

**SECOND AMENDMENT TO
DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR THE VILLAS AT KINGS HARBOR TOWNHOMES**

THIS SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE VILLAS AT KINGS HARBOR TOWNHOMES (this "Amendment") is made as of the 29th day of February, 2016, by MHI Partnership, Ltd., a Texas limited partnership (herein referred to and acting as "Declarant").

WITNESSETH:

WHEREAS, Land Development Company, Ltd., a Texas limited partnership ("Original Declarant") executed that certain DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE VILLAS AT KINGS HARBOR TOWNHOMES (the "Declaration") dated August 6, 2007, which was filed under County Clerk's File No. 20070511311 and recorded in the Official Public Records of Real Property of Harris County, Texas (the "Official Records") which encumbered the Lots (as defined in the Declaration) within Villas at Kings Harbor, a subdivision in Harris County, Texas according to the map or plat thereof recorded under Film Code No. 610223 in the Map Records of Harris County, Texas (the "Subdivision"); and

WHEREAS, Original Declarant assigned its rights and status as "Declarant" under the Declaration to Declarant and Declarant amended the Declaration by that certain Amendment dated May 4, 2012 which was filed under County Clerk's File No. 20120201195 and recorded in the Official Records; and

WHEREAS, Section 12.1 of Article XII of the Declaration provides that it may be amended by the owners of at least 67% of the Lots covered by the Declaration; and

WHEREAS, the Declarant is the owner of more than 67% of the Lots covered by the Declaration and wishes to amend the Declaration as hereinafter specified

NOW, THEREFORE, the Declarant hereby amends the Declaration as follows:

1. Article 1 of the Declaration is amended to add the following definitions:
 - (a) "Attached Unit Lot" shall mean and refer to a Lot within the Property containing a Unit which shares a common wall with one or more other Units;
 - (b) "Attached Unit Assessment" shall mean and refer to an assessment levied by the Association solely against the Attached Unit Lots to enable the Association to pay the Attached Unit Lot Expenses; and
 - (c) "Attached Unit Lot Expenses" means expenses incurred by the Association to provide a service or benefit only to the Attached Unit Lots and not to the other Lots in the

Property. Attached Unit Lot Expenses which benefit only the Attached Unit Lots may include, without limitation, the premiums paid by the Association for casualty insurance covering only the Units located on the Attached Unit Lots, the costs of exterior maintenance and repairs provided by the Association solely to the Units located on the Attached Unit Lots, and the provision of water and sewer services for the Units on the Attached Unit Lots. The Board shall have sole discretion in determining whether or not to provide a service or benefit to the Attached Unit Lots. It is anticipated that the Association will provide casualty insurance, exterior maintenance and repair, and water and sewer services for the Units located on the Attached Unit Lots but not for the Units on the other Lots in its jurisdiction.

2. The defined terms "Assessment" and "Assessments" as used throughout the Declaration including, without limitation, Section 1.3 and Article IX shall hereafter be deemed to include the Attached Unit Assessments and the references to specific types of Assessments in Section 9.1 and elsewhere in the Declaration shall hereafter be deemed to include the Attached Unit Assessments.

3. Section 4.1(a)(1) of the Declaration is amended and restated to read as follows:

"(1) Insurance against loss or damage by fire and lightning, and such other hazards ("casualty damage") covering all improvements located on the Common Area, in an amount equal to the full replacement value, without deduction for depreciation, subject to reasonable deductible, or such other amount as the Board of Directors determines to maintain from time to time. At its option from time to time, the Board may elect to obtain casualty insurance or other types of insurance covering only the Units located on the Attached Unit Lots with the premiums therefor to be paid with Attached Unit Assessments."

4. Section 4.2 of the Declaration is amended and restated to read as follows:

"Section 4.2 Damage or Destruction.

(a) Casualty Losses - Association Responsibilities. Except as hereafter provided, in the event of damage by fire or other casualty to the Common Area or if any governmental authority requires any repair, reconstruction or replacement as to same, the Association must perform all repairs, reconstruction or replacement necessitated thereby (the "Casualty Work"). The Casualty Work must be such as will substantially restore the Common Area to its condition prior to the casualty or as required by the governmental authority. Any insurance proceeds payable as to the Casualty Work must be paid to the Association. Except for Casualty Work which is required by any governmental authority, the Owners may agree not to perform any Casualty Work. Any decision not to perform Casualty Work must be submitted to the Owners at a special meeting of Members called for that purpose, and must be approved by affirmative vote of the Owners of not less than a majority of all Lots in the Property.

If the Board has elected to maintain casualty insurance on the Units located on the Attached Unit Lots, any Unit located on an Attached Unit Lot that is damaged or destroyed by fire or other insured disaster shall be promptly repaired or reconstructed by the Association to substantially the same condition which existed prior to the damage or destruction. If the insurance proceeds received by the Association are insufficient to complete the necessary repair or reconstruction, they shall be allocated to the repair of each damaged Unit located on an Attached Unit Lot based upon its percentage damage interest. The cost of repair and replacement to any Unit located on an Attached Unit Lot in excess of the insurance proceeds shall be paid by the Owner(s) of the damaged Unit(s). All Owners of Units located on an Attached Unit Lot irrevocably constitute and appoint the Board as their attorney-in-fact for the purpose of dealing with the repair or reconstruction of damage or destruction to any Unit located on an Attached Unit Lot, by fire or other disaster which is covered by an insurance policy obtained by the Association. As attorney-in-fact, the Board, by its president and secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract or other instrument with respect to the interests of an Owner, which is necessary and appropriate to exercise the powers herein granted. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, reconstruction or replacement. Assessments shall not be abated during the period of insurance adjustment and repair and reconstruction.

(b) Casualty Losses - Owner Responsibilities. Except as otherwise provided in subsection (a) above, whether or not insured, all damage or destruction by fire or other casualty to all or any portion of any Unit on a Lot, including the appurtenant garage, must be repaired, reconstructed or replaced by the Owner thereof using a contractor approved by the Architectural Review Committee in such manner as to restore the residence to its appearance and condition as originally constructed (or as otherwise approved by the Architectural Review Committee) within ninety (90) days after such damage or destruction.

(c) Owner Liability. Notwithstanding anything set out above, each Owner shall be liable to the Association for all costs incurred by the Association in excess of insurance proceeds (including the full amount of any deductible payable to the Association) if the loss was caused by the negligence of the Owner, his or her tenants, guests or invitees."

5. Section 6.1 of the Declaration is amended to provide that the obligations set forth therein for an Owner of a Unit to maintain his or her Unit shall not apply to the Owners of the Attached Unit Lots if the Association's Board has elected to provide exterior maintenance of the

Units located on the Attached Unit Lots as an expense of the Owners of such Lots to be paid with Attached Unit Assessments.

6. Section 6.3 of the Declaration is amended to provide that the Association, at the option of the Board from time to time, may elect to provide exterior maintenance and repair of all of the Units as an expense paid with General Assessments or may provide exterior maintenance and repair solely for the Units located on the Attached Unit Lots as an Attached Unit Lot Expense paid with Attached Unit Assessments.

7. Section 9.2 of the Declaration is amended and restated to read as follows:

"Section 9.2. General Assessments. The General Assessments levied by the Association shall be used for the improvement and maintenance of the Common Area and for services and facilities which are determined by the Board to benefit all Members and for payment on behalf of the Owners of assessments made pursuant to the Prior Restrictions. The Association's expenses which benefit all Members shall be all expenses of the Association except those expenses which are determined by the Board to be Attached Unit Lot Expenses and expenses for which the Board makes a Reimbursement Assessment. The purposes of the General Assessments shall include, but are not limited to, the payment of the expenses of the Association, and the establishment of adequate reserves for, insurance, insurance deductibles, such repair, replacement and maintenance of the Property for which the Association is responsible pursuant to this Declaration, and other uses that the Board shall determine to be necessary to meet the primary purposes of the Association. Water and other utility services may be provided to all of the Units as an expense paid with General Assessments or the Board may elect from time to time to provide such utility services solely to the Owners of the Attached Unit Lots, in which case the expense of such service shall be paid to the Association as Attached Unit Assessments."

8. Section 9.3 of the Declaration is amended and restated to read as follows:

"Section 9.3. Amount of Attached Unit Assessment and General Assessment. Attached Unit Assessments shall be levied by the Association solely against the Attached Unit Lots to enable the Association to pay the Attached Unit Lot Expenses. After consideration of the current maintenance and operating costs and future needs of the Association (exclusive of Attached Unit Lot Expenses), the Board shall from time to time fix the General Assessment levied against all Lots in an amount necessary to fund the anticipated revenue needs of the Association, including an adequate reserve fund, and fix the Attached Unit Assessment based on anticipated Attached Unit Lot Expenses. The Board may adjust the amount of the General Assessment or the Attached Unit Assessment during any calendar year."

9. Section 9.4 of the Declaration is amended and restated to read as follows:

"Section 9.4. Uniform Rate of Assessments. General Assessments shall be a uniform rate for all Lots and Attached Unit Lot Assessments shall be a uniform rate for all Attached Unit Lots. General Assessments and Attached Unit Lot Assessments shall be due and payable monthly in advance without notice on the first day of each calendar month."


10. Except as previously amended and expressly amended hereby, the Declaration of Covenants, Conditions, Restrictions and Easements for Villas at Kings Harbor is not affected hereby and the same is ratified as being in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed as of the date specified above.

DECLARANT:

MHI PARTNERSHIP, LTD.,
a Texas limited partnership

By: McGuyer Homebuilders, Inc.,
general partner

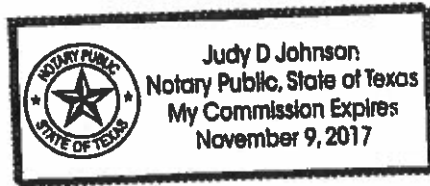
By: 

Its: DAVID BRUNING
VICE PRESIDENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 21 day of February, 2016 by David Bruning, Vice President of McGuyer Homebuilders, Inc., a corporation which is the general partner of MHI Partnership, Ltd., a Texas limited partnership, on behalf of said limited partnership.

(SEAL)



Judy D Johnson

Notary Public in and for
the State of Texas

AFTER READING, RETURN ORIGINAL TO:

*MHI - LAND DEPT.
7676 WOODWAY, SUITE 104
HOUSTON, TX 77063*