

By: Maurice Blonstein

Maurice Blonstein, President

Date: October 4, 1996

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 4TH day of October, 1996 by Maurice Blonstein, President of The Spires Association, on behalf of the Association.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/98

Lori Lassiter-Cole

NOTARY PUBLIC, STATE OF TEXAS

BOARD OF DIRECTORS (on August 19, 1996):

Raye Lynn Alford

Date: October 4, 1996

Mostafa Banijamali

Date: October 21, 1996

Pam Blohm

Date: October 11, 1996

Maurice Blonstein

Date: October 4, 1996

Mary Fairbrother

Date: October 7, 1996

Lewis Humke

Date: October 7, 1996

Mahmood Pakzaban

Date: October 7, 1996

Richard Palmer

Date: October 4, 1996

David Rieniets

Date: October 22, 1996

Nancy Wagner

Date: October 21, 1996

Ralph Yarborough

Date: October 21st, 1996

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 4TH day of October 1996,
1996, by Raye Lynn Alford.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/98

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 21 day of October 1996,
1996, by Mostafa Banijamali.

Lori Lassiter-Cole

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 11 day of October 1996
1996, by Pam Blohm.

Lori Lassiter-Cole

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 4TH day of October 1996, 1996, by Maurice Blonstein.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/05

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 7TH day of October 1996 1996, by Mary Fairbrother.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 7TH day of October 1996, 1996, by Lewis Humke.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/95

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 7TH day of October 1996, 1996, by Mahmood Pakzaban.

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 4TH day of October 1996, 1996, by Richard Palmer.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/98

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 22 day of October 1996 1996, by David Rieniets.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/98

Lori Lassiter-Cole
NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

Duplicate LLC

~~This instrument was acknowledged before me on this _______ day of October _____, 1996, by Nancy Wagner.~~

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 21 day of October 1996 1996, by Nancy Wagner

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/98

Lori Lassiter-Cole

NOTARY PUBLIC, STATE OF TEXAS

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on this 21st day of October 1996 1996, by Ralph Yarborough.

Lori Lassiter-Cole
Notary Public
STATE OF TEXAS
My Comm. Exp. 04/04/98

Lori Lassiter-Cole

NOTARY PUBLIC, STATE OF TEXAS

O:\WPDOCS\107044\0006\CONDEC08.BOD\1003961634

EXHIBIT "A"

2.0921 acres of land out of the D.W.C. Harris Survey, A-325, in Harris County, Texas, said tract being more particularly described by metes and bounds as follows:

COMMENCING at a 3/4" iron pipe marking the northeasterly corner of Tract B of DEVONSHIRE PLACE, an addition whose plat is recorded in Volume 7, page 38 of the Harris County Map Records; THENCE N. 79° 09' 00" E., with the southerly line of the Harris County Flood Control Right-of-way for BRAYS BAYOU, 399.26 feet to a 1/2" iron rod marking the northwesterly corner and PLACE OF BEGINNING of the 2.0921 acre tract herein described;

THENCE N. 79° 09' 00" E., continuing with southerly line of BRAYS BAYOU, 49.00 feet to a 5/8" iron rod marking an angle point in said right-of-way line;

THENCE S. 86° 40' 00" E., continuing with the southerly right-of-way line of BRAYS BAYOU, 93.82 feet to a 5/8" iron rod marking an angle point in northerly line of 2.0921 acre tract herein described;

THENCE S. 68° 18' 00" E., departing from southerly right-of-way line of BRAYS BAYOU, 289.20 feet to a 1/2" iron rod marking the northeasterly corner of the 2.0921 acre tract herein described;

THENCE S. 21° 42' 00" W., 110.12 feet to a 1/2" iron rod marking a re-entrant corner of the herein described tract;

THENCE S. 68° 19' 00" E., 121.64 feet to a 1/2" iron rod on northerly right-of-way line of Holcombe Blvd. (90 ft. wide), said iron rod marks the southeasterly corner of the 2.0921 acre tract herein described;

THENCE in a westerly direction with the northerly right-of-way line of Holcombe Blvd. with a curve to the left having a radius of 1000.37 feet, a central angle of 30° 39' 27", an arc length of 535.27 feet and whose chord bears S. 88° 14' 43" W., 528.9. feet to a 1/2" iron rod marking the southwesterly corner of the 2.0921 acre tract herein described;

THENCE N. 11° 13' 00" W., 106.84 feet to a 1/2" iron rod marking an angle point in westerly line of the herein described tract;

THENCE N. 22° 23' 00" E., 175.00 feet to the PLACE OF BEGINNING and containing 2.0921 acres of land, more or less.

RECORDER'S MEMORANDUM:
This memorandum has been pasted on a piece of paper which was pasted or stapled over printed matter on the original instrument at the time the original instrument was filed.

EXHIBIT "A"

0.4495 Acres (19,580.5 square feet) of land out of the D.W.C. Harris Survey, A-325 in Harris County, Texas, said 0.4495 acre tract being more particularly described by metes and bounds as follows:

COMMENCING at a 3/4" iron pipe found marking the northeasterly corner of Tract B of DEVONSHIRE PLACE, an addition whose plat is recorded in Volume 7, Page 38 of the Harris County Map Records; THENCE N.79°09'00"E., with the southerly line of the Harris County Flood Control Right-of-way for BRAYS BAYOU, 218.80 feet to a 1/2" iron rod marking the northwesterly corner and PLACE OF BEGINNING of the 0.4495 acre tract herein described;

THENCE N.79°09'00"E., continuing with southerly line of BRAYS BAYOU, 180.46 feet to a 1/2" iron rod marking the northeasterly corner of the 0.4495 acre tract herein described;

THENCE S.22°23'00"W., 175.00 feet to a 1/2" iron rod marking an angle point in said easterly line of herein described tract;

THENCE S.11°13'00"E., 106.84 feet to a 1/2" iron rod on northerly right of way line of Holcombe Blvd. (90 feet wide), said iron rod marks the southeasterly corner of the 0.4495 acre tract herein described;

THENCE in a westerly direction with the northerly right-of-way line of Holcombe Blvd. with a curve to the Left having a radius of 1000.37 feet, a central angle of 01°26'29" and an arc length of 25.17 feet to a 1/2" iron rod marking the Southwesterly corner of the 0.4495 acre tract herein described;

THENCE N.11°13'00"W., 135.05 feet to a 1/2" iron rod marking a re-entrant corner of the herein described tract;

THENCE N.71°15'04"W., 67.66 feet to a 1/2" iron rod marking a corner of the 0.4495 acre tract herein described;

THENCE N.11°13'00"W., 87.80 feet to the PLACE OF BEGINNING and containing 0.4495 acres of land more or less.

THE SPIRES
DECLARATION
A CONDOMINIUM PROJECT

CONDOMINIUM RECORDS

HARRIS COUNTY, TEXAS

VOL. 137 PAGE 16

OFFICE OF
BEVERLY B. KAUFMAN
COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

FILM CODE 170140

SPIRES - 4TH AMENDENT
& RESTATED DECLARATION

THIS IS PAGE 19 OF 69 PAGES

REDUCTION 16x CAMERA DESIGNATION MRG1

EXHIBIT "B"

TO

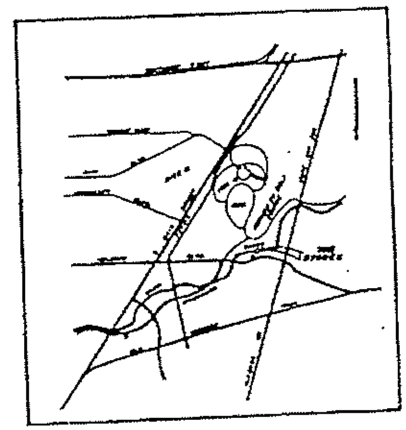
DECLARATION OF CONDOMINIUM

FOR

THE SPIRES

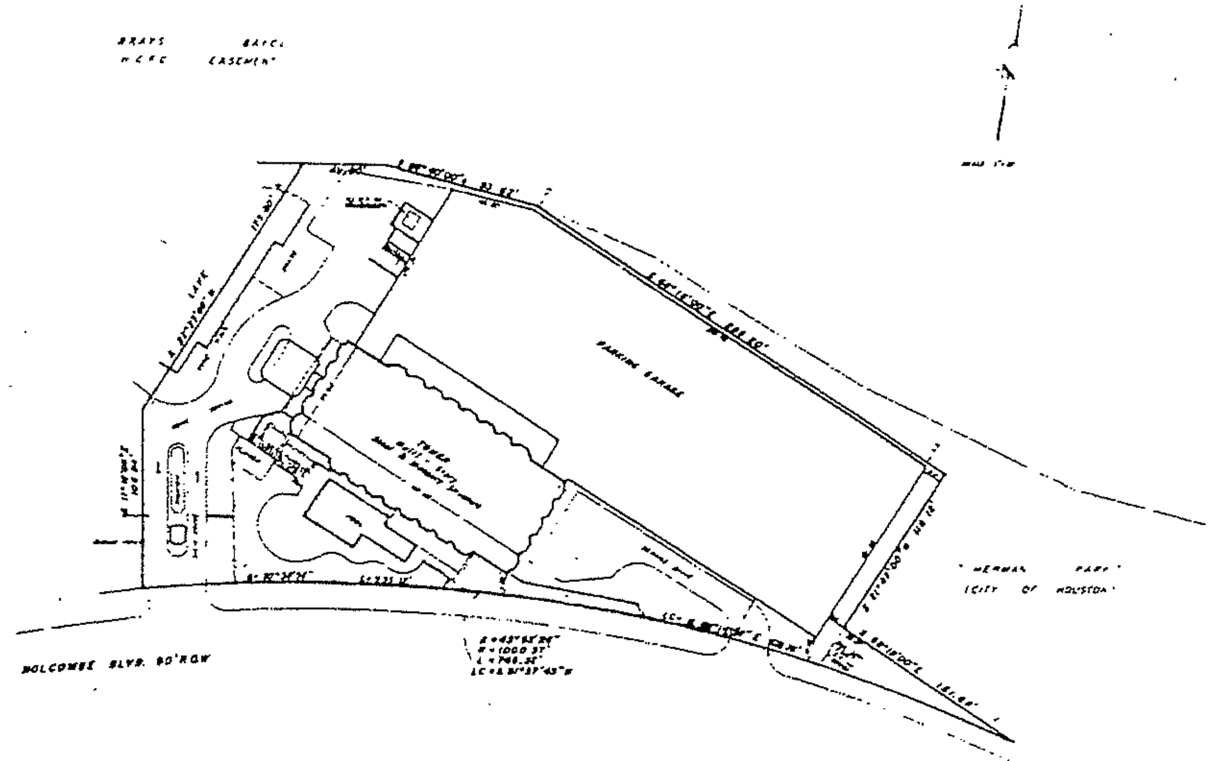
A CONDOMINIUM PROJECT IN HARRIS COUNTY, TEXAS

RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.



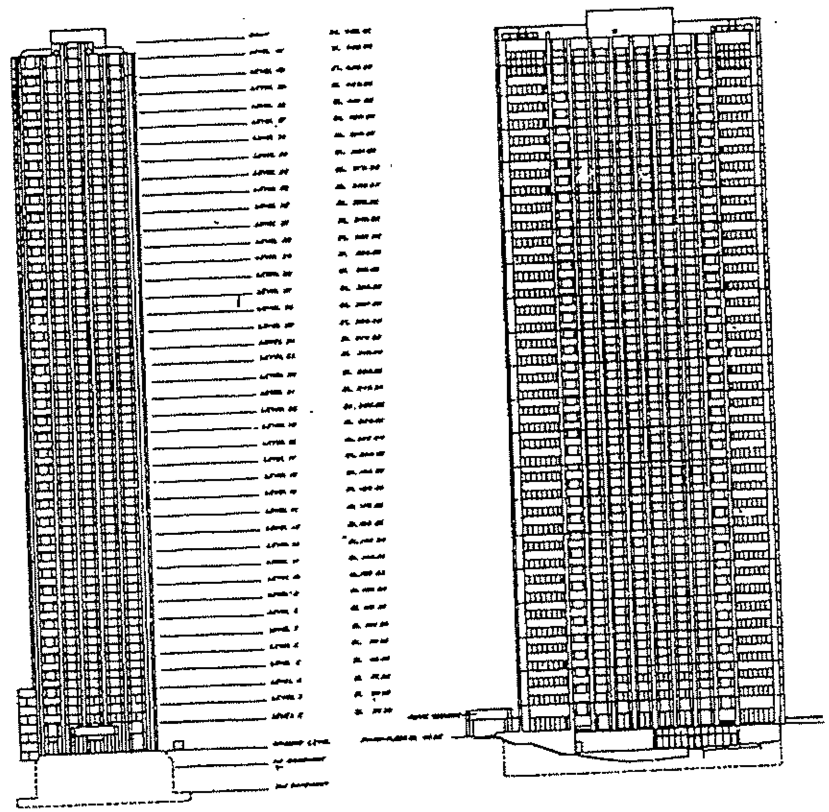
NOTE:
THESE PLANS HAVE BEEN REDUCED BY 50 %.
THE ACTUAL SCALE IS 1/2 OF WHAT IS NOTED
ON EACH PAGE.

COTTON SURVEYING
COMPANY
6335 Gulfton Suite 103
Houston, Texas 7708?



RECORDER'S MEMORANDUM
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

SITE PLAN



BUILDING ELEVATIONS & FLOOR LEVELS

SCALE: 1/32" = 1'

RECORDER'S MEMORANDUM:

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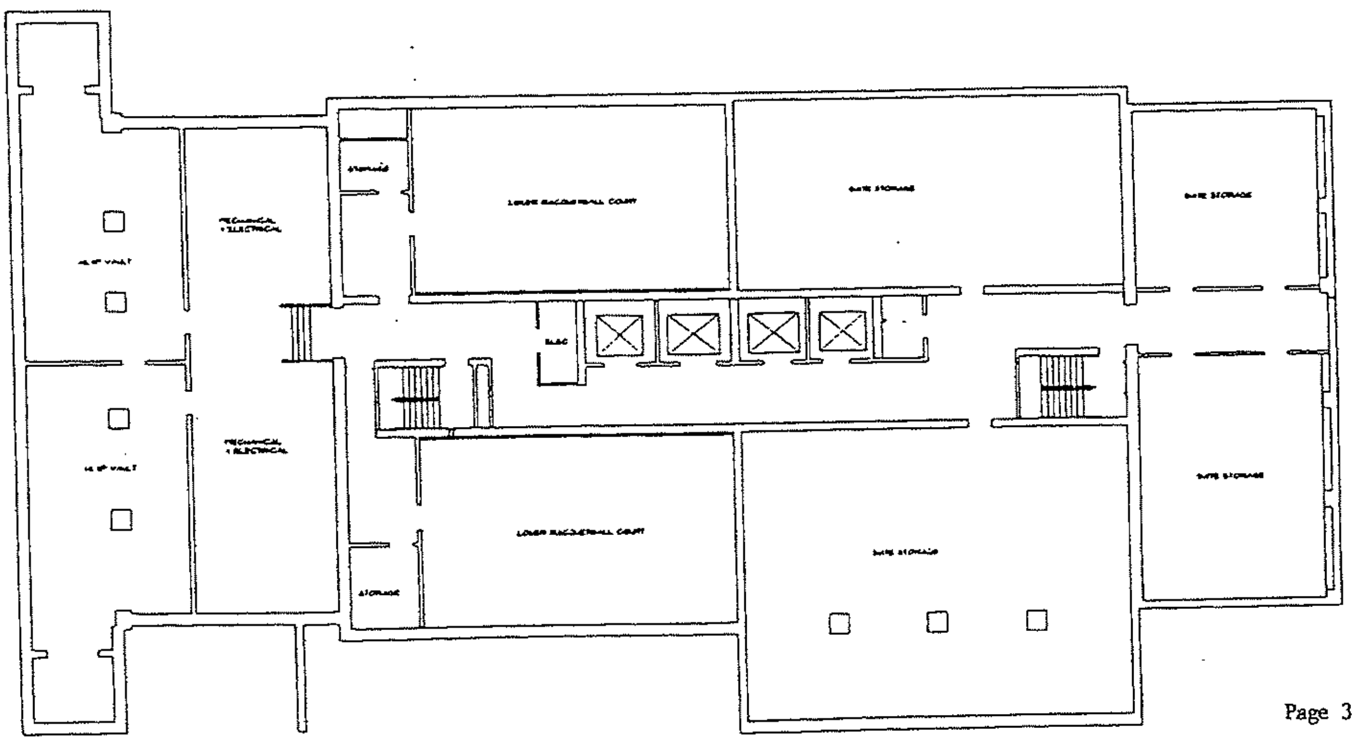
ELEVATIONS & FLOOR LEVELS

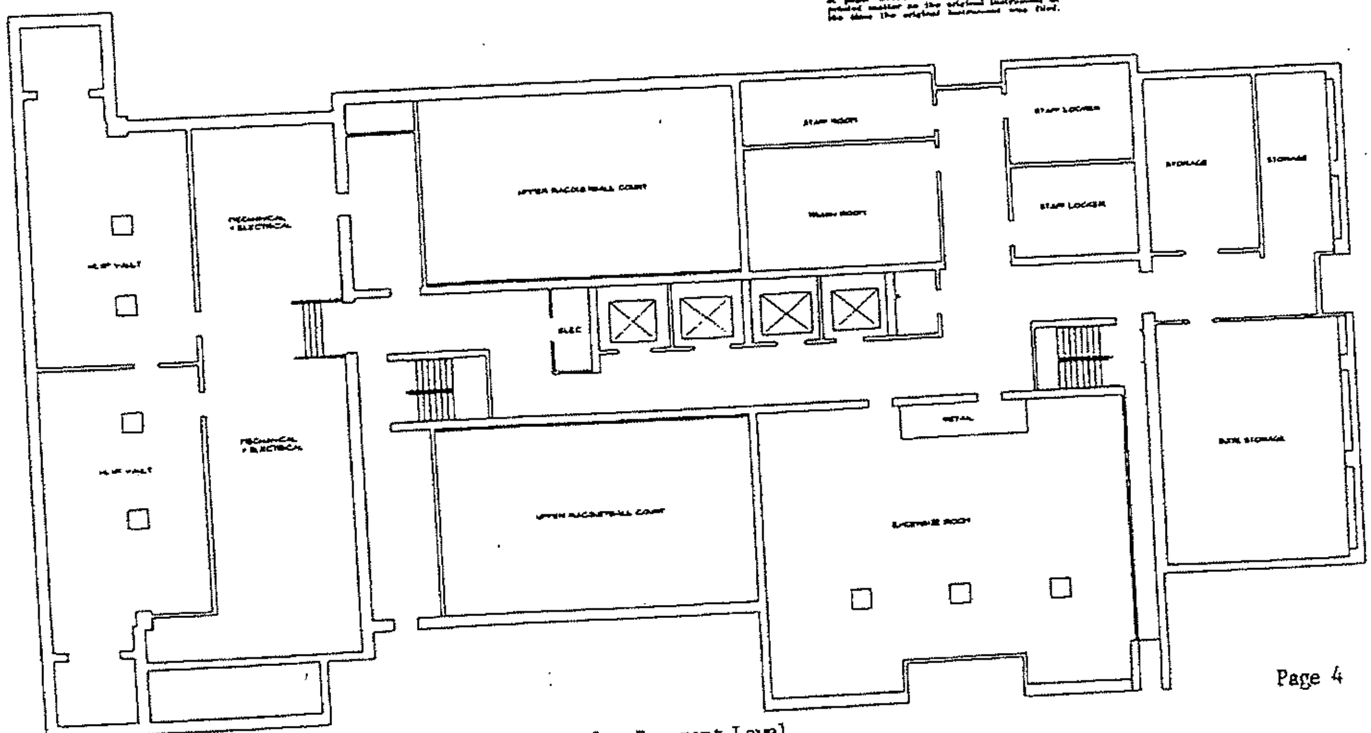
PAGE 2

The floor plan and layout and dimensions indicated on this sheet as well as the intended functions of the various areas shown on this sheet are subject to modification from time to time by the Board of Directors of The Spires Association subject to the limitation that functions differing from those indicated on this sheet will be reasonable in nature and compatible with the provisions stated in Section 2.1 (entitled "Use Restrictions") of the Declaration to which this sheet is attached.



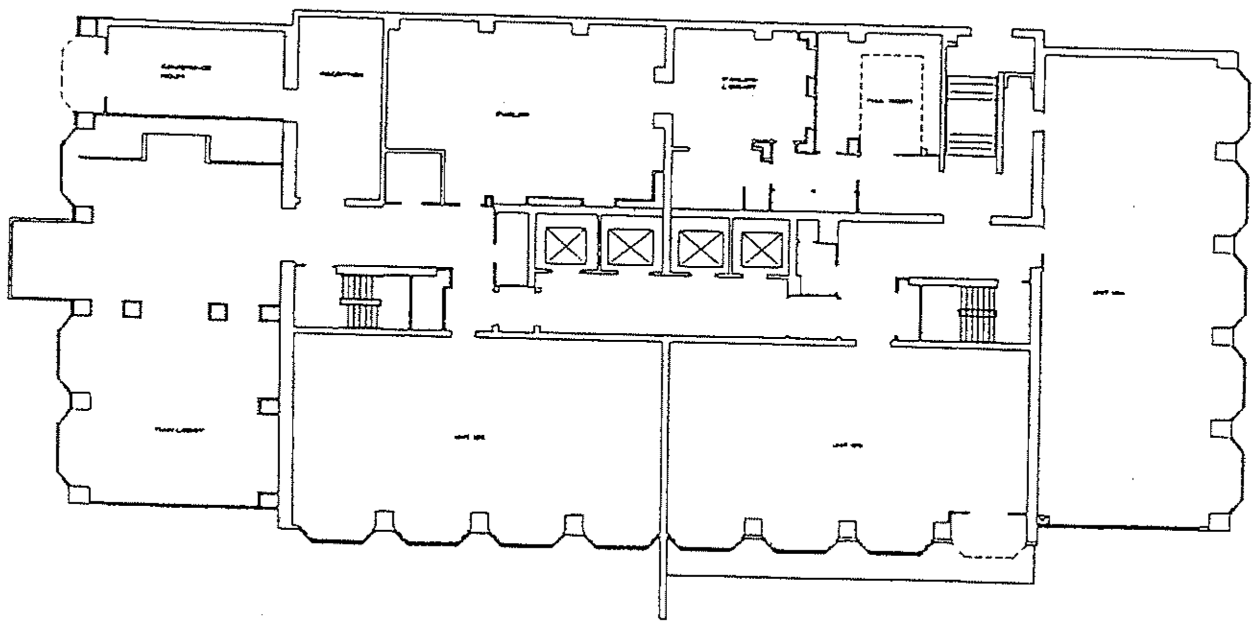
Floor Plan - 2nd Basement Level

The floor plan and layout and dimensions indicated on this sheet as well as the intended functions of the various areas shown on this sheet are subject to modification from time to time by the Board of Directors of The Spires Association subject to the limitation that functions differing from those indicated on this sheet will be reasonable in nature and compatible with the provisions stated in Section 2.1 (entitled "Use Restrictions") of the Declaration to which this sheet is attached.



Floor Plan - 1st Basement Level

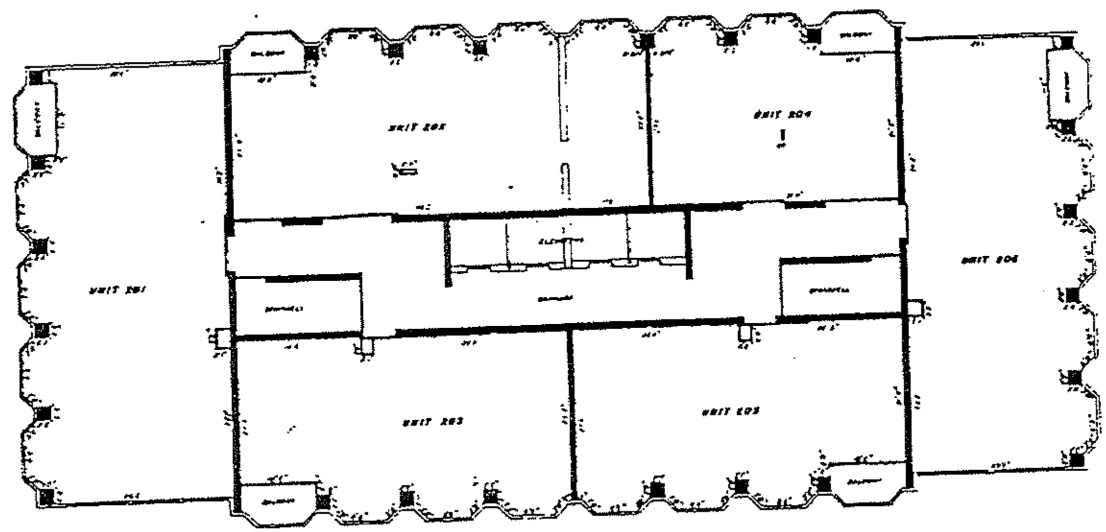
The floor plan and layout and dimensions indicated on this sheet as well as the intended functions of the various areas shown on this sheet are subject to modification from time to time by the Board of Directors of The Spires Association subject to the limitation that functions differing from those indicated on this sheet will be reasonable in nature and compatible with the provisions stated in Section 2.1 (entitled "Use Restrictions") of the Declaration to which this sheet is attached.



LEVEL 1

Page 5

RECORDER'S MEMORANDUM:
This memorandum has been pasted on a piece of paper which was pasted or stapled over printed matter on the original instrument at the time the original instrument was filed.



RECORDER'S MEMORANDUM:

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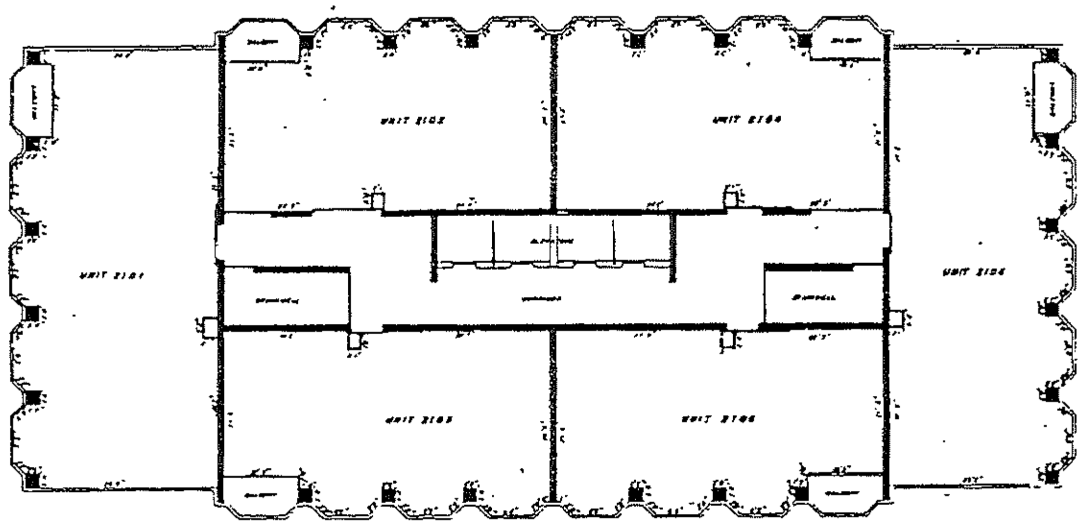
LEVEL 2



THE SPIRES
DECLARATION
A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
VOL. 137 PAGE 45

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COUNTY CLERK, HARRIS COUNTY, TEXAS

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SPIRES - 4TH AMENDENT
& RESTATED DECLARATION

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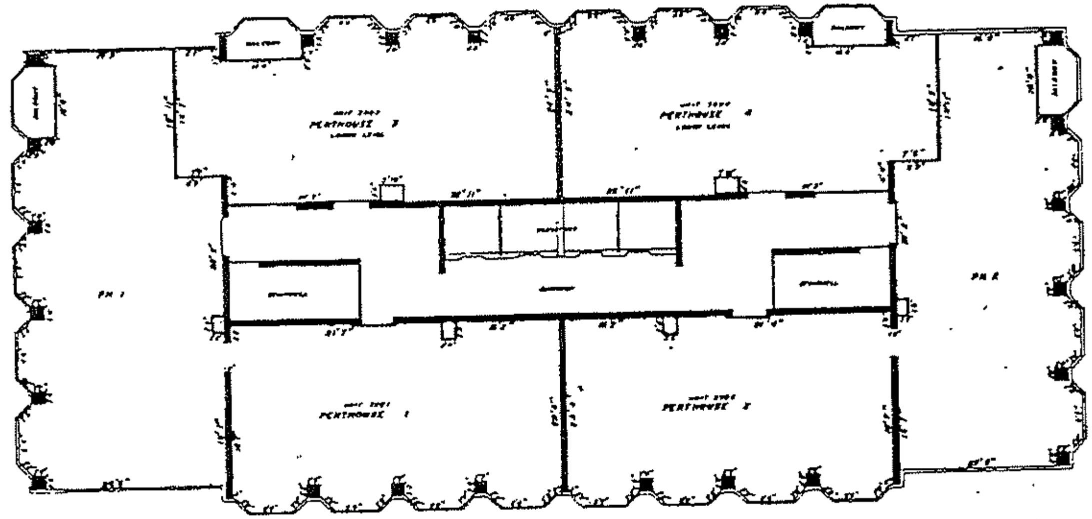
LEVEL 21



THE SPIRES
DECLARATION
A CONDOMINIUM PROJECT
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HARRIS COUNTY, TEXAS
VOL. 137 PAGE 63

OFFICE OF
BEVERLY B. KAUFMAN
COUNTY CLERK, HARRIS COUNTY, TEXAS

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SPIRES - 4TH AMENDENT
& RESTATED DECLARATION

THIS IS PAGE 63 OF 69 PAGES

REDUCTION 16x CAMERA DESIGNATION MRG1

RECORDER'S MEMORANDUM:
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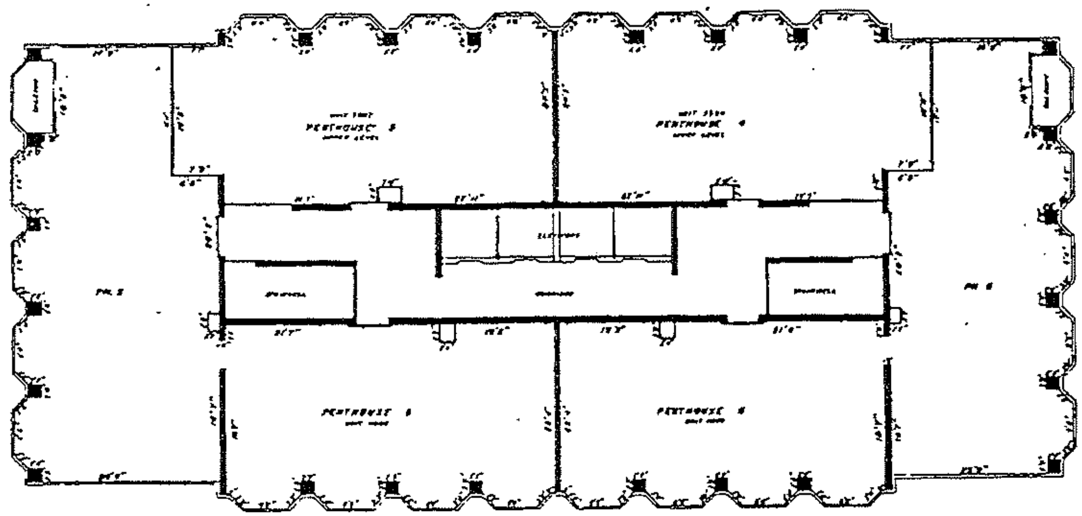
LEVEL 35



THE SPIRES
DECLARATION
A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
VOL. 137 PAGE 64

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BEVERLY B. KAUFMAN
COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

FILM CODE 170185

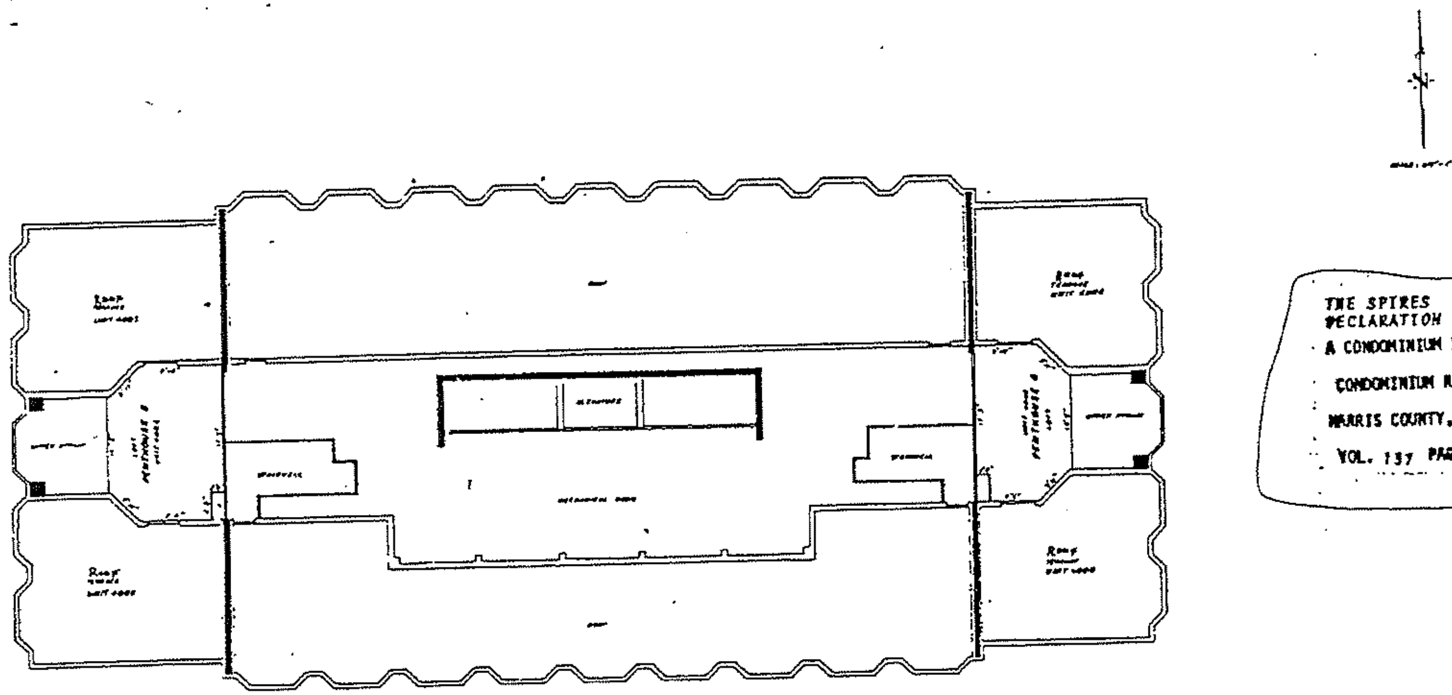
SPIRES - 4TH AMENDENT
& RESTATED DECLARATION

THIS IS PAGE 64 OF 69 PAGES

REDUCTION 16x CAMERA DESIGNATION MRG1

RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

LEVEL #



THE SPIRES
DECLARATION
A CONDOMINIUM PROJECT
CONDOMINIUM RECORDS
HARRIS COUNTY, TEXAS
VOL. 137 PAGE 65

OFFICE OF
BEVERLY B. KAUFMAN
COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

FILM CODE 170186

SPIRES - 4TH AMENDENT
& RESTATED DECLARATION

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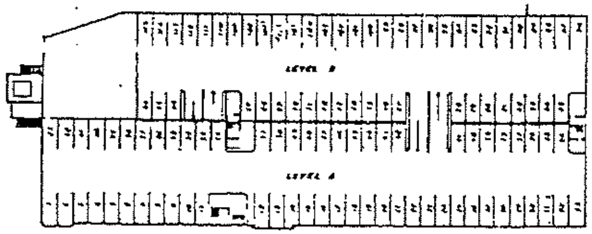
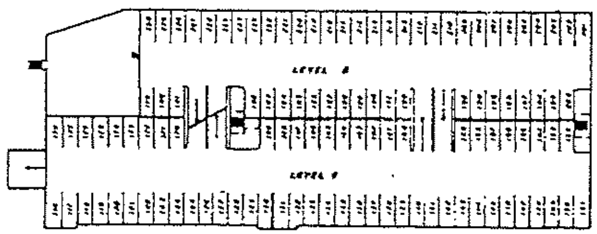
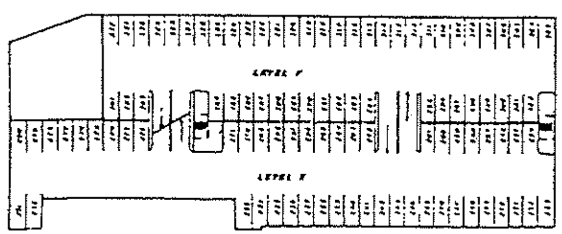
REDUCTION 16x CAMERA DESIGNATION MRG1

LEVEL 41







THE SPIRES
DECLARATION
A CONDOMINIUM PROJECT

CONDOMINIUM RECORDS

HARRIS COUNTY, TEXAS

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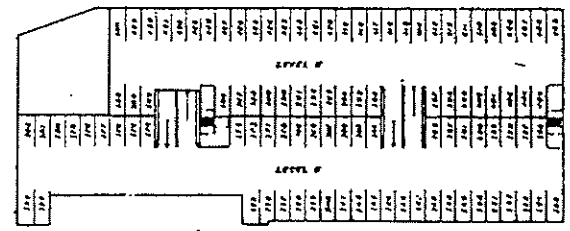

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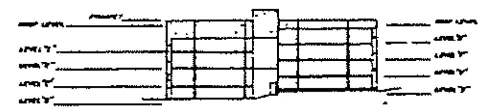

PARKING GARAGE SECTION (EAST ELEVATION)

OFFICE OF
BEVERLY B. KAUFMAN
COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

FILM CODE 170187

SPIRES - 4TH AMENDENT
& RESTATED DECLARATION

THIS IS PAGE 66 OF 69 PAGES

REDUCTION 16x CAMERA DESIGNATION MRO3

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

JUL 11 1983

Anita Rodeheaver
County Clerk, Harris County, Texas

PARKING SPACES

Residence Unit No.	Percentage Ownership Interest
3105	0.003728
3106	0.004918
3201	0.005521
3202	0.003728
3203	0.003728
3204	0.003728
3205	0.003728
3206	0.004918
3301	0.005521
3302	0.003728
3303	0.003728
3304	0.003728
3305	0.003728
3306	0.004918
3401	0.005521
3402	0.003728
3403	0.003728
3404	0.003728
3405	0.003728
3406	0.004918
3501	0.005521
3502	0.003728
3503	0.003728
3504	0.003728
3505	0.003728
3506	0.004918
3601	0.005521
3602	0.003728
3603	0.003728
3604	0.003728
3605	0.003728
3606	0.004918
3701	0.005521
3702	0.003728
3703	0.003728
3704	0.003728
3705	0.003728
3706	0.004918
3801	0.005521
3802	0.003728
3803	0.003728
3804	0.003728
3805	0.003728
3806	0.004918
3901	0.008769
3902	0.008384
3903	0.008766
3904	0.008766
4005	0.009574
4006	0.009208
	1.000000

OFFICE OF
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COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

FILM CODE 170189

SPIRES, THE FIRST
& CERTIFICATE OF
DECLARATION OF AN

Residence Unit No.	Percentage Ownership Interest
2103	0.003728
2104	0.003728
2105	0.003728
2106	0.004918
2201	0.005521
2202	0.003728
2203	0.003728
2204	0.003728
2205	0.003728
2206	0.004918
2301	0.005521
2302	0.003728
2303	0.003728
2304	0.003728
2305	0.003728
2306	0.004918
2401	0.005521
2402	0.003728
2403	0.003728
2404	0.003728
2405	0.003728
2406	0.004918
2501	0.005521
2502	0.003728
2503	0.003728
2504	0.003728
2505	0.003728
2506	0.004918
2601	0.005521
2602	0.003728
2603	0.003728
2604	0.003728
2605	0.003728
2606	0.004918
2701	0.005521
2702	0.003728
2703	0.003728
2704	0.003728
2705	0.003728
2706	0.004918
2801	0.005521
2802	0.003728
2803	0.003728
2804	0.003728
2805	0.003728
2806	0.004918
2901	0.005521
2902	0.003728
2903	0.003728
2904	0.003728
2905	0.003728
2906	0.004918
3001	0.005521
3002	0.003728
3003	0.003728
3004	0.003728
3005	0.003728
3006	0.004918
3101	0.005521
3102	0.003728
3103	0.003728
3104	0.003728

Residence Unit No.	Percentage Ownership Interest
1101	0.005521
1102	0.004763
1103	0.003728
1104	0.002747
1105	0.003728
1106	0.004918
1201	0.005521
1202	0.004763
1203	0.003728
1204	0.002747
1205	0.003728
1206	0.004918
1301	0.005521
1302	0.004763
1303	0.003728
1304	0.002747
1305	0.003728
1306	0.004918
1401	0.005521
1402	0.004763
1403	0.003728
1404	0.002747
1405	0.003728
1406	0.004918
1501	0.005521
1502	0.004763
1503	0.003728
1504	0.002747
1505	0.003728
1506	0.004918
1601	0.005521
1602	0.004763
1603	0.003728
1604	0.002747
1605	0.003728
1606	0.004918
1701	0.005521
1702	0.004763
1703	0.003728
1704	0.002747
1705	0.003728
1706	0.004918
1801	0.005521
1802	0.004763
1803	0.003728
1804	0.002747
1805	0.003728
1806	0.004918
1901	0.005521
1902	0.004763
1903	0.003728
1904	0.002747
1905	0.003728
1906	0.004918
2001	0.005521
2002	0.004763
2003	0.003728
2004	0.002747
2005	0.003728
2006	0.004918
2101	0.005521
2102	0.003728

26734-4:SWL/31:clf:2/21/84

EXHIBIT "C"

THE SPIRES
Percentage Ownership Interests

Residence Unit No.		Percentage Ownership Interest
103		0.003728
105		0.003728
106	Manager's Unit	
201		0.005521
202		0.004763
203		0.003728
204		0.002747
205		0.003728
206		0.004918
301		0.005521
302		0.004763
303		0.003728
304		0.002747
305		0.003728
306		0.004918
401		0.005521
402		0.004763
403		0.003728
404		0.002747
405		0.003728
406		0.004918
501		0.005521
502		0.004763
503		0.003728
504		0.002747
505		0.003728
506		0.004918
601		0.005521
602		0.004763
603		0.003728
604		0.002747
605		0.003728
606		0.004918
701		0.005521
702		0.004763
703		0.003728
704		0.002747
705		0.003728
706		0.004918
801		0.005521
802		0.004763
803		0.003728
804		0.002747
805		0.003728
806		0.004918
901		0.005521
902		0.004763
903		0.003728
904		0.002747
905		0.003728
906		0.004918
1001		0.005521
1002		0.004763
1003		0.003728
1004		0.002747
1005		0.003728
1006		0.004918

RECORDER'S MEMORANDUM:
This memorandum has been pasted on a piece of paper which was pasted or stapled over printed matter on the original instrument at the time the original instrument was filed.

OFFICE OF
BEVERLY B. KAUFMAN
COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

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SPIRES - 4TH AMENDENT
& RESTATED DECLARATION

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REDUCTION 16x CAMERA DESIGNATION MRG1