



The State of Texas

SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, HEREBY CERTIFIES that the attached is a true and correct copy of the following described instruments on file in this office:

TOWNHOMES ON THE PARK, INC.

ARTICLES OF INCORPORATION

JULY 18, 1980

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, this

.....15 day of March....., A. D. 1983



John W. Fairley
Secretary of State

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

NAME

The name of the corporation is TOWNHOMES ON THE PARK HOMEOWNERS ASSOCIATION, INC.

ARTICLE TWO

NONPROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

ARTICLE FOUR

PURPOSES

The purposes for which the corporation is organized are:

(a) To operate and maintain a condominium project at _____ Sandspoint, Houston, Texas, pursuant to Texas Revised Divil Statutes, Article 1301a.

(b) The general purposes and powers are to have and exercise all rights and powers conferred on nonprofit corporations under the laws of Texas, or which may hereinafter be conferred, including the power to contract, rent, buy or sell personal or real property; provided however, that this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purpose of this corporation.

(d) To do all other acts necessary or expedient to the administration of the affairs and attainment of the purposes of this corporation.

This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for nonprofit purposes.

ARTICLE FIVE

INITIAL REGISTERED AGENT AND OFFICE

The corporation's initial registered agent for service of process shall be Harris Lieberman. The street address of the initial registered agent's office shall be: 5757 Woodway - Suite 110, Houston, Texas 77057.

ARTICLE SIX

BOARD OF DIRECTORS

The number of directors constituting the initial Board of Directors of the corporation is three, and the names and addresses of the persons who are to serve as the initial directors are:

HARRIS LIEBERMAN	5757 Woodway Drive - Suite 110 Houston, Texas 77057
LARRY WHITE	5757 Woodway Drive - Suite 110 Houston, Texas 77057
FORD PAYTON	5757 Woodway Drive - Suite 110 Houston, Texas 77057

ARTICLE SEVEN

INCORPORATORS

The name and street address of each incorporator is:

HARRIS LIEBERMAN	5757 Woodway - Suite 110 Houston, Texas 77057
LARRY WHITE	5757 Woodway Drive - Suite 110 Houston, Texas 77057
FORD PAYTON	5757 Woodway Drive - Suite 110 Houston, Texas 77057

HARRIS LIEBERMAN

LARRY WHITE

FORD PAYTON

THE STATE OF TEXAS

COUNTY OF HARRIS

I, _____, a notary public, do hereby certify that on the _____ day of _____, 1980, personally appeared HARRIS LIEBERMAN, LARRY WHITE and FORD PAYTON, who, each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year above written.

My comm. expires:

Notary Public in and for
Harris County, Texas

Name _____

Vol 125/PG 24 GF. 2526-82 JAM-PM

TOWNHOMES ON THE PARK
DECLARATION OF ANNEXATION OF PHASE THREE

06/28/82 0117843 H508467 @ 70.00

THE STATE OF TEXAS :
COUNTY OF HARRIS :
KNOW ALL MEN BY THESE PRESENTS:

1508467

THIS DECLARATION made on the date hereinafter set forth by THOP DEVELOPMENT, INC., hereinafter referred to as "Declarant",

W I T N E S S E T H :

WHEREAS, Declarant is the owner of certain property in the County of Harris, State of Texas, which is more particularly described as follows:

All that certain 2.18753 acre tract of land out of Block 18, Sharpstown Country Club Estates, Section Three (3) as shown on map or plat recorded in Volume 78, Page 22, Map Records, Harris County, Texas; being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2" iron rod located on the south line of Sands Point Drive, a 68 foot wide street, with the northwest corner of Lot 2, of said Block 18;

THENCE South 82 degrees 28'32" East-147.00 feet along the west line of said Lot 2, to a 1/2" iron rod for a corner; being also the southwest corner of Lot 2;

THENCE South 87 degrees 39'38" West-676.34 feet along the south line of said Block 18, to a 1/2" iron rod for a corner;

THENCE North 82 degrees 38'32" West-62.67 feet to a 1/2" iron rod for a corner;

THENCE North 87 degrees 39'28" East-98.34 feet to a 1/2" iron rod for a corner;

THENCE North 82 degrees 38'32" West-84.33 feet to a 1/2" iron rod for a corner; being also in the said south line of Sands Point Drive;

THENCE North 87 degrees 39'28" East-586.00 feet along the said south line of Sands Point Drive to THE PLACE OF BEGINNING; and containing 91,884 square feet or 2.18753 acres of land.

and more commonly known as Townhomes on the Park, Phase Three;

WHEREAS, by Declaration of Condominium recorded at Volume 118, Page 1, Condominium Records, Harris County, Texas, Townhomes on the Park, Inc. restricted:

A 2.2246 acre tract of land out of Block Nineteen (19), Sharpstown Country Club Estates, Section Three (3), as recorded in Volume 78, Page 22, Harris County Mortgage Records, and as more particularly described at Volume 118, Page 1 of the Condominium Records of Harris County, Texas.

WHEREAS, by Declaration of Annexation recorded at Harris County Clerk's File No. H138789, Townhomes on the Park, Inc.

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0.00 #
said Condominium Regime; and

WHEREAS, the above referenced Declaration of Condominium provides at Article 21, Page 14, that Townhomes on the Park, Inc., its successors or assigns may annex additional tracts out of the adjoining land; and

WHEREAS, THOP Development, Inc. is the assignee of Townhomes on the Park, Inc.; and

WHEREAS, the Declarant is desirous of annexing the above described 2.18753 acre tract to the "Parcel" covered by the above referenced Declaration of Condominium;

NOW THEREFORE, Declarant hereby declares that all of the property described on Exhibit "A" as Phase Three shall be held, sold and conveyed subject to the easements, restrictions, covenants, and conditions set forth in the Declaration of Condominiums recorded in the Office of the County Clerk of Harris County, Texas, at Volume 118, Page 1, Condominium Records, Harris County, Texas, (the "Restrictions") all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property described above and for the purpose of submitting said Parcel to a condominium regime pursuant to Article 1301a of the Revised Civil Statutes of Texas. These easements, covenants, restrictions and conditions shall run with the real property and be binding on all parties having or acquiring any right, title, or interest in the above described properties or any part thereof, their heirs, successors and assigns, and inure to the benefit of each owner thereof.

The property described above and more particularly described on Exhibit "A" as Phase Three, Units 113 through 163, inclusive, shall become a part of the "Property" as defined in the Restrictions shown on Exhibit "A" hereto and from and after the date hereof, Townhomes on the Park Phase Three shall be a part of the Property as if it had been part of the Property as originally described in the Restrictions, and the Unit Owners of such Units 113 through 163, inclusive, shall have the same rights and responsibilities as those Unit Owners of Units 1 through 112

In consideration of Declarant paying the common area
ating, water, and grounds maintenance allocable to Phase III
during construction and move-in and assuming the responsibilities
imposed by Article 10(b) of the Declaration, the common expenses
as to each of the 56 units comprising Units 113 through 168
inclusive, shall commence as to each unit upon the sooner of (a)
the date each unit is conveyed to an owner other than Declarant
or (b) January 1, 1983.

The buildings reflected on Exhibit "A" hereto as Building O
through U, inclusive, contain 56 units which, when added to the
112 units in Phases One and Two total 168 Units. The percentage
of ownership interest in the Common Areas is hereby adjusted to
be as reflected on Exhibit "C" attached hereto and made a part
hereof for all purposes.

Limited Common Elements shall include, but shall not be
limited to, carport parking areas, located as shown on Exhibit
"A" and appurtenant to their respective Units as set out on
Exhibit B-1 through B-7, balcony and patio areas accessible only
from a Unit, hallways adjacent to or serving only a Unit or
Units, as well as the other areas described at Volume 118, Page
1, Condominium Records, Harris County, Texas.

IN WITNESS WHEREOF, the undersigned, being the Declarant
herein, has hereto set his hand and seal this the 13 day of
June, 1982.

THOP DEVELOPMENT, INC.

BY B. F. Gladish

THE STATE OF TEXAS :

COUNTY OF HARRIS :

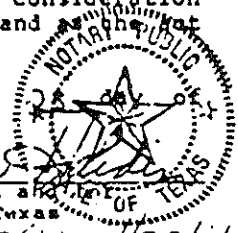
BEFORE ME, the undersigned authority, on this day personally
appeared, BILL F. GLADISH, PRESIDENT OF THOP DEVELOPMENT, INC., a
corporation, known to me to be the person whose name is
subscribed to the foregoing instrument, and acknowledged to me
that he executed the same for the purposes and consideration
therein expressed, in the capacity therein stated and ~~as~~
and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this
June, 1982.

My comm. expires:

12/31/84

Nadine
Notary Public in and for
Harris County, Texas
Printed Name Nadine



JOINDER OF MORTGAGEE

The undersigned, O. N. BAKER, being the owner and holder of an existing mortgage and lien upon and against the real property described in the foregoing Declaration of Annexation, as such Mortgagee and Lienholder, does hereby consent to and join in said Declaration of Annexation Phase Three.

This consent and joinder shall not be construed to operate to release said mortgage or liens owned and held by the undersigned, or any part thereof, but the undersigned agrees that said mortgage and lien shall hereafter be upon and against each and all of the units and all appurtenances thereto, and all the individuals, equitable shares and interests in the Common Area, subject to any restrictions hereby agreed to.

Witness my hand and seal this 22nd day of June, 1982.

[Handwritten Signature]
O. N. BAKER

THE STATE OF TEXAS :

COUNTY OF HARRIS :

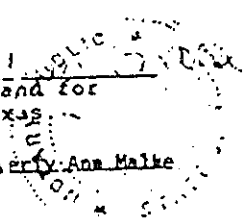
BEFORE ME, the undersigned authority, on this day personally appeared O. N. BAKER, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 22nd day of June, 1982.

Notary Public in and for Harris County, Texas

My commission expires: 1/14/85

Printed Name: Beverly Ann Malke



FILED
JUN 29 3 41 PM
Doris R. Miller
COUNTY CLERK

W I T N E S S E T H :

WHEREAS, TOWNHOMES ON THE PARK, INC., is the owner of real estate containing 2.2246 acres located in the County of Harris, State of Texas, more particularly described on Exhibit "A" attached hereto;

WHEREAS, said TOWNHOMES ON THE PARK, INC. intends to and does hereby submit the Parcel (as said term is hereinafter defined), together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind now or hereafter located thereon, and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property"), to a condominium regime pursuant to Article 1301a of the Revised Civil Statutes of Texas; and

WHEREAS, said TOWNHOMES ON THE PARK, INC. further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, mortgagees, and any other persons hereafter acquiring any interest in the Property shall hold said interest subject to certain rights, easements and privileges in, over and upon said premises and certain mutually beneficial restrictions and obligations and liens with respect to the proper use, conduct and maintenance thereof, hereinafter set forth, all of which rights, easements, privileges, restrictions, obligations and liens are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residence on the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

NOW, THEREFORE, said TOWNHOMES ON THE PARK, INC., as the owner of the real estate hereinbefore described, and for the purpose above set forth, declares as follows:

1. Definitions. As used herein, unless the context otherwise requires:

(a) "Act" means Article 1301a of the Revised Civil Statutes of Texas.

(b) "Association" means TOWNHOMES ON THE PARK HOMEOWNERS ASSOCIATION, INC., a Texas nonprofit corporation now existing or to be created after the date hereof, the members of which shall be the owners of Units within the building. The term "Association" shall have the same meaning as the term "Council of Co-owners" in the Act.

(c) "Budget" shall mean that certain budget of Townhomes on the Park, Inc. and by this reference made a part hereof.

(d) "Board" means the Board of Directors of the Association.

(e) "Buildings" shall mean the seven (7) buildings located or to be located on the Parcel and forming part of the Property and containing fifty-six (56) Units. The "Buildings" are marked as Building A through Building G, inclusive, on Exhibit "A" hereto.

(f) "By-Laws" means the By-Laws of the Association, and by this reference made a part hereto, as amended from time to time.

(g) "Common Elements" means all of the Property except for the Units, and, without limiting the generality of the foregoing, shall include

(2) All foundations, bearing walls and columns; roofs, halls, lobbies, stairways, and entrances and exits or communication ways;

(3) All roofs, yards, and gardens, except as otherwise herein provided or stipulated;

(4) All compartments or installations of central services such as power, light, gas, cold and hot water;

(5) All recreational areas, swimming pools and the like existing for common use; and

(6) All other elements of the Building or Parcel desirably or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime established by this Declaration.

(h) "Common expenses" means and includes:

(1) All sums lawfully assessed against the Common Elements by the Managing Agent or Board;

(2) All expenses of administration and management, maintenance, operation, repair or replacement of and additions to the Common Elements;

(3) Expenses agreed upon as common expenses by the Unit Owners;

(4) Expenses declared to be common expenses by this Declaration or by the By-Laws.

(i) "Council of Co-Owners" means all of the Unit Owners, which Council of Co-Owners has been or will be incorporated as the Association.

(j) "Declarant" means TOWNHOMES ON THE PARK, INC., a Texas corporation, its successors and assigns, provided such successors or assigns are designated in writing by Declarant as a successor or assign of the rights of Declarant set forth herein.

(k) "Declaration" means this instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and such Declaration as amended from time to time.

(l) "Family Group" means a group consisting of all Occupants residing in a Unit or more than one Unit used together.

(m) "Limited Common Elements" means all Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall include, but shall not be limited to, carport parking areas, located as shown on Exhibit "A" and appurtenant to the respective Units as set out on Exhibit B-1 thru B-7, balcony and patio areas accessible only from a Unit, hallways adjacent to or serving only a Unit or Units, as well as "air handlers", pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units, and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows, and entryways, and all associated fixtures and structures therein, as lie outside the Unit boundaries.

ship of the Common Elements.

(o) "Mortgage" means a mortgage or deed of trust covering a Unit and the undivided interest in the Common Elements appurtenant thereto.

(p) "Mortgagee" means a beneficiary under a Mortgage.

(q) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(r) "Parcel" means that certain parcel or tract of real estate identified on Exhibit "A" attached hereto and by this reference made a part hereof.

(s) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(t) "Phase II" shall mean that certain parcel or tract of real estate identified as Phase II on Exhibit "D" attached hereto and by this reference made a part hereof.

(u) "Phase 3&4" shall mean that certain parcel or tract of real estate identified as Phase 3 & 4 on Exhibit "D" attached hereto and by this reference made a part hereof.

(v) "Plat" means the survey of the Parcel and the floor and elevation plans and drawings of all Units in the Property, attached hereto as Exhibits "A" and "B" and by this reference made a part hereof. The Plat contains a description of the Parcel, the location of the Buildings on the Parcel with the Buildings denoted by letter and a description and location for each Unit.

(w) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein and thereon, including the Buildings and all easements, rights and appurtenances belonging thereof, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners.

(x) "Record" or "Recording" refers to the record or recording in the Office of the County Clerk of Harris County, Texas.

(y) "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Buildings, which enclosed space is not owned in common with the Unit Owners of other Units. Each Unit is numbered as shown on the Plat, and the boundaries of each Unit shall be and are the interior surfaces of its perimeter walls, floors, and ceilings and the storage area appurtenant to the specific balcony or terrace. Included with each Unit, without limitation, shall be any finishing materials applied or affixed to the interior surfaces of the common, exterior of interior walls, floors or ceilings (such as, but without limitation, paint, wallpaper, vinyl wall or floor coverings and carpets); interior walls; and all utility pipes, lines, systems, fixtures or appliances servicing only that Unit (whether or not within the boundaries of that Unit).

(z) "Unit Owner" means the person or persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto, but shall not include those having an interest in a Unit merely as security for the performance of an obligation. Unless specifically provided otherwise herein, Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

deemed to submit Phase II or Phase 3 or 4 to the provisions of the Act until Declarant so submits the same pursuant to the provisions of Paragraph 21. of this Declaration. The Property is submitted to the provisions of the Act subject to easements and reservations affecting the Parcel recorded in the Official Public Records of Real Property of Harris County, Texas. In the event of a conflict between this Declaration and the By-Laws of the Association, the terms and provisions of this Declaration shall control and take precedence over any conflicting provision of the By-Laws.

3. Plat. The Plat sets forth the descriptions, locations and other data, as required by the Act, with respect to (1) the Parcel and its exterior boundaries; (2) the Buildings and each floor thereof; and (3) each Unit.

4. Units. The legal description of each Unit shall consist of the identifying number of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument shall legally describe a Unit by its identifying number as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

5. No Partition. The Common Elements and Limited Common Elements shall remain undivided and shall not be the object of any action for partition or division of the co-ownership thereof so long as suitable for a condominium regime, and, in any event, no such partition may be effected until consent is obtained from all mortgagees or all mortgages are paid in full.

6. (a) Association of Unit Owners and Administration and Operation of the Property. There has been or will be formed an Association having the name TOWNHOMES ON THE PARK HOMEOWNERS ASSOCIATION, INC. a Texas nonprofit corporation, which Association shall be the governing body for all of the Unit Owners, for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Declaration and the By-Laws. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of this Declaration and the By-Laws. Each Unit Owner shall be a member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be one hundred (100) and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements as set forth in Exhibit "C" hereto, subject to reduction upon annexation in accordance with paragraph 21 hereto. Until 75% of the units have been sold or four (4) years from the filing of this Declaration in the Condominium Records of Harris County, Texas, or January 1, 1985, whichever occurs later, the members of the First Board, or their successors appointed by Declarant shall serve. Upon the sale by the Declarant of Units which correspond the aggregate, to 75% of the undivided ownership of the Common Elements, as set forth in Exhibit "C" and "E", in the event of annexation of the Declaration or January 1, 1985 or four (4) years from the filing of Declaration in the Condominium Records of Harris County, Texas, whichever occurs first, Unit Owners other than Declarant shall be entitled to elect the directors at a regular or special meeting of members, and simultaneously with the election of such directors, the members of the First Board, to be selected by Declarant, shall resign. At such meeting, a new Board consisting of three directors shall be elected by the Unit Owners; one member of such Board shall hold office for a term of one year and until his successor shall be

provisions of subparagraph (c) below. The Board shall also have the authority (but shall not be obligated) to engage, supervise and control such employees as the Board deems advisable to clean and maintain all or any part of the Units to the extent the Board deems it advisable to provide such services for all or any portion of the Unit Owners. The cost of such services shall be a common expense. Furthermore, any such Managing Agent's contract shall be terminable by the Association for cause upon not more than 30 days written notice, and the term of such agreement will not exceed the period of one (1) year.

(c) Initial Management Contract. The first Board, appointed as provided herein, may approve an initial management agreement as provided in the By-Laws.

(d) Apartments for Building Personnel. The Board shall have authority to lease, purchase and mortgage one residential quarter for a building manager and engineer. All rental or debt service paid by the Association pursuant to any such lease agreement or mortgage shall be a common expense.

(e) Use by Declarant. During the period of sale by the Declarant of any Units, the Declarant and its agents, employees, contractors and subcontractor and their respective agents and employees, shall be entitled to access, ingress to and egress from the Building and Property as may be required for purposes of said sale of Units. While the Declarant owns any of the Units and until each Unit sold by it is occupied by the purchasers, the Declarant and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

(f) Non-Liability of the Directors, Board, Officers, and Declarant. Neither the directors, Board nor officers of the Association nor Declarant shall be personally liable to the Unit Owners for any mistake of judgment or for any acts or omissions of any nature whatsoever as such directors, Board, officers, or Declarant, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers, or Declarant, and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of the By-Laws, and the Association shall carry such insurance as the Board may prescribe to protect the directors, Board, officers or Declarant under said indemnity.

(g) Board's Determination Binding. In the event of any dispute or disagreement between any Unit Owner relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, such dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all such Unit Owners, subject to the right of Unit Owners to seek other remedies provided by law after such determination by the Board.

7. Ownership of the Common Elements. Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit "C" attached hereto and by this reference made a part hereof. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. Such ownership interest shall be subject to reduction by annexation in accordance with paragraph 21 hereto. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the title to that Unit.

8. Use of the Common Elements. Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the Property subject to access made by an easement to the Board) in common

serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Declaration, By-Laws and rules and regulations of the Association. In addition, the Association shall have the authority to rent, lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. All income derived by the Association from lease, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, regulations or resolutions as the Board may adopt or prescribe.

9. Parking Areas. Carport parking spaces shall be part of the Limited Common Elements, and shall be used by such Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe, and carport parking spaces not so used by Unit Owners or assigned by Declarant may be otherwise used in such manner as the Board may prescribe. The project shall contain sufficient parking space to accommodate at least one automobile for each unit. There are not sufficient covered parking spaces for all of the unit owners, therefore Units 1, 2, 3, 4, 5, 7, 17, 19, 21, 23, 33, 35, 37, 39, 49, 51, 53, and 55 shall be assigned uncovered parking spaces by Declarant.

10. (a) Common Expenses: Each Unit Owner, including the Declarant, shall pay his proportionate share of the common expenses, provided, however, the terms and provisions of this subparagraph (a) are subject to the terms and provisions or subparagraph (b) below. Except for its responsibilities as a Unit Owner, as provided herein, the Declarant shall not have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Declaration is recorded. Such proportionate share of the common expenses for each Unit Owner shall be in accordance with his percentage of ownership in the Common Elements. Payment of common expenses, including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non-use or waiver of enjoyment of the Common Elements or Limited Common Elements or by abandonment of his Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with interest thereon at the maximum rate as may then be permitted under the laws of the State of Texas, accruing from and after the date that said common expenses become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property and his Unit. Furthermore, if any assessment is received by the Association ten (10) days after the due date, a service charge of \$25.00 shall be paid to the Association.

(b) Owners' Liability for and Declarant's Guarantee Relating to Common Expenses During First Year. The Budget sets forth and describes for each Unit within the Parcel and for each proposed Unit within the Parcel an amount designated therein as the "Monthly Assessment". Notwithstanding anything contained in this Declaration to the contrary (including, but without limitation, the terms and provisions of subparagraph (a) above), for a period (hereinafter referred to as the "Initial Period") of one year from and after the first day of the calendar month next following the date of recording of this Declaration, each Unit Owner including Declarant shall pay and be responsible for monthly, and his proportionate share of the common expenses shall be deemed to be, his respective Monthly Assessment, notwithstanding the fact his proportionate share of the actual common expenses during the Initial Period may be greater or less than his respective Monthly Assessment. If the total Monthly Assessments payable during the Initial Period are greater than the actual common expenses incurred during the Initial Period, such excess shall be thereafter used as the Board may prescribe. However, if the total Monthly Assessments payable during the Initial Period are less than the actual common expenses incurred during the Initial Period, such deficiency shall be paid solely by Declarant, it being agreed that Declarant hereby guarantees the payment of all common expenses for the Initial Period which may be in excess of the total Monthly Assessments payable during such period.

a majority of the Unit Owners.

(d) Metered Utilities. Each Unit Owner shall also pay for all utility services, including electricity and other utility services (including telephone), if any, separately metered for such Unit Owner's Unit. Each Unit Owner shall make such payments for separately metered utility services to the public utility company providing such utility service if provided directly to the Unit Owner or to the Association if such utility services are separately metered or submetered for the Units.

(e) Enforcement of Lien. The Board may bring an action at law against the Unit Owner personally obligated to pay the same, for collection of his unpaid proportionate share of the common expenses, or foreclose the lien against the Unit or Units owned by such Unit Owner, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Unit Owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Unit Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including nonjudicial foreclosure pursuant to Article 3810 of the Revised Civil Statutes of Texas and each such Unit Owner hereby expressly grants to the Board a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Board and shall be for the common benefit of all Unit Owners. The Board shall have the authority to appoint a trustee, and thereafter successor trustees from time to time, to act on behalf of the Board in foreclosing such lien, and such appointment may be made without any formality other than a written appointment of a trustee or successor (substitute) trustee, and the Board may appoint a substitute trustee at any time in its discretion. The Board acting on behalf of the Unit Owners shall have the power to bid upon an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(f) Mortgage Protection. The lien for common expenses payable by a Unit Owner shall be subordinate to the lien of a recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee thereunder either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage. This subparagraph (f) shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees of record.

11. Mortgages. Each Unit Owner shall have the right, subject to the provisions herein, to make separate Mortgages for his respective Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create or cause to be made or created from the date hereof any Mortgage or other lien on or affecting the Property or any part thereof, except only to the extent of his own Unit, and the respective percentage interest in the Common Elements appurtenant thereto.

12. Separate Real Estate Taxes. Taxes, assessments and other charges of any taxing or assessing authority shall be separately assessed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes or assessments for any year are not separately assessed to each Unit Owner, but rather are assessed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage or ownership interest in the Common Elements, and, in said event, such taxes or assessments shall be a common expense. Without limiting the authority of the Board provided for elsewhere herein, the Board shall have the authority to collect from the Unit Owners their proportionate share of taxes or assessments for any year in which taxes are assessed on the Property as a whole.

for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement cost shall be deemed the cost of restoring the Common Elements, Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to the Board as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in the Declaration, and for the holders of Mortgages on his Unit, if any. Such policies of insurance must also contain, if possible, a waiver of subrogation rights by the insurer against the Owners Association, individual Unit Owners, their respective agents, employees, or tenants, and any defenses based upon co-insurance or on invalidity arising out of acts of the insured. The premiums for such insurance shall be a common expense. The Board shall also obtain an Agreed Amount Endorsement or its equivalent, if available, or an Inflation Guard Endorsement and, if required by Federal National Mortgage Association, Demolition and Contingent Liability from Operation of Building Laws Endorsements, an Increased Cost or Construction Endorsement or other endorsements as the Board may deem appropriate. If the project contains a steam boiler, the Board shall obtain an endorsement or a broad-form policy of repair and replacement boiler and machinery insurance of at least \$50,000.00 per accident per location.

The following provisions shall apply with respect to damage by fire or other causes:

(a) If any one of the Buildings is damaged by fire or other casualty and said damage is limited to a single Unit, all insurance proceeds shall be paid to the Unit Owner or one or more Mortgagees of such Unit, as their respective interests may appear, and such Unit Owner or Mortgagees shall use the same to rebuild or repair such Unit substantially in accordance with the original plans and specifications therefor. If such damage extends to two or more Units, or extends to any part of the Common Elements, such insurance proceeds shall be paid to the Board, as trustee, or to such bank or trust company as may be designated by amendment hereof, to be held in trust for the benefit of the Unit Owners and their Mortgagees as their respective interests may appear. The Board shall thereupon contract to repair or rebuild the damaged portions of all Units, the Buildings, and the Common Elements substantially in accordance with the original plans and specifications therefor and the funds held in the insurance trust fund shall be used for this purpose. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board shall levy a special assessment on all Unit Owners, in proportion to the percentage interest of each Unit Owner in the Common Elements, to make up any deficiency. If any Unit Owner shall fail to pay the special assessment within thirty (30) days after the levy thereof, the Board shall make up the deficiency by payment from the common expense fund; provided, however, that such Unit Owner shall remain liable for such special assessment. Furthermore all policies of property insurance must provide that, despite any provisions giving the carrier the right to elect to restore damage in lieu of a cash settlement, such option shall not be exercisable without the prior written approval of the Association or when in conflict with any requirement of law.

(b) Notwithstanding the provisions of subparagraph (a) above, reconstruction shall not be compulsory where the whole or more than two-thirds (2/3) of all Units and of the Common Elements is destroyed or damaged by fire or other casualty, as determined by the Council of CoOwners. In such case, and unless otherwise unanimously agreed upon by the Unit Owners, the insurance proceeds shall be delivered to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements; and the Board, as soon as reasonably possible

Unit Owners or their Mortgagees, as their interest may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements.

(c) Within sixty (60) days after any such damage occurs, the Managing Agent, or the Board shall, or if they do not, any Unit Owner, the insurer, the insurance trustee or any Mortgagee may, record a sworn declaration stating that such damage has occurred, describing it, identifying the Building suffering such damage, the name of any insurer against whom claim is made, and the name of any insurance trustee, reciting that the sworn declaration is recorded pursuant to this paragraph of this Declaration, and that a copy of such sworn declaration has been served pursuant to the provisions of Paragraph 25 hereof on the Owners Association.

(d) If the Unit Owners shall not rebuild pursuant to subparagraph (b) above, and the Board fails to consummate a sale pursuant to said subparagraph (b) within twenty-four (24) months after the destruction or damage occurs, then the Managing Agent, or the Board shall, or if they do not, any Unit Owner or Mortgagee may, record a sworn declaration setting forth such decision and reciting that under the provisions of this Declaration the prohibition against judicial partition provided for in Paragraph 5 hereof has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Texas. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall terminate.

The Board shall also have the authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, Mortgage of record, if any, the Association, its officers, directors, Board and employees, the Declarant, and the Managing Agent, if any, from liability in connection with the Common Elements. The premiums for such insurance shall be a common expense. The comprehensive policy of public liability insurance shall also contain a Severability of Interest Endorsement or equivalent coverage which would preclude the Insurance Company from denying the claim of a unit owner because of the negligent acts of the Owners Association or another unit owner, with limits of not less than \$1,000,000.00 covering all claims for personal injury and/or property damage arising out of a single occurrence, including protection against water damage liability and such other risks as are customarily covered in similar projects.

The Owners Association, acting through the Board, must maintain adequate fidelity coverage to protect against dishonest acts by its officers, directors, trustees, and employees and all others who are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

(i) all shall name the Association as the obligee;

(ii) all bonds shall be written in an amount equal to at least 150% of the estimated annual operating expenses of the condominium project, including reserves, unless a greater amount is required by Federal National Mortgage Association (FNMA);

(iii) all shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

(iv) all shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to the servicer on behalf of FNMA.

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit and the contents of the Limited Common Elements

against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at his option and expense, obtain additional insurance. The insurance coverage acquired by the Association may not be brought into contribution with insurance purchased by the owners of the condominium units or their mortgagees. Insurance coverage of the Owners Association must not be prejudiced by (a) any act or neglect of the owners of condominium units when such act or neglect is not within the control of the Owners Association or (b) any failure of the Owners Association to comply with any warranty or condition regarding any portion of the premises over which the Owners Association has no control. All insurance coverage must provide that such coverage may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days prior written notice to any and all insureds, including the Servicing Agent for FNMA.

14. Maintenance, Repairs and Replacements. Except to the extent the Board provides maintenance (at its option and discretion maintenance of the Units for Unit Owners), each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Units to the extent the Board elects to provide such services and within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. However, at the discretion of the Board, maintenance of, repairs to and replacements within the Limited Common Elements may be assessed in whole or in part to Unit Owners benefited thereby, and, further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance of, repairs and replacements in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and subcontractor's sworn statements as may be required to protect the Property from all mechanics and materialmen's lien claims that may arise therefrom.

In addition to the discretionary authority provided herein for maintenance of all or any portion of the Units, the Board shall have the authority to maintain and repair any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board, and the Board shall levy a special assessment against the Unit or such Unit Owner for the cost of said necessary maintenance or repair.

If, due to the act or neglect of a Unit Owner, or his agent, servant, tenant, family member, invitee, or licensee, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association; however, the provisions of this Paragraph are subject to the provisions of Paragraph 13 hereof providing for waiver of subrogation rights with respect to casualty damage insured against under the policies of insurance maintained by the Board.

The authorized representatives of the Association or Board, or the Managing Agent with approval of the Board, shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs or replacements.

15. Alterations, Additions or Improvements. Except as provided in Paragraph 19. herein, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

16. Decorating. Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wall papering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the Interior surfaces of the perimeter walls, floors and ceilings of his Unit, and any balconies and terraces constituting a part thereof, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. All windows forming part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit. No Unit Owner shall enclose the balcony of the Unit or decorate the portions of such balcony visible from outside such Unit in any manner which detracts from the appearance of the Building, and the determination of the Board on such matters shall be final.

17. Encroachments. If any portions of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portions of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown by the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved, to the extent of such encroachment, so long as the same shall exist.

18. Use and Occupancy Restrictions. Subject to the provisions of this Declaration and By-Laws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed. Each Unit or any two or more adjoining Units used together shall be used as a residence or such other use permitted by this Declaration, and for

records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, the garage, storage areas, swimming pool area and other areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operations of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

Without limiting the generality of the foregoing provisions of this Paragraph 18, use of the Property by the Unit Owners shall be subject to the following restrictions.

(a) Nothing shall be stored in or upon the Common Elements without prior consent of the Board except storage areas or as otherwise herein expressly provided;

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or on the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which will be in violation of any law;

(c) No waste shall be committed in or on the Common Elements;

(d) Each Unit Owner shall keep and maintain the interior of his Unit in good condition and repair, including all appliances; the entire air conditioning system (including compressors, ducts and vents) serving the Unit (whether the same is inside or outside the Unit) and all electrical systems, water lines and other fixtures located within the Unit;

(e) Unit Owners may not maintain more than a reasonable number but never more than one dog or one cat per Unit. No pet may be chained, leashed or otherwise kept on any balcony. Dogs and cats must be kept on leash in the owner's control when walked in the common elements. Areas shall be designated for animal waste deposit. Animal owners shall be responsible for the sanitary disposal of animal waste. The animal owner shall be responsible for the control of animal odor, and animal noise. No pet may be kept in any Unit if such animal is determined by the Board to be a nuisance or an annoyance to the residents of the Project.

(f) Each Unit Owner shall provide and maintain garbage and trash receptacles as may be directed by the Board, and all garbage and trash shall be kept in said receptacles. Furthermore, each Unit Owner agrees to place his garbage and trash in plastic bags which are secured with wire or string and place such bags on the curb no sooner than 8:00 o'clock P.M. on the day preceding the appointed day for trash collection by the City of Houston. Unit Owners who violate this provision will be subject to such penalties as the Board may elect to impose hereunder or under provisions of the By-Laws, including a fine of \$25.00 per violation.

(g) No Unit Owner or Occupants shall play upon, or suffer to be played upon, any musical instrument, or permit to be operated a phonograph or radio loudspeaker in any Unit or on the Property between the hours of 11:00 o'clock p.m. and the following 9:00 a.m., if the same may tend to disturb or annoy other Occupants of the Buildings nor shall any Occupant or Unit Owner commit or permit any nuisance, or immoral or illegal act in his Unit or on the Property;

Board's direction;

(i) No noxious or offensive activity shall be carried on in any Unit or on or in the Common Elements nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners;

(j) Except as expressly provided hereinabove, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board;

(k) No structure of a temporary character, trailer, antenna, tent, shack, garage, barn, or other outbuildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof;

(l) Outdoor drying of clothes, bedding or similar items shall not be permitted;

(m) Parking of vehicles in driveways and parking areas shall be subject to the rules and regulations of the Board applicable thereto;

(n) Except within individual Units, no planting, transplanting or gardening shall be done and no fences, hedges or walls shall be erected or maintained upon the Property, except as approved by the Board.

(o) Motorcycles, motorbikes, motor scooters or other similar vehicles shall not be operated within the Property except for the purpose of transportation, it being intended that said vehicles shall not be operated within the Property so as to annoy or disturb persons or endanger persons or property;

(p) Neither the Board nor the Association shall take nor permit to be taken any action that unlawfully discriminates against one or more Unit Owners.

20. Remedies. In the event of any violation of the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit) the Association, or its successors, or assigns, or the Board, or its agent, or any Unit Owners, shall have each and all of the rights and remedies which may be provided for in the Act, Declaration, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorney's fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the maximum lawful rate per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all the same, as well as for nonpayment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinate to the lien of a prior recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said Mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest

or Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Declaration, (a) to enter upon the Unit, or any portion of the property upon 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 structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner provided by law.

21. RESERVATION OF RIGHT OF MERGER AND ANNEXATION. For a period of four (4) years from the date of recordation of this Declaration, or January 1, 1985, whichever is later, the Declarant reserves the right, authority and power to annex three(3) tracts out of the adjoining land of approximately 6.4 acres shown as Future Sections II and 3 & 4 in the attached Exhibit "D" for the purpose of establishing, annexing and merging three (3) additional Condominium Regimes. The three (3) respective Regimes may be created simultaneously or staggered and shall conform in basic respects to the general restrictions, limitations and benefits contained in this Declaration. Notwithstanding anything herein contained to the contrary, the Declarant shall obtain the prior written approval of the Veterans Administration for any annexation or merger if Declarant desires to qualify such annexed areas for VA financing. By way of creation of each additional Condominium Regime, the Declarant further reserves the right and power to merge the respective Associations into one (1) common Association and to change, alter and merge the interests associated with the Condominium Units in the Common Elements of the respective Regimes into one (1) Common Element of ownership to be shared and owned in common, pro rata by all Unit Owners. However, any annexation and merger of additional Condominium Regimes shall entail buildings, and Condominium Units of comparable design, size (no unit shall be less than 700 square feet) and quality, and shall be accomplished by the filing of appropriate Condominium Declaration Supplements or Declarations of Annexation and Merger. Said documents shall be recorded in the Condominium Records of Harris County, Texas, which will, inter alia:

- (a) Be executed by only the Developer or its successors or assigns;
- (b) Contain a legal description of the land to be annexed to the Condominium;
- (c) Contain a sufficient description of the Units built or to be built on the annexed land;
- (d) Contain a reallocation of percentage of ownership interest in the Common Areas (as expanded by annexation) among all Units in the Condominium (as expanded by annexation); and
- (e) Any other information required by law or necessary to effectuate the intent of this Article.

Thereafter, the Condominium shall be governed by this Declaration as if all of the annexed land and improvements had been a part of the Condominium from the outset.

Notwithstanding anything contained in this Declaration, the terms and provisions of this Declaration shall not cover nor be deemed to burden any other lands owned by Declarant, including Phase II, 3 & 4, which are situated adjacent to or near the Parcel. Declarant, its successors and assigns, shall have the right

The Board shall give written notice of the existence of such proceedings to all owners and mortgagees known to the Board. The expense of participation in such proceedings by the Board shall be born by the maintenance fund. The Board is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board in its discretion deems necessary or advisable to aid to advise it in matters related to such proceedings. All damages or awards for any such takings shall be deposited with the Board acting as Trustee, and such damages or awards shall be applied or paid as provided herein.

(b) Common Elements; Limited Common Elements Not Subject to Exclusive Use. In the event that an action in eminent domain is brought to condemn a portion of the Common Elements, or any Limited Common Elements that are not exclusively limited to the use of the Unit Owner of one unit (hereinafter in this subsection (b) of Section 22., only, all references to Limited Common Elements) the Board shall have the sole authority to determine whether to defend or resist any such proceedings; to make any settlement with respect thereto; of such condemnation proceeding. With respect to any such taking of Common Elements or Limited Common Elements, all damages and awards shall be determined for such taking as a whole and not for each owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to each owner in proportion to his percentage interest. The Board may, if it deems advisable, call a meeting of the Association, at which meeting the members, by a majority vote, shall decide whether to replace or restore as far as possible the Common Elements or such Limited Common Elements so taken or damaged.

(c) Taking of less than Two-Thirds of Units and Limited Common Elements Subject to Exclusive Use. In the event that any eminent domain proceeding results in the taking of or damage to one or more, but less than two-thirds of the total number of Units or those Limited Common Elements reserved for the exclusive use of the Owner of one Unit (hereinafter in this subsection (c) of Section 22., only, all references to Limited Common Elements shall be deemed to be only to such Limited Common Elements), or both, then the damages and award for such taking and the payment thereof shall be determined in accordance with the following:

(1) The Board shall determine which of the Units damaged by such taking may be tenantable and which Limited Common Elements may be usable for the purposes set forth in this Declaration.

(2) The Board shall determine whether it is reasonably practicable to operate the remaining Units and Limited Common Elements (including those which may be made tenantable or usable) in the manner provided in this Declaration.

(3) If the Board determines that it is not reasonably practicable to operate such remaining Units and Limited Common Elements, then the project shall be deemed to be regrouped and merged into a single estate owned jointly and undivided interest by all owners, as tenants in common, in their respective percentage interests, and the condominium regime hereby established shall terminate.

(4) If the Board determines that it will be reasonably practicable to operate such remaining Units and Limited Common Elements, then the damages and awards made with respect to each Unit and Limited Common Element which has been determined to be capable of being made tenantable or usable shall be applied to the repair and reconstruction thereof. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the owners of those Units which are being repaired or reconstructed so as to be made tenantable and against those owners who have the exclusive right

the exclusive right of use of the Limited Common Elements, or to their mortgagee, as their interest may appear, and the remaining portion of such Units and Limited Common Elements, if any, shall be a part of the Common Element and the repair and use thereof shall be determined by the Board. Those Units which may not be made tenantable shall no longer be a part of the Parcel and the percentage interest appurtenant to each remaining Unit of the Parcel shall be adjusted by the Board, in such manner as it may determine, to distribute the ownership of the undivided interests in the Common Elements among the reduced number of owners. After making such adjustment the Board will cause an instrument reflecting the new percentage interests appurtenant to each Unit to be duly recorded.

(d) Taking in Excess of Two-Thirds of Units and Limited Common Elements Subject to Exclusive Use. If the entire Parcel is taken or two-thirds (2/3) or more of the Units and Limited Common Elements subject to exclusive use are taken or damaged by such taking, all damages and awards shall be paid to the accounts of the owners thereof (or the owners entitled to such exclusive use), in proportion to their percentage interests and the condominium regime hereby established shall terminate upon such payment. Upon such termination, the Units, Common Elements and Limited Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interests by all owners, as tenants in common, in their respective percentage interests.

(e) Payment of Awards and Damages. Any damages or awards provided in this Section to be paid to or for the account of any owner by the Board, acting as trustee, subject to the provisions of any mortgage affecting such owner's Unit, shall be applied first to the payment of any taxes or assessments by governmental authorities past due and unpaid with respect to that Unit; secondly, to amounts due under any mortgages; thirdly, to the payment of any unpaid monthly assessments or special assessments charged to or made against the Unit; and finally to the owner of such Unit.

23. Sales and Other Transfers. No Unit Owner shall sell, assign, convey or otherwise transfer his Unit or any interest therein unless at least ten (10) days prior to any such sale, assignment, conveyance or transfer he gives written notice to the Board of the name(s) and address(es) of each proposed purchaser, assignee or transferee. The purpose of this Paragraph 23. is to make certain that any proposed purchaser, assignee or transferee is made aware of the provisions of this Declaration, as well as of any delinquent assessments, if any, attributable to the applicable Unit, prior to the consummation of any such purchase, assignment or transfer.

24. Amendment. The provisions of this Declaration may be changed, modified, or rescinded by an instrument in writing setting forth such change, modification or rescission and signed and acknowledged by Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such instrument; provided further, however, the provisions of Paragraph 21, hereof may not be changed, modified or rescinded without the prior written consent of Declarant. Except as expressly provided in Paragraph 21. above, the percentage ownership of the Common Elements provided for in this Declaration shall not be amended or modified without the consent of all Unit Owners and of all Mortgagees.

However, if the Act, the Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all Mortgagees for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all Mortgagees or both as required by the Act or this Declaration. Furthermore, in the event the Veterans Administration has guaranteed any loans for units in Townhomes on the Park Condominiums, then the Veterans Administration must approve any amendment to this Declaration.

Declarant shall have the authority, without the joinder or consent of any other party, to make any amendment of this Declaration necessary to clarify

upon recording of such instrument in the office of the county clerk of Harris County Texas; provided, however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

25. Notices. Notices provided for in the Act, Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board, or to any Unit Owner, as the case may be, at 5757 Woodway, Houston, Texas 77057, or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

Upon written request to the Board, the holder of any recorded Mortgage encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit is subject to such Mortgage.

26. Severability. If any provision of the Declaration or By-Laws or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration or the By-Laws shall be construed as if such invalid part was never included therein.

27. Rights and Obligations. Each grantee of the Declarant, by the acceptance of the deed of conveyance from the Declarant, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

28. Rights of Mortgagees. (a) Notice to Association. An Owner who mortgages his unit shall notify the Association giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units."

(b) Notice of Default. The Association shall notify a first mortgagee in writing, upon request of such mortgagee, of any default by the mortgagor in the performance of such mortgagor's obligations as set forth in the Declaration which is not cured within thirty (30) days.

(c) Taxes and Other Charges on Common Area. The Association shall immediately reimburse first mortgagees who may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area; or who may pay overdue premiums on hazard insurance policies; or who may secure new hazard insurance coverage on the lapse of a policy.

(d) Examination of Books. The Association shall permit first mortgagees to examine the books and records of the Association during normal business hours.

(e) Reserve Fund. The Association shall establish an adequate reserve fund for replacement of the Common Area property and fund the same by regular monthly payments rather than by special assessments.

(g) Notice of Meetings. The Association shall furnish each first mortgagee upon request of such mortgagee, prior written notice of all meetings of the Association and permit the designation of a representative of such mortgagee to attend such meetings, one such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.

(h) Notice of Amendments to Declaration, etc. The Association shall furnish each first mortgagee prior written notice for the following: (i) abandonment or termination of TOWNHOMES ON THE PARK, INC. as a planned unit development; (ii) any material amendment to the Declaration, By-Laws or Articles of Incorporation of the Association; and (iii) the termination of any professional management contract for the planned unit development.

(i) Leases. With the exception of a lender in possession of a condominium unit following a default in a first mortgage, a foreclosure proceeding or any deed or arrangement in lieu of foreclosure, no unit owner shall be permitted to lease his unit for transient or hotel purposes. No unit owner may lease less than the entire unit. The Association shall require that all leases of any units must: (i) be in writing, and (ii) provide that such leases are specifically subject in all respects to the provisions of the Declaration, Articles of Incorporation and By-Laws of the Association, and that any failure by the lessee to comply with the terms and conditions of such documents shall be a default under such leases. Other than the foregoing, there shall be no restriction on the right of any unit owner to lease his unit.

(j) Notice of Damage or Destruction. The Association shall furnish the first mortgagees timely written notice of any substantial damage or destruction of units and of any part of the Common Area and facilities.

(k) Notice of Condemnation or Eminent Domain. The Association shall furnish the first mortgagees timely written notice of any condemnation, or eminent domain proceeding regarding all or any portion of a unit or of the Common Areas and facilities and of any proposed acquisition of all or any part of such properties through condemnation or eminent domain proceedings.

(l) Consent of Mortgagees Required. (a) Unless all of the first mortgagees of units in Townhomes on the Park Condominiums have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission seek to abandon, partition, subdivide, alienate, release, encumber, hypothecate, sell or transfer, real estate or improvements thereon which are owned, directly or indirectly, by such Association, for the benefit of the owners of residential tracts in the subdivision; the granting of easements for public utilities or for other public purposes consistent with the intended use of such property by the subdivision shall not be deemed a transfer within the meaning of this clause;

(2) change the ratio of assessment or the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner.

(b) Unless one hundred (100%) percent of the first mortgagees of units owned by Owners in the Association have given their prior written approval, the Association shall not be entitled to:

(1) by act or omission change, waive or abandon any scheme or regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of units, the exterior maintenance of units, the maintenance of party walls or common fences and driveways, or the upkeep of lawns and plantings in the subdivision;

(2) fail to maintain fire and extended coverage on insurable Common Area property on a current replacement cost basis in an amount not less

(3) use hazard insurance proceeds for losses to any Common Area property for other than the repair, replacement or reconstruction of such improvements.

(m) Management Agreements. Any management agreement entered into by the Association will be terminable by the Association for cause upon not more than thirty (30) days' written notice, and the term of such management agreement will not exceed the period of one (1) year, renewable by agreement of the parties to such agreement for successive one (1) year periods.

(n) Delegations of Owner's Use of Common Area. Regarding an Owner's delegation of his rights of enjoyment to the Common Areas and facilities as provided in this Declaration, no such delegation shall work a severance of the rights of enjoyment of the Common Areas and facilities from the ownership of a unit, and any such delegation by any owner shall automatically terminate upon conveyance of legal title to such unit by said owner.

(o) Distribution. With respect to substantial damage to or destruction of any unit or any part of the Common Areas and facilities, nothing herein or in any other document establishing the Association will entitle the owner of a unit or other party to priority over a lienholder (an institutional holder of any first mortgage lien or equivalent security interest in a unit) with respect to any distribution to such unit owner of any insurance proceeds.

(p) FHLMC and FNMA Regulations. Notwithstanding anything in this Declaration to the contrary, Declarant may amend this Declaration to conform with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any similar duly constituted governmental authority, by written instrument executed by Declarant only and duly recorded in the records of the County Clerk of Harris County, Texas.

IN WITNESS WHEREOF, the said TOWNHOMES ON THE PARK, INC. has caused its name to be signed to these presents by its duly authorized officer on this _____ day of _____, 19____.

TOWNHOMES ON THE PARK, INC.

ATTEST:

BY _____

THE STATE OF TEXAS :

COUNTY OF HARRIS :

BEFORE ME, the undersigned authority, on this day personally appeared, _____ of TOWNHOMES ON THE PARK, INC., a 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 for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 1980.

Notary Public in and for
Harris County, Texas

Name _____

My commission expires: _____

BY-LAWS
OF
TOWNHOMES ON THE PARK HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

Members - (Unit Owners)

SECTION 1. Eligibility. The Members of TOWNHOMES ON THE PARK HOMEOWNERS ASSOCIATION, INC., a Texas nonprofit corporation, shall consist of the respective Unit Owners of the Property known as TOWNHOMES ON THE PARK CONDOMINIUMS, located at
in accordance with the respective percentages of ownership interest in the Common Elements with the respective Property owned by the respective Unit Owners (these and other terms are used in these By-Laws as they are defined in the Declaration of Condominium for TOWNHOMES ON THE PARK, which Declaration is recorded in the Office of the County Clerk of Harris County, Texas. The word "member" or "members" as used in these By-Laws means and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration.) If a Unit Owner is a corporation or partnership, the member may be an officer, partner or employee of such Unit Owner.

SECTION 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interests.

SECTION 3. Regular Meetings. The first regular annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board; provided, however, that said First Meeting shall be held not less than thirty (30) days and not more than one hundred twenty (120) days after the earlier to occur of January 1, 1985, or the date on which this Declarant has sold and delivered its deed for at least fifty one (51%) percent of the undivided ownership of the Common Elements, as set forth in Exhibit "C" of the Declaration, such ownership to be adjusted for future annexations. Subsequent to the First Meeting,

such meetings of Unit Owners shall begin at a reasonable hour and shall be held at such place in Harris County, Texas, and on such date as may be specified in a written notice of the meeting, which shall be given to all Unit Owners at least ten (10) days prior to the date of the meeting.

SECTION 4. Special Meetings. Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, or by Unit Owners having at least two-fifths (2/5) of the votes entitled to be at such meeting. Said special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered.

SECTION 5. Delivery of Notice of Meetings. Notices of meetings may be delivered either personally or by mail to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board.

SECTION 6. Waiver of Notice. Any Unit Owner may at any time waive notice of any meetings of the Unit Owners in writing, and such waiver shall be deemed equivalent to the giving of such notice.

SECTION 7. Voting. The aggregate number of votes for all Unit Owners shall be one hundred (100), and shall be divided among the respective Unit Owners, in accordance with their respective percentages of ownership interest in the Common Elements. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. The Declarant may exercise the voting rights with respect to Units owned by it.

SECTION 8. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

SECTION 9. Proxies. A Unit Owner may vote by proxy at any meeting of Unit Owners, provided such proxy is in writing and signed by the Unit Owner or his duly authorized attorney-in-fact. All such proxies shall be filed with the Secretary and shall be retained in the records of the Association.

SECTION 10. Votes in the Event of Multiple Ownership of a Unit. In the event a Unit is owned by more than one person, if such persons cannot agree upon the exercise of their right to vote pursuant to these By-Laws, each person shall have a fractional vote based upon his fractional share of ownership of that Unit. A co-owner of a Unit may permit the other co-owner of the Unit to vote his interest by furnishing to other co-owner with a proxy. In the absence of any co-owner, a vote for the whole Unit cast by a co-owner shall be held to be a valid proxy of the absent co-owner, unless challenged at the time the vote is cast.

SECTION 11. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows, to the extent required:

- (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) Report of Board of Directors;
- (f) Report of committees;
- (g) Election of members of the Board of Directors;
- (h) Unfinished business;
- (i) New business;
- (j) Adjournment.

ARTICLE II

Board of Directors

SECTION 1. Number, Election and Term of Office.

The Board of Directors of the Association (referred to herein as the "Board") shall consist of three (3) members (hereinafter referred to as "directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that the directors listed in the Articles of Incorporation of the Association (hereinafter called "members of the First Board") shall be appointed by the Declarant. Those candidates for election as director receiving the greatest percentage of votes cast either in person or by proxy at the meeting shall be elected. Until 75% of the units have been sold or four (4) years from the filing of this Declaration in the Condominium Records of Harris County, Texas, or January 1, 1985, whichever occurs later, the members of the First Board, or their successors appointed by Declarant shall serve. Upon the sale by the Declarant of Units which correspond, the aggregate, to 75% of the undivided ownership of the Common Elements, as set forth in Exhibit "C" and "E" in the event of annexation of the Declaration or January 1, 1985 or four (4) years from the filing of Declaration in the Condominium Records of Harris County, Texas, whichever occurs first, Unit Owners other than Declarant shall be entitled to elect the directors at a regular or special meeting of members, and simultaneously with the election of such directors, the members of the First Board, to be selected by Declarant, shall resign. At such meeting, a new Board consisting of three directors shall be elected by the Unit Owners; one member of such Board shall hold office for a term of one year and until his successor shall be elected and qualified, one other member of such board shall hold office for a term of two years and until his successor shall be elected and qualified, and one other member of such Board shall hold office for a term of three years and until his successor shall be elected and qualified.

SECTION 2. Qualification. Except for members of the First Board, each director shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Unit Owner or beneficiary). If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

SECTION 3. Vacancies. Any vacancy occurring in the Board shall be filled by a majority vote of the remaining members thereof, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director whom he succeeds.

SECTION 4. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board or not less than forty-eight (48) hours' notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting.

SECTION 5. Removal. Any director may be removed from office for cause by the vote of two-thirds (2/3) of the total undivided ownership of the Common Elements. Failure to attend three consecutive meetings of the Board shall be deemed to be cause for removal. Any member of the Board of Directors whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at this meeting.

SECTION 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions duly adopted by a majority of the Unit Owners.

SECTION 7. Quorum. Two (2) directors shall constitute a quorum.

SECTION 8. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Property;
- (c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent"), to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein, shall have authority to ratify and approve a management agreement between the Association and a management corporation, which may not be a corporation related to the Declarant, to act as Managing Agent for the Property. Initial contract not to exceed one (1) year.
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;
- (e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

- (f) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers or the manager or Managing Agent;
- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);
- (h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as hereinafter provided;
- (k) to enter into any lease or purchase agreement for the lease or purchase of premises suitable for use as custodian apartments, upon such terms as the Board may approve;

- (l) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in Paragraph 1.(n) of the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;
- (m) to enter such contracts and agreements relating to the providing of maintenance, management and operational services outside the Property and for the providing of heated and pumped domestic water to improvements on the Property as the Board may deem advisable;
- (n) to enter such leases of portions of the Common Elements as the Board may deem advisable;
- (o) to exercise all other powers and duties of the Council of Co-Owners or Unit Owners as a group referred to in the Act, and all powers and duties of a Board of Directors referred to in the Declaration or these By-Laws;
- (p) purchasing or leasing or otherwise acquiring in the name of the Board of Directors or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their owners to the Board of Directors;
- (q) purchasing of Units at foreclosures or other judicial sales in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Unit Owners;

- (r) selling, leasing, mortgaging, voting the votes pertinent to (other than for election of members of the Board of Directors), or otherwise dealing with Units acquired by and subleasing Units leased by the Board of Directors or its designee, corporate or otherwise, on behalf of all Unit Owners; and
- (s) obtaining of insurance for the Property, including the Units, pursuant to provisions in the Declaration of Condominium for Winfield I.

SECTION 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which have been reserved or retained by the Declarant, or which, by law, have been delegated to the Unit Owners.

ARTICLE III

Officers

SECTION 1. Designation. At each regular annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

- (a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;

- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and
- (d) such additional officers as the Board shall see fit to elect.

SECTION 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

SECTION 3. Term of Office. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified.

SECTION 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by a majority of the Unit Owners.

ARTICLE IV

Assessments

SECTION 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including but not limited to salaries, wages, payroll taxes,

legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power and all other common expenses. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board. The annual budget shall not require an assessment of Unit Owners for common expenses in an amount exceeding one hundred ten per cent (110%) of the common expenses for the preceding year unless such budget is approved by a majority vote of Unit Owners. Until such time as all three members of the associations Board of Directors are elected by unit owners, other than the declarant, the books and records of the association are to be available for inspection by the Veterans Administration and to the Federal Housing Administration during normal business hours.

SECTION 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget; provided, however, that the Declarant's obligation to make such payments shall be subject to the provisions of Paragraph 10. of the Declaration. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements, as set forth in Exhibit "C" of the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.

SECTION 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date that a Unit Owner acquires ownership of his Unit, each Unit Owner, shall pay his assessment for the following month or fraction of a month, which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

SECTION 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

SECTION 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made on each Unit Owner for his proportionate share of such supplemental budget.

SECTION 6. Expenditures. Except for the Management Agreement described in Article II, Section 8.(c) hereof and expenditures and contracts specifically authorized by the Declaration and By-Laws, the Board shall not approve any expenditure in excess of Twenty-five Thousand Dollars (\$25,000.00), unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter any contract for more than five (5) years without the prior approval of two-thirds (2/3) of the total ownership of the Common Elements.

SECTION 7. Lien. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses, as provided in the Declaration, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with interest thereon at the maximum lawful rate of interest per annum after said common expenses become due and payable, shall constitute a lien, as provided in the Declaration, enforceable by the Board, on the interest of such Unit Owner in the Property; provided, however, that such lien shall be subordinate to the lien of a prior recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which are due and payable from and after the date on which such Mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files suit to foreclose its Mortgage or cause a receiver to be appointed to take possession of the Unit. The provisions of this paragraph of this Section 7 shall not be amended, changed, modified or rescinded in any way without the prior written consent of all holders of record of Mortgages against Units.

The Association or its successors and assigns, or the Board or its agents, shall have the right to maintain a suit to foreclose any such lien for unpaid assessment, and there shall be added to the amount due the costs of said suit and other fees and expenses, together with interest and reasonable attorney's fees to be fixed by the court. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in the Act, the Declaration or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments.

In addition to the lien, a late charge of \$25.00 shall be due in the event the assessments have not been paid prior to the 15th day after the date upon which such assessment was due.

SECTION 8. Records and Statements of Account. The Board shall cause to be kept the records required by the Act and detailed and accurate records of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days' written notice to it or the Association and upon payment of a reasonable fee, furnished to any Unit Owner a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

SECTION 9. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit ownership. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien.

SECTION 10. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein and in the Declaration, and (except for such special assessments as may be levied hereunder and under the Declaration against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in the percentages set forth in Exhibit "C" of the Declaration.

ARTICLE V

Use and Occupancy Restrictions

SECTION 1. General. Each Unit Owner shall comply with the use and occupancy restrictions set forth in the Declaration. No unlawful, noxious or offensive activities shall be carried on in any Unit or elsewhere on the Property, nor shall anything be done therein or thereon which shall constitute a nuisance or which shall in the judgment of the Board cause unreasonable noise or disturbance to other.

Each Unit Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements. No Unit Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit, or which may be visible from the outside of his Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna or other equipment, fixtures or items of any kind, without the prior written permission of the Board or the written permission of the Managing Agent, acting in accord with the Board's direction. The foregoing restrictions as to use and occupancy shall not be construed to prohibit a Unit Owner from placing and maintaining outdoor furniture and decorative foliage of a customary nature and appearance on a balcony, patio or terrace constituting Limited Common Elements for such Unit Owner's Unit.

SECTION 2. Animals. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot, except one dog, cat or other common household pet may be kept provided that it is not kept, bred, or maintained for any commercial purposes. All permitted household pets shall be kept inside the Unit at all times, except that pets may be taken to areas designated by the Association (or Declarant during the Construction Period) if such pets are and remain leashed at all times when outside the Unit.

SECTION 3. Trash. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.

SECTION 4. Use by Declarant. During the period of sale by the Declarant of any Units, the Declarant and its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of said sale of Units. While the Declarant owns any of the Units and until each Unit owned by it is occupied by the purchasers, the Declarant and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

SECTION 5. Storage. Articles of personal property belonging to any Unit Owner, such as baby carriages, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in the corridors, hallways, lobby or other common areas, except in common storage areas and storage lockers specifically designated for the respective Unit Owner from time to time by the Board or by the Managing Agent acting in accord with the Board's direction.

SECTION 6. Wiring. No Unit Owner shall overload the electrical wiring in the Buildings, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others, or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Board or the prior written consent of the Managing Agent, given in accord with the Board's direction.

ARTICLE VI

Contractual Powers

No contract or other transaction between the Association and one or more of its directors or between this corporation and any corporation, firm or association in which one or more of the directors of this corporation are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the

contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or

- (b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VII

Amendments

Any modification or amendment of these By-Laws shall be made only by the vote of those unit owners entitled to exercise 51% or more of the total voting power of the Association at a meeting of the Association duly called and held for such purposes. Such amendment shall be maintained in the corporate records of the Association.

ARTICLE VIII

Indemnification

SECTION 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association, and the Board, and Declarant, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members, or Declarant, on behalf of the Unit Owners, or arising out of their status as directors, Board, officers, committee members, or Declarant, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification

committee member, or Declarant; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Declarant, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is no reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Declarant.

SECTION 2. Success on Merits. To the extent that the Declarant or a member of the Board of Directors or any officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1., or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

SECTION 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of any undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

SECTION 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Declarant, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, or Declarant, shall be

limited to such proportion of the total liability hereunder as said Unit Owner's percentage of interest in the Common Elements bears to the total percentage interest of all the Unit Owners in the Common Elements. Every agreement made by the directors, Board, officers, members of such committees, or Declarant or by the Managing Agent on behalf of the Unit Owners shall provide that the directors, Board, officers, members of such committees, Declarant or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest of all Unit Owners in the Common Elements. The indemnification provided by this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Declarant, or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE IX

Definition of Terms

The terms used in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration of Condominium for TOWNHOMES ON THE PARK recorded in the Office of the County Clerk of Harris County, Texas, as the same may be amended from time to time. The term "member," as used in these By-Laws, means "Unit Owner" as defined in the Declaration.

In the event of any conflict between the terms and provisions of these By-Laws and the Declaration, the provisions of the Declaration shall control. These By-Laws shall not be amended or altered in any manner inconsistent with the Declaration.

All of the following Rules and/or Regulations are subject to the provisions of the Townhomes on the Park Homeowners' Association, Inc. Declarations and By-Laws (hereinafter the "Declarations and By-Laws"). The Declarations and By-Laws are hereby incorporated by reference insofar as it is necessary to give reference and meaning to terms used in these Rules and Regulations.

All owners/occupants shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of the Common Elements in order that all owners/occupants and their guests shall achieve maximum use and enjoyment of such facilities consistent with the rights of each of the other owner/occupants thereto. Violation of these Rules and Regulations will be enforced by the Board of Directors, or their designee, by the levying of special assessments in the amounts specified below (hereinafter referred to as "Violations Assessments"). Use of the Common Elements shall be limited to these residents who are current in their payment of their maintenance fees. In addition, in the event the aggregate of an owner's Violation Assessments and/or delinquent monthly maintenance fees is equal to or greater than five hundred dollars (\$500.00), the Board of Directors, in its sole discretion, can vote to disconnect cable services (which are provided by the Association) to such owner's unit or units in addition to any other legal remedies and recourse available to the Association. Violation Assessments will be collected in the same manner as maintenance fees with the same collection procedures applying as outlined in the Declarations and By-Laws.

1. Disposition of garbage and trash shall be only by use of common trash facilities which are located on the property or by utilizing the door-to-door garbage pickup service which is available on each Monday, Wednesday and Friday.
 - A. Garbage to be picked up at the door is to be placed outside the front door of the unit, in tied plastic garbage bags, between 6 a.m. and 10:00 a.m. but not after 1 p.m. **Any garbage placed outside the unit the night before a scheduled pickup date is subject to a Violation Assessment of \$25.00.**
 - B. No garbage or trash is to be stored or set out on the balcony or patios of a unit. (\$25.00)
 - C. No furniture, mattresses, appliances or other such large objects are to be disposed of in the common trash facilities on the property or outside of a unit door for household trash pickup. (\$100.00)
 - D. No trash or other refuse is to be thrown or otherwise deposited off of the outside balconies or decks. (\$50.00)
2. Subject to the limitations below, and considerations as to pet size and unit size, unit

- B. The unit owner/occupant shall be responsible for removal of their pet's, or their guest's pet's, animal waste from the grounds of the property. A pet is not to be allowed to use the neighboring golf course to relieve itself and, in the event of a mistake, the unit owner/occupant shall be responsible for removal of their pet's waste. (\$25.00)
 - C. No pet may be chained, leashed or otherwise kept on any balcony or patio, nor shall any pet be left unattended on patios/balconies. (\$20.00)
 - D. Unit owners/occupants shall be responsible for any property damage, injury, odor, disturbances, etc. caused by their pets or their guest's pets. (\$20.00)
 - E. Unit owners/occupants shall not permit any animal to bark, howl, or make other loud noises for such a time which disturbs any other unit's owner/occupant or deprives such other owner/occupant of rest or peaceful enjoyment of their unit(s) or the Common Areas. (\$50.00)
 - F. Absolutely no pets are allowed within the pool area fence nor shall a pet be chained or tied to the pool fence. (\$50.00)
 - G. No pet may be kept in any unit if such animal is determined by the Board of Directors, in its sole discretion, to be a nuisance, annoyance or menace to any of the other residents. (\$50.00)
3. No owner/occupant shall play upon, or suffer to be played upon, any musical instrument, or permit to be operated a radio, music system, loudspeaker or television, in any unit or on the property between the hours of 10:00 p.m. and the following 7:00 a.m., if the same may tend to disturb or annoy other occupants of other units within the property nor shall any owner/occupant permit to be made loud, disturbing or objectionable noises in such a manner as may disturb or annoy other occupants of other units within the property at any time. (\$25.00)
4. No boats, trailers, recreational vehicles or marked commercial vehicle ("commercial" for these purposes being any vehicle that has commercial advertisement signs displayed or painted on it) may be parked on the property. Parking of automobiles or motorcycles by owner/occupants and their guests shall be as follows:
- A. Owner/occupants are strongly urged to park in their assigned parking space to maximize the use of the limited parking spaces available. No owner/occupant shall park in a parking space assigned to another owner/occupant without permission by the owner of the assigned parking space. Guests of a resident must park in the designated visitors' parking areas. Violation of such by any unit owner/occupant (or a member of their family, guest or employee of such unit owner/occupant) shall subject the offending

assigned parking space or in guest parking. (\$20.00)

- C. Derelict/abandoned vehicles will be towed away after the expiration of seventy-two (72) hours on the property. Derelict/abandoned vehicles are defined as those having any of the following deficiencies:
1. Expired license plate
 2. Expired inspection sticker
 3. Flat tires
 4. Otherwise in such a condition as to prevent its lawful driving on public roads

The owner of the vehicle will be responsible to pay all towing/storage fees incurred as a result of such violation. (\$25.00)

- D. Cars may be washed on the driveway areas of the property and minor tune-ups and oil changes may be performed by an owner/occupant on the driveway of the property adjacent to the owner's/occupant's unit provided that the driveway area is properly cleaned when finished. Oil and/or other debris from such work is prohibited from being washed down the drains on the driveways. No oil or other such flammable fluids are to be disposed of on the lawn of the property or in the garbage receptacles of the property. (\$25.00)
- E. No vehicle belonging to or under the control of a unit owner/occupant (or a member of their family, guest or employee) shall be parked in such a manner as to impede or prevent ready access to any entrance or exit from a building or parking space. (\$25.00)
- F. No vehicle belonging to or under the control of a unit owner/occupant (or a member of their family, guest or employee) shall be operated or parked on property adjacent to the golf course. (\$25.00)
- G. Motorcycles, motorbikes, motor scooters or similar vehicles shall not be operated within the property except for the purpose of ingress and egress from the property, it being intended that said vehicles shall not be operated within the property so as to annoy or disturb or endanger persons or property. Such fuel burning vehicles are prohibited from being parked inside of a unit. (\$20.00)

5. Subject to the following limitations, a unit owner/occupant may place on balconies or patio casual outdoor furniture of the kind normally utilized on patios and balconies as well as plants and flowers provided; however, the Board of Directors may direct the removal of any item(s) which, in its sole discretion, detracts from the general appearance of the property. No more than 20% of the total square footage of a front deck, balcony or patio may be occupied by plants or other outdoor planting objects. Further, the placement of such objects shall be limited by the weight load bearing limitations

becomes a permanent part of the common landscaping and the property of the Association.

- A. An owner/occupant shall not place casual outdoor furniture or any other objects on the patios, balconies or decks that is in disrepair. (\$25.00)
 - B. An owner/occupant may store an outdoor barbecue grill or other such outdoor cooking device, on a balcony or patio. However, no barbecue grill or other outdoor cooking device can be used on a balcony or patio and must be located the further of either (i) fifteen (15) feet from the nearest building or (ii) the distance mandated by the most current version of the City of Houston Fire Code. (\$50.00)
 - C. No enclosure may be made of the patio or deck areas with wire mesh, wood lattice material, netting or other such material without the prior written consent of the Board of Directors. (\$50.00)
 - D. No tarps, blinds, shades, screens or other shading devices may be placed on the decks or patios. Plants may be covered in the event of harsh weather conditions but coverings which are visible from the golf course side of the property may not be left on plants or patios for extended periods of time. (\$25.00)
 - E. No clotheslines or other similar devices shall be placed on any patio, deck or balcony nor shall the patio or balcony of a unit be used for the drying of laundry or airing of bedding. (\$25.00)
6. Subject to the following conditions, each unit owner shall keep and maintain its unit in good condition and repair, including all appliances, the entire air conditioning system (including compressors, ducts and vents) serving the unit (whether the same is inside or outside the unit) and all electrical systems, water lines, and other fixtures located within and/or servicing the unit. Nothing shall be altered on, constructed in, or removed from the Common Elements without the prior written consent of the Board of Directors.

As of May 1, 1998, the Board of Directors shall keep on file with the property management company a book containing the various specifications for modifications and/or improvements which have been approved by the Board of Directors. Additionally, this book shall contain the written requests for modifications and/or improvements by the individual unit owners (including drawings and plans, as appropriate) and the Board's written approval or denial of such requested modifications and improvements.

- A. Structural modifications to the interior or exterior of a unit shall not be made until a written request is submitted in writing to the Board of Directors along with drawings, plans and specifications as appropriate. Written consent of the Board is required before any structural modifications to the unit may be commenced. (\$100.00)

Common Elements which will result in the cancellation of insurance on any unit or any part of the Common Elements, or which will be in violation of any law. (\$100.00)

- C. An owner shall be liable for the expense of any maintenance, repair and/or replacement made necessary by their negligent act or by that of any member of their family, tenants, guests, employees, agents, lessees or pets. This includes any increases in hazard insurance rates caused by misuse or abandonment of a unit or its appurtenances. (\$100.00)
7. Nothing shall be stored in or upon the Common Elements without the prior written consent of the Board of Directors except within pre-existing individual storage areas for each unit. Neither the Association or the property management company assumes any responsibility for, nor shall it be liable for, any loss or damage to articles stored in the individual storage units.
- A. Each unit owner is responsible for the upkeep and condition of the doors to the individual storage unit. If, after notice from the property management company of a condition of disrepair or non-conformance, the storage room door is not brought into conformance or repaired, the management company may remove, repair and/or replace the storage room door at the owner's expense. (\$25.00 for notice, \$150.00 if management company removes, repairs and/or replaces)
 - B. No structure of a temporary character, trailer, antennae, tent, shack, garage, barn, dog house or other outbuildings shall be permitted on the property at any time, temporarily or permanently, except with prior written consent of the Board of Directors. However, temporary structures may be erected for use in connection with the repair or rebuilding of portions of the property. (\$20.00)
8. The pool is for the enjoyment of the residents and their guests. Lifeguard services are not provided by the Association or the property management company and use of the pool is at the risk of each of the owners/occupants, their families and guests. The following guidelines shall be observed by residents and guests using the pool facilities. Persons not observing these rules must take and hereby assume full responsibility for injury or damage resulting therefrom and may result in the resident's forfeiture of use of the pool.
- A. Food and drinks must be kept at least four (4) feet from the pool. (\$10.00)
 - B. Only non-breakable, non-glass containers may be used in the pool area. (\$50.00)
 - C. All guests using the pool must be accompanied by a resident. Residents are limited to 2 guests. Children of residents and/or their guests under the age of fourteen (14) must be accompanied by a responsible resident adult. (\$25.00)

this rule will result in the offending person being ejected from the pool area and/or the imposition of a Violation Assessment. (\$ 50.00)

- E. If a resident desires to use the pool for a group function (i.e., birthday parties or pool parties), prior consent must be obtained from the property management company; however, consent shall be conditioned on the resident observing all rules for pool use (including observing safety concerns) and for cleanup of the pool area immediately upon conclusion of the function. (\$25.00)
 - F. Proper swimming attire must be worn - no cutoff shorts or jeans. (\$10.00)
 - G. No running, horseplay or other unsafe activity is allowed in the pool area. The pool furniture is not to be placed in the pool and there is to be no throwing of objects or people into the pool. (\$35.00)
 - H. Absolutely no pets are permitted in the pool area nor tied to the pool fence. (\$50.00)
 - I. Neither residents or their guests are to use or tamper with the pool equipment or emergency safety equipment (shepherd's crook and ring buoy). (\$35.00)
 - J. No person having sores, wearing bandages or who is ill may swim in the pool. (\$15.00)
9. Common sidewalks, driveways, entrances, halls and passageways shall not be obstructed or used by any unit owner/occupant for any other purpose other than ingress to and egress from the units. (\$10.00)
10. No resident shall use a unit for a commercial purposes and no business shall be operated from the property. A resident shall be permitted to use his residence as a home-based office so long as the resident uses the unit primarily for residential purposes and does not have employees, clients or other such invitees on the property. (\$150.00)
11. No owner/occupant shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antennae, machines or air conditioning units be installed on the exterior of the project or be installed in such a manner that they protrude through the walls or the roof of the condominium improvements except as may be expressly authorized in writing by the Board of Directors. (\$50.00)
12. No skylight covers, window coverings, burglar bars (on doors or windows) may be installed on the exterior of a unit without the prior written consent of the Board of Directors. (\$50.00)

14. No owner shall be allowed to place a sign outside of the condominium unit with regard to the leasing of the unit and/or sale of the unit. The owner shall be limited to placing any such sign within the inside of the windows and/or door of the unit only. (\$15.00)
15. No signs, including without limitation, political signs, advertising signs, garage sale signs, for sale signs or lost or found signs, may be placed on the property or in the area between the sidewalk and street. (\$25.00)
16. No yard sales, rummage sales, moving sales or other sales of personal property similar to a "garage sale" or "estate sale" may be held on the property. (\$50.00)
17. No owner shall allow more than two (2) permanent residents in a one-bedroom unit or a one-bedroom plus loft unit and no more than four (4) permanent residents in a two-bedroom or a two-bedroom plus loft unit. A permanent resident for purposes of this rule is defined as an individual occupying the premises for a period in excess of two weeks. (\$25.00)
18. There shall be no illegal discharge of firearms, firecrackers or other incendiary device by an owner/occupant on, in or from the property. (\$100.00)
19. Should a unit owner wish to lease its unit, the owner must provide the property management company with a copy of the lease and all pertinent emergency information of the lessee and a set of all keys for entry to the unit. The owner of the unit must also provide to the property management company their current mailing address and telephone number in order for all Association information to be properly distributed. (\$25.00)

One-twelfth of the amount annually assessed against each unit as maintenance fees shall be due and payable on the first day of each month during each year. If the sum estimated proves to be inadequate for any reason, including non-payment of any owner's assessment, then the Board of Directors may, at any time, levy a further assessment which shall be assessed to the owners in accordance with the Declaration and By-Laws.

Assessments that are not received by the tenth of each month shall bear a twenty-five dollar (\$25.00) late charge. An additional twenty-five dollar (\$25.00) late charge will be assessed for late payment on any special assessment. Late charges become due and payable just as monthly assessments and the same collection procedures shall apply as found in the Declaration and By-Laws of the Association.

The foregoing Rules and Regulations are subject to amendment and to the promulgation of further regulations by the Board of Directors of the Association in accordance with the Declarations and By-Laws.