

1-14-83

At 3:45 o'clock P.M.

251092

JAN 13 1983

FRANK BORISKIE
County Clerk, Brazos County, Bryan, Texas
Frank Boriskie

CONDOMINIUM DECLARATION

FOR

THE STANFORD COURT TOWNHOME CONDOMINIUMS

BY

The Stanford Group, Inc., a Texas Corporation

3833 Texas Avenue
Suite 100
P.O. Box 4106
Bryan, Texas 77801

CONDOMINIUM DECLARATION
of
The Stanford Court Townhome Condominiums

TABLE OF CONTENTS

<u>ARTICLE</u>		<u>PAGE</u>
1.	RECITALS	1
1.1	Declarant and Land.....	1
1.2	Condominium Regime.....	1
1.3	The Property.....	1
2.	SUBMISSION TO DECLARATION	1
3.	DEFINITIONS	2
3.1	Act.....	2
3.2	Apartment Unit.....	2
3.3	Association.....	2
3.4	Common Elements.....	2
3.5	Common Expenses.....	3
3.6	Condominium Unit.....	3
3.7	Construction Period.....	3
3.8	Declarant.....	3
3.9	Declaration.....	3
3.10	General Common Elements.....	3
3.11	Land.....	4
3.12	Limited Common Elements.....	4
3.13	Maps.....	4
3.14	Owner.....	4
3.15	Percentage Interest.....	4
3.16	Property.....	4
3.17	Recreational Easement.....	4
3.18	Repair and Reconstruction of Improvements	5
3.19	Utilities.....	5
3.20	Utility Cross-Easement.....	5
4.	CONDOMINIUM UNIT DESCRIPTIONS	5
4.1	Recordation of Maps.....	5
4.2	Designation of Apartment Units.....	5

4.3	Interference with Structural Soundness of Building.....	6
4.4	Limited Common Elements.....	6
4.5	Regulation of General Common Elements...	6
4.6	Inseparable Units.....	6
4.7	Descriptions.....	6
4.8	Encroachments.....	6
4.9	Governmental Assessment.....	7
4.10	Use Restrictions.....	7
4.10.1	Residential.....	7
4.10.2	Parking.....	7
4.10.3	Signs.....	8
4.10.4	Declarant.....	8
4.10.5	Animals and Pets.....	8
4.10.6	Trash.....	8
4.10.7	Clothes.....	8
4.10.8	Antennas.....	8
4.10.9	Guest Parking.....	9
4.10.10	Plants.....	9
4.10.11	Leasing.....	9
4.10.12	Working Vehicles.....	9
4.11	Areas.....	9
4.12	Boundaries.....	10
4.13	Settling Boundaries.....	10
4.14	Recreational Easement and Utility Cross-Easement.....	11
4.15	Utility Installation.....	11
5.	CHANGE BY DECLARANT	11
6.	RIGHTS AND OBLIGATIONS OF OWNERSHIP	11
6.1	Ownership.....	11
6.2	Partition.....	12
6.3	Exclusiveness of Ownership.....	12
6.4	Single Family Residential Dwelling.....	12
6.5	Mechanic's and Materialman's Liens.....	12
6.6	Right of Entry.....	12
6.7	Maintenance by Owners.....	12
6.8	Alteration.....	13
6.9	Extent of Ownership.....	13
6.10	Liability for Negligent Acts.....	13
6.11	Subject to Declaration and Bylaws.....	14
6.12	Notice of Default to Mortgagees.....	14
6.13	Exterior Surfaces.....	14
6.14	Rain Retention Areas.....	14

7.	MANAGEMENT AND ADMINISTRATION	14
7.1	Bylaws and Membership.....	15
7.2	The Board of Managers.....	15
7.3	Specific Power to Restrict Use and Enjoyment.....	15
7.3.1	Rules.....	15
7.3.2	General Fees.....	15
7.3.3	User Fees.....	15
7.3.4	Common Elements Mortgages.....	15
7.3.5	Suspension of Voting Rights.....	16
7.3.6	Transfer of Common Elements.....	16
7.3.7	Security.....	16
7.3.8	Traffic Rules.....	16
7.3.9	Noise Rules.....	16
7.3.10	Appearance.....	16
7.4	Accounts and Financial Reporting Procedures.....	17
8.	INSURANCE	17
8.1	Types.....	17
8.1.1	Fire and Extended Coverage.....	17
8.1.2	Explosions.....	17
8.1.3	Liability.....	18
8.1.4	Workers Compensation.....	18
8.1.5	Fidelity Bonds.....	18
8.1.6	Directors Liability.....	18
8.1.7	Other Insurance.....	18
8.2	Policy Provisions.....	18
8.3	Condominium Policies.....	19
8.4	Owners Policies.....	19
8.5	Proceeds and Attorney-in-Fact.....	19
8.6	Mortgagee's Notice.....	19
8.7	No Contribution.....	20
8.8	Owners Insurance.....	20
9.	ASSESSMENTS	20
9.1	Assessments for Common Expenses.....	20
9.2	Purpose of Assessments and Definition of Common Expenses.....	20
9.3	Determination of Assessments.....	21

9.4	Monthly Assessments.....	21
9.4.1	First Year.....	21
9.4.2	Subsequent Years.....	21
9.4.3	Reduced Assessments.....	22
9.5	Special Assessments for Improvements....	22
9.6	Commencement of Assessments.....	22
9.7	No Exemption.....	22
9.8	Lien for Assessments.....	23
9.8.1	Vendor's Lien Securing Assessments....	22
9.8.2	Mortgagee's Liability.....	23
9.8.3	Recording Notice.....	23
9.8.4	Collection by Suit.....	23
9.8.5	Satisfaction at Sale.....	24
9.9	Statement of Assessments.....	24
9.10	Interest.....	24
9.11	Escrow Assessment.....	24
10.	DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS	25
10.1	Attorney-In-Fact.....	25
10.2	Sufficient Insurance Proceeds.....	25
10.3	Insufficient Insurance and Special As-	
	sessments.....	26
10.4	Sale and Termination.....	26
10.5	Excessive Damage.....	27
10.6	Obsolescence and Renewal.....	27
10.7	Obsolescence and Sale.....	28
10.8	Notice of Damage.....	28
10.9	Judicial Partition.....	28
10.10	Eminent Domain.....	28
11.	AMENDMENT AND ENCUMBRANCE OF COMMON ELEMENTS	29
12.	MISCELLANEOUS PROVISIONS	29
12.1	Ownership of Common Personal Property...	29
12.2	Notice of Amendment to Mortgagee.....	29
12.3	Notices to Owner and the Association....	29
12.4	Invalidation of Parts.....	30
12.5	Number and Gender.....	30
12.6	Headings.....	30
12.7	Exhibits.....	30
EXHIBIT A	Legal Description of Land	
EXHIBIT B	Map of the Property	

TD010583

EXHIBIT C Percentage Interest of Each Apartment Unit
EXHIBIT D Bylaws of Association
EXHIBIT E Recreational Easement
EXHIBIT F Utility Cross-Easement

CONDOMINIUM DECLARATION
FOR
STANFORD COURT TOWNHOME CONDOMINIUMS

1. RECITALS

1.1 Declarant and Land. The Stanford Group, Inc., a Texas corporation (the "Declarant"), is the owner of that certain real property (the "Land") situated in the County of Brazos, State of Texas, as described in Exhibit A hereof, and the Land with the improvements planned or existing thereon are also described in the Map in Exhibit B hereof. Declarant's address as of the date of this Declaration is 3833 Texas Avenue, Suite 100, P.O. Box 4106, Bryan, Brazos County, Texas 77801.

1.2 Condominium Regime. Declarant, as a real estate developer, desires to establish a condominium regime under the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes (the "Act").

1.3 The Property. Declarant, has executed plans for the construction of buildings and other improvements on the Land, as described in Exhibit B, which when completed shall consist of twenty-five (25) separately designated residential Condominium Units.

2. SUBMISSION TO DECLARATION

Declarant does hereby submit the Property to this Declaration and establish a condominium regime for individual ownership in fee simple of estates consisting of the space contained within each of the Apartment Units and the co-ownership by the Owners of all of the remaining Property, which includes both Limited Common Elements and General Common Elements (collectively, the "Common Elements"). Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations, and obligations shall run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and any person acquiring or owning an interest in the Property, their grantees, successors, heirs, executors, administrators, devisees, and assigns.

3. DEFINITIONS

As used in this Declaration, the following terms shall have the meanings indicated:

3.1 "Act" shall have the meaning defined in Section 1.2 hereof.

3.2 "Apartment Unit" shall mean the elements of a Condominium Unit, which are not owned in common by the Owners but are instead individually owned by one Owner, as shown on the Map, and as further elaborated in this Section and Section 6.9 hereof. The boundaries of each Apartment Unit shall be and are the interior surfaces of the perimeter walls, windows, and window frames, door and door frames, and trims, and the Apartment Unit includes both the portions of the buildings so described and the space so encompassed, excepting the Common Elements. The Apartment Units and Condominium Units are numbered as designated by the Declarant as indicated on Exhibit B. The individual ownership of each Apartment Unit shall further include the interior construction, partitions, appliances, fixtures and improvements which are intended to exclusively serve such Apartment Unit, such as interior room walls, floor covering or finish, closets, cabinets, shelving, individual bathroom and kitchen fixtures, plumbing and appliances, individual lighting and electrical fixtures, individual air cooling systems (excluding the central boiler system, if any), and other separate items or chattels belonging exclusively to such Apartment Unit which may be removed, replaced, disposed of or otherwise treated without affecting any other Apartment Unit or the ownership, use or enjoyment thereof. None of the Land on which any Apartment Unit, porch or patio space is located shall be separately owned, as all Land shall constitute part of the Common Elements and shall be owned in common by the Owners.

3.3 "Association" means the condominium homeowners association for the Project to be organized as a Texas nonprofit corporation and named The Stanford Court Townhome Condominium Owners Association, Inc., the Bylaws of which shall govern the administration of the Property through the therein referenced Board of Managers or Managing Agent. The membership of the Association shall be composed of all of the Owners of the Condominium Units according to such Bylaws.

3.4 "Common Elements" shall have the meaning defined in Section 2 hereof.

- 3.5 "Common Expenses" means and includes:
- (1) All sums assessed against the Owners by the Managing Agent or Board of Managers of the Association pursuant to the provisions hereof;
 - (2) Expenses of administration and management, maintenance, repair and replacement of the Common Elements;
 - (3) Expenses agreed upon as Common Expenses by the Association; and
 - (4) Expenses denominated Common Expenses within Section 9.2 and other provisions of this Declaration and by the Bylaws of the Association.

3.6 "Condominium Unit" shall mean an individual Apartment Unit together with the Percentage Interest in co-ownership of the General Common Elements and Limited Common Elements as allocated to that Apartment Units as described in Exhibit C hereof.

3.7 "Construction Period" means that period of time during which Declarant is developing the Property and selling the Condominium Units, which time period shall extend from the date hereof until such time as the Declarant conveys ninety percent (90%) of the Condominium Units, or twenty-four (24) months from the date on which the Declarant makes the first transfer of a Condominium Unit to an Owner other than Declarant, whichever occurs first.

3.8 "Declarant" shall have the meaning defined in Section 1.1 hereof.

3.9 "Declaration" shall mean this condominium declaration instrument as the same may be amended pursuant to Article 11 hereof.

- 3.10 "General Common Elements" means and includes:
- (1) The Land;
 - (2) The foundations, columns, girders, beams, supports, main walls, bearing walls, roofs, stairways, entrances and exits or communication ways;
 - (3) The yards, gardens, general parking areas, fences, walks, service easements, storage spaces, and drive-ways, (which are not included in the Limited Common Elements);
 - (4) The installations consisting of the equipment and materials making up central services such as power, light, and gas;
 - (5) All other parts of the Property necessary or convenient

to its existence, maintenance and safety, or normally in common use.

3.11 "Land" shall have the meaning defined in Section 1.1 hereof.

3.12 "Limited Common Elements" means and includes those Common Elements which are reserved as to a specific Apartment Unit or several Apartment Units, for the exclusive use of an Owner or Owners of one or more Condominium Units, as designated on the Maps, which include without limitation assigned parking areas indicated on the Maps.

3.13 "Maps" means the engineering survey of the Land, all of the improvements thereon, the floor and elevation plans and any other drawing or diagram of all or part of the improvements, attached as Exhibit B hereof.

3.14 "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more Condominium Units.

3.15 "Percentage Interest" The term "Percentage Interest" means the respective percentages of undivided interests in the Common Elements assigned to each Condominium Unit and owned by the Owner thereof, which are set forth in Exhibit C hereof, which are arbitrary figures based upon the approximate size of each Condominium Unit in relation to the other Condominium Units, but which nevertheless shall be determinative of the proportionate share of each respective Owner in the proceeds and expenses of administration by the Association and, except as otherwise provided in the Bylaws of the Association, such Owner's vote at meetings of the Association. The total of all Percentage Interests of the Condominium Project is one hundred percent (100%).

3.16 "Property" means and includes the Land, the buildings, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

3.17 "Recreational Easement" The term "Recreational Easement" means the easement, described in the attached Exhibit E, reserved, granted and assigned by this Declaration and the Condominium Declaration for The Stanford Court Office Condominium Owners Association providing, for the benefit of certain members, employees and guests of The Stanford Court Office Condominium

Owners Association, a recreational easement to certain facilities on the Property.

3.18 "Repair and Reconstruction of Improvements" shall have the meaning defined in Section 10.1 hereof.

3.19 "Utilities" shall have the meaning defined in Section 6.7 hereof.

3.20 "Utility Cross-Easement" The term "Utility Cross-Easement" means the easement, described in the attached Exhibit F, reserved, granted and assigned in this Declaration and the Condominium Declaration of The Stanford Court Office Condominiums, of even date herewith, providing for easements over, through and under the Property and certain adjacent property for certain purposes involving utility lines.

4. CONDOMINIUM UNIT DESCRIPTIONS

4.1 Recordation of Maps. The Maps shall be filed for record simultaneously with the recording of this Declaration as a part hereof, and prior to the first conveyance of any Condominium Unit. The Maps and set forth (1) the linear measurements and location, with reference to the exterior boundaries of the Land, of the buildings and all other improvements constructed, or to be constructed, on the Land by Declarant; (2) floor plans and elevation plans of the buildings built, or to be built on the Land, showing the boundary location, the building designation, the Apartment Unit designation and the linear dimensions of each Apartment Unit; and (3) the elevations of the interior surfaces of the floors and ceilings as established from a datum plane.

4.2 Designation of Apartment Units. The Property is hereby divided into separately designated Condominium Units consisting of:

- (a) twenty-five (25) separately designated Apartment Units, each Apartment Unit identified by number and by building symbol or designation on the Maps; and
- (b) The remaining portion of the Property referred to as the Common Elements, owned in common by the Owners. The Owner of each Apartment Unit shall own a Percentage Interest in the Common Elements to the extent set opposite his Apartment Unit designation in Exhibit C hereof.

4.3 Interference With Structural Soundness of Building. No Owner shall do any act or permit any work that will impair the structural soundness or integrity of the buildings or impair any easement or hereditament. No Owner shall in any way alter, modify, add to, or otherwise perform any work whatever upon any of the Common Elements, save with the prior written consent of the Board of Managers.

4.4 Limited Common Elements. The Limited Common Elements are set aside and reserved as designated for the exclusive use of all or a portion of the Owners. The Limited Common Elements reserved for the exclusive use of an Owner as indicated on the Maps, are (1) certain uncovered automobile parking spaces, and (2) certain patios and back yards. Such Limited Common Elements shall be used in connection with the assigned Apartment Unit to the exclusion of the use thereof by the other Owners.

4.5 Regulation of General Common Elements. Reasonable regulations governing the use of the General Common Elements by Owners and by their guests and invitees shall be promulgated by the Declarant, or by the Board of Managers of the Association after the same has been elected, or by the Managing Agent of the Association. Such regulations shall be permanently posted at the Association office or elsewhere in the General Common Elements and all Owners shall be furnished with a copy thereof. Each Owner shall be required to strictly comply with such regulations, and shall be responsible to the Board of Managers for the compliance therewith by their respective families, relatives, guests or invitees, both minor and adult.

4.6 Inseparable Units. Each Apartment Unit and its Percentage Interest in and to the Common Elements appurtenant thereto shall be inseparable and may be conveyed, leased or encumbered only as a Condominium Unit.

4.7 Descriptions. Every deed, lease, mortgage, deed of trust or other instrument may legally describe a Condominium Unit by its identifying Apartment Unit number or designation as shown on the Maps, followed by the words "Stanford Court Townhome Condominiums" and by a reference to this recorded Declaration with exhibits. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the Common Elements.

4.8 Encroachments. If any portion of the Common Elements encroaches upon an Apartment Unit, a valid easement for the encroachment and for the maintenance of the same, so long as

the encroachment stands, shall exist. If any portion of an Apartment Unit encroaches upon the Common Elements, or another Apartment Unit, a valid easement for the encroachment and for the maintenance of the same, so long as the encroachment stands, shall exist. For the purposes hereof, the term "encroachment" includes any and all encroachments, including specifically and without limitation, any encroachments which may exist at this time or which may result from any shifting, authorized reconstruction or alterations of the Property. For title or other purposes, such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or the Apartment Units.

4.9 Governmental Assessment. Declarant shall give written notice to the county tax assessor's office of the creation of a regime of condominium ownership of the Property, as is provided by law, so that each Condominium Unit shall be deemed a separate parcel and subject to separate assessment and taxation. Rendering the Property to the respective taxing authorities shall be performed in such a manner, Condominium Unit by Condominium Unit, and not as a whole.

4.10 Use Restrictions. The ownership interest of each Owner in his Condominium Unit shall be subject to the following restrictions on use.

4.10.1 Residential. The Condominium Units shall be used only for single family residential purposes, as private residences, and no professional, business or commercial use shall be made of the same, or any portion thereof; provided, however, that Declarant may use any of the Property as sales offices, furnished models, for displaying advertising signs and for construction purposes on the Property during the Construction Period. No Owner or resident shall use a Condominium Unit in such a manner as to endanger the health or disturb the reasonable enjoyment by any Owner or resident of his Condominium Unit.

4.10.2 Parking. The parking spaces assigned to each Apartment Unit shall be used for the parking of operative automotive vehicles only. Such parking area shall not be used for a storage area for parts, machinery, boats, trailers, camping units, inoperative cars, or anything judged to be a nuisance by the Association. No drilling, digging, quarrying, or mining operation of any sort shall be permitted on the Property. No

structure of a temporary character, trailer, basement, tent, shack, garden, barn, or other out buildings shall be used on the Property at any time except as set forth below.

4.10.3 Signs. No advertising signs (except "For Sale" signs of not more than five square feet per sign), billboards, unsightly objects, or nuisances shall be erected, displaced, or permitted to remain on the Property without the written consent of the Board of Managers.

4.10.4 Declarant. The use restrictions of this Section 4.10 shall not apply to the activities of the Association or its appointed representatives. Declarant may maintain during the Construction Period, in or upon such portions of the Apartment Units or the Common Elements as Declarant determines, such facilities which in Declarant's sole discretion may be necessary or convenient, including without limitation, offices, storage areas, model units and signs.

4.10.5 Animals and Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept in any Apartment Unit, provided that, dogs, cats or other common household pets (not to exceed a total of one (1) pet per Apartment Unit) may be kept for non-commercial purposes. All permitted household pets shall be kept inside the Apartment Units at all times, except that pets may be taken to areas designated by the Association (or Declarant during the Construction Period) if such pets are and remain leashed at all times when outside the Apartment Units.

4.10.6 Trash. All rubbish, trash, or garbage from a Condominium Unit shall be kept in the areas designated for such purposes by the Association, and shall be regularly removed from the Property and shall not be allowed to accumulate thereon.

4.10.7 Clothes. Outdoor drying of clothes shall not be permitted.

4.10.8 Antennas. Without prior written authorization of the Association, no television or radio antennas of any sort shall be placed, allowed, or maintained on any portion of the exterior of the

improvements located on the Property, or any structure situated upon the Property.

4.10.9 Guest Parking. No vehicles shall be parked in the driveways. For a period not to exceed forty-eight (48) hours, guests and invitees of Owners may park their vehicles in the surface parking areas within the Common Elements provided for such purpose. No such surface parking areas shall be used for parking or storing boats, trailers, camping units, parts, machinery, inoperative or unlicensed cars, or anything judged to be a nuisance by the Association and the Association may assure the proper use of such areas in such manner as it deems necessary.

4.10.10 Plants. Except in any patio or balcony area, no planting, transplanting or gardening shall be done, and no fences, hedges or walks shall be erected or maintained upon the Property, except as installed in accordance with the initial construction of the buildings or as approved by Declarant during the Construction Period or the Association after the Construction Period.

4.10.11 Leasing. With the exception of a lender in possession of a Condominium Unit following foreclosure, or any deed or other arrangement in lieu of foreclosure, no Owner shall be permitted to lease his Condominium Unit for transient or hotel purposes. No Owner may lease less than his entire Condominium Unit. The Association shall require that all leases of any Condominium Units must (1) be in writing, and (2) provide that such leases are specifically subject in all respect to the provisions of the Declaration and Bylaws of the Association, and that any failure by the lessee to comply with the terms and conditions of such documents shall be a default under such leases. Other than the foregoing, there shall be no restriction on the right of any Owner to lease his Condominium Unit.

4.10.12 Working Vehicles. No Owner shall use any of the Property to wash vehicles of any kind.

4.11 Areas. In determining dimensions and area, each enclosed space in a Condominium Unit shall be measured from the exterior surfaces of the perimeter walls and from the interior finished, unpainted or undecorated surfaces of the ceiling and

floor. Each and every purchaser of a Condominium Unit, for such Owner and for each of his heirs, legal representatives, executors, administrators, grantees, mortgagees, assigns, and successors, hereby expressly stipulates and agrees that the square footage, size and dimensions of each Condominium Unit as set out and shown in this Declaration or in the Maps are approximate and are shown for descriptive purposes only, and that the Declarant does not warrant, represent, covenant or guarantee that any Condominium Unit actually contains the area, square footage or dimensions shown by the Map thereof. Each purchaser and Owner of a Condominium Unit or interest therein acknowledges and agrees that such Owner has had full opportunity and is under a duty to inspect and examine the Condominium Unit purchased by him prior to the purchase thereof, and agrees that the Condominium Unit is purchased as actually and physically existing. Each purchaser of a Condominium Unit hereby expressly waives for such Owner and his heirs, legal representatives, executors, administrators, grantees, mortgagees, assigns and successors each and every claim, cause of action or demand (if any) which such Owner has or may have against the Declarant on account of any difference, shortage or discrepancy between the Condominium Unit as actually and physically existing and as it is shown on the Map thereof.

4.12 Boundaries. It is specifically agreed by each Owner that in interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever or in connection with any matter relating to the Property or any Condominium Unit or any part of the Property or any Condominium Unit, the existing physical boundaries of the Condominium Units or of any Condominium Units reconstructed in substantial accordance with the original condominium plans thereof shall be conclusively presumed to be the boundaries regardless of settling, rising, or lateral movement of the buildings and regardless of variances between the Condominium Units or the boundaries shown on the Map and those of the buildings or any Condominium Unit.

4.13 Settling Boundaries. Each Owner, by acquiring and accepting ownership of a Condominium Unit, agrees on behalf of that Owner and the Owner's successors, heirs, legal representatives, executors, administrators, grantees, mortgagees, and assigns, that in the event any portion of a Condominium Unit or a Common Element changes boundaries and thereby encroaches upon another Condominium Unit or the Common Elements due to the shifting, settling or moving of the buildings or any portion thereof, such changed boundaries shall be deemed to constitute the boundaries of the Condominium Units and the Common Elements

so affected in accordance with Section 9 of the Texas Condominium Act.

4.14 Recreational Easement and Utility Cross-Easement. Declarant hereby reserves, grants and assigns the Utility Cross-Easement and Recreational Easement for the benefit of the Owners, to be part of the General Common Elements and administered by the Association in the same manner as all other parts of the General Common Elements. Declarant shall use its best efforts to obtain from the owner and lessor of the restaurant premises constituting the third intended party of the Utility Cross-Easement such owner's agreement to the Utility Cross-Easement Grant.

4.15. Utility Installation. Public utilities (or private companies) furnishing services to the Property for common use shall have access to the General and Limited Common Elements and each Condominium Unit as may be necessary or desirable for the installation, operation, repair or maintenance of such services, and any costs incurred in opening and repairing any wall of the Property to install, repair or maintain such services (except as otherwise provided herein) shall be an expense of the Association for the administration of the Property to be assessed in accordance with the Bylaws.

5. CHANGE BY DECLARANT.

During the Construction Period, Declarant shall retain and have the power to unilaterally amend the physical layout or makeup of any and all unsold buildings, Condominium Units and Common Elements, both General and Limited; provided that, in connection therewith, there shall be no change of Percentage Interests of any Condominium Unit for any purpose, including without limitation determining ownership in the Common Elements, levying Assessment charges and allocating proceeds of the Association; and provided further that, the power hereby retained by Declarant shall be subject to Declarant first obtaining the prior written approval of all of the holders of first mortgage liens on the Condominium Units.

6. RIGHTS AND OBLIGATIONS OF OWNERSHIP

6.1 Ownership. A Condominium Unit may be held and owned by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

6.2 Partition. The Common Elements (both General and Limited) shall be owned in common by all of the Owners and shall remain undivided, and no Owner shall bring any action for partition or division of the Common Elements other than as specifically provided for in Section 10.9 hereof. Owners of a Condominium Unit shall not partition that Condominium between themselves; but if such partition occurs, such partition shall not effect any other Condominium Unit, and such Owners must obtain the prior written approval of all first lien mortgagees before effecting such partition.

6.3 Exclusiveness of Ownership. Each owner shall be entitled to exclusive ownership and possession of his Apartment Unit. Each Owner may use the Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners.

6.4 Single Family Residential Dwelling. Each Condominium Unit shall be occupied and used by the Owner only as a single family residential dwelling for the Owner, his family, his social guests, or his tenants.

6.5 Mechanic's and Materialman's Liens. No labor performed or materials furnished and incorporated in an Apartment Unit, notwithstanding the consent or at the request of the Owner thereof, or his agent, contractor or subcontractor, shall be the basis for filing of a lien against the Common Elements owned by such other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Apartment Unit of any other Owner or against the Common Elements for construction performed or for labor, materials or services incorporated in the indemnifying Owner's Apartment Unit at such other Owner's request.

6.6 Right of Entry. The Owners shall have the irrevocable right, to be exercised by the Managing Agent or Board of Managers of the Association, to have access to each Apartment Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Apartment Unit.

6.7 Maintenance By Owners. An Owner shall maintain and keep in repair the interior of his own Apartment Unit, including the fixtures thereof. All fixtures and equipment

installed within the Apartment Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems (hereafter referred to as "Utilities") enter the Apartment Unit, and the air cooling and blowing unit connected therewith and located on the exterior of the Apartment Unit, shall be maintained and kept in repair by the Owner thereof. An Owner shall promptly repair and replace any broken or cracked glass in windows and doors of his Condominium Unit.

6.8 Alteration. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the buildings or impair any easement or hereditament. For the purposes hereof, the placing of a waterbed anywhere on the Property shall be deemed to be such an act that impairs the structural soundness and integrity of the buildings. No Owner shall in any way alter, modify, add to, or otherwise perform any work whatever upon any of the Common Elements, Limited or General, save with the prior written consent of the Board of Managers or its designated agent, which approval shall not be considered until submission to the Board of Managers or its agent of complete plans and specifications showing the nature, kind, shape, size, materials, color and location for all proposed work. During the Construction Period, Declarant shall have the sole right to approve or reject any plans and specifications submitted for consideration by an Owner.

6.9 Extent of Ownership. As an elaboration of the ownership provisions set forth at Section 3.2 hereof, an Owner shall be deemed not to own individually in fee simple the unfinished surfaces of the perimeter walls, floors, ceilings and roofs surrounding his Apartment Unit, and an Owner shall be deemed not to own individually in fee simple the utilities running through his Apartment Unit which are utilized for, or serve more than, one Apartment Unit. An Owner shall be deemed to own individually in fee simple and shall maintain the inner, finished surfaces of the perimeter walls, floors, ceilings, doors, windows, and other such elements consisting of paint, wallpaper, and other such finishing material.

6.10 Liability for Negligent Acts. In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, or guests, or invitees, and is not covered or paid for by insurance on such Apartment Unit, or the Common Elements, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Apartment Unit is subject.

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

6.12 Notice of Default to Mortgagees. The Association shall give the holders of any first lien mortgage on a Condominium Unit prompt notice of any default of the obligations hereunder of that unit's Owner, if not cured within thirty (30) days of default.

6.13 Exterior Surfaces. No Owner shall make any change in the exterior surface (including the glass in the perimeter walls) of any perimeter wall of his or any other Unit; and such surface shall constitute a General Common Element which shall be maintained as an expense of the Association (except as to costs required to be borne by the Owners).

6.14 Rain Retention Areas. Each and every Owner shall cause the Association to maintain, repair and replace any rain retention areas and ponds on the Property existing at the time original construction is completed, whether such areas and ponds are in paved or landscaped areas, as may be required to maintain their original standards of performance regarding storm drainage required by the City of Bryan, Texas; and such costs shall be a Common Expense of the Association Assessed pursuant to Section 9 hereof.

7. MANAGEMENT AND ADMINISTRATION

7.1 Bylaws and Membership. The administration of the Property shall be governed by the Bylaws of the Association, attached hereto as Exhibit D. Declarant as sole Owner of the Property, hereby adopts such Bylaws, and all Owners shall be bound thereby. An Owner of a Condominium Unit, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of his ownership. Declarant shall, during the Construction Period, cause the Association to be incorporated and organized, in which event the Association shall adopt such Bylaws and shall thereafter act according to such Bylaws.

7.2 The Board of Managers. The Association shall be managed by a Board of Managers, duly appointed or elected, pursuant to the terms and conditions of the Bylaws, and by the Managing Agent of the Association as chosen by the Board of Managers, pursuant to the Bylaws. The Board of Managers shall, as duly appointed or elected at the time of the organizational meeting of the Association, remain so constituted during the Construction Period unless reconstituted or changed by Declarant during the Construction Period. Vacancies occurring on such Board of Managers during the Construction Period by death or resignation shall be filled through appointment or election by Declarant.

7.3 Specific Power to Restrict Use and Enjoyment. Every Owner and the Declarant shall have the right to use and enjoy the Common Elements, subject to the following limitations, restrictions and provisions:

7.3.1 Rules. The Association may publish rules and regulations governing use of the Common Elements and the improvements and facilities located thereon, and establish and enforce penalties for infractions thereof.

7.3.2 General Fees. The Association may charge reasonable admission, rental and other fees to Owners or guests, for any facilities situated upon the General Common Elements.

7.3.3 User Fees. The Association may charge reasonable fees to users for the use of facilities within the General Common Elements if such facilities are not used by all members equally.

7.3.4 Common Elements Mortgages. The Association may borrow money for the purpose of improving the Common Elements and facilities and in aid thereof to mortgage the Common Elements; provided that, the rights of any such mortgagee in such property shall be subordinate to the rights of the Owners hereunder and in no event shall any such mortgagee have the right to terminate the condominium regime established by this Declaration; and provided further that, such loan or mortgage has been approved (1) by three-fourths (3/4) vote of the quorum of Owners present at a meeting of the Association specifically called for the purpose of

approving any such loan or mortgage, and (2) in writing by all first lien mortgagees.

7.3.5 Suspension of Voting Rights. The Association may suspend the voting rights and the right to use the recreational facilities of the Property by an Owner for any period during which any Assessment against the Owner's Condominium Unit remains unpaid; and for a period not to exceed thirty (30) days from any infraction of the Association's published rules and regulations.

7.3.6 Transfer of Common Elements. Declarant may during the Construction Period, or the Association after the Construction Period, dedicate or transfer all or any part of the General Common Elements to any public agency, authority or utility for the purposes and subject to the conditions of such agency, authority, or utility. No such dedication or transfer shall be effective without the prior written consent of any construction lender to the Property so long as any construction loan or any part thereof remains unpaid, and no such dedication or transfer after the Construction Period shall be effective unless approved by (1) a three-fourths (3/4) vote of the quorum of Owners present at a meeting of the Association specifically called for the purpose of approving any such dedication or transfer, and (2) by all first lien mortgagees.

7.3.7 Security. The Association may adopt, implement and maintain a private security system for the Property consistent with applicable laws.

7.3.8 Traffic Rules. The Association may establish rules and regulations governing traffic within the Common Elements and establish sanctions for any violation of such rules and regulations.

7.3.9 Noise Rules. The Association may regulate noise within the Property, including, without limitation, requiring mufflers on engines and prohibiting the use of devices producing excessive noise.

7.3.10 Appearance. The Association may regulate the appearance of the Property, including, without limitation, requiring Owners to eliminate objects which are visible from the Common Elements which detract from

the visual attractiveness of the Property, as deemed by the Association.

7.4 Accounts and Financial Reporting Procedures. The Board of Managers, or the Managing Agent, shall keep, or cause to be kept, detailed books and records of the receipts and disbursements by or on behalf of the Association. Both the books and vouchers accrediting the entries made thereon shall be available for examination by the Owners and their respective mortgagees at reasonable hours on business days. An annual financial statement, including a balance sheet, statement of revenues and expenses, and a listing of delinquent assessments, prepared in accordance with accounting principals selected by the Board of Managers, consistently applied, shall be furnished to all Owners and mortgagees within ninety (90) days after the end of each fiscal year after the Construction Period. The Board of Managers, or a majority of the Owners so voting, may require such annual financial statement to be audited by an independent certified public accountant. All tax reports from the Association required to be filed with the U.S. Internal Revenue Service shall be properly completed and timely filed.

8. INSURANCE

8.1 Types. The Board of Managers shall obtain insurance for the Property as follows, in such amounts as the Board may deem appropriate:

8.1.1 Fire and Extended Coverage. Insurance on the buildings (including Apartment Units and Common Elements) against loss or damage by fire or by any and all risks insured by standard extended coverage policies in use in the State of Texas, with such endorsements as the Board deems advisable, in amounts sufficient to prevent the Association from being a co-insurer within the terms of such policies, but in any event in an amount not less than the full insurable replacement cost thereof. The full insurable replacement cost of the buildings (including Apartment Units and Common Elements) shall be determined annually by the Board, which may obtain an appraisal in making such determination, the cost of which shall be paid from the maintenance funds of the Association.

8.1.2 Explosions. Insurance on all buildings (including Apartment Units) against all loss or damage from explosion of any boilers, heating apparatus,

pressure vessels, and pressure pipes installed in, on, or about the buildings.

8.1.3 Liability. Comprehensive general liability insurance against claims for personal injury or death (minimum coverage of \$300,000) or property damage (minimum coverage of \$100,000) suffered by the public or any Owner, the family, agent, employee, or invitee of any Owner, occurring in, on, or about the Property or upon, in, or about the private driveways, roadways, walkways, and passageways, on or adjoining the Property. Any policy obtained pursuant to this subsection shall contain a cross-liability endorsement whereby the rights of a named insured shall not prejudice his, her, or their action or actions against another named insured.

8.1.4 Workers Compensation. Such workman's compensation insurance as may be necessary to comply with applicable laws.

8.1.5 Fidelity Bonds. Fidelity bonds (minimum coverage of \$25,000.00 per occurrence) indemnifying the Association, the Board of Managers, and the Owners from loss resulting from fraudulent or dishonest acts of any employee of the Association or of any other person handling the funds of the Association.

8.1.6 Directors Liability. Director's and officer's liability insurance for the directors and officers of the Association against any liability asserted against any such party, or incurred by the directors and officers in such capacity, or arising out of such party's status as a director or officer.

8.1.7 Other Insurance. Such other insurance in such reasonable amounts as the Board shall deem desirable.

8.2 Policy Provisions. All insurance provided for in this Article shall be effected with responsible insurers authorized to do business in the State of Texas. All such policies of insurance shall name as insured the Association, as Trustee for each Owner in accordance with such Owner's Percentage Interest, and all mortgagees as their respective interests may appear. All such policies shall be without contribution with regard to any other policies of insurance carried individually by

an Owner. All such policies shall provide that such policies shall not be terminated for any cause by the insured, the Association or any Owner without at least sixty (60) days prior written notice to the Association, the mortgagees and the Owners in question. If possible, all policies of insurance shall contain an endorsement extending coverage to include the payment of Maintenance Expense Charges with respect to Apartment Units damaged during any period of reconstruction thereof. Any proceeds paid in respect to any insurance policy obtained by the Board shall be held and disbursed by a bank named by the Board as Trustee.

8.3 Condominium Policies. In the event that an insurance policy specifically designed to meet the insurance needs of condominium regimes hereafter becomes available in Texas, the Board shall be authorized to obtain such policy provided that the coverage afforded thereby at least equals the coverage provided by the policies enumerated in Section 8.1 hereof.

8.4 Owners Policies. Each Owner shall be responsible for insuring the contents and furnishings of his Apartment Unit and of the Limited Common Elements subject to his exclusive control, and for insuring the Owner's improvements, alteration, additions, and fixtures not covered by any master policy to be purchased by the Association. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty insurance obtained by the Board for the benefit of all the Owners. Owners may carry individual policies of liability insurance insuring against the liability of such Owners, at their own cost and expense.

8.5 Proceeds and Attorney-in-Fact. The proceeds of all insurance policies owned by the Association shall be received by the Association, held in a separate account, and distributed to the Owners, their mortgagees, and the Association (subject to the provisions of the Declaration, the Act and the Bylaws) as their interests may appear. Each Owner irrevocably designates the Board of Managers as his attorney-in-fact for handling the proceeds of such insurance, with such attorney-in-fact administering and distributing such proceeds as provided in this Declaration.

8.6 Mortgagee's Notice. The Managing Agent or Board of Managers shall, upon request of any first lien mortgagee, furnish a certified copy of each blanket policy and the separate

certificate identifying the interest of the mortgagor and mortgagee.

8.7 No Contribution. Exclusive authority to adjust losses under policies hereafter in force on the Property shall be vested in the Board of Managers or its authorized representative. In no event shall the insurance coverage obtained and maintained by the Board of Managers hereunder be brought into contribution with insurance purchased by the individual Owners or their mortgagees.

8.8 Owners Insurance. It shall be the individual responsibility of each Owner, at his own expense, to provide, as he sees fit, liability insurance, theft insurance, insurance on any interior fixtures, additions or improvements made by such Owner to his Apartment Unit, and other insurance covering personal property damage and loss; provided that, no Owner shall be entitled to exercise his right to maintain insurance coverage in such a way as to decrease the amount which the Board of Managers, on behalf of all of the Owners, may realize under any insurance policy which the Board of Managers may have in force on the Property at any time.

9. ASSESSMENTS

9.1 Assessments for Common Expenses. All Owners shall be obligated to pay the estimated Assessments imposed by the Board of Managers or Managing Agent of the Association to meet the Common Expenses. The Assessments shall be made proportionately to each Owner's Percentage Interest. Assessments for the estimated Common Expenses, shall be due monthly in advance on or before the fifth day of each month. Failure to pay by the fifth day of each month shall require the imposition of a Late Charge of TEN DOLLARS (\$10.00).

9.2 Purpose of Assessments and Definition of Common Expenses. All Assessments of whatever kind levied by the Association shall be used exclusively for the purpose of Common Expenses. Common Expenses shall include without limitation, expenses of the Association for: the improvement, maintenance and preservation of the Property, services, and facilities of the Property and of the Condominium Units situated upon the Property; all insurance, repair, replacement and maintenance of the Common Elements; fire, extended coverage, vandalism, malicious mischief, and liability insurance for the Condominium Units; management costs, taxes, legal and accounting fees, as may from time to time be authorized by the Association; construction of other

facilities; maintenance of easements upon, constituting a part of, appurtenant to or for the benefit of the Property; mowing grass, caring for the grounds, landscaping, caring for the equipment, roofs and exterior surfaces of all buildings; garbage pickup; pest control, outdoor lighting; security service for the Property; water, sewer, electrical, gas and other utility services furnished to the Property by or through the Association; discharge of any liens on the Common Elements; a reserve for repair and maintenance of those Common Elements to be replaced on regular basis which are funded normally from regular rather than special Assessments; the escrow Assessment reserve described in Section 9.1 hereof, the payment of any deficit remaining from a previous period for such expenses; the creation of other reasonable reserves; any other current costs and expenses relating to the Common Elements; and any other expenses required by this Condominium Declaration or deemed convenient by the Association.

9.3 Determination of Assessments. The Assessments made shall be based upon the revenues deemed necessary by the Managing Agent or Board of Managers of the Association, from time to time, to provide for the payment of all estimated Common Expenses. The omission or failure of the Board to fix the Assessment for any month shall not be deemed a waiver, modification, or a release of the Owners from the obligation to pay such Assessment when fixed.

9.4 Monthly Assessments.

9.4.1 First Year. Until January 1st of the year immediately following the conveyance of the first Condominium Unit to an Owner other than the Declarant, the monthly Assessments shall be as specified by Declarant at the time of such sale.

9.4.2 Subsequent Years. From and after January 1st of the year immediately following the conveyance of the first Condominium Unit to an Owner other than the Declarant, the Board of Managers may set the monthly Assessment for the next succeeding twelve (12) month period at an amount which shall not exceed one hundred twenty-five percent (125%) of the Monthly Assessment allowed for December of the preceding year. If the Board determines that a greater increase of the monthly Assessment is required to adequately perform the duties and responsibilities of the Association and pay all Common Expenses thereof, then the Board may call a special meeting of the Owners. By the assent of

a two-thirds (2/3) vote of the quorum of Owners present at such meeting, the monthly Assessment may be set at whatever level such Owners approve. The new Assessment shall become the basis for future annual increases, using the one hundred twenty-five percent (125%) formula as above described.

9.4.3 Reduced Assessments. The Board of Managers shall have authority to lower the monthly Assessment, if it deems such reduction to be advised.

17 owners
9.5 Special Assessments for Improvements. In addition to the regular annual Assessments authorized above, the Association may levy in any calendar year a special Assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of improvements to the Common Elements, or for any other purposes of the Association, provided that any special Assessment shall be approved by two-thirds (2/3) of the quorum of Owners voting in person or by proxy at a meeting duly called for that purpose.

9.6 Commencement of Assessments. The monthly Assessments to Declarant shall commence as to all Condominium Units on the first day of the second month following the conveyance of the first Condominium Unit to an Owner other than Declarant. After such commencement, the Declarant shall be liable to pay the Association all Assessments for all Condominium Units held by Declarant. Each Owner shall become liable for the Assessment to his Condominium Unit immediately upon his purchase of the same. The Board of Managers shall fix the amount of the monthly Assessment against each Condominium Unit at least thirty (30) days prior to January 1st of each year; provided that, the Board of Managers shall have a right to adjust the monthly Assessment pursuant to Section 9.4 hereof, with thirty (30) days written notice to each Owner. Written notice of the monthly Assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Managers and, unless otherwise provided by the Board, the Board shall collect the Assessments monthly from the Owner of each Condominium Unit.

9.7 No Exemption. No Owner may exempt himself from liability for his Assessment by waiver of the use or enjoyment of any of the General or Limited Common Elements, or by abandonment of his Condominium Unit.

9.8 Lien for Assessments.

9.8.1 Vendor's Lien Securing Assessments. Declarant will in the deed conveying each Condominium Unit reserve and assign to the Association, without recourse against Declarant, a vendor's lien against each Condominium Unit to secure the payment of any annual or special Assessment which may be levied pursuant to the terms hereof. Upon request of Declarant or the Association, any Owner will execute and deliver a recordable mortgage or deed of trust (containing power of sale provisions) to secure the payment by such Owner of any and all Assessments due from such Owner. Such liens may be enforced by appropriate judicial or non-judicial proceedings and the expenses incurred by the Association in connection therewith, including, without limitation, interest, costs and attorneys' fees, shall be paid by the Association but shall be reimbursed to the Association by, and shall be the liability of and chargeable to, the Owner in default. Any such lien shall be and is subordinate and inferior only to the following: (1) assessments, liens and charges in favor of the state and any political subdivision thereof for taxes past due and unpaid on such Condominium Unit, and (2) amounts due under any mortgage instruments duly recorded.

9.8.2 Mortgagee's Liability. Any mortgagee, who obtains title to a Condominium Unit pursuant to the remedies provided in its mortgage upon foreclosure of its lien on a Condominium Unit or upon acceptance of a deed (or other transfer or assignment) in lieu of foreclosure thereon, shall not be liable for or required to pay any unpaid Assessments owing on said Condominium Unit which may have accrued prior to the time such mortgagee acquired title.

9.8.3 Recording Notice. Notice of any unpaid Assessment, whether annual or special, and notice of the Association's intention of claiming a lien against the Condominium Unit affected thereby may be recorded by the Association in the Condominium Records of Brazos County, Texas.

9.8.4 Collection by Suit. The Association may, in addition to its rights under this Declaration and Section 18 of the Texas Condominium Act, enforce

collection of delinquent Assessments by suit at law for a money judgement, and the expenses incurred in collecting unpaid Assessments including interest, costs and attorneys' fees shall be paid by the Association but shall be reimbursed by and chargeable to the Owner in default. The Association may, without any liability to an Owner in default, also discontinue the furnishing of any utilities or other services to an Owner in default of his obligations to the Association or to any other Owners as set forth herein upon five (5) days written notice to such Owner of its intent to do so. An Owner in default of his obligations to the Association or to any other Owner as set forth herein shall not be entitled to vote at any meeting of the Association so long as such default is in existence.

9.8.5 Satisfaction at Sale. Any unpaid Assessments, with accrued late charges thereon, owned with respect to a Condominium Unit may, at the option of the Association in accordance with this Declaration and the Condominium Bylaws, be collected out of the sale proceeds of such Condominium Unit in accordance with Section 18 of the Texas Condominium Act.

9.9 Statement of Assessments. Upon the written request of any Owner or any encumbrancer or prospective encumbrancer of a Condominium Unit, the Association, by its Managing Agent or Board of Managers, shall issue a written statement setting forth the unpaid Assessments, if any, with respect to the subject Condominium Unit, the amount of the current monthly Assessments and the date that such Assessment becomes due, credit for advance payments, prepaid items, (including, but not limited to, insurance premiums), and for escrow Assessments. Each statement shall be conclusive and binding upon the Association in favor of all persons who rely thereon in good faith. The Association's lien for any unpaid Assessments which became due prior to the date of making of such statement but which were erroneously omitted from such statement, shall be subordinate to the lien of the person requesting and relying on such statement.

9.10 Interest. All payments of Assessments of any kind, interest and all other payments, charges and amounts due and payable, but unpaid, to the Association by any Owner, shall accrue interest at the rate of ten percent (10%) per annum.

9.11 Escrow Assessment. When Declarant closes a sale of a Condominium Unit to an Owner, then at the closing an escrow

Assessment shall be paid by the new Owner in cash (in an amount equal to the Assessments for two (2) months for that Condominium Unit as set by Declarant) plus the regular monthly Assessment set by Declarant for that Condominium Unit, which regular monthly Assessment shall be prorated if the ownership of a Condominium Unit commences on a day other than on the first day of a month. The escrow Assessment shall be treated as a deposit to secure payments for regular and special Assessments in the event of default or nonpayment and shall upon the closing of a subsequent sale of the Condominium Unit to a third party be refunded to the seller or credited to the buyer as the terms of the sales contract in question may require. Escrow Assessments in the aggregate shall be accounted for as an escrow Assessment reserve liability on the balance sheet of the Association until such time as they may be repaid upon a subsequent sale, or forfeited in settlement of delinquent regular or special Assessments.

10. DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS

10.1 Attorney in Fact. Each Owner, by acceptance of a deed from the Declarant or from any other Owner for a Condominium Unit, shall be deemed to appoint irrevocably the Association or its successor non-profit corporation, his true and lawful attorney in his name, place, and stead, for the purpose of actions with the Property upon its destruction or obsolescence as provided in this Article. As attorney-in-fact, the Association, by its authorized officer, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner which the Association in its sole discretion deems necessary and appropriate to implement the terms of this Article. "Repair and Reconstruction of the Improvements" shall mean restoring the improvements to the Property to substantially the same conditions in which they existed prior to destruction or obsolescence, with each Condominium Unit and the Common Elements having their original vertical and horizontal boundaries. Prior to the full and final payment of any construction loan, the proceeds of any insurance collected regarding the Property shall be made available to the Association and be used as determined by the construction lender. Subsequent to the full and final payment of any construction loan, the proceeds of any insurance collected shall be made available to the Association for the purpose of Repair and Reconstruction of Improvements except as provided to the contrary in this Article.

10.2 Sufficient Insurance Proceeds. Subject to the Texas Condominium Act and this Declaration, in the event of

damage or destruction due to fire or other disaster, any insurance proceeds, if sufficient to reconstruct the improvements, shall be applied by the Association, as attorney-in-fact, to the prompt Repair and Reconstruction of the Improvements.

10.3 Insufficient Insurance and Special Assessments. If the insurance proceeds are insufficient for the Repair and Reconstruction the Improvements, and if such damage is not more than sixty-six and two-thirds percent (66-2/3%) of all of the principal structures erected upon the Land, as determined by the Board of Managers, such damage or destruction shall be promptly Repaired and Reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and the proceeds of any Assessment to be made against all of the Owners and their Condominium Units for such purposes. Such deficiency Assessment shall be a Common Expense made according to each Owner's Percentage Interest and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have the authority to cause the Repair and Reconstruction of the Improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay such Assessment. The Assessment provided for herein shall be a debt of each Owner secured by a lien on his Condominium Unit and may be enforced and collected as is provided in Article 9 hereof.

10.4 Sale and Termination. If (1) the insurance proceeds are insufficient for Repair and Reconstruction the Improvements, (2) any such damage is more than sixty-six and two-thirds percent (66-2/3%) of the principal structures erected upon the Land, as determined by the Board of Managers, and (3) the Owners representing the aggregate ownership of sixty-six and two-thirds percent (66-2/3%) or more of the Percentage Interests do not voluntarily, within one hundred (100) days after such damage, make provision for Repair and Reconstruction of Improvements, which plan must have the approval or consent of all of the first mortgagees, then the Association shall forthwith record a notice in the Condominium Records of Brazos County, Texas setting forth such facts, and upon the recording of such notice by the Association's President and Secretary, the entire remaining Property shall be sold by the Association, as attorney-in-fact for all of the Owners, and this Declaration and the condominium regime created hereby shall be terminated. Any insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Owner's Percentage Interest as such appears on the policies, and such divided proceeds shall be paid into twenty-five (25) separate accounts, one such account for each of the Condominium

Units. Each such account shall be in the name of the Association, and shall be further identified by the number of the Condominium Unit and the name of the Owner. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire Property. Such apportionment shall be based upon each Condominium Unit Owner's Percentage Interest. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, in the following order:

- (1) For payment of the balance of the lien of any first mortgage against that Condominium Unit;
- (2) For payment of taxes and special assessment liens in favor of any assessing entity;
- (3) For payment of unpaid Assessments of the Association;
- (4) For payment of junior liens and encumbrances as they may appear; and
- (5) The balance remaining, if any, to the Condominium Unit Owner.

10.5 Excessive Damage. If the insurance proceeds are adequate for repair of any damage which is deemed by the Association to be in excess of sixty-six and two-thirds percent (66-2/3%) of the improvements on the Property and the Owners unanimously adopt a plan for reconstruction, which plan has the approval of all of the first mortgagees, then all of the Owners shall be bound by the terms and provisions of such plan. Any Assessment made in connection with such plan shall be made according to each Owner's Percentage Interest and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice thereof. The Association shall have the authority to cause the Repair and Restoration of Improvements using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the Assessment. The Assessment provided for herein shall be a debt of each Owner secured by the vendor's lien on his Condominium Unit and other means as provided in Section 9.8 hereof.

10.6 Obsolescence and Renewal. The Owners representing in excess of three-fourths (3/4) of the Percentage Interests may agree that the Common Elements are obsolete and that the same should be renewed or reconstructed. In such

instance, the expense thereof shall be payable as Common Expenses and collectible by Assessments.

10.7 Obsolescence and Sale. Subject to the provisions for unanimity of the Owners and mortgagees contained in the Texas Condominium Act, to achieve a waiver of the requirements created by this Declaration, thereby regrouping or merging these perspective ownerships, the Owners in excess of three-fourths (3/4) of the Percentage Interests may agree that the Property is obsolete and that the same should be sold. In such instance, the Association shall forthwith record a notice in the Condominium Records of Brazos County, Texas setting forth such facts, and upon the recording of such notice by the Association's authorized officers, the entire Property shall be sold by the Association, as attorney-in-fact, for all of the Owners, and the condominium regime created by this Declaration shall be terminated. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's Percentage Interest (unless decided otherwise by unanimous vote of the Owners), and such apportioned proceeds shall be paid into twenty-five (25) separate accounts one account for each Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the number of the Condominium Unit and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount of each of such funds, without contribution from one fund to another, for the same purposes and in the same order as is provided in Section 10.4 hereof.

10.8 Notice of Damage. The Association shall notify in writing all mortgagees regarding any damage to the Property in excess of Ten Thousand (\$10,000.00) Dollars.

10.9 Judicial Partition. There shall be no judicial partition of the Property or any part thereof, nor shall Declarant or any person acquiring any interest in the Property or any part thereof seek any such judicial partition, unless the Property has been removed from the provisions of the Texas Condominium Act and the condominium regime established by this Declaration has been terminated.

10.10 Eminent Domain. In the event of any taking of any Condominium Unit by eminent domain or private purchase in lieu thereof, the Owner of such Condominium Unit and his mortgagee shall be entitled to receive written notice within a reasonable period of time regarding the intent of such taking and the award for such taking as their interests may appear and, after

acceptance thereof, if such Owner shall vacate his Condominium Unit by virtue of such taking, he and his mortgagee shall be divested of all interest in his Condominium Unit and all right, title and interest appurtenant thereto and shall be relieved of any obligations accruing thereafter from such Condominium Unit.

11. AMENDMENT AND ENCUMBRANCE OF COMMON ELEMENTS

This Declaration and the condominium regime created hereby shall not be vacated, waived, revoked, abandoned or terminated, nor shall the Percentage Interests nor the dimensions of any Condominium Unit be changed, nor shall the Common Elements be abandoned, partitioned, subdivided, encumbered, sold or transferred, nor shall this Declaration be amended except by vote of the Owners of at least three-fourths (3/4) of the Percentage Interests together with the written approval of all first lien mortgagees, unless such action requires a greater vote under the Texas Condominium Act, and any such action to amend, vacate, waive, revoke, abandon or terminate this Declaration shall be effective upon recordation of a proper instrument documenting such act in the Condominium Records of Brazos County, Texas. However, no amendment shall affect Declarant's right to exercise the duties and functions of the Board of Managers as provided herein or amend any other rights given to Declarant hereby.

12. MISCELLANEOUS PROVISIONS

12.1 Ownership of Common Personal Property. Upon termination of the Construction Period, Declarant shall execute and deliver a bill of sale to the Association transferring all items of personal property located on the Property and furnished by Declarant, which property is intended for the common use and enjoyment of the Owners. No Owner shall have any other interest and right thereto.

12.2 Notice of Amendment to Mortgagee. The holder of any mortgage covering any of the Condominium Units shall receive a written notification from the Association thirty (30) days prior to the effective date of any amendment to this Declaration.

12.3 Notices to Owners and the Association. All notices, demands or other notices intended to be served upon an Owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such Owner in care of the Condominium Unit of such Owner. All notices, demand or other notices intended to be served upon the Managing Agent, the Board of Managers of the Association, or the Association shall be sent

by ordinary or certified mail, postage prepaid, to the Association, c/o The Stanford Group, Inc., a Texas corporation, at 3833 Texas Avenue, Suite 100, P.O. Box 4106, Bryan Texas 77801. Such address may be changed by a notice of address change duly recorded in the Brazos County Condominium Records.

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

12.5 Number and Gender. Whenever used herein, unless the context shall otherwise provide, the singular shall include the plural and the plural shall include the singular, and the use of any gender shall include the other gender.

12.6 Headings. The Section headings, Article titles, table of contents, and title page hereof are meant for convenience only and shall not effect the meaning and construction of this Declaration.

12.7 Exhibits. All exhibits hereto are made a part hereof by this reference for all purposes.

EXECUTED this 11th day of January, 19 83
Declarant:

The Stanford Group, Inc.
a Texas corporation

By: Robert D. Martell
Robert D. Martell
President

By: Margaret Curtis
Margaret Curtis
Secretary/Treasurer

THE STATE OF TEXAS

COUNTY OF BRAZOS

BEFORE ME, the undersigned authority, on this day personally appeared Robert D. Martell, President of The Stanford Group, Inc., a Texas corporation, known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 11th day of January, 19 83.
(SEAL)



Vickie L. Simon
Notary Public, State of Texas
Notary's name printed:

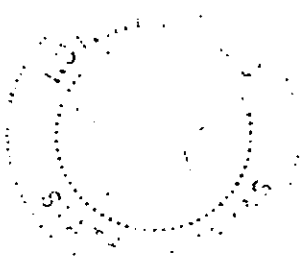
VICKIE L. SIMON
My commission expires 1/16/85

THE STATE OF TEXAS

COUNTY OF BRAZOS

BEFORE ME, the undersigned authority, on this day personally appeared Margaret Curtis, Secretary/Treasurer of The Stanford Group, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 11th day of January, 19 83.
(SEAL)



Vickie L. Simon
Notary Public, State of Texas
Notary's name printed:

VICKIE L. SIMON
My commission expires 1/16/85

EXHIBIT A
to
Condominium Declaration
of
The Stanford Court Townhome Condominiums

Legal Description of Land

Field Notes
2.902 Acre Tract

Being all that certain tract or parcel of land, lying and being situated in the JOHN AUSTIN LEAGUE, in Bryan, Brazos County, Texas; and being a part of that tract of land conveyed to Central Texas Hardware, Inc. by First Baptist Church by deed recorded in Volume 441, Page 237; and being the same land described as Lot 1, Block 1, HOME CENTER Addition to the City of Bryan as recorded in Volume 432, Page 775 of the Deed Records of Brazos County, Texas; and being more particularly described by metes and bounds as follows:

BEGINNING: at an iron rod marking the most northerly corner of the said HOME CENTER Addition, said iron rod also being in the southwest right-of-way line of Camelot Drive;

THENCE: S 45 22' 01" E - 434.01 feet along the northeast line of said HOME CENTER Addition to an iron rod set for corner;

THENCE: Through the interior of said Addition as follows:

S 44 36' 43" W - 142.00 feet to an iron rod set for corner;
N 45 23' 17" W - 140.00 feet to an iron rod set for corner;
S 44 36' 43" W - 217.96 feet to an iron rod set for corner; and
N 45 23' 17" W - 297.70 feet to an iron rod set for corner, said corner also being in the northwest line of said HOME CENTER Addition;

THENCE: N 45 11' 58" E - 360.14 feet to the PLACE OF BEGINNING and containing 2.902 acres of land, more or less, according to a survey made under the supervision of Michael R. McClure, Registered Public Surveyor, No. 2859 in September, 1981.