

Park Place ByLaws

BY-LAWS

OF

PARK PLACE CONDOMINIUMS OWNERS' ASSOCIATION, INC.

(A Texas Non-Profit Corporation)

ARTICLE I

1.1 Name. The name of the organization shall be Park Place Condominiums Owners Association, Inc., hereinafter called "Association".

ARTICLE II

2.1 Purpose. The purpose for which this non-profit Corporation is formed is to govern the Condominium Property situated in the County of Travis, State of Texas, which Property is described on the attached Exhibit "A", which by this reference is made a part hereof, and which Property has been submitted to a Regime according to the provisions of the Condominium Act of the State of Texas. All the terms, conditions, definitions and covenants of the Condominium Declaration for Park Place Condominiums, (hereinafter referred to as the "declaration") are incorporated herein by reference for all purposes.

2.2 Owner obligation. All present or future owners, tenants, future tenants or any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Condominium Units (hereinafter referred to as "Units") of the Project or the mere act of occupancy of any said Units will signify that these By-Laws are accepted, ratified and will be strictly followed.

ARTICLE III

3.1 Membership. Any person on becoming an Owner of a Condominium Unit shall automatically become a Member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such

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person ceases to own a Condominium Unit. Such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connect with Park Place Condominiums during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one (1) Membership Card per Unit to the Owner(s) of a Condominium Units. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon is terminated.

3.2 Voting. Voting shall be on a per Unit basis. The Owner of each Unit is entitled to a single vote. If a Unit has more than one Owner, any one of such Unit Owners shall be entitled to vote or act on behalf of all of the Unit Owners of such Unit, without the joinder of the other Unit

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Owners and which vote or action shall be deemed to be the unanimous vote or action of all such Unit Owners, unless all of the Unit Owners of such Unit shall have designated in writing prior to such vote or action one or more of such Unit Owners, or a third party by proxy, who shall be authorized to vote or act on behalf of such Unit Owners. A copy of such written designation or proxy shall be filed with the Board of Directors before any such vote may be cast. Absent such written designation or proxy, if only one of the Unit Owners of a Unit is present at a meeting of the Association, that person may cast the vote or votes allocated to that Unit, and if more than one of the Unit Owners of a Unit is present, the vote allocated to that Unit may, at the request of any of such Unit Owners, or in the event of disagreement among such Unit Owners, shall, be divided in equal parts among such Unit Owners. Multiple Unit Owners are deemed to be unanimous agreement if one of the multiple Unit Owners casts the vote(s) allocated to a Unit and none of the other Unit Owners makes a prompt protest to the person residing over the meeting. The present number of votes that can be cast by the Unit Owners is twenty (20).

3.3 Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those Owners with fifty-one percent (51%) of the votes entitled to be cast.

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3.4 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Unit Owners" as defined in Paragraph 3.3 of this Article shall constitute a quorum. Unless otherwise provided in the Declaration or these By-Laws, when a quorum of Owners is present at any meeting, a majority vote of the Owners present, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action. If a quorum is not present, the provision of Paragraph 4.7 of these By-Laws will control.

3.5 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE IV

4.1 Declarant Control. Notwithstanding any provision herein to the contrary, and in accordance with Paragraphs 4.2 and 4.3 of the Condominium Declaration of Park Place Condominiums, the Declarant, Austin Redevelopment, LP, a Texas Limited Partnership, shall retain control over management of the benefit of the Unit Owners and any first mortgagees of record and for the purpose of insuring both a complete and orderly conversion and a timely sellout of the Project Units. This control shall last no longer than three years from the date the first Unit is sold, transferred or conveyed, or 120 days after the sale of seventy-five percent (75%) of the Units, whichever event shall first occur.

4.2 Association Responsibilities. The Owners of the Units will constitute the Association of the Unit Owners, (hereinafter referred to as "Association"), who will have the responsibility of administering the Condominium Project through a Board of Directors.

4.3 Place of Meetings. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be

permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.

4.4 Annual Meetings. Annual meetings shall be held the first (1st) Monday of

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September

each year. The first annual meeting and each meeting thereafter, the Association shall elect a Board of Directors in accordance with the requirements of Paragraph 4.6 of the By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

4.5 Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the Owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two-thirds (2/3rds) of the Owners present, either in person or by proxy.

4.6 Notice of Meetings. The Secretary shall mail notices of annual and special meetings to each Member of the Association, directed to his last known post office address, as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than five (5) days no more than twenty (20) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any mortgagee of record or its designee may be entitled to receive similar notice.

4.7 Adjourned Meeting. If any meeting of Owners cannot be organized because quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting for not less than five (5) days, but not more than twenty (20), and the required quorum at the subsequent meeting shall be twenty-five percent (25%) of the aggregate interest of the undivided Ownership of the Common Elements.

4.8 Order of Business. The order of business at all meetings of the Owners of Units shall be as follows:

- a. Roll call
- b. Proof of notice of meeting or waiver of notice
- c. Reading of minutes of preceding meeting

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- d. Reports of officers
- e. Reports of committees
- f. Election of Directors
- g. Unfinished business
- h. New business

ARTICLE V

5.1 Number and Qualification of Board of Directors. The affairs of this Association shall be governed by a Board of Directors composed initially of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

Greg Beckham 1803 West Koenig Lane
Austin, Texas 78756

Kate Walters 4902 Big Trail Circle
Austin, Texas 78759

Tigh Walters 4902 Big Trail Circle
Austin, Texas 78759

Except for the persons appointed to the initial Board of Directors during the period of Declarant Control as defined in the Declaration, a Director must own an interest in a Condominium Unit of Park Place Condominiums to qualify for election to the Board of Directors.

5.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a residential Condominium Project. The Board of Directors may do all such acts and

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things that are not by these By-Laws, the Articles of Incorporation, or by the Condominium Declaration for Park Place Condominiums directed to be exercised and done by the Owners.

5.3 Other Powers and Duties. The Board of Directors shall have the following duties.

a. To administer and enforce the covenants, conditions, restriction, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration and these By-Laws.

b. To establish, make and enforce compliance with rules necessary for the orderly operation, use and occupancy of this Condominium Project with the further right to amend same form delivered or mailed to each Member promptly upon the adoption thereof.

c. To keep in good order, condition and repair the General and Limited Common Elements and all items of personal property used in the enjoyment of the entire Premises.

d. To insure and keep insured all of the insurable Common Elements of the Property in an amount equal to their maximum replacement value, as provided in the Declaration. Further, to obtain and maintain comprehensive liability insurance covering the entire Premises in such amounts as the Board of Directors deems necessary. To insure and keep insured all the fixtures, equipment and personal property acquired by the Association for the benefit of the Association, the Owners of the Condominium Units and their first mortgagees. The limits and coverage shall be reviewed at intervals of not less than three (3)

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years and adjusted, if necessary, to provide such coverage and protection as the Association may deem prudent. So long as the Federal Home Loan Mortgage Company (FHLMC), Federal National Mortgage Association (FNMA) and Governmental National Mortgage Association (GNMA) is a mortgagee of a Condominium Unit in the Project, or owns a Unit therein, the Association shall maintain, in effect at least, such casualty, flood and liability insurance and a fidelity bond, meeting standards established by FHLMC, FNMA, and GNMA for planned development, as published in the FHLMC, FNMA or GNMA. Workmen's compensation insurance shall, at all times, be carried to the extent required to comply with an applicable law with respect to the employees, if any, of the Association.

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- e. To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the Owners; and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, and additional capital expenses. All monthly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.
- f. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these By-Laws.
- g. To protect and defend the entire Premises from loss and damage by suit or otherwise.
- h. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration, the Articles of Incorporation and these By-Laws; to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners in the same proportion as their interest in Common Elements.
- i. To enter into contracts within the scope of their duties and power.
- j. To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board of Directors.
- k. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners and any first mortgagee of a Unit, and to cause a complete audit of the books and accounts by a competent accountant, once each year. The Association shall cause to be prepared and delivered annually to each Owner an audited statement showing all receipts, expenses or disbursements since the last such statement. Such audited financial statements shall be available to any first mortgagee of a Unit, on request, within ninety (90) days following the fiscal year end of the Project.

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l. To meet at least once each quarter.

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m. To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.

n. To employ accountants, bookkeepers, architects, attorneys, and other professional services necessary in the operation of the Homeowner's Association.

o. To make available to each Owner, upon request, during normal business hours, current copies of the constituent documents, including the Declaration, By-Laws and Articles of Incorporation.

p. To grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

q. To purchase, acquire, hold, lease, and/or sell individual units of the Project pursuant to the authority granted by the provisions of the recorded Declaration, the Articles of Incorporation, and these By-Laws and in such situations as the Association deems necessary or useful for the protection of the Owners or operation of the Project; to expend funds and to execute lease, and/or sale of a Unit. This power shall not be construed as a restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit, or as the creation of any right of first refusal.

r. In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of Condominium ownership.

5.4 Election and Term of Office. At the first (1st) annual meeting of the Association the term of office of one (1) of the Directors shall be fixed for one (1) year, the term of office of one (1) of the Directors shall be fixed at two (2) years, and the term of office of the remaining one (1) Director shall be fixed at three (3) years. At the expiration of the initial term of office of each

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respective Director, his successor shall be elected to serve a term of office of each respective Director; his successor shall be elected to serve a term of three (3) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first (1st) meeting.

5.5 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person as elected shall be a Director until a successor is elected at the next annual meeting of the Association. The person elected at the next annual meeting of the Association to replace the vacancy will serve until the expiration of the term of the person whose position was vacated.

5.6 Removal of Director. At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

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5.7 Organization Meeting. The first (1ST) meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.8 Regular Meetings. Regular meetings of the Board of Directors may be held at such times and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.9 Special Meeting. Special Meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days personal notice to each Director by mail,

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telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

5.10 waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting, as originally called, may be transacted without additional notice.

5.12 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium shall be paid by the Association on such bonds. Such fidelity bonds shall name the Association as an obligee, and shall be written in an amount equal to at least the estimated maximum of funds, including reserve funds, in the custody of the Association or the Managing Agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds.

5.13 Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

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ARTICLE VI

6.1 Designation of Officers. The officers of the Association shall be a President, Vice President, Secretary/Treasurer and Assistant Secretary, all of whom shall be elected by the Board of Directors and all of whom, except the Assistant Secretary, must own an interest in a Condominium Unit of Park Place Condominiums.

6.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

6.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

6.4 President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of both the Association and the Board of Directors. He shall have all the general powers and duties in which are usually vested in the office of the president of an association, including, but not limited to, the power to appoint committees from among the Owners to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of the Park Place Condominiums Owners' Association. Inc.

6.5 Vice President: The Vice President shall have all the powers and authority and perform all the duties of the President in his absence, or his inability for any reason to exercise such powers and functions and perform such duties, and such other duties as may be required of him from time to time by the Board of Directors or the President.

6.6 Secretary/Treasurer: The Secretary/Treasurer shall keep the minutes of all meetings of

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the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in the general, perform all the duties incident to the office of the Secretary.

a. The Secretary/Treasurer shall compile and keep up to date, at the principal office of the Association, a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name, the number of the Members living in the Unit and the parking space and storage space assigned for use in connection with such Unit. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

b. The Secretary/Treasurer shall have responsibility for the Association funds and shall receive and deposit in appropriate bank accounts designated by the Board of Directors all money of the Association and shall disburse such as directed by resolution of the Board of Directors; provided, however that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the

limits of a budget adopted by the Board of Directors, including authority to (I) sign all checks and promissory notes of the Association; (ii) keep proper books of account; (iii) cause an annual statement of the Association's books to be made at completion of each fiscal year; (iv) prepare an annual budget and a statement of income expenditures to be presented to the Membership at its regular annual meeting and deliver a copy of each to the Members; and (v) perform all other duties assigned to him by the Board of Directors.

6.7 Assistant Secretary: The Board of Directors shall elect, as necessary, such persons as it desires to have serve as Assistant Secretary and such person so elected need not be an Owner of a Condominium Unit. The Assistant Secretary will perform the duties of secretary, as delegated by the Board except any duties dealing with the funds of the Association.

ARTICLE VII

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7.1 Management Company. The Board of Directors may enter into a management agreement with a Management Company or managing agent at a rate of compensation agreed upon by the Board of Directors. In accordance with the Declaration and these By-Laws, the Management Company shall have, but shall not be limited to, the following functions, duties and responsibilities:

a. Fiscal Management.

1. Prepare annual operating budget detailed to reflect expected operation for each month. This budget is established to show expected recurring receipts and operating disbursements. It is further used for comparison with actual monthly income and expenditures.
 2. Prepare five (5) year sinking fund reserve budget projection for capital expenditures on items recurring only periodically, i.e., painting, etc., for Common Elements.
 3. Prepare yearly, or more frequently, operating and cash position statements and statements concerning sinking fund reserve accounts.
 4. Analyze and compare operating receipts and disbursements against the Board-approved budget. Where a significant variation is shown (20% above or below the budgeted amount), prepare explanations of variations from budgeted figures. Suggest corrective recommendations, if applicable.
 5. Collect maintenance fees and special assessments; deposit them in checking, savings or other income-producing accounts on behalf of the Board and maintain comprehensive records thereof. Establish individual checking and sinking fund reserve accounts, as directed by the Board.
 6. Mail notices of delinquency to any Owner in arrears, and exert reasonable effort to collect delinquent accounts.
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7. Examine all expense invoices for accuracy and pay all bills in a prompt and timely manner.
 8. Prepare year-end statement of operations for Owners.

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9. Assist in the yearly audit to be performed by a certified public accountant.

b. Physical Management.

1. Assume full responsibility for maintenance and control of Common Area improvements and equipment. Maintain the Property in constant repair to reflect Owner pride and to ensure high property values in accordance with the provisions of the operating budget, as approved by the Board of Directors.

2. Enter into contracts and supervise services for lawn care, swimming pool care, refuse hauling, pump maintenance, etc., as approved by operating budgets.

3. Select, train and supervise competent personnel, as directed by the Board.

4. Compile, assemble and analyze data and prepare specifications and call for bids for major improvement projects. Analyze and compare bids, issue contracts and coordinate the work; maintain close and constant inspection to ensure that work is performed according to specifications.

5. Perform any other projects with diligence and economy in the Board's best interest.

c. Administrative Management.

1. Inspect contractual services for satisfactory performance. Prepare any necessary compliance letters to Vendors.

2. Obtain and analyze bids for insurance coverage specified in By-Laws; recommend modifications or additional coverage. Prepare claims when required and follow up on payment; act as Board's representative in negotiating settlement.

3. Exercise close liaison and supervision over all personnel to ensure proper operational maintenance and to promote good Management-Resident-Owner relationships.

4. Act as liaison for the Association in any negotiations or disputes with local, federal or state taxing agencies or regulatory bodies.

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5. Exercise close supervision over hours and working conditions of employed personnel to ensure compliance with Wage and Hour and Workman's Compensation Laws.
 6. Assist in resolving individual Owner's problems as they pertain to the Association, Common Elements and governing rules and regulations.
 7. Represent an absentee Owner, when requested.
 8. Attend quarterly meeting of Board of Directors and provide input to the Board as needed or as directed by the Board.
 9. Administer the Condominium Project in such a way as to promote a pleasant and harmonious relationship within the complex for all Owners, Residents and Tenants alike.
- 7.2 Initial Management Company. The initial management company notwithstanding other provisions of these By-Laws to the contrary, shall have all of the duties of the Board of Directors during the period of declarant control as provided for in the Declaration.

ARTICLE VIII

8.1 Indemnification. The Association shall indemnify every Director, officer, and managing agent, his heirs, executors and administrators, and successors or assigns, against all loss, cost and expense, including counsel fees reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, officer or managing agent of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters which the Association is advised by counsel with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter

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involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer, or managing agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in this Article VIII shall be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under any by virtue of the Declaration for Park Place Condominiums as a Member of Owner of a Condominium Unit covered thereby. This Right of Indemnification extends to every Director, officer or managing agent, whether suit is brought against them in their official capacity or individual capacity.

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ARTICLE IX

9.1 Assessments. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. The assessments shall be made pro rata according to the proportionate share of the Unit Owner in and to the Common Elements and shall be due monthly in advance. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these By-Laws, only if he is current in the assessments made or levied against him and the Condominium Unit owned by him.

9.2 Maintenance and Repair.

a. Every Owner must perform promptly at his own expense all maintenance and repair work within his own Condominium Unit, which if omitted would affect the project in its entirety or in part belonging to other Owners.

b. All the repairs of internal installations of the Unit such as water, light, gas power, sewage, telephone, air conditioners, sanitary installations, doors, windows, glass electrical fixtures, floor and wall coverings and all other accessories, equipment

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and fixtures belonging to the Unit area shall be at the Owner's expense.

c. An Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any General or Limited Common Element damaged by his negligence or by the negligence of his tenants or agents, or the Owner's failure to maintain those items of which the Owner is responsible for maintenance.

9.3 Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims to mechanic's lien filed against other Condominium Units and the appurtenant General Common Elements for labor, materials, services or other products incorporated in the Owner's Condominium Unit. In the event suit for foreclosure is commenced, then within ten (10) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to double the amount of such claim plus interest at the rate of ten percent (10%) for one year together with a sum equal to ten percent (10%) of the amount of such claim but not less than Three Hundred and No/100 Dollars (\$300.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the litigation. Disbursement of such funds or proceeds shall be made to ensure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees, shall be paid forthwith by the subject Owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and a lien against his Condominium Unit which may be foreclosed as is provided in Article V of the Declaration. Such Owner shall be liable to the Association for payment of interest at the rate of ten percent (10%) of all sums paid by the Association until the date of repayment by such Owner.

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9.4 General.

a. Each Owner shall comply strictly with the provisions of the Condominium
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Declaration for Park Place Condominiums, the Articles of Incorporation and these By-Laws and amendments and supplements thereto.

b. Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which Project was built.

9.5 Use of General Common Elements and Limited Common Elements. Each Owner may use the General Common Elements and the Limited Common Elements in accordance with the purposes for which they were intended.

9.6 Use of Units B Internal Changes.

a. All Units shall be utilized for residential purposes only.

b. An Owner shall not make structural modifications or alterations to his Unit or installations located therein.

9.7 Right of Entry.

a. An Owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board of Directors in case of any emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

b. An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergency, such entry shall be immediate.

9.8 Destruction or Obsolescence. Each Owner shall, if necessary, execute a power of attorney in favor of the Association, irrevocably appointing the Association his attorney in fact to deal with the Owner's Condominium Unit upon its destruction, obsolescence or condemnation, as is provided in Paragraph 6.1 of the Condominium Declaration.

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ARTICLE X

10.1 Abatement and Enjoinment. The violation of any rule or regulation promulgated by the Board of Directors, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent, the right, in addition to any other rights set forth therein, (a) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespassing, and to expel, remove and put out same, using such force as may be necessary in so

doing, without being liable to prosecution or in damages therefore; and (b) enjoin, abate, or remedy by appropriate legal proceedings, either at law or inequity, the continuance of any breach.

ARTICLE XI

11.1 Rights. The Association and any aggrieved unit Owner shall have an appropriate right of action against Unit Owners for failure to comply with the provisions of the Declaration and these By-Laws, or with decisions of the Association which are made pursuant thereto. Any Unit Owner shall have similar rights of action against the Association.

ARTICLE XII

12.1 By-Laws.

a. After relinquishment of Declarant control of the Association, as set forth in Article IV, these By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Owners representing at least sixty-seven percent (67%) of the aggregate interest of the undivided Ownership of the Common Elements except for those amendments provided therein.

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b. Until relinquishment of Declarant control of the Association, these By-Laws may be unilaterally amended by the Declarant to correct any clerical or typographical error or omission, or to change any provision to meet the requirements of the Federal Home Loan Mortgage Corporation, Federal Housing Administration, or other institutional Lenders.

ARTICLE XIII

13.1 Notice to Association. An Owner who mortgages his Unit shall notify the Association through the President of the Association giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Condominium Units."

13.2 Notice of Unpaid Assessments. The Association shall, at the request of a Mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

ARTICLE XIV

14.1 Legal Requirements. These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply. To the maximum extent possible, these By-Laws will be constructed to be in compliance with the Texas Condominium Act.

♀
ARTICLE XV

15.1 Non-Profit Purpose. This Association is not organized for profit. No Unit Owner, Member of the Board or Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and, in no event, shall any part of the funds or assets of the Association be paid as a salary or

Park Place ByLaws

as compensation to, or distributed to or inure to the benefit of any member of the Board of Directors: provided, however, always, (i) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association; and (ii) that any Member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XVI

16.1 Address. The principal office of the Association shall be located at 8500 Shoal Creek Boulevard, Building 4, Suite 114, Austin, Texas 78757, but may be located at such other suitable and convenient place as shall be permitted by law and designated by the Directors.

ARTICLE XVII

17.1 Authorized Agents. The persons, who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary/Treasurer of the Association.

ARTICLE XVIII

18.1 Attestation: Adopted by the Board of Directors on _____ .

Attest: _____

Park Place ByLaws

♀

ACKNOWLEDGMENT OF RECEIPT

ACKNOWLEDGMENT OF RECEIPT

STATE OF TEXAS

COUNTY OF _____

The undersigned hereby acknowledges the receipt of the Park Place Condominium Information Statement and all its contents which includes the following sections:

- Condominium Declaration for Park Place Condominiums;
- Articles of Incorporation for Park Place Condominiums Owners Association, Inc;
- Bylaws of Park Place Condominiums Owners Association, Inc.;
- Rules and Regulations for Park Place Condominiums;
- Copy of Homeowner's Warranty;
- Copy of projected budget for Association for first fiscal year;
- Copy of purchase contract and other documents required to be executed by purchasers at closing of the sale of a unit;
- Copies of initial certificates of insurance;
- Report prepared by LOC Consultants, LLP;
- List of units and type, and undivided ownership percentage interest.

This packet was received by _____ on _____ (date).

Recipient

Notary Public

Printed Name: _____

My Commission Expires:

ACKNOWLEDGMENT OF RECEIPT

STATE OF TEXAS

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This packet was received by _____ on _____ (date).

Recipient

Notary Public

Printed Name: _____

My Commission Expires:

CONDOMINIUM INFORMATION STATEMENT

**CONDOMINIUM INFORMATION STATEMENT
FOR PARK PLACE CONDOMINIUMS**

Pursuant to Texas Property Code Sections 82.151 through 82.156, which require that purchasers of a unit in a condominium project be given certain information before executing a contract to purchase such a unit, BF CONDOMINIUMS, LTD., provides the following information package regarding Park Place Condominiums (the "Project").

**YOU SHOULD READ THIS DOCUMENT
BEFORE EXECUTING A PURCHASE CONTRACT**

1. Name and Address of Declarant. The units in the Project are being offered by BF CONDOMINIUMS, LLC ("Declarant"), whose principal address is 1403 West 6th Street, Austin, Texas 78703.

2. General Description of Project. The Project consists of a residential apartment condominium development with a maximum of eighteen (18) units, all of which are residential units. Common Elements of the Condominium include parking areas. Index Exhibit 10 of this packet is a list of the Units and their type, and their undivided ownership percentage interest in the Common Elements. The individual unit measurements and square footage sizes from the Plans were accurate as of March 23, 2007. Owner changes since March 23, 2007 have not been reflected in these plans. The Declarant shall not be liable to any Owner as a result of any discrepancies in actual Unit measurements or square footage from those set forth on the Plans, and each Owner, by accepting a deed to a Unit, waives any such claim or cause of action against the Declarant.

3. Additional Units. The Declarant has no plans to develop additional units.

4. Development Rights Reserved by Declarant. Declarant has reserved no development rights in the Project.

5. Encumbrances Affecting Title. After conveyance by the Declarant of the units in the Project to purchasers, the following encumbrances (including liens and leases) will affect title to the Project:

- a. Deed of Trust executed by PARK PLACE CONDOMINIUMS, LTD., a Texas limited partnership, Tim Loudermilk, Trustee, dated February 27, 2007, filed February 28, 2007, recorded in/under Document No. 2007035783 of the Real Property Records of TRAVIS County, Texas, securing Texas Capital Bank, National Association, a national banking association in the payment of one note in the principal sum of \$2,125,000.00, due and payable and bearing interest as therein provided; said Note being additionally secured by a Vendor's Lien retained in Deed, executed by 4306 Avenue A, LTD., a Texas limited partnership, to PARK PLACE CONDOMINIUMS, LTD., a Texas limited partnership, dated

February 27, 2007, filed February 28, 2007, recorded in/under Document No. 2007035782 of the Real Property Records of TRAVIS County, Texas.

- b. Easements, or claims of easements, which are not recorded in the public records.
- c. Restrictive Covenants recorded in Volume 180, Page 299 and Volume 828, Page 567, Deed Records of Travis County, Texas.
- e. Rights of tenants, as tenants only, under any and all unrecorded leases or rental agreements.
- f. Rights of Parties in Possession. (Owner Title Policy)
- g. Grade Requirement Release executed by the City of Austin, to the City of Austin, as recorded in Volume 4026, Page 1587, Deed Records of Travis County, Texas.
- h. Protrusion and encroachment of fence over and/or onto the Northeast and Southwest property line, as shown on the survey prepared by Mark C. Brown, RPLS No. 5059, dated January 23, 2007.
- i. Utility lines and power poles along the Northwest property line and the Concrete Channel, as shown on the survey prepared by Mark C. Brown, RPLS No. 5059, dated January 23, 2007.
- j. Any and all visible and/or apparent easements located on, over or across subject property.

6. Pending Suits and Unsatisfied Judgments.

- a. There are no pending lawsuits to which the Unit Owners Association for the Project (the "Association") is a party.
- b. There are no pending lawsuits, about which Declarant has actual knowledge, that are material to the land title and construction of the condominium Project.
- c. There are no unsatisfied judgments against the Association.

7. Insurance. The Association carries insurance for the benefit of the unit owners as shown by the initial insurance certificates at Index Exhibit 8. Generally, the insurance includes (a) Property insurance on the units and insurable common elements insuring against all risks of direct physical loss that are commonly insured against, including fire and extended coverage, in a total amount of eighty (80) percent of the replacement cost or actual cash value of the insured property; and (b) commercial general liability insurance, including medical payments insurance, in an aggregate amount of \$ 2,000,000.00, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use,





ownership, or maintenance of the common areas. Copies of these initial insurance certificates are provided at Index Exhibit 8.

8. Expected Fees and Charges. The expected fees or charges to be paid by unit owners for use of the common elements and condominium facilities are \$31,500.00 total per year. A copy of the Association's projected budget for the Association for its first fiscal year after the first conveyance of a unit to a purchaser are attached as Index Exhibit 6. Information for the budget was assembled by the Declarant. The budget has taken into consideration the physical condition of the Condominium and is based on reasonable assumptions and beliefs to the best of the Declarant's knowledge. Declarant made no assumptions concerning occupancy or inflation factors in preparing the budget.

9. Present Condition of Building. Based on the report prepared by LOC Consultants, LLP, as of April 9, 2007, all structural, mechanical, and electrical components that are material to the use and enjoyment of the conversion building are sound. A statement of the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the Condominium is set forth in Index Exhibit 9. No representations are made in regard to the useful life of each item reported in such statement. The Declarant does not provide any express or implied written or oral warranties in connection with the Condominium. At closing, Declarant will pay the premium for the homeowner's warranty attached hereto as Index Exhibit 5.

10. Expected Useful Life. No representations are made by the Declarant about the expected useful life of any structural, mechanical, or electrical component of the conversion building.

11. Building Code Violations. The Declarant has received no notice of any building code or other violations in the conversion building that have not been cured. The Declarant reserves the right to amend this Condominium Information Statement. If any such amendment is made to this Condominium Information Statement, Declarant shall provide a copy of the amended Condominium Information Statement to any prospective purchaser of a Unit in the Condominium.

12. Attached Documents. The following documents are provided together with this Statement:

1. The Project's Declaration, including all amendments;
2. The Association's Articles of Incorporation, including all amendments;
3. The Association's Bylaws, including all amendments;
4. The Association's adopted Rules and Regulations, as amended;
5. A copy of the homeowner's warranty provided by the Declarant;

6. A copy of the Association's projected budget for the Association for its first fiscal year after the first conveyance of a unit to a purchaser. The information for the budget was assembled by the Declarant. The budget has taken into consideration the physical condition of the Condominium and is based on reasonable assumptions and beliefs to the best of the Declarant's knowledge. Declarant made no assumptions concerning occupancy or inflation factors in preparing the budget;
7. A copy of the purchase contract and other documents that are required by Declarant to be executed by purchasers at the closing of the sale of a unit. These documents must be executed by the purchaser at the closing of the sale of any unit in this Project;
8. Copies of the initial certificates of insurance;
9. Report prepared by LOC Consultants, LLP, regarding the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the Condominium as of April 9, 2007;
10. List of the Units and their type, and their undivided ownership percentage interest in the Common Elements.

This Condominium Information Statement is given on April 17th, 2007.

BF CONDOMINIUMS, LLC

By: Greg Beckham
Greg Beckham

Title: Managing Member

ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on April 17th, by Greg Beckham, Managing Member of BF CONDOMINIUMS, LLC, a Texas Limited Liability Company.

Tigh Walters

Tigh Walters
Notary Public in and for the State of Texas



My commission expires 1/23/2010

INDEX TO ATTACHMENTS

PARK PLACE CONDOMINIUMS

INDEX NO.	DESCRIPTION
1	Condominium Declaration for Park Place Condominiums
2	Articles of Incorporation for Park Place Condominiums Owners Association, Inc.
3	Bylaws of Park Place Condominiums Owners Association, Inc.
4	Rules and Regulations for Park Place Condominiums
5	Copy of Homeowner's Warranty
6	Copy of projected budget for Association for first fiscal year
7	Copy of purchase contract and other documents required to be executed by purchasers at closing of the sale of a unit
8	Copies of initial certificates of insurance
9	Prepared report by LOC Consultants, LLP
10	List of units and type, and undivided ownership percentage interest

DECLARATION



**CONDOMINIUM DECLARATION
FOR
PARK PLACE CONDOMINIUMS**

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**CONDOMINIUM DECLARATION
FOR
PARK PLACE CONDOMINIUMS**

State of Texas
County of Travis

PREAMBLE

This Declaration is made on _____, at Austin, Travis County, Texas, by BF Condominiums, LLC ("Declarant"), whose mailing address is 1403 West 6th Street, Austin, Texas 78703.

ARTICLE 1: RECITALS AND SUBMISSION

1. Declarant is the owner of all of the real property, including the land; all improvements and structures on the property; and all easements, rights, and appurtenances belonging to the property that is located in the City of Austin, County of Travis, State of Texas (the "Property"), more particularly described in Exhibit A, which is attached and incorporated by reference.
2. Declarant submits the Property to a condominium regime established by the Texas Uniform Condominium Act (TUCA), which is codified in Chapter 82 of the Property Code.
3. The Property constitutes a condominium project (the "Project") within the meaning of TUCA. The formal name of the Project is Park Place Condominiums.
4. Declarant intends and desires to establish by this Declaration a plan of ownership for the condominium project ("Project"). The plan consists of individual ownership of residential apartment units (the "Unit(s)") and other areas. The Project shall be divided into no more than 18 Units.
5. The Declarant intends to impose on the Project mutually beneficial restrictions for the benefit of all Units and the persons who own those Units (the "Owners"). The Declarant further intends, in accordance with the terms set forth herein, that the Owners will govern the Project by means of an organization of Owners (herein the "Association"), as more particularly set forth herein. The formal name of the Association is the Park Place Condominiums Owners Association, Inc.
6. The Units and other areas of the Project are more particularly described in Exhibits A and B, which are attached and incorporated by reference. The Owners each have an undivided interest in the remaining property of the Project (referred to as the "Common Elements"), which is also more particularly shown in Exhibit A. Exhibit B illustrates each individual unit and Exhibit C sets forth the allocation to each Unit of (a) a fraction or percentage of undivided interests in the common elements of the condominium, (b) a fraction or percentage of undivided interests in the common expenses of the Association, and (c) a portion of votes in the Association, by the formulas set forth therein.
7. Therefore, the Declarant declares that the Project is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance

of a plan for the improvement of the Property and the division of the Property into Units, and all of which are established and agreed on for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Project and every part of the Project. All of the covenants, conditions, and restrictions shall run with the Property and shall be binding on all parties having or acquiring any right, title, or interest in or any part of the Property and shall be for the benefit of each Owner of the Project or any interest in the Project and shall inure to the benefit of and be binding on each successor in interest of the Owners.

ARTICLE 2: DEFINITIONS

2.01. Articles. *Articles* mean the Articles of Incorporation of the Association that are or shall be filed in the Office of the Secretary of State of the State of Texas.

2.02. Association. *Association* means the Park Place Condominiums Owners Association, Inc., a corporation organized under the Texas Non-Profit Corporation Act for the management of the Project, the membership of which consists of all of the Owners in the Project.

2.03. Board. *Board* means the Board of Directors of the Association.

2.04. Bylaws. *Bylaws* mean the Bylaws of the Association and amendments to the Bylaws that are or shall be adopted by the Board.

2.05. Condominium. *Condominium* means the separate ownership of single units in a multiple-unit structure or structures with common elements.

2.06. Common Elements. *Common Elements* mean all elements of the Project except the separately owned Units, and includes both general and limited common elements.

2.07. Declarant. *Declarant* means BF Condominiums, LLC and its successors and assigns.

2.08. Declaration. *Declaration* means this Declaration document and all that it contains.

2.09. General Common Elements. *General Common Elements* mean all the Common Elements except the Limited Common Elements.

2.10. Governing Instruments. *Governing Instruments* mean the Declaration, and the Articles of Incorporation and Bylaws of the Association.

2.11. Limited Common Elements. *Limited Common Elements* mean the Common Elements allocated for the exclusive use of one or more but less than all of the Units.

2.12. Manager. *Manager* means the person or corporation, if any, appointed by the Board to manage the Project.

2.13. Owner(s). *Owner(s)* means any person that owns a Unit within the Project.

2.14. Person. *Person* means an individual, firm, corporation, partnership, association, trust, other legal entity, or any combination of persons or entities.

2.15. Project. *Project* means the entire parcel or the Property described in Exhibit A, including the land, all improvements and structures on the Property, and all easements, rights, and appurtenances belonging to the Property that are divided or are to be divided into Units to be owned and operated as a Condominium. The Project shall be divided into no more than 18 Units.

2.16. Rules. *Rules* mean and refer to the Rules and Regulations for the Project adopted by the Board pursuant to this Declaration.

2.17. Unit. *Unit* means one of the enclosed spaces that consist of one or more rooms in a building ("Building") located on the Property designated by Exhibits B and C for separate ownership and occupancy. The boundaries, etc. are defined in greater detail in Article 3.

ARTICLE 3: THE PROPERTY, THE UNITS, AND THE COMMON ELEMENTS

3.01. Property Subject to Declaration. All the real property described in Exhibit A to this declaration, including the land; all improvements and structures on the property; and all easements, rights, and appurtenances belonging to the property (referred to as the "Property") shall be subject to this Declaration.

3.02. Exclusive Ownership and Possession. Each Owner shall be entitled to the exclusive ownership and possession of the Owner's Unit. Any Unit may be jointly or commonly owned by more than one Person. No Unit may be subdivided.

3.03. The Units. The boundaries of the Unit shall be and are the interior surfaces of the perimeter walls, floors, ceilings, and the exterior surfaces of balconies and terraces. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and other finish surface materials are a part of the Unit. The actual physical boundaries of each Unit shall be conclusively presumed to be its proper boundaries, regardless of settling, rising, or lateral movement of the Building in which such Unit is located and regardless of variances between boundaries shown on the Plat or Plan and the actual boundaries of such Unit or Building. An Owner shall be deemed to own and shall have the exclusive right to paint, repaint, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of the walls, floors, ceilings, windows, and doors bounding the Owner's Unit. However, all exterior windows shall be covered by white, ivory or tan blinds or drapes. No foil or other material objectionable in the reasonable judgment of the Board shall be placed in or next to any window or sliding glass door. Burglar bars that may be seen from the outside are prohibited. The individual ownership of each Unit shall further include the air conditioning compressor with respect to such Unit, together with all pipes, ducts, electrical wiring, conduits, and any other equipment connected thereto constructed or installed outside the Building for the purpose of supporting such air conditioning compressor. An Owner shall not be deemed to own the perimeter walls, floors, ceilings, and roof surrounding the Owner's Unit, nor shall such Unit Owner be deemed to own the utilities running through the Owner's Unit that are utilized for or serve more than one Unit, except as a tenant in common with the other Owners.

3.04. Common Elements. Each Owner shall be entitled to an undivided interest in the Common Elements in the percentage expressed in Exhibit C. The percentage of the undivided interest of each Owner in the Common Elements shall have a permanent character and shall not be altered without the consent of all Owners, expressed in an amended, duly recorded Declaration. The percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it pertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though the interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner may use the Common Elements in accordance with the purpose for which they are intended as long as the lawful rights of the other Owners are not hindered or encroached on.

3.05. Limited Common Elements. The Common Elements designated as Limited Common Elements in Exhibit C are reserved for the exclusive use of the Owners of the Units to which they are appurtenant.

3.06. Partition of Common Elements. The Common Elements, both General and Limited, shall remain undivided and shall not be the object of an action for partition or division of ownership so long as the Property remains a Condominium Project. In any event, all mortgages must be paid prior to the bringing of an action for partition or the consent of all mortgagees must be obtained.

3.07. Nonexclusive Easements. Each Owner shall have a nonexclusive easement for the use and enjoyment of the General Common Elements and for ingress, egress, and support over and through the General Common Elements. These easements shall be appurtenant to and shall pass with the title to each Unit and shall be subordinate to the exclusive easements granted elsewhere in this Declaration, as well as to any rights reserved to the Association to regulate time and manner of use, to charge reasonable admission fees, and to perform its obligations under this Declaration.

3.08. Other Easements. The Association may grant to third parties easements in, on, and over the Common Elements for the purpose of constructing, installing, or maintaining necessary utilities and services. Each Owner, in accepting the deed to the Unit, expressly consents to such easements. No such easement may be granted, however, if it would interfere with any exclusive easement or with any Owner's use, occupancy, or enjoyment of the Owner's Unit.

3.09. Easements for Maintenance of Encroachments. None of the rights and obligations of the Owners created in this Declaration or by the deeds granting the Units shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of such encroachments so long as they shall exist provided, however, that in no event shall a valid easement for an encroachment be created in favor of any Owner if the encroachment occurred because of the willful conduct of the Owner.

ARTICLE 4: UNIT OWNERS ASSOCIATION

4.01. Association. The Association, organized as a nonprofit corporation under the Texas Non-Profit Corporation Act, operating under the name Park Place Condominiums Owners

Association, Inc., is charged with the duties and invested with the powers prescribed by law and set forth in this Declaration and in the Association's Articles of Incorporation and Bylaws.

4.02. Membership. Membership in the Association is automatically granted to the Owner or Owners of each Unit in the Project. On the transfer of title to any Unit, the membership of the transferor automatically ceases and each new Owner becomes a member.

4.03. Voting Rights. Voting shall be on a per Unit basis. The Owner of each Unit is entitled to a single vote. If a Unit has more than one Owner, any one of such Unit Owners shall be entitled to vote or act on behalf of all of the Unit Owners of such Unit, without the joinder of the other Unit Owners and which vote or action shall be deemed to be the unanimous vote or action of all such Unit Owners, unless all of the Unit Owners of such Unit shall have designated in writing prior to such vote or action one or more of such Unit Owners, or a third party by proxy, who shall be authorized to vote or act on behalf of such Unit Owners. A copy of such written designation or proxy shall be filed with the board of directors before any such vote may be cast. Absent such written designation or proxy, if only one of the Unit Owners of a Unit is present at a meeting of the Association, that person may cast the vote or votes allocated to that Unit, and if more than one of the Unit Owners of a Unit is present, the vote allocated to that Unit may, at the request of any of such Unit Owners, or in the event of disagreement among such Unit Owners, shall, be divided in equal parts among such Unit Owners. Multiple Unit Owners are deemed to be unanimous agreement if one of the multiple Unit Owners casts the vote(s) allocated to a Unit and none of the other Unit Owners makes a prompt protest to the person residing over the meeting.

4.04. Membership Meetings. Meetings of the Owners shall be called, held, and conducted in accordance with the requirements and procedures set forth in the Bylaws.

4.05. General Powers and Authority. The Association shall have all of the powers allowed by TUCA, as well as all the powers of a nonprofit corporation established under Texas law, subject only to the limitations contained in this Declaration and in the other Governing Instruments. The Association may perform all acts that may be necessary for, or incidental to, the performance of the obligations and duties imposed on it by this Declaration and the other Governing Instruments. The powers of the Association shall include, but are not limited to, the following:

- (a) The power to establish, fix, and levy assessments against Owners in accordance with the procedures and subject to the limitations set forth in Article 5 of this Declaration.
- (b) The power to adopt reasonable operating rules governing the use of the Common Elements and any facilities located on the Common Elements, as well as the use of any other Association property.
- (c) The right to institute and maintain actions for damages or to restrain any actual or threatened breach of any of the provisions of the Governing Instruments or Association Rules in its own name, either on its own behalf or on behalf of any consenting Owner.
- (d) The right to discipline Owners for violation of any of the provisions of the Governing Instruments or Association Rules by suspension of the violator's voting rights or privileges for

use of the Common Elements or by imposition of monetary penalties, subject to the following limitations:

(i) The accused Owner must be given written notice of the violation or property damage, stating the amount of any proposed fine or damage charge and that the Owner may request a written hearing before the Board within thirty (30) days of the notice.

(ii) The accused Owner must be given a reasonable time, by a date specified in the notice, to cure the violation and avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

(iii) The accused Owner must be given written notice of a levied fine or damage charge within thirty (30) days after the date of levy.

(iv) Any suspension of privileges or imposition of monetary penalties shall be reasonably related to the Owner's violation.

(e) The power to delegate its authority, duties, and responsibilities, through the Board of Directors, to such committees, officers, or employees as are permitted to be retained under the Governing Instruments.

(f) The right, through its agents or employees, to enter any Unit when necessary in connection with any maintenance, landscaping, or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the Owner as is practicable and any damage caused by the entrance shall be repaired by the Association at its own expense.

4.06. Board of Directors and Officers of the Association. The affairs of the Association shall be managed and its duties and obligations performed by a Board of Directors. Provisions regulating the number, term, qualifications, manner of election, and conduct of meetings of the members of the Board of Directors shall be set forth in the Bylaws of the Association. The Board shall elect officers, which shall include a President, Treasurer, Secretary, and such other officers as the Board may deem proper. Provisions regulating the numbers, term, qualifications, manner of election, powers and duties of the officers shall be set forth in the Bylaws of the Association.

4.07. Duties of the Association. In addition to the duties delegated to the Association or its agents and employees elsewhere in these Governing Instruments, the Association shall be responsible for the following:

(a) Operation and maintenance of the Common Elements and the facilities located on the Common Elements. This duty shall include, but shall not be limited to, exterior painting, maintenance, repair, and landscaping of the Common Elements and of the furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper.

(b) Acquisition of and payment from the maintenance fund for the following:

(i) Water, sewer, garbage, electrical, telephone, gas, elevator, and other necessary utility service for the Common Elements and, to the extent not separately metered and charged, for the Units.

(ii) A policy or policies of fire insurance with extended coverage endorsement for the full insurable replacement value of the Units and Common Elements payable as provided in Article 6 of this Declaration, or such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection to the Owners and their mortgagees, as their respective interests may appear.

(iii) A policy or policies insuring the Board, the Owners and/or the Association against any liability to the public or to the Owners and their tenants and invitees, incident to the ownership and/or use of the Project, including the personal liability exposure of the Owners. Limits of liability under such insurance shall not be less than \$1 million for any one person injured, \$1 million for any one person injured for any one accident, and \$1 million for any one person injured for property damage. The limits and coverage shall be reviewed at least annually by the Board and varied in its discretion, provided, however, that the said limits and coverage shall never be of fewer kinds or lesser amounts than those set forth in this Paragraph. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement in which the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

(iv) Workers' compensation insurance to the extent necessary to comply with any applicable laws.

(v) The services of personnel that the Board shall determine to be necessary or proper for the operation of the Common Elements.

(vi) Legal and accounting services necessary or proper for the operation of the Common Elements or the enforcement of this Declaration.

(c) Preparation and distribution, on a regular basis, of financial statements to the Owners in accordance with the following:

(i) A pro forma operating statement for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

(ii) A balance sheet, as of an accounting date that is the last day of the month closest in time to six months from the date of closing of the first sale of a Unit in the Project, and an operating statement for the period from the date of the first closing to the accounting date shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the numbers of the Project Units and the names of the persons assessed.

(iii) A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year shall be distributed within 90 days after the close of the fiscal year.

(d) Maintenance of the following books and records, such books and records to be kept in accordance with generally accepted accounting procedures:

(i) Financial records with a detailed account of the receipts and expenditures affecting the Project and its administration and specifying the maintenance and regular expenses of the Common Elements and any other expenses incurred by or on behalf of the Project.

(ii) Minutes of proceedings of Owners, Board of Directors, and Committees to which any authority of the Board of Directors has been delegated.

(iii) Record of the names and addresses of all Owners with voting rights.

(iv) Plans and specifications used to construct the Project.

(v) The condominium information statement given to all Owners by the Declarant before sale.

(vi) Voting records, proxies, and correspondence relating to declaration amendments.

(e) Arrangement for an annual independent audit of all books and records of the Association.

4.08. Declarant's Control Period. Declarant shall have the power to appoint and remove officers and members of the Board until one hundred twenty (120) days after Declarant has conveyed seventy-five (75) percent of the Units in the Project to Owners other than Declarant, provided, however, that, not later than the one hundred twentieth (120th) day after Declarant's conveyance of fifty (50) percent of the Units to Owners other than a Declarant, not less than one third of the Board members must be elected by Owners other than Declarant.

4.09. Powers and Duties of the Board of Directors. The Board shall act in all instances on behalf of the Association, unless otherwise provided by this Declaration. The Board's powers and duties shall include, but shall not be limited to, the following:

(a) Enforcement of the applicable provisions of this Declaration, the Bylaws, and any Rules of the Association.

(b) Payment of taxes and assessments that are or could become a lien on the Common Elements or a portion of the Common Elements.

(c) Contracting for casualty, liability, and other insurance on behalf of the Association.

(d) Contracting for goods and services for the Common Elements, facilities, and interests of the Association.

(e) Delegation of its powers to such committees, officers, or employees of the Association as are expressly authorized by the Governing Instruments.

(f) Preparation of budgets and financial statements for the Association as prescribed in the Governing Instruments.

(g) Formulation of rules of operation for the Common Elements and facilities owned or controlled by the Association.

(h) Initiation and execution of disciplinary proceedings against Owners for violations of provisions of the Governing Instruments in accordance with procedures set forth in the Governing Instruments.

(i) Authorizing entry into any Unit as necessary in connection with construction, maintenance, or emergency repair for the benefit of the Common Element or the Owners in the aggregate.

4.10. Limitations on Powers of Board of Directors. Notwithstanding the powers set forth in Paragraph 3.08 of this Declaration, the Board shall be prohibited from taking any of the following actions except with the approval of a majority of the voting power of the Association residing in the Owners:

(a) Entering into (i) a contract with a third person under which the third person will furnish goods or services for a term longer than one year, except for a management contract approved by the Federal Housing Administration or Veterans' Administration; (ii) a contract with a public utility if the rates charged are regulated by the Public Utilities Commission, provided that the term shall not exceed the shortest term for which the utility will contract at the regulated rate; or (iii) prepaid casualty and/or liability insurance of not more than three (3) years' duration, provided that the policy provides for short-rate cancellation by the insured.

(b) Incurring aggregate expenditures for capital improvements to the Common Elements in any fiscal year in excess of five (5) percent of the budgeted gross expenses of the Association for that fiscal year.

(c) Selling during any fiscal year property of the Association having an aggregate fair market value in excess of five (5) percent of the budgeted gross expenses of the Association for that fiscal year.

(d) Paying compensation to Directors or to officers of the Association for services rendered in the conduct of the Association's business, provided, however, that the Board may cause a Director or officer to be reimbursed for expenses incurred in carrying out the business of the Association.

ARTICLE 5: ASSESSMENTS

5.01. Covenant to Pay. The Declarant covenants and agrees for each Unit owned by it in the Project, and each Owner by acceptance of the deed to such Owner's Unit is deemed to covenant and agree, to pay to the Association the regular and special assessments levied pursuant to the

provisions of this Declaration. All moneys collected shall be put into a maintenance fund to be used to defray expenses attributable to the ownership, operation, and maintenance of common interests by the Association. The Owner may not waive or otherwise escape liability for these assessments by nonuse of the Common Elements or by abandonment of the Owner's Unit.

5.02. Regular Assessments. Regular assessments shall be made in accordance with the following. Within sixty (60) days prior to the beginning of each calendar year, the Board shall estimate the net charges to be paid during that year, including a reasonable provision for contingencies and replacements with adjustments made for any expected income and surplus from the prior year's fund. This estimated cash requirement shall be assessed to each Owner according to the ratio of the number of Units owned by said Owner to the total number of Units in the Project subject to assessment. Each Owner is obligated to pay assessments to the Board in equal monthly installments on or before the first day of each month.

5.03. Special Assessments. If the Board determines that the amount to be collected from regular assessments will be inadequate to defray the common expenses for the year because of the cost of any construction, unexpected repairs, replacements of capital improvements on the Common Elements, or for any other reason, it shall make a special assessment for the additional amount needed. Such special assessments shall be levied and collected in the same manner as regular assessments.

5.04. Limitations on Assessments. The Board may not, without the approval of a majority of the voting power of the Association residing in Owners other than Declarant, impose a regular annual assessment per Unit that is more than twenty (20) percent greater than the regular annual assessment for the preceding year, or levy special assessments that in the aggregate exceed five (5) percent of the budgeted gross expenses of the Association for that year. These limitations shall not apply to a special assessment levied against an Owner to reimburse the Association for funds expended in order to bring the Owner into compliance with the provisions of the Association's Governing Instruments.

5.05. Commencement of Assessments. Regular assessments shall commence on the date of closing of the first sale of a Unit in the Project.

5.06. Liability for Assessments. Each monthly portion of a regular assessment and each special assessment shall be a separate, distinct, and personal debt and obligation of the Owner against whom the assessments are assessed. The amount of any assessment not paid when due shall be deemed to be delinquent.

5.07. Payment of Assessments on Conveyance of Unit. On the sale or conveyance of an Unit, all unpaid assessments against an Owner for the Owner's share in the expenses to which Articles 4.02 and 4.03 of this Declaration refer shall first be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature, except the following:

(a) Assessments, liens, and charges in favor of the State of Texas and any political subdivision of the State of Texas for taxes past due and unpaid on the Unit.

(b) Amounts due under mortgage instruments duly recorded.

5.08. Lien and Foreclosure for Delinquent Assessments. The Association shall have a lien on each Unit for any delinquent assessments attributable to that Unit. The Association is authorized to enforce the lien through any available remedy, including nonjudicial foreclosure pursuant to Texas Property Code Section 51.002. The Owners expressly grant to the Board a power of sale, through a trustee designated in writing by the Board, in connection with any such liens.

ARTICLE 6: RESTRICTIONS AND COVENANTS

6.01. General Restrictions on Use. The General Common Elements may only be used by Declarant (during construction of Units), Unit Owners, and their tenants, family, and guests. The right of an Owner and the Owner's guests to occupy or use the Owner's Unit or to use the Common Elements or any of the facilities on the Common Elements is subject to the following restrictions:

(a) No Owner shall occupy or use the Owner's Unit, or permit the Unit or any part of it to be occupied or used, for any purpose other than as a private residence. Nothing in this Declaration shall prevent the Owner from leasing or renting out the Owner's Unit, provided that the Unit is not used for transient or hotel purposes and that the term of the lease is for a period of at least one hundred eighty (180) days and is subject to the Association's Governing Instruments and Rules.

(b) The Common Elements are intended for use for the purposes of: affording vehicular and pedestrian movement within the Project, and of providing access to the Units; providing recreational use by the Unit Owners and occupants of Units; and providing for the beautification of the Project and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the Common Elements shall be obstructed or damaged so as to interfere with its intended use or for its maintenance and operations. Nothing shall be stored in the Common Elements without the prior consent of the Board, except as expressly provided for in the Declaration, or in designated storage areas.

(c) Nothing shall be done or kept in any Unit or in the Common Elements that will increase the rate of hazard or liability insurance on the Common Elements and improvements situated thereon without the prior written consent of the Board. No Owner shall permit anything to be done or kept in the Owner's Unit or in the Common Elements that will result in the cancellation of insurance on any Unit or on any part of the Common Elements or that would be in violation of any law. No waste shall be permitted in the Common Elements. No gasoline, kerosene, cleaning solvents, or other flammable liquids shall be stored in the Common Elements or in any Unit, provided, however, that reasonable amounts in suitable containers may be stored in the storage spaces.

(d) No sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board, except a sign advertising the property for sale.

(e) No animals, livestock, or poultry of any kind shall be raised, bred, or kept in the Unit or in the Common Elements, except that dogs, cats, or other household pets may be kept in Units, subject to the Rules and Regulations adopted by the Board. Dogs, cats, fish and birds and other household pets may be kept in Units only in strict compliance with the Rules. Except for birds and fish, no more than two animals may be kept in a Unit. Animals may not exceed 40 pounds in weight, except for guide animals for disabled persons. Animals may not make excessive noise (in the sole judgment of the Board). Animals may not be bred for commercial purposes. Dogs must be kept on a leash when outside a Unit. Leashes may not be tied to objects and must be held by a person who can control the dog at all times. Animals may not be left alone outside a

Unit. Unit Owners of Units where an animal is housed have the responsibility to immediately clean up after such animals have defecated within the General Common Elements, or outside balconies, patios, or enclosed portions of the Units. If an animal or Unit Owner is in violation of these restrictions, the Declarant or Board may remove the animal from the Property and place the animal with the local humane society. The Unit Owner of a Unit and the pet owner are both jointly liable to all other Unit Owners and their respective families, guests, tenants, and invitees for injury and all damage caused by any animals brought on the Property or kept in a Unit by a Unit Owner or members of the Unit Owner's family, tenants or guests— with or without permission of the Board. Neither the Board nor the Association shall have any liability for any injury or damage caused by any animal brought upon the Property or kept in a Unit, with or without the permission of the Board, by a Unit Owner or the Unit Owner's family, tenants, or guests.

(f) No unsafe, noxious, offensive, or illegal activity, or odor is permitted on the Property. No activity shall be conducted on the Property which in the judgment of the Board might reasonably be considered as annoying to neighbors of ordinary sensibilities, or might be reasonably calculated to reduce the desirability of the Property for quality of living. No exterior loudspeakers or flashing lights shall be allowed. No person may do anything that will increase insurance rates for the Condominiums without the prior written consent of the Board or which may cause such improvements to be uninsurable or which may cause any policy to be canceled, or suspended or materially modified by the issuing company. Unit Owners and occupants of Units shall refrain from playing radios, televisions, stereos, and other electrical or mechanical devices so loud that they may heard outside their Unit. Doors and windows must be shut when playing televisions, stereos, and similar sound equipment at sound levels objected to by any Unit Owner, tenant, or management representative. Yelling or loud talking outside is prohibited.

(g) Nothing shall be altered or constructed in or removed from the Common Elements, except on the written consent of the Board.

(h) There shall be no violation of the Rules adopted by the Board and furnished in writing to the Owners pertaining to the use of the Common Elements. The Board is authorized to adopt such Rules.

(i) No Owner shall park any automobile or other motor vehicle in the Common Elements except in a space designated for the Owner by the Board except in an emergency when a vehicle is inoperable. Otherwise, vehicles must be serviced or repaired off the Property. Vehicles which have expired license plates, expired inspection stickers, flat tires or which are obviously inoperable due to missing parts are prohibited and shall be removed from the Property at the Unit Owner's expense. Parking of vehicles and motorcycles in grass areas, dirt areas, flower beds or sidewalks is prohibited. Unit Owners and occupants shall park vehicles in their respective parking spaces whenever possible. No Unit Owner or occupant shall park, store, operate or keep within or adjoining the Property any commercial-type vehicle, truck, can, motorcycle, motorbike, motor scooter, recreational vehicle (e.g. camper unit, motor home, trailer, boat, mobile home, golf cart), or other similar vehicle. No Unit Owner or occupant shall park, store, operate or keep within or adjoining the Property any vehicle over 18 feet long. Washing of vehicles is not allowed anywhere on the Property. No vehicles may be parked or left unattended in such a manner as to block the passage of other vehicles on the streets or fire lanes or in driveways to

Units. No vehicle shall be left parked and unattended, in the street, along the curb, or in driveway areas in such a manner as to prevent the ingress and/or egress of emergency vehicles (i.e., fire, EMS) or service vehicles (i.e., refuse trucks). No inoperable vehicle may be stored on the Property. The Board may adopt parking regulations and restrictions to resolve unanticipated parking problems, provided they are not in conflict with the Declaration. Unit Owners and occupants who have vehicles with anti-theft systems shall not allow the alarms or horns to go off and disturb other persons in the Property for more than three minutes; and any vehicle violating the three-minute rule shall be deemed to be illegally parked and subject to immediate towing, without prior notice to the vehicle owner or operator, by the Association under the Texas towing statutes. The Association may, without liability to the owner or operator of the vehicle, cut or disconnect any power source to such alarm or horn to avoid having to tow the vehicle. Vehicles parked in violation of Association rules may be removed and stored without permission of the vehicle's owner or operator. Notice and removal shall be in accordance with statutory requirements. A Unit Owner is liable for all costs of towing illegally parked vehicles of the Unit Owner and the Unit Owner's family, guests or tenants.

(j) The Association will provide dumpsters for garbage or trash collection. Each Unit Owner shall take its garbage and trash to the dumpster. The Association shall not provide receptacles for or be responsible in any way for recycling.

(k) The Association does not have responsibilities for the pest control inside Units. However, the Association shall have the right to enter and exterminate a Unit, at the expense of the Unit Owner of such Unit, if the Unit Owner's failure to control pests inside such Unit Owner's Unit is adversely affecting other Units.

(l) No exposed exterior television or radio antennas or satellite dishes may be installed anywhere on the Project unless applicable law requires otherwise and then only in strict accordance with rules and regulations promulgated by the Board.

(m) Except with the written consent of Declarant or 67% of the Association members, no Unit Owner or other person shall make any alteration, modification, or improvement to the Common Elements, including trimming of trees or other vegetation; no additional lighting, awnings, patio covers, or other devices may be added to the Common Elements; and no structure, equipment, or object may be added or removed to the Common elements by any Unit Owner or other person.

(n) A Unit Owner who is having a Unit or other structure worked on, repaired, or remodeled shall take reasonable and necessary precautions to prevent damage to the Common Elements caused by construction companies, workmen, suppliers, or service companies working on or delivering material to or removing materials from the work site in the Unit Owner's Unit. Such Unit Owner shall be liable to the Association for any damages to the Common Elements and for costs of cleaning up or replacing property which may be destroyed or damaged by such construction companies, workmen, suppliers, or service companies, and the Association shall have the right to repair such damage at the Association's expense, in which event the cost of repair shall be owed to the Association by the Unit Owner who caused the damage or whose construction company, workmen, suppliers, or service company caused the damage.

(o) No Structure of a temporary character, trailer, tent, shack, garage, barn or other outbuilding is permitted on the Property, temporarily or permanently, except with the prior written consent of the Board.

(p) While on the Property, no person may violate any criminal laws, health codes or other applicable laws. No tampering with water, lighting, sprinklers or other Common Elements equipment is allowed.

(q) Leasing of units is allowed only if: (i) all leases are in writing and are subject to the provisions of this Declaration and the Rules, (ii) a copy of the then-current Rules is provided by the Unit Owner to the Unit Owner's tenant at the beginning of the lease term, and (iii) the Unit is not leased for hotel or transient purposes or for less than 30 days.

6.02. Maintenance. Except for those portions that the Association is required to maintain and repair, each Owner shall, at the Owner's sole cost and expense, maintain and repair the Owner's Unit so as to keep it in good condition and repair. Each Owner shall also maintain and repair those portions of the Common Elements subject to an exclusive easement appurtenant to the Owner's Unit.

6.03. Damage Liability. Each Owner shall be liable to the Association for all damage to the Common Elements or to other Association property that is sustained by reason of the negligence or willful misconduct of that Owner or the Owner's family, guests, or tenants.

6.04. Exemption. Declarant shall be exempt from the restrictions of Article 6.01 of this Declaration to the extent reasonably necessary for completion of construction, sales, or additions to the Project. Such exemption includes, but is not limited to, maintaining Units as model homes, placing advertising signs on Project property, and generally making use of the Project lots and Common Elements as is reasonably necessary to carry on construction activity.

ARTICLE 7: DAMAGE OR DESTRUCTION

7.01. Application of Insurance Proceeds. (a) If the Project is damaged by fire or any other disaster, the insurance proceeds, except as provided in Paragraph 6.01(b) of this Declaration, shall be applied to reconstruct the Project.

(b) Reconstruction shall not be compulsory if at least 80 percent of the vote of the Owners, which shall include the vote of each Owner of a unit or assigned limited common element that will not be rebuilt or repaired, is cast not to rebuild. If the Owners so vote to not rebuild any Unit, that Unit's allocated interests shall be automatically reallocated on the vote as if the Unit had been condemned, and the Association shall prepare, execute, and record an amendment to Exhibit D of the Declaration reflecting the reallocation. If the entire Project is not repaired or replaced and unless otherwise unanimously agreed to by the Owners, the proceeds shall be delivered pro rata to the Owners or their mortgagees, as their interest may appear, in accordance with the percentages or fractions set forth in Exhibit C of this Declaration.

7.02. Insufficient Insurance Proceeds. When reconstruction is required by the terms of Article 7.01 of this Declaration, but the insurance proceeds are insufficient to cover the cost of

reconstruction, the costs in excess of the insurance proceeds and reserves shall be considered a common expense that is subject to the Association's lien rights.

7.03. Obtaining Bids for Reconstruction. If the Project is damaged by fire or any other disaster, the Board shall obtain firm bids, including the obligation to obtain a performance bond, from two or more (is three more normal)?responsible contractors to rebuild the Project in accordance with its original plans and specifications. The Board shall also, as soon as possible after obtaining the bids, call a special meeting of the Owners to consider the bids. If the Board fails to do so within sixty (60) days after the casualty occurs, any Owner may obtain bids and call and conduct a meeting as provided by this Article 7.03. At such meeting, the Owners may, by a vote of not less than sixty-seven (67) percent of the votes present, elect to reject all of the bids or, by not less than fifty-one (51) percent of the votes present, elect to reject all the bids requiring amounts more than five hundred dollars (\$500) in excess of available insurance proceeds. If all bids are rejected, the Board shall obtain additional bids for presentation to the Owners. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable.

ARTICLE 8: RIGHTS OF BENEFICIARIES UNDER DEEDS OF TRUST

Declarant warrants that beneficiaries under deeds of trust to Units in the Project shall be entitled to the following rights and guaranties:

(a) Should any of the Association's Governing Instruments provide for a "right of first refusal," such right shall not impair the rights of a beneficiary under a first lien deed of trust to the following:

(i) To exercise the power of sale, foreclose, or take title to an Unit pursuant to the remedies provided in the deed of trust.

(ii) To accept a deed or assignment in lieu of sale or foreclosure in the event of default by a grantor.

(iii) To interfere with a subsequent sale or lease of an Unit so acquired by the beneficiary.

(b) A beneficiary under a first lien deed of trust is entitled, on request, to written notification from the Association of any default in the performance by the grantor of any obligation under the Association's Governing Instruments that is not cured within sixty (60) days.

(c) Any beneficiary under a first deed of trust who obtains title to an Unit pursuant to the remedies provided in the deed of trust will not be liable for such Unit's unpaid assessments that accrue prior to the acquisition of title to the Unit by the beneficiary.

(d) Unless at least two thirds (2 / 3) of the beneficiaries under first deeds of trust (based on one vote for each first deed of trust owned) or Owners other than Declarant give their prior written approval, the Association shall not be entitled to the following:

(i) By act or omission, to seek to abandon or terminate the Project.

(ii) To change the pro rata interest or obligations of any individual Unit for the purpose of:

(A) Levying assessments or charges.

(B) Allocating distributions of hazard insurance proceeds or condemnation awards.

(C) Determining the pro rata share of ownership of each Unit in the Common Elements and in the improvements in the Common Elements.

(iii) To partition or subdivide any Unit.

(iv) By act or omission, to seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements. The granting of easements for utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause.

(v) In case of loss to an Unit and/or Common Elements of the Project, to use hazard insurance proceeds for losses to any Project property (whether to Units or to the Common Elements) for other than the repair, replacement, or reconstruction of such property, except as provided by statute.

(e) All taxes, assessments, and charges that may become liens prior to the first mortgage under local law shall relate only to the individual Units and not to the Project as a whole.

(f) No provision of the Governing Instruments of the Association gives any Owner, or any other party, priority over any rights of a beneficiary under a first deed of trust to an Unit pursuant to its deed of trust in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of Units and/or the Common Elements or portions of the Common Elements.

(g) Association assessments shall be large enough to provide for an adequate reserve fund for maintenance, repairs, and replacement of those Common Elements that must be replaced on a periodic basis. The reserve fund will be funded through the regular monthly assessments rather than by special assessments.

ARTICLE 9: GENERAL PROVISIONS

9.01. Amendment. (a) This Declaration may be amended only at a meeting of the Unit Owners at which the amendment is approved by the holders of at least sixty-seven (67) percent of the ownership interests in the Project.

(b) An amendment of the Declaration may not alter or destroy an Unit or a Limited Common Element without the consent of the affected Owners and the Owners' first lien mortgagees.

(c) Any amendment shall be evidenced by a writing that is prepared, signed, and acknowledged by the President or other officer designated by the Board to certify amendments. The amendment shall be effective on filing in the office of the county clerk of Travis County, Texas.

9.02. Nonwaiver of Remedies. Each remedy provided for in this Declaration is separate, distinct, and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy.

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

9.04. Binding. This Declaration, as well as any amendment to this Declaration, and any valid action or directive made pursuant to it shall be binding on the Declarant and the Owners and their heirs, grantees, tenants, successors, and assigns.

9.05. Interpretation. The provisions of this Declaration shall be liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce the provision or any other provision of this Declaration.

9.06. Limitation of Liability. The liability of any Owner for performance of any of the provisions of this Declaration shall terminate on sale, transfer, assignment, or other divestment of the Owner's entire interest in the Owner's Unit with respect to obligations arising from and after the date of such divestment.

9.07. Fair Housing. Neither Declarant nor any Owner shall, either directly or indirectly, forbid the conveyance, encumbrance, renting, leasing, or occupancy of the Owner's Unit to any person on the basis of race, color, sex, religion, ancestry, or national origin.

9.08. Notices. (a) Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given with when delivered personally at the appropriate address set forth in Article 9.08(b) of this Declaration, or seventy-two (72) hours after deposit in any United States post office box, postage prepaid, addressed as set forth in Article 8.08(b) of this Declaration.

(b) Any notice to an Owner required under this Declaration shall be addressed to the Owner at the last address for the Owner appearing in the records of the Association or, if there is none, at the address of the Unit in the Project. Notice to the Association shall be addressed to the address designated by the Association by written notice all Owners. Notices to the Manager shall be addressed to the address designated by the Manager. Notices to Declarant shall be addressed to 1403 West 6th Street, Austin, Texas 78703.

9.09. Number, Gender, and Headings. As used in this Declaration, the singular shall include the plural and the masculine shall include the feminine and the neuter, unless the context requires the contrary. All headings are not a part of this Declaration and shall not affect the interpretation of any provision.

Declarant's Signature

BF Condominiums, LLC

By: 
Greg Beckham

Title: Manager

ACKNOWLEDGMENT

STATE OF TEXAS
COUNTY OF TRAVIS

This instrument was acknowledged before me on 4/17/07, by Greg Beckham,
Manager of BF Condominiums, LLC.





Tigh Walters
Notary Public in and for the State of Texas
My commission expires 1/23/2010

Recording Requested by:

Foster Malish Blair & Cowan LLP
1403 West Sixth Street
Austin, Texas 78703

When Recorded, Return to:

Foster Malish Blair & Cowan LLP
1403 West Sixth Street
Austin, Texas 78703

EXHIBIT A
THE PROPERTY

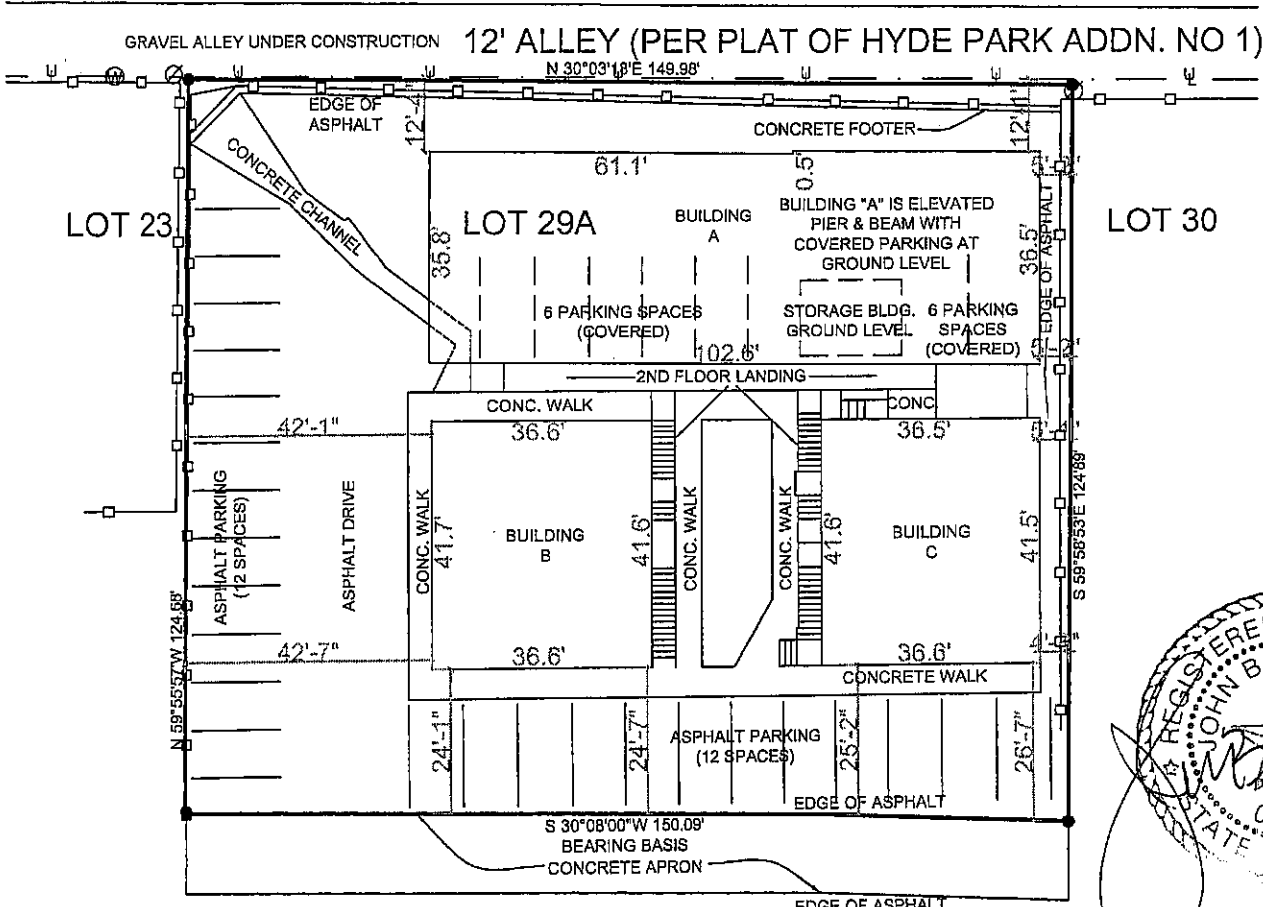
The Property is:

Lot 29A, Resubdivision of Lots 24 through 29, Block 10, Hyde Park Addition, No. 1, a Subdivision in Travis County, Texas, according to the Map or Plat of Record in Volume 52, Page 68, Plat Records of Travis County, Texas, known as 4306 Avenue A, Austin, Texas 78759.

A copy of the plat is attached.

DIMENSIONS SHOWN ON PLAN WERE ACCURATE AS OF MARCH 23, 2007. OWNER CHANGES SINCE THAT DATE HAVE NOT BEEN REFLECTED IN THESE PLANS.

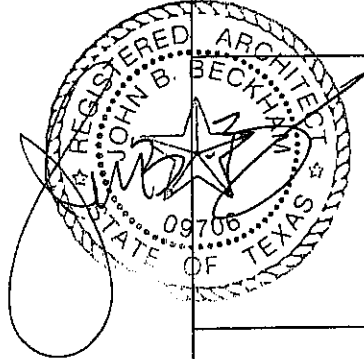
ARCHITECT NOT RESPONSIBLE FOR DIMENSIONS NO LONGER ACCURATE DUE TO CONSTRUCTION IN BUILDING.



4306 AVENUE A
(60' R.O.W.)

- WOOD FENCE
- WATER METER
- IRON ROD FND.
- UTILITY POLE
- UTILITY LINE

NOTE: ALL PARKING & DRIVE AREAS, CONC.-WALKS, STAIRWAYS & LANDSCAPING AREAS ARE PART OF COMMON ELEMENTS.



Park Place

4306 Ave. A
Austin, Texas
78705

March 23, 2007

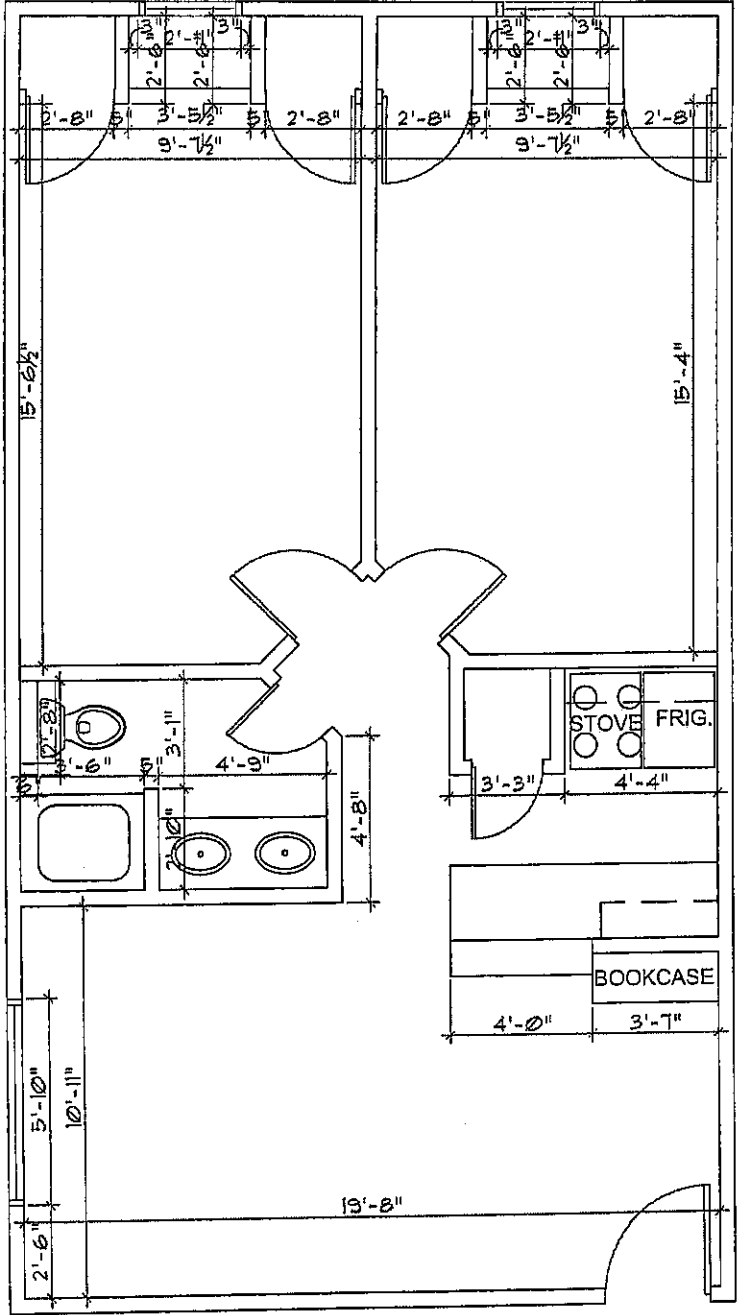
1 Site Plan
1/32" = 1'-0"



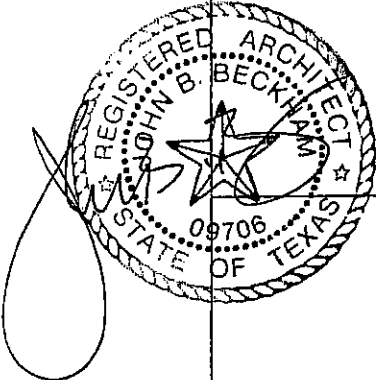
EXHIBIT B
THE UNITS

DIMENSIONS SHOWN ON PLAN WERE ACCURATE AS OF MARCH 23, 2007. OWNER CHANGES SINCE THAT DATE HAVE NOT BEEN REFLECTED IN THESE PLANS.

ARCHITECT NOT RESPONSIBLE FOR DIMENSIONS NO LONGER ACCURATE DUE TO CONSTRUCTION IN BUILDING.



Park Place



4306 Ave. A
Austin, Texas
78751

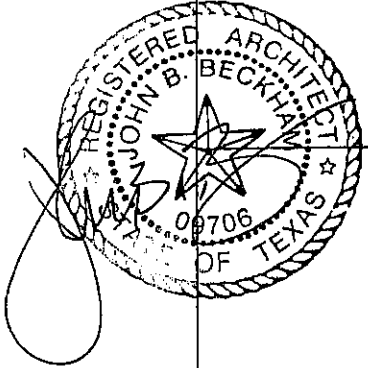
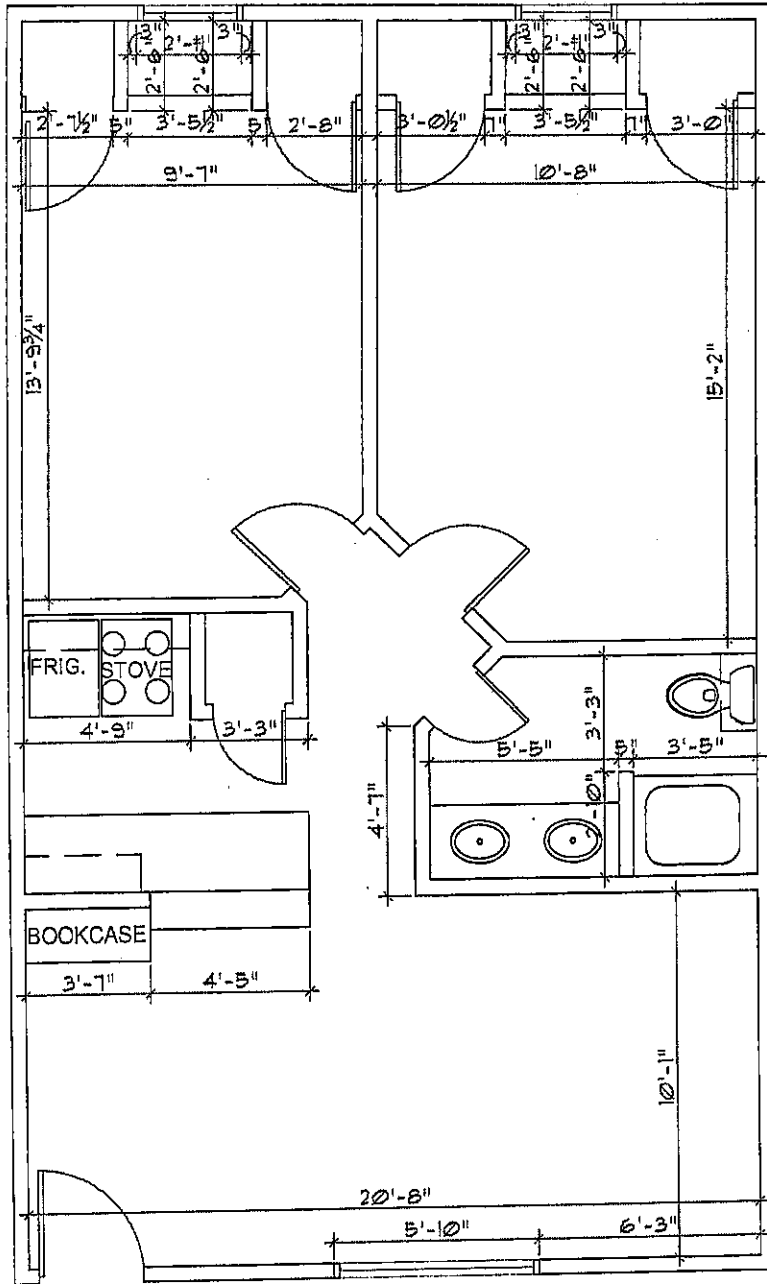
March 23,
2007

Unit
102

1 Floor Plan
3/16" = 1'-0"

DIMENSIONS SHOWN ON PLAN WERE ACCURATE AS OF MARCH 23, 2007. OWNER CHANGES SINCE THAT DATE HAVE NOT BEEN REFLECTED IN THESE PLANS.

ARCHITECT NOT RESPONSIBLE FOR DIMENSIONS NO LONGER ACCURATE DUE TO CONSTRUCTION IN BUILDING.



Park Place

4306 Ave. A
Austin, Texas
78751

March 23,
2007

Unit
103

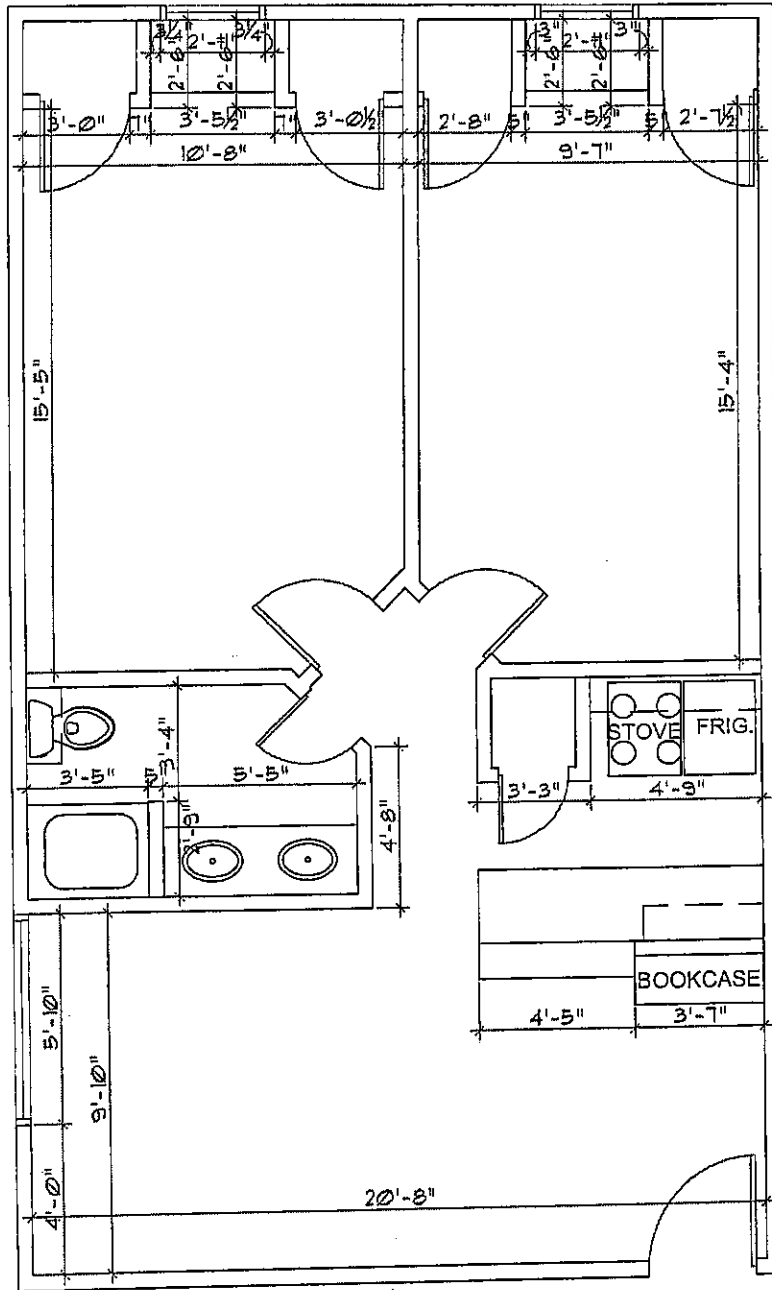
1

Floor Plan

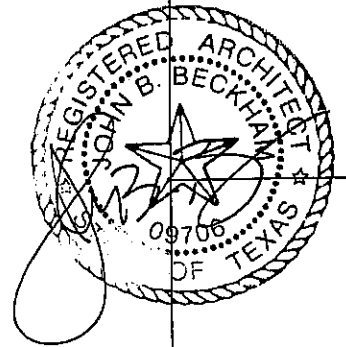
3/16" = 1'-0"

DIMENSIONS SHOWN ON PLAN WERE ACCURATE AS OF MARCH 23, 2007. OWNER CHANGES SINCE THAT DATE HAVE NOT BEEN REFLECTED IN THESE PLANS.

ARCHITECT NOT RESPONSIBLE FOR DIMENSIONS NO LONGER ACCURATE DUE TO CONSTRUCTION IN BUILDING.



Park Place



4306 Ave. A
Austin, Texas
78751

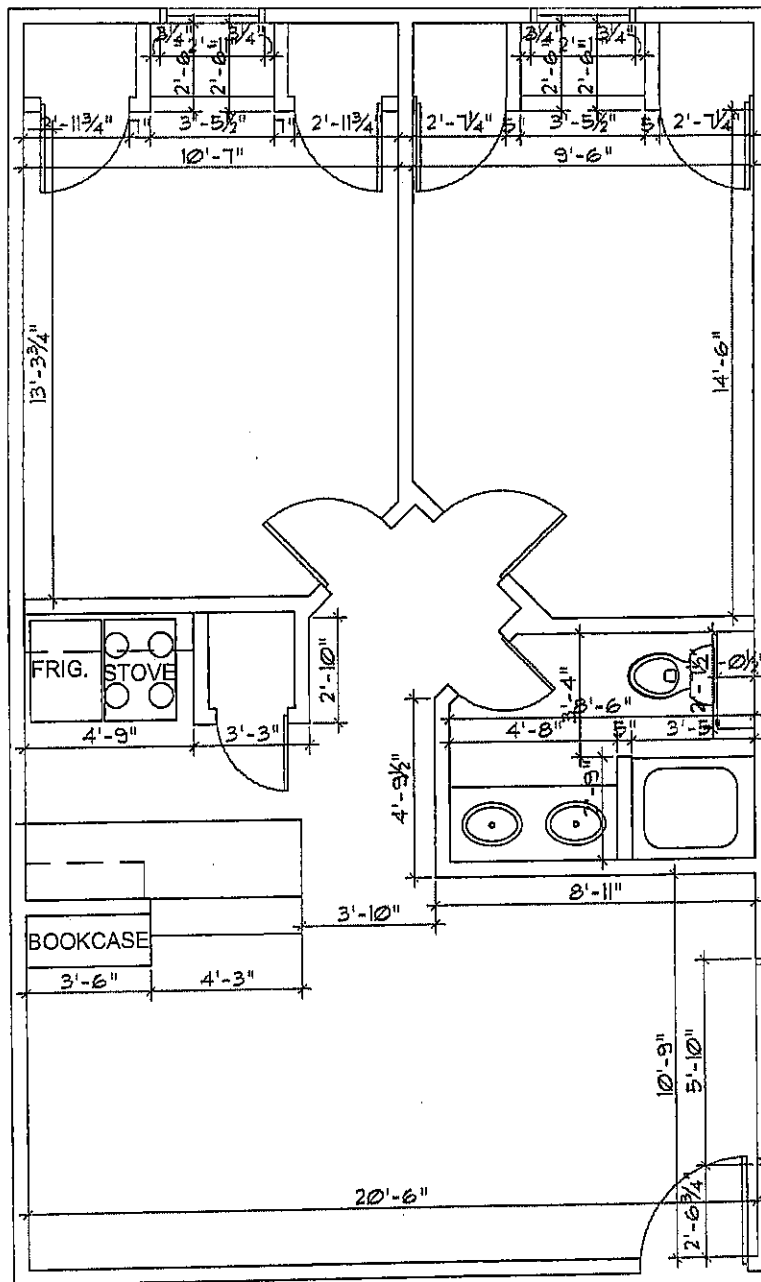
March 23,
2007

Unit
104

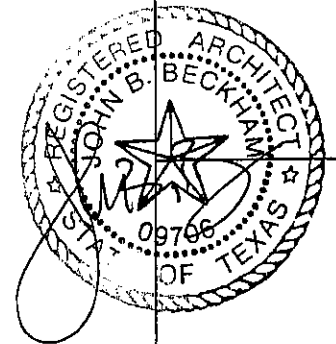
1 Floor Plan
3/16" = 1'-0"

DIMENSIONS SHOWN ON PLAN WERE ACCURATE AS OF MARCH 23, 2007. OWNER CHANGES SINCE THAT DATE HAVE NOT BEEN REFLECTED IN THESE PLANS.

ARCHITECT NOT RESPONSIBLE FOR DIMENSIONS NO LONGER ACCURATE DUE TO CONSTRUCTION IN BUILDING.



Park Place



4306 Ave. A
Austin, Texas
78751

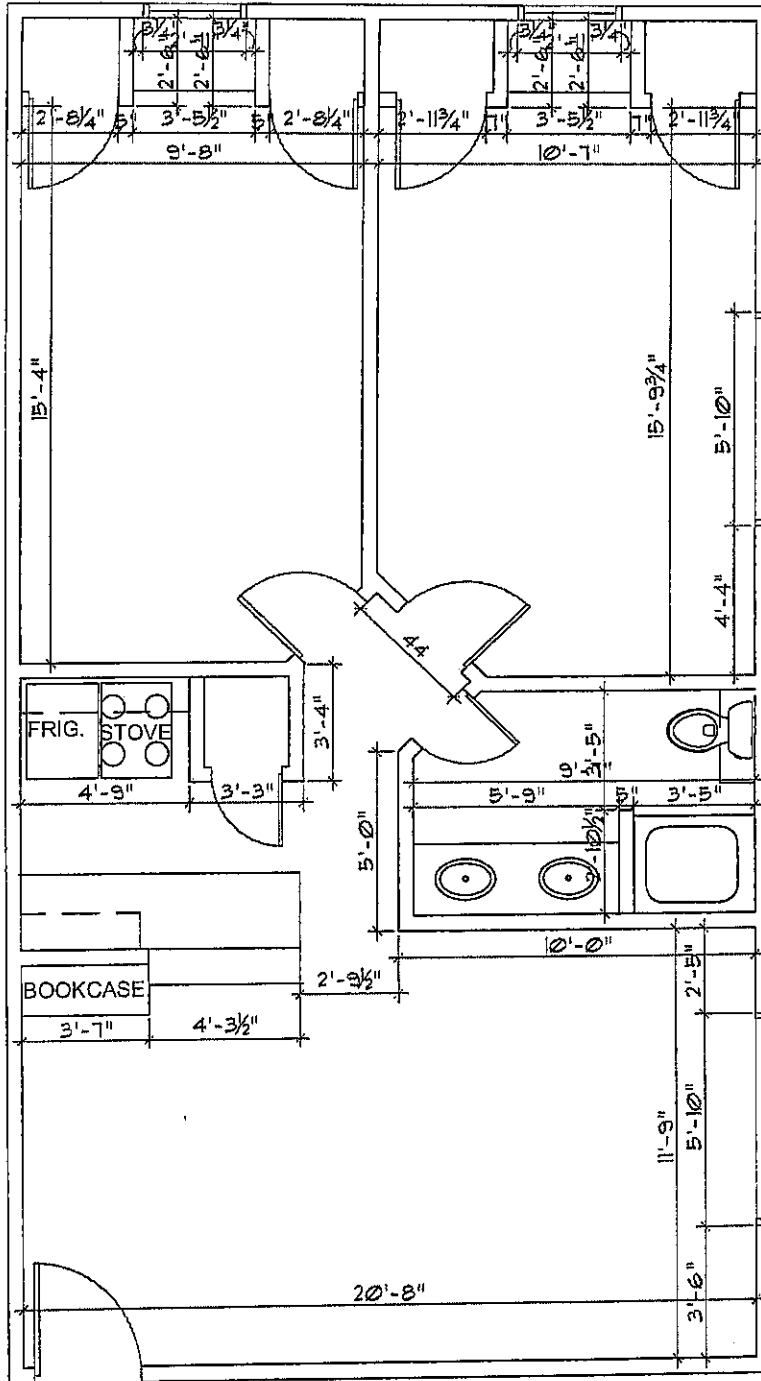
March 23,
2007

Unit
105

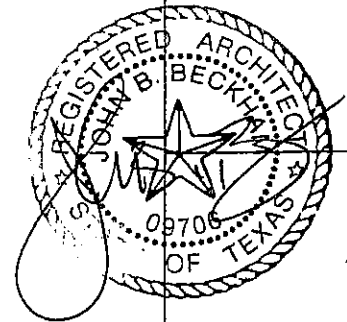
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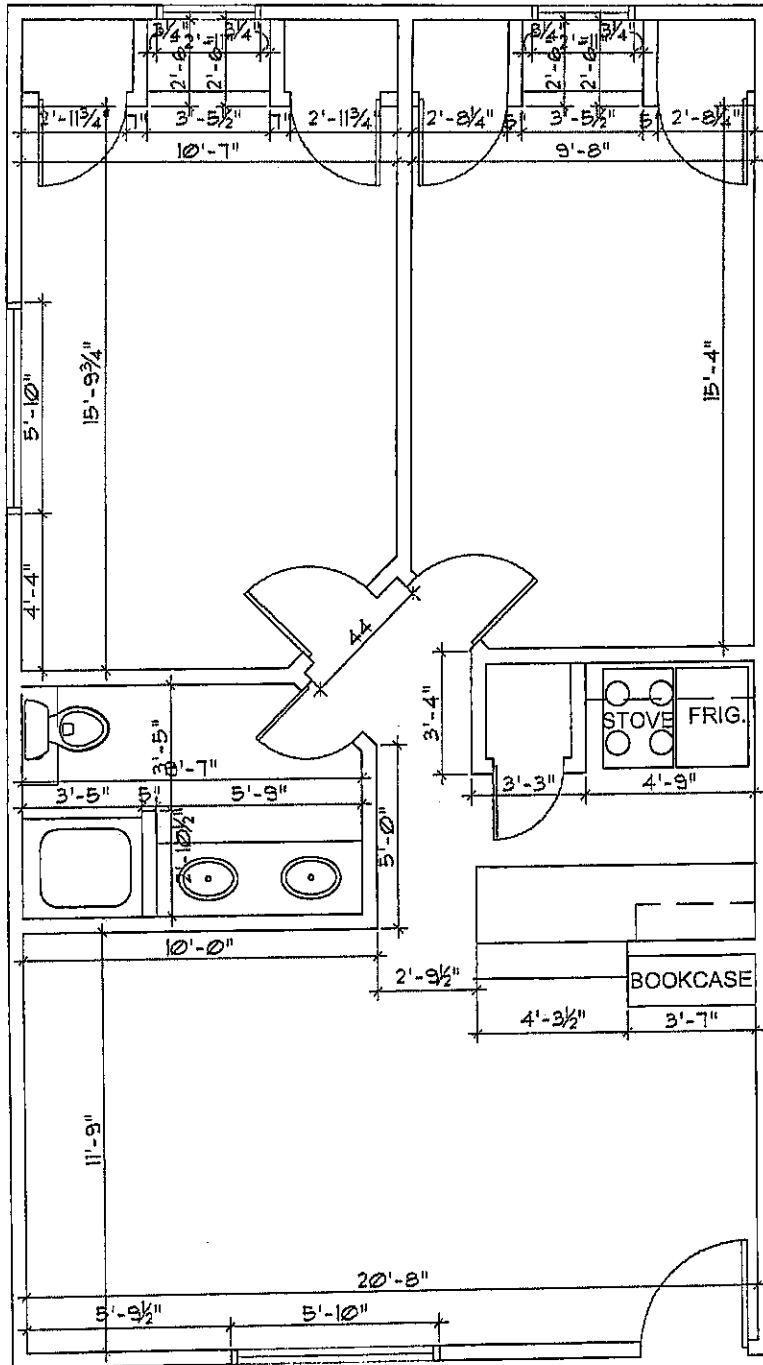
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106

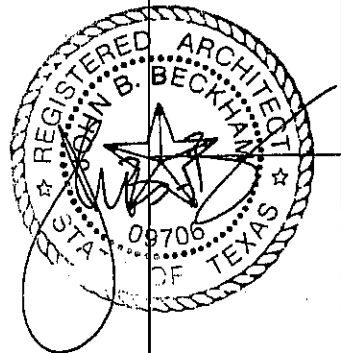
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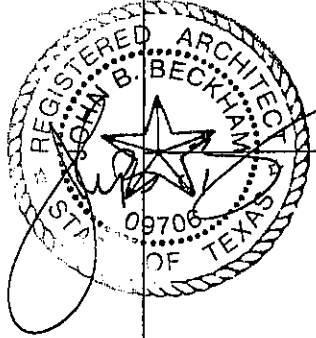
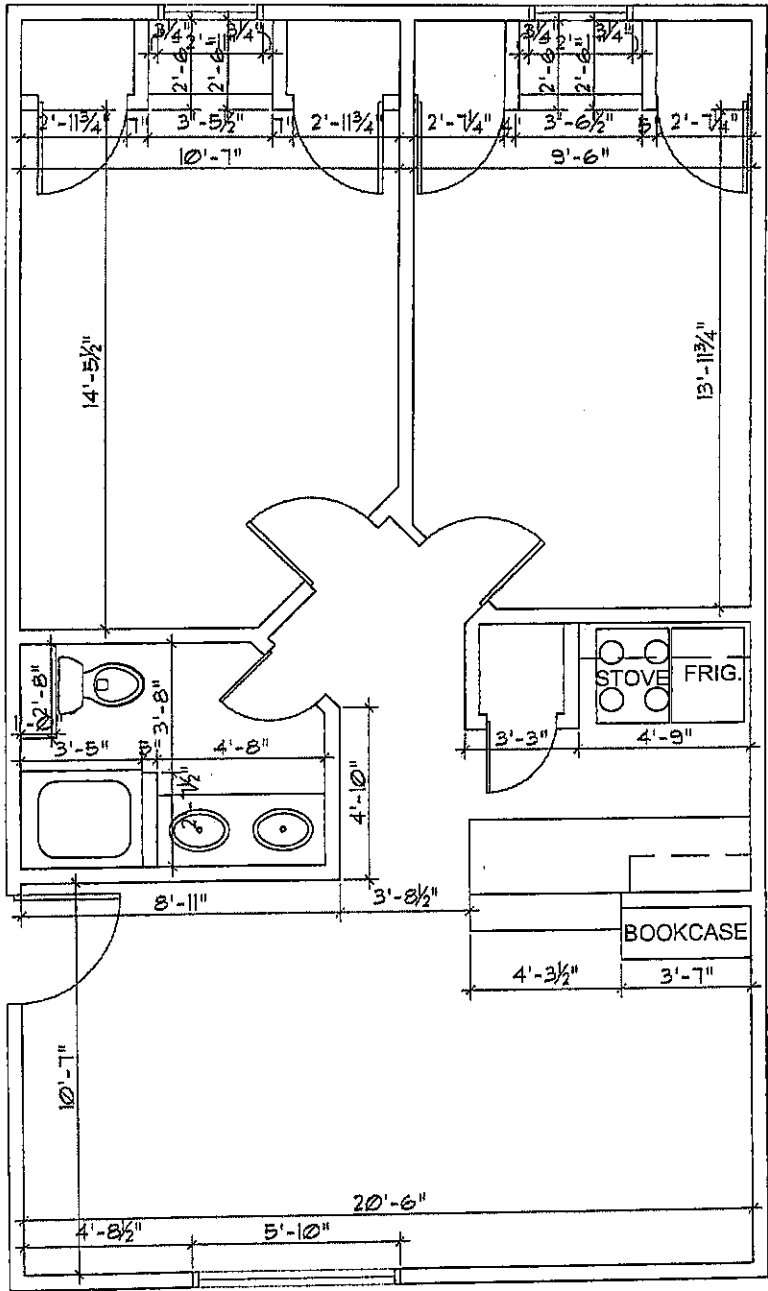
March 23,
2007

Unit
107

1 Floor Plan
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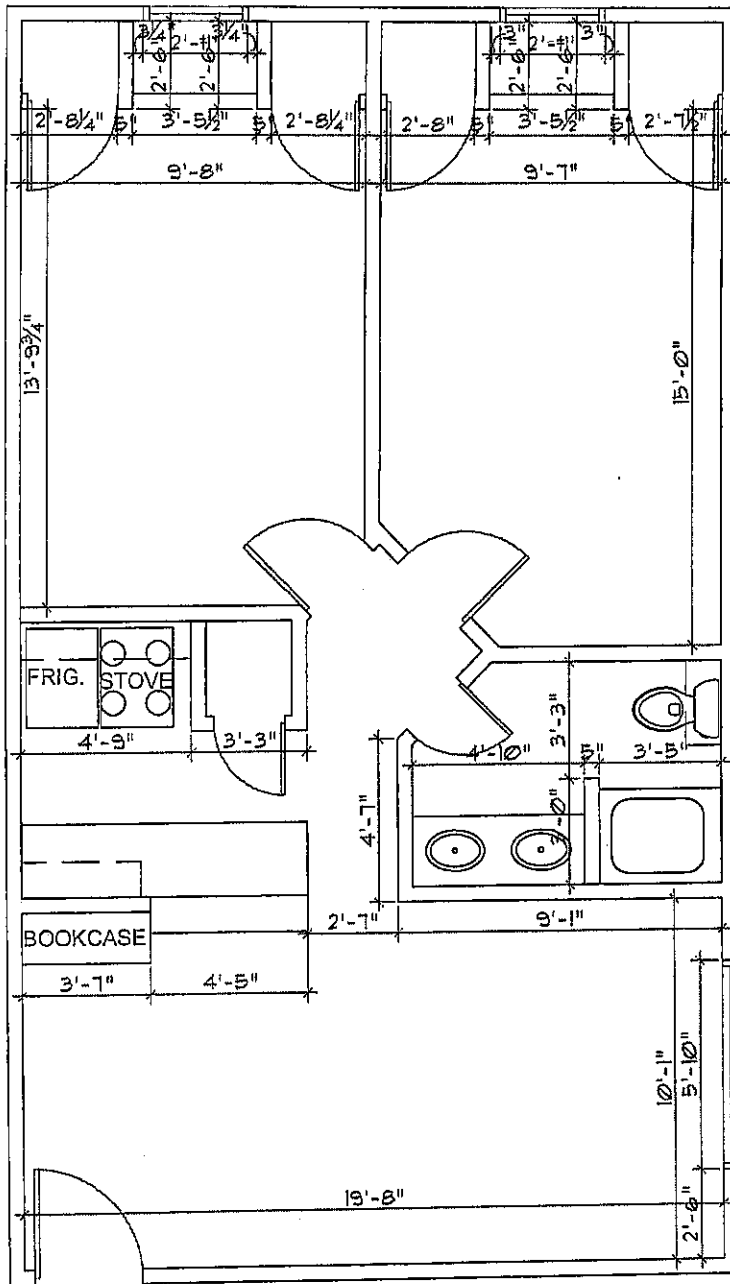
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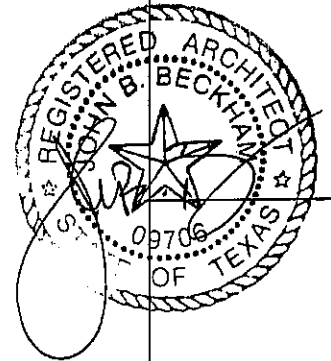
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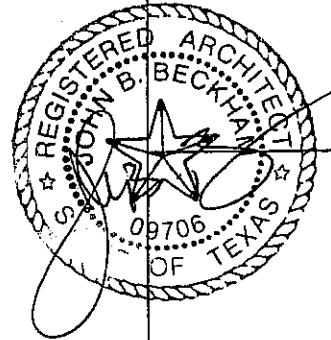
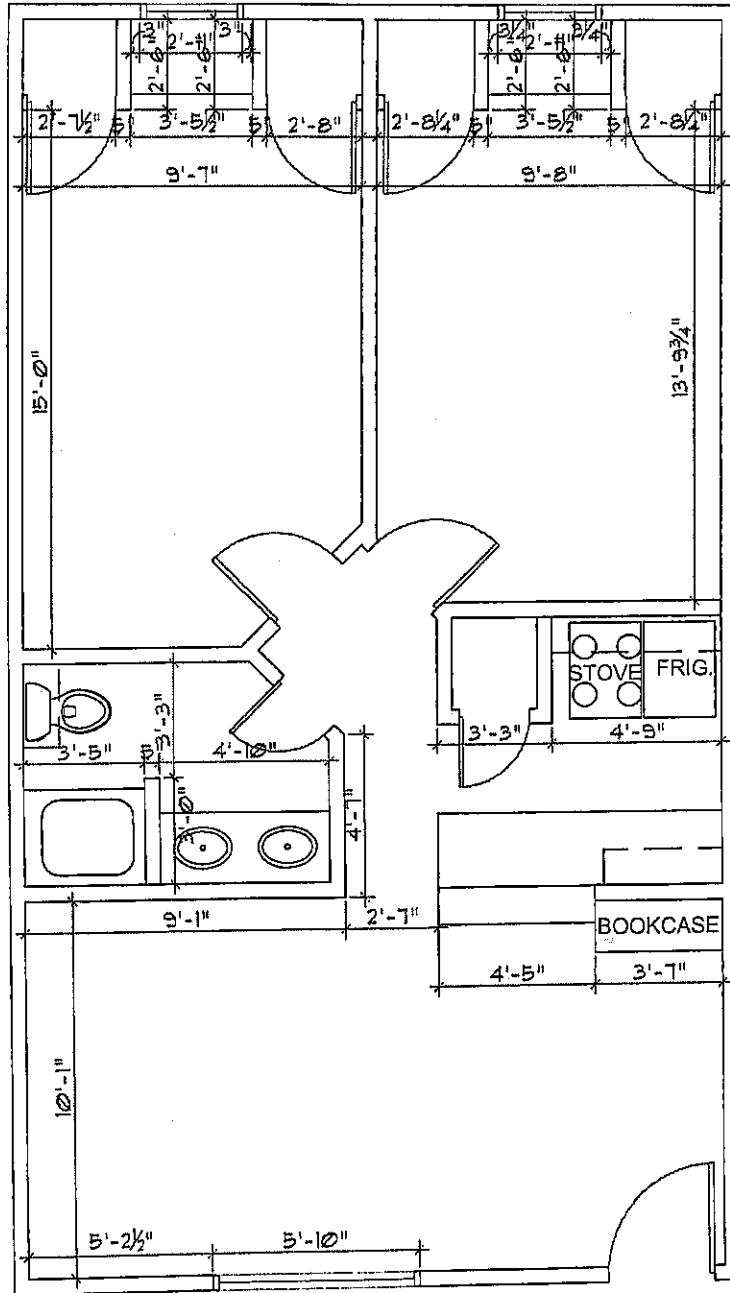
March 23,
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Unit
109

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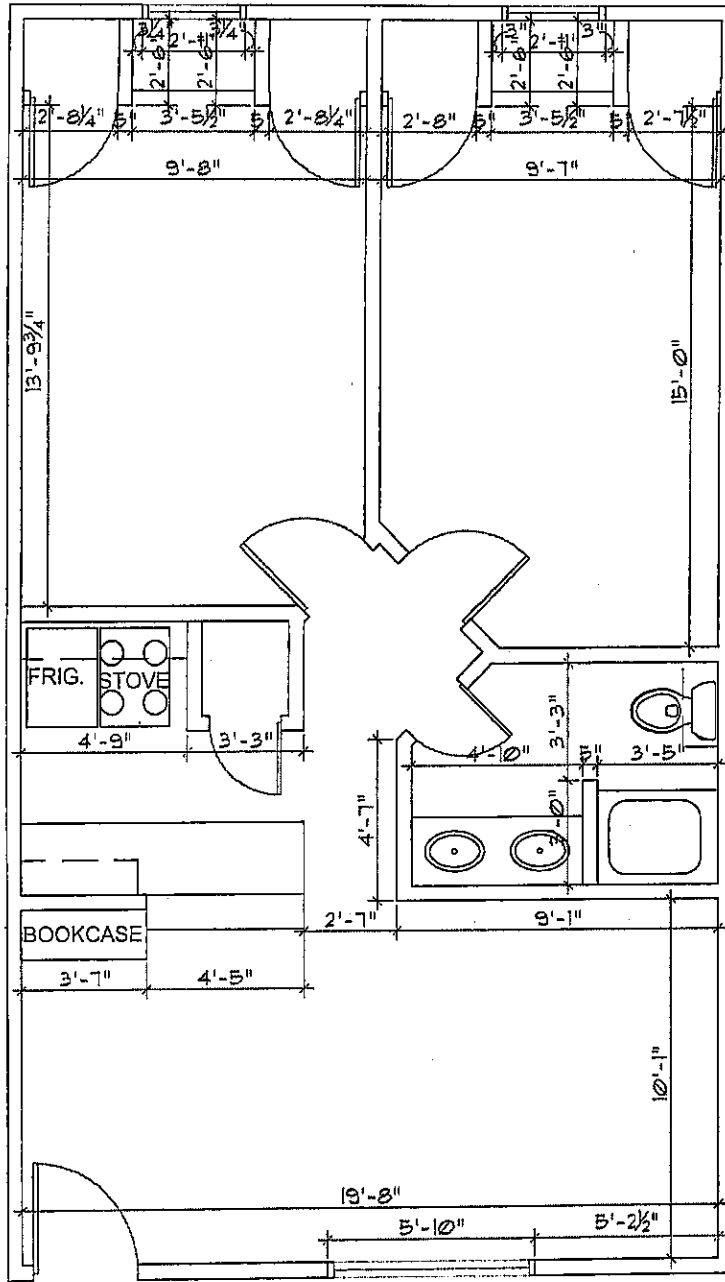
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110

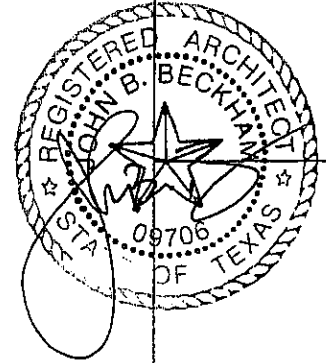
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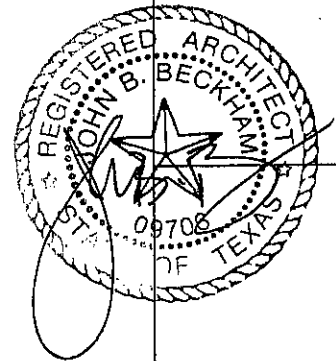
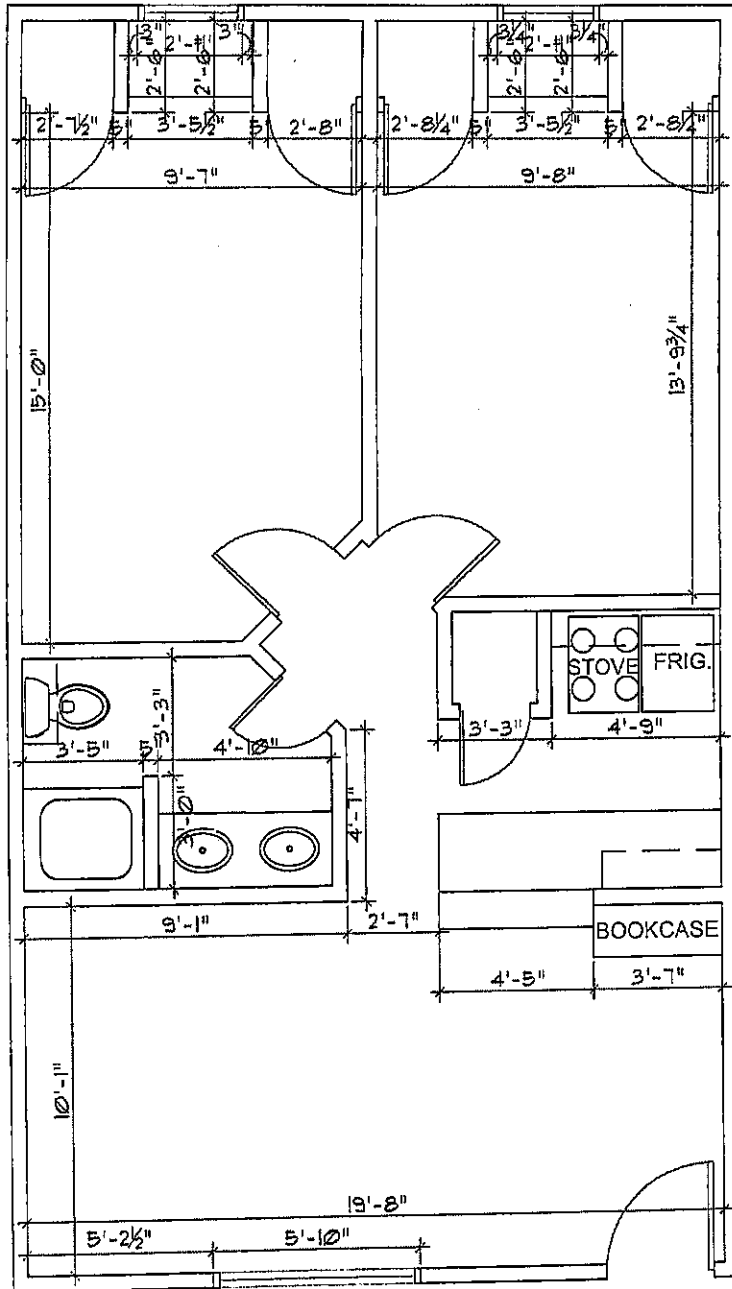
March 23,
2007

Unit
111

1 Floor Plan
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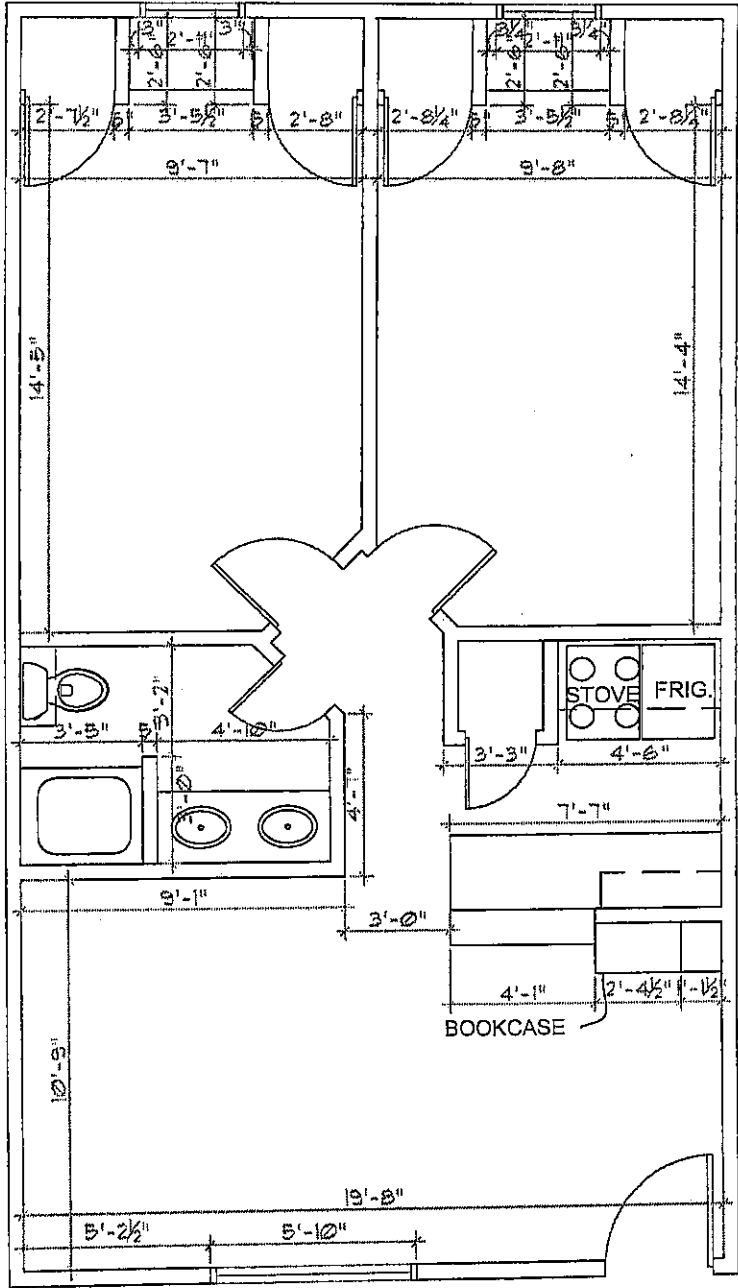
Unit

112

1 Floor Plan
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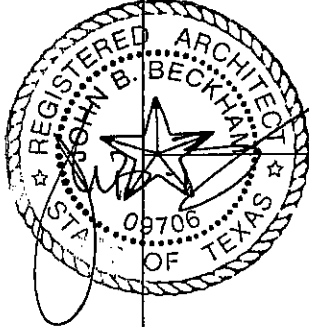


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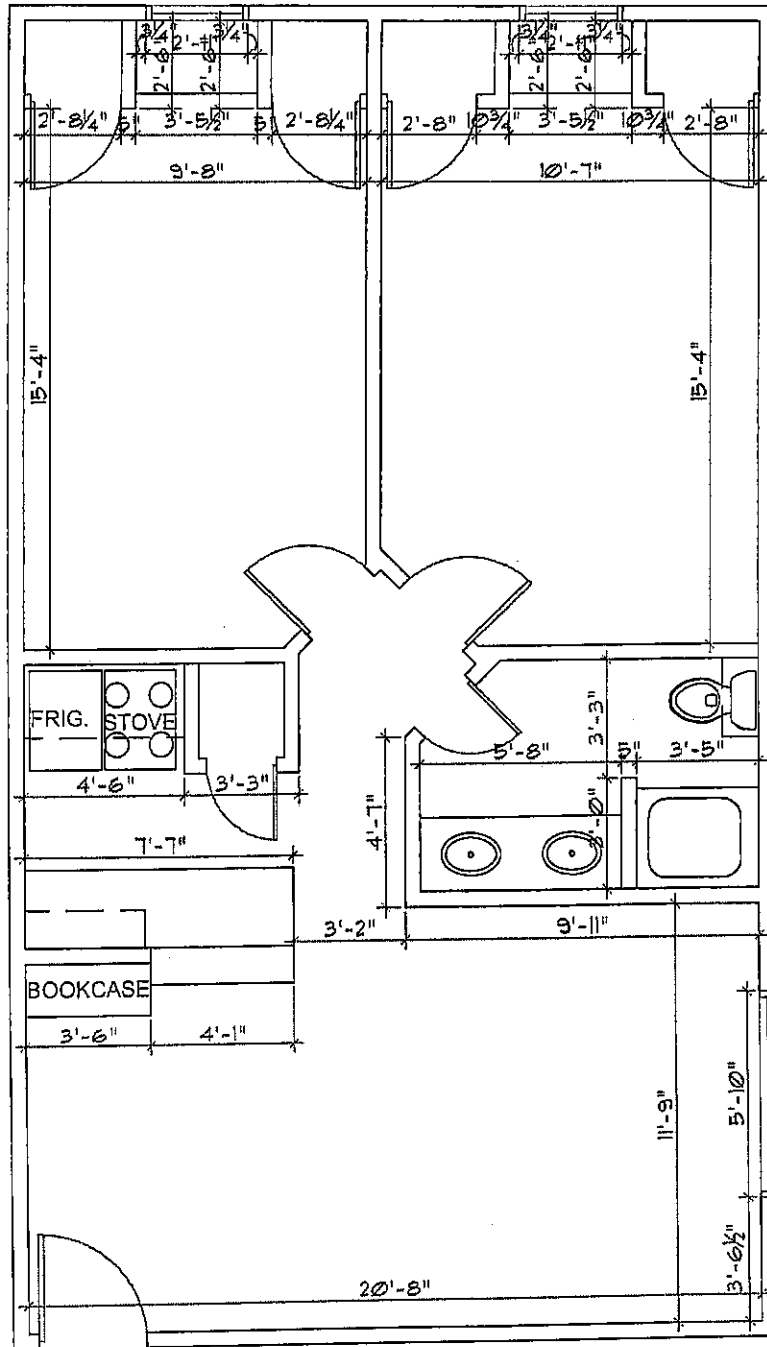
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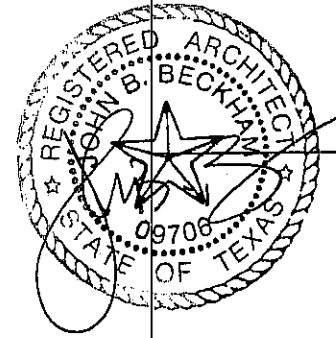
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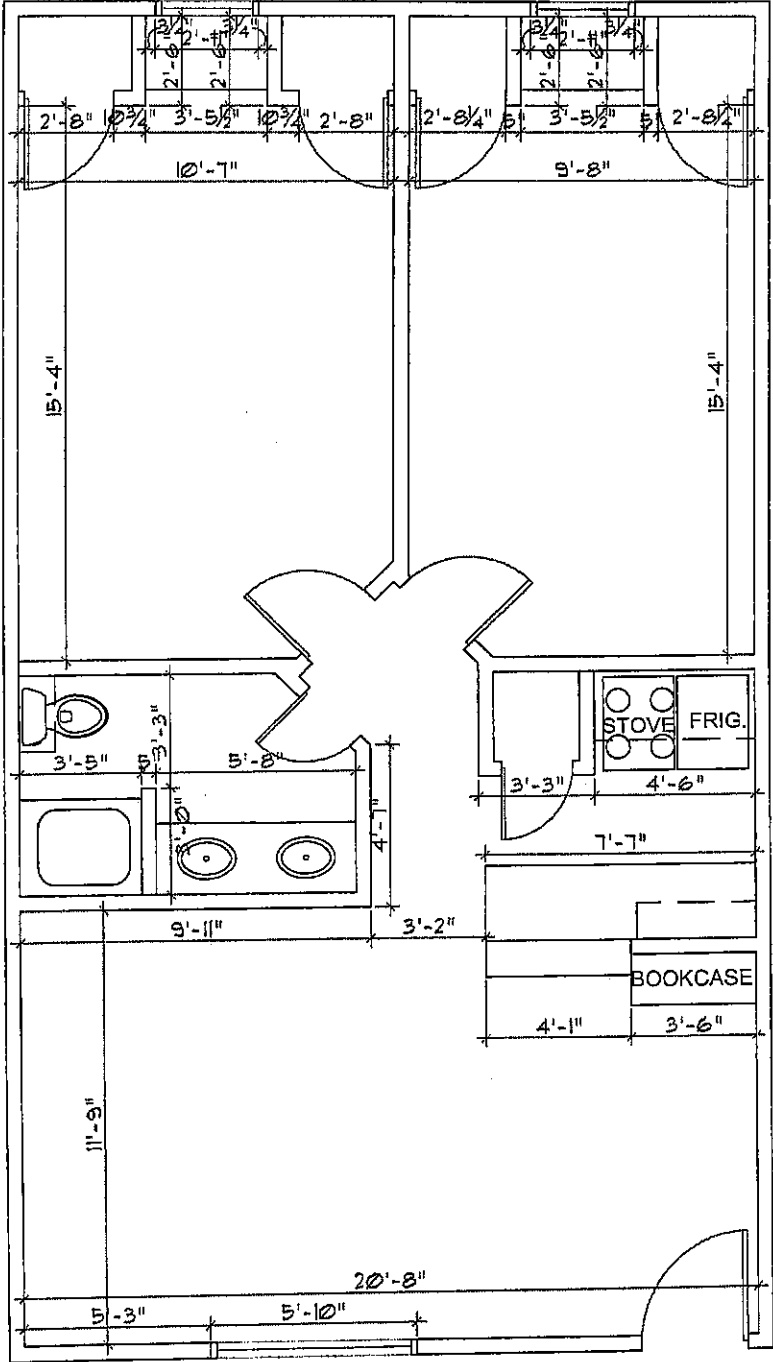
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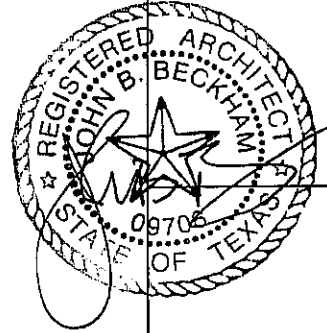
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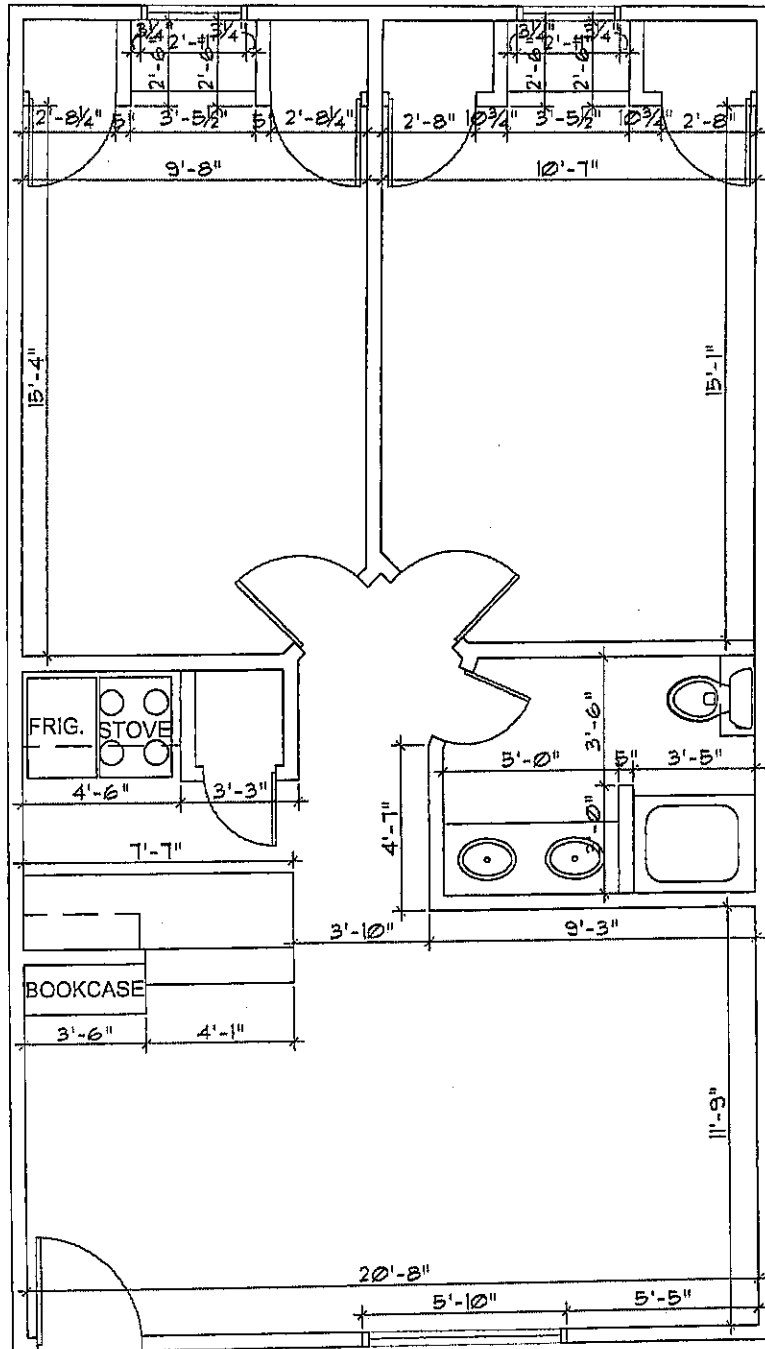
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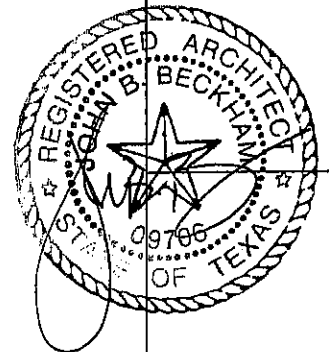
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Park Place



4306 Ave. A
Austin, Texas
78751

March 23,
2007

Unit

116

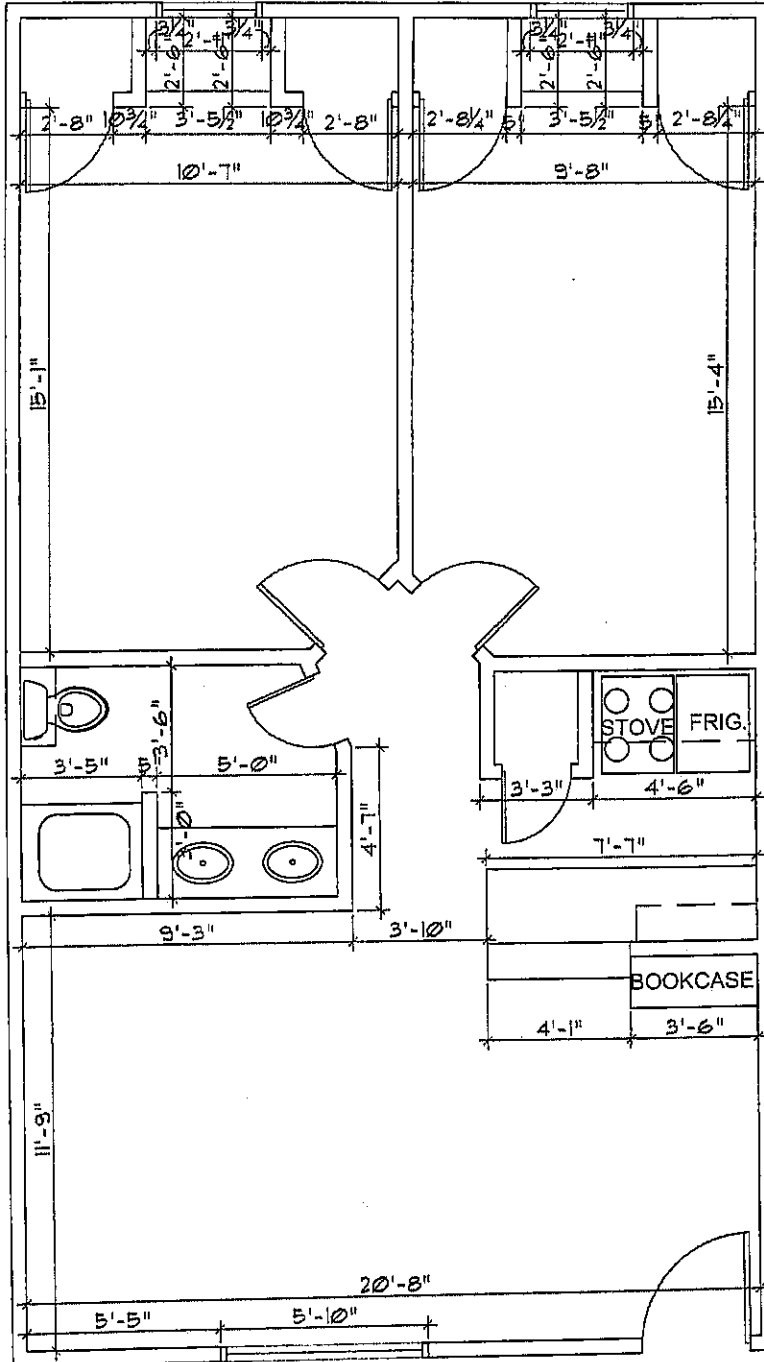
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Floor Plan

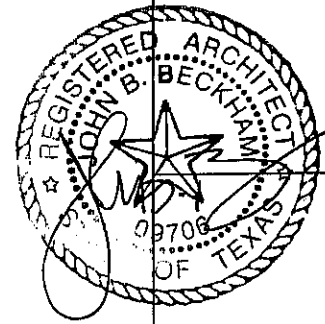
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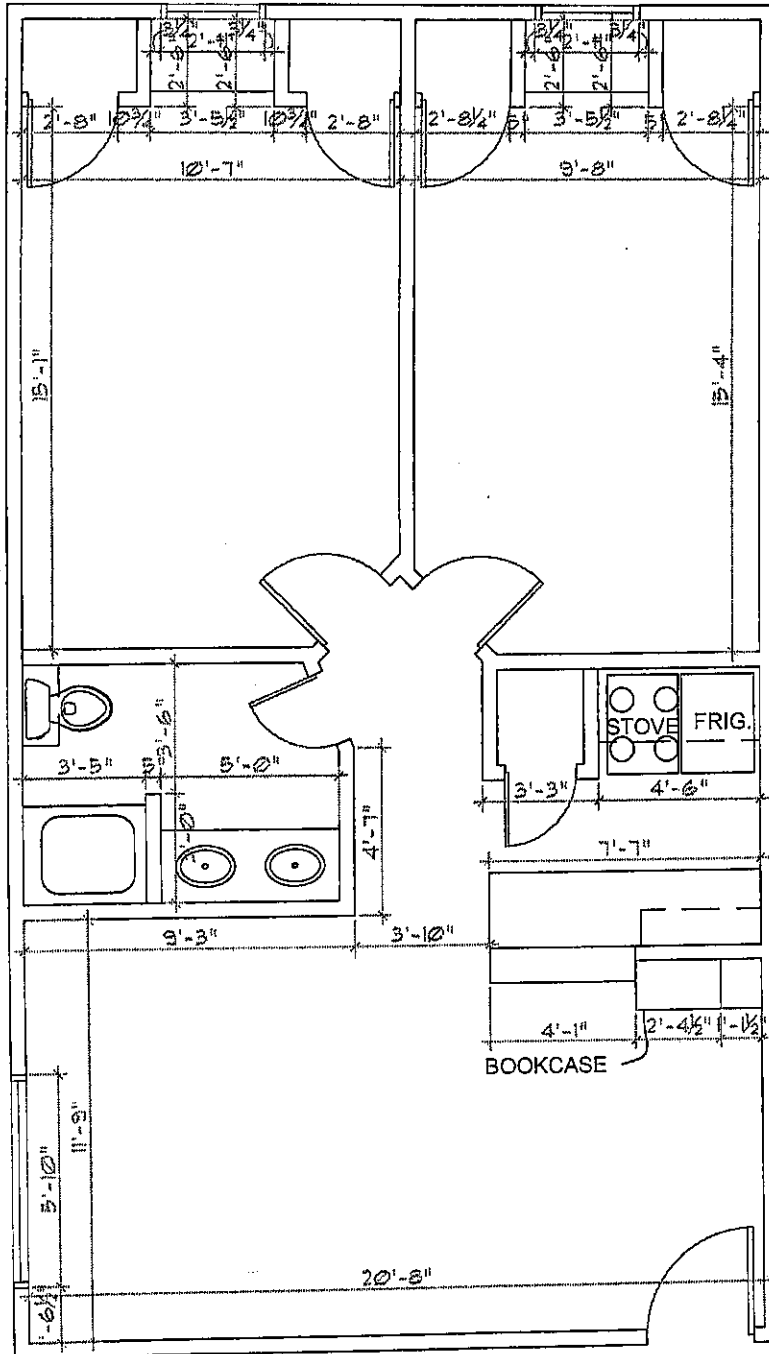
March 23,
2007

Unit
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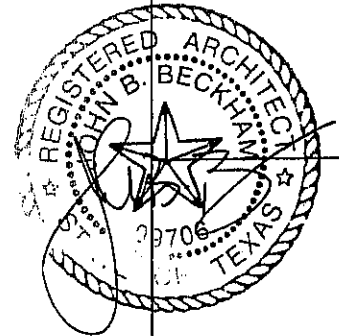
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Park Place



4306 Ave. A
Austin, Texas
78751

March 23,
2007

Unit
118

1 Floor Plan
3/16" = 1'-0"

EXHIBIT C
ALLOCATION OF UNIT INTERESTS
AND RESPONSIBILITIES

EXHIBIT C

PARK PLACE CONDOMINIUMS

Allocation of Interests & Monthly Common Expenses

Unit Number	General Description	Ownership Interest	Area in Square Feet	Monthly Common Expense Assessments
<i>Level 1</i>				
101	1 Bdr / 1 Bath	0.052959273	723	\$ 139
102	2 Bdr / 1 Bath	0.054277762	741	\$ 142
103	2 Bdr / 1 Bath	0.055376502	756	\$ 145
104	2 Bdr / 1 Bath	0.055376502	756	\$ 145
105	2 Bdr / 1 Bath	0.054937006	750	\$ 144
106	2 Bdr / 1 Bath	0.059331966	810	\$ 156
107	2 Bdr / 1 Bath	0.059331966	810	\$ 156
108	2 Bdr / 1 Bath	0.054937006	750	\$ 144
109	2 Bdr / 1 Bath	0.052739525	720	\$ 138
110	2 Bdr / 1 Bath	0.05222678	713	\$ 137
111	2 Bdr / 1 Bath	0.052739525	720	\$ 138
112	2 Bdr / 1 Bath	0.05222678	713	\$ 137
113	2 Bdr / 1 Bath	0.052739525	720	\$ 138
114	2 Bdr / 1 Bath	0.058452974	798	\$ 153
115	2 Bdr / 1 Bath	0.057940229	791	\$ 152
116	2 Bdr / 1 Bath	0.057940229	791	\$ 152
117	2 Bdr / 1 Bath	0.057940229	791	\$ 152
118	2 Bdr / 1 Bath	0.058526223	799	\$ 154
Monthly Total				
		100%	13652	\$ 2,625
Annual Total				
				\$ 31,500

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2007 Apr 17 04:53 PM 2007069240

SIFUENTEZY \$188.00

DANA DEBEAUVOIR COUNTY CLERK

TRAVIS COUNTY TEXAS

ARTICLES OF INCORPORATION

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Roger Williams
Secretary of State

Office of the Secretary of State

April 17, 2007

Attn: FOSTER MALISH BLAIR & COWAN, L.L.P.

FOSTER MALISH BLAIR & COWAN, L.L.P.
1403 WEST SIXTH STREET
Austin, TX 78703 USA

RE: Park Place Condominiums Owners Association, Inc.
File Number: 800802528

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. If you need to contact the Comptroller about franchise taxes or exemption therefrom, you may contact the agency by calling (800) 252-1381, by e-mail to tax.help@cpa.state.tx.us or by writing P. O. Box 13528, Austin, TX 78711-3528. Telephone questions regarding other business taxes, including sales taxes, should be directed to (800) 252-5555. Information on exemption from federal taxes is available from the Internal Revenue Service.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure

Come visit us on the internet at <http://www.sos.state.tx.us/>

Phone: (512) 463-5555
Prepared by: Cheryl Bailey

Fax: (512) 463-5709
TID: 10286

Dial: 7-1-1 for Relay Services
Document: 167250760002



Office of the Secretary of State

CERTIFICATE OF FILING OF

Park Place Condominiums Owners Association, Inc.
File Number: 800802528

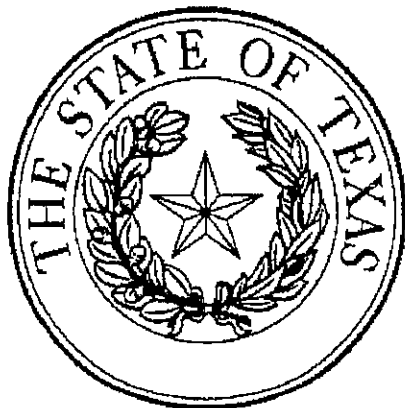
The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 04/17/2007

Effective: 04/17/2007



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

Form 202

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709



**Certificate of Formation
Nonprofit Corporation**

Filed in the Office of the
Secretary of State of Texas
Filing #: 800802528 04/17/2007
Document #: 167250760002
Image Generated Electronically
for Web Filing

Filing Fee: \$25

Article 1 - Corporate Name

The filing entity formed is a nonprofit corporation. The name of the entity is :

Park Place Condominiums Owners Association, Inc.

The name must not be the same as, deceptively similar to that of an existing corporate, limited liability company, or limited partnership name on file with the secretary of state. A preliminary check for the "name availability" is recommended.

Article 2 - Registered Agent and Registered Office

A. The initial registered agent is an organization (cannot be corporation named above) by the name of:

OR

B. The initial registered agent is an individual resident of the state whose name is set forth below:

Name:

Tigh Walters

C. The business address of the registered agent and the registered office address is:

Street Address:

1403 West Sixth Street Austin TX 78703

Article 3 - Management (Complete items A or B)

A. Management of the affairs of the corporation is to be vested solely in the members of the corporation.

OR

B. Management of the affairs of the corporation is to be vested in its board of directors. The number of directors, which must be a minimum of three, that constitutes the initial board of directors and the names and addresses of the persons who are to serve as directors until the first annual meeting or until their successors are elected and qualified are set forth below.

Director 1: **Greg Beckham**

Title: **Director**

Address: **1803 West Koenig Lane Austin TX, USA 78756**

Director 2: **Tigh Walters**

Title: **Director**

Address: **1403 West Sixth Street Austin TX, USA 78703**

Director 3: **Kate Walters**

Title: **Director**

Address: **1403 West Sixth Street Austin TX, USA 78703**

**Article 4 - Organization Structure
(You must select either A or B below)**

A. The corporation will have members.

B. The corporation will not have members.

Article 5 - Purpose

The corporation is organized for the following purpose or purposes:

The specific primary purpose for which the Association is formed is to promote the common interests of the people residing within the bounds of the following tract of land in Travis County, Texas:

Lot 29A, Resubdivision of Lots 24 through 29, Block 10, Hyde Park Addition, No. 1, a Subdivision in Travis County, Texas, according to the Map or Plat of Record in Volume 52, Page 68, Plat Records of Travis County, Texas, known as 4306 Avenue A, Austin, Texas 78759.

Supplemental Provisions / Information

[The attached addendum, if any, is incorporated herein by reference.]

Effectiveness of Filing

A. This document becomes effective when the document is filed by the secretary of state.

OR

B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Organizer

The name and address of the organizer are set forth below.

Tigh Walters 1403 West Sixth Street, Austin, Texas 78703

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Tigh Walters

Signature of organizer.

FILING OFFICE COPY

ARTICLES OF INCORPORATION
OF
PARK PLACE CONDOMINIUMS OWNERS ASSOCIATION, INC.

The undersigned natural person of the age of eighteen years or more, acting as sole incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE 1.

The name of the corporation is Park Place Condominiums Owners Association, Inc. (the "Association").

ARTICLE 2.

The Association is a non-profit corporation.

ARTICLE 3.

The period of its duration is perpetual.

ARTICLE 4.

A. The specific primary purpose for which the Association is formed is to promote the common interests of the people residing within the bounds of the following tract of land in Travis County, Texas:

Lot 29A, Resubdivision of Lots 24 through 29, Block 10, Hyde Park Addition, No. 1, a Subdivision in Travis County, Texas, according to the Map or Plat of Record in Volume 52, Page 68, Plat Records of Travis County, Texas, known as 4306 Avenue A, Austin, Texas 78759

with regard to preserving and enhancing the quality of life, safety, residential characteristics, and property values within, and such additions to it as may hereafter be brought within the jurisdiction of the Association for such purposes.

B. The Association will have power to exercise any and all powers, rights, and privileges that a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

C. The Association shall be operated exclusively for such purposes, and no part of its net earnings shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered by members, officers, and directors of the

Association and members of committees of the Association, and to make payments and distributions in furtherance of the purposes set forth in this Article 4.

ARTICLE 5.

The street address of the initial registered office of the corporation is 1403 West Sixth Street, Austin, Texas 78703, and the name of its initial registered agent at such address is Tigh Walters.

ARTICLE 6.

The direction and management of the affairs of the Association and the control and disposition of its properties and funds shall be vested in a Board of Directors composed of such number of persons as the bylaws may fix. Until changed by the bylaws the original number of director(s) shall be three. The director(s) shall continue to serve until their successors are selected in the manner provided in the bylaws of the Association.

The names and residences of the persons who shall serve as director(s) of the Association until their successors are duly elected and qualified are as follows:

<u>Name</u>	<u>Address</u>
Greg Beckham	1803 West Koenig Lane Austin, Texas 78756
Kate Walters	4006 Cherrywood Road Austin, Texas 78722
Tigh Walters	1403 West Sixth Street Austin, Texas 78703

ARTICLE 7.

The Association shall have members. The membership of the Association shall be determined as provided in the Declaration of Covenants, Conditions, Restrictions, and recorded under Document #2007069240, Official Public Records, Travis County, Texas. Such Declaration also describes the voting rights, powers and privileges of the members.

ARTICLE 8.

No director shall be liable to the Association or its members for monetary damages for an act or omission in the director's capacity as a director, except that this Article does not eliminate or limit the liability of a director to the extent the director is found liable for:

- a. a breach of the director's duty of loyalty to the Association or its members;

b. an act or omission not in good faith that constitutes a breach of duty of the director to the Association or its members or an act or omission that involves intentional misconduct or a knowing violation of the law;

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

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

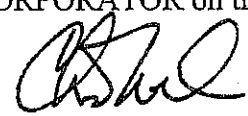
Any repeal or modification of this Article by the members of the Association shall be prospective only and shall not adversely affect any limitation on the liability of a director of the Association existing at the time of such repeal or modification.

ARTICLE 9.

The name and street address of the sole incorporator is:

<u>Name</u>	<u>Address</u>
Chris Malish	1403 West Sixth Street Austin, Texas 78703

EXECUTED BY THE UNDERSIGNED INCORPORATOR on this 6th day of November, 2006.



Chris Malish

RULES

RULES FOR PARK PLACE CONDOMINIUMS

These Rules apply to the Units and Common Elements of the Park Place Condominiums. By owning or occupying a Unit in the Park Place Condominiums, each Unit Owner and each occupant agrees to abide by these Rules, as well as the obligations of Owner and occupants of the Units as provided in the Declaration and Bylaws.

For Convenience, these Rules restate some of the restrictions and covenants contained in the Declaration. Most of these Rules, however, are in addition to the restrictions and covenants found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules. In the event of a conflict between governing documents, the hierarchy of authority shall be as follows: Declaration (highest), Bylaws, these Rules (lowest).

SECTION 1. COMPLIANCE

- 1.1 **Compliance.** Each Owner shall comply with the provisions of these Rules, the Declaration, and the Bylaws, as any of these may be revised from time to time (collectively, the "governing documents"). Each Owner, additionally, shall be responsible for compliance with the governing documents by the occupants of his or her Unit, and his, her or their respective invitees, tenants, agents, employees or contractors. Use of "Owner" or "occupant" in these Rules shall be deemed to include and apply to the Owner and to all persons for whom Owner is responsible. An Owner or occupant should contact the Board if he or she has a question about these Rules.
- 1.2 **Additional Rules.** Each occupant shall comply with all rules and signs posted from time to time on the Condominiums by the Association including those regulating the use of any recreational facilities. Such posted rules are incorporated in these Rules by reference. Each occupant shall comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of change affecting use of the Condominiums. Such temporary rules are incorporated in these Rules by reference.
- 1.3 **Waiver.** Certain circumstances may warrant waiver or variance of these Rules. An Owner must make written application to the Board for such waiver or variance. If the Board deems the waiver or variance warranted, the Board may condition its approval, which must be in writing to be effective.

SECTION 2 - OBLIGATIONS OF OWNERS AND OCCUPANTS

- 2.1 **Safety.** Each occupant is solely responsible for his or her own safety and for the safety, well-being and supervision of his guests and any person on the Condominiums to whom the occupant has a duty of care, control or custody.

- 2.2 **Damage.** Each Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other occupants or their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible.
- 2.3 **The Association Does Not Insure.** Each occupant is solely responsible for insuring his or her Unit and all personal property in the Unit and on the Condominiums, including furnishings, automobiles, and items kept in storage areas provided by the Association, if any. Personal property placed in or on the Condominiums shall be solely at the risk of occupant or the Owner of such personal property. The Association advises Owners and occupants to purchase insurance on their personal belongings.
- 2.4 **Risk Management.** No occupant shall permit anything to be done or kept in his or her Unit or the Common elements which will result in the cancellation of insurance on any common elements or which may be in violation of any law.
- 2.5 **Reimbursement for Enforcement.** An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the governing documents against the Owner, his or her Unit or persons for whom the Owner is responsible.
- 2.6 **Reimbursement for Damages.** An Owner shall promptly reimburse the Association for the cost of damage to the Condominiums caused by negligent or willful conduct of the Owner or the persons for whom the Owner is responsible.

SECTION 3 - GENERAL USE AND MAINTENANCE OF UNITS

- 3.1 **Use.** Each Unit must be used solely for single family residential use, and may not be used for commercial business purposes. This restriction shall not prohibit a occupant from using his or her Unit for personal business or professional pursuits; provided that: (i) such use is incidental to the Unit's single family residential use; (ii) such use conforms to all applicable laws and ordinances; (iii) there is no external evidence of such use; and (iv) such use does not entail visits to the Unit by the public, employees, suppliers or clients.
- 3.2 **Annoyance.** No Unit may be used in any way that: (i) may reasonably be considered annoying to occupants of neighboring Units; (ii) may be calculated or reasonably be considered to reduce the desirability of the Condominiums as a residential community; (iii) may endanger the health or safety of other occupants; or (iv) may violate any law or any provision of the governing documents.
- 3.3 **Maintenance.** Each Owner, at the Owner's sole cost and expense, shall maintain the interior of the Unit and keep it in good repair, including the inner finished surfaces of the Unit's perimeter walls, floors, doors, and ceilings, and the appliances therein, including any entry and exit doors, windows, any patio, the interior of any balcony, and any other Limited Common Elements which are appurtenant to such Unit.

- 3.4 **Compliance with Hazardous Material Laws.** All Owners and occupants shall comply with all laws, ordinances, and regulations with respect to hazardous material. No Owner shall permit any hazardous materials to be stored or released anywhere in the Condominiums. An occupant shall not store or maintain anywhere on or in the Condominiums (including within a Unit) explosives or materials capable of spontaneous combustion or articles deemed extra hazardous to life, limb, or property. Firewood shall be stored in an area that is screened from Common Area views.
- 3.5 **Utilities.** Each occupant shall endeavor to conserve the use of utilities furnished through the Association.
- 3.6 **Parking.** The Association may designate "visitor only" parking spaces on general common elements. No Owner or occupant shall ever park in any such designated visitor spaces. Only visitors of Owners and occupants shall be permitted in such designated spaces. Each Owner shall use the off-street driveways which are part of the limited common elements assigned to such Owner's Unit for parking all vehicles owned or leased by such Owner.
- 3.7 **Patio/Terrace/Balcony.** Each occupant shall keep such Owner's Unit and patio, terrace, or balcony in a good state of cleanliness, taking care that the cleaning of such patio, terrace, or balcony does not annoy or inconvenience other occupants. A patio, terrace, or balcony may not be enclosed for storage purposes. If the Board determines that a patio, terrace or balcony is unsightly, the Owner shall be give notice by the Board to correct the problem within 15 days, after which the Board may take corrective action at the Owner's expense. Clothes lines are prohibited.
- 3.8 **Air Conditioning Equipment.** Each Owner, at such Owner's sole cost and expense, shall maintain, repair and replace the heating and cooling equipment/system serving such Owner's Unit.
- 3.9 **Glass.** Owners, at their sole cost and expense, shall promptly repair and replace any broken or cracked glass in such Owner's Units windows and doors.

SECTION 4 - GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

- 4.1 **Intended Use.** Every area and facility in the Condominiums may be used only for its intended and obvious use. For example, walkways, stairways, sidewalks and driveways are to be used exclusively for purposes of access, not for social congregation or recreation.
- 4.2 **Grounds.** Unless the Board designated otherwise, occupants may not use or abuse the landscaped areas, lawns, beds, and plant materials on the general common elements. The following are expressly prohibited: digging, planting, pruning, climbing, and curbing pets or animals. Unless reserved by written permission of the Board for the exclusive use of an Owner or occupant, the general common elements constituting the landscaped areas and any other recreational general common elements may be used for general recreation by all of the

Owners or any occupant between 5:00a.m. and 10:00p.m. each day.

- 4.3 **Abandoned items.** No item or object of any type shall be stored, placed, or maintained anywhere on the general common elements, except by the Board or with the prior written consent of the Board. Items of personal property found on general common elements are deemed abandoned and may be disposed of by the Board.
- 4.4 **Gates.** The entrance gates are not a security device and will remain open as determined by the Board. The Board will determine and advise Owners of entry procedures for hours when the gates are closed.

SECTION 5- COMMUNITY ETIQUETTE

- 5.1 **Courtesy.** Each occupant shall endeavor to use his or her Unit and the common elements in a manner calculated to respect the rights and privileges of other occupants.
- 5.2 **Annoyance.** An occupant shall avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other occupants or their guests, or the Association's employees and agents.
- 5.3 **Noise and Odors.** Each occupant shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb occupants of other Units.
- 5.4 **Reception Interference.** Each occupant shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception of others.
- 5.5 **No Personal Service.** The Association's employees and agents are not permitted or authorized to render personal services to occupants. Each occupant agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such occupant.
- 5.6 **Compliance with Law.** Occupants may not use a Unit or any portion of the Condominiums for unlawful activities. Occupants shall comply with applicable laws and regulations of the United States and of the State of Texas, and with the ordinances, rules, and regulations applying in Austin, Texas. An occupant who violates this provision shall hold the Association and other Owners and occupants harmless from all fines, penalties, costs, and prosecutions for the occupant's violation or noncompliance.

SECTION 6 - ARCHITECTURAL CONTROL

- 6.1 **Common Elements and Units.** Without the Board's prior approval, a person may not change, remodel, decorate, destroy, or improve the common elements or the exterior of a

Unit, nor do anything to change the appearance of the common elements or a Unit. Owner(s) may not post any signs, banners or placards in windows or on common area walls or grounds.

- 6.2 **Board Approval.** To obtain the Board's written consent for a modification, an Owner must submit to the Board complete plans and specifications showing the nature, kind, shape, size, materials, colors and location for all proposed work, and any other information reasonably requested by the Board. The Board's failure to respond to the Owner's written request within forty-five (45) days after it receives the Owner's request shall be construed as a denial of the proposed changes.

SECTION 7- MISCELLANEOUS

- 7.1 **Security.** The Association may, but shall not be obligated to, maintain or support certain activities within the Condominiums designed to make the Condominiums less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents, and employees shall not in any way be considered an insurer or guarantor of security within the Condominiums, 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 owner, occupant, guest, and invitee on the Condominiums 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 to any other of his or her property on the Condominiums. The Association expressly disclaims and disavows warranty of merchantability or fitness for any particular purpose relative to any security systems, equipment, or measures recommended, installed, or undertaken within the Condominiums.
- 7.2 **Right to Hearing.** An Owner may request in writing a hearing by the board regarding an alleged breach of these Rules by the Owner or occupant of the Owner's Unit. The Board will schedule a hearing within thirty (30) days of receiving the Owner's written request. At the hearing, the Board will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- 7.3 **Mailing Address.** An Owner who receives mail at any address other than the address of his or her Unit shall be responsible for maintaining with the Association a notice of the Owner's mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the governing documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Unit shall be deemed effective for purposes of delivery.
- 7.4 **Revision.** These Rules are subject to being revised, replaced, or supplemented. Owners and occupants are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until ten (10) days after the Association mails notice of an amendment or revocation of these Rules to the Owner of each Unit.

7.5 **Other Rights.** These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Articles of Incorporation and the laws of the State of Texas.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the initial Rules of the Park Place Condominiums Owners Association, Inc., a Texas non-profit corporation and condominium association, as adopted by the initial Board of Directors at its organization meeting on the 17th day of April 2007.

IN WITNESS WHEREOF, I hereunto set my hand this the 17th day of April 2007.

PARK PLACE CONDOMINIUMS OWNERS ASSOCIATION, INC.

By: Greg Beckham
Greg Beckham, Secretary

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

Before me, the undersigned authority, on this 17th day of April, 2007, personality appeared Greg Beckham, Secretary of the PARK PLACE CONDOMINIUMS OWNERS ASSOCIATION, INC., a Texas non-profit corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of the non-profit corporation.

Tigh A. Walters
NOTARY PUBLIC, State of Texas

[SEAL]



WARRANTY

American Home Shield of Texas, Inc.
P.O. Box 849
Carroll, IA 51401

A. COVERAGE

1. During the coverage period, AHS will arrange for an AHS authorized service contractor (Service Contractor) to repair or replace the systems and appliances stated as covered in accordance with the terms and conditions of this contract so long as the systems and appliances:

- A. Are located within the confines of the main foundation of the home or attached or detached garage (with the exception of the exterior well pump, air conditioner, and pool and/or spa equipment, if selected);
- B. Become inoperative due to normal wear and tear;
- C. Are in good working order on the Effective Date of this contract (as defined below); and
- D. Are properly maintained and installed throughout the term of this contract for proper diagnosis.

2. This contract only covers single family resale homes, new construction homes, and condominiums/townhomes/mobile homes (including manufactured housing) under 5,000 square feet, unless an alternative dwelling type (i.e. 5,000 square feet up to 10,000 square feet, or multiple units) is applied for by calling the Sales phone number on the Contract Agreement page, and the appropriate fee is paid. Coverage is for owned or rented residential property, not commercial property or residences used as businesses, including, but not limited to, day care centers, fraternity/sorority houses, and nursing/care homes.

3. This contract describes the basic coverage and options available for domestic grade appliances and systems. Domestic grade items are those that were manufactured and marketed solely for installation and use in a residential family dwelling. For the specific coverage selection on your home, see the Contract Agreement page. Coverage includes only the items stated as covered and excludes all others. Coverage is subject to limitations and conditions specified in this contract. Please read your contract carefully.

B. CONTRACT TERM

1. Seller's coverage for the listing and sale (escrow) period starts upon issuance of a contract number by AHS (Effective Date), and continues for 180 days or close of sale (escrow) or termination of listing (whichever occurs first). In the event that close of sale (escrow) does not occur in such 180-day period, AHS may, in its sole discretion, extend the seller's coverage period. If the application is received as a telephone or web application, then coverage will start immediately upon issuance of a contract number by AHS. Seller's coverage includes systems and appliances in Sections D and E, if appropriate fees are paid. For the seller to receive optional coverage (Section E), the seller agrees to provide the appropriate fees for the buyer.
2. Buyer's coverage begins at close of sale (escrow), provided plan fee is paid to AHS (Effective Date), and continues for one (1) year after close of sale (escrow). Any payments made by AHS during the optional seller's coverage period (if applicable) for the repair or replacement of any covered item shall apply against any "per contract" or "per covered item" dollar limitations set forth herein. Any exclusion, denial or suspension of service made by AHS during the optional seller's coverage period of any covered item shall apply against the buyer's coverage as set forth herein unless such item is repaired or replaced.
3. Contract term for new construction homes shall begin one (1) year after close of sale (escrow) and continues three (3) years from that date, provided plan fee is paid to AHS.
4. Lease option coverage (available for lessee only) begins upon receipt of application and contract fees by AHS and continues for one (1) full year.

C. CUSTOMER SERVICE – TO REQUEST SERVICE CALL: 1-800-776-4663 OR VISIT www.ahsservice.com

1. You must notify AHS for work to be performed under this contract as soon as the problem is discovered. AHS will accept service calls 24 hours a day, 7 days a week at 1-800-776-4663 or online at www.ahsservice.com.

Notice of any service request must be given to AHS prior to expiration of this contract.

2. The services contracted for will be initiated under normal circumstances by AHS within forty-eight (48) hours after your request for service is made to AHS. The Service Contractor will contact you to schedule a mutually convenient appointment during normal business hours. If you have any difficulty scheduling an appointment with any AHS Service Contractor or obtaining quality service from an AHS Service Contractor, please contact AHS at 1-800-776-4663. AHS will determine what repairs constitute an emergency and will make reasonable efforts to expedite emergency service. If you should request AHS to perform non-emergency service outside of normal business hours, you will be responsible for payment of additional fees, including overtime.

3. AHS has the right to select the Service Contractor, which may be a service company affiliated with AHS, to perform the service. AHS will not reimburse for services performed without its prior approval.

4. You will pay \$55 for each trade service call, or the actual cost, whichever is less. Additional charges may apply to certain repairs and replacements. The trade service call fee is for each call dispatched and scheduled to be run (except as noted in Section C.6.) including, but not limited to, trade service calls wherein coverage is (in whole or in part) granted, excluded, limited or denied. Please note: the trade service call fee applies in the event you fail to be present at the scheduled time of the trade service call or in the event you cancel a call at the time the Service Contractor is in route to your home or the Service Contractor has already arrived at your home. The trade service call fee will be due and payable to the Service Contractor (or to AHS) at the time of the scheduled trade service call. AHS will not respond to any new requests for service until any previous outstanding trade service call fees are paid in full.

5. At the time the work begins and at appropriate time(s) thereafter, certain repairs and replacements may require you to allow a state or local building inspector access to your home. Failure to pay any required permit fee above \$250 or to allow access to your home by the building inspector, will result in suspension of coverage (for that specific repair or replacement) until such time as the permit fee is paid or access is granted (as applicable). At that time, coverage will be reinstated; however, the contract term will not be extended.

6. If service work performed under this contract should fail, AHS will make the necessary repairs without an additional trade service call fee for a period of 90 days on parts and 30 days on labor.

D. COVERED SYSTEMS AND APPLIANCES

The following systems and appliances are covered for the home seller and home buyer. Certain limitations of liability apply to covered systems and appliances (see Sections A and F).

NOTE FOR SELLER: If listing coverage is selected, items 1, 2, and 3 in Section D are subject to a combined \$1500 maximum coverage limitation during the listing period. Limitations of liability apply.

1. HEATING SYSTEM OR BUILT-IN WALL UNIT (Gas, Electric, or Oil if main source of heat to the home)

NOTE: Coverage available on heating systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Heating systems including: heat pump; metering devices (i.e. thermal expansion valves); furnace; furnace transition; evaporator coils and drain lines; air handling unit; air handling transition; secondary drain pan and lines; and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a heating system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: All components and parts relating to geothermal, water source heat pumps including: outside or underground piping, components for geothermal and/or water source heat pumps, redrilling of wells for geothermal and/or water source heat pumps, and well pump and well pump components for geothermal and/or water source heat pumps - Baseboard

casings - Fuel storage tanks - Portable units - Solar heating systems - Fireplaces and key valves - Filters - Registers - Grills - Clocks - Timers - Heat lamps - Humidifiers - Flues and vents - Improperly sized heating systems - Chimneys - Pellet stoves - Cable heat (in ceiling) - Wood stoves (even if only source of heating) - Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).
NOTE BUYER ONLY: AHS will pay no more than \$1,500 per covered item per contract term for access, diagnosis and repair or replacement of any glycol, hot water or steam circulating heating system. See Section B. for length of contract term.

2. AIR CONDITIONING/COOLER

NOTE: Coverage available on cooling systems not exceeding a five (5) ton capacity and designed for residential application.

COVERED: Ducted electric wall air conditioning systems - Water evaporative cooler systems - Costs related to freon recapture - Ducted electric central air conditioning systems including: condenser; metering devices (i.e. thermal expansion valves); furnace transition; evaporator coils and drain lines; air handling unit; air handling transition; secondary drain pan and lines; and refrigerant lines are covered. Any of the foregoing covered components as well as plenum, indoor electrical, and duct connections are also covered when AHS determines that upgrading a ducted electric central air conditioning system is required to maintain compatibility with equipment manufactured to be 13 SEER (Seasonal Energy Efficiency Ratio) and 7.7 HSPF (Heating Seasonal Performance Factor) compliant, or compliant with higher SEER or HSPF requirements.

NOT COVERED: Gas air conditioning systems - Condenser casings - Registers and grills - Filters - Electronic air cleaners - Window units - Non-ducted wall units - Water towers - Humidifiers - Roof jacks or stands - Evaporative cooler pads - Flues - Vents - Improperly sized air conditioning unit - Chillers and chiller components - Systems with improperly matched condensing unit and evaporative coil per manufacturer's specifications - Improper use of metering devices (i.e. thermal expansion valves).

3. DUCTWORK

COVERED: Ducts from heating and/or cooling unit to point of attachment at registers or grills and flex ductwork.

NOT COVERED: Registers or grills - Insulation - Asbestos-insulated ductwork - Dampers - Improperly sized ductwork - Diagnostic testing of, or locating leaks to ductwork, including, without limitation, as required by any federal, state or local law, regulation, or ordinance, or when required due to the installation or replacement of system equipment.

NOTE: Where covered repairs require access to ductwork, AHS will only provide access to, and sealing of ductwork through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. If the ductwork is accessible only through a concrete floor, wall or ceiling, AHS will cover up to \$500 for access to, sealing of other repair to, or replacement of such ductwork, including returning access openings to a rough finish. If any ductwork that is inaccessible due to concrete or other obstructions requires repair or replacement as a result of diagnostic testing, AHS will not cover such repair or replacement. See Section B. for length of contract term.

4. PLUMBING SYSTEM

COVERED: Leaks and breaks of water, drain, gas, waste or vent lines, except if caused by freezing or roots - Toilet tanks, bowls and related mechanisms (builder's standard is used when replacement is necessary), toilet wax ring seals - Valves for shower, tub, and diverter, angle stops, risers and gate valves - Permanently installed sump pumps (ground water only) - Built-in bathtub whirlpool motor and pump assemblies.

NOT COVERED: Collapse or damage to water, drain, gas, waste or vent lines caused by freezing or roots - Faucets and fixtures - Bathtubs and showers - Shower enclosures and base pans - Sinks - Toilet lids and seats - Caulking or grouting - Septic tanks - Water softeners - Pressure regulators - Inadequate or excessive water pressure - Flow restrictions in fresh water lines caused by rust, corrosion or chemical deposits - Sewage ejector pumps -

Holding or storage tanks - Saunas or steam rooms - Hose bibs - Whirlpool jets.

NOTE: Where covered repairs require access to plumbing systems, AHS will only provide access to plumbing systems through unobstructed walls, ceilings or floors, and will return access openings to a rough finish. Obstructions include, without limitation, built-in appliances, systems, cabinets, and floor coverings. AHS will cover up to \$500 for access, diagnosis, repair or replacement (including returning access openings to a rough finish) to any portion of a plumbing system that is inaccessible because of concrete. See Section B. for length of contract term.

5. SUMP PUMP

COVERED: Permanently installed sump pump for ground water only.

NOT COVERED: Sewage ejector pump.

6. STOPPAGE COVERAGE (accessible ground level clean out required)

COVERED: Clearing of mainline drain and sewer stoppages up to 100 feet from access point, except if caused by roots. Mainline stoppages are only cleared when an accessible cleanout is either available or can be installed (installation not covered). Clearing of lateral drain line stoppages up to 100 feet from access point including, but not limited to, accessible cleanout, p-trap, drain or overflow access points, and removing a toilet for a toilet stoppage only.

NOT COVERED: Costs to locate or access cleanouts not reasonably found or accessible, or to install cleanouts. Access through roof vents or toilets (except where noted). Stoppages caused by collapsed, damaged or broken drain, vent or sewer lines outside of the home's main foundation - Stoppages due to roots or foreign objects - Lines broken or infiltrated by roots, or otherwise stopped by roots, even if within the home's main foundation - Septic tanks.

7. WATER HEATER (Gas, Electric, or Oil)

COVERED: All components and parts, including circulating pumps and sediment, except:

NOT COVERED: Solar water heaters - Solar components - Ancillary holding or storage tanks - Noise - Fuel storage tank and energy conservation unit - Flues and vents - Thermal expansion tanks - Instant hot water dispenser.

8. ELECTRICAL SYSTEM

COVERED: All components and parts, including built-in exhaust fans, except:

NOT COVERED: Fixtures - Door bells - Alarms - Intercom or speaker systems - Central vacuum systems - Audio/video/computer wiring or cable - Telephone wiring - Inadequate wiring capacity - Power failure or surge - Garage door openers - Direct current (D.C.) wiring or components and/or low voltage systems including wiring and relays - Circuit overload.

9. EXHAUST FAN

COVERED: All components and parts, except:

NOT COVERED: Exhaust fans used for radon - Heating or lighting components.

10. BUILT-IN MICROWAVE OVEN

COVERED: All components and parts, except:

NOT COVERED: Interior linings - Door glass - Shelves - Portable or counter top units - Meat probe assemblies - Rotisseries - Clocks.

11. DISHWASHER

COVERED: All components and parts, except:

NOT COVERED: Racks - Baskets - Rollers.

12. GARBAGE DISPOSAL

COVERED: All components and parts, including entire unit.

13. RANGE/OVEN/COOKTOP (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Clocks (unless they affect the function of the oven) - Meat probe assemblies - Rotisseries - Racks - Handles - Knobs - Sensi-heat burners will only be replaced with standard burners.

14. TRASH COMPACTOR

COVERED: All components and parts, except:

NOT COVERED: Lock and key assemblies - Removable buckets.

**E. OPTIONAL COVERAGE FOR THE HOME BUYER AND HOME SELLER
(AVAILABLE UPON PAYMENT OF ADDITIONAL CONTRACT FEE.)**

NOTE TO BUYER: Home buyer may purchase any optional coverage for up to 30 days after the Effective Date (see Section B). However, coverage shall not commence until receipt of payment by AHS and such coverage shall expire upon expiration of contract term in Section B. Limitations of liability specified in Sections A and F shall apply. For new construction coverage, home buyer may purchase optional coverage up to 30 days after close of sale (escrow) provided such item was supplied by the home builder or developer (must be new). Optional coverage may be obtained after the initial 30 day period provided item is brand new and proof of brand new purchase is submitted to AHS. Contract term shall begin after the expiration of the manufacturer's warranty and will continue for the remainder of the contract. However, the coverage period shall begin 365 days from close of sale (escrow) and continues three (3) years from that date, provided contract fee is paid. Limitations of liability specified in Sections A and F shall apply.

1. POOL AND/OR SPA EQUIPMENT

COVERED: Both pool and spa equipment (including above ground spas, portable spas, exterior hot tubs and whirlpool tubs) are covered if they utilize common equipment. If common equipment is not utilized, then either the pool or spa equipment is covered, but not both unless an additional fee is paid. Only the following above ground, accessible parts are covered: Heater - Pump - Motor - Filter - Filter timer - Gaskets - Blower - Timer - Back flush, actuator, check, 2-way and 3-way valves only - Relays and switches - Pool sweep motor and pump - Above ground plumbing pipes and wiring.

NOT COVERED: Lights - Liners - Structural defects - Solar equipment - Jets - Ornamental fountains, waterfalls and their pumping systems - Pool cover and related equipment - Fill line and fill valves - Built-in or detachable cleaning equipment including, without limitation, pool sweeps, pop-up heads, turbo valves, skimmers, chlorinators, and ionizers - Fuel storage tanks - Disposable filtration mediums - Heat pump - Multi-media centers - Access to pool and spa equipment.

2. ONE KITCHEN REFRIGERATOR (must be located in the Kitchen)

COVERED: All components and parts, except:

NOT COVERED: Racks - Shelves - Drawers - Ice makers, ice crushers, beverage/water dispensers and their respective equipment - Interior thermal shells - Food spoilage - Freezers which are not an integral part of the refrigerator - Multi-media center.

WASHER/DRYER PACKAGE:

3a. CLOTHES WASHER

COVERED: All components and parts, except:

NOT COVERED: Plastic mini-tubs - Soap dispensers - Filter screens - Knobs and dials - Damage to clothing - Drawers.

3b. CLOTHES DRYER (Gas or Electric)

COVERED: All components and parts, except:

NOT COVERED: Venting - Lint screens - Knobs and dials - Dryer cabinet fragrance/humidity center, hangers, shelves, rods, hooks, and cabinet liner - Damage to clothing - Racks - Drawers.

4. WELL PUMP

COVERED: All components and parts of well pump utilized as the main source of water to the home, except:

NOT COVERED: Above or underground piping, cable or electrical lines leading to or from the well pump, including those that are located within the well casing - Well casings - Pressure switches not located on the pump - Holding, storage or pressure tanks - Booster pumps - Redrilling of wells - Well pump and well pump components for geothermal and/or water source heat pumps - Above or underground piping, cable or electrical lines for geothermal and/or water source heat pumps, including those that are located within the well casing.

NOTE: AHS will pay no more than \$1,500 per contract term for access, diagnosis and repair or replacement. See Section B. for length of contract term.

F. LIMITATIONS OF LIABILITY

1. The following are not covered for the home seller or for the first 30 days after the Effective Date (see Section B) for the home buyer: (a) malfunction or improper operation due to rust or corrosion of appliances, heating systems (including built-in wall units or heat pumps) and/or air conditioning systems/coolers or pools/spas; (b) collapsed ductwork.

2. AHS is not responsible for providing or closing access to covered items except as noted in Sections D.3. and D.4.

3. AHS is not liable for restoration of any wall coverings, floor coverings, cabinets, counter tops, tiling, paint, or the like, nor the repair of any cosmetic defects.

4. AHS is not responsible for electronic or computerized home management systems including, but not limited to, energy, lighting, security, appliances, entertainment, comfort or audio systems.

5. AHS is not responsible or liable for secondary, incidental and/or consequential loss or damage resulting from the malfunction of any covered item including, but not limited to, food spoilage, loss of income, utility bills, additional living expenses, personal and/or property damage, or authorized contractor's service or delay in service.

6. AHS is not responsible or liable for any delay in service or failure to provide service caused by conditions beyond its control, including, but not limited to, delays in obtaining, or shortages of, parts and/or equipment, or labor difficulties.

7. AHS is not responsible or liable for repair of conditions or replacement caused by chemical or sedimentary build up (except as noted in Section D.7.), misuse or abuse, failure to clean or maintain, missing parts, structural changes, fire, freezing, electrical failure or surge, water damage, lightning, mud, earthquake, soil movement, storms, accidents, pet damage, pest damage, acts of God, or failure due to excessive or inadequate water pressure.

8. AHS has the sole right to determine whether a covered system or appliance will be repaired or replaced. Should AHS replace a covered appliance, system or component, AHS will pay the costs related to the disposal of the old appliance, system or component (see Section G). AHS is responsible for installing replacement equipment of similar features, capacity, and efficiency, but not for matching dimensions, brand or color. Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible or liable for upgrades, components, parts or equipment required due: (a) to the incompatibility of the existing equipment with the replacement system or appliance or component or any part thereof; (b) or any new type of chemical or material utilized to run the replacement equipment including, but not limited to, differences in technology, refrigerant requirements, or efficiency as mandated by federal, state, or local governments. AHS is not responsible or liable for the cost of construction, carpentry, or other modifications made necessary by the existing equipment or installing different equipment.

9. AHS is not responsible or liable for repairs related to inadequacy, lack of capacity, misuse, improper installation, previous repair or design, manufacturer's defect, and any modification to the system or appliance. AHS does not perform routine maintenance. You are responsible for providing maintenance and cleaning on covered items as specified by the manufacturer to ensure continued coverage on such items. For example: heating and air conditioning systems require periodic cleaning and/or replacement of filters and cleaning of evaporator and condenser coils. Water heaters require periodic flushing.

10. AHS reserves the right to obtain a second opinion at its expense.

11. This contract does not cover appliances or systems deemed or classified by the manufacturer as commercial.

12. AHS is not responsible for any repair, replacement, installation, or modification of any covered system, appliance, or component or part thereof: (a) that has been, or is, determined to be defective by the Consumer Product

Safety Commission or the manufacturer; (b) that a manufacturer has issued, or issues, a warning or recall; (c) that has a malfunction caused by the manufacturer's improper design, use of improper materials, formula, manufacturing process or other manufacturing defect; or (d) while still under an existing manufacturer's, distributor's, or in-home warranty.

13. AHS reserves the right to provide pre-approved reimbursement of itemized costs or cash back in lieu of repair or replacement. Both pre-approved reimbursement of itemized costs and cash back in lieu of repair or replacement will be based on what AHS would ordinarily expect to pay for the same parts and labor, which may be less than retail or your actual cost. Acceptable proof of your actual itemized costs must be provided to AHS before any reimbursement amount may be paid.

14. AHS reserves the right to rebuild a part or component, or replace with a rebuilt part or component.

15. AHS is not under any circumstances liable for the diagnosis, repair, removal or remediation of mold, mildew, bio-organic growth, rot or fungus, or any damages resulting from or related to mold, mildew, rot or fungus, even when caused by or related to the malfunction, repair or replacement of a covered system or appliance.

16. AHS will not contract to perform service nor pay costs involving hazardous or toxic materials including, but not limited to, asbestos, mold, lead paint, and sanitation of sewage spills. AHS will pay costs related to the disposal of refrigerants or contaminants when disposing of an old appliance, system or component.

17. This contract does not cover fees associated with use of cranes needed to install or remove any equipment located on the roof top.

18. AHS is not responsible for like-for-like replacement of appliances if the appliance contains any features that do not contribute to the appliance's primary function including, without limitation, TVs or radios in refrigerators.

G. LAWS, REGULATIONS AND CODE REQUIREMENTS

Except when repairing or upgrading covered systems to maintain compatibility with equipment manufactured to be 13 SEER or 7.7 HSPF compliant, or compliant with any higher SEER or HSPF requirements, AHS is not responsible for any upgrades, work, testing or costs required to comply with any federal, state, or local laws, regulations or ordinances or utility regulations, or to meet current building or zoning code requirements, or to correct for code violations. AHS will pay for the cost of local building permits for approved repairs and replacements up to \$250 per occurrence but will not be responsible for service when permits cannot be obtained. AHS' policy is to abide by all current federal, state, and local laws, regulations and guidelines. AHS will not be responsible for any liability arising from repairs or replacements that violate any such laws, regulations, or guidelines.

H. MULTIPLE UNITS AND INVESTMENT PROPERTY

1. If this contract is for a duplex, triplex, or fourplex dwelling, then all unit(s) within such dwelling must be covered by one AHS contract for protection to apply to common systems. Should any unit within such dwelling not be covered as part of the one AHS contract, then AHS is not liable for common systems or appliances.

2. If this contract is for a dwelling within a multiple unit of five (5) dwelling units or more, then only items contained within the confines of each individual unit are covered. Common systems and appliances are not covered.

3. Except as otherwise provided in this section, common systems and appliances are not covered.

I. TRANSFER OF CONTRACT AND RENEWALS

1. If the covered property changes ownership during the contract term, please call the Sales phone number on the Contract Agreement page for further information to transfer coverage to the new owner.

2. This contract may be renewed at the option of AHS. In that event, you will be notified of the prevailing rates and terms for renewal.

J. CANCELLATION

A. This contract may be cancelled by the contract holder within the first 30 days following the Effective Date, unless otherwise mutually agreed upon by AHS and contract holder. In such cases, this contract shall be deemed void and the provider of funds shall be entitled to a full refund of the paid contract fees less any service (and claims) costs incurred by AHS.

B. This contract shall be non-cancelable by AHS, except: (1) for nonpayment of contract fees; (2) for fraud or misrepresentation of facts material to the issuance of this contract; (3) when the contract is for listing coverage and close of sale (escrow) does not occur, if applicable; or (4) upon mutual agreement of AHS and the contract holder. If AHS cancels or agrees to allow the contract holder to cancel after the 30th day, then the provider of funds shall be entitled to a pro rata refund of the paid contract fees for the unexpired term, less: (a) an administrative fee of up to \$35; and (b) any service (and claims) costs incurred by AHS (collectively, the "Cancellation Fees"). A 10% monthly penalty shall be added to refunds not paid or credited within 45 days after the return of this contract to AHS. If AHS sold this contract by an unsolicited telephone call and charged the contract fee to the provider of fund's credit card account, the contract holder may cancel at any time during the coverage period and the provider of funds shall be entitled to a pro rata refund of the paid contract fee.

C. If the contract fees are billed through a mortgage loan that is later sold or paid in full, then uninterrupted coverage can be arranged by immediately calling (800) 247-4749 to establish an alternate payment method. This contract will be deemed cancelled if the contract holder fails to initiate such payment arrangements within 30 days.

K. MISCELLANEOUS

This contract is issued pursuant to a license granted by the Texas Real Estate Commission, and complaints in connection with this contract may be directed to the Commission at P.O. Box 12188, Austin, Texas 78711, 512-465-3917. The purchase of a residential service contract is optional and similar coverage may be purchased through other residential service companies or insurance companies authorized to transact business in Texas.

NOTICE: YOU, THE BUYER, HAVE OTHER RIGHTS AND REMEDIES UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT WHICH ARE IN ADDITION TO ANY REMEDY WHICH MAY BE AVAILABLE UNDER THIS CONTRACT. FOR MORE INFORMATION CONCERNING YOUR RIGHTS, CONTACT THE CONSUMER PROTECTION DIVISION OF THE ATTORNEY GENERAL'S OFFICE, YOUR LOCAL DISTRICT OR COUNTY ATTORNEY OR THE ATTORNEY OF YOUR CHOICE.

Buyer's Signature

Date

BUDGET

EXHIBIT D**PARK PLACE CONDOMINIUMS***Initial Year Operating Budget***INITIAL YEAR STARTING BALANCE**

Transfer Fees	900	
Reserve Special Assessment	2625.00	
Total Starting Balance		<u>3525.00</u>

INCOME

Dues Income	31500	
Late Fees	400	
Interest Income	300	
Transfer Fees	200	
Miscellaneous	150	
TOTAL INCOME		<u>32550</u>

OPERATING EXPENSES*ADMINISTRATIVE*

Office Supplies/Copies	200	
Postage/Delivery	200	
Misc. General Expenses	300	
Legal retainer	250	
Accounting	400	
Association Management Fee	6000	
Utility Billing	900	
Total Administrative Expenses		<u>8250</u>

UTILITIES

Electric Service	2000	
Solid Waste	1300	
Total Utilities Expenses		<u>3300</u>

PROPERTY EXPENSES

Building Maintenance and Repair	2250	
Landscaping Maintenance / Cleanliness	1500	
Driveway Repair	200	
Electrical Repair	500	
Lighting	400	
Extermination	600	
Plumbing Maintenance and Repair	500	
Roof	200	
Painting-Exterior	400	
Miscellaneous Property Expenses	500	
Total Property Expense		<u>7050</u>

TAXES & INSURANCE

Property Insurance - Fire & Extended Coverage	9397	
Property Insurance - Directors and Officers	800	
Total Taxes & Insurance Expense		<u>10197</u>

TOTAL OPERATING EXPENSES28797**NON-OPERATING EXPENSES**

Operating Reserves	1440	
Capital Reserves	1151.88	
TOTAL NON-OPERATING EXPENSES		<u>2592</u>

TOTAL EXPENSES31389**NET CASH FLOW**1161

PURCHASE CONTRACT



TEXAS ASSOCIATION OF REALTORS®
NEW RESIDENTIAL CONDOMINIUM CONTRACT
(Incomplete Construction)

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
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1. PARTIES: 4306 AVENUE A, LTD (Seller) agrees to sell and convey to _____ (Buyer) and Buyer agrees to buy from Seller the Property described below.

2. PROPERTY AND CONDOMINIUM INFORMATION STATEMENT:

A. "Property" means the Condominium Unit _____, in Building _____, of _____, a condominium project located at 4306 Avenue A _____ 78751 (Address/Zip Code), City of Austin, _____ Travis County, Texas described in the Condominium Declaration and Plat and any amendments thereto of record in said County, together with:

- (1) improvements, fixtures, and all other property described in the Construction Documents; and
- (2) such Unit's undivided interest in the Common Elements designated by the Declaration, including those areas reserved as Limited Common Elements appurtenant to the Unit and such other rights to use the Common Elements which have been specifically assigned to the Unit in any other manner.

There are 1 parking areas assigned to the Property which are described as: Striped parking lot. Selection based on first closed, first selection basis.

B. "Condominium Information Statement" means the information defined by §82.153, Texas Property Code and if the Property is a conversion building the additional information required by §82.154, Texas Property Code. (Check one box only.)

- (1) Buyer has received a copy of the Condominium Information Statement. Buyer is advised to read the Condominium Information Statement before signing this contract.
- (2) Buyer has not received a copy of the Condominium Information Statement. Seller shall deliver the Condominium Information Statement to Buyer within _____ days after the effective date of this contract. Buyer may cancel this contract before the 6th day after Buyer receives the Condominium Information Statement by hand-delivering or mailing written notice of cancellation to Seller by certified United States mail, return receipt requested.

C. Seller is required under §82.153(c), Texas Property Code, to amend the Condominium Information Statement to reflect a material and substantial change in its contents. If the change may adversely affect Buyer:

- (1) Seller shall furnish a copy of the amendment to Buyer before closing; and
- (2) Buyer may cancel this contract by providing written notice to Seller before the 6th day after Buyer receives the amendment or before closing, whichever is earlier.

3. SALES PRICE:

A. Cash portion of Sales Price payable by Buyer at closing \$ _____

B. Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium) \$ _____

C. Sales Price (Sum of A and B) \$ _____

(TAR-1609) 4-14-06 Initialed for Identification by Buyer _____, _____ and Seller _____, _____

4. FINANCING: The portion of Sales Price not payable in cash will be paid as follows:

- A. **THIRD PARTY FINANCING:** One or more third party mortgage loans in the total amount of \$ _____ (excluding any loan funding fee or mortgage insurance premium).
- (1) Property Approval: If the Property does not satisfy the lenders' underwriting requirements for the loan(s), this contract will terminate and the earnest money will be refunded to Buyer.
- (2) Financing Approval: (Check one box only.)
- (1) This contract is subject to Buyer being approved for the financing described in the attached Third Party Financing Condition Addendum.
- (2) This contract is not subject to Buyer being approved for financing and does not involve FHA or VA financing.
- B. **SELLER FINANCING:** A promissory note from Buyer to Seller of \$ _____ secured by vendor's and deed of trust liens, and containing the terms and conditions described in the attached TREC (Texas Real Estate Commission) Seller Financing Addendum. If an owner policy of title insurance is furnished, Buyer shall furnish Seller with a mortgagee policy of title insurance.

5. EARNEST MONEY: Upon execution of this contract by both parties, Buyer shall deposit \$ 1,500.00 as earnest money with Dede Haustein, as escrow agent, at Independence Title 9442 Capital of Tx Hwy #100 Austin 79759 (512)372-8455 (address). Buyer shall deposit additional earnest money of \$ _____ with escrow agent within _____ days after the effective date of this contract. If Buyer fails to deposit the earnest money as required by this contract, Buyer will be in default.

6. TITLE POLICY:

- A. **TITLE POLICY:** Seller shall furnish to Buyer at Seller's Buyer's expense an owner policy of title insurance (Title Policy) issued by Independence Title (Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:
- (1) restrictive covenants common to the platted subdivision in which the Property is located;
 - (2) the standard printed exception for standby fees, taxes and assessments;
 - (3) liens created as part of the financing described in Paragraph 4;
 - (4) terms and provisions of the Condominium Information Statement including the assessments and platted easements;
 - (5) reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing;
 - (6) the standard printed exception as to marital rights;
 - (7) the standard printed exception as to waters, tidelands, beaches, streams, and related matters; and
 - (8) the standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements.
- B. **COMMITMENT:**
- (1) Within 20 days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer:
 - (a) a commitment for title insurance (Commitment); and
 - (b) at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment (Exception Documents) other than the standard printed exceptions.

- (2) Seller authorizes the Title Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or the Closing Date, whichever is earlier.

C. OBJECTIONS:

- (1) Buyer may object in writing to defects, exceptions, or encumbrances to title: disclosed in the Commitment other than items 6A(1) through 6A(8) above; or which prohibit the following use or activity: Residential usage
- (2) Buyer must object not later than the earlier of: (i) the Closing Date; or (ii) 3 days after buyer receives the Commitment and Exception Documents. Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment are not waived.
- (3) Provided Seller is not obligated to incur any expense, Seller shall cure the timely objections of Buyer or any third party lender within 15 days after Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured within such 15-day period, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer waives the objections.

D. TITLE NOTICES:

- (1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.
- (2) STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49 of the Texas Water Code requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.
- (3) TIDE WATERS: If the Property abuts tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract.
- (4) ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies Buyer under §5.011, Texas Property Code, that the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the Property for further information.
- (5) PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER: Notice required by §13.257, Water Code: The real property, described in Paragraph 2, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provider water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in Paragraph 2 or at closing of purchase of the real property.

7. PROPERTY CONDITION:

- A. ACCESS AND INSPECTIONS: Seller shall permit Buyer and Buyer's agents access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by TREC or otherwise permitted by law to make inspections.
- B. CONSTRUCTION DOCUMENTS: Seller shall complete all improvements to the Property with due diligence in accordance with the Construction Documents. "Construction Documents" means the Property's plans and specifications, the finish-out schedules, any change orders, and any allowances related to the plans and specifications, finish-out schedules, and change orders. The Construction Documents have been signed by the parties and are incorporated into this contract by reference.
- C. COST ADJUSTMENTS: All change orders must be in writing. Increase in costs resulting from any change orders or items selected by Buyer which exceed the allowances specified in the Construction Documents will be paid by Buyer as follows: 100% at time of written change order acceptance by buyer and seller. This money is non-refundable.
A decrease in costs resulting from change orders and unused allowances will reduce the Sales Price, with proportionate adjustments to the amounts in Paragraphs 3A and 3B as required by any lender.
- D. BUYER'S SELECTIONS: If the Construction Documents permit selections by Buyer, Buyer's selections will conform to Seller's normal standards as set out in the Construction Documents or will not, in Seller's judgment, adversely affect the marketability of the Property. Buyer will make required selections within 2 days after notice from Seller.
- E. COMPLETION: Seller must commence construction no later than _____ days after the effective date of this contract. The improvements will be substantially completed in accordance with the Construction Documents and ready for occupancy not later than _____, _____. The improvements will be deemed to be substantially completed in accordance with the Construction Documents upon the final inspection and approval by all applicable governmental authorities and any lender (Substantial Completion Date). Construction delays caused by acts of God, fire or other casualty, strikes, boycotts, or nonavailability of materials for which no substitute of comparable quality and price is available, will be added to the time allowed for substantial completion of the construction. However, in no event may the time for substantial completion extend beyond the Closing Date. Seller may substitute materials, equipment, and appliances of comparable quality for those specified in the Construction Documents.
- F. WARRANTIES: Except as expressly set forth in this contract a separate writing, or provided by law, Seller makes no other express warranties. Seller agrees to assign to Buyer at closing all assignable manufacturer warranties.
- G. INSULATION: As required by Federal Trade Commission Regulations, the information relating to the insulation installed or to be installed in the Property is as follows: (Check one box only.)
 - (1) as shown in the attached specifications.
 - (2) as follows:
 - (a) Exterior walls of improved living areas: insulated with existing insulation to a thickness of unknown inches, which yields an R-Value of unknown.
 - (b) Walls in other areas of the Property: insulated with existing insulation to a thickness of unknown inches, which yields an R-Value of unknown.
 - (c) Ceilings in improved living areas: insulated with existing insulation to a thickness of unknown inches, which yields an R-Value of unknown.
 - (d) Floors of improved living areas not applied to a slab foundation: insulated with existing insulation to a thickness of unknown inches, which yields an R-Value of unknown.
 - (e) Other insulated areas: insulated with existing insulation to a thickness of unknown inches, which yields an R-Value of unknown.All stated R-Values are based on information provided by the manufacturer of the insulation.

H. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes of other environmental hazards or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

I. CONVERSIONS: The Property is is not a conversion building as defined by §82.003, Property Code. If the Property is a conversion building, the Condominium Conversion Addendum is attached.

8. **BROKERS' FEES:** All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. **CLOSING:**

A. The closing of the sale will be on or before _____, _____ or within 7 days after objections to matters under Paragraph 6C have been cured, whichever date is later (Closing Date). If either party fails to close this sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

- (1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and shall furnish tax statements or certificates showing no delinquent taxes on the Property;
- (2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent; and
- (3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.

C. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back-up offers.

D. All covenants, representations, and warranties in this contract survive closing.

10. **POSSESSION:**

A. Seller shall deliver to Buyer possession of the Property:

- (1) upon closing and funding.
- (2) according to a temporary residential lease form promulgated by TREC or other written lease required by the parties.

B. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. *Consult your insurance agent prior to change of ownership or possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.*

11. **SPECIAL PROVISIONS:** *(Insert only factual statements and business details applicable to the sale.)*

Buyer shall fund the HOA reserve account with one month HOA dues at closing. The dues are specific to the unit under contract.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing as follows:

- (1) Expenses payable by Seller (Seller's Expenses):
 - (a) releases of existing liens, including prepayment penalties and recording fees; lender, FHA, or VA completion requirements; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract; and
 - (b) Seller shall also pay an amount not to exceed \$ _____ to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veteran's Housing Assistance Program, or other governmental loan programs, and then to other Buyer's Expenses.
- (2) Expenses payable by Buyer (Buyer's Expenses):
 - (a) loan origination, discount, buy-down, and commitment fees (Loan Fees);
 - (b) expenses incident to any loan, such as: appraisal fees, loan application fees, credit report fees, fees to prepare loan documents, interest on the notes from date of disbursement to one month prior to date of first monthly payments, recording fees for any lender-required documents, mortgagee title policy with lender-required endorsements, loan-related inspection fees, fees for lender-required photos, fees for amortization schedules, all prepaid items (required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments), final compliance inspection fees, courier fees, repair inspection fees, warehouse fees, underwriting fees, wire transfer fees, EPA endorsement fee; and tax deletion fee;
 - (c) one-half of escrow fee;
 - (d) recording fees for the deed and any deed of trust;
 - (e) fees for copies of easements and restrictions; and
 - (f) other expenses payable by Buyer under this contract.
- (3) Any condominium owners' association fees resulting from the transfer of the Property will be paid by Seller Buyer.

B. Buyer shall pay any Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, or FHA Mortgage Insurance Premium (MIP) as required by the lender.

C. If any expense exceeds an amount stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Housing Assistance Program Loan, or other governmental loan program regulations.

13. PRORATIONS:

- A. PRORATIONS: Taxes for the current year, maintenance fees, regular condominium assessments, dues, and rents will be prorated through the Closing Date. The prorations may be calculated taking into consideration any change that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when the tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer will be obligated to pay taxes for the current year. Cash reserves from regular condominium assessments for deferred maintenance or capital improvements established by the condominium owners' association will not be credited to Seller. Any special assessment due and unpaid at closing will be the obligation of Seller.
- B. ROLLBACK TAXES: If the construction of the Property or Seller's change in use of the Property or the Property's common elements before closing results in the assessment of additional taxes, penalties, or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. CASUALTY LOSS:

- A. Except as provided by Paragraph 14B, if any part of the Property is damaged or destroyed by fire or other casualty, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may:
- (1) terminate this contract and the earnest money will be refunded to Buyer;
 - (2) extend the time for performance up to 45 days and closing will be extended as necessary; or
 - (3) accept the Property in its damaged condition with an assignment of insurance proceeds that is acknowledged by the insurer and receive credit from Seller at closing in the amount of the deductible under the insurance policy.
- B. If any part of the Common Elements or the Property's Limited Common Elements is damaged or destroyed by fire or other casualty loss, Buyer will have 7 days from receipt of notice of such casualty loss within which to notify Seller in writing that the contract will be terminated unless Buyer receives written confirmation from the condominium owners' association that the damaged condition will be restored to its previous condition within a reasonable time at no cost to Buyer. Unless Buyer gives such notice within such time, Buyer will be deemed to have accepted the Property without confirmation of such restoration. Seller will have 7 days from the date of receipt of Buyer's notice within which to cause to be delivered to Buyer such confirmation. If required by Buyer and written confirmation is not delivered to Buyer as required above, Buyer may terminate this contract and the earnest money will be refunded to Buyer.
- C. Seller's obligations under this Paragraph 14 are independent of any other obligations of Seller under this contract.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer will be in default, and Seller may:
- (1) enforce specific performance, seek such other relief as may be provided by law, or both; or
 - (2) terminate this contract and receive earnest money as liquidated damages, thereby releasing both parties from this contract.
- B. If, due to factors beyond Seller's control, Seller fails to substantially complete the improvements by the Closing Date or fails, within the time allowed, to make any non-casualty repairs or deliver the Commitment, Buyer may:
- (1) extend time for performance up to 45 days and the Closing Date will be extended as necessary; or
 - (2) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.
- C. If Seller fails to comply with this contract for a reason other than a reason stated in Paragraph 15B, Seller will be in default and Buyer may:
- (1) enforce specific performance, seek such other relief as may be provided by law, or both; or
 - (2) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will will not be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. A party is not precluded from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEY'S FEES: The prevailing party in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding incurred by the prevailing party.

18. ESCROW:

- A. The escrow agent is not:
- (1) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract;
 - (2) liable for interest on the earnest money; and
 - (3) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
- B. At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer.
- C. Upon termination of this contract, the party entitled to the earnest money may request the other party to execute a release of earnest money and deliver it to the party entitled to the earnest money. Upon receipt of the release, the escrow agent shall disburse the earnest money in accordance with the release.
- D. If the party who is not entitled to the earnest money refuses or fails to execute the release (as provided by Paragraph 18C) within 7 days after receiving the request for the release, the party entitled to the earnest money may make written demand for the earnest money to the escrow agent. The escrow agent shall send a copy of the demand to the other party. If the escrow agent does not receive written objection to the demand from the other party within 15 days after sending a copy of the demand to the other party, the escrow agent may disburse the earnest money to the party making the demand. Notice of any objection will be deemed effective upon receipt by the escrow agent. Escrow agent's notice to a party under this Paragraph 18 is effective when sent in compliance with Paragraph 21.
- E. If the party entitled to the earnest money brings an action in a court of law to recover the earnest money, after the party entitled to the earnest money has attempted to obtain a release under Paragraphs 18C and 18D, and a court finds that the other party wrongfully failed or refused to execute a release, the party entitled to the earnest money shall be entitled to recover from the other party:
- (1) the earnest money;
 - (2) liquidated damages in the amount of three times the amount of the earnest money; and
 - (3) reasonable attorney's fees and costs necessary to bring the action.
- F. Any disbursement of the earnest money shall be reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the escrow agent may pay such amount to the creditors.
- G. If the escrow agent complies with the provisions of this Paragraph 18, each party hereby releases the escrow agent from all adverse claims related to the disbursement of the earnest money.

19. REPRESENTATIONS: Seller represents: (i) that as of the Closing Date there will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds; and (ii) Seller has no knowledge of any misrepresentation or errors in the Condominium Information Statement or any material changes in the information contained therein. If any representation in this contract is untrue on the Closing Date, Seller will be in default.

20. FEDERAL TAX REQUIREMENT: If Seller is a "foreign person", as defined by applicable law, or if Seller fails to deliver an affidavit that Seller is not a "foreign person", then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver such amount to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

21. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Buyer at: _____ _____ _____	To Seller at: <u>4306 AVENUE A, LTD</u> <u>1803 W. Koenig Lane</u> <u>78756</u>
Telephone: _____	Telephone: <u>512 573-8027</u>
Facsimile: _____	Facsimile: _____
Email: _____	Email: <u>gpbeckham@austin.rr.com</u>

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are:

- (1) Third Party Financing Condition Addendum;
- (2) Seller Financing Addendum;
- (3) Condominium Information Statement;
- (4) Condominium Conversion Addendum;
- (5) Addendum for Seller's Disclosure of Information on Lead-based Paint and Lead-based Paint Hazards;
- (6) Environmental Assessment, Threatened or Endangered Species, or Wetlands Addendum;
- (7) Buyer's Temporary Residential Lease;
- (8) Addendum for Sale of Other Property by Buyer;
- (9) Addendum for "Back-Up" Contract;
- (10) Addendum for Coastal Area Property;
- (11) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway; and
- (12) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addendum which are promulgated by TREC or published by TAR are appropriate for use with this form.)

23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller \$ _____ (Option Fee) within 2 days after the effective date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within _____ days after the effective date of this contract. If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee within the time prescribed, this paragraph will not be part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time specified, the Option Fee will not be refunded, however, any earnest money will be refunded to Buyer. The Option Fee will will not be credited to the Sales Price at closing. **Time is of the essence and strict compliance with the time for performance is required.**

24. CONSULT AN ATTORNEY: Real estate licensees cannot give legal advice. READ THIS CONTRACT CAREFULLY. If you do not understand the effect of this contract, consult your attorney BEFORE signing.

Buyer's Attorney is: _____	Seller's Attorney is: _____
_____ Telephone: _____	_____ Telephone: _____
_____ Fax: _____	_____ Fax: _____
_____ Email: _____	_____ Email: _____

**EXECUTED the _____ day of _____, _____ (THE EFFECTIVE DATE).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)**

This contract is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from the performance of this contract. If you have a complaint concerning a construction defect arising from the performance of this contract and that defect has not been corrected through normal warranty service, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction defect. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

 Buyer

 Buyer

 Seller 4306 AVENUE A, LTD

 Seller

BROKER INFORMATION AND RATIFICATION OF FEE

Listing Broker has agreed to pay Other Broker 3.000% of the total sales price when Listing Broker's fee is received. Escrow Agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.

Other Broker License No.
 represents Seller as Listing Broker's subagent
 Buyer only as Buyer's agent

Associate Phone

Broker's Address

City State Zip

Fax

Email

Coldwell Banker United 417485
 Listing Broker License No.
 represents Seller and Buyer as an intermediary
 Seller only as Seller's agent

(512) 797-6801
 Listing Associate Phone

Rich Pogrund/Joe Cline
9442 Capital of Texas
Hwy #600 (512) 343-1224
 Listing Associate's Office Address Fax

Austin TX 78759
 City State Zip

richpogrund@yahoo.com
 Email

Selling Associate Phone

Selling Associate's Office Address Fax

City State Zip

Email

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of Contract and \$ _____ Earnest Money in the form of _____
is acknowledged.

Escrow Agent: _____ Date: _____

By: _____

Address _____

City _____ State _____ Zip _____

Email _____
Telephone: _____

Fax: _____

OPTION FEE RECEIPT

Receipt of \$ _____ (Option Fee) in the form of _____ is acknowledged.

Seller or Listing Broker _____ Date _____



TEXAS ASSOCIATION OF REALTORS®

CONDOMINIUM CONVERSION ADDENDUM

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED. ©Texas Association of REALTORS®, Inc. 2003

ADDENDUM TO NEW RESIDENTIAL CONDOMINIUM CONTRACT CONCERNING

4306 Avenue A, Austin, 78751

A. SELLER'S DISCLOSURE NOTICE PURSUANT TO §5.008, PROPERTY CODE (Notice): (Check one box only.)

- (1) Buyer has received the Notice.
(2) Buyer has not received the Notice. Within _____ days after the effective date of the contract, Seller shall deliver the Notice to Buyer.
(3) The Texas Property Code does not require this Seller to furnish the Notice.

B. SELLER'S DISCLOSURE OF LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS is required by Federal law for a residential dwelling constructed prior to 1978. An addendum providing such disclosure is is not attached to the contract.

Buyer Seller 4306 AVENUE A, LTD
Buyer Seller

Note: Section 5.008, Property Code requires a seller of residential real property comprising not more than one dwelling unit to give to the purchaser a seller's disclosure notice as prescribed by that section. Section 5.008 does not apply to a transfer;
(1) pursuant to a court order or foreclosure sale;
(2) by a trustee in bankruptcy;
(3) to a mortgagee by a mortgagor or successor in interest, or to a beneficiary of a deed of trust by a trustor or successor in interest;
(4) by a mortgagee or a beneficiary under a deed of trust who has acquired the real property at a sale conducted pursuant to a power of sale under a deed of trust or a sale pursuant to a court ordered foreclosure or has acquired the real property by a deed in lieu of foreclosure;
(5) by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
(6) from one co-owner to one or more other co-owners;
(7) made to a spouse or to a person or persons in the lineal line of consanguinity of one or more of the transferors;
(8) between spouses resulting from a decree of dissolution of marriage or a decree of legal separation or from a property settlement agreement incidental to such a decree;
(9) to or from any governmental entity;
(10) transfers of new residences of not more than one dwelling unit which have not previously been occupied for residential purposes; or
(11) transfers of real property where the value of any dwelling does not exceed five percent (5%) of the value of the property.



ADDENDUM FOR SELLER'S DISCLOSURE OF INFORMATION ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS AS REQUIRED BY FEDERAL LAW

CONCERNING THE PROPERTY AT 4306 Avenue A (Street Address and City) Austin

A. LEAD WARNING STATEMENT: "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-paint hazards is recommended prior to purchase."

NOTICE: Inspector must be properly certified as required by federal law.

B. SELLER'S DISCLOSURE:

- 1. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS (check one box only):
 - (a) Known lead-based paint and/or lead-based paint hazards are present in the Property (explain): _____
 - (b) Seller has no actual knowledge of lead-based paint and/or lead-based paint hazards in the Property.
- 2. RECORDS AND REPORTS AVAILABLE TO SELLER (check one box only):
 - (a) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Property (list documents): _____
 - (b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Property.

C. BUYER'S RIGHTS (check one box only):

- 1. Buyer waives the opportunity to conduct a risk assessment or inspection of the Property for the presence of lead-based paint or lead-based paint hazards.
- 2. Within ten days after the effective date of this contract, Buyer may have the Property inspected by inspectors selected by Buyer. If lead-based paint or lead-based paint hazards are present, Buyer may terminate this contract by giving Seller written notice within 14 days after the effective date of this contract, and the earnest money will be refunded to Buyer.

D. BUYER'S ACKNOWLEDGMENT (check applicable boxes):

- 1. Buyer has received copies of all information listed above.
- 2. Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

E. BROKERS' ACKNOWLEDGMENT: Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to: (a) provide Buyer with the federally approved pamphlet on lead poisoning prevention; (b) complete this addendum; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property; (d) deliver all records and reports to Buyer pertaining to lead-based paint and/or lead-based paint hazards in the Property; (e) provide Buyer a period of up to 10 days to have the Property inspected; and (f) retain a completed copy of this addendum for at least 3 years following the sale. Brokers are aware of their responsibility to ensure compliance.

F. CERTIFICATION OF ACCURACY: The following persons have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Buyer	Date	Seller 4306 AVENUE A, LTD	Date
Buyer	Date	Seller	Date
Other Broker	Date	Listing Broker CB United/Rich Pogrund	Date

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (<http://www.trec.state.tx.us>)

CERTIFICATES OF INSURANCE

ACORD CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YY)
04/13/2007

PRODUCER (512)451-6551 FAX (512)454-0183
Central Insurance Agency, Inc.
6000 N. Lamar Blvd.
Austin, TX 78752

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

Attn Ext
INSURED Park Place Condominiums, LTD
Attn: Greg Beckham
1803 W. Koenig Lane
Austin, TX 78756

COMPANIES AFFORDING COVERAGE
Northfield Ins Co
COMPANY A
COMPANY B
COMPANY C
COMPANY D

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
X	PROPERTY	CP508698	02/27/2007	02/27/2008	X BUILDING	\$ 1,395,600
A	CAUSES OF LOSS				PERSONAL PROPERTY	\$
	BASIC				BUSINESS INCOME	\$
	BROAD				EXTRA EXPENSE	\$
	SPECIAL				BLANKET BUILDING	\$
	EARTHQUAKE				BLANKET PERS PROP	\$
	FLOOD				BLANKET BLDG & PP	\$
X	SPECIAL					\$
						\$
	INLAND MARINE					\$
	TYPE OF POLICY					\$
	CAUSES OF LOSS					\$
	NAMED PERILS					\$
	OTHER					\$
	CRIME					\$
	TYPE OF POLICY					\$
	BOILER & MACHINERY					\$
X	OTHER	CP508698	02/27/2007	02/27/2008	Gen. Aggregate	2,000,000
A	General Liability				Products/comp	2,000,000
					Pers & Adv Inju	1,000,000
					Each Occurre	1,000,000

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY
4306 Avenue A Austin, TX 78756 18 Unit Apartments

SPECIAL CONDITIONS/OTHER COVERAGES
General Liability Coverage Includes \$100,000 Damage to Premises Rented to you and \$5,000 Medical Expens
Certificate Holder is named as Mortgagee:

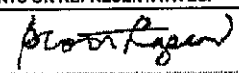
CERTIFICATE HOLDER

Insured Copy

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 00 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Scott Raper/CIA17



ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
04/13/2007

PRODUCER (512) 451-6551 FAX (512) 454-0183
Central Insurance Agency, Inc.
6000 N. Lamar Blvd.
Austin, TX 78752

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Northfield Ins Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED Park Place Condominiums, LTD
DBA: Attn: Greg Beckham
1803 W. Koenig Lane
Austin, TX 78756

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	CP508698	02/27/2007	02/27/2008	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 5,000
					PERSONAL & ADV INJURY \$ 1,000,000
					GENERAL AGGREGATE \$ 2,000,000
					PRODUCTS - COMP/OP AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				
	AUTOMOBILE LIABILITY				COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC \$
					AGG \$
	EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
					\$
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input type="checkbox"/> RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT \$
	If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE \$
	OTHER				E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

Insured copy Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 00 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

ENGINEERS REPORT

PROPERTY CONDITION ASSESSMENT

Park Place Condominiums

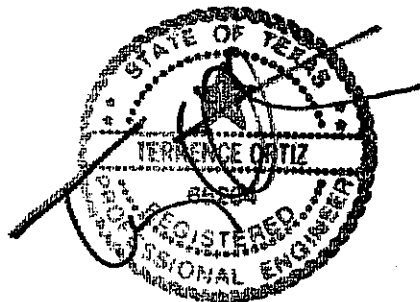
4306 Avenue A
AUSTIN, TEXAS

SUBMITTED TO:

MR. GREG BECKHAM
PARK PLACE CONDOMINIUMS, LTD.
1403 W. 6TH
AUSTIN, TX 78703
(512) 573-8027

SUBMITTED BY:

LOC CONSULTANTS
STRUCTURAL DIVISION
1000 EAST CESAR CHAVEZ STREET
AUSTIN, TEXAS 78702-4208
(512) 499-0908



ISSUED: April 9, 2007

INTRODUCTION:

On behalf of Park Place Condominiums LTD., we recently visited the site and performed a structural condition survey of the existing referenced building in Austin, Texas. LOC was not involved with the design or construction of the facilities, and no original construction documents were available for review. The purpose of the site visit/condition survey was to assess the general condition of the building structure.

SCOPE OF WORK:

It should be noted that a comprehensive evaluation of the structural adequacy of the structural, systems observed was beyond the scope of this survey. The condition survey and this report represent our opinion of the condition of the buildings' structural systems based on an on-site visual inspection, and cursory field documentation. However, the current owner can use this condition survey as an indication of the general condition of the building's structural systems in order to determine the suitability of the building for the conversion from apartment complex to condominiums.

OBSERVATIONS:

Generally speaking, it appears that the building has been generally maintained and has performed adequately for its previous use, which is currently an apartment complex. The age of the building is unknown but estimated at over thirty years and has undergone minor renovations in the past. The following sections address structural and maintenance issues associated with the building structural systems.

DESCRIPTION:

The original building consists of two two-story wood-framed buildings with sloped roof structures and a load-bearing wood framed stud wall system on a shallow concrete beam stiffened slab on grade foundation system. There is also a three story building adjacent to the two other buildings at the north end of the site which consists of a two-story apartment building over a ground level parking area

consisting of a concrete and steel platform structure. The pitched roof structure is protected with a composition roof system. Finishes consist of carpet flooring and VCT at the interior, and wood siding, and brick veneer on the exterior.

MAINTENANCE ISSUES:

I did not observe any structural items which would indicate significant building structural problems or failures. The building issues are primarily maintenance related and most likely can be repaired or replaced through routine maintenance.

1. I observed minor ceiling cracks in the sheetrock finishes of several units; some of which have been previously patched. The cracks are considered cosmetic at this time and can be repaired.
2. I also observed minor water damage to the sheetrock ceiling finishes at several units which are probably due to current or previous plumbing leaks. The leaks should be investigated and fixed as soon as possible to prevent further water damage to the sheetrock finish and prevent deterioration of the wood structural systems.
3. I also observed several brick veneer cracks at window sills probably due to lack of control joints within the brick veneer system. The veneer cracks should be repointed and retrofit control joints can be installed by experienced masons as required.
4. I also observed minor sagging in several isolated soffit areas of the covered parking, probably due to plumbing leaks similar to the water damaged interior ceiling areas, which should also be repaired.
5. Generally, the site topography is very level, and I observed standing water at the northwest end of the site beneath the covered parking area due to recent heavy rains. The site drainage in this area should be addressed since standing water can cause damage to the asphalt paving system.

The aforementioned items are maintenance items and should be addressed by qualified experienced construction personnel in order to protect the existing structural systems, and maintain the weather tightness of the building envelope, and asphalt paving.

CONCLUSION:

It is my understanding that the owner will be improving the existing building envelope systems to address the aforementioned maintenance requirements. Therefore, it is my opinion that the existing building will be structurally sound and can accommodate the proposed use if the current maintenance issues are addressed. If any structural deterioration or defects are uncovered during the maintenance repairs, LOC should be contacted to provide additional specific repair recommendations to address the aforementioned minor building issues.

The review consisted of an on-site review only and is intended to cover only the existing structural and building envelope and site maintenance issues observed. Neither the review nor the report is intended to cover comprehensive architectural, mechanical or electrical systems or issues. Furthermore, the client shall agree to limit LOC Consultants' liability to the client and to all parties involved with the referenced project due to hidden conditions except for negligent acts, due to Professional Engineer's errors, omissions and opinions, such that the total aggregate liability to all those named shall not exceed the Professional Engineer's total fee for service rendered on this review.

Please notify LOC by registered letter within two weeks of this date stating objections to or questions regarding the information contained in this letter. If none are received, it is concluded that no exceptions are taken regarding the professional opinion rendered or the liability statement. If there are any questions or if I can be of further assistance, please call.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'T. Ortiz', with a large, stylized circular flourish at the end.

Terrence Ortiz, P.E.
President
Structural Division Inc.

UNDIVIDED OWNERSHIP
PERCENTAGE INTEREST
UNITS, TYPE

EXHIBIT C

PARK PLACE CONDOMINIUMS

Allocation of Interests & Monthly Common Expenses

Unit Number	General Description	Ownership Interest	Area in Square Feet	Monthly Common Expense Assessments
Level 1				
101	1 Bdr / 1 Bath	0.052959273	723	\$ 139
102	2 Bdr / 1 Bath	0.054277762	741	\$ 142
103	2 Bdr / 1 Bath	0.055376502	756	\$ 145
104	2 Bdr / 1 Bath	0.055376502	756	\$ 145
105	2 Bdr / 1 Bath	0.054937006	750	\$ 144
106	2 Bdr / 1 Bath	0.059331966	810	\$ 156
107	2 Bdr / 1 Bath	0.059331966	810	\$ 156
108	2 Bdr / 1 Bath	0.054937006	750	\$ 144
109	2 Bdr / 1 Bath	0.052739525	720	\$ 138
110	2 Bdr / 1 Bath	0.05222678	713	\$ 137
111	2 Bdr / 1 Bath	0.052739525	720	\$ 138
112	2 Bdr / 1 Bath	0.05222678	713	\$ 137
113	2 Bdr / 1 Bath	0.052739525	720	\$ 138
114	2 Bdr / 1 Bath	0.058452974	798	\$ 153
115	2 Bdr / 1 Bath	0.057940229	791	\$ 152
116	2 Bdr / 1 Bath	0.057940229	791	\$ 152
117	2 Bdr / 1 Bath	0.057940229	791	\$ 152
118	2 Bdr / 1 Bath	0.058526223	799	\$ 154
Monthly Total		100%	13652	\$ 2,625
Annual Total				\$ 31,500

Recorders Memorandum-At the time of recordation this instrument was found to be inadequate for the best reproduction, because of illegibility, carbon or photocopy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2007 Apr 17 04:53 PM 2007069240

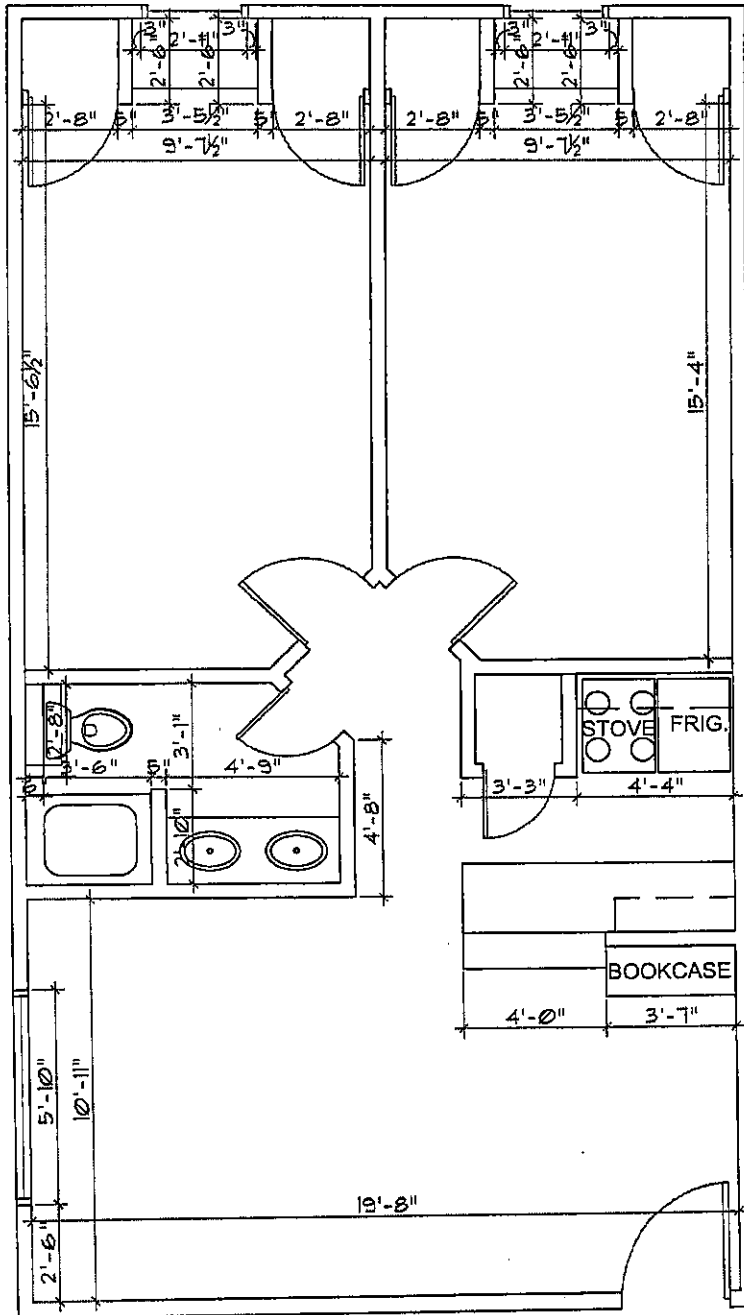
SIFUENTEZY \$188.00

DANA DEBEAUVOIR COUNTY CLERK

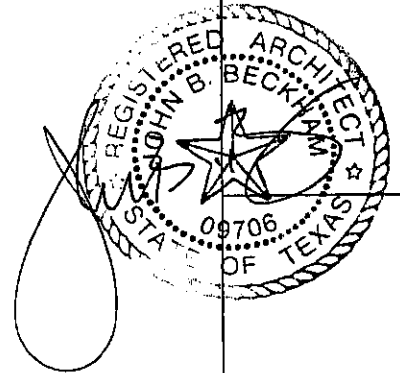
TRAVIS COUNTY TEXAS

DIMENSIONS SHOWN ON PLAN WERE ACCURATE AS OF MARCH 23, 2007. OWNER CHANGES SINCE THAT DATE HAVE NOT BEEN REFLECTED IN THESE PLANS.

ARCHITECT NOT RESPONSIBLE FOR DIMENSIONS NO LONGER ACCURATE DUE TO CONSTRUCTION IN BUILDING.



Park Place



4306 Ave. A
Austin, Texas
78751

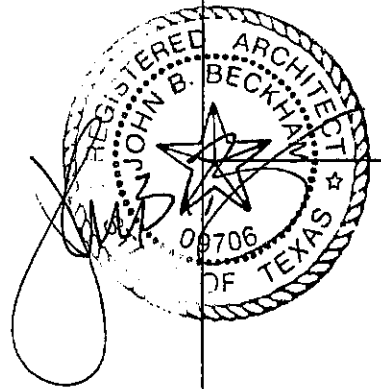
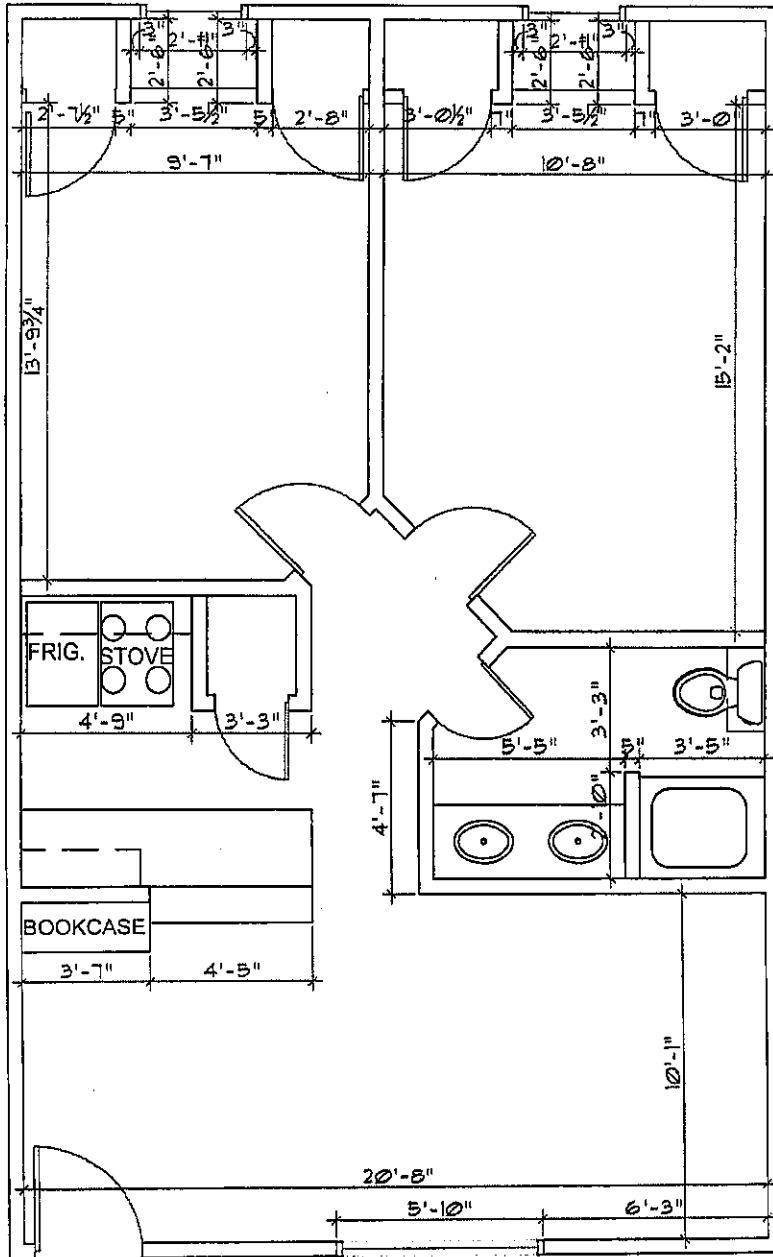
March 23,
2007

Unit
102

1 Floor Plan
3/16" = 1'-0"

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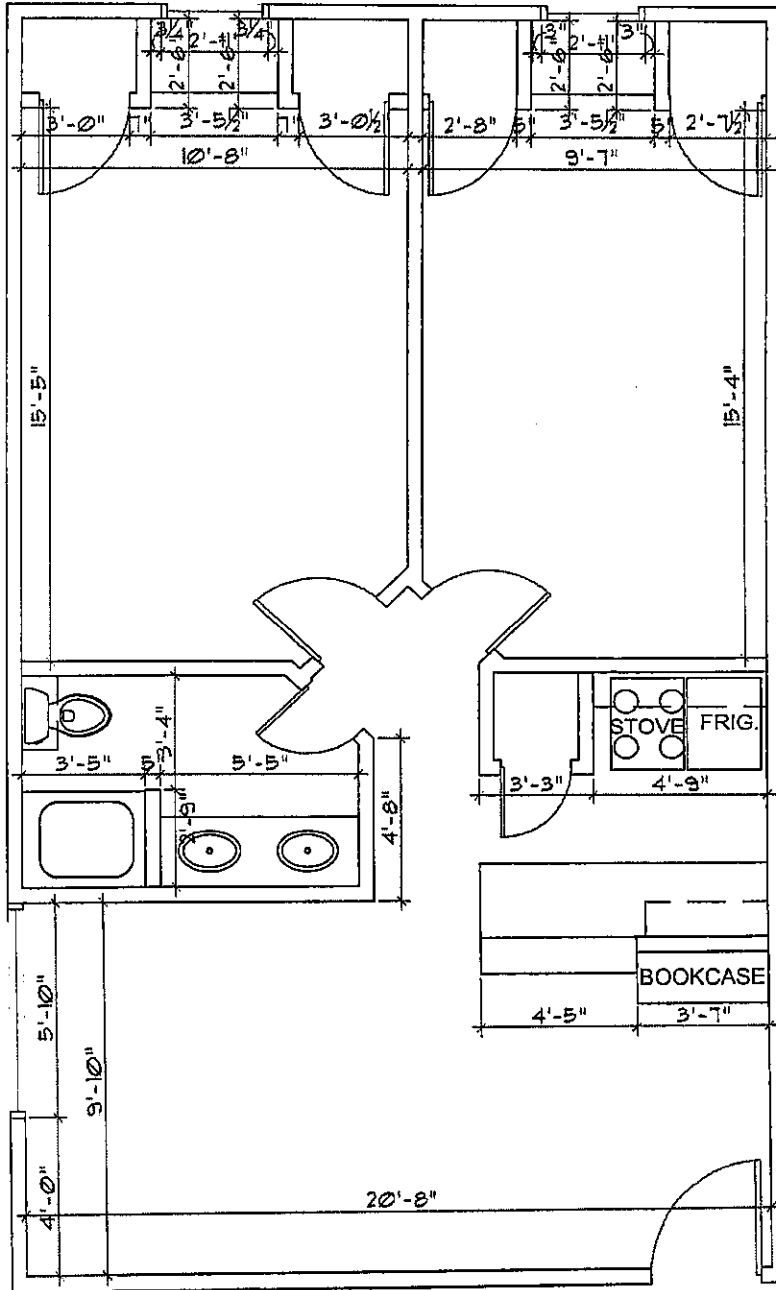
March 23,
2007

Unit
103

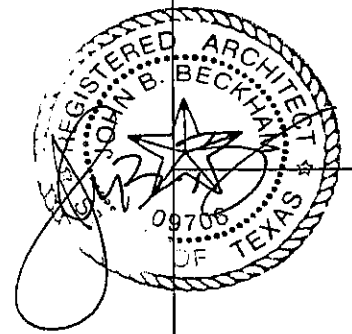
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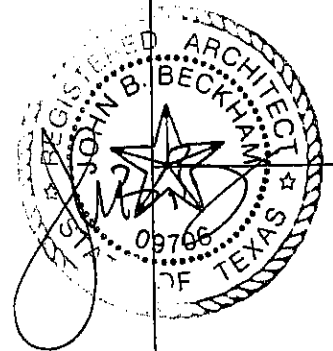
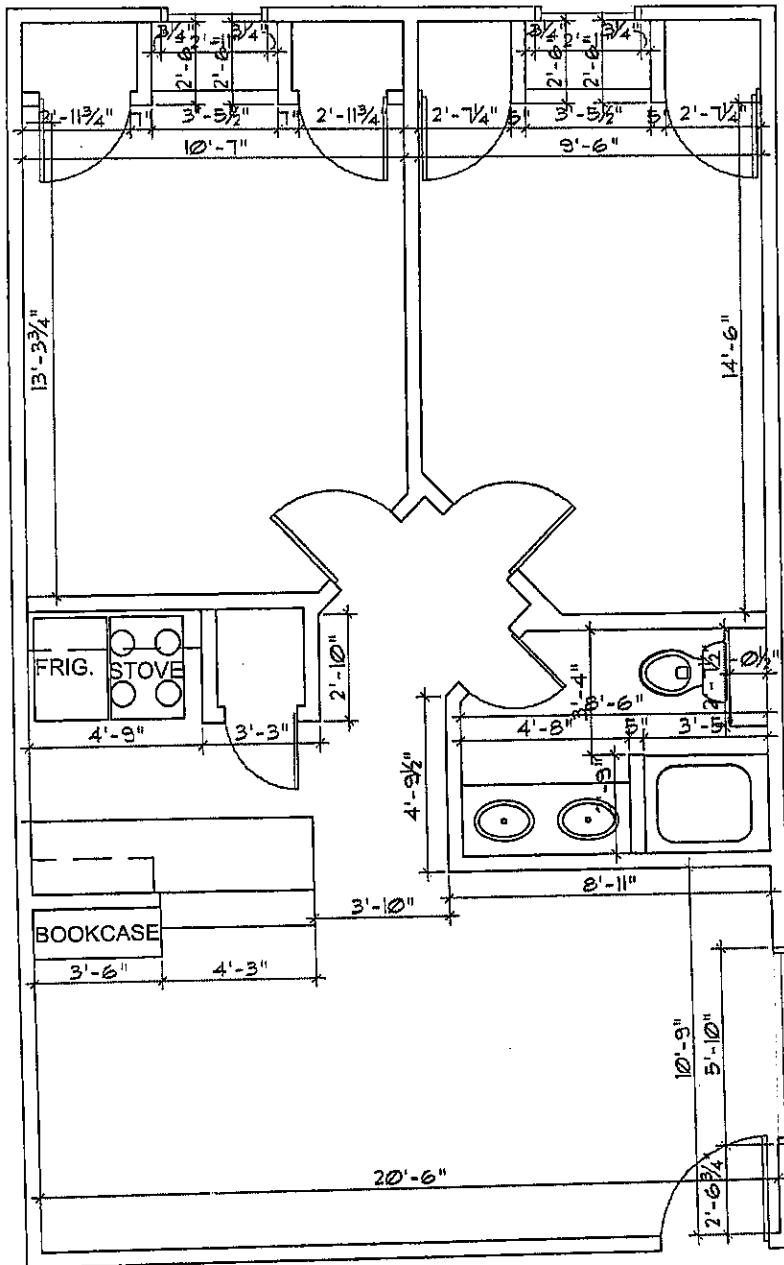
March 23,
2007

Unit
104

1 Floor Plan
3/16" = 1'-0"

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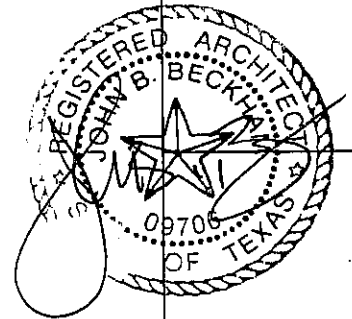
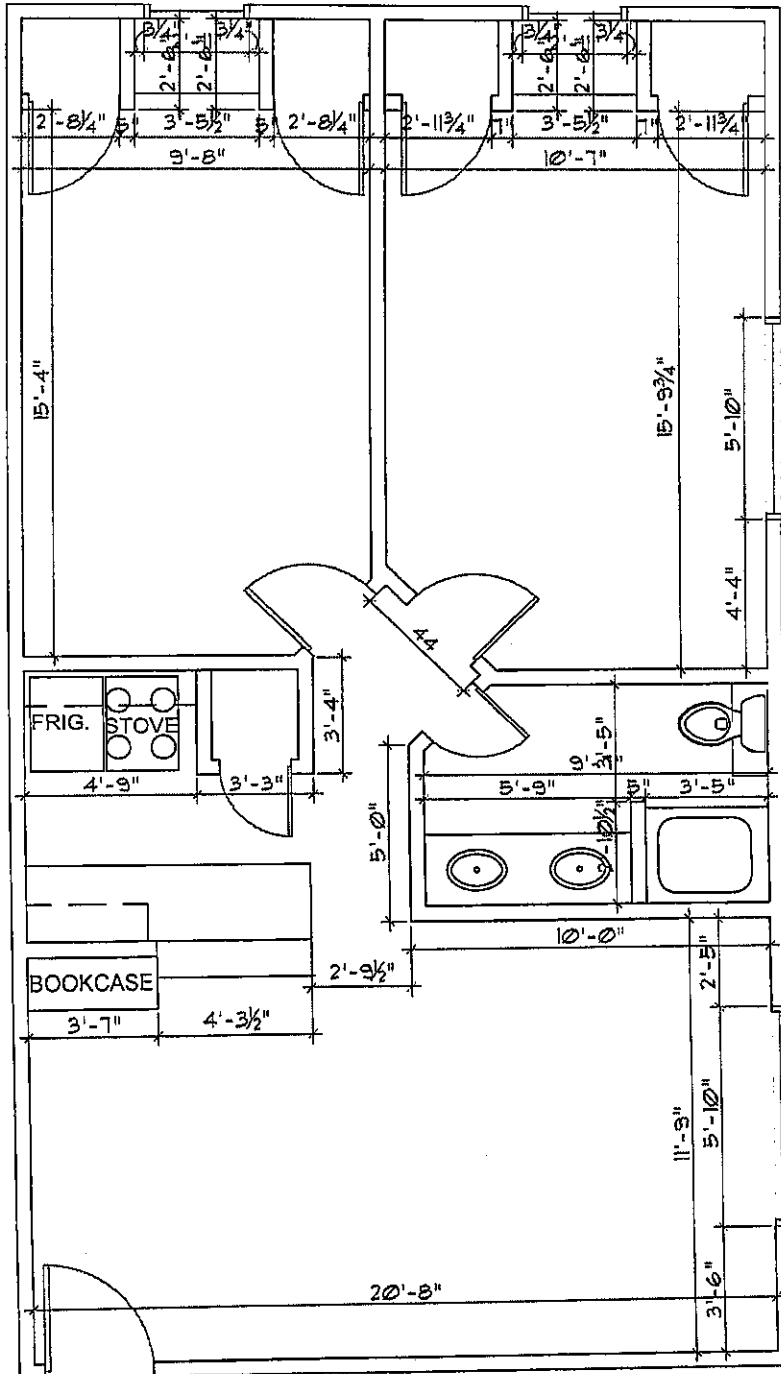
Unit

105

1 Floor Plan
3/16" = 1'-0"

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March 23,
2007

Unit

106

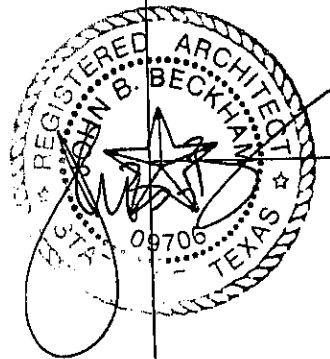
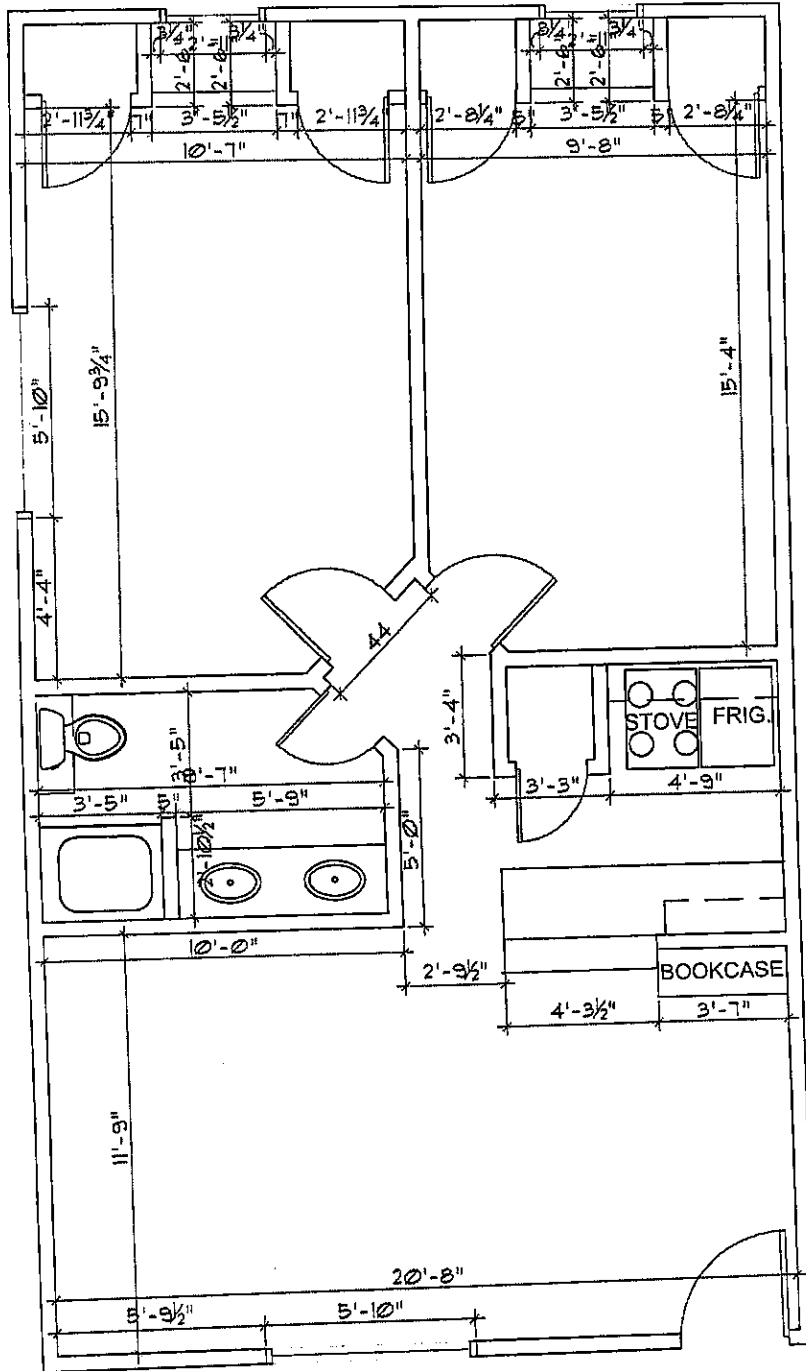
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Floor Plan

3/16" = 1'-0"

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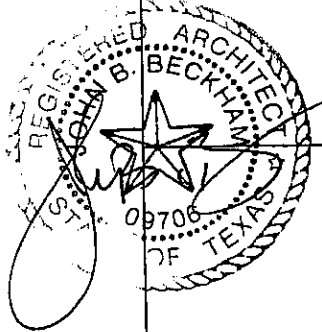
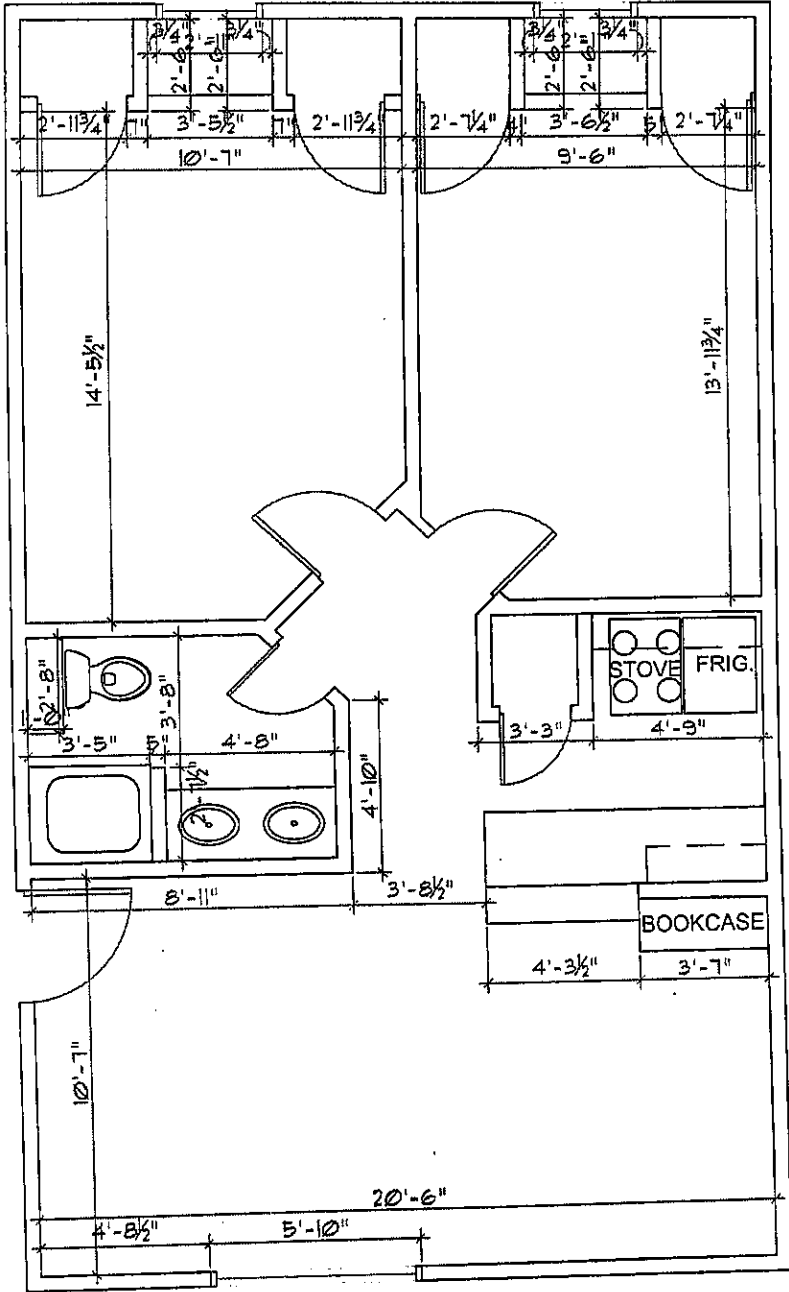
March 23,
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Unit
107

1 Floor Plan
3/16" = 1'-0"

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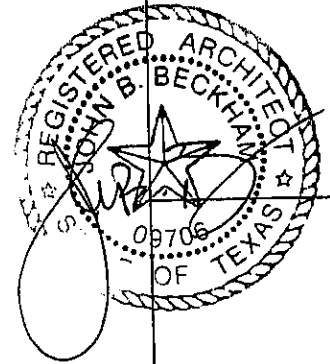
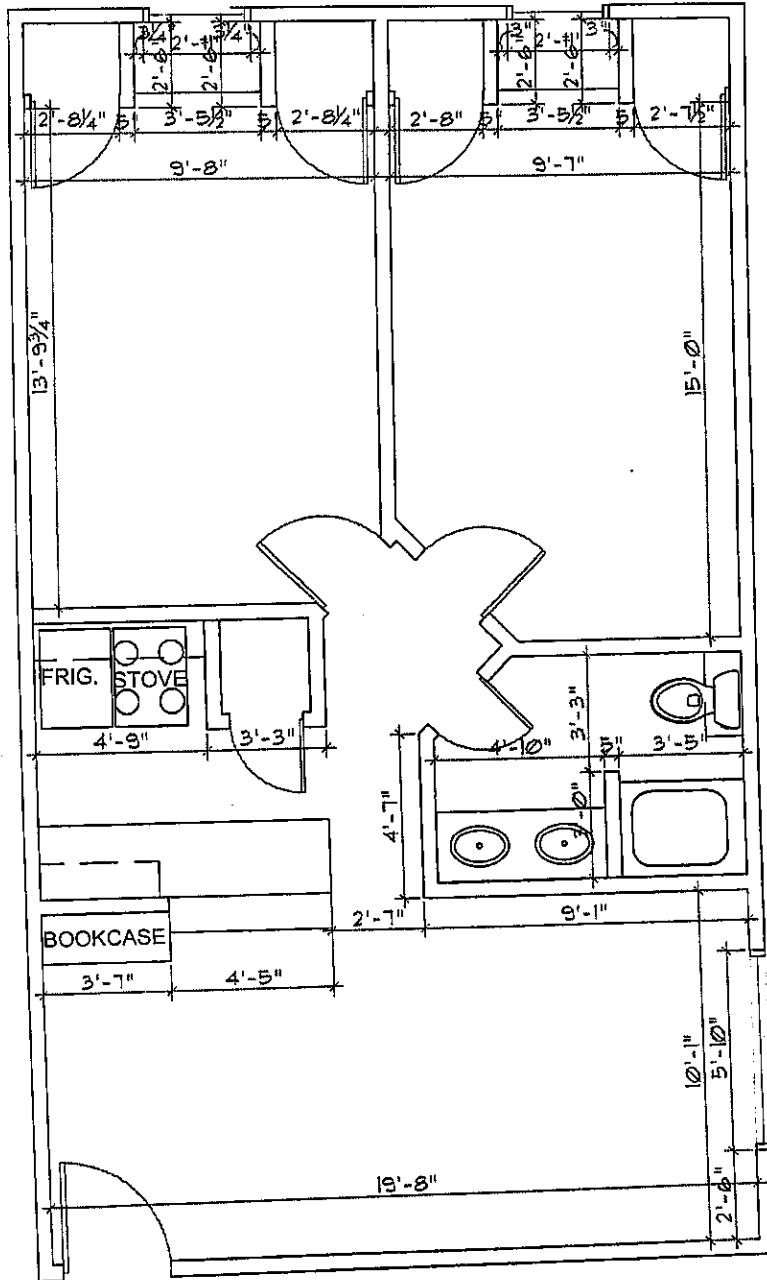
March 23,
2007

Unit
108

1 Floor Plan
3/16" = 1'-0"

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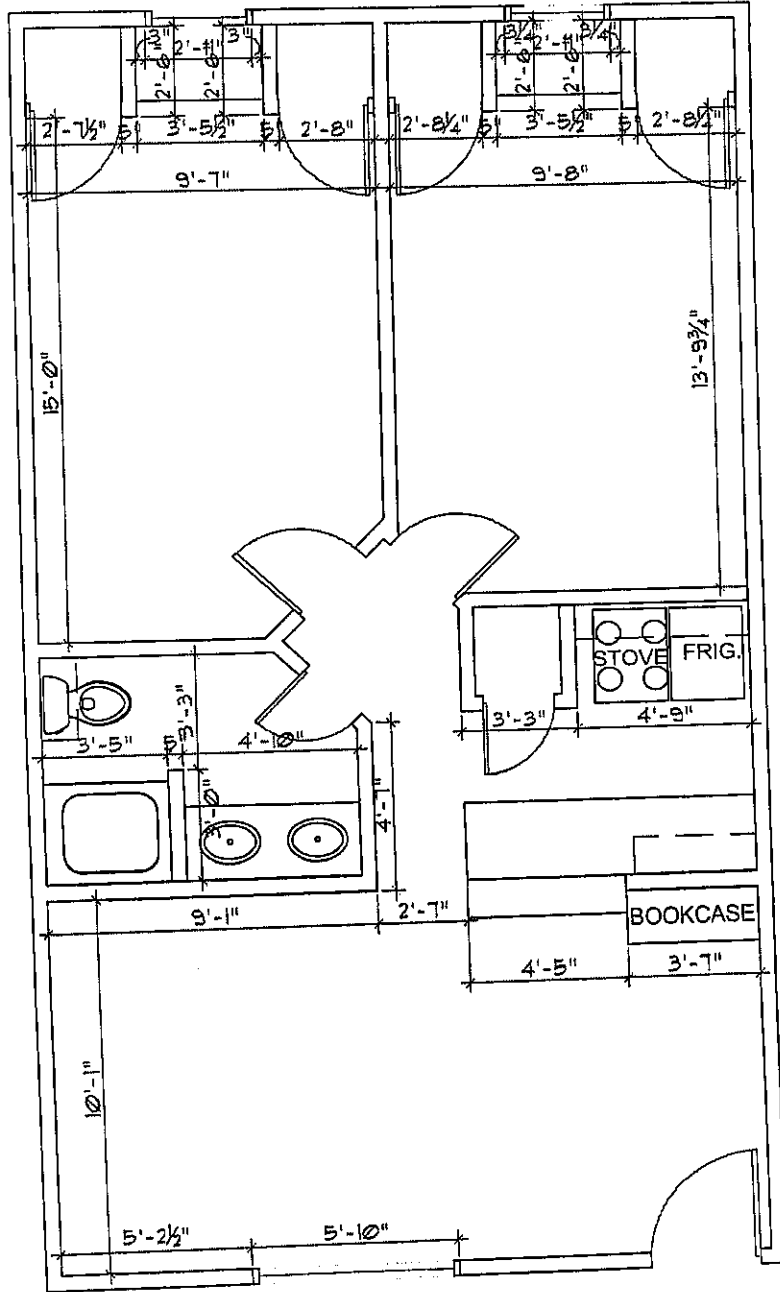
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2007

Unit
109

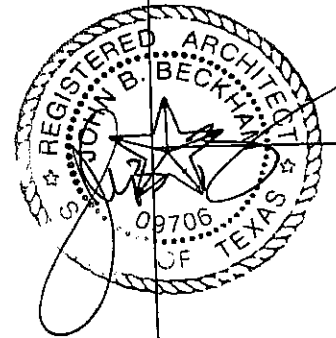
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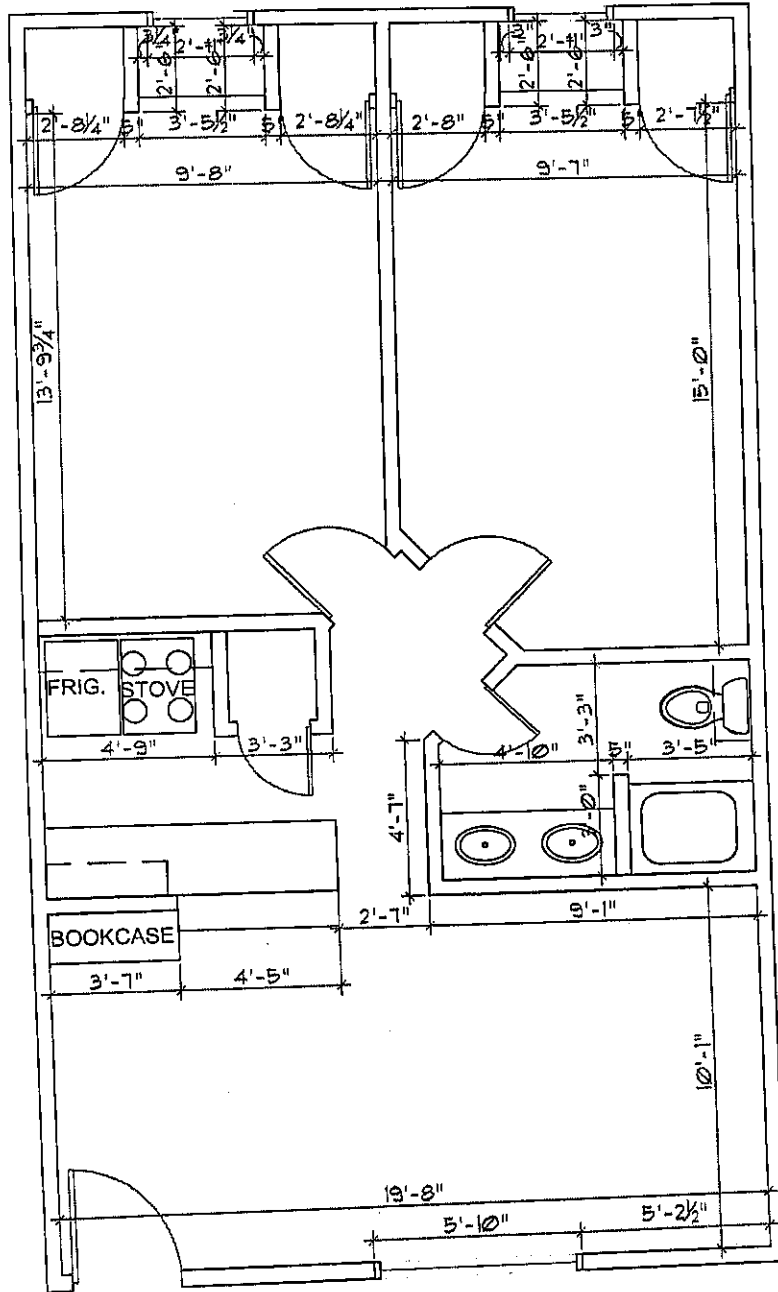
Unit

110

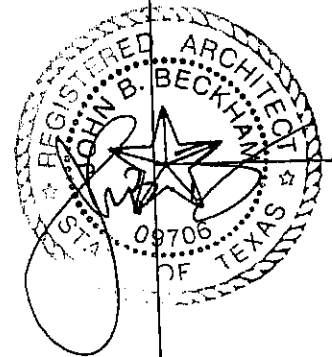
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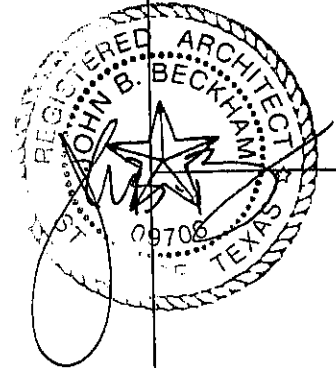
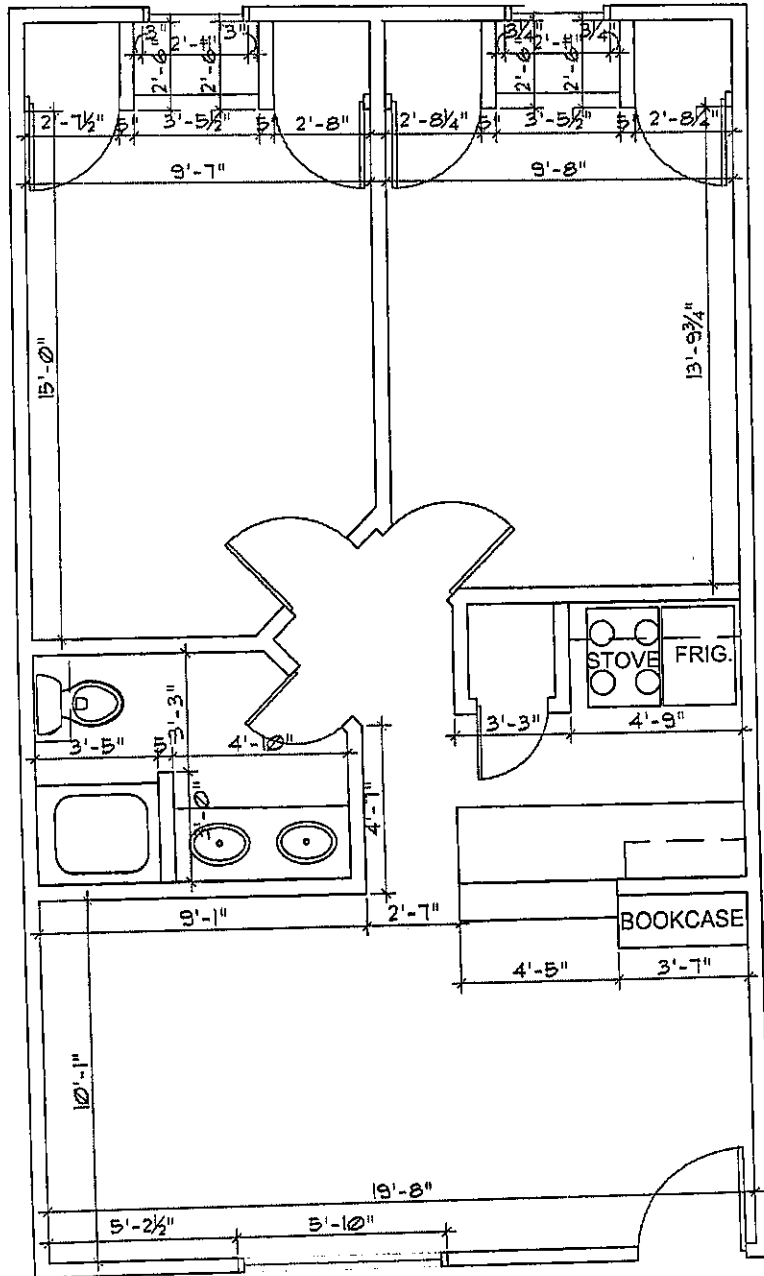
Unit

111

1 Floor Plan
3/16" = 1'-0"

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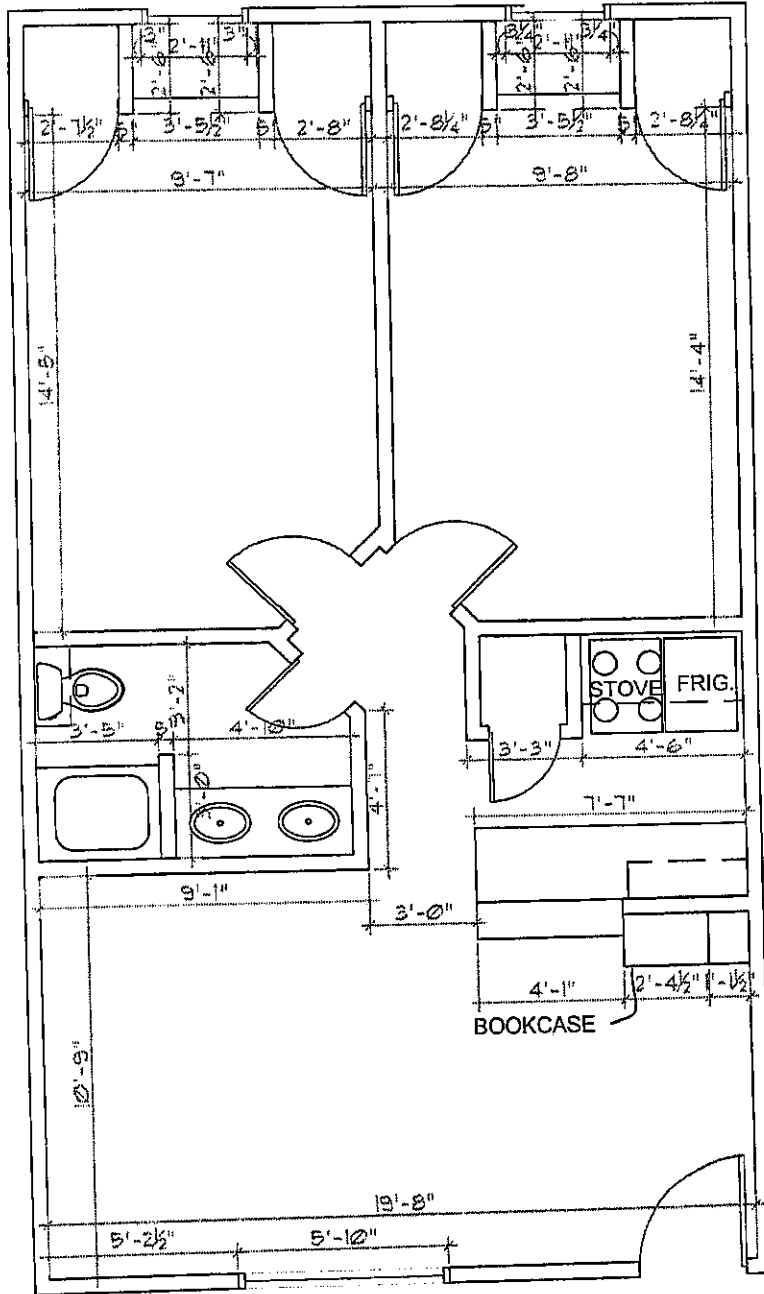
March 23,
2007

Unit
112

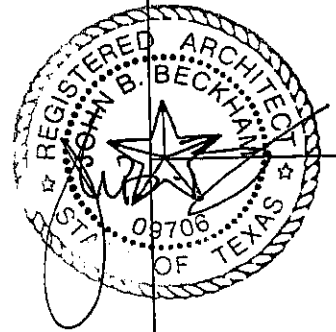
1 Floor Plan
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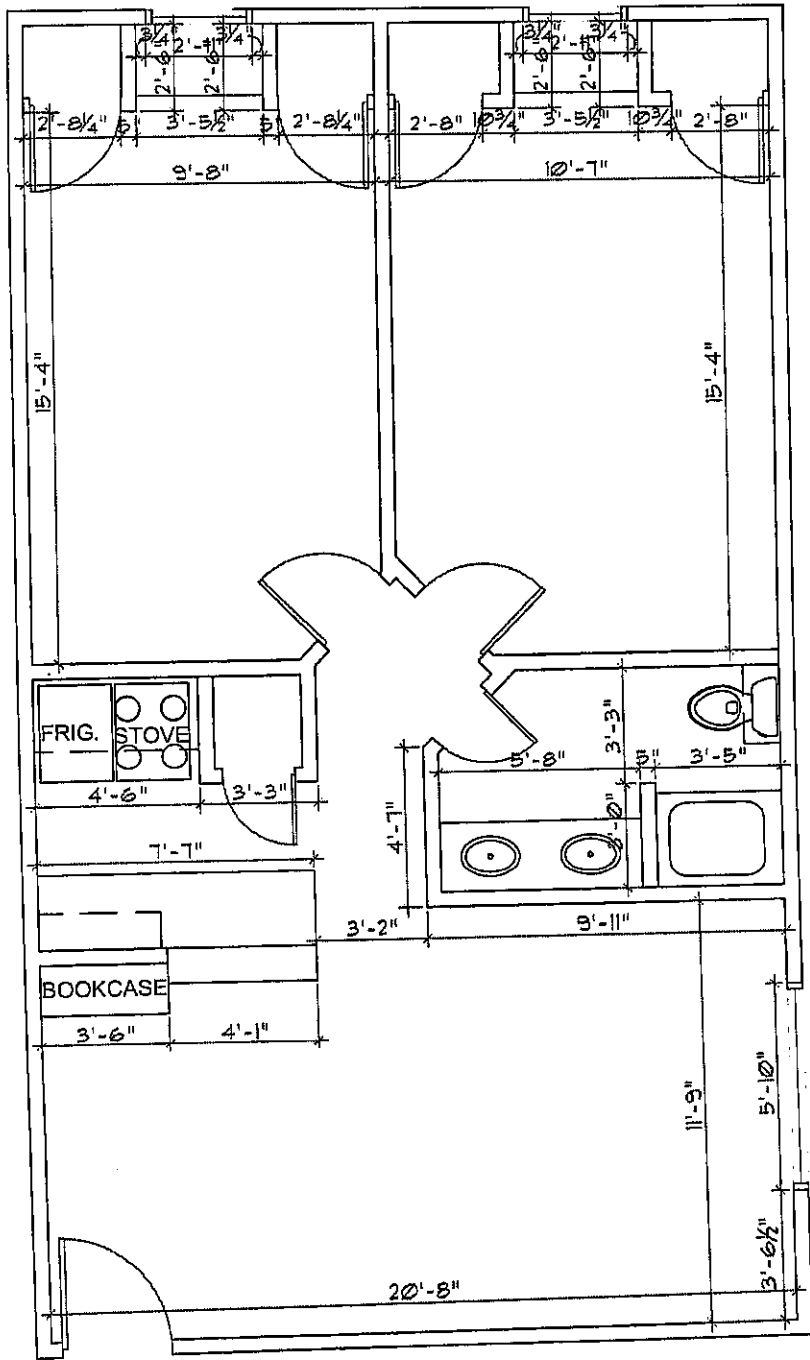
Unit

113

1 Floor Plan
3/16" = 1'-0"

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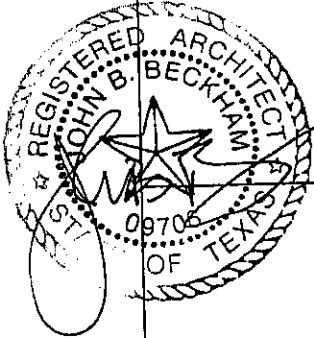
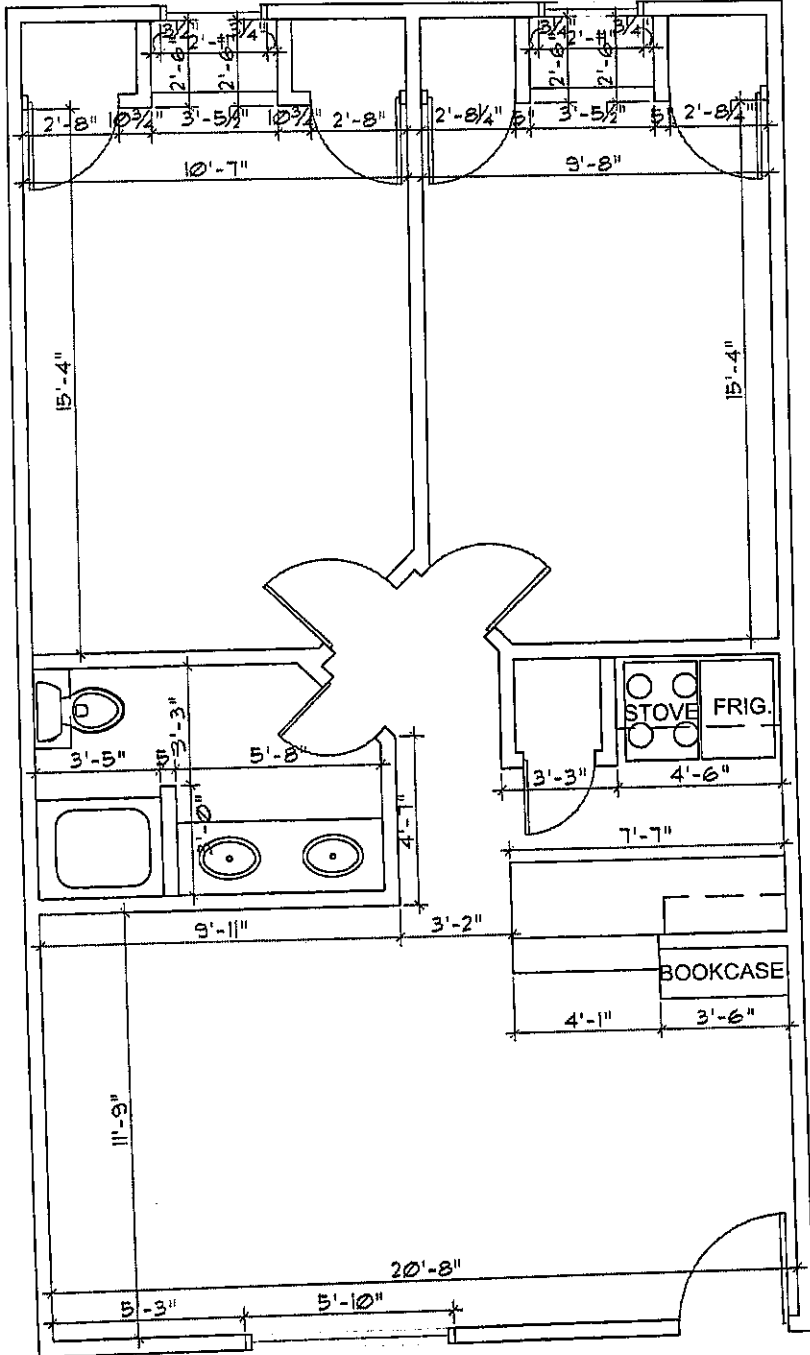
March 23,
2007

Unit
114

1 Floor Plan
3/16" = 1'-0"

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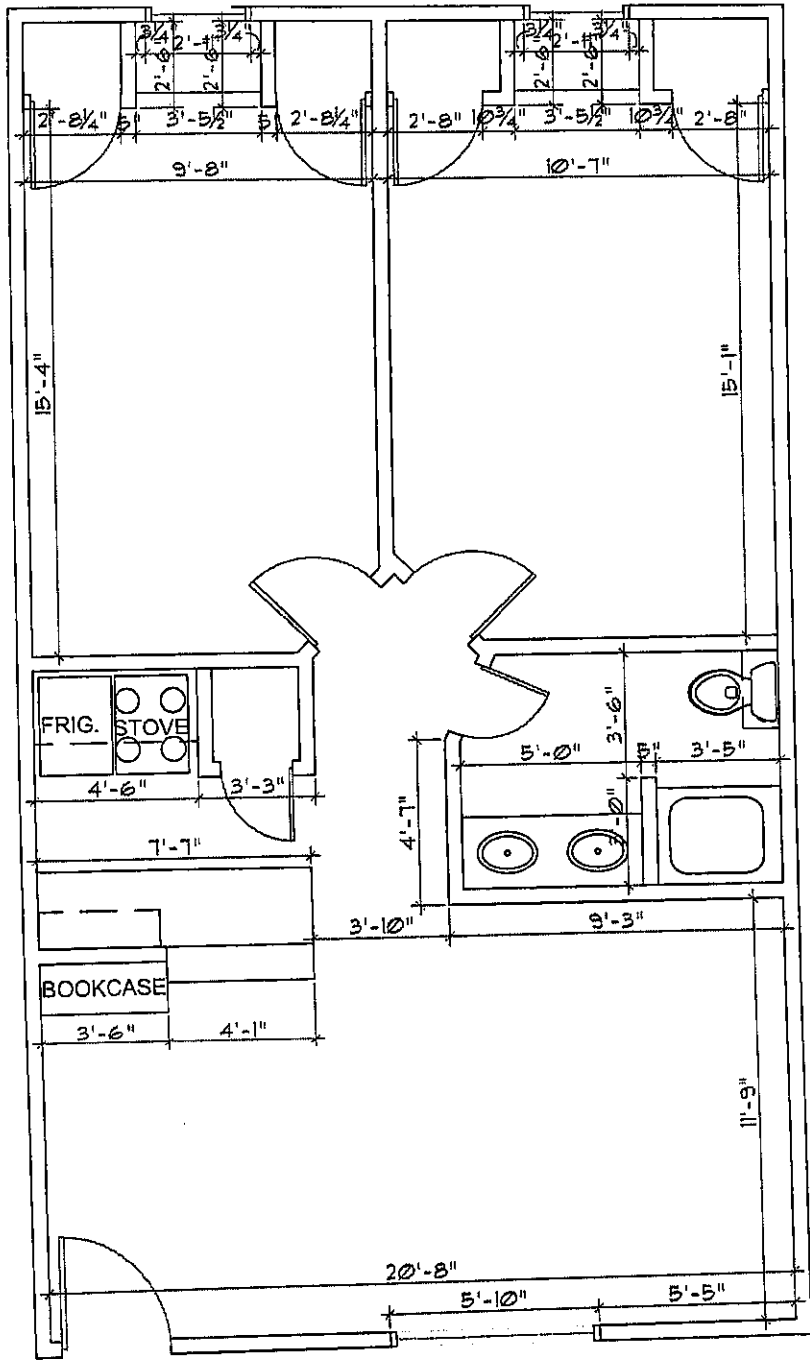
March 23,
2007

Unit
115

1 Floor Plan
3/16" = 1'-0"

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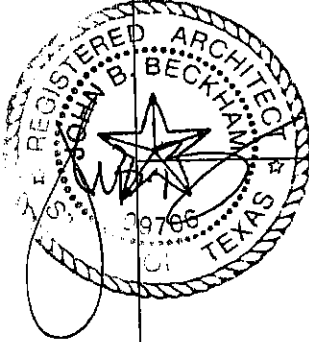


Park Place

4306 Ave. A
Austin, Texas
78751

March 23,
2007

Unit
116



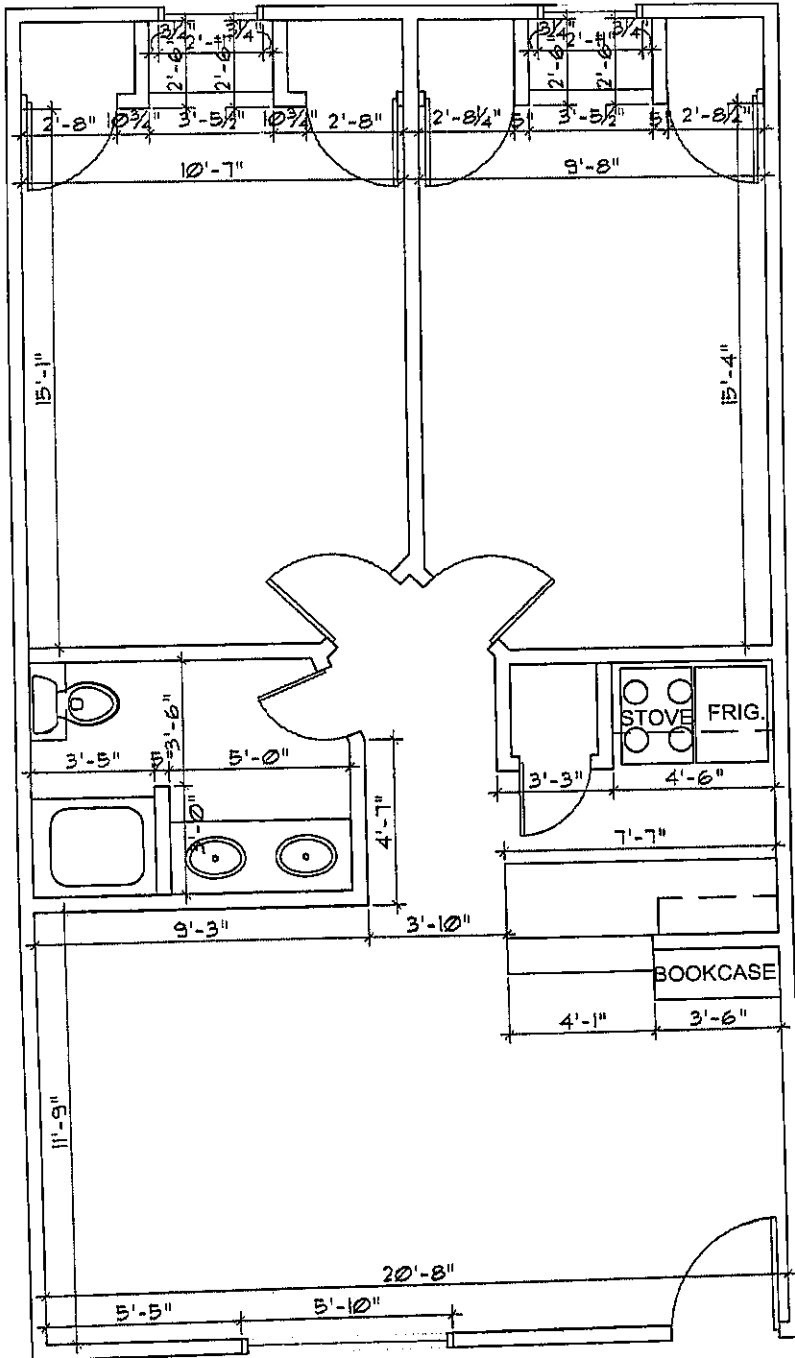
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Floor Plan

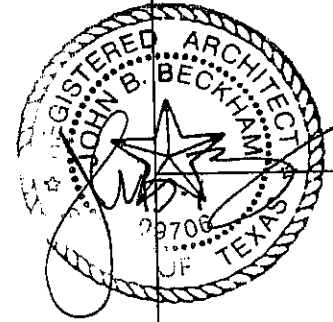
3/16" = 1'-0"

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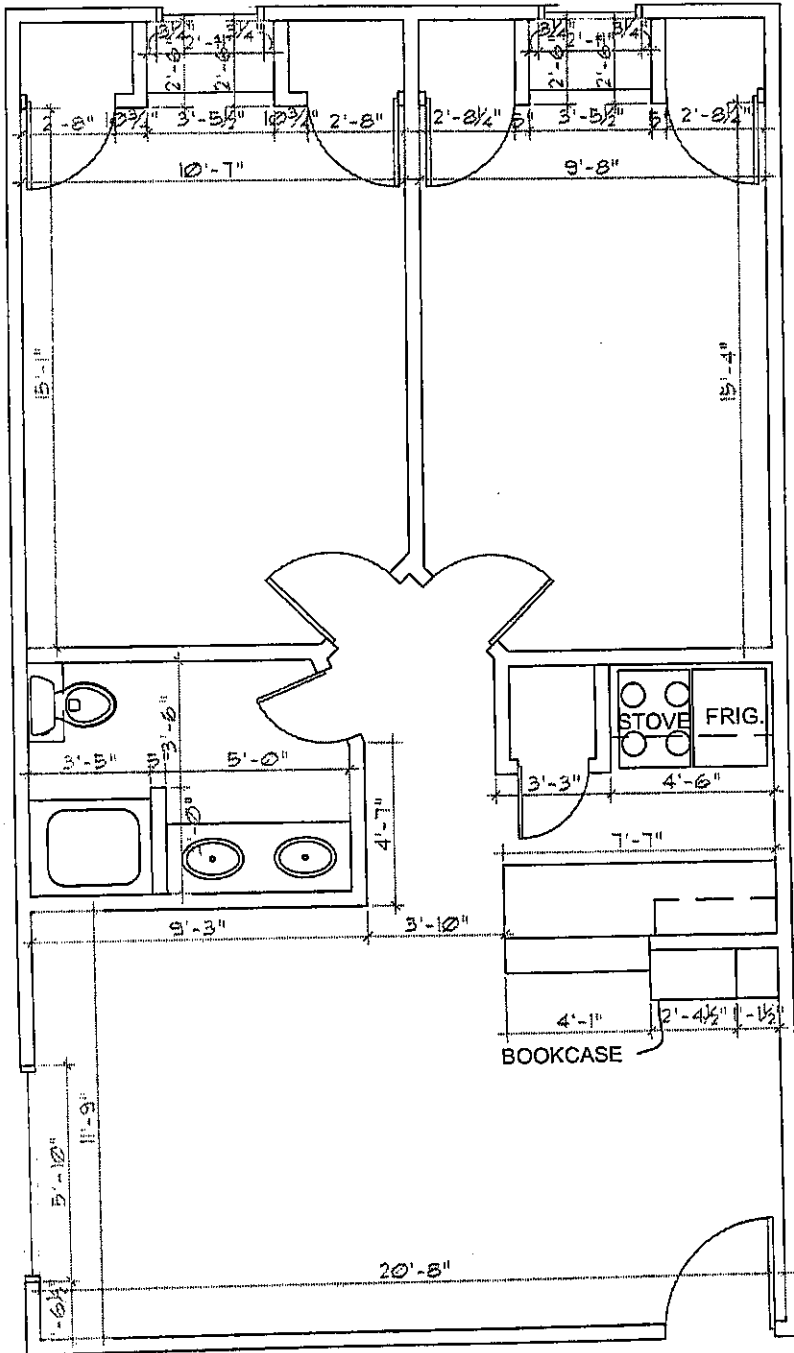
Unit

117

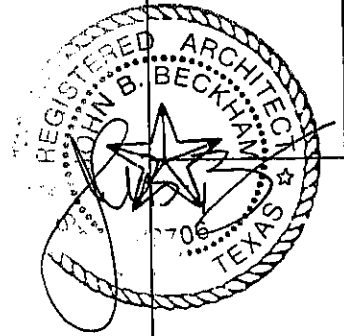
1 Floor Plan
3/16" = 1'-0"

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Park Place



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78751

March 23,
2007

Unit

118

1 Floor Plan
3/16" = 1'-0"

**BY-LAWS
OF
PARK PLACE CONDOMINIUMS OWNERS' ASSOCIATION, INC.
(A Texas Non-Profit Corporation)**

ARTICLE I

1.1 Name. The name of the organization shall be Park Place Condominiums Owners Association, Inc., hereinafter called "Association".

ARTICLE II

2.1 Purpose. The purpose for which this non-profit Corporation is formed is to govern the Condominium Property situated in the County of Travis, State of Texas, which Property is described on the attached Exhibit "A", which by this reference is made a part hereof, and which Property has been submitted to a Regime according to the provisions of the Condominium Act of the State of Texas. All the terms, conditions, definitions and covenants of the Condominium Declaration for Park Place Condominiums, (hereinafter referred to as the "declaration") are incorporated herein by reference for all purposes.

2.2 Owner Obligation. All present or future owners, tenants, future tenants or any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Condominium Units (hereinafter referred to as "Units") of the Project or the mere act of occupancy of any said Units will signify that these By-Laws are accepted, ratified and will be strictly followed.

ARTICLE III

3.1 Membership. Any person on becoming an Owner of a Condominium Unit shall automatically become a Member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Condominium Unit. Such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connect with Park Place Condominiums during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one (1) Membership Card per Unit to the Owner(s) of a Condominium Units. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon is terminated.

3.2 Voting. Voting shall be on a per Unit basis. The Owner of each Unit is entitled to a single vote. If a Unit has more than one Owner, any one of such Unit Owners shall be entitled to vote or act on behalf of all of the Unit Owners of such Unit, without the joinder of the other Unit

Owners and which vote or action shall be deemed to be the unanimous vote or action of all such Unit Owners, unless all of the Unit Owners of such Unit shall have designated in writing prior to such vote or action one or more of such Unit Owners, or a third party by proxy, who shall be authorized to vote or act on behalf of such Unit Owners. A copy of such written designation or proxy shall be filed with the Board of Directors before any such vote may be cast. Absent such written designation or proxy, if only one of the Unit Owners of a Unit is present at a meeting of the Association, that person may cast the vote or votes allocated to that Unit, and if more than one of the Unit Owners of a Unit is present, the vote allocated to that Unit may, at the request of any of such Unit Owners, or in the event of disagreement among such Unit Owners, shall, be divided in equal parts among such Unit Owners. Multiple Unit Owners are deemed to be unanimous agreement if one of the multiple Unit Owners casts the vote(s) allocated to a Unit and none of the other Unit Owners makes a prompt protest to the person residing over the meeting. The present number of votes that can be cast by the Unit Owners is eighteen (18).

3.3 Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" shall mean those Owners with fifty-one percent (51%) of the votes entitled to be cast.

3.4 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Unit Owners" as defined in Paragraph 3.3 of this Article shall constitute a quorum. Unless otherwise provided in the Declaration or these By-Laws, when a quorum of Owners is present at any meeting, a majority vote of the Owners present, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action. If a quorum is not present, the provision of Paragraph 4.7 of these By-Laws will control.

3.5 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE IV

4.1 Declarant Control. Notwithstanding any provision herein to the contrary, and in accordance with Paragraphs 4.2 and 4.3 of the Condominium Declaration of Park Place Condominiums, the Declarant, BF Condominiums, LLC, a Texas Limited Liability Company, shall retain control over management of the benefit of the Unit Owners and any first mortgagees of record and for the purpose of insuring both a complete and orderly conversion and a timely sellout of the Project Units. This control shall last no longer than three years from the date the first Unit is sold, transferred or conveyed, or 120 days after the sale of seventy-five percent (75%) of the Units, whichever event shall first occur.

4.2 Association Responsibilities. The Owners of the Units will constitute the Association of the Unit Owners, (hereinafter referred to as "Association"), who will have the responsibility of administering the Condominium Project through a Board of Directors.

4.3 Place of Meetings. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.

4.4 Annual Meetings. Annual meetings shall be held the first (1st) Monday of November each year. The first annual meeting and each meeting thereafter, the Association shall elect a Board of Directors in accordance with the requirements of Paragraph 4.6 of the By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

4.5 Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the Owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of two-thirds (2/3rds) of the Owners present, either in person or by proxy.

4.6 Notice of Meetings. The Secretary shall mail notices of annual and special meetings to each Member of the Association, directed to his last known post office address, as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than five (5) days no more than twenty (20) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any mortgagee of record or its designee may be entitled to receive similar notice.

4.7 Adjourned Meeting. If any meeting of Owners cannot be organized because quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting for not less than five (5) days, but not more than twenty (20), and the required quorum at the subsequent meeting shall be twenty-five percent (25%) of the aggregate interest of the undivided Ownership of the Common Elements.

4.8 Order of Business. The order of business at all meetings of the Owners of Units shall be as follows:

- a. Roll call
- b. Proof of notice of meeting or waiver of notice
- c. Reading of minutes of preceding meeting
- d. Reports of officers
- e. Reports of committees
- f. Election of Directors
- g. Unfinished business
- h. New business

ARTICLE V

5.1 Number and Qualification of Board of Directors. The affairs of this Association shall be governed by a Board of Directors composed initially of four (4) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

Greg Beckham 1803 West Koenig Lane
Austin, Texas 78756

Kate Walters 4902 Big Trail Circle
Austin, Texas 78759

Tigh Walters 1403 West Sixth Street
Austin, Texas 78703

Except for the persons appointed to the initial Board of Directors during the period of Declarant Control as defined in the Declaration, a Director must own an interest in a Condominium Unit of Park Place Condominiums to qualify for election to the Board of Directors.

5.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a residential Condominium Project. The Board of Directors may do all such acts and things that are not by these By-Laws, the Articles of Incorporation, or by the Condominium Declaration for Park Place Condominiums directed to be exercised and done by the Owners.

5.3 Other Powers and Duties. The Board of Directors shall have the following duties.

a. To administer and enforce the covenants, conditions, restriction, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration and these By-Laws.

b. To establish, make and enforce compliance with rules necessary for the orderly operation, use and occupancy of this Condominium Project with the further right to amend same form delivered or mailed to each Member promptly upon the adoption thereof.

c. To keep in good order, condition and repair all of the General and Limited Common Elements and all items of personal property used in the enjoyment of the entire Premises.

d. To insure and keep insured all of the insurable Common Elements of the Property in an amount equal to their maximum replacement value, as provided in the Declaration. Further, to obtain and maintain comprehensive liability insurance covering the entire Premises in such amounts as the Board of Directors deems necessary. To insure and keep insured all the fixtures, equipment and personal property acquired by the Association for the benefit of the Association, the Owners of the Condominium Units and their first

mortgagees. The limits and coverage shall be reviewed at intervals of not less than three (3) years and adjusted, if necessary, to provide such coverage and protection as the Association may deem prudent. So long as the Federal Home Loan Mortgage Company (FHLMC), Federal National Mortgage Association (FNMA) and Governmental National Mortgage Association (GNMA) is a mortgagee of a Condominium Unit in the Project, or owns a Unit therein, the Association shall maintain, in effect at least, such casualty, flood and liability insurance and a fidelity bond, meeting standards established by FHLMC, FNMA, and GNMA for planned development, as published in the FHLMC, FNMA or GNMA. Workmen's compensation insurance shall, at all times, be carried to the extent required to comply with an applicable law with respect to the employees, if any, of the Association.

e. To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the Owners; and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, and additional capital expenses. All monthly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.

f. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these By-Laws.

g. To protect and defend the entire Premises from loss and damage by suit or otherwise.

h. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration, the Articles of Incorporation and these By-Laws; to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners in the same proportion as their interest in Common Elements.

i. To enter into contracts within the scope of their duties and power.

j. To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board of Directors.

k. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners and any first mortgagee of a Unit, and to cause a complete audit of the books and accounts by a competent accountant, once each year. The Association shall cause to be prepared and delivered annually to each Owner an audited statement showing all receipts, expenses or disbursements since the last such statement. Such audited financial statements shall be available to any first mortgagee of a Unit, on request, within ninety (90) days following the fiscal year end of the Project.

l. To meet at least once each quarter.

m. To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.

n. To employ accountants, bookkeepers, architects, attorneys, and other professional services necessary in the operation of the Homeowner's Association.

o. To make available to each Owner, upon request, during normal business hours, current copies of the constituent documents, including the Declaration, By-Laws and Articles of Incorporation.

p. To grant permits, licenses and easements over the Common Elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Project.

q. To purchase, acquire, hold, lease, and/or sell individual units of the Project pursuant to the authority granted by the provisions of the recorded Declaration, the Articles of Incorporation, and these By-Laws and in such situations as the Association deems necessary or useful for the protection of the Owners or operation of the Project; to expend funds and to execute lease, and/or sale or a Unit. This power shall not be construed as a restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit nor as the creation of any right of first refusal.

r. In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of Condominium ownership.

5.4 Election and Term of Office. At the first (1st) annual meeting of the Association the term of office of one (1) of the Directors shall be fixed for one (1) year, the term of office of one (1) of the Directors shall be fixed at two (2) years, and the term of office of the remaining one (1) Director shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of office of each respective Director; his successor shall be elected to serve a term of three (3) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first (1st) meeting.

5.5 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each person as elected shall be a Director until a successor is elected at the next annual meeting of the Association. The person elected at the next annual meeting of the Association to replace the vacancy will serve until the expiration of the term of the person whose position was vacated.

5.6 Removal of Director. At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

5.7 Organization Meeting. The first (1ST) meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.8 Regular Meetings. Regular meetings of the Board of Directors may be held at such times and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.9 Special Meeting. Special Meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days personal notice to each Director by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

5.10 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business, which might have been transacted at the meeting, as originally called, may be transacted without additional notice.

5.12 Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association. Such fidelity bonds shall name the Association as an obligee, and shall be written in an amount equal to at least the estimated maximum of funds, including reserve funds, in the custody of the Association or the Managing Agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds.

5.13 Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

ARTICLE VI

6.1 Designation of Officers. The officers of the Association shall be a President, Vice President, Secretary/Treasurer and Assistant Secretary, all of whom shall be elected by the Board of Directors and all of whom, except the Assistant Secretary, must own an interest in a Condominium Unit of Park Place Condominiums.

6.2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

6.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

6.4 President: The President shall be the chief executive officer of the Association. He shall preside at all meetings of both the Association and the Board of Directors. He shall have all the general powers and duties which are usually vested in the office of the president of an association, including, but not limited to, the power to appoint committees from among the Owners to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of the Park Place Condominiums Owners' Association. Inc.

6.5 Vice President: The Vice President shall have all the powers and authority and perform all the duties of the President in his absence, or his inability for any reason to exercise such powers and functions and perform such duties, and such other duties as may be required of him from time to time by the Board of Directors or the President.

6.6 Secretary/Treasurer: The Secretary/Treasurer shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in the general, perform all the duties incident to the office of the Secretary.

a. The Secretary/Treasurer shall compile and keep up to date, at the principal office of the Association, a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name, the number of the Members living in the Unit and the parking space and storage space assigned for use in connection with such Unit. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

b. The Secretary/Treasurer shall have responsibility for the Association funds and shall receive and deposit in appropriate bank accounts designated by the Board of Directors all money of the Association and shall disburse such as directed by resolution of the Board of Directors; provided, however that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the

limits of a budget adopted by the Board of Directors, including authority to (I) sign all checks and promissory notes of the Association; (ii) keep proper books of account; (iii) cause an annual statement of the Association's books to be made at completion of each fiscal year; (iv) prepare an annual budget and a statement of income expenditures to be presented to the Membership at its regular annual meeting and deliver a copy of each to the Members; and (v) perform all other duties assigned to him by the Board of Directors.

6.7 Assistant Secretary: The Board of Directors shall elect, as necessary, such persons as it desires to have serve as Assistant Secretary and such person so elected need not be an Owner of a Condominium Unit. The Assistant Secretary will perform the duties of secretary, as delegated by the Board except any duties dealing with the funds of the Association.

ARTICLE VII

7.1 Management Company. The Board of Directors may enter into a management agreement with a Management Company or managing agent at a rate of compensation agreed upon by the Board of Directors. In accordance with the Declaration and these By-Laws, the Management Company shall have, but shall not be limited to, the following functions, duties and responsibilities:

a. Fiscal Management.

1. Prepare annual operating budget detailed to reflect expected operation for each month. This budget is established to show expected recurring receipts and operating disbursements. It is further used for comparison with actual monthly income and expenditures.

2. Prepare five (5) year sinking fund reserve budget projection for capital expenditures on items recurring only periodically, i.e., painting, etc., for Common Elements.

3. Prepare yearly, or more frequently, operating and cash position statements and statements concerning sinking fund reserve accounts.

4. Analyze and compare operating receipts and disbursements against the Board-approved budget. Where a significant variation is shown (20% above or below the budgeted amount), prepare explanations of variations from budgeted figures. Suggest corrective recommendations, if applicable.

5. Collect maintenance fees and special assessments; deposit them in checking, savings or other income-producing accounts on behalf of the Board and maintain comprehensive records thereof. Establish individual checking and sinking fund reserve accounts, as directed by the Board.

6. Mail notices of delinquency to any Owner in arrears, and exert reasonable effort to collect delinquent accounts.

7. Examine all expense invoices for accuracy and pay all bills in a prompt and timely manner.
8. Prepare year-end statement of operations for Owners.
9. Assist in the yearly audit to be performed by a certified public accountant.

b. Physical Management.

1. Assume full responsibility for maintenance and control of Common Area improvements and equipment. Maintain the Property in constant repair to reflect Owner pride and to ensure high property values in accordance with the provisions of the operating budget, as approved by the Board of Directors.
2. Enter into contracts and supervise services for lawn care, swimming pool care, refuse hauling, pump maintenance, etc., as approved by operating budgets.
3. Select, train and supervise competent personnel, as directed by the Board.
4. Compile, assemble and analyze data and prepare specifications and call for bids for major improvement projects. Analyze and compare bids, issue contracts and coordinate the work; maintain close and constant inspection to ensure that work is performed according to specifications.
5. Perform any other projects with diligence and economy in the Board's best interest.

c. Administrative Management.

1. Inspect contractual services for satisfactory performance. Prepare any necessary compliance letters to Vendors.
2. Obtain and analyze bids for insurance coverage specified in By-Laws; recommend modifications or additional coverage. Prepare claims when required and follow up on payment; act as Board's representative in negotiating settlement.
3. Exercise close liaison and supervision over all personnel to ensure proper operational maintenance and to promote good Management-Resident-Owner relationships.
4. Act as liaison for the Association in any negotiations or disputes with local, federal or state taxing agencies or regulatory bodies.

5. Exercise close supervision over hours and working conditions of employed personnel to ensure compliance with Wage and Hour and Workman's Compensation Laws.

6. Assist in resolving individual Owner's problems as they pertain to the Association, Common Elements and governing rules and regulations.

7. Represent an absentee Owner, when requested.

8. Attend quarterly meeting of Board of Directors and provide input to the Board as needed or as directed by the Board.

9. Administer the Condominium Project in such a way as to promote a pleasant and harmonious relationship within the complex for all Owners, Residents and Tenants alike.

7.2 Initial Management Company. The initial management company notwithstanding other provisions of these By-Laws to the contrary, shall have all of the duties of the Board of Directors during the period of declarant control as provided for in the Declaration.

ARTICLE VIII

8.1 Indemnification. The Association shall indemnify every Director, officer, and managing agent, his heirs, executors and administrators, and successors or assigns, against all loss, cost and expense, including counsel fees reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director, officer or managing agent of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer, or managing agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in this Article VIII shall be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under any by virtue of the Condominium Declaration for Park Place Condominiums as a Member or Owner of a Condominium Unit covered thereby. This Right of Indemnification extends to every Director, officer or managing agent, whether suit is brought against them in their official capacity or individual capacity.

ARTICLE IX

9.1 Assessments. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. The assessments shall be made pro rata according to the proportionate share of the Unit Owner in and to the Common Elements and shall be due monthly in advance. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these By-Laws, only if he is current in the assessments made or levied against him and the Condominium Unit owned by him.

9.2 Maintenance and Repair.

a. Every Owner must perform promptly at his own expense all maintenance and repair work within his own Condominium Unit, which if omitted would affect the project in its entirety or in part belonging to other Owners.

b. All the repairs of internal installations of the Unit such as water, light, gas power, sewage, telephone, air conditioners, sanitary installations, doors, windows, glass electrical fixtures, floor and wall coverings and all other accessories, equipment and fixtures belonging to the Unit area shall be at the Owner's expense.

c. An Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any General or Limited Common Element damaged by his negligence or by the negligence of his tenants or agents, or the Owner's failure to maintain those items of which the Owner is responsible for maintenance.

9.3 Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims to mechanic's lien filed against other Condominiums Units and the appurtenant General Common Elements for labor, materials, services or other products incorporated in the Owner's Condominium Unit. In the event suit for foreclosure is commenced, then within ten (10) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to double the amount of such claim plus interest at the rate of ten percent (10%) for one year together with a sum equal to ten percent (10%) of the amount of such claim but not less than Three Hundred and No/100 Dollars (\$300.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the litigation. Disbursements of such funds or proceeds shall be made to ensure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees, shall be paid forthwith by the subject Owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and a lien against his Condominium Unit which may be foreclosed as is provided in Article V of the Declaration. Such Owner shall be liable to the Association for payment of interest at the rate of ten percent (10%) of all sums paid by the Association until the date of repayment by such Owner.

9.4 General.

a. Each Owner shall comply strictly with the provisions of the Condominium Declaration for Park Place Condominiums, the Articles of Incorporation and these By-Laws and amendments and supplements thereto.

b. Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which Project was built.

9.5 Use of General Common Elements and Limited Common Elements. Each Owner may use the General Common Elements and the Limited Common Elements in accordance with the purposes for which they were intended.

9.6 Use of Units B Internal Changes.

a. All Units shall be utilized for residential purposes only.

b. An Owner shall not make structural modifications or alterations to his Unit or installations located therein.

9.7 Right of Entry.

a. An Owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board of Directors in case of any emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

b. An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of emergency, such entry shall be immediate.

9.8 Destruction or Obsolescence. Each Owner shall, if necessary, execute a power of attorney in favor of the Association, irrevocably appointing the Association his attorney in fact to deal with the Owner's Condominium Unit upon its destruction, obsolescence or condemnation, as is provided in Paragraph 6.1 of the Condominium Declaration.

ARTICLE X

10.1 Abatement and Enjoinment. The violation of any rule or regulation promulgated by the Board of Directors, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent, the right, in addition to any other rights set forth therein, (a) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespassing, and to expel, remove and put out same, using such force as may be necessary in so

doing, without being liable to prosecution or in damages therefore; and (b) enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XI

11.1 Rights. The Association and any aggrieved unit Owner shall have an appropriate right of action against Unit Owners for failure to comply with the provisions of the Declaration and these By-Laws, or with decisions of the Association which are made pursuant thereto. Any Unit Owner shall have similar rights of action against the Association.

ARTICLE XII

12.1 By-Laws.

a. After relinquishment of Declarant control of the Association, as set forth in Article IV, these By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Owners representing at least sixty-seven percent (67%) of the aggregate interest of the undivided Ownership of the Common Elements except for those amendments provided therein.

b. Until relinquishment of Declarant control of the Association, these By-Laws may be unilaterally amended by the Declarant to correct any clerical or typographical error or omission, or to change any provision to meet the requirements of the Federal Home Loan Mortgage Corporation, Federal Housing Administration, or other institutional Lenders.

ARTICLE XIII

13.1 Notice to Association. An Owner who mortgages his Unit shall notify the Association through the President of the Association giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Condominium Units."

13.2 Notice of Unpaid Assessments. The Association shall, at the request of a Mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

ARTICLE XIV

14.1 Legal Requirements. These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply. To the maximum extent possible, these By-Laws will be constructed to be in compliance with the Texas Condominium Act.

ARTICLE XV

15.1 Non-Profit Purpose. This Association is not organized for profit. No Unit Owner, Member of the Board or Directors or person from whom the Association may receive any property or funds shall receive or shall by lawfully entitled to receive any pecuniary profit from the operation thereof, and, in no event, shall any part of the funds or assets of the Association be paid as a salary or as compensation to, or distributed to or inure to the benefit of any member of the Board of Directors: provided, however, always, (i) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association; and (ii) that any Member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XVI

16.1 Address. The principal office of the Association shall be located at 1403 West Sixth Street, Austin, Texas 78703, but may be located at such other suitable and convenient place as shall be permitted by law and designated by the Directors.


ARTICLE XVII

17.1 Authorized Agents. The persons, who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary/Treasurer of the Association.

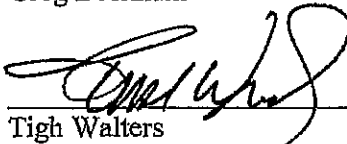
ARTICLE XVIII

18.1 Attestation: Adopted by the Board of Directors on 4/17/07.


Attest:



Greg Beckham



Tigh Walters



Kate Walters

Balance Sheet

Park Place Condominiums

Cash Accounting

December 31, 2019

Balance

Assets

Current Assets

Checking-Rental Trust

\$39,655.02

Total Current Assets \$39,655.02

Total Assets \$39,655.02

Liabilities

Current Liabilities

Tenant Open Credit

\$8,102.00

Total Current Liabilities \$8,102.00

Total Liabilities \$8,102.00

Equity

Current Year Earnings

\$12,135.76

Retained Earnings

\$19,417.26

Total Equity \$31,553.02

Total Liabilities and Equity \$39,655.02

Income Statement

Park Place Condominiums

Cash Accounting

January 1, 2019 to December 31, 2019

Current

Income

Condominium Assessment		\$49,212.00
Laundry Income		\$560.35
Parking Pass Income		\$300.00
Rental Income		(\$350.00)
	Total Income	\$49,722.35

Expenses

Carpentry - General		\$80.00
Cleaning - Debris		\$120.00
Insurance All Risk		\$9,425.53
Landscape Contract Labor		\$1,300.00
Locks, Keys, Hardware		\$309.00
Maintenance Supplies		\$125.43
Management Fees		\$6,000.00
Office Expense & Supplies		\$14.06
Pest Control		\$1,079.24
Plumbing Service		\$812.00
Professional Fees - Legal & Acct		\$500.00
Roof - Gutters		\$1,650.00
Trash Recycling		\$1,156.08
Trash Removal		\$2,573.67
Utilities- Gas		\$2,218.11
Utilities- General		\$654.22
Utilities-Water		\$10,428.25
	Total Expenses	\$38,445.59
	Net Operating Income (Loss)	\$11,276.76

Other

Income Taxes - Prior Year		(\$131.00)
Late Charge Income		\$990.00
	Total Other	\$859.00
	Net Income (Loss)	\$12,135.76

Balance Sheet

Park Place Condominiums

Cash Accounting

July 31, 2020

Balance

Assets

Current Assets

Checking-Rental Trust

\$31,091.92

Total Current Assets

\$31,091.92

Total Assets

\$31,091.92

Liabilities

Current Liabilities

Tenant Open Credit

\$9,534.00

Total Current Liabilities

\$9,534.00

Total Liabilities

\$9,534.00

Equity

Current Year Earnings

(\$9,995.10)

Retained Earnings

\$31,553.02

Total Equity

\$21,557.92

Total Liabilities and Equity

\$31,091.92

Income Statement

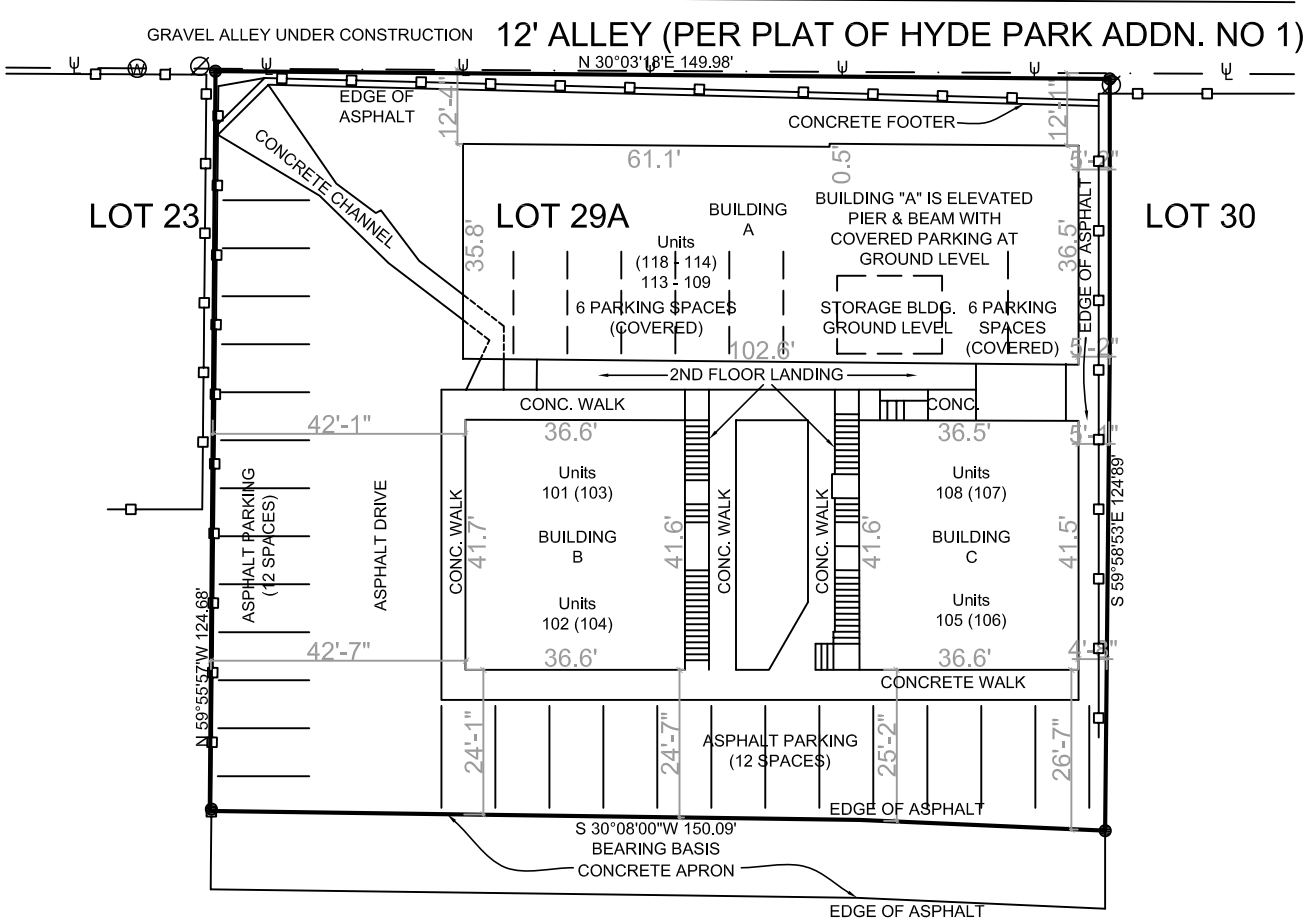
Park Place Condominiums

Cash Accounting

July 31, 2020	Month To Date	Year to Date
Income		
Condominium Assessment	\$6,388.00	\$24,609.00
Parking Pass Income	\$0.00	\$600.00
Rental Income	(\$250.00)	(\$500.00)
Total Income	<u>\$6,138.00</u>	<u>\$24,709.00</u>
Expenses		
Appliances-Repair/Replace	\$0.00	\$101.43
Carpentry - Fence	\$0.00	\$368.05
Electrical Service	\$0.00	\$670.62
Insurance All Risk	\$614.28	\$4,512.54
Landscape Contract Labor	\$100.00	\$1,299.77
Management Fees	\$500.00	\$3,500.00
Parking Lot - Driveway Maintenance	\$0.00	\$12,369.12
Pest Control	\$0.00	\$216.50
Plumbing Service	\$860.00	\$3,017.50
Professional Fees - Legal & Acct	\$0.00	\$500.00
Trash Recycling	\$96.34	\$674.38
Trash Removal	\$257.66	\$1,647.89
Utilities- Gas	\$104.85	\$1,075.37
Utilities- General	\$60.39	\$424.18
Utilities-Water	\$617.58	\$4,826.75
Total Expenses	<u>\$3,211.10</u>	<u>\$35,204.10</u>
Net Operating Income (Loss)	<u>\$2,926.90</u>	<u>(\$10,495.10)</u>
Other		
Late Charge Income	\$125.00	\$500.00
Total Other	<u>\$125.00</u>	<u>\$500.00</u>
Net Income (Loss)	<u><u>\$3,051.90</u></u>	<u><u>(\$9,995.10)</u></u>

DIMENSIONS SHOWN ON PLAN WERE ACCURATE AS OF MARCH 23, 2007. OWNER CHANGES SINCE THAT DATE HAVE NOT BEEN REFLECTED IN THESE PLANS.

ARCHITECT NOT RESPONSIBLE FOR DIMENSIONS NO LONGER ACCURATE DUE TO CONSTRUCTION IN BUILDING.



4306 AVENUE A
(60' R.O.W.)

- WOOD FENCE
- WATER METER
- IRON ROD FND.
- UTILITY POLE
- UTILITY LINE

NOTE: ALL PARKING & DRIVE AREAS, CONC.-WALKS, STAIRWAYS & LANDSCAPING AREAS ARE PART OF COMMON ELEMENTS.



1 Site Plan
1/32" = 1'-0"

Park Place

4306 Ave. A
Austin, Texas
78705

March 23, 2007