

DECLARATION
OF
MARKET STREET CONDOMINIUMS, a Condominium

ARTICLE I

SUBMISSION: DEFINED TERMS

Section 1.01. Submission of Real Estate. Market Market Development, Ltd., a Texas Limited Partnership (the "Declarant"), owner in fee simple of the real estate described in Section 2.02 located in Galveston County, hereby submits the real estate, together with all easements, rights and appurtenances thereto and the buildings and improvements erected or to be erected thereon (collectively, the "Property") to the provisions of Chapter 82 of the Property Code, known as the Texas Uniform Condominium Act (the "Act").

Section 1.02. Defined Terms. Each capitalized term not otherwise defined in this Declaration or in the Plats and Plans shall have the meanings specified or used in the Act.

ARTICLE II

NAMES: DESCRIPTION OF REAL ESTATE

Section 2.01. Names.

(a) Condominium. The name of the Condominium is MARKET STREET CONDOMINIUMS.

(b) Association. The name of the Association is MARKET STREET CONDOMINIUMS ASSOCIATION, INC.

Section 2.02. Real Estate. The Condominium is located in Galveston County, Texas. The real estate of the Condominium is described in Exhibit A.

ARTICLE III

THE ASSOCIATION

Section 3.01. Authority. All Unit Owners shall be members of the Association and the business affairs of the Condominium shall be managed by the Association, acting through its board of directors. The Association shall be governed by its bylaws, as amended from time to time. The Association may be formed as a Texas non-profit corporation, and in that event all powers granted to the Association shall be exercised by such corporation and all Unit Owners

etc

shall be members of the corporation. All Unit Owners shall vote their interest in the Association in accordance with the percentage set forth on Exhibit B.

Section 3.02. Powers. The Association shall have all of the powers, authority and duties permitted pursuant to the Act necessary and proper to manage the business and affairs of the Condominium.

Section 3.03. Assessments for Common Expenses. The Association shall make Common Expense assessments to pay the expenses and all other costs incidental to the operation of the Association as the expenses accrue. Assessments will be made at least annually and will be based on a budget adopted at least annually by the Association. At the discretion of the Board of Directors, annual assessments may be divided and paid in installments. Common Expenses shall be assessed against all Units in accordance with the Common Expense Liability allocated to each Unit as set forth in Article VI, except that during the Declarant Control Period, as defined below, Declarant shall pay the amount set forth in the next paragraph. Past due assessments or installments of assessments will bear interest at the rate set forth in Article XIII. The budget adopted annually by the Association shall also include as Common Expenses such reserves and working capital contributions as the Association shall determine in such budget.

From the date of the initial assessment until Declarant Control terminates as provided by Section 3.07 of this Declaration, the Declarant shall pay assessments pursuant to Section 82.112 of the Act. Until the Association makes a Common Expense assessment, the declarant shall pay all the expenses of the condominium as the expenses accrue. From the date of the initial assessment until Declarant Control terminates, or three years from the Declarant's first conveyance of a Unit, whichever is earlier, the Declarant shall periodically pay to the association, an amount equal to all operational expenses of the association, less the operational expense portion of the assessments paid by Unit Owners other than Declarant.

Section 3.04. Association's Lien for Assessments.

(a) All assessments levied by the Association against each Unit shall be the personal obligation of each Unit Owner and shall be secured by a continuing lien on the condominium Unit and on all rents and insurance proceeds received or to be received by the Unit Owner and relating to the owner's Unit. The term "assessments", as used herein, shall include all regular and special assessments, dues, fees, charges, interest, late fees, fines, collection cost, attorneys fees and any other amount due to the Association by the Unit Owner or levied against the Unit by the Association, all of which shall be enforceable as assessments.

(b) The Association's lien for assessments shall be prior and superior to all other lien or liens, encumbrances or charges except as follows:

(1) Liens for real property taxes and other governmental assessments or charges against the Unit shall be prior to the Association's lien for assessments to the extent, but only to the extent, provided by applicable law;

(2) Liens or encumbrances recorded before this Declaration is recorded, if any;

(3) 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 bylaws or the rules and regulations of the Association; and

(4) Liens for construction of improvements to the Unit or an assessment of the right to insurance proceeds on the Unit if the lien or assignment referred to herein is recorded or duly perfected before the date on which the assessment sought to be enforced by the Association becomes delinquent under this Declaration or the Association's bylaws or rules and regulations.

(c) The Association's lien for assessments shall be created by the recordation of this Declaration, and no other recordation of a lien or notice of lien shall be required.

(d) By acquiring a Unit, each Unit Owner grants to the Association a continuing power of sale in connection with the Association's lien for assessments. By written resolution adopted from time to time, the Board of Directors of the Association may appoint an officer, agent, trustee, or attorney acting for the Association to exercise the power of sale on behalf of the Association. The power of sale in connection with the Association's lien for assessments shall be exercised in accordance with the provisions of Section 51.002 of the Texas Property Code, or its successor statute, as amended from time to time. The Association may bid for and purchase the Unit at the foreclosure sale as a Common Expense, to be assessed against all Units.

Section 3.05. Insurance.

(a) The Association shall maintain, to the extent reasonably available:

(1) Property insurance on the insurable Common Elements insuring against all risks of direct physical loss

011-01-1231

commonly insured against, including fire and extended coverage, in the amount required to satisfy the co-insurance requirements of such insurance policy or policies; and

(2) Commercial general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors of the Association, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. The insurance to be maintained under this section shall, to the extent reasonably available, include the Units, but it need not include the improvements and betterments installed by Unit Owners to their respective Units.

(b) If the insurance described herein is not reasonably available, the Association shall cause notice of that fact to be delivered or mailed to all Unit Owners and lienholders.

(c) All insurance policies carried by the Association, if available, must provide as follows:

(1) Each Unit Owner and, if applicable, the mortgagee of each Unit Owner are insured persons under the policy with respect to liability arising out of the person's ownership of an undivided interest in the Common Elements or membership in the Association;

(2) The insurer waives its right to subrogation under the policy against a Unit Owner;

(3) No action or omission of a Unit Owner, unless within the scope of the Unit Owner's authority on behalf of the Association, will void the policy or be a condition to recovering under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy provides primary insurance.

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commonly insured against, including fire and extended coverage, in the amount required to satisfy the co-insurance requirements of such insurance policy or policies; and

(2) Commercial general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors of the Association, covering all occurrences commonly insured against for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements. The insurance to be maintained under this section shall, to the extent reasonably available, include the Units, but it need not include the improvements and betterments installed by Unit Owners to their respective Units.

(b) If the insurance described herein is not reasonably available, the Association shall cause notice of that fact to be delivered or mailed to all Unit Owners and lienholders.

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(1) Each Unit Owner and, if applicable, the mortgagee of each Unit Owner are insured persons under the policy with respect to liability arising out of the person's ownership of an undivided interest in the Common Elements or membership in the Association;

(2) The insurer waives its right to subrogation under the policy against a Unit Owner;

(3) No action or omission of a Unit Owner, unless within the scope of the Unit Owner's authority on behalf of the Association, will void the policy or be a condition to recovering under the policy; and

(4) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy provides primary insurance.

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(d) All claims for loss covered under the policy maintained by the Association must be submitted to and adjusted with the Association. The insurance proceeds for the 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, but not to any Unit Owner or lienholder. The insurance trustee or the Association, as the case may be, shall hold insurance proceeds in trust for Unit Owners and lienholders as their interests may appear. Unless the condominium regime is terminated, as permitted by these Declarations, the proceeds paid under a policy must be disbursed first for the repair or restoration of the damaged Common Elements and Units, and Unit Owners and lienholders shall not be entitled to receive payment of any portion of the proceeds unless there remains a surplus of proceeds after the property has been completely repaired or restored. In the event the Unit Owners and the mortgagees of those Units vote not to rebuild, as otherwise provided herein, the condominium regime shall be terminated, and the insurance proceeds attributable to Units that are not rebuilt shall be distributed to the owners of those Units or to their mortgagees, as their interests may appear.

Section 3.06. Assignment of Assessments. The Association may assign its future income, including its rights to receive Common Expenses assessments, only by the affirmative vote of Unit Owners owning eighty (80%) percent of the undivided interests in the Common Elements at a meeting called for that purpose or more.

Section 3.07. Declarant Control. The Declarant shall have the power to appoint and remove officers and members of the Board for a period not to exceed three (3) years after the date hereof or until Units having seventy-five (75%) percent of the votes allocated to the Units have been sold, whichever is earlier (the "Declarant Control Period"), provided that not later than 120 days after Units having fifty (50%) percent of the votes allotted to the Units have been sold, not less than one-third (1/3) of the members of the Board must be elected by Unit Owners other than Declarant.

ARTICLE IV

UNITS

Section 4.01. Number of Units. The number of Units in the Condominium is thirty-five (35), consisting of five (5) commercial Units, twelve (12) residential Units, eight (8) storage Units, and ten (10) parking Units. The Declarant reserves no rights to create additional Units.

Section 4.02. Identification of Units. The identification number of each Unit is shown on the Plans or Plans or both. Units C-1 through C-5 are commercial Units; Units 1 through 12

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are residential Units, Units S-1 through S-8 are storage Units; and Units P-1 through P-10 are parking Units.

Section 4.03. Unit Boundaries. The boundaries of each Unit are located as shown on the Plans and Plans and are more particularly described as follows:

- (a) The Units are described in the attached Exhibit C.
- (b) Walls, Floors, and Ceilings are designated as boundaries of Unit.
- (c) Residential Unit 7 includes a separate entryway and elevator. The Unit Owner shall be responsible for the expense and maintenance of the entryway and elevator.
- (d) Residential Units 1, 3, 4, 5, 6, 7 and 8 each have an adjoining deck. Each Unit Owner shall be responsible for the operation, expense and maintenance of the deck adjoining its property. However, the roof upon which the deck sits shall be maintained as a Common Expense.

ARTICLE V

LIMITED COMMON ELEMENTS

Section 5.01. Limited Common Elements.

- (a) A "Limited Common Element" means a portion of the Common Elements, designated in this Declaration, or on the Plans and Plans, or by the Act, for the exclusive use of one or more but fewer than all of the Units.
- (b) The portions of the building described as Limited Common Elements in the attached Exhibit C, in addition to the portions described in Sections 82.052(2) and 82.052(4) of the Act, are designated as Limited Common Elements:
- (c) Residential Units 1, 3, 4, 5, 6, 7 and 8 each have an adjoining deck. The decks are Limited Common Elements for the limited use of the Unit which adjoins the deck.
- (d) The deck on the roof of the third floor is a Limited Common Element for the exclusive and limited use of the residential Units.

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Section 4.03. Unit Boundaries. The boundaries of each Unit are located as shown on the Plats and Plans and are more particularly described as follows:

- (a) The Units are described in the attached Exhibit C.
- (b) Walls, Floors, and Ceilings are designated as boundaries of Unit.
- (c) Residential Unit 7 includes a separate entryway and elevator. The Unit Owner shall be responsible for the expense and maintenance of the entryway and elevator.
- (d) Residential Units 1, 3, 4, 5, 6, 7 and 8 each have an adjoining deck. Each Unit Owner shall be responsible for the operation, expense and maintenance of the deck adjoining its property. However, the roof upon which the deck sits shall be maintained as a Common Expense.

ARTICLE V

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- (b) The portions of the building described as Limited Common Elements in the attached Exhibit C, in addition to the portions described in Sections 82.052(2) and 82.052(4) of the Act, are designated as Limited Common Elements:
- (c) Residential Units 1, 3, 4, 5, 6, 7 and 8 each have an adjoining deck. The decks are Limited Common Elements for the limited use of the Unit which adjoins the deck.
- (d) The deck on the roof of the third floor is a Limited Common Element for the exclusive and limited use of the residential Units.

011-01-1234

(e) The corridors, stairwells, and elevator to gain access to Residential Units 1, 2, 3, 4, 5, 6, 8, 9, 10, 11 and 12 are Limited Common Elements for the limited use of all Residential Units 1, 2, 3, 4, 5, 6, 8, 9, 10, 11 and 12. The Unit Owners of Residential Units 1, 2, 3, 4, 5, 6, 8, 9, 10, 11 and 12 are responsible for all costs associated with the corridors, stairwells and elevator.

(f) The entryway and elevator adjacent to Residential Unit 7 is a Limited Common Element for the limited use of Residential Unit 7. The owner of Residential Unit 7 is responsible for all costs associated with the entry way and elevator.

(g) The corridor between Commercial Unit 1 and Commercial Unit 2 is a Limited Common Element for the limited use of Commercial Units 1 and 2. The Unit Owners of Commercial Units 1 and 2 are responsible for all costs associated with the corridor.

(h) The corridor between Commercial Unit 3 and Commercial Unit 4 is a Limited Common Element for the limited use of Commercial Units 3 and 4. The Unit Owners of Commercial Units 3 and 4 are responsible for all costs associated with the corridor.

Section 5.02. Allocation of Specified Common Elements.

(a) The Board may designate parts of the Common Elements from time to time for use by less than all of the Unit Owners or by non-owners for specified periods of time or by only those persons paying fees or satisfying other reasonable conditions for use as may be established by the Board. Any such designation by the Board shall not be a sale or disposition of such portions of the Common Elements.

(b) All roofs shall be maintained as a Common Expense of the association.

ARTICLE VI

ALLOCATED INTERESTS

Section 6.01. Allocated Interests. The undivided interest on the Common Elements, the Common Expense liability and votes in the Association allocated to each Unit are set forth in Exhibit B.

011-01-1235

Section 6.02. Determination of Allocated Interests. The interests allocated to each Unit have been calculated as follows:

(a) the undivided interest in Common Elements, on the basis of square footage of the Residential, Parking, Storage and Commercial Units; however, the square footage of the decks adjoining Units 1, 3, 4, 5, 6, 7, and 8 shall not be included in determining the square footage of the Units.

(b) the percentage of liability for Common Expenses, on the basis of square footage of the Residential, Parking, Storage and Commercial Units; provided however, (i) the square footage of the decks adjoining Residential Units 1, 3, 4, 5, 6, 7 and 8 shall not be included in determining the square footage of the Residential Units, and (ii) the percentage of liability for Common Expenses allocated to Unit 7 has been further adjusted because of its unique separation from the other Units.

(c) the percentage of votes of each Owner in the Association, on the basis set forth on Exhibit B.

ARTICLE VII

RESTRICTIONS ON USE, ALIENATION, AND OCCUPANCY

Section 7.01. Use and Occupancy Restrictions. Subject to the Special Declarant Rights reserved by the Declarant, the following use restrictions apply to all Units and to the Common Elements:

(a) No Unit may be used in any way which (i) may reasonably be considered annoying to occupants of neighboring Units; (ii) may be calculated to reduce the desirability of the condominium as a residential community; (iii) may endanger the health or safety of other residents; or (iv) may violate any law or any provision of the governing documents.

(b) Specifically, and without limitation, no Unit may be used as a bar, nightclub, restaurant or facility having loud music.

(c) No Unit shall be used to store any hazardous or toxic chemicals, materials or wastes or any flammable or dangerous materials.

(d) Additional limitations may be placed on the utilization of the commercial Units by a majority in interest of the residential Unit Owners.

(e) Residential Unit Owners shall have the first option to purchase the parking or storage Units. If any Residential Unit Owner waives in writing the right to purchase any parking or storage Unit, the commercial Unit Owners may purchase any remaining parking or storage Units. No parking or storage Unit may be purchased by a party which does not own a residential or commercial Unit.

ARTICLE VIII

EASEMENTS AND LICENSES

Section 8.01. Easements, Cross-Easements and Licenses Granted to Other Unit Owners. By acquiring a Unit, each Unit Owner grants to Declarant and to each other Unit Owner an easement, cross-easement and a license in, through and across the Unit and the walls, floors, ceiling and other boundaries of the Unit for the purpose of providing utilities, venting, water, sewer, air conditioning, electricity, plumbing, cable television and other utilities and services to all other Units and to the Unit.

Section 8.02. Recorded Easements and Licenses. All easements and licenses to which the Condominium is presently subject, if any, are recited in Exhibit C hereto.

ARTICLE IX

AMENDMENT OF DECLARATION

Section 9.01. Permitted Methods. An amendment to this declaration may be adopted by the affirmative vote of the Unit Owners of at least sixty-seven (67%) percent of votes in the Association, as allotted in Exhibit B, except as provided in Section 11.01.

ARTICLE X

PLAT OR PLAN

Section 10.01. Plat and Plans. The plat and Unit plans are attached to this Declaration as Exhibit C.

ARTICLE XI

RIGHTS OF SECURED LENDERS

Section 11.01. Supermajority and Consent of Secured Lenders Required in Certain Circumstances. Without the written consent of at least Unit Owners owning eighty (80%)

011-01-1237

percent of the undivided interests in the Common Elements and the written consent of the mortgagees or beneficiaries of deeds of trust encumbering those Units, the Unit Owners owning may not do the following acts:

- (a) Change, delete, encumber, mortgage or sell the Common Elements or Limited Common Elements;
- (b) Reallocate boundaries or change percentage allocation of ownership interests in the Common Elements or Limited Common Elements;
- (c) Assign assessments;
- (d) Terminate the condominium regime; and
- (e) Amend the Declaration, the Association's bylaws, Articles of Incorporation or rules and regulations in any way which would change the respective voting rights, assessments, obligations or lien priorities.

Section 11.02. Obligation to Rebuild. In the event of a casualty to the Condominium, the Association shall rebuild or repair according to Section 82.111(i) of the Act.

ARTICLE XII

SPECIAL DECLARANT RIGHTS AND DEVELOPMENT RIGHTS

Section 12.01. Special Declarant Rights. The Declarant reserves no Special Declarant Rights, other than the powers reserved to the Declarant, under Section 3.03 of this Declaration.

Section 12.03. Development Rights. The Declarant reserves no development rights.

ARTICLE XIII

INTEREST RATE

Section 13.01. Interest on Delinquent Assessments. In the event of default in the payment of any monetary obligation to the Association, an owner shall be obligated to pay interest on the principal amount, from the due date, at a rate to be determined, from time to time, by the Board, not to exceed the maximum permitted by law.

011-01-1238

Section 13.02. Default Interest Rate. If the Board shall refuse or fail, from time to time, to determine a rate of interest, the rate of interest shall be the lesser of 10 percent per annum or the maximum amount permitted by applicable law.

ARTICLE XIV

MAINTENANCE, REPAIR AND REPLACEMENT

Section 14.01. Limited Common Elements. The owner of a Unit to which any doorstep, stoop, porch, balcony or patio is allocated shall keep such area clean and uncluttered and shall be responsible for removal of debris therefrom.

Section 14.02. Expense Allocation. Any Common Expense associated with the maintenance, repair or replacement of a Limited Common Element shall be assessed equally against the Units to which the Limited Common Element is assigned unless otherwise previously noted. All Units are responsible for the payment of their own electricity and water.

IN WITNESS WHEREOF, the Declarant has caused this Declaration to be executed by a general partner and duly authorized agent this 3rd day of April, 1996.

Market Market Development, Ltd., a Texas limited partnership

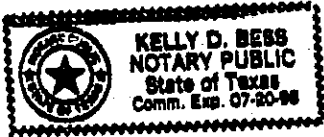
By: Market Partners, Inc., a Texas corporation, its general partner

By: [Signature]
Its: President

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the 3 day of April, 1996, by Kirk Mitchell, President of Market Partners, Inc., a Texas corporation, as general partner of Market Market Development, Ltd., a Texas limited partnership.

[Signature]
Notary Public, State of Texas



011-01-1240

**CONSENT TO DECLARATION
BY PRIOR MORTGAGEE**

WHEREAS, Bank of Galveston, N.A. (the "Bank") holds a first lien on the property described in the attached Exhibit A by virtue of Deed of Trust recorded in Clerk's Film Code _____ in the Official Real Property Records of Galveston County, Texas; and

WHEREAS, the owner of said property now desires to record the Condominium Declaration to which this Consent is attached creating the Market Street Condominiums (the "Declaration") for said property which will create residential, commercial, parking and storage condominium units; and

WHEREAS, the Bank has approved the Declaration in the form to which this Consent is attached;

NOW THEREFORE, by signature below, Bank of Galveston, N.A. does hereby consent to the filing of the Declaration, and agrees for all purposes that the Condominium Units, together with the common elements and limited common elements, all within the boundaries of the description attached to the Declaration as Exhibit A, will be substituted as the collateral under the Deed of Trust referenced above.

SIGNED this the 22nd day of Feb, 1996.

Bank of Galveston, N.A.

By: [Signature]
Its Senior Vice President

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the 22nd day of February, 1996, by Cary W. Gilliland, Senior Vice President of Bank of Galveston, N.A., a national banking association, on behalf of said association.



[Signature]
Notary Public, State of Texas

011-01-1241

**CONSENT TO DECLARATION
BY PRIOR MORTGAGEE**

WHEREAS, MBP Corp., a Texas corporation (the "Lienholder") holds a lien on the property described in the attached Exhibit A by virtue of Deed of Trust recorded in Clerk's Film Code _____ in the Official Real Property Records of Galveston County, Texas; and

WHEREAS, the owner of said property now desires to record the Condominium Declaration to which this Consent is attached creating the Market Street Condominiums (the "Declaration") for said property which will create residential, commercial, parking and storage condominium units; and

WHEREAS, the Lienholder has approved the Declaration in the form to which this Consent is attached;

NOW THEREFORE, by signature below, MBP Corp., a Texas corporation does hereby consent to the filing of the Declaration, and agrees for all purposes that the Condominium Units, together with the common elements and limited common elements, all within the boundaries of the description attached to the Declaration as Exhibit A, will be substituted as the collateral under the Deed of Trust referenced above.

SIGNED this the 20th day of MARCH, 1996.

MBP Corp. a Texas corporation

By: *[Signature]*

Its: *[Signature]*

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the 20th day of MARCH, 1996, by ALAN P. VITALE, PRESIDENT of MBP Corp., a Texas corporation, on behalf of said corporation.

Judy A. Upton
Notary Public, State of Texas

21552/marker238.cc



011-01-1242

EXHIBIT A
PROPERTY DESCRIPTION
MARKET STREET CONDOMINIUMS

Lots 11, 12, 13 and 14 in Block 563, in the City and County of Galveston, Texas

011-01-1243

Market Street Condominiums

Percent of Interest, Assessments, and Voting

Unit #	Square Feet	Allocated Interest	Liability %	Voting Percentage (of Residential only)
C-1	3583.8	9.15%	9.153%	9.83%
C-2	2614.4	8.67%	8.977%	7.17%
C-3	3949.1	10.85%	10.086%	10.83%
C-4	2212.7	5.85%	5.681%	6.07%
C-5	1514.75	3.87%	3.888%	4.15%
1	3157	8.06%	8.063%	6.66%
2	886.46	1.78%	1.776%	1.91%
3	1671.44	4.27%	4.289%	4.58%
4	1180.59	2.86%	2.984%	3.16%
5	1812.38	4.88%	4.684%	5.24%
6	1827	4.18%	4.155%	4.48%
7	2181.53	5.57%	5.510%	5.98%
8	3776.86	9.54%	9.648%	18.35%
9	1721.55	4.39%	4.397%	4.72%
10	1156.29	2.85%	2.863%	3.17%
11	1821.83	4.81%	4.908%	5.27%
12	1617.71	4.13%	4.131%	4.44%
S-1..8-8	263.36	0.75%	0.749%	
P-1	218.08	0.54%	0.537%	
P-2	210.08	0.54%	0.537%	
P-3	206.04	0.53%	0.528%	
P-4	286.04	0.83%	1.528%	
P-5	220.16	0.66%	1.352%	
P-6	220.19	0.59%	0.682%	
P-7	266.85	0.69%	0.689%	
P-8	269.85	0.69%	0.689%	
P-9	264.37	0.76%	0.752%	
P-10	303.52	0.77%	0.775%	
Totals	39178.76	100.03%	100.00%	100.00%

Total Sq Ft Residential 36,475.21

*Unit #7 Liability is reduced as per the Declaration.

**Total of Eight Units @ .0939% each.

EXHIBIT B
MARKET STREET CONDOMINIUMS

011-01-1244

EXIST _____



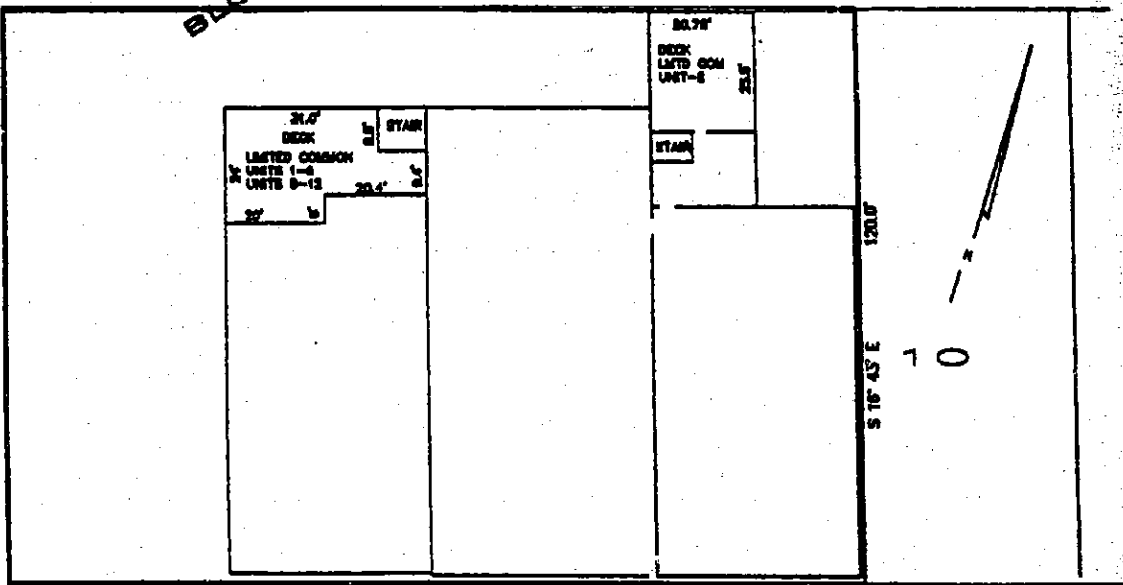
BLOCK 363

ALLEY (30')

N 73° 17' E 171.5'

2-4TH STREET (60')

N 16° 43' W 120.0'



S 73° 17' W 171.5'

MARKET STREET (70')

JANUARY 23, 1999

SCALE 1" = 30'

ROOF MARKET STREET CONDOS

HALL-JOHNSON, SURVEYORS

P.O. BOX 877
 GALVESTON, TEXAS 77563
 (409) 740-1517
 (409) 740-0377 FAX

EXHIBIT

011-01-1245

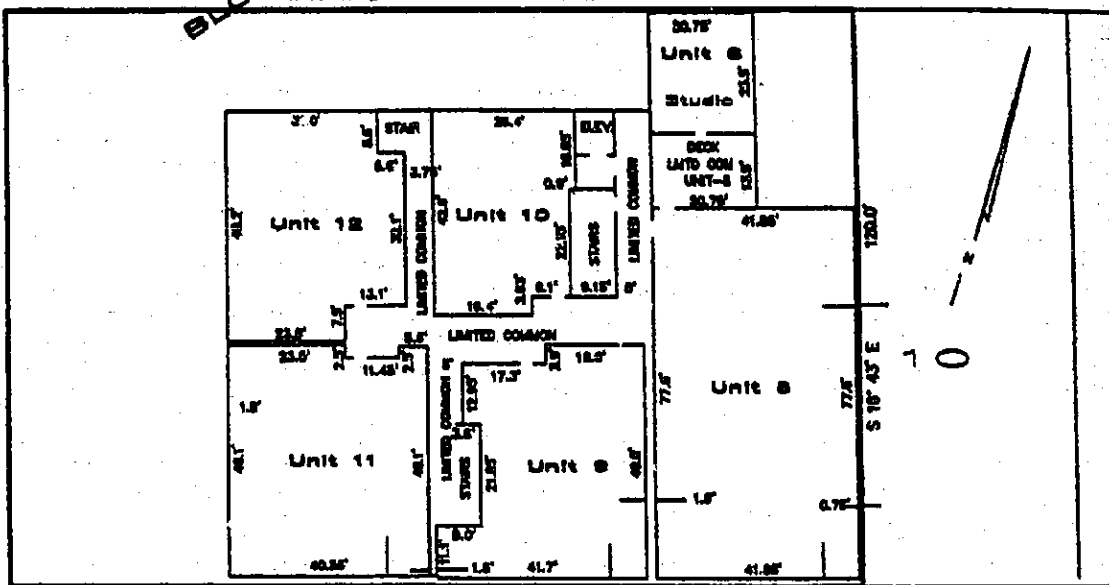


ALLEY (20')

BLOCK 363
N 73° 17' E 171.5'

24TH STREET (60')

N 16° 43' W 120.0'



S 73° 17' W

MARKET STREET (70')

JANUARY 23, 1998

SCALE 1" = 30'

THIRD FLOOR MARKET STREET CONDOS

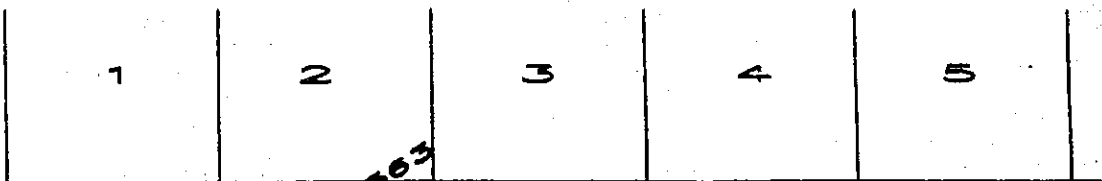
UNIT	SQUARE FOOTAGE- DECKS ARE NOT INCLUDED
8	3776.88
9	1721.80
10	1188.28
11	1621.83
12	1617.71

HALL-JOHNSON SURVEYORS

P.O. BOX 877
GALVESTON, TEXAS 77553
(409) 740-1817
(409) 740-0377 FAX

EXHIBIT _____

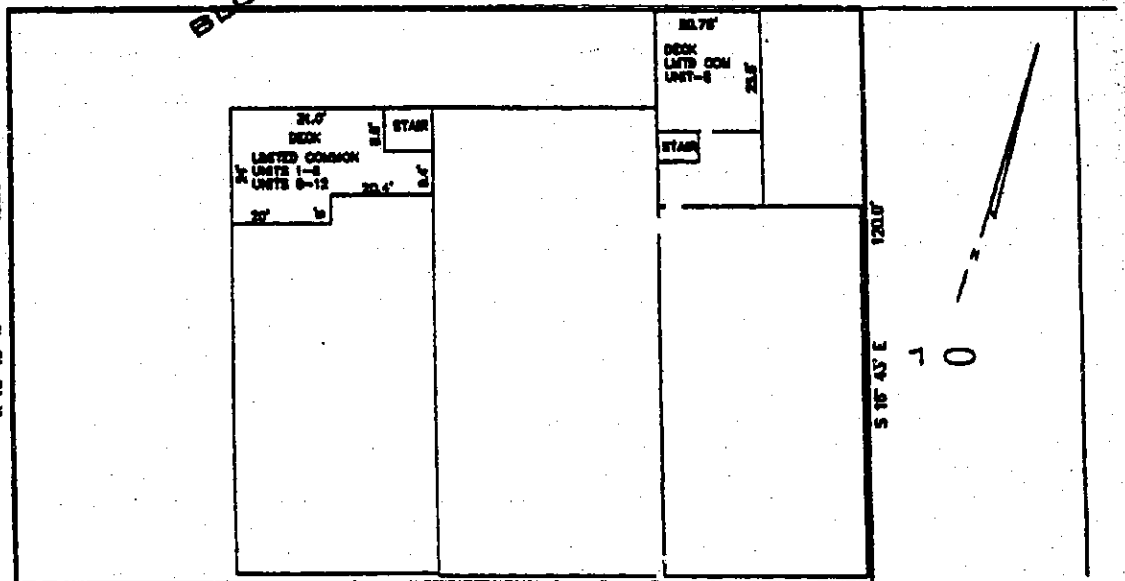
011-01-1244



BLOCK 363

ALLEY (30')

N 73° 17' E 171.5'



24TH STREET (60')

E 16° 43' W 120.0'

S 16° 43' E 120.0'

S 73° 17' W

171.5'

MARKET STREET (70')

JANUARY 22, 1996

SCALE 1" = 30'

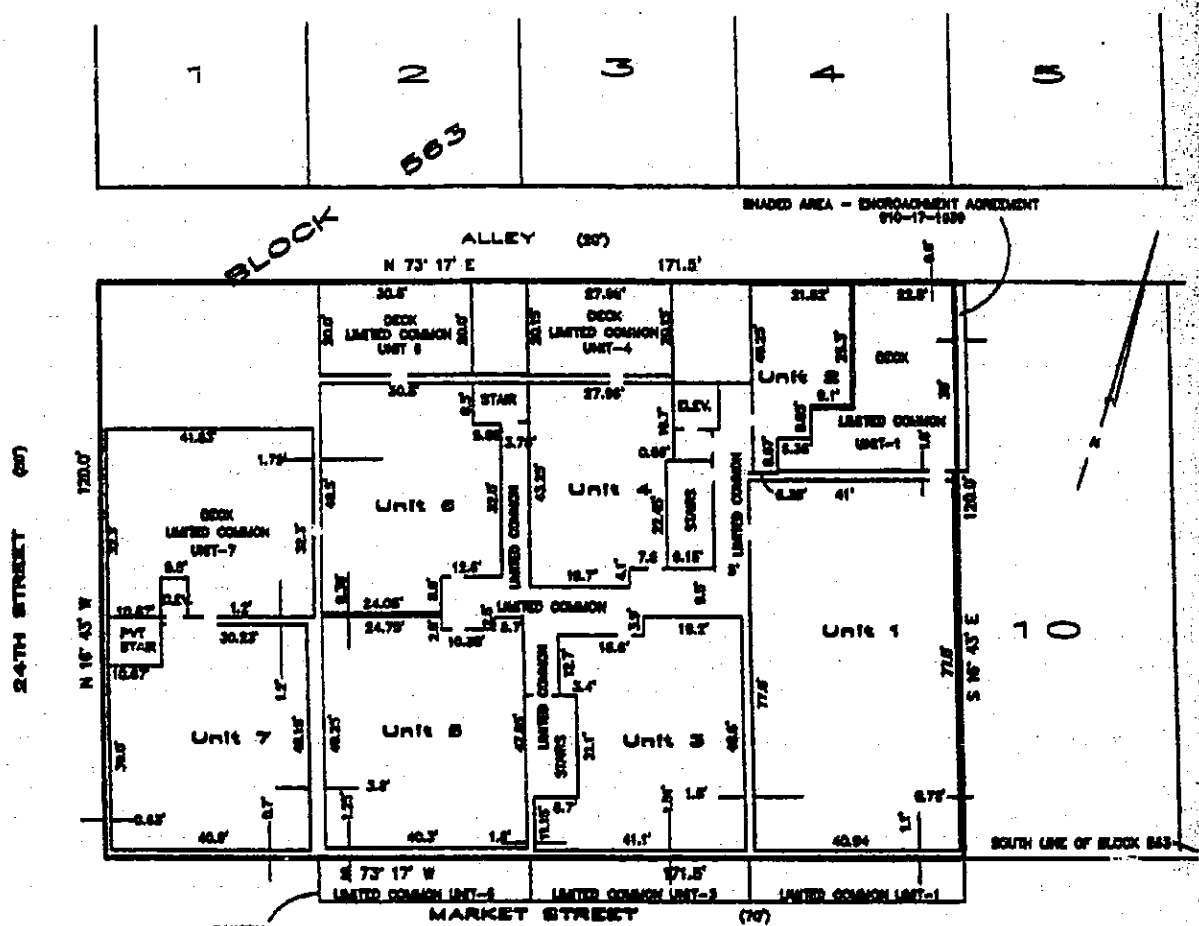
ROOF MARKET STREET CONDOS

HALL-JOHNSON, SURVEYORS

P.O. BOX 877
GALVESTON, TEXAS 77563
(409) 740-1817
(409) 740-4377 FAX

011-01-1246

EXHIBIT _____



BLOCK

SHADED AREA - ENCROACHMENT AGREEMENT
910-17-1000

24TH STREET (80')

ALLEY (30')
N 73' 17' E 171.5'

N 16' 43" W 120.0'

S 16' 43" E 120.0'

MARKET STREET (70')

JANUARY 23, 1996

SCALE 1" = 20'

SECOND FLOOR MARKET STREET CONDOS

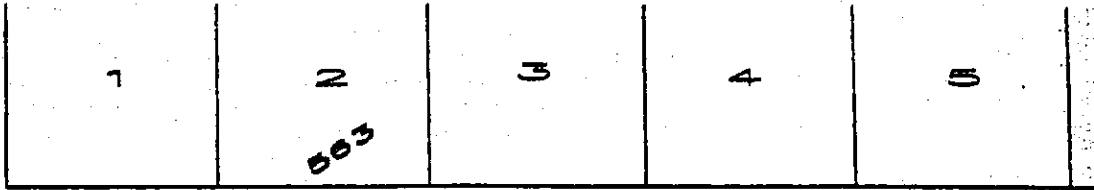
UNIT	SQUARE FOOTAGE- DECKS ARE NOT INCLUDED
1	3187.0
2	886.48
3	1871.44
4	1180.88
5	1912.33
6	1627.0
7	2373.48

HALL-JOHNSON, SURVEYORS

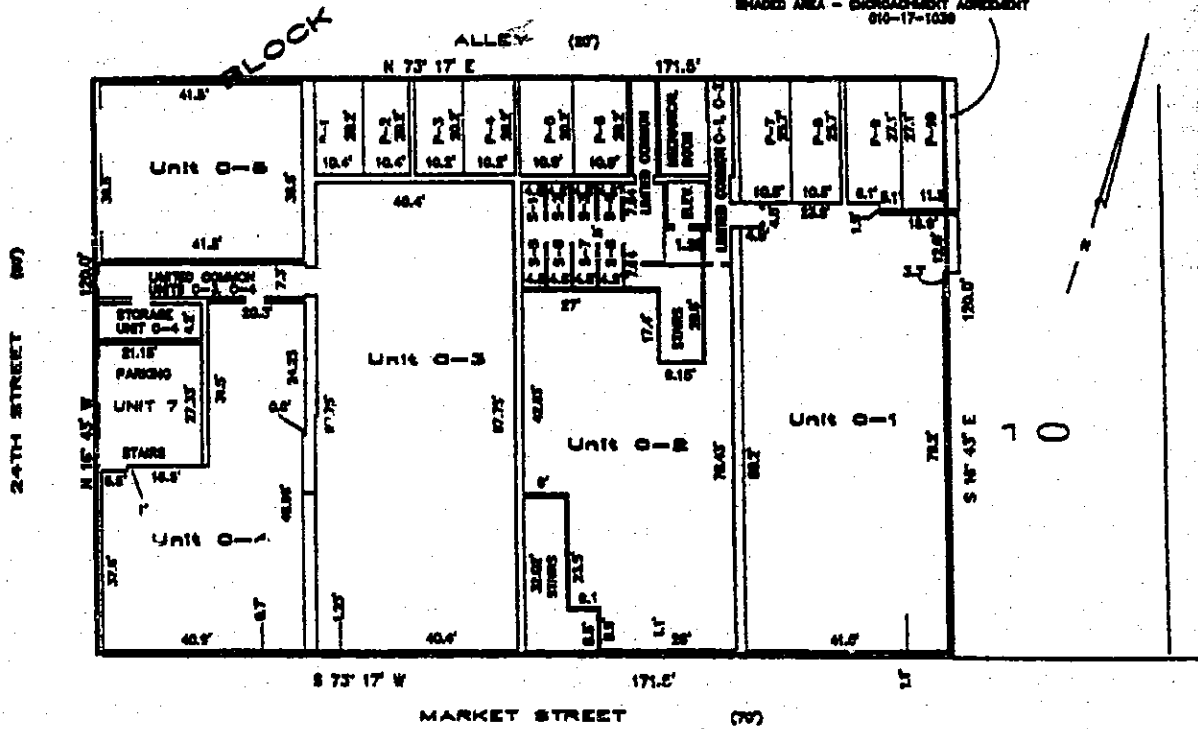
P.O. BOX 877
DALLAS, TEXAS 75263
(408) 740-1817
(408) 740-8277 FAX

EXHIBIT _____

011-01-1247



SHADED AREA - ENCROACHMENT AGREEMENT
010-17-1038



JANUARY 23, 1988

SCALE 1" = 30'

FIRST FLOOR MARKET STREET CONDOS

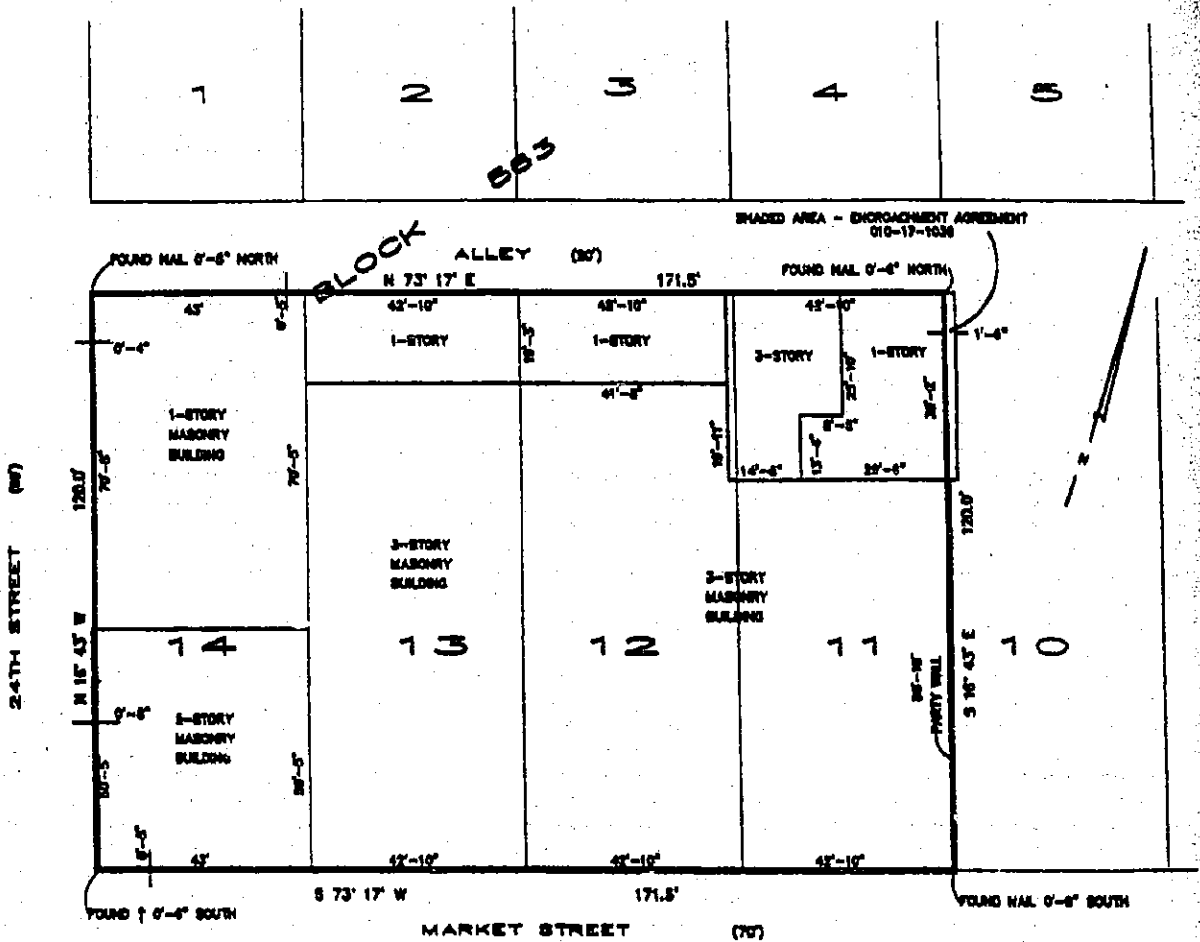
UNIT	SQUARE FOOTAGE	UNIT	SQUARE FOOTAGE
C-1	3483.8	P-1, P-2	218.08
C-2	2814.37	P-3, P-4	208.04
C-3	3848.1	P-5, P-6	220.18
C-4	2212.70	P-7, P-8	289.85
C-5	1814.78	P-9	284.37
S-1 THROUGH S-8	35.67	P-10	353.82

HALL-JOHNSON, SURVEYORS

P.O. BOX 877
OILVINGTON, TEXAS 77863
(409) 746-1817
(409) 740-0377 FAX

011-01-1248

EXHIBIT _____



JANUARY 23, 1994

SCALE 1" = 30'

MARKET STREET CONDOMINIUM SITE

LOTS ELEVEN (11), TWELVE (12), THIRTEEN (13) AND FOURTEEN (14)
 TOGETHER WITH AREA DESCRIBED IN ENCROACHMENT AGREEMENT AS
 RECORDED IN FILM CODE 010-17-1038 IN THE OFFICE OF THE COUNTY
 CLERK OF GALVESTON COUNTY, TEXAS, ALL IN BLOCK 863 OF THE CITY
 OF GALVESTON, TEXAS, ACCORDING TO THE MAP IN COMMON USE.

HALL-JOHNSON SURVEYORS

P.O. BOX 477
 GALVESTON, TEXAS 77553
 (408) 740-1817
 (408) 740-0377 FAX

Referred to:

EXHIBIT C - PAGE 5

STEWART TITLE CO.
 P. O. BOX 1540
 GALVESTON, TEXAS 77550

Paula

FILED AND RECORDED

Official Public Records of Real Property

Patricia Ritchie

4-8-96 03:28 PM LONG.D #49.00 9613457
Patricia Ritchie - Co. Clerk
Galveston Co. TX

011-01-1249



FIRST AMENDMENT TO
DECLARATION
OF
MARKET STREET CONDOMINIUMS, A CONDOMINIUM

WHEREAS, on or about April 3, 1996, the Declaration of Market Street Condominiums, a Condominium was adopted by Market Market Development, Ltd., a Texas limited partnership (the "Declarant") and recorded under Film Code Number 011-01-1228, et seq., in the Official Records of Real Property in Galveston County, Texas (the "Declaration"), pursuant to which the Market Street Condominiums (collectively, the "Condominium") were established;

WHEREAS, the Board of Directors have proposed certain amendments to the Declaration;

WHEREAS, an annual meeting of Market Street Condominiums Association, Inc. (the "Association") was held on April 27, 2001, for the approval and ratification of those certain amendments to the Declaration;

WHEREAS, the Board of Directors and one hundred percent (100%) of the Members of the Association have determined that it is in the best interest of the Association and the Condominium to amend the Declaration as set forth below.

NOW, THEREFORE, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the Declaration hereby is amended in accordance with the following:

1. Section 4.01 of the Declaration shall be, and hereby is, amended to read in its entirety as follows:

"Section 4.01. Number of Units. The number of units in the condominium is thirty-nine (39), consisting of five (5) Commercial Units, twelve (12) Residential Units, seven (7) Storage Units, and ten (10) Parking Units. The Declarant reserves the right to create five (5) additional Storage Units and additionally, the right to convert one of the Commercial Units into parking spaces, as more particularly set forth in Section 12.01 hereof."

2. Section 4.02 of the Declaration shall be, and hereby is, amended to read in its entirety as follows:

"Section 4.02. Identification of Units. The identification number of each Unit is shown on the Plats or Plans or both. Units C-1 through C-5 are Commercial Units; Units 1 through 12 are Residential Units, Units S-1 through S-7 are Storage Units; and Units P-1 through P-10

are Parking Units. Declarant reserves the right to amend the number and identification of Units."

3. Section 4.03(d) of the Declaration shall be, and hereby is, amended to read in its entirety as follows:

"(d) Residential Units 1, 2, 3, 4, 5, 6, 7, 8, 9 and 11 each have adjoining deck or decks and Unit 12 has a deck on the roof of the third floor. Each Unit Owner shall be responsible for the operation, expense and maintenance of the deck adjoining its property. However, the roof upon which the deck sits shall be maintained as a Common Expense."

4. Sections 5.01(c) and 5.01(d) of the Declaration shall be, and hereby are, amended to read in their entirety as follows:

"(c) Residential Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 11 and 12 each have adjoining deck or decks. The decks are Limited Common Elements for the limited use of the Unit which adjoins the deck.

(d) The deck on the roof of the third floor is a Limited Common Element for the limited use of Residential Unit 12."

5. Sections 6.02(a) and 6.02(b) of the Declaration shall be, and hereby are, amended to read in their entirety as follows:

"(a) The undivided interest in Common Elements, on the basis of square footage of the Residential, Parking, Storage and Commercial Units; however, the square footage of the decks adjoining Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 11 and 12 shall not be included in determining the square footage of the Units.

(b) The percentage of liability for Common Expenses, on the basis of the square footage of the Residential, Parking, Storage and Commercial Units; provided however, (i) the square footage of the decks adjoining Residential Units 1, 2, 3, 4, 5, 6, 7, 8, 9, 11 and 12 shall not be included in determining the square footage of the Residential Units, and (ii) the percentage of liability for Common Expenses allocated to Unit 7 has been further adjusted because of its unique separation from the other Units."

6. Sections 7.01(d) and 7.01(e) of the Declaration shall be, and hereby are, amended by deleting 7.01(d) in its entirety and amending 7.01(e) to read in its entirety as follows:

"(d) Residential Unit Owners shall have the first option to purchase the Parking or Storage Units. Then, the Commercial Unit Owners may purchase any remaining Parking or Storage Units. No Parking or Storage Unit may be purchased by a party which does not own a Residential or Commercial Unit."

7. Section 12.01 of the Declaration shall be, and hereby is, amended to read in its entirety as follows:

"Section 12.01. Special Declarant Rights. The Declarant reserves no Special Declarant Rights other than:

(a) The powers reserved to the Declarant under Section 3.03 of this Declaration;

(b) The right, power, authority and obligation to design, construct, install, and replace, at the expense of the Residential Unit Owners, excluding Residential Unit 7, the current existing elevator and additionally, to alter the access corridor within the Condominium to serve the Residential Units 1, 2, 3, 4, 5, 6, 8, 9, 10, 11 and 12. Such elevator and alterations to the physical improvements comprising the Condominium are described in Exhibit "C" attached hereto and made a part hereof for all purposes. The Declarant shall be responsible, at the expense of the Residential Unit Owners, excluding Residential Unit 7, for all aspects of the design and construction of such elevator, and all related equipment, fixtures and alterations to the physical improvements comprising the Condominium; provided however, that the elevator, as so designed and installed, shall comply with all applicable legal requirements, including but not limited to all building codes and safety regulations. The Declarant further agrees to pay that portion of the above design and construction costs for such elevator, and all related equipment, fixtures and alterations to the physical improvements, excluding costs for alterations and changes to the access corridor, comprising the Condominium otherwise payable by

Residential Units 1, 2, 3, 4, 5, 6, 9, 10, 11 and 12;

(c) The right, power, authority and obligation to design, construct and install a third floor balcony facing Market Street for the exclusive use of Residential Units 8, 9 and 11. The third floor balcony shall be located as described in Exhibit "C" attached hereto and made a part hereof for all purposes. The Declarant shall be responsible, at the expense of the Owners of Residential Units 8, 9 and 11, for all aspects of the design and construction of such balcony, and all other aspects and alterations to the physical improvements comprising the Condominium; provided however, that the third floor balcony, as so designed and constructed, shall comply with all applicable legal requirements, including but not limited to all building codes and safety regulations;

(d) The right, power, authority and obligation to design, construct and install an enclosure for the rear portion of the Parking Units P-1, P-2, P-3, P-4, P-5, P-6, P-7, P-8, P-9 and P-10 opening into the alley to the rear of the Condominium. Such enclosures and alterations to the physical improvements comprising the Condominium are described in Exhibit "C" attached hereto and made a part hereof for all purposes. The Declarant shall be responsible, at the expense of the Owners of Parking Units P-1, P-2, P-3, P-4, P-5, P-6, P-7, P-8, P-9 and P-10, for all aspects of the design and construction of such enclosures, and all related fixtures and alterations to the physical improvements comprising the Condominium; provided however, that the enclosures as so designed and installed, shall comply with all applicable legal requirements, including but not limited to all building codes and safety regulations.

(e) The right, power and authority, in its sole discretion, to convert the use of Commercial Unit C-5 to enclosed parking spaces. In the event of such a conversion, the square footage, allocated interest and liability of Commercial Unit C-5 will be allocated to

the purchaser acquiring such converted space.

(f) The right, power and authority, in its sole discretion and at its sole expense, to design and construct additional Storage Units in the access corridor to the elevator within the Condominium. The Storage Units to be developed shall be located and described in Exhibit "C" attached hereto and made a part hereof for all purposes. The Declarant shall be responsible for all aspects of the design and construction of such Storage Units and all other aspects of alterations to the physical improvements comprising the Condominium; provided however, that the Storage Units as so designed and constructed shall comply with all applicable legal requirements, including but not limited to all building codes and safety regulations.

(g) The right, power and authority, in its sole discretion, to convert the use of that portion of the rear Northeast corner of Commercial Unit C-1 to residential use for Residential Unit 1. In the event of such a conversion, the square footage, allocated interest and liability of that portion of Commercial Unit C-1 will be allocated to the Residential Unit 1 acquiring such converted space."

8. Exhibit "B" to the Declaration shall be, and hereby is, amended to read in its entirety in the form attached hereto and made a part hereof for all purposes.

9. Exhibit "C" to the Declaration shall be, and hereby is, amended to read in its entirety in the form attached hereto and made a part hereof for all purposes.

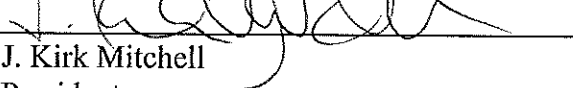
10. Except as amended hereby, the Declaration shall remain in full force and effect as originally written.

IN WITNESS WHEREOF, this First Amendment to Declaration has been executed as of the 11th day of June, 2001.

DECLARANT:

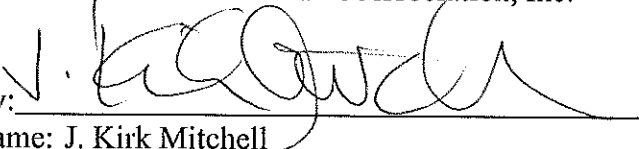
MARKET MARKET DEVELOPMENT, LTD., a
Texas limited partnership

By: Market Partners, Inc., a Texas corporation, its
general partner

By: 
Name: J. Kirk Mitchell
Title: President

ASSOCIATION:

Market Street Condominiums Association, Inc.

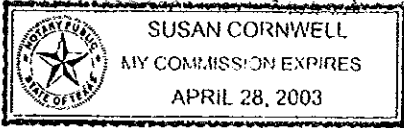
By: 
Name: J. Kirk Mitchell
Title: President

STATE OF TEXAS

§
§
§

COUNTY OF GALVESTON

This instrument was acknowledged before me on the 11th day of June, 2001, by J. Kirk Mitchell, President of Market Partners, Inc., a Texas corporation, as general partner of Market Market Development, Ltd., a Texas limited partnership.



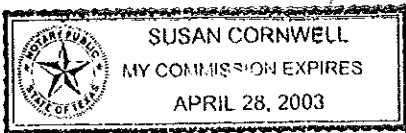
Susan Cornwell
Notary Public in and for the State of Texas

STATE OF TEXAS

§
§
§

COUNTY OF GALVESTON

This instrument was acknowledged before me on the 11th day of June, 2001, by J. Kirk Mitchell, President of Market Street Condominiums Association, Inc., a Texas nonprofit corporation.

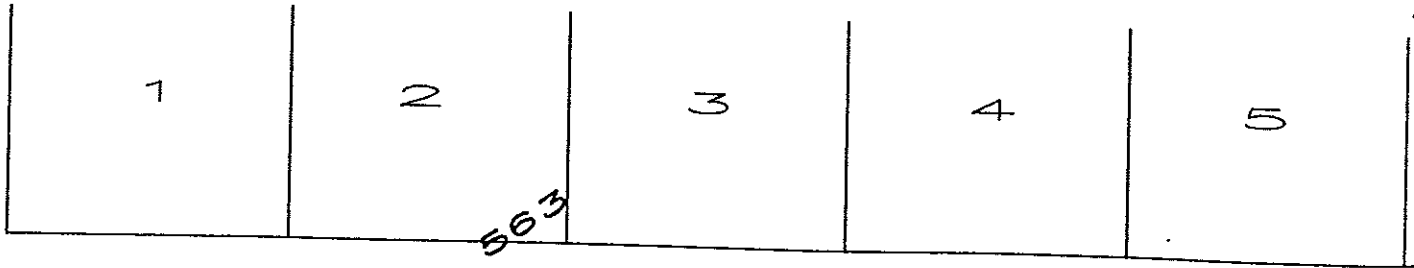


Susan Cornwell
Notary Public in and for the State of Texas

Market Street Condominium Association
Percentage of Interest, Assessments, and Voting

<u>Unit #</u>	<u>Square Ft of Unit</u>	<u>Allocated Interest</u>	<u>Liability</u>	<u>Voting</u>
1	3,157.00	8.136%	8.136%	8.737%
2	696.46	1.795%	1.795%	1.927%
3	1,671.44	4.308%	4.308%	4.626%
4	1,160.59	2.991%	2.991%	3.212%
5	1,912.38	4.929%	4.929%	5.292%
6	1,830.00	4.716%	4.716%	5.064%
7	2,181.53	5.622% *	5.622%	6.037%
8	3,776.68	9.733%	9.733%	10.452%
9	1,721.55	4.437%	4.437%	4.764%
10	1,156.29	2.980%	2.980%	3.200%
11	1,921.83	4.953%	4.953%	5.318%
12	1,820.71	4.692%	4.692%	5.039%
C-1	3,583.80	9.236%	9.236%	9.918%
C-2	1,916.40	4.939%	4.939%	5.303%
C-3	3,949.10	10.178%	10.178%	10.929%
C-4	2,212.70	5.703%	5.703%	6.123%
C-5	1,466.75	3.780%	3.780%	4.059%
S-1	36.67	0.095%	0.095%	100.00%
S-2	36.67	0.095%	0.095%	
S-3	36.67	0.095%	0.095%	36,135.21
S-4	36.67	0.095%	0.095%	Res. Square Ft
S-5	n/a	n/a	0.000%	
S-6	36.67	0.095%	0.095%	
S-7	36.67	0.095%	0.095%	
S-8	36.67	0.095%	0.095%	
P-1	210.08	0.541%	0.541%	
P-2	210.08	0.541%	0.541%	
P-3	206.04	0.531%	0.531%	
P-4	206.04	0.531%	0.531%	
P-5	220.18	0.567%	0.567%	
P-6	220.18	0.567%	0.567%	
P-7	269.85	0.695%	0.695%	
P-8	269.85	0.695%	0.695%	
P-9	294.37	0.759%	0.759%	
P-10	303.52	0.782%	0.782%	
<u>Total Condos</u>	<u>38,802.09</u>	<u>100.000%</u>	<u>100.000%</u>	
	Total Sq. Ft. of Units			

*Due to its Unique separation, Unit 7 liability is reduced as specified in the declaration.

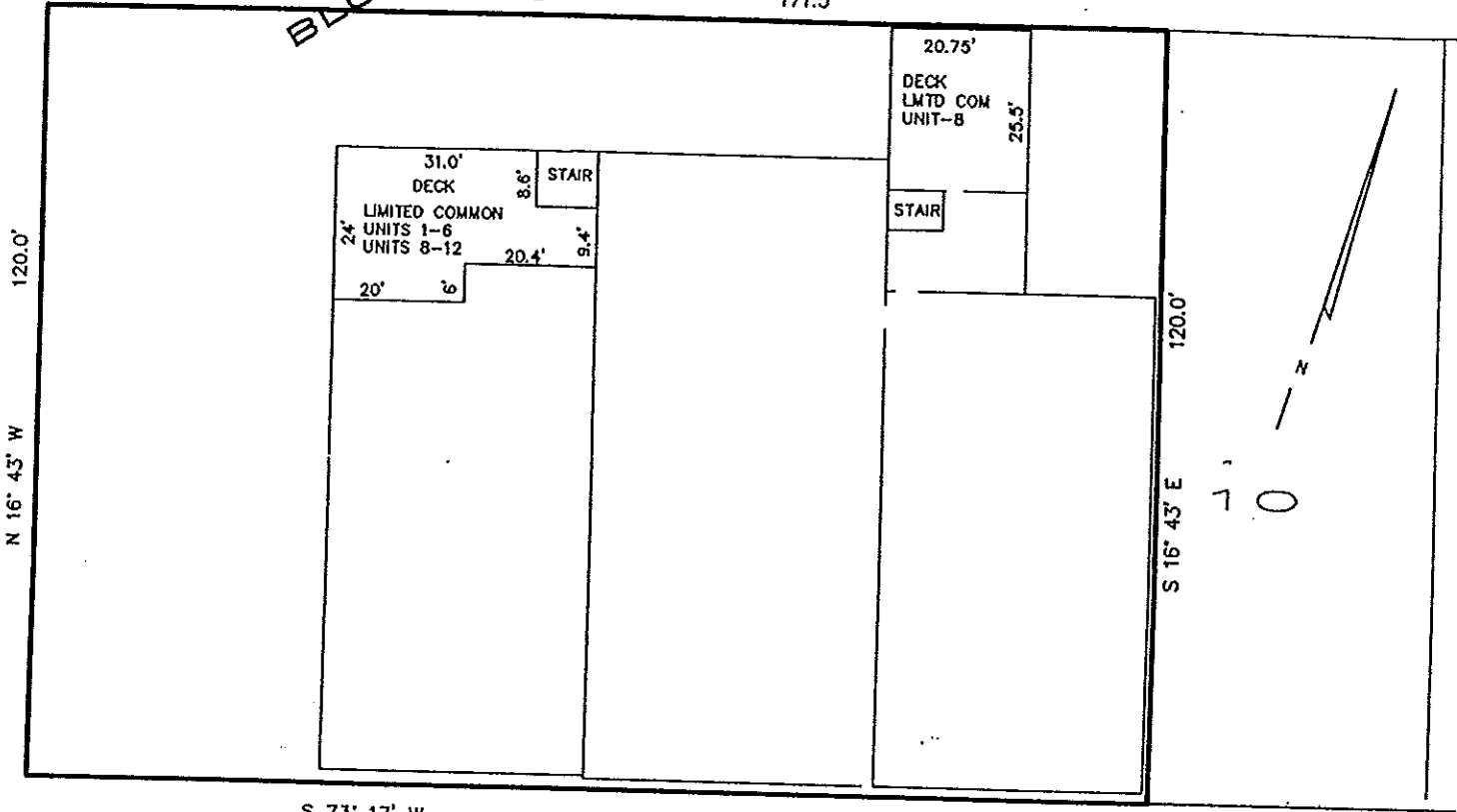


ALLEY (20')

BLOCK

N 73° 17' E

171.5'



MARKET STREET (70')

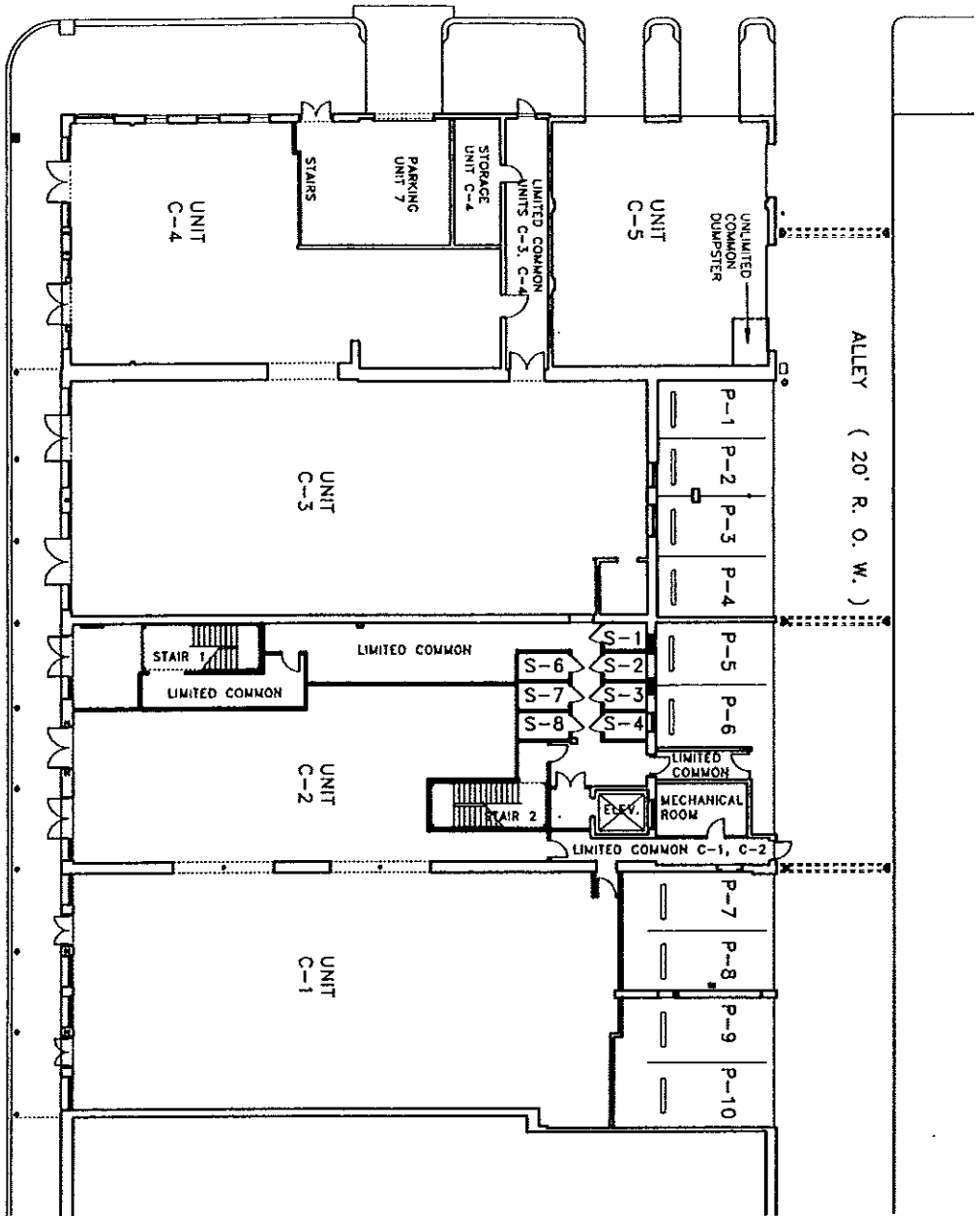
JANUARY 23, 1996

SCALE 1" = 30'

ROOF MARKET STREET CONDOS

HALL-JOHNSON, SURVEYORS

P.O. BOX 877
 GALVESTON, TEXAS 77553
 (409) 740-1517
 (409) 740-0377 FAX



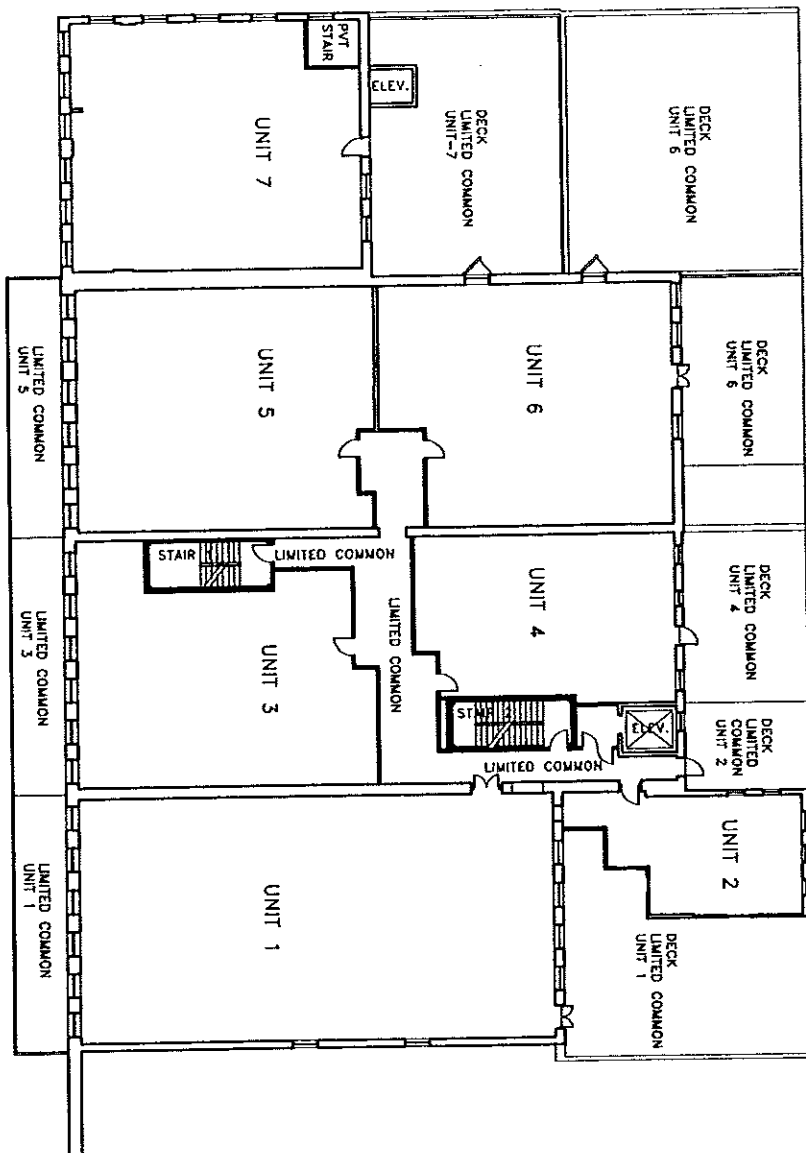
FLOOR PLAN - LEVEL 1
 SCALE: 1" = 30'-0"
 DATE: 5-31-07



MARKET STREET (70' R. O. W.)

UNIT	SQUARE FOOTAGE
C-1	3583.8
C-2	1916.4
C-3	3949.1
C-4	2212.7
C-5	1466.75
S-1 THROUGH S-4	36.67
S-6 THROUGH S-8	36.67
UNIT	SQUARE FOOTAGE
P-1, P-2	210.08
P-3, P-4	206.04
P-5, P-6	220.18
P-7, P-8	269.85
P-9	294.37
P-10	303.52

ALLEY (20' R. O. W.)



FLOOR PLAN - LEVEL 2
 SCALE: 1" = 30'-0"
 DATE: 5-31-07



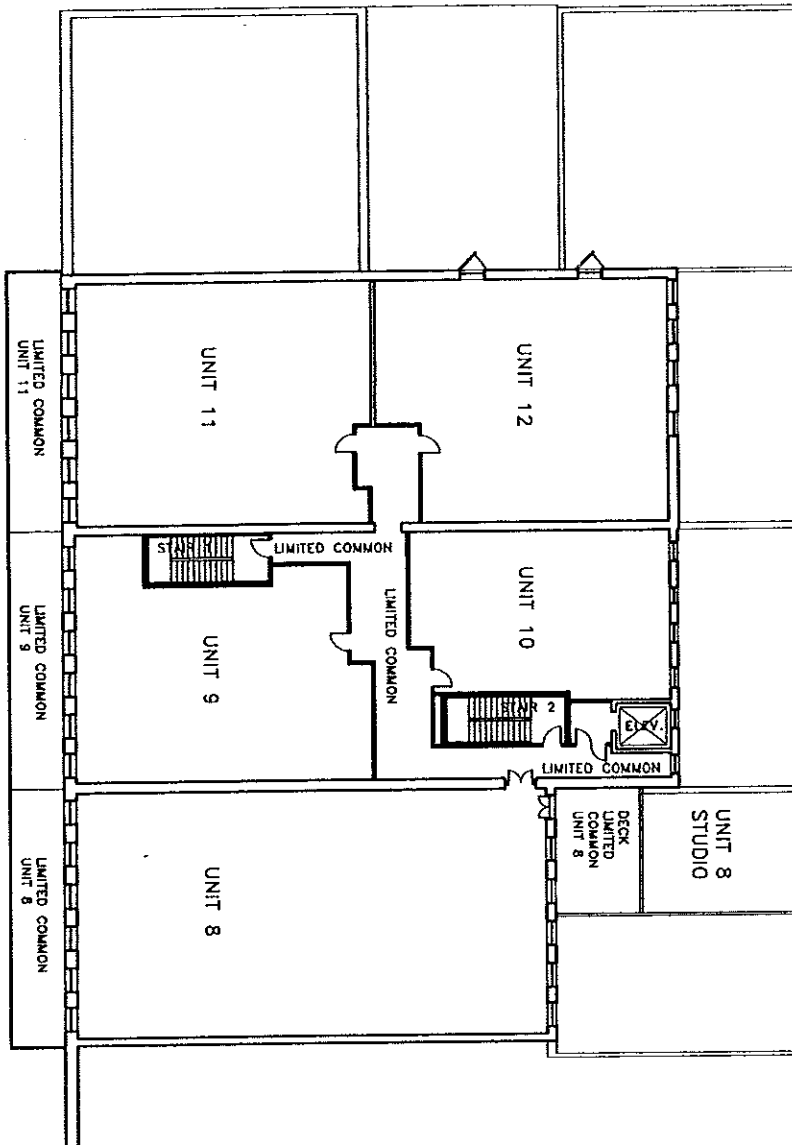
MARKET STREET

(70' R. O. W.)

SECOND FLOOR MARKET STREET CONDOS

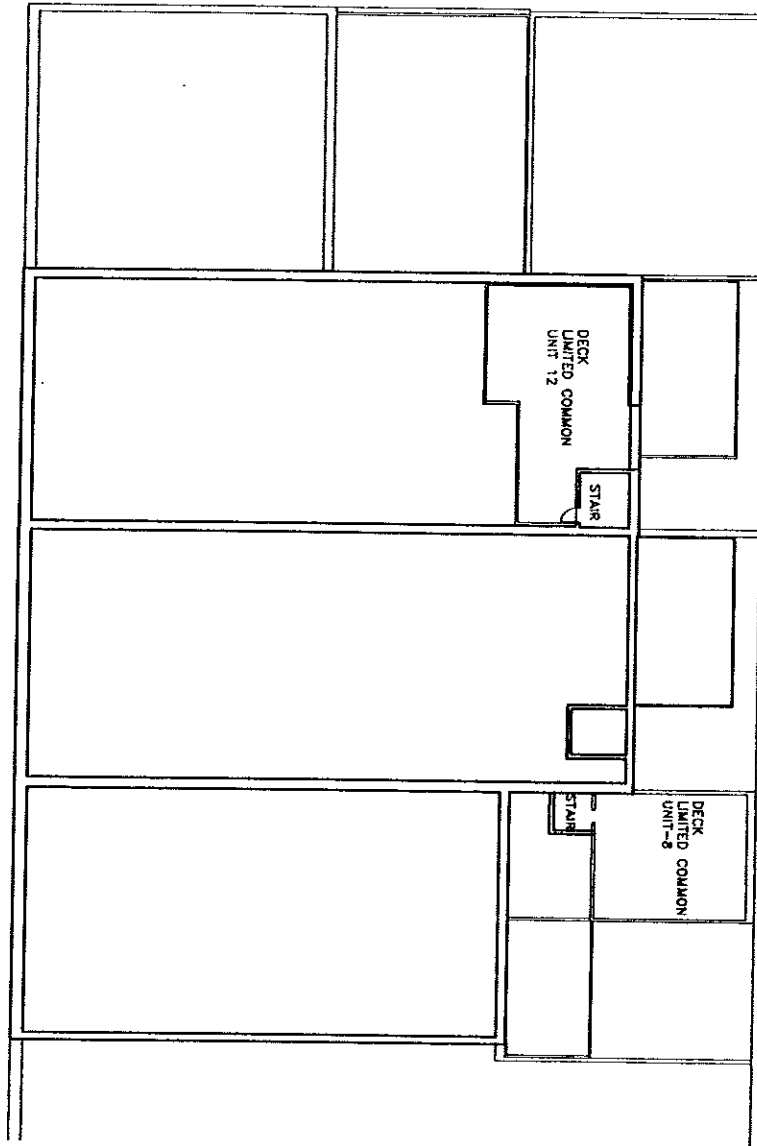
UNIT	SQUARE FOOTAGE (DECKS ARE NOT INCLUDED)
1	3157.0
2	696.46
3	1671.44
4	1160.59
5	1912.38
6	1830.00
7	2181.53

FLOOR PLAN - LEVEL 3
 SCALE: 1" = 30'-0"
 DATE: 5-31-07



THIRD FLOOR MARKET STREET CONDOS

UNIT	SQUARE FOOTAGE
8	3776.68
9	1721.55
10	1156.29
11	1921.83
12	1820.71



ROOF PLAN - ROOF LEVEL
SCALE: 1" = 30'-0"
DATE: 5-31-07



AFTER RECORDING RETURN TO:

McFatrige, Baker & Deen, P.C.
2228 Ship's Mechanic Row, Suite 220
Galveston, TX 77550

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2007035628

June 01, 2007 04:10:27 PM

FEE: \$68.00

Mary Ann Daigle, County Clerk

Galveston County, TEXAS