

**DECLARATION OF CONDOMINIUM
CITY PLAZA, A CONDOMINIUM**

1330 Old Spanish Trail
Houston, Texas 77054

TABLE OF CONTENTS

1. DEFINITIONS	2
1.(a) Act.....	2
1.(b) Association.....	2
1.(c) Board.....	2
1.(d) Buildings	2
1.(e) By-Laws.....	2
1.(f) Common Elements.....	2
1.(g) Common Expense Liability	2
1.(h) Common Expenses.....	3
1.(i) Condominium	3
1.(j) Condominium Instruments.....	3
1.(k) Declaration.....	3
1.(l) Declarant.....	3
1.(m) First Mortgagee.....	3
1.(n) Garage Spaces	3
1.(o) Limited Common Elements	3
1.(p) Maintenance Fund	4
1.(q) Majority of Unit Owners.....	4
1.(r) Manager	4
1.(s) Model.....	4
1.(t) Mortgage.....	4
1.(u) Mortgagee	4
1.(v) Occupant	4
1.(w) Parking Area	4
1.(x) Parking Spaces.....	4
1.(y) Person.....	5
1.(z) Plat	5
1.(aa) Property.....	5
1.(bb) Reserves.....	5
1.(cc) Sales Office.....	5
1.(dd) Unit	5
1.(ee) Unit Owner.....	5
1.(ff) Unit Ownership.....	5
2. LEGAL DESCRIPTION OF PROPERTY	6
3. UNITS	6
3.(a) Legal Description.....	6
3.(b) Subdivision.	6
3.(c) Measurements	7
3.(d) Structural Components.....	7
3.(e) Ownership Interest.....	7
3.(f) Transfer of a Unit.....	8
3.(g) Leasing.....	8
3.(g)(i) Unit Owners	8

3.(g)(ii) Declarant.....	9
3.(h) Use and Occupancy.....	9
3.(h)(i) General	9
3.(h)(ii) Insurance.....	9
3.(h)(iii) Appurtenances.....	10
3.(h)(iv) Pets.....	10
3.(h)(v) Nuisance.....	10
3.(i) Real Estate Taxes.....	11
4. DECLARANT RIGHTS	11
4.(a) Special Declarant Rights.....	11
4.(b) Development Rights.....	12
4.(c) Time Limitations and Applicable Property.....	12
5. THE COMMON ELEMENTS	13
5.(a) Description of Common Elements.....	13
5.(b) Description of Limited Common Elements	13
5.(c) Structural Components.....	13
5.(d) Percentage of Ownership	14
5.(e) Garage Spaces and Parking Spaces.....	14
5.(f) Balconies, HVAC Units and Hot Water Heaters	15
5.(g) Use and Occupancy of Common Elements and Limited Common Elements	15
5.(h) Cleanliness of Common Elements	16
5.(i) Storage in Common Elements	16
5.(j) Modification of Common Elements and Limited Common Elements	16
5.(k) Unit Security Systems.....	16
6. EASEMENTS AND ENFORCEMENTS	17
6.(a) Recorded Easements	17
6.(b) Encroachments.....	17
6.(c) Utility Easements	17
6.(d) Cable Easements	17
6.(e) Easement of Enjoyment	17
6.(f) Easement of Access.....	17
6.(g) Streets and Utilities	18
6.(h) Easements Appurtenant	18
6.(i) Incorporation of Easements	18
6.(j) Declarant Easements.....	18
7. THE ASSOCIATION.....	19
7.(a) Incorporation.....	19
7.(b) Miscellaneous	19
7.(c) Board's Determination Binding.....	19
7.(d) Period of Declarant Control	19
8. MAINTENANCE, ALTERATION AND IMPROVEMENTS	20
8.(a) Maintenance of Units and Common Elements Adjacent or Contiguous To, or Between, Units.....	20
8.(a)(i) By the Association.....	20
8.(a)(ii) By Each Unit Owner.....	21

8.(a)(iii) Required Maintenance of Individual Units - Special Assessments.....	23
8.(a)(iv) Costs Expended for Individual Units.....	23
8.(a)(v) Special Services for Individual Units Prohibited.....	24
8.(b) Common Elements, General.....	24
9. ASSESSMENTS.....	25
9.(a) Definition.....	25
9.(b) Obligation to Pay.....	25
9.(c) Determination of Common Expenses and Common Expense Liability.....	25
9.(d) Payment of Assessments.....	27
9.(e) Interest on Unpaid Assessments.....	28
9.(f) Unpaid Assessments: Liens, Penalties and Methods of Collection.....	28
9.(g) Liability of Purchaser for Unpaid Assessments.....	31
9.(h) Assessment for Utility Service.....	32
9.(i) Assessments in Case of Claims Against Common Elements.....	32
10. INSURANCE AND CONDEMNATION.....	32
10.(a) General.....	33
10.(b) Coverage.....	34
10.(b)(i) Casualty.....	34
10.(b)(ii) General Liability.....	35
10.(b)(iii) Common Provisions.....	35
10.(b)(iv) Officers and Board Members.....	36
10.(b)(v) Worker's Compensation.....	36
10.(b)(vi) Other Insurance.....	37
10.(b)(vii) Fidelity Bonds.....	37
10.(b)(viii) Flood Insurance.....	38
10.(c) Premiums - Common Expense.....	38
10.(d) Board as Trustee of Insurance Proceeds.....	39
10.(d)(i) Common Elements.....	39
10.(d)(ii) Units.....	39
10.(d)(iii) Mortgages.....	39
10.(e) Distribution of Insurance Proceeds.....	39
10.(e)(i) Expenses of Trustees.....	40
10.(e)(ii) Reconstruction or Repair.....	40
10.(e)(iii) Failure to Reconstruct or Repair.....	40
10.(e)(iv) Certification of Co-Owners, Mortgagees and Shares.....	40
10.(f) Board as Agent.....	40
10.(g) Unit Owner's Insurance.....	41
10.(h) Condemnation.....	41
10.(i) Destruction of Personalty.....	42
11. RECONSTRUCTION AND REPAIR AFTER CASUALTY.....	42
11.(a) Duty to Repair.....	42
11.(b) Determination of Necessity of Reconstruction or Repair.....	42
11.(b)(i) Special Meeting.....	42
11.(b)(ii) Determination of Extent of Damage.....	42
11.(b)(iii) Termination After Damage to More than 2/3 of Condominium.....	43

11.(b)(iv) Effect of No Termination, or Damage to Less Than 2/3 of Condominium.....	43
11.(b)(v) Certification of Determination of Necessity of Reconstruction	43
11.(c) Plans and Specifications for Reconstruction.....	44
11.(d) Board to Obtain Estimates	44
11.(e) Assessments for Construction in Case of Insufficient Insurance Proceeds	45
11.(f) Distribution of Remaining Funds After Reconstruction	45
12. TERMINATION AFTER CASUALTY	45
12.(a) Condominium Not Reconstructed; Distribution of Insurance Proceeds; Sale of Condominium and Termination of Declaration	45
12.(b) Partition in the Event of Board's Failure to Sell	46
13. REMEDIES	46
13.(a) Damage to Other Units and Common Elements	46
13.(b) No Waivers	46
13.(c) Violation of Declaration	46
14. FIRST MORTGAGEES	48
14.(a) Rights of First Mortgagees	48
14.(b) Actions Requiring Consent of 100% of First Mortgagees	49
14.(c) Actions Requiring Consent of at Least 51% of First Mortgagees	50
14.(d) Condemnation	51
15. AMENDMENTS AND SPECIAL AMENDMENTS	51
16. MISCELLANEOUS	52
16.(a) Grantees	52
16.(b) Notices	52
16.(c) Violations of Certain Rules	53
16.(d) Severability	53
16.(e) Construction	53
16.(f) Changes or Modifications by the Declarant	53
16.(g) Trustees	53
16.(h) Assignments by Declarant	54

**DECLARATION OF CONDOMINIUM
CITY PLAZA, A CONDOMINIUM**

This Declaration ("Declaration") made and entered into this 14th day of June, 2002, by Houston Condominiums, L.P., whose address is 6640 Powers Ferry Road, Suite 100, Atlanta, Georgia 30339 (the "Declarant"):

W I T N E S S E T H

WHEREAS, the Declarant is the owner in fee simple of certain real estate in Houston, Harris County, Texas, legally described on Exhibit "A" attached hereto and made a part hereof, and the improvements thereon (hereinafter referred to as the "Property") being more particularly described on the plat (hereinafter defined and referred to as the "Plat"), attached hereto as Exhibit "B" and made a part hereof for all purposes;

WHEREAS, the above described real estate is, on the date this Declaration is recorded, subject to covenants, restrictions, agreements and easements of record.

WHEREAS, the Declarant intends to, and does hereby submit such real estate together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anyway pertaining thereto, to the provisions of the Uniform Condominium Act (hereinafter the "Act"), Chapter 82 of the Texas Property Code, as amended from time to time; and

WHEREAS, the name of the Condominium shall be City Plaza, A Condominium; and

WHEREAS, the Declarant desires to establish certain rights and easements in, over and upon said real estate for the benefit of itself and all future owners of any part of said real estate, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial and proper use and conduct of the real estate and all units; and

WHEREAS, the Declarant desires and intends that the several unit owners, mortgagees, occupants and other persons hereafter acquiring any interest in the Property, hereinafter defined, shall at all times enjoy the benefits of, and shall hold their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

NOW THEREFORE, Declarant hereby declares that the land described in Exhibit "A" attached hereto, together with all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, is hereby submitted to a condominium regime pursuant to the Act, and that said Property is and shall be held, conveyed, hypothecated, encumbered,

pledged, leased, rented, used, occupied and improved subject to the following limitations, easements, restrictions, covenants, conditions, charges and liens, all of which are declared to be established for the purpose of enhancing the value, desirability and attractiveness of said Property and every part thereof. All of said limitations, easements, covenants, restrictions, conditions, charges and liens shall run with the said Property and shall be binding upon all parties having or acquiring any right, title or interest therein or any part thereof and shall be for the benefit of each owner of any portion of said Property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof.

1. DEFINITIONS

Certain words and terms used in this Declaration are defined as follows:

1.(a) Act

The Uniform Condominium Act, Chapter 82 of the Texas Property Code, as amended from time to time.

1.(b) Association

The association of all the Unit Owners acting pursuant to the By-Laws, as amended, from time to time, through its duly elected Board known as City Plaza Owners Association, Inc.

1.(c) Board

The Board of Directors of the incorporated Association.

1.(d) Buildings

All structures located on the Property, attached or unattached, containing one or more Units.

1.(e) By-Laws

The By-Laws of the Association.

1.(f) Common Elements

As defined in Section 5(a) hereof.

1.(g) Common Expense Liability

The liability for Common Expenses allocated to each Unit.

1.(h) Common Expenses

The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board.

1.(i) Condominium

The condominium established by this Declaration to be known as "City Plaza, A Condominium."

1.(j) Condominium Instruments

All documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration and Plat.

1.(k) Declaration

This instrument by which the Property is submitted to the Act.

1.(l) Declarant

Houston Condominiums, L.P., a Georgia limited partnership, and its successors and assigns.

1.(m) First Mortgagee

The holder of a note secured by a bona fide first deed of trust or mortgage covering any portion of the Property. A reference to a given percentage of the First Mortgagees (e.g. "51% of the First Mortgagees") shall mean First Mortgagees holding Mortgages on Units representing such percentage of the votes in the Association.

1.(n) Garage Spaces

Those fifty (50) garage spaces contained within the five enclosed free-standing garage structures on the Property which shall be Limited Common Elements.

1.(o) Limited Common Elements

As defined in Section 5(b) hereof.

1.(p) Maintenance Fund

All monies collected or received by the Association pursuant to the provisions of the Condominium Instruments.

1.(q) Majority of Unit Owners

The owners, without regard to their number, of more than 50% in the aggregate in interest of the entire undivided ownership interest of the Common Elements. Any specified percentage of the Unit Owners shall mean those Unit Owners who, in the aggregate, own such percentage of the entire undivided ownership interest in the Common Elements.

1.(r) Manager

Initially Declarant and after it ceases to be the Manager, the person or firm selected by the Declarant or the Board pursuant to the provisions of this Declaration.

1.(s) Model

A Unit or Units used by the Declarant to assist in the sale of Units to prospective purchasers.

1.(t) Mortgage

A deed of trust or mortgage covering a Unit and the undivided interest in the Common Elements appurtenant thereto.

1.(u) Mortgagee

A beneficiary under a Mortgage and any servicing agent of such beneficiary.

1.(v) Occupant

A person or persons, other than a Unit Owner, in possession of a Unit.

1.(w) Parking Area

The portions of the Property which are designated for parking for the Unit Owners pursuant to the Plat, this Declaration, the rules and regulations of the Association, or any resolution of the Board. The Parking Area includes any access areas or driveways related to the Parking Area, Garage Spaces, and Parking Spaces.

1.(x) Parking Spaces

Those portions of the Parking Area designated for the parking of automobiles, motorcycles, and bicycles, which shall be Common Elements.

1.(y) Person

A natural individual, corporation, partnership, limited liability company, trustee or other legal entity capable of holding title to real property.

1.(z) Plat

A plat or plats of survey of the Property and all of the Units in the Property submitted to the provisions of the Act, along with any plan or plans, said plat being attached hereto as Exhibit "B" and hereby made a part hereof and recorded with the recording of this Declaration and as amended from time to time in accordance herewith, which shall consist of such data as required by the Act.

1.(aa) Property

All land, property and space submitted to the provisions of the Act pursuant to this Declaration, all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all fixtures.

1.(bb) Reserves

Those sums paid by Unit Owners which are separately maintained by the Board in the Maintenance Fund for the purposes specified by the Board or the Condominium Instruments.

1.(cc) Sales Office

One or more offices in Units or on Common Elements to be used in connection with sales, management and leasing of the Condominium.

1.(dd) Unit

Any part of the Property within the Buildings, including one or more rooms and the balcony storage area, occupying one or more floors, or a part or parts thereof, designed and intended for any type of independent use and which is designated on the Plat as a Unit.

1.(ee) Unit Owner

The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit.

1.(ff) Unit Ownership

A part of the Property consisting of one Unit and its undivided interest in the Common Elements appurtenant thereto.

2. LEGAL DESCRIPTION OF PROPERTY

The Property hereby submitted to the provisions of the Act is legally described on Exhibit "A" hereto.

3. UNITS

3.(a) Legal Description.

All Units are delineated on the Plat attached hereto as Exhibit "B" and made a part of this Declaration. The boundaries of each Unit are the interior surfaces of floors, ceilings, perimeter walls, doors, and windows of such Unit. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "B" and every such description shall be deemed good and sufficient for all purposes. No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to his or her Unit Ownership without including therein both his or her interest in the Unit and his or her corresponding percentage of ownership in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein. The Common Elements shall remain undivided and shall not be the object of an action for partition or division of the Unit Ownership thereof so long as subject to a condominium regime, and, in any event, all Mortgages must be paid in full prior to bringing an action for partition or the consent of all First Mortgagees must be obtained.

3.(b) Subdivision.

Except as provided by the Act or as provided elsewhere herein, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his or her Unit to be separated into any tracts or parcels different from the whole Unit as shown on Exhibit "B". Unit Owners may, at their expense, subdivide or combine Units and locate or relocate Common Elements affected or required thereby, subject to the following: the Unit Owner must make a written application to the Board which (i) requests an amendment to the Condominium Instruments; (ii) sets forth the proposed reallocation, if any, to the new units of the percentage interest in the Common Elements; and (iii) sets forth whether the Limited Common Elements, if any, previously assigned to the affected Unit(s) shall be reassigned. The subdivision or combination must be approved by a majority of the Board and will be effective only upon recording of an appropriate amendment to the Condominium Instruments and execution of appropriate documentation by the Unit Owner(s) involved. The requesting Unit Owner(s) shall pay, whether or not the subdivision or combination is approved, all costs of the Association and Board in connection therewith, including but not limited to, attorneys' fees, survey costs and recording charges.

Notwithstanding the foregoing, until such time as the Declarant no longer owns any Units, the Declarant may subdivide and combine Units and alter, expand, reconfigure or close Common Elements (collectively the "Declarant Modifications") without further consent of any other party and shall thereupon record an amendment to the Declaration reflecting any such Declarant Modifications. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, acting by or through its duly authorized officers, its successors, or its designee, and its agents, and each of them singly, as attorney-in-fact, to amend the Declaration, as described above, without notice to any Unit Owner. The delivery of each deed, mortgage or other instrument with respect to a Unit, and the acceptance thereof, shall be deemed a grant of such power to each of said attorneys-in-fact, and acknowledgment of and consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to amend the Declaration, as described above.

3.(c) Measurements

To the extent such data is available to the Declarant at the time this Declaration is recorded, the Plat sets forth the measurements, elevations, locations and other data, as required by the Act, with respect to (i) the Property and its exterior boundaries; (ii) every Building and each floor thereof; and (iii) each Unit in every Building and said Unit's horizontal and vertical dimensions. Declarant shall not be liable to any Unit Owner as a result of any discrepancies in actual Unit measurements from those set forth on the Plat, and each Unit Owner, by accepting a deed to a Unit, waives any such claim or cause of action against Declarant.

However, the Declarant hereby reserves unto itself the right, from time to time, as further data becomes available, to amend the Plat so as to set forth the measurements, elevations, locations and other data required by the Act, with respect to the Buildings and the Units now or hereafter constructed on the Property. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, acting by or through its duly authorized officers, its successors, or its designee, and its agents, and each of them singly, as attorney-in-fact, to amend the Plat, as described above, without notice to any Unit Owner. The delivery of each deed, mortgage or other instrument with respect to a Unit, and the acceptance thereof, shall be deemed a grant of such power to each of said attorneys-in-fact, and acknowledgment of and consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to amend the Plat, as described above.

3.(d) Structural Components

Except as constructed or altered by or with the permission of the Declarant or the Association, nothing shall be done in any Unit or in, on or to the Common Elements or Limited Common Elements which would impair the structural integrity, safety or soundness of the Buildings or which would structurally change the Buildings.

3.(e) Ownership Interest

The ownership interest of each Unit Owner shall consist of fee simple title to the Unit owned by such Unit Owner, an undivided interest in the Common Elements, and the right to use the Limited Common Elements allocated to that Unit.

3.(f) Transfer of a Unit

Any Unit Owner may, without restriction under this Declaration, except for the restrictions on leasing in subsection 3.(g) below, sell, give, devise, lease or otherwise transfer his or her Unit, or any interest therein. Written notice of any transfer under this subsection must be given to the Association within ten (10) days following consummation of such transfer.

3.(g) Leasing

3.(g)(i) Unit Owners

Any Unit Owner shall have the right to lease, or permit a subsequent sublease or assignment of all (but not less than all) of his or her Unit upon such terms and conditions as the Unit Owner may deem acceptable subject to this Declaration and any rules and regulations adopted by the Board, except that no Unit shall be leased, subleased or assigned for transient or hotel purposes, or for a period of less than six (6) months, nor shall any Unit be leased for more than two (2) years. Notwithstanding any other provision of this Section 3.(g), no Unit Owner shall lease his or her Unit if such lease shall cause the Condominium to fail to comply with the requirements of the Federal National Mortgage Association (FNMA).

Any lease, sublease or assignment of a Unit shall be in writing, a copy of which must be delivered to the Association within ten (10) days after execution, and shall provide that the lease, sublease or assignment set forth above shall be subject to the terms of this Declaration. The lease shall provide that any failure of the lessee, sublessee or assignee to comply with the terms of this Declaration shall be a default under the lease, sublease or assignment. Every such lease shall also expressly provide that the Association may exercise against the lessee thereunder any and all remedies available to the Association under this Declaration, including, but not limited to, the right to take possession of the Unit, or of the interest therein, or lease thereunder. In furtherance of the foregoing, each deed, lease, mortgage or other conveyance instrument with respect to a Unit, and the delivery and acceptance thereof, shall be deemed to assign, transfer and set over the Association and the Board, or either one of them ("Assignees") all interest of the lessor Unit Owner or any other lessor of said Unit, or interest therein, in any lease of such Unit, or any interest therein, or any extensions or renewals thereof, together with all rents payable under same and all benefits and advantages to be derived therefrom, to hold and receive same unto Assignees (together with all rights against any guarantors of the lessee's obligations under such lease) as security for the payment of any lien which may exist against such Unit, or any interest therein, for such Unit Owner's unpaid proportionate share of the Common Expenses, pursuant to this Declaration, in the performance by said Unit Owner of each and all of said Unit Owner's obligations under this Declaration. Any such lease of a Unit, or interest therein, shall contain and include such provisions in furtherance of said assignment as the Board may approve and deem prudent, from time to time, in order to effect such collateral assignment; provided,

however, that such assignment shall not be construed as constituting the Assignee thereunder as a trustee or mortgagee in possession.

In the event of a default by such Unit Owner under the terms and provisions of this Declaration, the Association and the Board, or either of them, may elect to exercise each and all of the rights and powers conferred upon them as Assignee by such assignment and to directly collect all rents and other amounts then due under such lease from the lessee thereunder; provided, however, that such amounts so collected, after deducting therefrom the expenses of operating such Unit and the expenses of such collection and enforcement, shall be applied on account of any such lien for unpaid Common Expenses. Any costs or expenses incurred in connection with the operation of such Unit or in connection with such collection and enforcement (including, without limitation, reasonable attorneys' fees) shall be a Common Expense and secured as set forth in this Declaration, and the defaulting Unit Owner shall reimburse the Association therefor immediately upon demand.

Notwithstanding anything hereinabove to the contrary, any such assignment of the lease of a Unit, or any interest herein, by a Unit Owner, as hereinabove described, shall be subordinate to any assignment of such lease which is recorded and attaches prior to the date such lien for unpaid Common Expenses and which is owned or held by any First Mortgagee, except for the amount of said proportionate share of such Common Expenses which becomes due and payable from and after the date on which such First Mortgagee either takes possession of the lessor's interest encumbered by such assignment, accepts a conveyance of any interest therein (other than as a security) or causes a receiver to be appointed in a suit to enforce such assignment. This provision shall not be amended or rescinded without the prior written consent of all such First Mortgagees who are the holders or owners of any such collateral assignments recorded prior to the date of such amendment or rescission.

The Unit Owners making any such lease, or permitting such sublease or assignment shall not be relieved thereby from any obligations under the Declaration.

3.(g)(ii) Declarant

Notwithstanding anything to the contrary in subsection 3.(g)(1) above, the Declarant may lease, sublease or assign any Units owned or controlled by it under such terms and conditions as it may deem acceptable.

3.(h) Use and Occupancy

3.(h)(i) General

Notwithstanding anything contained herein to the contrary, each Unit shall be allowed to be used (i) for residential purposes; (ii) as premises which are used by a professional or quasi-professional Occupant thereof as both a residence and a home office for professional pursuits which shall not be disruptive or violate the use, enjoyment and rights of other Owners. Except for those activities conducted in connection with a home office as set forth above or as

3.(h)(v) Nuisance

No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or Occupants. Fireworks are prohibited in any Unit and in the Common Elements, and firearms are prohibited in the Common Elements.

3.(i) Real Estate Taxes

It is understood that real estate taxes are to be separately taxed to each Unit Owner for his or her Unit and its corresponding percentage of ownership of the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner, then the Association shall collect from each Unit Owner of a Unit not separately taxed, the proportionate share of the tax bill attributable to each Unit based on the relative percentage of ownership of the Common Elements of each such Unit not separately taxed in proportion to the total percentage of ownership of the Common Elements of all of the Units located on property affected by such tax bill. Such taxes shall be considered a Common Expense of each such Unit.

4. DECLARANT RIGHTS

Pursuant to the Act, the Declarant reserves the following rights:

4.(a) Special Declarant Rights.The Declarant reserves the following rights, referred to as "Special Declarant Rights" under the Act:

4.(a)(i) To exercise any development right set forth in subsection 4.(b) below;

4.(a)(ii) To maintain Sales Offices and Models for Declarant's exclusive use, subject to the following limitations:

(i) no more than ten (10) Units owned by the Declarant may be used at any one time as Sales Offices and Models;

(ii) Sales Offices and Models may be located on any floor of the Condominium and may consist of multiple Units with the same floor plan or any combination of floor plans; and

(iii) Sales Offices and Models may be relocated at any time provided Declarant takes reasonable steps to minimize any disruption to the Unit Owners caused by such relocation.

- 4.(a)(iii) To maintain signs advertising the Condominium;
- 4.(a)(iv) To appoint or remove any officer of the Association or Board member, during the period of Declarant control described in Section 7(d) of this Declaration.
- 4.(b) Development Rights. The Declarant reserves the following development rights:
 - 4.(b)(i) To add real property or interests in real property to the Condominium, whether by purchase, lease, easement or otherwise; provided, that no such alterations will change the percentage interests in the Common Elements of any Units without the consent of the Unit Owners of such other Units and any additions of real property for purposes of creating additional Units shall comply with the Act and any requirements of the Federal National Mortgage Association (FNMA). The maximum number of Units that the Declarant reserves the right to create is 246;
 - 4.(b)(ii) To alter, subdivide, combine and convert any Units owned by Declarant, including by converting such Declarant-owned Units into Common Elements, and to make any amendments to this Declaration that results therefrom; and
 - 4.(b)(iii) To make changes or additional improvements to the Common Elements during any time when the Declarant owns a Unit.
- 4.(c) Time Limitations and Applicable Property

Unless sooner terminated by a recorded instrument signed by Declarant, any of the above Special Declarant Rights and development rights may be exercised by Declarant for the maximum period of time permitted by the Act and the applicable provisions of this Declaration. All such Special Declarant Rights and development rights apply to the Property as a whole, as described on Exhibit "A" attached hereto, unless limited to specific portions of the Property by the applicable provisions of this Declaration. Unless limited by this Declaration, any of the Special Declarant Rights and development rights may be exercised with respect to different portions of the Property at different times, and in any order. Declarant makes no assurances as to the timing or order of its exercise of any such rights, the boundaries of any portions of the Property affected, or whether its exercise of such rights with respect to one portion will require the exercise of such rights as to other portions or the Property as a whole.

5. THE COMMON ELEMENTS

5.(a) Description of Common Elements

The Common Elements shall consist of all portions of the Property, except the Units, and including the Limited Common Elements, unless otherwise expressly specified herein. The Common Elements include, without limitation and if applicable, any of the following items located on the Property: the walls, roof, hallways, breezeways, stairways, exterior windows, entrances and exits, security system for entry and exit (not including private security systems contained entirely within individual Units), mechanical equipment areas, storage areas, trash compaction system, grounds, walkways, mail boxes, master television antenna systems (whether leased or owned), if any, fire escapes, pipes, ducts, flues, shafts, electrical wiring and conduits (except pipes, ducts, flues, shafts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), central heating and ventilating systems servicing the Common Elements, public utility lines, structural parts of the Buildings, and all other portions of the Property except the individual Units. Structural columns located within the boundaries of a Unit shall be part of the Common Elements. Any references to "Common Elements" appearing on the Plat (except references to Limited Common Elements) shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way. The use of the Common Elements and the right of the Unit Owners with respect thereto shall be subject to and governed by the Act, the Condominium Instruments and the rules and regulations of the Association.

5.(b) Description of Limited Common Elements

The Limited Common Elements are parts of the Common Elements which serve exclusively a single Unit or less than all of the Units as an inseparable appurtenance thereto, as designated as such in this Declaration or the Plat, or which by the nature or location thereof, or by the terms of this Declaration, are clearly intended to be reserved exclusively for or for the use of one or more Units and not others. The Limited Common Elements appertaining to, or designated or reserved for or for the use of, or serving any Unit (alone in or in conjunction with other Units) are hereinafter from time to time referred to as the Limited Common Elements of such Unit. The Limited Common Elements shall include, but shall not be limited to, the interior surface of the perimeter walls, ceilings and floors which define the boundary planes of a Unit.

5.(c) Structural Components

Except as a tenant in common with all other Unit Owners, no Unit Owner shall own any structural components of the Buildings, including structural columns or pipes, ducts, flues, shafts, electrical wiring, conduits, or public utility lines running through his or her Unit and forming a part of any system serving more than his or her Unit, or any cable components of communication systems, if any, located in his or her Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit. All pipes, ducts, flues, shafts, electrical wiring, conduits, utility lines (to the outlets), chutes, and structural components located in or running through a Unit and serving more than one Unit or serving, or extending

into, the Common Elements shall not be deemed to be Limited Common Elements. No Unit Owner may take any action which would interfere with the ability of the Association to repair, replace or maintain said Common Elements as provided herein.

5.(d) Percentage of Ownership

Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit "C" attached hereto. The percentages of ownership interests set forth in Exhibit "C" have been computed and determined in accordance with the Act, and shall remain constant and shall not be changed, except as specifically permitted under the Act or the Declaration, without unanimous written consent of all Unit Owners and all Mortgagees having bona fide liens of record against any of the Unit Ownerships. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The formula for determining the undivided interests in the Common Elements and each Unit Owner's share of the Common Expenses is a proportional allocation based on the relative square footage of each Unit divided by the total square footage of all the Units. The ownership of each Unit shall not be conveyed separately from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall always be deemed conveyed or encumbered with any conveyance or encumbrance of that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

5.(e) Garage Spaces and Parking Spaces

The Parking Spaces are Common Elements which may be assigned and reassigned from time to time for the use of the Unit Owners to whom they are assigned by the Association or any Manager appointed by the Board.

Declarant shall have the right to sell and assign to a Unit or Units the right to use one or more Garage Spaces for such consideration as Declarant shall determine from time to time. Garage Spaces shall be Limited Common Elements for the exclusive use of the Unit Owner or Occupant of the Unit to which they are assigned of record by the Declarant. Such assignment shall not be recorded in the Public Records of the county but rather shall be made by way of instrument placed of record in the official records of the Association.

Once the right to use such Garage Spaces has been assigned by the Declarant, such Garage Spaces, being Limited Common Elements, shall be perpetually appurtenant to the Unit to which they are assigned, except as provided herein for transfers among Unit Owners. Any conveyance of any Unit shall be deemed to convey also the right to use such Garage Spaces even though made without specifically or particularly referring to the same. A Unit Owner may lease or assign and transfer his or her exclusive right to use a Garage Space which is appurtenant to his or her Unit but only to another Unit Owner, and such lease, transfer or assignment may be made for a term or perpetually as such Unit Owners may agree between them. In the event of any such

assignment or transfer, the Unit Owners involved shall cause an appropriate instrument of transfer to be prepared and executed by such Unit Owners, which instrument shall be joined in by an officer of the Association and shall be prepared at the expense of the reallocating Unit Owners. Such instrument of transfer shall recite the term of any assignment or transfer between the Unit Owners and shall designate the Garage Spaces, the exclusive use of which was assigned or transferred.

No Parking Space or Garage Space shall be used for any purpose other than the parking of automobiles, motorcycles, and bicycles, although automobiles, motorcycles, and bicycles in good working order may be stored in the Garage Spaces. Doors to the Garage Spaces shall remain closed at all times except when entering or exiting a Garage Space. No Unit Owner or Occupant shall interfere in any manner with ready access to and from any Garage Space and no vehicle may be parked, even temporarily, in front of any Garage Space. The Manager or Association may cause any improperly parked vehicle to be towed or otherwise removed from the Property at the expense of the vehicle's Unit Owner and shall not be liable for any damage to the vehicle resulting from such action.

5.(f) Balconies, HVAC Units and Hot Water Heaters

Any balcony structure contiguous to and serving exclusively a single Unit or adjoining Units shall be a Limited Common Element serving said Unit or Units, subject to such rules and regulations as the Board may prescribe. The balconies serving Units shall not be used for the storage of personalty or equipment of any kind. Carpeting or other covering for balcony surfaces may be installed or modified only if expressly permitted by rules adopted by the Board, and shall thereafter be maintained as required by the Board at the sole expense of the Unit Owner making such installation. The cost of maintenance, repair and replacement of the balcony structure shall be a Common Expense.

All heating and air conditioning systems (including without limitation, air conditioning compressors) and all mechanical elements related thereto and all hot water heaters which serve exclusively a single Unit shall be personal property of the Unit Owner of said Unit, subject to such rules and regulations as the Board may prescribe. The cost of use, maintenance, repair and replacement of said heating and air conditioning systems and hot water heaters shall be paid by the Unit Owner. The Unit Owner shall be responsible for any and all damages to the Common Elements or other Units caused by any component of his or her heating and air conditioning systems and hot water heaters.

5.(g) Use and Occupancy of Common Elements and Limited Common Elements

Each Unit Owner and Occupant shall have the right to (i) the exclusive use and possession of the Limited Common Elements serving exclusively the Unit(s) of such Unit Owner(s), which right shall be appurtenant to and shall run with title to such Unit(s), and shall not be separated from such Unit(s), and (ii) the use and possession of the Limited Common Elements serving the Unit(s) of such Unit Owner(s) in common with one or more (but not all) other Units, which use and possession shall be to the exclusion of all other persons except the

Unit Owner of any such other Unit to which such Limited Common Elements shall respectively appertain. Each Unit Owner shall be obligated to maintain his or her own Unit and the Limited Common Elements appurtenant thereto in good, clean order and repair. No Unit Owner shall overload the electric wiring or plumbing systems in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. No Unit Owner shall overload the floors of any Unit, the Common Elements or the Limited Common Elements. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Association except as herein expressly provided.

5.(h) Cleanliness of Common Elements

No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

5.(i) Storage in Common Elements

No benches, chairs or other personal property shall be left on, nor shall any playing, lounging, parking of baby carriages, playpens, bicycles, wagons, toys or vehicles be permitted on, any part of the Common Elements without the prior consent of, and subject to any regulations of, the Association.

5.(j) Modification of Common Elements and Limited Common Elements

Nothing shall be altered or constructed in or removed from the Common Elements or Limited Common Elements except as (i) constructed, altered or removed by or with the permission of the Declarant at any time prior to the first annual meeting of the Unit Owners, or (ii) with the written consent of the Association thereafter.

5.(k) Unit Security Systems

If a Unit contains a security system, that system is the personal property of the Unit Owner. Each Unit Owner must provide the managing agent for the Condominium and the Association with the security code therefor. The managing agent for the Condominium and the Association shall not be responsible for any charges incurred in connection with the use or operation of the security systems. Declarant and the Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. Declarant, the Association, and their respective directors, officers, committees, members, agents and employees, shall not in any way be considered an insurer or guarantor of security within the Condominium, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Unit Owner, Occupant, guest, and invitee on the Condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit and Garage Space, if any, and to any other of his or her property on the Condominium. The Association expressly disclaims and disavows any and all

representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.

6. EASEMENTS AND ENFORCEMENTS

6.(a) Recorded Easements

Recorded easements and licenses to which the Condominium is currently subject are set forth on Exhibit "D" attached hereto. The Condominium is also subject to the easements described in subsections (b), (c), (d), (e), (f) and (j) of this Section 6.

6.(b) Encroachments

If any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements, or any portion of any Unit encroaches upon any part of any other Unit as a result of the renovation, repair, reconstruction, settlement or shifting of the Building, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit or Common Elements so encroaching so long as all or any part of the Building containing such Unit or Common Element so encroaching shall remain standing; provided, however, that after the date this Declaration is recorded, a valid easement for any encroachment shall in no event be created in favor of any owner of a Unit other than the Declarant or in favor of the owners of the Common Elements if such encroachment occurred due to the intentional or willful conduct of said owner(s) or their agent(s).

6.(c) Utility Easements

Easements are hereby declared and granted for utility purposes, including the right to install, lay, construct, maintain, operate, renew, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires, receiving dishes and equipment, and electrical conduits, wires and equipment over, under, along and on any part of the Common Elements for the purpose of providing the Property with such services, as may exist on the date any Property is submitted to the Act.

6.(d) Cable Easements

Easements are hereby declared and granted to the Declarant and the Association on the roofs and alongside the perimeter of the Units for purposes of installing receiving dishes for cable reception and the like.

6.(e) Easement of Enjoyment

A non-exclusive easement of enjoyment is hereby declared and granted to each Unit Owner in and to the Common Elements.

6.(f) Easement of Access.

Each Unit shall have, and each Unit shall be subject to, a perpetual easement for the use and maintenance of all rights of ingress and egress along driveways, walkways, stairways, lobbies, hallways, and corridors providing access to such Unit and to the Parking Area.

6.(g) Streets and Utilities

Upon approval by at least 66-2/3% of the Unit Owners, portions of the Common Elements (excluding any Limited Common Elements) may be dedicated to a public body for purposes of streets or utilities. Where such a dedication is made, nothing in the Act or any other law shall be construed to require that real property taxes of every Unit must be paid prior to recordation of the dedication. Any action pursuant to this subsection (f) of Section 6 must be taken at a meeting of Unit Owners duly called for that purpose.

6.(h) Easements Appurtenant

All easements and rights described herein are easements appurtenant, running with the Property, and shall inure to the benefit of and be binding on the Declarant, its successors and assigns, and any Unit Owner, purchaser, Mortgagee and other person having an interest in said Property, or any part or portion thereof.

6.(i) Incorporation of Easements

Reference in the respective deeds of conveyance, or in any Mortgage or deed of trust or other evidence of obligation, to this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

6.(j) Declarant Easements

The right of the Unit Owners to use and possess the Common Elements as set forth herein shall be subject to a blanket easement over the Common Elements in favor of the Declarant, and its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns, for the purpose of (i) access and ingress to and egress from the Common Elements or any part thereof, (ii) construction, installation, repair, replacement and restoration of utilities, buildings, landscaping and any other improvements on the Property or any part thereof, (iii) the installation and maintenance of signs advertising the Units on the Property, or any part thereof, and signs directing potential purchasers to the Sales Office and Models erected in connection with such Units, (iv) using and showing the Models and Sales Office or for such other purposes deemed necessary or desirable in connection with such construction, leasing, marketing, sales, or

brokerage, (v) setting up, staffing and maintaining marketing materials and tables in the Common Elements and using the Common Elements for special events, (vi) posting and maintaining such signs and lighting on the Property as are deemed necessary or desirable in connection with (iv) and (v) above, and (vii) using the office of the Buildings for management of the Buildings, construction activities at the Buildings and sales or leasing activity concerning the Buildings. Until all the Units are sold and conveyed, the Declarant shall be entitled to such access, ingress and egress to the Property as it shall deem necessary in connection with the sale of, or work in, the Buildings or any Unit. Declarant shall have a blanket easement over the Common Elements for its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns for purposes of access and ingress to and egress from said Common Elements, and for purposes of marketing, sales, brokerage, construction, installation, repair, replacement and restoration of utilities, driveways, buildings, landscaping and any other improvements on said Common Elements until Declarant is no longer a Unit Owner. The foregoing easement shall be deemed and taken to be a covenant running with the land.

7. THE ASSOCIATION

7.(a) Incorporation

The Declarant has caused the formation of a Texas not-for-profit corporation for the purposes of facilitating the administration and operation of the Property and to act as the Association.

7.(b) Miscellaneous

7.(b)(i) Membership. Each Unit Owner shall be a member of such Association, which membership shall terminate upon the sale or other disposition by such member of his or her Unit, at which time the new Unit Owner shall automatically become a member therein;

7.(b)(ii) Voting. Each Unit Owner shall have the number of votes in the Association equal to his or her percentage ownership interest in the Common Elements, as set forth on Exhibit "C".

7.(b)(iii) By-Laws. The initial By-Laws of the Association shall be adopted by the initial Board and may be amended thereafter as provided in the Act;

7.(b)(iv) Name. The name of such Association shall be City Plaza Owners Association, Inc.

7.(c) Board's Determination Binding

In the event of any dispute or disagreement between any Unit Owners relating to the Property or any question of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

7.(d) Period of Declarant Control

Notwithstanding anything herein to the contrary, until one hundred twenty (120) days after the sale of seventy-five percent (75%) of the Units to persons other than the Declarant the Declarant shall appoint and remove the Manager, all officers of the Association and all members of the Board. If the Declarant voluntarily surrenders such appointment and removal power before termination of the 120-day period described above, the Declarant may require, for the duration of such one hundred twenty (120) day period, that specified actions of the Association or the Board be approved by the Declarant before they become effective. Notwithstanding the foregoing, within one hundred twenty (120) days after the sale of fifty percent (50%) of the Units to persons other than the Declarant, one-third of the members of the Board shall be elected by Unit Owners other than the Declarant, at a regular or special meeting of the Association. In no event shall the period of Declarant control described in this paragraph extend beyond three (3) years after the first conveyance of a Unit to a person other than the Declarant, at which time such period of control shall automatically expire. After the expiration of the Declarant's appointment and removal power pursuant to this paragraph, the first annual meeting of the Association shall be held at which time the then officers and Board shall resign and a new Board shall be elected. The new Board shall elect new officers of the Association within thirty (30) days after the expiration of the period of Declarant control.

8. **MAINTENANCE, ALTERATION AND IMPROVEMENTS**

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

8.(a) Maintenance of Units and Common Elements Adjacent or Contiguous To, or Between, Units.

8.(a)(i) By the Association. The Association shall maintain, repair and replace, as a Common Expense of the Association:

8.(a)(i)(1) All portions of the Common Elements and Limited Common Elements adjacent or contiguous to a Unit, or between or within Units, contributing to the support of the Building, which portions shall include but not be limited to the outside walls of the Building and all fixtures on the exterior thereof, boundary walls of Units, floor and ceiling slabs, load-bearing columns, interior wall studs, and load-bearing walls.

- 8.(a)(i)(2) All conduits, vents, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions described in Subsection 8.(a)(i)(1) above; and all of such facilities contained within a Unit which service part or parts of the Condominium, other than the Unit within which contained.
- 8.(a)(i)(3) All exterior windows and exterior Unit doors.
- 8.(a)(i)(4) The Parking Area, including without limitation, the exterior of the Garage Spaces which shall be maintained in a manner consistent with the Buildings, but excluding the interior of the Garage Spaces.
- 8.(a)(i)(5) Right of Access. A Unit Owner shall grant a right of access to the Unit and any Limited Common Elements such as the balcony of a Unit and Garage Spaces to the Association's officers and agents, the Board, the Manager and/or any other person authorized by the Board or the Manager and shall provide the Association a copy of the keys to the Unit and Garage Space, for the purpose of making inspections, including inspections for structural damage, or for the purpose of removing violations noted or issued by any governmental authority against the Common Elements, the Limited Common Elements or any other part of the Property, or for the purpose of correcting any conditions originating in such Unit and threatening another Unit or all or any part of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements within such Unit or elsewhere in any Building, or for the purpose of reading, maintaining or replacing utility meters or sub-meters relating to the Common Elements, such Unit or any other Unit in the Buildings or to correct any condition which violates the provisions of any Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit. Any damage caused by such entry shall be repaired by the Association and charged as a Common Expense. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

A Unit Owner shall grant a right of access to the Unit Owner's Unit, and the Board shall grant a right of access to the Common Elements, to the Declarant and its contractors, subcontractors, agents and employees, for the purposes of completing construction of improvements to the Buildings in accordance with the plans and specifications thereof; provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of Units.

- 8.(a)(i)(6) Declarant and the Association shall not be liable for any special, consequential or indirect damages in connection with maintenance of the Common Elements.

- 8.(a)(ii) By Each Unit Owner. The responsibilities and obligations of a Unit Owner shall be as follows:

- 8.(a)(ii)(1) Each Unit Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceiling, floor and doors bounding such Unit Owner's Unit at the Unit Owner's expense. Decorative wall items such as lights, shelves and art work may be affixed to or installed on the interior walls, floor, doors and ceiling of any Unit which are Limited Common Elements without prior approval of the Association provided such affixation or installation is done in a good and workmanlike manner. Except for such affixation or installation of decorative wall items, no Unit Owner shall make any alterations to, or that affect, any of the Common Elements (including windows and doors which are Limited Common Elements) nor install any article therein without the prior approval of the Association. The exterior of all draperies, window shades, curtains, or other window coverings shall be neutral in color and subject to the rules and regulations of the Association.

- 8.(a)(ii)(2) A Unit Owner shall repair, replace and maintain in good, clean repair and condition at his or her sole expense (i) the Fixtures (as hereinafter defined) within the Unit Owner's Unit; (ii) the finished interior surfaces of perimeter walls, interior walls, ceiling and floor of the Unit, including, but not limited to, such materials as lath, furring, drywall, wallboard, plasterboard, plaster, paneling, wallpaper, paint, wall and floor tile and flooring (but not including the

subflooring); (iii) any Solar-X material on the interior surface of all exterior windows, and any glass in doors or interior windows facing the hallway; (iv) the space, enclosed by the balcony or patio, including the floor or carpeting or other floor coverings, as the case may be (with the structure enclosing the balcony or patio to be maintained by the Association as a Limited Common Element); (v) the interior of any Garage Space assigned to the Unit; and (vi) the air handler mechanical unit and air conditioning compressor for the Unit. The interior surfaces of all exterior windows and the exterior surfaces of windows and doors on balconies which are Limited Common Elements shall be cleaned or washed by the Unit Owner thereof. The repair, replacement and maintenance required by this paragraph of these areas or surfaces which are exposed to public view shall be done in a manner consistent with the decor of the Condominium and shall be subject to the control and direction of the Association. No Unit Owner shall disturb or relocate any Utilities (as hereinafter defined) running through a Unit.

8.(a)(ii)(2)(a) "Utilities," as used herein, means all lines, pipes, wires, conduits or systems located within the walls, floors or ceilings of a Unit which are a part of the Common Elements.

8.(a)(ii)(2)(b) "Fixtures," as used herein, means the personal property, appliances, machinery and equipment installed in, on or within, or affixed to, a wall, ceiling or floor of, a Unit commencing at the point where such items connect with the Utilities, including, but not limited to, all light fixtures, plumbing appliances (such as but not limited to faucets, water valves, shower heads, tubs, sinks and drain taps within a Unit), electrical wall switches or outlets, common TV antenna outlet, air conditioning vents, range, oven, dishwasher, disposal, vented hood over kitchen sink, if any, refrigerator and the like.

8.(a)(ii)(3) No Unit Owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of their Unit, any balcony or patio to their Unit, except as provided in

Subsection 5(f), or of the Buildings, including windows and exterior doors of the Unit.

8.(a)(ii)(4) All Unit Owners shall promptly report to the Board any defect or need for repairs that are the responsibility of the Association under this Section 8.

8.(a)(ii)(5) Construction work on the interior of any Unit must be in compliance with such Construction Rules as the Board may approve from time to time. Any replacement of carpet with hardwood floors must be done in such a manner as to ensure proper sound buffering is achieved.

8.(a)(iii) Required Maintenance of Individual Units – Special Assessments.

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

8.(a)(iv) Costs Expended for Individual Units

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

8.(a)(v) Special Services for Individual Units Prohibited

Nothing herein shall authorize the Board to furnish to any person services primarily for the benefit or convenience of any Unit Owner or Unit Owners, or any Occupant or Occupants, of any Unit other than services which may be customarily available, with or without charges therefor, to all Units.

8.(b) Common Elements, General.

- 8.(b)(i) By the Association. The maintenance and operation of the Common Elements and Limited Common Elements shall be the responsibility and the Common Expense of the Association, except where maintenance and repairs of Limited Common Elements are specifically assigned to a Unit Owner or Unit by this Declaration or the rules and regulations governing the Condominium.
- 8.(b)(ii) By Declarant. The Declarant shall have the right to alter the Common Elements to the extent described in Section 4.

9. ASSESSMENTS

9.(a) Definition

For purposes of this Declaration, “assessments” means any regular or special assessment (including annual assessments, defined below), dues, fees, charges, interest, late fees, fines, collection costs, attorneys’ fees, and any other amount due to the Association by a Unit Owner or levied against a Unit by the Association, all of which are enforceable as assessments under this Declaration and the Act.

9.(b) Obligation to Pay

All Unit Owners are bound to contribute, in proportion to their percentage of ownership , as set out on Exhibit “C”, to the payment of Common Expenses covering the expenses of administration of the Condominium and the administration, maintenance, repair and replacement of the Common Elements, and other expenses authorized by the terms hereof. No Unit Owner shall be exempt from the obligation to make such contribution by waiver of the use of enjoyment of the Common Elements or by abandonment of such Unit Owner’s Unit, or under any other circumstances.

9.(c) Determination of Common Expenses and Common Expense Liability

The Declarant, initially, and thereafter the Board, shall from time to time, and at least annually, prepare an annual budget for the Condominium, fixing and determining the amount of assessments payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Expenses among the Unit Owners in proportion to their percentage ownership interest in the Common Elements, as set out on Exhibit “C”.

9.(c)(i) Common Expenses shall include, but not be limited to:

- 9.(c)(i)(1) Expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements;

- 9.(c)(i)(2) Cost of carrying out the powers and duties of the Association;
 - 9.(c)(i)(3) All insurance premiums and expenses relating thereto, including fire insurance and any other expenses designated as Common Expenses from time to time by the Board;
 - 9.(c)(i)(4) Utility expenses for the Common Elements, and utility expenses for Limited Common Elements that are not separately metered; and
 - 9.(c)(i)(5) Any costs to use, lease, operate, maintain or repair the Parking Area, Sales Office and Models.
- 9.(c)(ii) The Common Expenses for repair and replacement of any of the garage structures containing the Garage Spaces shall be assessed equally against each of the Units which have been assigned a Garage Space in that garage structure subject to Section 13(a) hereof. Any Unit Owner who is assigned the right to use a Garage Space shall pay the Association a maintenance assessment for each Garage Space assigned to the Unit Owner in an amount equal to (a) until January 1, 2003, the maximum annual maintenance assessment for each Garage Space shall be \$150.00 per annum, payable in equal monthly installments, and (b) from and after January 1, 2003, the maximum annual assessment may be increased, effective January 1 of each year, without a vote of the Unit Owners, by an amount not to exceed the percentage increase in the annual budget of the Association for such year over the prior year's annual budget, and shall be payable in equal monthly installments.
- 9.(c)(iii) The Board may also include, as Common Expenses, an amount for working capital for the Association, amounts necessary to make up any deficit in the Common Expenses for a prior year, and such amounts as may be necessary to effect any other purpose or requirement of this Declaration, including the purchase of additional equipment or services. The Board shall establish an initial working capital fund from funds collected from each Unit Owner at the time of closing of the sale of a Unit by the Declarant in an amount equal to two (2) full months of assessments against the Unit for Common Expenses based on the annual budget adopted by the Association. Amounts in the initial working capital fund shall not be considered advance payments for regular assessments. The Declarant may pay any budget deficit during the

period of Declarant control in lieu of paying assessments on the Units that it owns, in accordance with the Act.

9.(c)(iv) The Board may establish an adequate reserve fund for replacement of Common Element components and Limited Common Elements that the Association is obligated to maintain (including amounts for deductibles in property insurance policies), to be a part of the Common Expenses and paid as part of the assessments. Without the prior approval by majority vote of the Unit Owners (or such greater vote as may be required by law), no part of such reserve fund may be spent for normal operating expenses.

9.(c)(v) The Board shall promptly advise all Unit Owners in writing of the amount of the assessment payable by each of them, respectively, as determined by the Board, or Declarant, as aforesaid, and shall furnish copies of the budget on which such assessment is based to all Unit Owners.

If the allocation and assessment of Common Expenses to the Unit Owner or Unit Owners of each respective Unit (hereinafter referred to as the "annual assessment") proves inadequate for any reason, including nonpayment of any Unit Owner's annual assessment, or in the event of casualty losses, condemnation losses or other events which require additional funds to be supplied for preservation, repair, replacement, rebuilding or restoration of the Condominium, the Board shall have the authority at any time and from time to time to levy a special assessment as it shall deem necessary for such purposes against each of the Unit Owners in accordance with their percentage interest in the Common Elements, except as otherwise expressly provided herein.

9.(d) Payment of Assessments

The aggregate of the annual assessment made by the Board and allocated and assessed to the Unit Owner or Unit Owners of each Unit shall be payable in twelve (12) equal monthly installments following the date of the last determination or amendment of assessments by the Board, prorated to the date of conveyance of a Unit. Assessments against all Units shall begin on a date determined by the initial Board, and no later than sixty (60) days after the first conveyance of a Unit to a person other than the Declarant; but in lieu of such assessments during the period of Declarant control Declarant shall have the option of paying any deficit between operational expenses of the Association and assessments paid by Unit Owners other than Declarant, in accordance with the Act. Such payments shall be due and payable in advance on the first day of each month. If, at any time, a Unit Owner is in arrears more than fifteen (15) days with respect to the payment of two (2) monthly installments, the Board may, at its option, accelerate the due date of the remaining unpaid monthly installments and declare said sums

immediately due and payable and give notice of such action to such Unit Owner. From and after the date of such notice, the Board may enforce the payment of any such sums determined to be due as in the case of any other assessment. Special assessments shall be payable on or before ten (10) days after Unit Owners are invoiced therefor.

The failure or delay of the Declarant or Board to prepare any annual budget or to deliver copies of such budgets to each Unit Owner shall not constitute a waiver or release in any manner of any Unit Owner's obligation to pay Common Expenses as assessed and, in the event of any delay or failure to establish any annual budget, each Unit Owner shall continue to pay the Common Expenses, monthly, at the rate established for the previous period.

9.(e) Interest on Unpaid Assessments

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

9.(f) Unpaid Assessments: Liens, Penalties and Methods of Collection

9.(f)(i) All assessments are a personal obligation of the Unit Owner charged, and shall not pass to successors in title unless expressly assumed. The Association shall have a lien on a Unit for any unpaid assessments against the Unit Owners of such Unit, together with interest thereon and reasonable attorneys' fees incurred in collection of same and the enforcement of said lien. Such lien shall include all rents and insurance proceeds received by such Unit Owners and relating to such Unit. All such liens shall be subordinate and inferior to the purchase money lien (vendor's or deed of trust or both) of a first mortgage or to the lien of a Mortgagee for improvements to a Unit if such first mortgage lien or lien for improvements was recorded before the date on which the unpaid assessment becomes delinquent. The Board shall take such action as it deems necessary to collect assessments and may settle and compromise the same if it is in the best interest of the Association. Said liens shall be effective as and in the manner provided for by the Act and shall have the priorities established by said Act.

9.(f)(ii) The Board may bring an action at law against the Unit Owner personally obligated to pay an assessment or foreclose the lien against the Unit, or both, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Unit Owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Unit Owner personally for the collection of such assessments as a debt and to enforce the

aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to the Texas Property Code, and such Unit Owner hereby expressly grants to the Board a power of sale in connection with said lien. The Board may designate a trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by an instrument in writing signed by the President or a Vice-President of the Association and filed for record in the Official Public Records of Real Property of the County in which the Condominium is located. The lien provided for in this section shall be in favor of the Association for the common benefit of all Unit Owners. In the event that the Board has decided to foreclose the lien provided herein for the nonpayment of assessments by any Unit Owner, the Board shall mail to such Unit Owner or Unit Owners and the Mortgagee of the Unit for which the assessment has not been paid a copy of the Notice of Trustee's Sale no less than twenty-one (21) days prior to the date on which said sale is scheduled by posting same through the U.S. Postal Service, postage prepaid, certified or registered, return receipt requested, properly addressed to such Unit Owner or Unit Owners at their last known address according to the records of the Board.

- 9.(f)(iii) At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of its lien, together with interest, costs and attorneys' fees, and to apply as a cash credit against its bid all sums due the Association covered by the lien foreclosed. Any amount bid by the Association shall be a Common Expense of the Association. From and after any such foreclosure the occupants of such Unit shall be required to pay a reasonable rent for the use of the Unit and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect same, and, further, shall be entitled to sue for recovery of possession of the Unit premises at forcible detainer without the necessity of giving any notice to the former Unit Owner or Unit Owners or any occupants of the Unit sold at foreclosure.
- 9.(f)(iv) The Association may also, at its option, accept a deed in lieu of foreclosure, or sue to recover a money judgment for unpaid assessments, without thereby waiving the lien securing the same.
- 9.(f)(v) A foreclosure of the Association's lien for unpaid assessments shall not affect, in any way, a valid lien of any First Mortgagee on any Unit sold at such foreclosure, whether the instruments creating

such lien were recorded before or after the time at which the lien for assessments became fixed.

- 9.(f)(vi) In addition to, and cumulative with, any other remedy provided herein, in the case of failure of any Unit Owner to pay any assessment due or comply with the terms and provisions of the Declaration, the Bylaws or any rules and regulations of the Association, the Board may suspend the voting rights of any Unit Owner (i) for any period after such Unit Owner has been delinquent in the payment of assessments due the Association for more than thirty (30) days, (ii) for any period during which such Unit Owner shall remain in default of any other obligation herein provided, and (iii) for any period not to exceed thirty (30) days for a single infraction of the By-laws or any rules and regulations of the Association, or both; provided, however, except for failure to pay assessments, no such suspension shall be effected until the Unit Owner shall have been given the opportunity to present evidence on the Unit Owner's behalf at a hearing before the Board or a committee designated by the Board, and no such hearing shall be held until the Unit Owner shall have received at least ten (10) days' written notice specifying the nature of the alleged default and the exact time and place of the hearing.
- 9.(f)(vii) Assessments involving a charge for property damage or a fine for violation of this Declaration, the By-laws or any rules and regulations of the Association shall involve the following notice procedure:
- 9.(f)(vii)(1) The Association shall give the Unit Owner of the affected Unit a written notice that:
- 9.(f)(vii)(1)(a) describes the violation or property damage and states the amount of the proposed fine or damage charge;
- 9.(f)(vii)(1)(b) states that not later than the thirtieth (30th) day after the date of the notice, the Unit Owner may request a hearing before the Board to contest the fine or damage charge; and
- 9.(f)(vii)(1)(c) allows the Unit Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Unit Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

- 9.(f)(vii)(2) After levying the fine or damage charge, the Association shall give notice of the fine or damage charge to the Unit Owner not later than the thirtieth (30th) day after the date of levy.
- 9.(f)(vii)(3) The Association may give a copy of the notices required by this Section 9(f) to any Occupant of the affected Unit.
- 9.(f)(viii) Notwithstanding anything herein to the contrary, the Association may not foreclose a lien for assessments consisting solely of fines for violation of this Declaration, the By-laws or any rules and regulations of the Association, unless such foreclosure is permitted by applicable law. Foreclosure shall be permitted for any assessments that include fines in addition to other types of assessments.

9.(g) Liability of Purchaser for Unpaid Assessments.

- 9.(g)(i) Where a First Mortgagee of record or other purchaser of a Unit obtains title thereto as a result of foreclosure of said First Mortgage, or where said First Mortgagee accepts a deed or assignment to said Unit in lieu of foreclosure, such acquirer of the title and its heirs, successors, legal representatives and assigns, shall not be liable for the assessments pertaining to such Unit or chargeable to the former Unit Owner of such Unit which became due prior to acquisition of title thereto in the manner set out above. Such foreclosure shall cut off and extinguish the lien of the Association securing assessments which became due and payable prior to acquisition of title by such First Mortgagee. However, no such foreclosure shall free such Unit from the lien securing assessments thereafter becoming due and payable; nor shall the personal obligation of the former Unit Owner of such Unit for unpaid assessments be extinguished by any foreclosure.
- 9.(g)(ii) Upon the sale or conveyance of a Unit, except through foreclosure of a first or second Mortgage of record or the giving of a deed in lieu of foreclosure, as specifically provided in the immediately preceding paragraph, all unpaid assessments against a Unit Owner shall first be paid out of the sale price, as provided in the Act; provided, however, that if such unpaid assessments are not paid or collected at the time of a sale or conveyance of a Unit, the grantee of the Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the selling

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

- 9.(g)(iii) The provisions of this part of the Declaration shall be cumulative with the rights of the Association set out in the Act.

9.(h) Assessment for Utility Service

The Association shall arrange for utility services for the Condominium, including Common Elements and all Units. The service centrally metered shall be a part of the Common Expense payable as in the case of other expenses; except that any such service individually sub-metered to each Unit shall be paid by the Unit Owner of such Unit based upon the amount of usage reflected by such sub-meter as a pro rata amount of the charges based on the central master meter (if such usage is measured by a sub-meter).

9.(i) Assessments in Case of Claims Against Common Elements

The Board shall also pay any amount necessary to discharge any lien or encumbrance claimed or levied against the Property or any part thereof which may, in the opinion of the Board, constitute a lien against the Common Elements, rather than merely against the interests therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the amount required to discharge it; and any costs incurred by the Board by reason of any such lien shall be specially assessed to said Unit Owners and the payment of any such sums assessed shall be secured by the lien provided above and may be enforced as in the case of assessments for Common Expenses.

10. INSURANCE AND CONDEMNATION

Insurance, other than such title insurance as may be issued to a Unit Owner upon his or her respective Units and appurtenant interests in the general Common Elements, shall be governed by the following to the extent policies containing such provisions and affording such coverages are reasonably available and the premiums therefor are not found by the Board to be an unnecessary economic burden.

10.(a) General.

- 10.(a)(i) All insurance policies on the Property purchased by the Board shall be for the benefit of the Unit Owners and their respective Mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of Mortgagee endorsement to the Mortgagees of Unit Owners. Such policies shall be payable to the Board as trustee for the Unit Owners and Mortgagees, as their interests may appear, and such policies and endorsements thereon shall be deposited with the Board.
- 10.(a)(ii) Any hazard policy acquired by the Board shall provide that if, at the time of loss, there is other insurance in the name of a Unit Owner covering the same property covered by the policy acquired by the Board, the insurance coverage afforded by the policy acquired by the Board shall be primary and not contributing with such other insurance. In no event shall the insurance coverage obtained and maintained be brought into contribution with insurance purchased by the Unit Owners of the condominium Units or their Mortgagees.
- 10.(a)(iii) All policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Occupants or Unit Owners when such act or neglect is not within the control of the Association or Unit Owners (collectively); or (ii) by failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association or Unit Owners (collectively) have no control.
- 10.(a)(iv) All policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to any and all insured named thereon and to all First Mortgagees and Mortgage share loans.
- 10.(a)(v) All such policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Unit Owner of any Unit and/or his or her respective agents, employees or tenants, and waivers of any defenses based upon co-insurance or other insurance or upon invalidity arising from the acts of the insured and of pro rata reduction of liability.
- 10.(a)(vi) If available, all policies of property insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making the cash

settlement, such option shall not be exercisable without the prior written approval of the Association.

- 10.(a)(vii) Notwithstanding any other provision of this Section 10, all insurance policies shall comply with the requirements, if any, for such policies prescribed by FNMA.

10.(b) Coverage.

- 10.(b)(i) Casualty. The Condominium (including the Buildings, the Parking Area, and all easements owned by the Condominium, and all of the Common Elements, Limited Common Elements and Units therein and the improvements, including fixtures, installations or additions, of each Unit initially installed therein or sold by the Declarant, but not including improvements, fixtures, furniture, furnishings or other personal property supplied by Unit Owners or tenants of Unit Owners) and all other improvements upon the Property and all personal property owned by the Condominium and included in the Common Elements shall be insured under a "master" or "blanket" type of policy, in an amount equal to not less than one hundred percent (100%) of the insurable "replacement cost," exclusive of land, foundations, excavation and other items normally excluded from coverage. The Board is authorized, but not required, to include in the master casualty policy, as a Common Expense, insurance covering damage to or loss of fixtures, installations or additions within Units, as initially installed by or at the expense of the Unit Owner, or replacements thereof, and other personal property within Units; provided that such additional coverage shall be required for full replacement cost of all such items if any Units are financed by Mortgages that are purchased or securitized by FNMA. Such coverage shall afford protection against: (1) loss or damage by fire and other hazards covered by standard extended coverage policies, and debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage (excluding flood waters); and (2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Building on the Property, including those covered by the standard "all risk" endorsement or "broad form" covered causes of loss.

The casualty policy must be written by an insurance carrier that has an acceptable rating from the A. M. Best Company, Demotech, Inc., or Standard and Poor's, Inc., or is covered by reinsurance with a company meeting the ratings specified by FNMA. The maximum deductible amount on any casualty policy

shall be the lesser of the deductible amount specified by FNMA or the usual and customary deductible on casualty policies covering projects similar in construction, location and use. The casualty policy shall include the following endorsements:

Replacement Cost Endorsement - either the "Guaranteed Replacement Cost Endorsement" (providing for replacement regardless of cost) or the "Replacement Cost Endorsement" (providing for payment of up to 100% of replacement cost); and if the policy includes a coinsurance clause, an "Agreed Amount Endorsement" (waiving the requirement for coinsurance).

Standard Mortgage Clause - naming as mortgagees all holders of Mortgages on Units. If FNMA has purchased or securitized a Mortgage, the named mortgagees shall include, as applicable, either FNMA or the servicers (and the servicers' successors and assigns) for the Mortgages or Mortgage share loans held by FNMA on Units.

Inflation Guard Endorsement - when it can be obtained.

Building Ordinance or Law Endorsement - if applicable, for continuing liability from operation of building, zoning or land-use laws, including loss or damage, increased costs of repair or reconstruction, or additional demolition and removal costs.

Steam Boiler and Machinery Coverage Endorsement - If the Condominium has central heating or cooling, either this endorsement or separate stand-alone coverage, with a minimum coverage per accident equal to the lesser of \$2,000,000 or the insurable value of the building housing the boiler or machinery.

Special Condominium Endorsement - providing that any Insurance Trust Agreement will be recognized, and including the provisions of Subsections (ii) (primary coverage), (iii) (coverage not prejudiced) and (v) (waiver of subrogation) of Subsection (a) of this Section 10.

- 10.(b)(ii) General Liability. The Association shall also obtain a comprehensive policy or policies of commercial general liability insurance, including medical payments insurance, with a "Severability of Interest Endorsement" or equivalent coverage

which would preclude the company from denying the claim of a Unit Owner because of the negligent acts of the Association, Board or Unit Owners, with limits not less than \$1,000,000.00 per occurrence covering all claims for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements (including all common areas, public ways and other areas under the supervision of the Association, and any commercial spaces owned by the Association, even if leased to others). Such coverage shall include protection against water damage liability (excluding flood waters), liability for non-owned and hired automobile, liability for property of others (excluding property damage to property in the care, custody or control of a named insured or as to which a named insured is for any purpose exercising physical control), and, if applicable: elevator malfunction, garage-keeper's liability, host liquor liability and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.

10.(b)(iii) Common Provisions. In addition to the provisions in Subsection (b) of this Section 10, insurance policies carried under subsections 10.(b)(i) and (ii) above shall provide that:

10.(b)(iii)(1) Each Unit Owner is an insured person under the policy with respect to liability arising out of such Unit Owner's ownership of an undivided interest in the Common Elements or membership in the Association;

10.(b)(iii)(2) The insurer waives its right of subrogation under the policy against the Association and a Unit Owner;

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

10.(b)(iii)(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.

10.(b)(iv) Officers and Board Members. The Association shall also obtain a policy or policies of liability insurance insuring the Board members and officers of the Association against any claims, losses,

liabilities, damages or causes of action arising out of, in connection with or resulting from, any act done or omission to act in their respective capacities. This insurance shall be purchased by the Association to the extent available and the cost thereof shall be a Common Expense.

- 10.(b)(v) Workers' Compensation. The Association shall also obtain a Workers' Compensation Policy to meet the requirements of law.
- 10.(b)(vi) Other Insurance. The Association may also obtain such other insurance as the Board shall determine from time to time to be desirable, including, but not limited to, rent insurance covering the Common Expenses payable by the Unit Owners to the Board, machinery insurance, and plate glass insurance.
- 10.(b)(vii) Fidelity Bonds. The Board may obtain adequate fidelity bonds or fidelity insurance for all Board members, officers, agents and employees of the Association handling or responsible for Condominium or Association funds, whether or not they receive compensation for such services. Any professional manager hired by the Association shall obtain its own fidelity insurance providing for the same coverage as that obtained by the Association. Fidelity coverage for the Association shall be mandatory if required by the FNMA, and shall comply with any FNMA requirements for such coverage. The premiums on such bonds shall constitute a Common Expense. Such fidelity bonds shall meet the following requirements:
 - 10.(b)(vii)(1) All such fidelity bonds shall name the Association as an obligee; and
 - 10.(b)(vii)(2) Such fidelity bonds shall be written in an amount equal to at least 150 percent of the estimated annual operating expenses of the Condominium, including reserves, and in no event less than the maximum funds in custody of the Association and its professional manager; and
 - 10.(b)(vii)(3) Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of employee or similar expression; and
 - 10.(b)(vii)(4) Such bonds shall provide that they may not be cancelled or substantially modified (including

cancellation for nonpayment of premium) without at least 30 days' prior written notice to the Association, any Mortgagee and each servicer that services a FNMA-owned or FNMA-securitized Mortgage.

The Board may enact financial controls to reduce the fidelity insurance requirements of any Mortgagee or the FNMA, including separate bank accounts for the Association's working account and reserve account, requiring checks on the reserve account to be signed by two Board members, prohibiting access to the reserve account by any professional manager, and requiring any professional manager to maintain separate records and accounts for its clients.

- 10.(b)(viii) Flood Insurance. The Board may obtain flood insurance in such amounts and coverages as it determines appropriate. Such insurance shall be mandatory if any part of the Condominium is in a Special Flood Hazard Area designated as A, AE, AH, AO, A1-30, A-99, V, VE or V1-30 on a Flood Insurance Rate Map (FIRM), or if otherwise required by FNMA. If so required, the policy shall be a "master" or "blanket" policy, with coverage for the lesser of the maximum coverage available under the applicable National Flood Insurance Administration program, or one hundred percent (100%) of the insurable value of the Condominium as follows:

10.(b)(viii)(1) Building Coverage - One hundred percent (100%) of the insurable value of the Condominium (including the Buildings, Parking Area, and all easements), including machinery and equipment that are part of the Buildings and easement areas; and

10.(b)(viii)(2) Contents Coverage - One hundred percent (100%) of the insurable value of all contents in the Condominium (including the Buildings, Parking Area, and all easements), including machinery and equipment that are not part of the Buildings or easement areas but owned in common by the Association.

The maximum deductible for any flood insurance policy shall be the lesser of the deductible amount specified by FNMA or the usual and customary deductible on flood insurance policies covering projects similar in construction, location and use.

10.(c) Premiums - Common Expense.

Premiums on insurance policies and fidelity bonds purchased by the Board shall be paid as a Common Expense.

10.(d) Board as Trustee of Insurance Proceeds.

All such policies shall provide that adjustment of loss shall be made by the Board as trustee for the Unit Owners and Mortgagees, as their interests may appear. The duty of the Board members and their successors from time to time who shall receive proceeds of any insurance policies shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Association, Unit Owners and their Mortgagees, in the following shares, but which shares need not be set forth on the records of the trustees:

10.(d)(i) Common Elements. Proceeds on account of damage to Common Elements—an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to such Unit.

10.(d)(ii) Units. Proceeds on account of damage to Units or Limited Common Elements specifically assigned to a Unit shall be held in the following undivided shares:

10.(d)(ii)(1) When damaged Units or Limited Common Elements are to be restored—an undivided share for the Unit Owner of each damaged Unit in proportion to the total cost of repairing the damage suffered by such Unit Owner, which cost shall be determined by the Board.

10.(d)(ii)(2) When any damaged Units are not to be restored but the Condominium is not terminated – an undivided share for the Unit Owner of each damaged Unit in proportion to the total cost of repairing the damage suffered by such Unit Owner, which cost shall be determined by the Board.

10.(d)(ii)(3) When the Building is not to be restored and the Condominium is terminated—an undivided share for each Unit Owner, such share of the total net proceeds being the same as the undivided share in the Common Elements appurtenant to such Unit.

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

10.(e) Distribution of Insurance Proceeds.

Proceeds of insurance policies received by the trustee shall be distributed to or for the benefit of the Unit Owners or their respective Mortgagees or both in the following manner:

- 10.(e)(i) Expenses of Trustees. All expenses of the trustees shall be first paid or provision made therefor, but in no event shall this provision take priority over payments to first Mortgagees of Units.
- 10.(e)(ii) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such cost shall be distributed to the Unit Owners, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.
- 10.(e)(iii) Failure to Reconstruct or Repair. If it is determined, in the manner elsewhere provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the Unit Owners, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.
- 10.(e)(iv) Certification of Unit Owners, Mortgagees and Shares. In making distribution to Unit Owners and their Mortgagees, the trustees may rely upon a certificate of the Secretary of the Association as to the names of the Unit Owners' Mortgagees and their respective shares of the distribution.

10.(f) Board as Agent.

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

10.(g) Unit Owner's Insurance.

10.(g)(i) Unit Owners shall obtain insurance coverage at their own expense upon their own Units (including interior surface coverings such as paneling, wallpaper, paint, wall and floor tile and flooring installed at a Unit Owner's expense, Fixtures as defined herein or any other improvements made by a Unit Owner to a Unit), their own personal property and for their personal liability and cost and expenses incident thereto. The Association shall not be responsible for procurement or maintenance of any insurance covering the contents of the interior of any Unit or covering the liability of any Unit Owner for occurrences not caused or connected with the Association's operation, maintenance, or use of the Condominium.

10.(g)(ii) Any insurance carried by a Unit Owner which separately insures such Unit Owner's Unit or any part thereof against any loss or damage which is also covered by insurance carried by the Association under this Section shall be in such form as to not cause any diminution in the insurance proceeds payable to the Board under policies carried pursuant to this Section; and if any such diminution is caused or results from the nature or type of any policy carried by a Unit Owner then such diminution shall be chargeable to the Unit Owner who acquired such other insurance, who shall be liable to the Association to the extent of any such diminution. All personal liability insurance carried by a Unit Owner shall contain waiver of subrogation rights by the insurance carrier as to negligent Unit Owners.

10.(h) Condemnation.

In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Act and the percentage of ownership interest in the Common Elements allocated to such Unit or a portion thereof (as determined by the Board on the basis of diminution in market value of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly by an instrument executed by the President and the Secretary of the Association, which the Board shall record in the Real Property Records of the county in which the Condominium is located. The allocation of any condemnation award, or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis,

which need not be a Unit's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use, as determined by the Board. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

10.(i) Destruction of Personalty

Each Unit Owner and the Association hereby waive and release any and all claims which her or she or it may have against any other Unit Owner, the Association, members of the Board, the Declarant and their respective agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty or any act or omission referred to in Section 13, to the extent that such damage is covered by fire or other form of hazard insurance.

11. RECONSTRUCTION AND REPAIR AFTER CASUALTY

11.(a) Duty to Repair

Subject to Section 82.111 of the Act, any portion of the Condominium for which insurance is required by this Declaration or the Act shall be promptly repaired or replaced by the Association unless: (i) the Condominium is terminated; (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) at least eighty percent (80%) of the Unit Owners, including each Unit Owner of a Unit or assigned Limited Common Element that will not be rebuilt or repaired, vote to not rebuild. The vote on whether to terminate the Condominium or repair damaged portions shall be pursuant to the procedures set forth in Subsection (b) of this Section 11.

11.(b) Determination of Necessity of Reconstruction or Repair

If any part of the Condominium shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

- 11.(b)(i) Special Meeting. Within fifteen (15) days after the date of such casualty, the Board shall call and give notice of a special meeting of the Association, to be held not less than fifteen (15) days, nor more than forty (40) days, following the date of such notice. Such notice shall be in writing and personally delivered or mailed, certified mail, return receipt requested, to each Unit Owner and shall state the date, time and place of the meeting of the Association to be held, and the purpose of the meeting which shall be to determine, in accordance with the Act, whether the Condominium shall be reconstructed.

- 11.(b)(ii) Determination of Extent of Damage. At the meeting of the Association called for the purpose set out above, a vote shall be taken to determine: (i) whether the required construction comprises the whole or more than two-thirds (2/3) of the Buildings, and (ii) whether to undertake the reconstruction.
- 11.(b)(iii) Termination After Damage to More Than 2/3 of Condominium. If, as determined by the vote of at least fifty percent (50%) of the Unit Owners, reconstruction is required for the whole or more than two-thirds (2/3) of the Buildings, then a second vote shall be held on whether to terminate the Condominium. If at least eighty percent (80%) of the Unit Owners and fifty-one percent (51%) of the First Mortgagees vote to terminate, all insurance proceeds shall be paid by the trustees, in accordance with the provisions of paragraphs (d) and (e) of Section 10, and the condominium regime shall be terminated in accordance with Section 12. If less than eighty percent (80%) of the Unit Owners or less than fifty-one percent (51%) of the First Mortgagees vote to terminate, a third vote shall be held on whether to repair the damaged portions of the Condominium, in the same manner, and with the same consequences, as the second vote described in the succeeding subsection (b)(iv) of this Section 11.
- 11.(b)(iv) Effect of No Termination, or Damage to Less Than 2/3 of Condominium. If, by vote of at least fifty percent (50%) of the Unit Owners, it is determined that the required construction does not comprise more than two-thirds (2/3) of the Buildings, then a second vote shall be held on whether to repair or replace the damaged portions of the Condominium. Likewise, such a vote shall be taken if the Unit Owners vote not to terminate the Condominium despite damage to more than two-thirds (2/3) of the Buildings. If at least eighty percent (80%) of the Unit Owners vote not to repair or replace the damaged portions, including the vote of each Unit Owner of a Unit or assigned Limited Common Element that will not be rebuilt or repaired, then:
- 11.(b)(iv)(1) Any insurance proceeds attributable to the damaged Common Elements shall be used to restore the damaged area to a condition compatible with the remainder of the Condominium;
- 11.(b)(iv)(2) Any insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt shall be distributed to the Unit Owners of those Units and

the Unit Owners of the Units to which those Limited Common Elements were assigned, and to their Mortgagees, as their interests may appear, pursuant to Section 10 (e) hereof;

- 11.(b)(iv)(3) The remainder of the proceeds shall be distributed to all Unit Owners based on their interests in the Common Elements; and
- 11.(b)(iv)(4) The percentage interests in the Common Elements of any Units that are not being rebuilt are deemed automatically reallocated as if the Unit had been condemned, and the Association shall prepare, execute and record an amendment to this Declaration reflecting the reallocation.

If, in the foregoing vote, less than eighty percent (80%) of the Unit Owners vote not to repair or replace the damaged portions, or any Unit Owner of a Unit or assigned Limited Common Element that would not be rebuilt or repaired does not join in such vote, then all insurance proceeds shall be paid by the trustees to repair and reconstruct all damaged Common Elements and Units. In such event, Unit Owners and their Mortgagees shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Condominium has been completely repaired or restored. Any cost of repair or replacement in excess of the insurance proceeds and reserves is a Common Expense.

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

11.(c) Plans and Specifications for Reconstruction

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

11.(d) Board to Obtain Estimates

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

11.(e) Assessments for Construction in Case of Insufficient Insurance Proceeds

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

11.(f) Distribution of Remaining Funds After Reconstruction

If there is a balance of funds, including insurance proceeds and assessments, if any, after payment of all costs of reconstruction and repairs for which funds were collected, such balance shall be distributed to the Unit Owners thereof in the manner elsewhere stated; except, however, that part of the distribution to a Unit Owner which is not in excess of assessments paid by such Unit Owner for repair and reconstruction shall not be made payable to any Mortgagee.

12. TERMINATION AFTER CASUALTY

12.(a) Condominium Not Reconstructed; Distribution of Insurance Proceeds; Sale of Condominium and Termination of Declaration

If Unit Owners holding at least eighty percent (80%) of the votes in the Association and First Mortgagees of Units representing at least fifty-one percent (51%) of votes in the Association vote to terminate the Condominium after more than two-thirds (2/3) of the Buildings is destroyed or damaged by fire or other casualty, as provided in Section 11, then the insurance proceeds shall be delivered to the Unit Owners and their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements as set forth on Exhibit "C". Thereafter, the Board, as soon as reasonably possible and as agent for the Unit Owners, and with the approval of remaining Mortgagees of Units representing at least fifty-one percent (51%) of votes in the Association, shall sell the entire Condominium, in its then condition, on terms satisfactory to the Board, free from the effect of this Declaration, which shall terminate upon such sale, and the net proceeds of such sale, after the payment of all remaining debts and expenses of the Association, shall thereupon be distributed to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements as set forth on Exhibit "C".

12.(b) Partition in the Event of Board's Failure to Sell

If the Unit Owners should not rebuild, pursuant to the above provisions, and the Board fails to consummate a sale pursuant to Subsection 12.(a) above within twenty-four (24) months after the destruction or damage occurs, then the Board shall, or if they do not, any Unit Owner or Mortgagee may, with the approval of all remaining Mortgagees of Units, record a sworn statement in the Condominium Records and Deed Records describing the Property and setting forth such decision not to rebuild and reciting that under the provisions of this Declaration the condominium form of ownership had terminated and the prohibition against judicial partition contained in the Act and in this Declaration has terminated, and that judicial partition of the Condominium may be obtained pursuant to the laws of the State of Texas. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall be null and void and of no further force and effect. The provisions of this Subsection 12.(b) can be amended only by the unanimous written consent of the Unit Owners.

13. REMEDIES

13.(a) Damage to Other Units and Common Elements

If the act or omission of a Unit Owner, or of a member of his or her family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, to the extent such payment is not waived or released under the provisions of Section 10(i).

13.(b) No Waivers

No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

13.(c) Violation of Declaration

The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or contained in the By-Laws shall, in addition to any other rights provided for in this Declaration or the By-Laws, give the Association the right: (a) to enter upon the Unit, or any portion of the Property upon which, or as to which, such violation or breach exists and at the expense of the defaulting Unit Owner to summarily abate and/or remove, as applicable, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and neither the Association nor the officers or agents thereof shall thereby be deemed guilty of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of

such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law; or (d) assess reasonable fines therefor.

Except in cases of emergency where damage to persons or property is threatened, the Association shall not take any such action unless it has (a) first given the Unit Owner a hearing on such alleged violation pursuant to rules and regulations adopted by the Association, (b) the Association shall have determined such allegations to be true and (c) the Unit Owner shall not have desisted from such violation or breach or shall not have taken such steps necessary to correct such violation or breach within such reasonable period of time as determined by the Association and communicated to the Unit Owner. Any and all costs and expenses incurred by the Association in the exercise of its authority as granted in this Section 13, including but not limited to court costs, reasonable attorneys' fees, and cost of labor and materials shall be paid by the Unit Owner in violation, and, until paid by such Unit Owner, shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided herein and under the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinate to the lien of any then existing First Mortgagee with respect to such Unit.

Any Unit Owner in default hereunder or under the provisions of the By-Laws or any rule or regulation adopted by the Association shall pay to the Association, as a Common Expense with respect to his or her Unit, all interest, late charges, reasonable attorneys' fees, costs of collection and amount of any fine by the Association in enforcing the provisions of the By-Laws, this Declaration or the rules and regulations of the Association as to which the Unit Owner is in default. Until such amounts are paid by the Unit Owner, the total amount thereof shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided herein and under the Act with respect to liens for failure to pay a share of the Common Expenses. Any such liens shall be junior and subordinate to the lien of any then existing First Mortgagee with respect to such Unit.

13.(d) Right of Action.

All Unit Owners hereby acknowledge and agree that a Unit Owner shall not be entitled to institute any legal action against the Declarant which is based on any alleged defect in the Common Elements, or any damage allegedly sustained by any Unit Owner by reason thereof, but rather, that all such actions shall be instituted by the Association. Once the Declarant no longer has the right to appoint and remove directors and officers, as set forth in Section 7.(d) of the Declaration, the Association Board of Directors may negotiate the resolution of any alleged defect(s) in the Common Elements on behalf of the Unit Owners and shall have the right and authority to settle and release on behalf of any and all of the Unit Owners claims, causes of action, damages and suits involving the same. Any such settlement and release shall bind all Unit Owners and their successors and assigns.

14. FIRST MORTGAGEES

14.(a) Rights of First Mortgagees

Any deed of trust or mortgage owned or held by a First Mortgagee and recorded prior to the recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his or her share of the monthly assessment when due shall be superior to the lien of such unpaid Common Expenses set forth in said notice and to all assessments for Common Expenses which become due and are unpaid subsequent to the date of recording of such first Mortgage. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the Mortgage, foreclosure of the Mortgage or deed (or assignment thereof) in lieu of foreclosure shall not be liable for and shall take the Unit and its proportionate interest in the Common Elements free from claims for unpaid common or special assessments levied by the Association which accrue prior to the date of possession as aforesaid. A First Mortgagee, or an insurer or guarantor of the note held by a First Mortgagee, upon written request to the Association (such request to state the name and address of such First Mortgagee, insurer or guarantor and the Unit number), shall be entitled to timely written notice of or have the right to:

- 14.(a)(i) receive, without charge, notice of any proposed amendment of the Condominium Instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Elements or Limited Common Elements appertaining to any Unit or the liability for Common Expenses, (iii) the number of votes in the Association appertaining to any Unit or (iv) the purposes to which any Unit or Common Elements are restricted;
- 14.(a)(ii) examine, without charge, current copies of this Declaration, the By-Laws, rules and regulations and the books and records of the Association during normal business hours;
- 14.(a)(iii) receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Unit Owners at the end of each of its respective fiscal years, provided, however, that in the event an audited financial statement is not available, fifty-one percent (51%) or more of the First Mortgagees shall be entitled to have such an audited statement prepared at their expense;
- 14.(a)(iv) receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;

- 14.(a)(v) receive written notice of any decision by the Unit Owners to make a material amendment to the Declaration, By-Laws or Articles of Incorporation of the Association;
- 14.(a)(vi) receive written notice of any action which would require the consent of a specified percentage of First Mortgagees;
- 14.(a)(vii) receive notice of any proposed termination of the condominium regime;
- 14.(a)(viii) receive notice of any condemnation loss or any casualty loss which affects a portion of the Common Elements, which loss exceeds \$10,000.00, or which affects any Unit, which loss exceeds \$1,000.00, on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- 14.(a)(ix) receive notice of any delinquency in the payment of assessments or charges owed by a Unit Owner subject to the mortgage of a requesting First Mortgagee, insurer or guarantor, where such delinquency has continued for a period of 60 days; and
- 14.(a)(x) receive notice of any lapse, cancellation or material modification of any insurance policy maintained by the Association.

No provision of this Declaration or Articles of Incorporation of the Association or any similar instrument pertaining to the Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over the rights of the First Mortgagees pursuant to their Mortgages in the case of distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, and/or the Common Elements, or any portion thereof or interest therein. In such event, the First Mortgagees and insurers or guarantors thereof, of the Units affected shall be entitled, upon specific written request, to timely written notice of any such loss.

14.(b) Actions Requiring Consent of 100% of First Mortgagees

Unless the First Mortgagees of all of the Units of the Condominium have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to:

- 14.(b)(i) by act or omission seek to abandon or terminate the condominium regime, except for abandonment provided by the Act in case of substantial loss to or condemnation of the Units and/or the Common Elements;

- 14.(b)(ii) change the pro rata interest or obligations of any Unit Owner for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, and (2) determining the pro rata share of ownership of each Unit Owner in the Common Elements, except as set forth in Section 10 hereof; or
- 14.(b)(iii) use hazard insurance proceeds for losses to any Property (whether to Units or to Common Elements) for other than the repair, replacement, or construction of such improvements, except as provided by the Act in case of substantial loss to the Units and/or the Common Elements.

In the event a First Mortgagee fails to respond to a request for consent within thirty (30) days after the request for such consent is made, such First Mortgagee shall be deemed to have consented to the action for which such consent was requested.

14.(c) Actions Requiring Consent of at Least 51% of First Mortgagees

Unless the First Mortgagees of the individual Units representing at least fifty-one percent (51%) of the votes in the Association have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to do or permit to be done any of the following:

- 14.(c)(i) Adoption of an amendment to this Declaration which (A) changes any provision of this Declaration which specifically grants rights to First Mortgagees, (B) materially changes insurance and fidelity bond requirements, (C) imposes a right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit Ownership or changes the provisions concerning the leasing of Units, (D) reduces reserves for maintenance, repair and replacement of Common Elements, (E) changes voting rights, (F) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), (G) changes responsibility for maintenance and repairs, or (H) redefines any Unit boundaries;
- 14.(c)(ii) Abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements (except for the granting of easements for public utilities or for other purposes consistent with the intended use of the Property and except for the encumbrance, sale or transfer of the percentage of ownership in the Common Elements in connection with the encumbrance, sale or transfer of a Unit Ownership);

- 14.(c)(iii) Sale of the Property;
- 14.(c)(iv) Removal of a portion of the Property from the provisions of the Act and this Declaration; and
- 14.(c)(v) Effectuation of a decision by the Association to terminate professional management and assume self-management of the Condominium.

In the event a First Mortgagee fails to respond to a request for consent within thirty (30) days after the request for such consent is made, such First Mortgagee shall be deemed to have consented to the action for which such consent was requested.

14.(d) Condemnation

If any Unit or portion thereof or the Common Elements or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the First Mortgagee, or insurer or guarantor thereof, of said Unit will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of any document will entitle the owner of a Unit or such other party to priority over such First Mortgagee with respect to the distribution to such Unit of the proceeds of any award or settlement.

15. AMENDMENTS AND SPECIAL AMENDMENTS

- 15.(a) No provision of this Declaration affecting the rights, privileges and duties of the Declarant may be modified without the written consent of the Declarant.
- 15.(b) Except as otherwise expressly provided herein, this Declaration may be modified or rescinded only by the vote of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements or by a written instrument setting forth such modification or rescission, signed by Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Such modification or rescission shall be effective only if all lien holders of record have been notified by certified mail of such modification or rescission, and an affidavit by the secretary of the Association certifying such mailing is made a part of such instrument.
- 15.(c) If the Act, the Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all lien holders or both, as required by the Act, the Declaration or the By-Laws.

- 15.(d) No consent of the Unit Owners or Mortgagees shall be required if the Declarant or Association shall amend this Declaration to comply with the legal requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity (any one of which is herein referred to as an "Agency"), provided such Agency is participating in purchasing or guarantying mortgages of Units in the Property and further provided the Board has notice of such participation by the Agency to be notified.
- 15.(e) No consent or agreement of any of the Unit Owners or Mortgagees other than those affected by the transfer, subdivision or combination shall be required if the Declarant or the Association desires to amend this Declaration in order to provide for the transfer of Limited Common Elements or the subdivision or combination of Units, provided the provisions of the Act governing such special amendments are satisfied.
- 15.(f) Any modification or rescission of this Declaration shall be effective upon recording of such instrument in the Official Records of Real Property of Harris County, Texas, provided, however, that no provisions in this Declaration may be modified or rescinded so as to conflict with the provisions of the Act.

16. MISCELLANEOUS

16.(a) Grantees

Each grantee of the Declarant, each purchaser of a Unit and each tenant, subtenant or assignee under a lease, sublease or assignment accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, the By-Laws, rules and regulations of the Association, jurisdiction, rights and powers created or reserved by this Declaration, and the provisions of the Act, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

16.(b) Notices

Whenever any notice is required to be given under the provisions of this Declaration, or the By-Laws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated herein, shall be deemed equivalent to the giving of such notice, provided such waiver or the time of giving same is not contrary to the provisions of the Act. Notices required to be given to any devisee or personal representative of a deceased Unit

Owner shall be delivered by mail to such party at his or her or its address appearing in the records of the court wherein the estate of such deceased owner is being administered. Other notices required or permitted to be given shall be in writing and shall be given in the manner set forth in the Condominium Instruments.

16.(c) Violations of Certain Rules

If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rule imposing time limits, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living lawful descendants of George W. Bush, the President of the United States of America and Richard Cheney, the Vice President of the United States of America.

16.(d) Severability

The invalidity of any restriction hereby imposed, or of any provision hereof, or of any part of such restriction or provision, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, and all of the terms hereof are hereby declared to be severable.

16.(e) Construction

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first-class condominium.

16.(f) Changes or Modifications by the Declarant

Until the first annual meeting of Unit Owners, the Declarant, or its successors or assigns, shall have the right from time to time to change or modify the Condominium Instruments, which change or modification shall be effective upon the recording thereof; provided, however, that the provisions of Section 14 of this Declaration shall not be amended, modified or changed without the consent of any First Mortgagee affected thereby, and provided further that such right shall be exercised only (i) to bring the Declaration into compliance with the Act, or (ii) to correct clerical or typographical errors in the Declaration. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney-in-fact for such Unit Owners. Each deed, mortgage, deed of trust, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant as aforesaid.

16.(g) Trustees

In the event title to any Unit should be conveyed to a title holding land trust, under which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust, and the beneficiaries thereunder from time to time shall be liable for payment of any claim, lien, or obligation hereby created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount hereof shall continue to be a charge or lien upon the premises notwithstanding any transfer of beneficial interest or title of such real estate.

16.(h) Assignments by Declarant

All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No party exercising rights as Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

16.(i) Disclosures by Declarant

Each Unit Owner acknowledges the following:

- (a) that he or she has received and read the Condominium Information Statement;
- (b) the Condominium Association budget provided to each Unit Owner is based on estimated expenses only and may increase or decrease significantly when the actual expenses of the Condominium Association become known;
- (c) the Condominium is located adjacent to thoroughfares which could be improved or widened in the future;
- (d) the views from an Unit Owner's Unit can change over time due to among other things, additional development and the removal or addition of landscaping;
- (e) no representations are made regarding the zoning of adjacent property;
- (f) no representations are being made regarding which schools may now or in the future serve the Unit;
- (g) since in every neighborhood, there are conditions which different purchasers may find objectionable, Unit Owner acknowledges that there may be conditions outside of the Property which the Unit Owner finds objectionable and that it shall be the sole responsibility of the Unit Owner to become acquainted with neighborhood conditions which could affect the Unit, including periodic entertainment, arts, sports and other events;
- (h) no representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one Unit to another;

(i) the condominium floor plans and the dimensions and square footage calculations shown thereon are only approximations. Any Unit Owner who is concerned about any representations regarding the floor plans should do his/her own investigation as to the dimensions, measurements and square footage of his/her Unit;

(j) Declarant reserves the right to alter, change, and/or discontinue its prices on any units in the Condominium, to the maximum extent permitted by law.

IN WITNESS WHEREOF, the undersigned has caused its name to be signed to these presents on the day and year first above written.

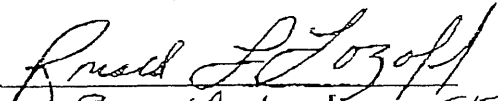
HOUSTON CONDOMINIUMS, L.P.

By: Choice Condominiums, L.L.C.,
its General Partner

By:

Name:

Title:



RONALD L LOZOFF

MEMBER

STATE OF GEORGIA

COUNTY OF FULTON

§
§
§

This instrument was acknowledged before me on the 4 day of June 2002,
by Ronald L. Lozoff, the Member of Choice Condominiums L.L.C, a
Georgia limited liability company and General Partner of Houston Condominiums,
L.P., a Georgia limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Georgia

Susan M. Pafford

Name of Notary Public

My Commission Expires: 4.25.03

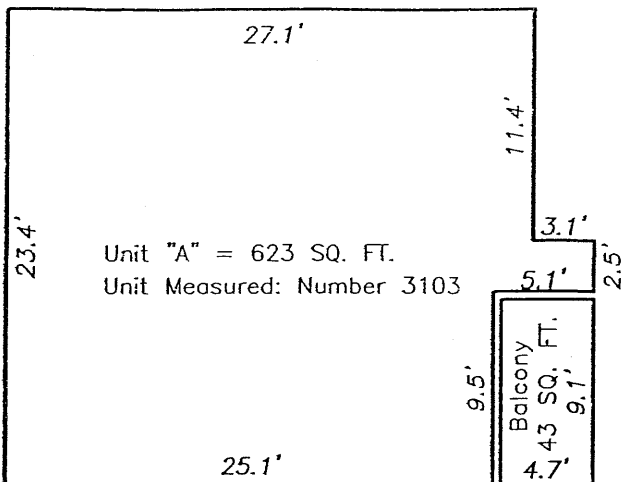


100-1000

EXHIBIT B

PLAT

NOT TO SCALE



Interior Area = 623 Sq. Ft.

Balcony Area = 43 Sq. Ft.

Total Area = 666 Sq. Ft.

NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

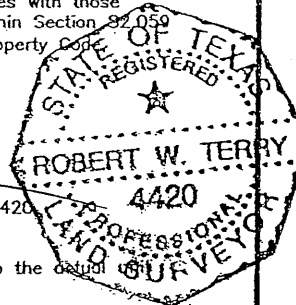
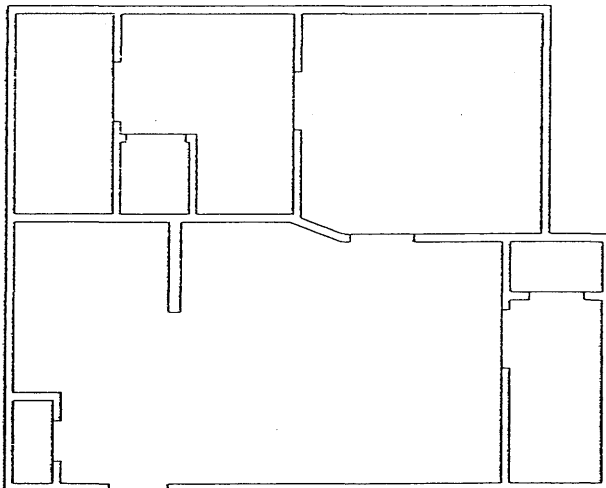
SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 92.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002

This certification is valid only with regard to the actual unit measured as shown hereon.

Copyright © 2002, Clark-Geogram Inc. — All rights reserved



4		
3		
2		
1		
No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "A" FLOOR PLAN DIMENSIONS OUT OF
CITY PLAZA CONDOMINIUMS.
HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S.

File: 3535 CONDO UNITS

Drawn by: JDK

Calc. by: JDK

Chk. by: BT

Dwg. date: 03/08/02

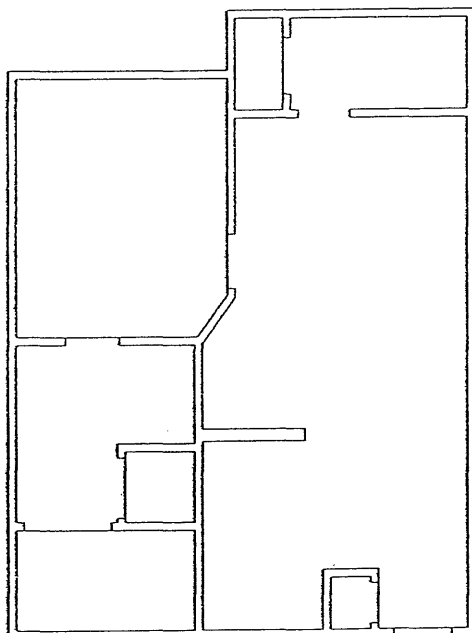
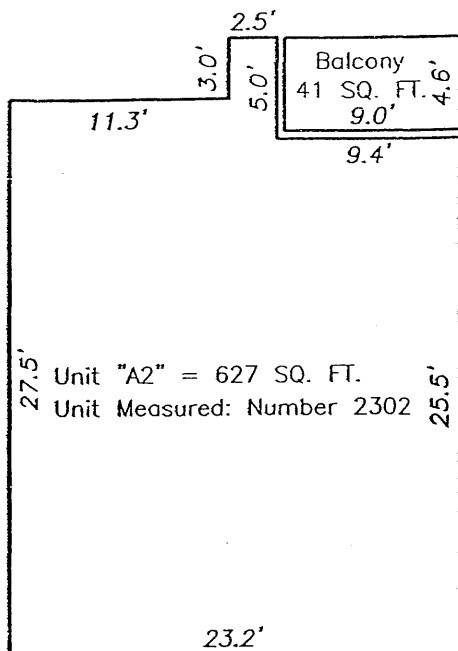
Job no.: 93-10-3535/005



CLARK-GEOGRAM INC.
LAND SURVEYORS

Dallas — Houston — San Antonio
1315 Sherwood Forest Drive — Houston, Texas 77043
tel. 713.461.1400 — fax 713.461.3639 — info@clarksurvey.com

NOT TO SCALE



Interior Area = 627 Sq. Ft.

Balcony Area = 41 Sq. Ft.

Total Area = 668 Sq. Ft.

NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

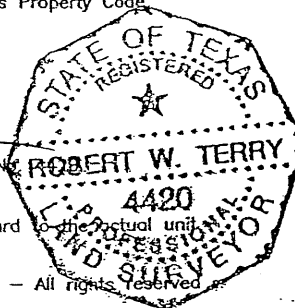
SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002

This certification is valid only with regard to the actual unit measured as shown hereon.

Copyright © 2002, Clark-Geogram Inc. - All rights reserved.



4		
3		
2		
1		
No.	Revisions	Date
FLOOR PLAN EXHIBIT		
UNIT "A2" FLOOR PLAN DIMENSIONS OUT OF CITY PLAZA CONDOMINIUMS HOUSTON, HARRIS COUNTY, TEXAS		
Client: HOUSTON CONDOMINIUMS, L.P.		
Scale: N.T.S.	File: 3535 CONDO UNITS	
Drawn. by: JDK	Calc. by: JDK	Chk. by: BT
Dwg. date: 03/08/02		Job no.: 93-10-3535/005



CLARK-GEOGRAM INC.
LAND SURVEYORS

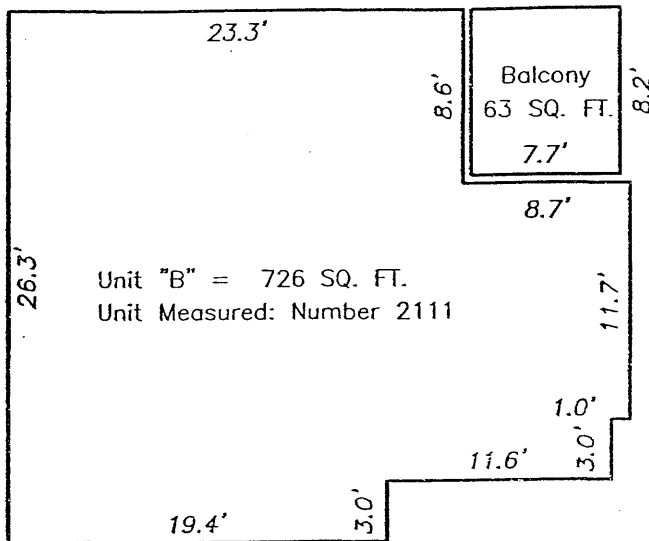
Dallas — Houston — San Antonio
1315 Sherwood Forest Drive — Houston, Texas 77043
tel. 713.461.1400 — fax 713.461.3639 — info@clarksurvey.com

NOT TO SCALE

Interior Area = 726 Sq. Ft.

Balcony Area = 63 Sq. Ft.

Total Area = 789 Sq. Ft.



NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

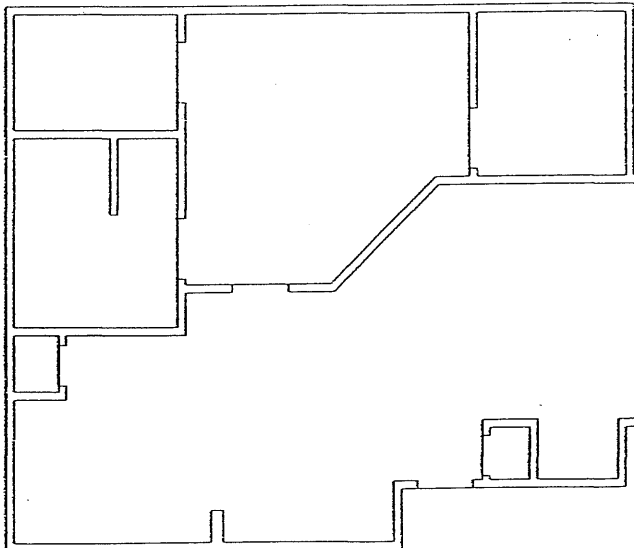
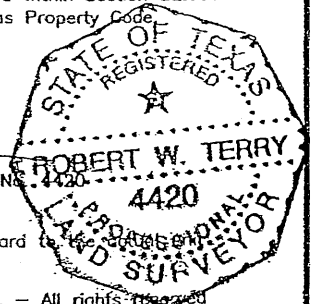
SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002

This certification is valid only with regard to the area measured as shown hereon.

Copyright © 2002, Clark-Geogram Inc. - All rights reserved.



CLARK-GEOGRAM INC.

LAND SURVEYORS

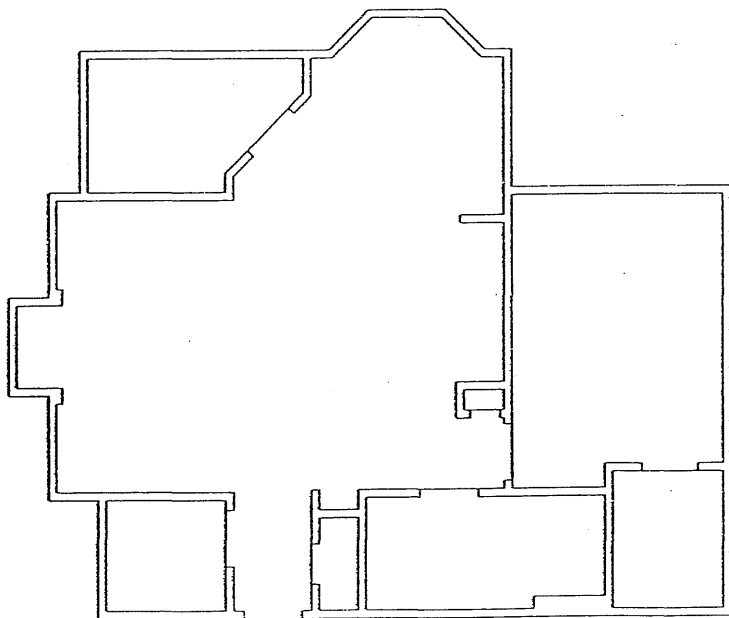
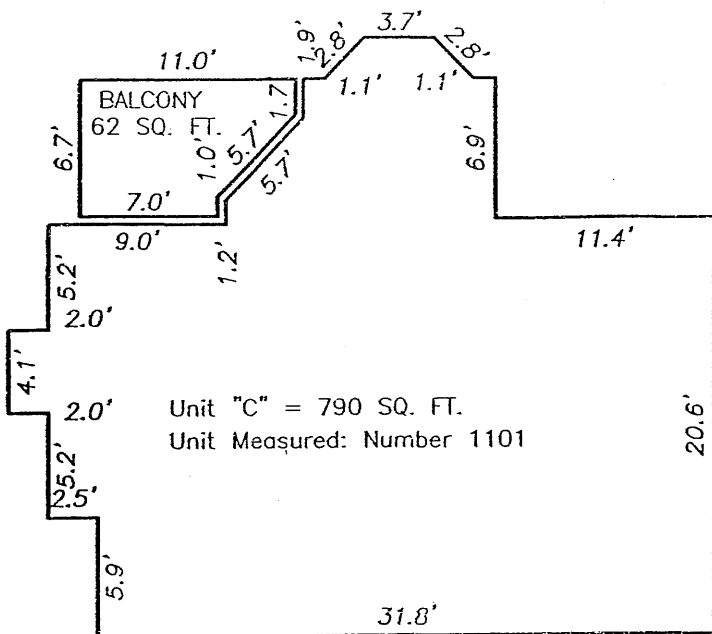
Dallas — Houston — San Antonio

1315 Sherwood Forest Drive — Houston, Texas 77043

tel. 713.461.1400 — fax 713.461.3639 — info@clarksurvey.com

4		
3		
2		
1		
No.	Revisions	Date
FLOOR PLAN EXHIBIT		
UNIT "B" FLOOR PLAN DIMENSIONS OUT OF CITY PLAZA CONDOMINIUMS HOUSTON, HARRIS COUNTY, TEXAS		
Client: HOUSTON CONDOMINIUMS, L.P.		
Scale: N.T.S.	File: 3535 CONDO UNITS	
Drawn. by: JDK	Calc. by: JDK	Chk. by: BT
Dwg. date: 03/08/02		Job no.: 93-10-3535/005

NOT TO SCALE



Interior Area = 790 Sq. Ft.

Balcony Area = 62 Sq. Ft.

Total Area = 852 Sq. Ft.

NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

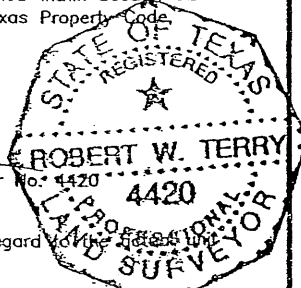
SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code Chapter 82).

Robert W. Terry
Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002

This certification is valid only with regard to the area measured as shown hereon.

Copyright © 2002, Clark-Geogram Inc. - All rights reserved



4		
3		
2		
1		
No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "C" FLOOR PLAN DIMENSIONS OUT OF
CITY PLAZA CONDOMINIUMS
HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S.

File: 3535 CONDO UNITS

Drawn by: JDK

Calc. by: JDK

Chk. by: BT

Dwg. date: 03/08/02

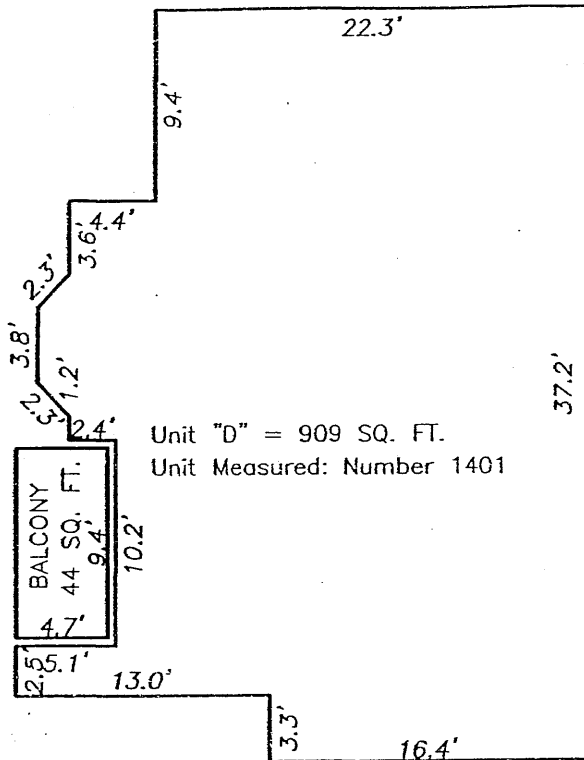
Job no.: 93-10-3535/005



CLARK-GEOGRAM INC.
LAND SURVEYORS

Dallas — Houston — San Antonio
1315 Sherwood Forest Drive — Houston, Texas 77043
tel. 713.461.1400 — fax 713.461.3639 — Info@clarksurvey.com

NOT TO SCALE



Interior Area = 909 Sq. Ft.

Balcony Area = 44 Sq. Ft.

Total Area = 953 Sq. Ft.

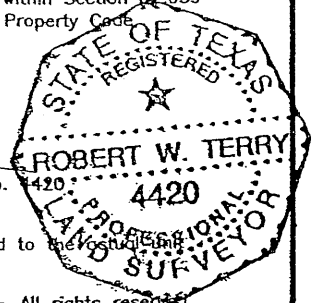
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



This certification is valid only with regard to the subject unit measured as shown hereon.

Copyright © 2002, Clark-Geogram Inc. - All rights reserved



CLARK-GEOGRAM INC.
LAND SURVEYORS

Dallas — Houston — San Antonio
1315 Sherwood Forest Drive — Houston, Texas 77043
tel. 713.461.1400 — fax 713.461.3639 — info@clarksurvey.com

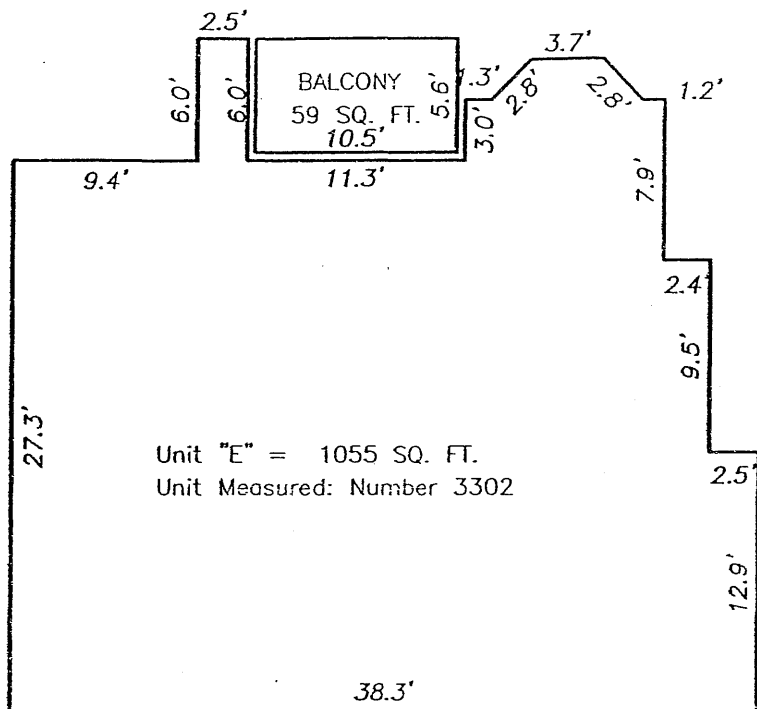
4		
3		
2		
1		
No.	Revisions	Date
FLOOR PLAN EXHIBIT		
UNIT "D" FLOOR PLAN DIMENSIONS OUT OF CITY PLAZA CONDOMINIUMS HOUSTON, HARRIS COUNTY, TEXAS		
Client: HOUSTON CONDOMINIUMS, L.P.		
Scale: N.T.S.	File: 3535 CONDO UNITS	
Drawn. by: JDK	Calc. by: JDK	Chk. by: BT
Dwg. date: 03/08/02		Job no.: 93-10-3535/005

NOT TO SCALE

Interior Area = 1055 Sq. Ft.

Balcony Area = 59 Sq. Ft.

Total Area = 1114 Sq. Ft.



NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

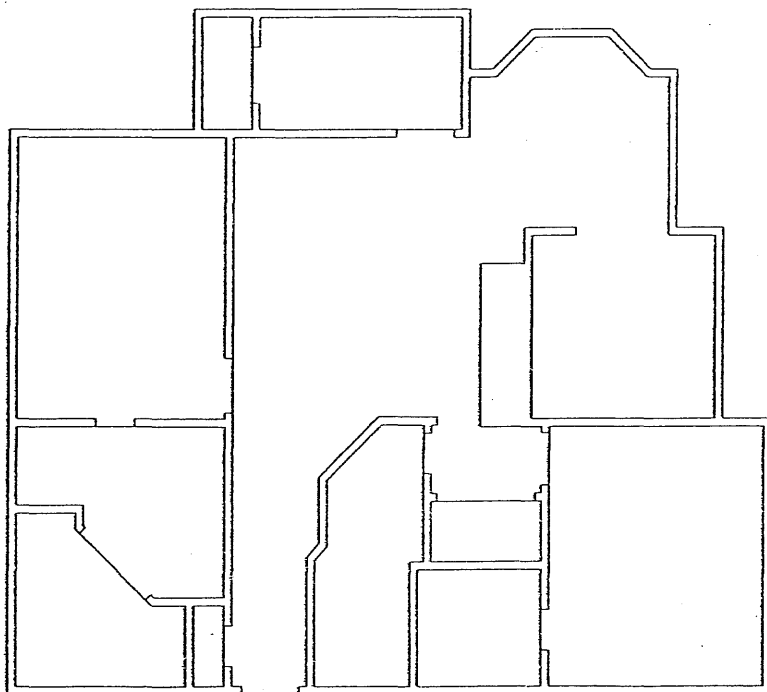
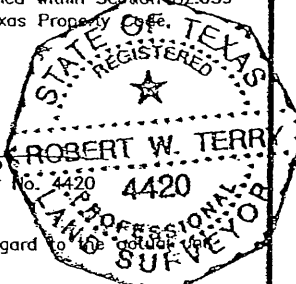
SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002

This certification is valid only with regard measured as shown hereon.

Copyright © 2002, Clark-Geogram Inc. - All rights reserved



CLARK-GEOGRAM INC.
LAND SURVEYORS

Dallas — Houston — San Antonio
1315 Sherwood Forest Drive — Houston, Texas 77043
tel. 713.461.1400 — fax 713.461.3639 — info@clarksurvey.com

4		
3		
2		
1		
No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "E" FLOOR PLAN DIMENSIONS OUT OF
CITY PLAZA CONDOMINIUMS
HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S.

File: 3535 CONDO UNITS

Drawn. by: JDK

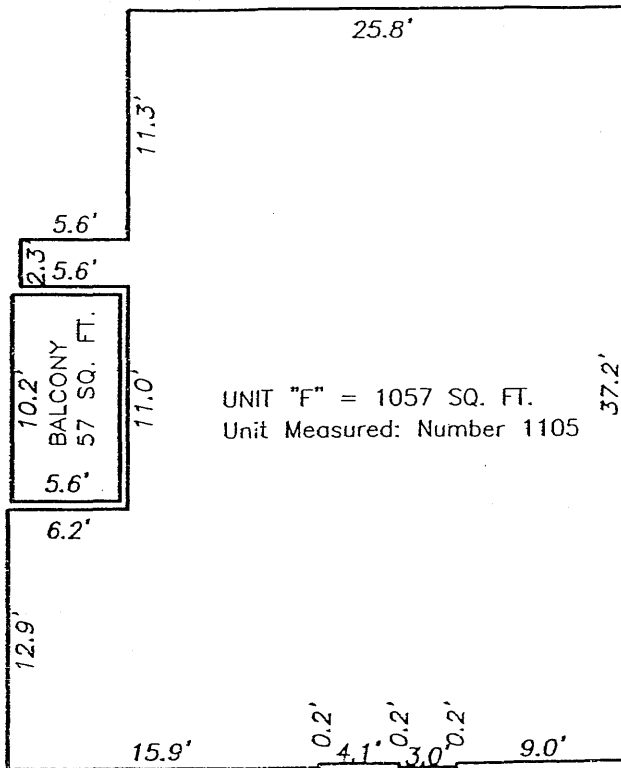
Calc. by: JDK

Chk. by: BT

Dwg. date: 03/08/02

Job no.: 93-10-3535/005

NOT TO SCALE



Interior Area = 1057 Sq. Ft.

Balcony Area = 57 Sq. Ft.

Total Area = 1114 Sq. Ft.

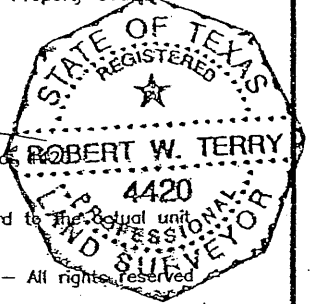
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

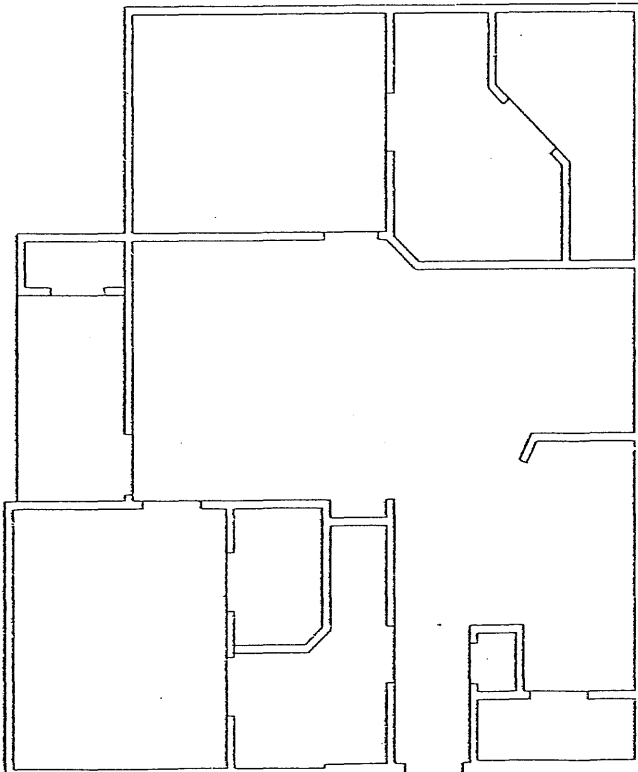
This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



This certification is valid only with regard to the actual unit measured as shown hereon.

Copyright © 2002, Clark-Geogram Inc. - All rights reserved.



CLARK-GEOGRAM INC.
LAND SURVEYORS

Dallas — Houston — San Antonio
1315 Sherwood Forest Drive — Houston, Texas 77043
tel. 713.461.1400 — fax 713.461.3639 — info@clarksurvey.com

4		
3		
2		
1		
No.	Revisions	Date
FLOOR PLAN EXHIBIT		
UNIT "F" FLOOR PLAN DIMENSIONS OUT OF CITY PLAZA CONDOMINIUMS HOUSTON, HARRIS COUNTY, TEXAS		
Client: HOUSTON CONDOMINIUMS, L.P.		
Scale: N.T.S.	File: 3535 CONDO UNITS	
Drawn. by: JDK	Calc. by: JDK	Chk. by: BT
Dwg. date: 03/08/02		Job no.: 93-10-3535/005

Exhibit C
Percentage of Ownership
Interest in the Common Elements

Unit #	Building	Type	% Ownership
3103	Building 3	A 1BR/1BA	0.30%
3104	Building 3	A 1BR/1BA	0.30%
3105	Building 3	A 1BR/1BA	0.30%
3106	Building 3	A 1BR/1BA	0.30%
3203	Building 3	A 1BR/1BA	0.30%
3204	Building 3	A 1BR/1BA	0.30%
3205	Building 3	A 1BR/1BA	0.30%
3206	Building 3	A 1BR/1BA	0.30%
3303	Building 3	A 1BR/1BA	0.30%
3304	Building 3	A 1BR/1BA	0.30%
3305	Building 3	A 1BR/1BA	0.30%
3306	Building 3	A 1BR/1BA	0.30%
5103	Building 5	A 1BR/1BA	0.30%
5104	Building 5	A 1BR/1BA	0.30%
5105	Building 5	A 1BR/1BA	0.30%
5106	Building 5	A 1BR/1BA	0.30%
5203	Building 5	A 1BR/1BA	0.30%
5204	Building 5	A 1BR/1BA	0.30%
5205	Building 5	A 1BR/1BA	0.30%
5206	Building 5	A 1BR/1BA	0.30%
5303	Building 5	A 1BR/1BA	0.30%
5304	Building 5	A 1BR/1BA	0.30%
5305	Building 5	A 1BR/1BA	0.30%
5306	Building 5	A 1BR/1BA	0.30%
6103	Building 6	A 1BR/1BA	0.30%
6104	Building 6	A 1BR/1BA	0.30%
6105	Building 6	A 1BR/1BA	0.30%
6106	Building 6	A 1BR/1BA	0.30%
6203	Building 6	A 1BR/1BA	0.30%
6204	Building 6	A 1BR/1BA	0.30%
6205	Building 6	A 1BR/1BA	0.30%
6206	Building 6	A 1BR/1BA	0.30%
6303	Building 6	A 1BR/1BA	0.30%
6304	Building 6	A 1BR/1BA	0.30%
6305	Building 6	A 1BR/1BA	0.30%
6306	Building 6	A 1BR/1BA	0.30%
7103	Building 7	A 1BR/1BA	0.30%

Unit #	Building	Type	% Ownership
7104	Building 7	A 1BR/1BA	0.30%
7105	Building 7	A 1BR/1BA	0.30%
7106	Building 7	A 1BR/1BA	0.30%
7203	Building 7	A 1BR/1BA	0.30%
7204	Building 7	A 1BR/1BA	0.30%
7205	Building 7	A 1BR/1BA	0.30%
7206	Building 7	A 1BR/1BA	0.30%
7303	Building 7	A 1BR/1BA	0.30%
7304	Building 7	A 1BR/1BA	0.30%
7305	Building 7	A 1BR/1BA	0.30%
7306	Building 7	A 1BR/1BA	0.30%
2102	Building 2	A2 1BR/1BA	0.30%
2113	Building 2	A2 1BR/1BA	0.30%
2202	Building 2	A2 1BR/1BA	0.30%
2213	Building 2	A2 1BR/1BA	0.30%
2302	Building 2	A2 1BR/1BA	0.30%
2313	Building 2	A2 1BR/1BA	0.30%
1103	Building 1	B 1BR/1BA	0.36%
1104	Building 1	B 1BR/1BA	0.36%
1109	Building 1	B 1BR/1BA	0.36%
1110	Building 1	B 1BR/1BA	0.36%
1203	Building 1	B 1BR/1BA	0.36%
1204	Building 1	B 1BR/1BA	0.36%
1209	Building 1	B 1BR/1BA	0.36%
1210	Building 1	B 1BR/1BA	0.36%
1303	Building 1	B 1BR/1BA	0.36%
1304	Building 1	B 1BR/1BA	0.36%
1309	Building 1	B 1BR/1BA	0.36%
1310	Building 1	B 1BR/1BA	0.36%
2104	Building 2	B 1BR/1BA	0.36%
2105	Building 2	B 1BR/1BA	0.36%
2106	Building 2	B 1BR/1BA	0.36%
2107	Building 2	B 1BR/1BA	0.36%
2108	Building 2	B 1BR/1BA	0.36%
2109	Building 2	B 1BR/1BA	0.36%
2110	Building 2	B 1BR/1BA	0.36%
2111	Building 2	B 1BR/1BA	0.36%
2204	Building 2	B 1BR/1BA	0.36%
2205	Building 2	B 1BR/1BA	0.36%
2206	Building 2	B 1BR/1BA	0.36%
2207	Building 2	B 1BR/1BA	0.36%

Unit #	Building	Type	% Ownership
2208	Building 2	B 1BR/1BA	0.36%
2209	Building 2	B 1BR/1BA	0.36%
2210	Building 2	B 1BR/1BA	0.36%
2211	Building 2	B 1BR/1BA	0.36%
2304	Building 2	B 1BR/1BA	0.36%
2305	Building 2	B 1BR/1BA	0.36%
2306	Building 2	B 1BR/1BA	0.36%
2307	Building 2	B 1BR/1BA	0.36%
2308	Building 2	B 1BR/1BA	0.36%
2309	Building 2	B 1BR/1BA	0.36%
2310	Building 2	B 1BR/1BA	0.36%
2311	Building 2	B 1BR/1BA	0.36%
8103	Building 8	B 1BR/1BA	0.36%
8104	Building 8	B 1BR/1BA	0.36%
8109	Building 8	B 1BR/1BA	0.36%
8110	Building 8	B 1BR/1BA	0.36%
8203	Building 8	B 1BR/1BA	0.36%
8204	Building 8	B 1BR/1BA	0.36%
8209	Building 8	B 1BR/1BA	0.36%
8210	Building 8	B 1BR/1BA	0.36%
8303	Building 8	B 1BR/1BA	0.36%
8304	Building 8	B 1BR/1BA	0.36%
8309	Building 8	B 1BR/1BA	0.36%
8310	Building 8	B 1BR/1BA	0.36%
1101	Building 1	C 1BR/1BA	0.39%
1102	Building 1	C 1BR/1BA	0.39%
1111	Building 1	C 1BR/1BA	0.39%
1112	Building 1	C 1BR/1BA	0.39%
1201	Building 1	C 1BR/1BA	0.39%
1202	Building 1	C 1BR/1BA	0.39%
1211	Building 1	C 1BR/1BA	0.39%
1212	Building 1	C 1BR/1BA	0.39%
1301	Building 1	C 1BR/1BA	0.39%
1302	Building 1	C 1BR/1BA	0.39%
1311	Building 1	C 1BR/1BA	0.39%
1312	Building 1	C 1BR/1BA	0.39%
2101	Building 2	C 1BR/1BA	0.39%
2103	Building 2	C 1BR/1BA	0.39%
2112	Building 2	C 1BR/1BA	0.39%
2114	Building 2	C 1BR/1BA	0.39%
2201	Building 2	C 1BR/1BA	0.39%

Unit #	Building	Type	% Ownership
2203	Building 2	C 1BR/1BA	0.39%
2212	Building 2	C 1BR/1BA	0.39%
2214	Building 2	C 1BR/1BA	0.39%
2301	Building 2	C 1BR/1BA	0.39%
2303	Building 2	C 1BR/1BA	0.39%
2312	Building 2	C 1BR/1BA	0.39%
2314	Building 2	C 1BR/1BA	0.39%
8101	Building 8	C 1BR/1BA	0.39%
8102	Building 8	C 1BR/1BA	0.39%
8111	Building 8	C 1BR/1BA	0.39%
8112	Building 8	C 1BR/1BA	0.39%
8201	Building 8	C 1BR/1BA	0.39%
8202	Building 8	C 1BR/1BA	0.39%
8211	Building 8	C 1BR/1BA	0.39%
8212	Building 8	C 1BR/1BA	0.39%
8301	Building 8	C 1BR/1BA	0.39%
8302	Building 8	C 1BR/1BA	0.39%
8311	Building 8	C 1BR/1BA	0.39%
8312	Building 8	C 1BR/1BA	0.39%
4101	Building 4	D 1BR/Den	0.44%
4102	Building 4	D 1BR/Den	0.44%
4103	Building 4	D 1BR/Den	0.44%
4104	Building 4	D 1BR/Den	0.44%
4105	Building 4	D 1BR/Den	0.44%
4106	Building 4	D 1BR/Den	0.44%
4107	Building 4	D 1BR/Den	0.44%
4108	Building 4	D 1BR/Den	0.44%
4109	Building 4	D 1BR/Den	0.44%
4110	Building 4	D 1BR/Den	0.44%
4111	Building 4	D 1BR/Den	0.44%
4112	Building 4	D 1BR/Den	0.44%
4201	Building 4	D 1BR/Den	0.44%
4202	Building 4	D 1BR/Den	0.44%
4203	Building 4	D 1BR/Den	0.44%
4204	Building 4	D 1BR/Den	0.44%
4205	Building 4	D 1BR/Den	0.44%
4206	Building 4	D 1BR/Den	0.44%
4207	Building 4	D 1BR/Den	0.44%
4208	Building 4	D 1BR/Den	0.44%
4209	Building 4	D 1BR/Den	0.44%
4210	Building 4	D 1BR/Den	0.44%

Unit #	Building	Type	% Ownership
4211	Building 4	D 1BR/Dcn	0.44%
4212	Building 4	D 1BR/Den	0.44%
4301	Building 4	D 1BR/Den	0.44%
4302	Building 4	D 1BR/Den	0.44%
4303	Building 4	D 1BR/Den	0.44%
4304	Building 4	D 1BR/Den	0.44%
4305	Building 4	D 1BR/Den	0.44%
4306	Building 4	D 1BR/Den	0.44%
4307	Building 4	D 1BR/Den	0.44%
4308	Building 4	D 1BR/Den	0.44%
4309	Building 4	D 1BR/Den	0.44%
4310	Building 4	D 1BR/Den	0.44%
4311	Building 4	D 1BR/Den	0.44%
4312	Building 4	D 1BR/Den	0.44%
1105	Building 1	F 2BR/2BA	0.50%
1106	Building 1	F 2BR/2BA	0.50%
1107	Building 1	F 2BR/2BA	0.50%
1108	Building 1	F 2BR/2BA	0.50%
1205	Building 1	F 2BR/2BA	0.50%
1206	Building 1	F 2BR/2BA	0.50%
1207	Building 1	F 2BR/2BA	0.50%
1208	Building 1	F 2BR/2BA	0.50%
1305	Building 1	F 2BR/2BA	0.51%
1306	Building 1	F 2BR/2BA	0.51%
1307	Building 1	F 2BR/2BA	0.51%
1308	Building 1	F 2BR/2BA	0.51%
3101	Building 3	E 2BR/2BA	0.51%
3102	Building 3	E 2BR/2BA	0.51%
3107	Building 3	E 2BR/2BA	0.51%
3108	Building 3	E 2BR/2BA	0.51%
3201	Building 3	E 2BR/2BA	0.51%
3202	Building 3	E 2BR/2BA	0.51%
3207	Building 3	E 2BR/2BA	0.51%
3208	Building 3	E 2BR/2BA	0.51%
3301	Building 3	E 2BR/2BA	0.51%
3302	Building 3	E 2BR/2BA	0.51%
3307	Building 3	E 2BR/2BA	0.51%
3308	Building 3	E 2BR/2BA	0.51%
5101	Building 5	E 2BR/2BA	0.51%
5102	Building 5	E 2BR/2BA	0.51%
5107	Building 5	E 2BR/2BA	0.51%

Unit #	Building	Type	% Ownership
5108	Building 5	E 2BR/2BA	0.51%
5201	Building 5	E 2BR/2BA	0.51%
5202	Building 5	E 2BR/2BA	0.51%
5207	Building 5	E 2BR/2BA	0.51%
5208	Building 5	E 2BR/2BA	0.51%
5301	Building 5	E 2BR/2BA	0.51%
5302	Building 5	E 2BR/2BA	0.51%
5307	Building 5	E 2BR/2BA	0.51%
5308	Building 5	E 2BR/2BA	0.51%
6101	Building 6	E 2BR/2BA	0.51%
6102	Building 6	E 2BR/2BA	0.51%
6107	Building 6	E 2BR/2BA	0.51%
6108	Building 6	E 2BR/2BA	0.51%
6201	Building 6	E 2BR/2BA	0.51%
6202	Building 6	E 2BR/2BA	0.51%
6207	Building 6	E 2BR/2BA	0.51%
6208	Building 6	E 2BR/2BA	0.51%
6301	Building 6	E 2BR/2BA	0.51%
6302	Building 6	E 2BR/2BA	0.51%
6307	Building 6	E 2BR/2BA	0.51%
6308	Building 6	E 2BR/2BA	0.51%
7101	Building 7	E 2BR/2BA	0.51%
7102	Building 7	E 2BR/2BA	0.51%
7107	Building 7	E 2BR/2BA	0.51%
7108	Building 7	E 2BR/2BA	0.51%
7201	Building 7	E 2BR/2BA	0.51%
7202	Building 7	E 2BR/2BA	0.51%
7207	Building 7	E 2BR/2BA	0.51%
7208	Building 7	E 2BR/2BA	0.51%
7301	Building 7	E 2BR/2BA	0.51%
7302	Building 7	E 2BR/2BA	0.51%
7307	Building 7	E 2BR/2BA	0.51%
7308	Building 7	E 2BR/2BA	0.51%
8105	Building 8	F 2BR/2BA	0.51%
8106	Building 8	F 2BR/2BA	0.51%
8107	Building 8	F 2BR/2BA	0.51%
8108	Building 8	F 2BR/2BA	0.51%
8205	Building 8	F 2BR/2BA	0.51%
8206	Building 8	F 2BR/2BA	0.51%
8207	Building 8	F 2BR/2BA	0.51%
8208	Building 8	F 2BR/2BA	0.51%

Unit #	Building	Type	% Ownership
8305	Building 8	F 2BR/2BA	0.51%
8306	Building 8	F 2BR/2BA	0.51%
8307	Building 8	F 2BR/2BA	0.51%
8308	Building 8	F 2BR/2BA	0.51%
			100.00%

EXHIBIT D

RECORDED EASEMENTS AND LICENSES

1. Restrictive Covenants in instrument filed under: Film Code. 360052 of the Map Records of Harris County, Texas.
2. An easement for water line ten (10) feet in width, in addition to four (4) fire hydrant easements ten (10) feet wide and ten twenty-eight (28) foot private roadway systems, as reflected by the map filed for record under Film Code No. 360052 of the Map Records of Harris County, Texas.
3. Drainage easement fifteen (15) in width on each side of the center line of all natural drainage courses as shown by the plat recorded in Film Code No. 360052 of the Map Records of Harris County, Texas.
4. Building set-back line twenty-five (25) feet in width along the northerly property line, as shown by instrument recorded in Film Code No. 360052 of the Map Records of Harris County, Texas.
5. Water Meter Easement ten (10) feet wide and twenty (20) feet long along the north property line as reflected by the map filed for record under Film Code No. 360052.
6. Asphalt and/or concrete for driveways extending over the ten (10) foot water line easement as shown on survey dated June 8, 1995, last revised September 11, 2001, prepared by Ward D. Kelsey, Registered Professional Land Surveyor No. 4302.