

**EXHIBIT A**

**DECLARATION OF SOCO URBAN LOFT CONDOMINIUMS**

**[The Declaration is on the pages following this cover sheet]**

Return To:

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**DECLARATION**  
**CONDOMINIUM DECLARATION**  
**FOR**  
**SOCO URBAN LOFT CONDOMINIUMS**  
**Made and Established on July 29, 2005**



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**CONDOMINIUM DECLARATION**  
**FOR**  
**SOCO URBAN LOFT CONDOMINIUMS**

This Declaration is made and established on July 29, 2005, by Declarant;

**RECITALS:**

- A. Declarant is the fee simple owner of the Property.
- B. Declarant desires to create a Condominium pursuant to the provisions of the Act.
- C. Declarant intends hereby to establish a plan for the individual ownership of estates in real property consisting of Units and the appurtenant undivided interests in the Common Elements;

NOW, THEREFORE, Declarant does hereby submit the Property to the provisions of the Act and the Condominium established hereby, and does hereby publish and declare that the following terms, provisions, covenants, conditions, easements, restrictions, reservations, uses, limitations and obligations are hereby established and shall be deemed to run with the Land and shall be a burden and benefit to Declarant, the Association, the Owners and their respective heirs, legal representatives, successors and assigns:

**ARTICLE I.**  
**Definitions**

**Section 1.1 Terms Defined.** As used in this Declaration, the following terms shall have the meanings set forth below:

**"Access Easement."** A perpetual, irrevocable and non-exclusive easement and right of access and entry to each Unit as may reasonably be necessary for: (i) the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom; (ii) the making of emergency repairs therein necessary to prevent damage to the Common Elements or to any Unit; (iii) the evacuation of all or any part of the Property in the event of an emergency; (iv) the police department, fire department, emergency medical services or similar persons in response to an emergency situation; and (v) such other reasonable purposes as are deemed by the Association to be necessary for the performance of the obligations of the Association as described herein and in the Bylaws.

**"Act."** The Uniform Condominium Act, Texas Property Code, Chapter 82, Section 82.001 et. seq., as amended from time to time.

**"Allocated Interests."** The undivided interests in the Common Elements and the Common Expenses in the Association allocated to each Unit as reflected on Exhibit "C" hereto.

**"Articles."** The articles of incorporation of the Association filed with the Secretary of State of Texas, as amended from time to time.

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"Assessments." Monthly Assessments, Special Assessments, Individual Assessments, together with dues, fees, charges, interest, late fees, fines, collection costs, attorneys fees, and any other amount due to the Association by the owner of a Unit or levied against a Unit by the Association.

"Association." The SoCo Urban Loft Condominium Association, Inc., a Texas non-profit corporation organized under the Act and created for the purposes and possessing the rights, powers and authority set forth herein and in the Articles.

"Board of Directors." The board of directors of the Association named in the Articles and/or elected in accordance with the Bylaws, and their successors as duly elected and qualified from time to time.

"Building." The structure located on the Land.

"Bylaws." The bylaws of the Association adopted by the Board of Directors, as amended from time to time.

"Common Elements." All portions of the Condominium, including both the General Common Elements and the Limited Common Elements, but excluding the Units.

"Common Elements Easement." A perpetual, irrevocable and non-exclusive easement over the General Common Elements for ingress to and egress from each Unit, together with the non-exclusive right to use and enjoy the General Common Elements, and the exclusive right to use and enjoy the Limited Common Elements appurtenant to each Owner's Unit (subject to the rights of other Owners to use and enjoy such Limited Common Elements if appurtenant to more than one Unit).

"Common Expenses." All costs and expenses, including costs associated with phone systems, video systems and other audio, visual or communication systems servicing the Property, allocations to the Working Capital Contributions, reserves, or financial liabilities of the Association that are incurred pursuant to the provisions of this Declaration, the Bylaws or a resolution duly adopted by the Board of Directors or the Owners.

"Condominium." The form of real property established by this Declaration with respect to the Property, in which portions of the Property are designated for individual ownership or occupancy and the remainder of the Property is designated for common ownership or occupancy solely by the owners of such remainder, and containing a maximum of 203 Condominium Units.

"Condominium Information Statement." The condominium information statement prepared by Declarant in accordance with the provisions of the Act.

"Condominium Unit." A Unit, which is designated for residential purposes, together with an undivided interest appurtenant to the Unit, in and to the Common Elements.

"County." Dallas County, Texas.



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**"Declarant."** SoCo Urban Loft Condominiums, Ltd., a Texas limited partnership, whose address for notice is 1122 Jackson Street, Suite 616, Dallas, Texas 75202, and any successor or assignee of Declarant evidenced by a written instrument filed for record in the real property records of the County where the Land is located, assigning the rights, powers, privileges and prerogatives of Declarant hereunder.

**"Declarant Control."** The period commencing on the date of this Declaration and continuing until the earlier to occur of the date which is (i) three years from the date that the first deed from Declarant to an Owner of a Condominium Unit is recorded in the real property records of the County or (ii) 120 days after the date that deeds to not less than seventy-five percent (75%) of the Condominium Units have been recorded in the real property records of the County.

**"Declarant's Mortgagee."** Any Person which is the holder, insurer or guarantor of the First Lien Indebtedness of Declarant.

**"Declaration."** This Condominium Declaration for SoCo Urban Loft Condominiums and all recorded amendments thereto, which Declaration and all amendments thereto, shall be recorded in the County.

**"Development Rights."** A right or combination of rights to: (i) create Units, General Common Elements or Limited Common Elements within the Condominium; (ii) subdivide Units or convert Units into Common Elements; (iii) lease any unsold Units to third parties on such residential lease forms and upon such terms and conditions as Declarant desires; and (iv) allow any unsold Units to be used for temporary accommodations as Declarant designates, including, without limitation, for use as an office by a construction company or for temporary occupancy by residents or Owners during preparation on their Unit. The Development Rights so reserved may be exercised by Declarant to the extent and only if permitted by the Act and at all times while Declarant owns any Unit or other real property interest in the Condominium, or for such lesser time as may be permitted by the Act.

**"Easements."** Collectively the Access Easement, the Common Elements Easement, Parking Easement, Roof Easement, Support Easement and the Utility Easement.

**"First Lien Indebtedness."** Any indebtedness secured by a first and prior lien or encumbrance upon an Owner's Unit or any part thereof.

**"First Mortgagee."** Declarant's Mortgagee, and any Person which is the holder, insurer or guarantor of First Lien Indebtedness and which has provided the Association with written notice of its name, address and description of the Owner's Unit upon which it holds the First Lien Indebtedness. Any required percentage of First Mortgagees in this Declaration shall mean and refer to such percentage of the total number of all outstanding First Mortgagees.

**"General Common Elements."** All portions of the Common Elements that are not Limited Common Elements.

**"Governing Document."** Individually and collectively, the Act, Articles, Bylaws, this Declaration and the Regulations.

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"Individual Assessments." The assessments levied by the Board of Directors against one or more but less than all Owners pursuant to Section 6.3 of this Declaration.

"Insurance Proceeds." Any and all proceeds an Owner or the Association is entitled to receive from an insurance company as a result of a casualty loss in connection with an Owner's Unit or the Common Elements.

"Improvements." All Buildings, pavement, fencing, landscaping, recreational facilities, plumbing, electrical and telephone lines and computer cables and man-made objects of every type, existing or placed on the Land.

"Land." That certain lot, tract or parcel of land located in the County and more particularly described in Exhibit "A" attached to this Declaration, together with all and singular the rights and appurtenances pertaining thereto.

"Limited Common Elements." Those portions of the Common Elements that are allocated by this Declaration and the Map for the exclusive use of one or more, but less than all, of the Units.

"Maintenance Standard." Maintenance in good repair in an attractive and clean condition in accordance with the general prevailing standard in Dallas County, Texas for a residential condominium of a similar type to the Condominium and shall include, without limitation: (a) regular and timely removal of litter, trash and waste; (b) maintenance of structural components, mechanical facilities and lighting in good working order and repair; (c) keeping walks, driveways, ramps, stairwells and all other facilities clean and in good repair including maintaining surface areas in a smooth condition by repatching holes and resurfacing from time to time; and (d) repainting stripes (indicating parking spaces and/or traffic lanes) as necessary from time to time

"Manager." Any experienced and professional manager or management company with whom the Association contracts for the day-to-day management of the Property and/or the administration of the Association and the Condominium.

"Map." The plats and plans described on Exhibit "B", attached hereto and made a part hereof, including, without limitation, a survey plat of the Land and dimensional drawings that horizontally and vertically identify and describe the Units and the Common Elements.

"Monthly Assessment." The monthly assessment established pursuant to Section 6.1 of this Declaration by the Board of Directors to pay Common Expenses when due.

"Owner." Any Person (including Declarant) owning fee title to a Condominium Unit, but does not include any Person having an interest in a Condominium Unit solely as security for an obligation.

"Owner's Unit." Each Condominium Unit owned by an Owner, together with the unrestricted right of ingress and egress thereto.

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"Parking Easement." A perpetual, irrevocable and non-exclusive easement covering the parking area, as shown on the Map, for the purposes of maintenance, repair and security of and relating to such area.

"Parking Space." A Limited Common Element assigned to each Unit that is used exclusively for parking of automobiles by the Owner of such Unit.

"Past Due Rate." The maximum lawful rate of interest under Texas law or, if there be no maximum lawful rate, the rate of eighteen percent (18%) per annum.

"Patio Area." Those portions of the Condominium to be used for entry into one or more Units, and for such other purposes as described in the Regulations, and which are designated as a Limited Common Element appurtenant to each Condominium Unit, as shown on the Map.

"Person." Any individual, corporation, partnership, limited liability company, joint venture, estate, trust, unincorporated association and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Property." The Land and the Improvements.

"Regulations." The rules and regulations of the Association initially adopted by the Board of Directors and relating to the appearance, use and occupancy of the Property, including exterior appearance, use and occupancy of the Units, as amended from time to time.

"Rents." Any and all rental or other income received by an Owner in connection with the leasing of an Owner's Unit.

"Roof Easement." A perpetual, non-exclusive easement over and above the entire surface of the roof, including those areas of the roof that are generally inaccessible, of the Building for electric, telecommunications, transmitting and similar equipment as specified in Section 3.4(c).

"Special Assessments." Special assessments established by the Board of Directors under the provisions of Section 6.2 and Article VII of this Declaration from time to time.

"Special Declarant Rights." Rights reserved for the benefit of Declarant to: (i) complete Improvements shown on the Map; (ii) exercise any Development Right; (iii) make the Condominium a part of a larger condominium or planned community; (iv) maintain the sales, management, leasing and construction offices and models described in Section 3.1(c) of this Declaration, as well as signs advertising the Units or the Condominium; (v) use Easements through any Common Elements for the purpose of making improvements within the Condominium or the Property; (vi) appoint or remove any officer or board member of the Association during any period of Declarant Control; or (vii) exercise the rights and powers enumerated in Section 3.3.

"Storage Space." Those portions of the Condominium to be used exclusively for storage and no other purpose, that are designated as a Limited Common Element appurtenant to certain Condominium Units, as shown on the Map.

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**"Support Easement."** A perpetual and irrevocable easement for support of all foundations, footings, columns, girders, support beams and any and all other structural members that support, uphold or are a part of any Building.

**"Systems."** Includes, but is not limited to, all fixtures, equipment, pipes, lines, wires, computer cables, conduits and other systems used in the production, heating, cooling and/or transmission of air, water, gas, electricity, communications, waste water, sewage, and audio and video signals.

**"Tenant."** Any Person having the right to occupy a Unit pursuant to a lease granted by an Owner on a form approved by the Association or pursuant to a lease granted by Declarant in a form and upon such terms and conditions as are acceptable to Declarant in its sole discretion.

**"Unit."** A physical portion of the Condominium that is designated for separate ownership or occupancy (the boundaries of which are depicted on the Map), and includes (i) all Systems which exclusively serve such Unit and (ii) the finish materials, fixtures and appliances contained in the Unit, but excludes (x) any of the structural components of the Building in which such Unit is located and (y) Systems which serve more than one Unit, all as subject to and further described in Section 82.052 of the Act.

**"Utility Easement."** A perpetual and irrevocable easement for utilities, including, without limitation, for electric, gas, water, cable and satellite television and computer services.

**"Working Capital Contribution."** An amount equal to the Monthly Assessment multiplied by two plus \$100.00 to be contributed to the Association by each Owner, excluding Declarant, as provided in Section 9.3 of this Declaration.

**Number and Gender.** Whenever the context requires, references in this Declaration to the singular number shall include the plural, and, likewise, the plural number shall include the singular, and words denoting gender shall include the masculine, feminine and neuter.

## ARTICLE II. General Provisions

### Section 2.1 Creation of Units; Map.

(a) The Property is hereby divided into fee simple estates composed of separately designated Condominium Units, and 'Such Condominium Units' undivided interest in and to the Common Elements. Each Condominium Unit, together with such Condominium Unit's undivided interests in the Common Elements is for all purposes a separate parcel of and estate in real property. Accordingly, each such separate parcel of and estate in real property shall be deemed to include the Common Elements Easement that is hereby granted and conveyed to each Owner by Declarant. The separate parcels of and estates in real property designated hereby shall be created on the date of filing of this Declaration in the real property records of the County, and shall continue until this Declaration is revoked or terminated in the manner herein provided.

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(b) The Map sets forth, inter alia, the following: (1) a general description and diagrammatic plan of the Condominium; (2) the location and dimension of all real property subject to Declarant's Development Rights; (3) all Improvements, including each Unit showing its Building location and number and the Limited Common Elements appurtenant thereto; and (4) such other information as is desirable or required pursuant to the Act, including a certification as to compliance with the Act. The measurements set forth on the Map as to each Unit are nominal values and may not be precisely accurate as to any Unit due to variances in construction. DECLARANT SHALL NOT BE LIABLE TO ANY OWNER AS A RESULT OF ANY DISCREPANCIES IN ACTUAL UNIT MEASUREMENTS FROM THOSE SET FORTH ON THE MAP, AND EACH OWNER, BY ACCEPTING A DEED TO A UNIT, WAIVES ANY SUCH CLAIM OR CAUSE OF ACTION AGAINST DECLARANT.

(c) The Map designates that the boundaries of each Unit is made up of the area of the air-conditioned space within the Unit. The method of measurement used to establish the air-conditioned space is measured from the outside face of the exterior walls, the centerline of the demising walls and the corridor face of the corridor walls. If any appurtenances inside the common wall is partially within and partially outside the boundaries of a Unit, then the portion serving only that unit is a Limited Common Element allocated solely to that unit, and the portion serving one or more Units or the common elements is part of the General Common Elements.

(d) Portions of the Common Elements may be allocated as Limited Common Elements on the Map, by use of a designation and the identifying number of the Unit to which the Limited Common Element is appurtenant. The following portions of the Common Elements are Limited Common Elements assigned to the Units, whether or not so designated on the Map:

(1) Patios. A patio appurtenant to a Condominium Unit, being a patio that is accessed by or through the Condominium Unit, is a Limited Common Element of the Condominium Unit.

(2) Parking Spaces. The numbered parking spaces appurtenant to a Condominium Unit shall be identified in the deed conveying such Unit from Declarant to the initial Owner of such Unit other than Declarant.

**Section 2.2 Allocation of Interests in Common Elements**. The undivided interest of each Owner in and to the Common Elements was determined by dividing the square footage of each Condominium Unit (excluding the square footage of all Parking Spaces, Storage Spaces, Patio Areas, or balconies within or appurtenant to such Condominium Unit) by the square feet of all Condominium Units and shall be the Allocated Interests shown opposite the Unit numbers in Exhibit "C" attached hereto and made a part hereof. The Common Elements shall remain undivided.

**Section 2.3 Inseparability of Units; No Partition**. Each Unit shall be inseparable, and shall be acquired, owned, conveyed, transferred, leased and encumbered only as an entirety. In no event shall a Unit held by more than one Owner be subject to physical partition and no Owner or Owners shall bring or be entitled to maintain an action for the partition or division of a Unit or the Common Elements. Any purported conveyance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the Common Elements without the

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Unit to which such Common Elements are allocated is void ab initio. Parking Units may be acquired, owned, conveyed, and transferred only by and to an Owner.

**Section 2.4 Permissible Relationships; Description.**

(a) A Unit may be acquired and held by more than one Person in any form of ownership recognized by the laws of the State of Texas.

(b) Any contract or other instrument relating to the acquisition, ownership, conveyance, transfer, lease or encumbrance of a Unit shall legally describe such Unit by its identifying Unit number and Building designation, followed by the words The SoCo Urban Loft Condominium, located in Dallas County, Texas, with further reference to the recording data for this Declaration (including the Map and any amendments to the Declaration). Every such description shall be good and sufficient for all purposes to acquire, own, convey, transfer, lease, encumber or otherwise deal with such Unit, and any such description shall be construed to include all incidents of ownership relating to a Unit.

**Section 2.5 Mortgage of Unit.** An Owner shall be entitled from time to time to mortgage or encumber such Owner's Unit by creating a lien covering such Owner's Unit under the provisions of a deed of trust, but any lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder which acquires an Owner's Unit through judicial foreclosure, public sale or any other means shall be subject to the terms and provisions of this Declaration, except as specifically provided to the contrary herein. An Owner which mortgages such Owner's Unit shall notify the Association, giving the name and address of said Owner's mortgagee and the name and address of the servicing agent from time to time for such mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Owner's Units." If an Owner's First Mortgagee has requested notice of default, then the Association shall notify an Owner's First Mortgagee, in writing, of any default by such Owner in the performance of such Owner's obligations as set forth in this Declaration not cured within 60 days of the default.

**ARTICLE III.**

**Uses, Reservations and Restrictions**

**Section 3.1 Permitted Use.**

(a) Except as hereinafter provided with respect to Condominium Units owned by Declarant, no Condominium Unit shall be used or occupied for other than single family residential purposes. Parking Spaces shall be used exclusively for parking purposes and not for storage of personal items and Storage Spaces shall be used exclusively for storage purposes. Each Unit shall also be subject to limitations on use, occupancy, architectural standards and such other matters as are set forth in the Regulations or pursuant to applicable laws.

(b) An entire Condominium Unit (but not less than an entire Unit) may be leased for private residential purposes only. A Condominium Unit may not be leased for a term of less than six months, except those Units leased and owned by Declarant. Any such lease shall be in writing, shall state that it is subject in all respects to the provisions

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of this Declaration, the Bylaws and the Regulations, and shall provide that any failure by the Tenant thereunder to comply with the terms and provisions of this Declaration, the Bylaws or the Regulations shall be and constitute a default under such lease. A copy of each lease shall be submitted to the Association promptly following execution.

(c) At all times while Declarant is the Owner of any Unit, Declarant may maintain its office, a management office, a sales or leasing office, a construction office, models and other sales facilities in any of the Condominium Units or operate within the Condominium a sales, leasing or management office which is not located within a Unit, in which event such office shall be a Common Element subject to the exclusive use of Declarant. Declarant may change the location of any Units used as offices or models.

**Section 3.2 Compliance with Declaration, Bylaws and Regulations.** Each Owner, by accepting or possessing title to an Owner's Unit and any Tenant having the right to occupy any Owner's Unit pursuant to a lease granted by an Owner, shall automatically be deemed to have agreed to strictly comply with the provisions of this Declaration, the Bylaws and the Regulations. A failure or refusal to so comply with the provisions of any such instrument, after written notice, shall be grounds for imposition of fines or a late fee equal to \$25.00 by the Association after due process and an action to recover damages or sums due, with interest thereon at the Past Due Rate, or for injunctive relief, or both (provided that in no event will the late fee and/or interest at the Past Due Rate exceed the maximum rate of interest that the Association is authorized by law to charge or receive), and for reimbursement of all attorneys' fees incurred in connection therewith, which action shall be maintainable by the Board of Directors or the Manager in the name of the Association on behalf of all of the Owners or, in a proper case, by an aggrieved Owner. In addition, an Owner's voting rights in the Association and Owner's or Owner's lessee's right to use and enjoy the General Common Elements or receive services may by written notice be suspended by the Association during the period of such noncompliance.

**Section 3.3 Reservations by Declarant.** To the extent and only if permitted by the Act, and at all times while Declarant owns any Unit or any other real property interest in the Condominium or for such lesser time as may be permitted by the Act, Declarant reserves, as a part of the Special Declarant Rights, the following rights: (i) to make and record corrections to the Map to conform the same to the actual location of the Improvements, the actual size and location of the Units and/or the proper designation of the elements of the Improvements as Units, General Common Elements or Limited Common Elements; (ii) to establish, vacate, relocate and use the Easements as set forth in this Declaration; provided, however, that no modification of any Easement shall have the effect of altering or destroying a Unit or a Limited Common Element unless consented to by the Owner of such Unit or by the Owner to whose Unit such Limited Common Element is appurtenant, as well as by the First Mortgagee of any such Unit; (iii) to include, in any instrument initially conveying a Unit, such additional reservations, exceptions and exclusions as it may deem consistent with and in the best interests of the Owners and the Association; (iv) to have and use an easement over, under and across any and all of the Common Elements to the extent that same may be necessary or useful in constructing, repairing or completing the Units and Common Elements or as may be reasonably necessary for the exercise of any Special Declarant Rights or the performance of any obligations of the Declarant; and (v) exercise any Development Right.

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**Section 3.4 Easements.**

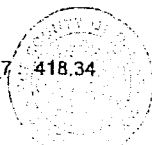
(a) Declarant hereby reserves the Parking Easement, Access Easement and Utility Easement for the benefit of all Owners, the Association and its agents, employees and representatives, including the Manager and the Manager's agents and employees as the case maybe, and reserves the Support Easement for the benefit of the Association and each Owner. Each Owner shall by virtue of this Declaration, accept the deed to such Owner's Unit subject to the Parking Easement, Access Easement and the Utility Easement and further subject to the Support Easement as may be applicable. Declarant hereby reserves for the benefit of each Owner, the Common Elements Easement and declares that by virtue of this Declaration the Common Elements shall be subject to the Common Elements Easement. Each Owner shall provide the Association with keys to such Owner's Unit, necessary for opening the front door, which may be used in such Owner's absence for Access Easement purposes. Declarant may, in addition to the rights to relocate set forth in this Section 3.4, record an easement agreement or easement relocation agreement in the real property records of the County, specifically locating or relocating the Utility Easement subsequent to the recordation of this Declaration, and the Owner of each Unit, by acceptance of the deed to a Unit, hereby grants Declarant during the period of Declarant Control and to the Association thereafter an irrevocable power of attorney, coupled with an interest, with full power and authority to locate or relocate the Utility Easement.

(b) Declarant hereby reserves for both the Declarant, prior to the termination of Declarant Control, and the Association, after the termination of Declarant Control, the right to grant easements for purpose of utilities over any and all of the Common Elements.

(c) Declarant hereby reserves for the benefit of the Declarant and its successors and assigns the Roof Easement as an unmanned site for electronic, telecommunications, transmitting and similar equipment. Declarant shall have the unrestricted right to lease or license the Roof Easement area or any part thereof for the purposes specified above. The Association may remove fixtures and/or improvements, as necessary, to maintain, repair or replace the roof. Declarant is responsible for the cost of repairing Common Elements if such repairs are necessitated by use or misuse of the Roof Easement. The Association does not insure fixtures or improvements installed pursuant to the Roof Easement and is not liable to Declarant or any other person for any loss or damage from any cause to the fixtures or improvements in the Roof Easement area. Declarant shall indemnify the Association, its officers, directors, employees, agents and members, individually and collectively, against losses due to any and all claims for damages or lawsuits, by anyone, arising from use or misuse of the Roof Easement. Declarant also reserves for itself and its licensees and lessees an access easement over and through the Property for ingress to and egress from the Roof Easement area. The Roof Easement shall be assignable by Declarant and shall bind and inure to the benefit of Declarant and its successors and assigns. This Section may not be amended without the written consent of Declarant or its assignee.

**Section 3.5 Encroachments.** If as a result of the original construction, reconstruction, repair, shifting, settlement or other circumstance any portion of the Common Elements encroaches upon an Owner's Unit, an irrevocable and perpetual easement for such encroachment and for the maintenance of the same is hereby granted and conveyed to the Association by each Owner at the time each Owner's Unit is conveyed to the Owner. If as a

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result of the original construction, reconstruction, repair, shifting, settlement or other circumstance any portion of an Owner's Unit encroaches upon the Common Elements, or upon any adjoining Owner's Unit, an irrevocable and perpetual easement for such encroachment and for the maintenance of the same is hereby granted to the Owner of such Owner's Unit. Such encroachments and easements shall not be considered or determined to be encumbrances either upon a Unit or upon the Common Elements.

**ARTICLE IV.**  
**Matters Regarding the Association**

**Section 4.1 General.** The Association has been incorporated as a nonprofit corporation under the Texas Nonprofit Corporation Act. In addition to the powers conferred on the Association under the Bylaws and hereunder, the Association may take all actions authorized by Section 82.102 of the Act. Any and all actions taken by the Association pursuant to this Declaration, the Act or the Bylaws is binding on all Owners. This Declaration does not provide for any limitations or restrictions on the power of the Association or the Board of Directors.

**Section 4.2 Allocation of Votes in the Association.** Each Owner shall automatically be a Member of the Association. Each Owner shall possess one equal vote with respect to each Condominium Unit owned by such Owner. All voting rights of an Owner will be suspended during any period that such Owner is delinquent in the payment of any Assessment duly established pursuant to Article VI or Article VII, or otherwise in default under the terms of this Declaration, the Bylaws or the Regulations. Following an Owner's cure of any such delinquency or default in full, its voting rights shall be completely reinstated within twenty-four (24) hours after such cure is effected. Any matter described herein as requiring approval by a stated percentage or a majority of the Owners shall be calculated based on the number of Owners and not on the basis of the Allocated Interests. An Owner may assign its voting rights as a member of the Association to any other Owner by use of a proxy in accordance with the Act.

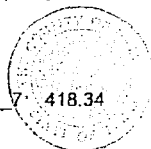
**Section 4.3 Right of Action by Owners.** Owners, acting collectively or individually, shall have the right to maintain actions against the Association or any other Owner for its failure to comply with the provisions hereof or to perform its duties and responsibilities hereunder.

**ARTICLE V.**  
**Maintenance, Alterations, Insurance, Taxes and Utilities**

**Section 5.1 Maintenance.**

(a) Each Owner shall be responsible for and shall maintain and repair, at the Owner's sole cost and expense in accordance with the Maintenance Standard, the Owner's Unit including, without limitation, all Systems that serve only or are a part of the Owners Unit (even if such Systems are located outside the boundaries of such Owner's Unit) which include, without limitation, the interior of such Owner's Unit, including the sheetrock within such Unit, the Storage Space appurtenant to its Unit, if any, fixtures and appliances therein contained and all doors and windows, if any, located exclusively within the interior of the Unit. Exterior doors or windows shall be maintained and replaced by the Association including but not limited to replacement of hardware and glass. Doors and windows leading onto a balcony or a Patio Area of a Unit shall be exterior doors and windows that shall be maintained by the Association. No Owner shall

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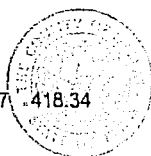
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be required to directly pay the cost and expense of structural repairs to the Owner's Unit or to the Common Elements unless necessitated by the willful or negligent misuse thereof by the Owner, the occupants or the invitees of such Owner's Unit, in which event such costs and expenses shall constitute the sole obligation of the Owner, whose occupants and/or invitees were guilty of such willful or negligent misuse. Any maintenance and repair work to an Owner's Unit done by or on behalf of the Owner shall be done in a good and workmanlike manner using materials of equal or better quality than the materials removed, and shall be done in such a manner as not to impair the structural soundness or integrity or to alter the exterior appearance of any Building or Owner's Unit. In the event an Owner fails to discharge the Owner's maintenance obligations hereunder, the Association shall be entitled (but not obligated) to cause such work to be done, and the cost and expense thereof shall be and constitute a lien upon such Owners Unit which lien may be enforced in the same method as is provided for the enforcement of Assessment liens pursuant to the provisions of Section 6.5 of this Declaration. Damage to the interior of any Unit resulting from such maintenance, repair and replacement activities by the Association, whether by reason of an emergency or otherwise, shall constitute a Common Expense and be payable by the Association; provided, however, that if such maintenance, repairs or replacements are the result of the misuse or negligence of an Owner, or its occupants or invitees, then such Owner shall be responsible and liable for all such damage.

(b) The Association shall maintain in accordance with the Maintenance Standard, in good condition and repair, all Common Elements (excepting the Storage Space, if any, and those portions of the Systems that serve only or are a part of an individual Owner's Unit), all windows and exterior doors of Owners' Units, the electrical systems and all HVAC ductwork located behind Unit walls and those portions of the water lines extending outside the Owners' Units, the cost and expense of which shall constitute a Common Expense and be payable by the Association. The Association shall establish and maintain an adequate reserve fund for such purposes, to be funded by Monthly Assessments rather than by Special Assessment. Nothing herein shall be deemed or construed as relieving any Owner from liability or responsibility for damage to the Common Elements caused by the negligence or misconduct of Owner or Owner's occupants or invitees. Notwithstanding the foregoing, the Association shall have no obligation to maintain alterations, additions or improvements made by an Owner to a Limited Common Element appurtenant to such Owner's Unit. No Owner may make such alterations, additions or improvements to Limited Common Elements without the prior written consent of the Association in accordance with Section 5.2 hereof.

(c) The Association shall not be liable for injury or damage to any person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to any Owner of any Unit or such Owner's tenant, occupants or invitees, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements or in or upon any Common Elements or Storage Spaces. The Association shall not be liable to any Owner or occupant or invitee for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities.

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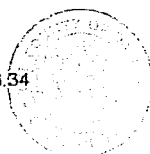
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(d) In the event a dispute shall arise among Owners as to the proper party to bear a maintenance cost or expense, if the Owners shall be unable to resolve the matter, the Board of Directors shall be entitled to resolve such dispute; provided, however, that nothing herein shall be deemed or construed as limiting an Owner's right to have the provisions of this Section interpreted by a court of competent jurisdiction; provided further, however, that any such cost or expense so disputed shall be paid in accordance with the determination of the Board of Directors pending final judgment in any such legal proceedings.

**Section 5.2 Alterations.** Other than Declarant, no Owner shall be entitled to alter, add to or improve the Owner's unit, or the Limited Common Elements appurtenant thereto, in a manner as will or might reasonably be expected to affect the structural soundness or integrity or the exterior appearance of any of the Improvements, any System that services more than one Owner's Unit, or any warranty in favor of the Association, without the prior written consent of the Association and being in compliance with all Regulations established by the Association. In addition, all alterations or improvements to an Owner's Storage Space shall require the prior written consent of the Association and must be performed in compliance with the Regulations established by the Association and with any and all applicable laws, rules, ordinances, statutes, regulations or requirements of any governmental agency or authority with respect to the construction, occupancy and use of such Storage Space. No Owner may alter the size or location of any Parking Spaces designated as Limited Common Elements without the prior written consent of the Association. Further, no Owner shall be entitled to make any alteration, addition or improvement to a Limited Common Element appurtenant to more than the Owner's Unit unless (i) the prior written approval of all Owners having an interest in such Limited Common Element is obtained, and (ii) the plans and specifications for such alteration, addition or improvement to the Limited Common Element have been approved in writing by the Board of Directors. Once alterations, additions and improvements have been made to a Limited Common Element pursuant to plans and specifications approved in writing by the Board of Directors, neither the Association, the Board of Directors or any Owner shall have the right to cause such alterations, additions or improvements to be removed or altered without the written consent of the Owner or Owners of the Unit or Units to which such Limited Common Element is appurtenant. Any alterations, additions and improvements made pursuant to this Section shall be made at the individual cost and expense of the Owner making such alteration, addition or improvement including any Association out-of-pocket expenses associated with the review and approval of the request. Each Owner, by acceptance or possession of title to a Unit, indemnifies and holds harmless Declarant, the Association, Board of Directors, Manager, and their respective officers, employees, representatives, agents and successors from and against any and all claims, demands, judgments, losses, damages, liability, and costs and expenses, including reasonable attorneys' fees, directly or indirectly arising from or attributable to the review and approval of any alteration pursuant to this Section 5.2. **THE OWNER, MAKING OR CAUSING TO BE MADE ANY PERMITTED ADDITIONS, ALTERATIONS OR IMPROVEMENTS, AGREES, AND SHALL BE DEEMED TO HAVE AGREED, FOR SUCH OWNER, TO HOLD THE ASSOCIATION AND ALL OTHER OWNERS HARMLESS FROM AND TO INDEMNIFY THEM FOR ANY LIABILITY OR DAMAGE TO THE CONDOMINIUM. ANY OTHER OWNER SUBMITTING PLANS HEREUNDER, BY DISSEMINATION OF THE SAME, AND ANY OWNER, BY ACQUIRING TITLE TO THE SAME, AGREES NOT TO SEEK DAMAGES FROM THE ASSOCIATION ARISING OUT OF THEIR REVIEW OF ANY PLANS HEREUNDER. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE ASSOCIATION SHALL BE RESPONSIBLE FOR REVIEWING, NOR SHALL THEIR REVIEW OF ANY PLANS BE DEEMED APPROVAL OF, ANY PLANS FROM THE STANDPOINT OF THE STRUCTURAL SAFETY, SOUNDNESS, WORKMANSHIP, MATERIALS, USEFULNESS,**

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CONFORMITY WITH BUILDING OR OTHER CODES OR INDUSTRY STANDARDS, OR COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS. FURTHER, EACH OWNER AGREES TO INDEMNIFY AND HOLD THE ASSOCIATION AND ITS RESPECTIVE OFFICERS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, DAMAGES, EXPENSES OR LIABILITIES WHATSOEVER, ARISING AS OF THE REVIEW OF ANY PLANS HEREUNDER.

**Section 5.3 Mechanic's Liens; Indemnification.** No labor performed or materials furnished and incorporated in an Owner's Unit with the consent or at the request of an Owner or an Owner's agents or representatives, shall be the basis for the filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners and the Association from and against all liabilities and obligations arising from the claim of any lien against the Unit of such other Owners or the Common Elements. All contracts for labor, services and/or materials with respect to any of the Units shall be in compliance with the provisions hereof and all applicable laws.

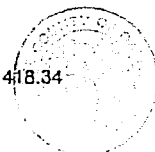
**Section 5.4 Insurance.**

(a) Commencing upon the first conveyance of any Unit to an Owner other than the Declarant, the Association shall obtain and maintain, as a Common Expense, insurance coverage required pursuant to Section 82.111 of the Act and the following described insurance coverages:

(1) A "master" or "blanket" policy of property insurance insuring against all risks of direct physical loss commonly insured against including fire and extended coverage, covering all Common Elements (excluding the Land, foundation and other items normally excluded from coverage) including Systems which constitute a part of the Common Elements as well as any personal property belonging to the Association with a waiver of depreciation. Such "blanket" or "master" policy shall insure, for one hundred percent (100%) of the full replacement value of the items covered, against loss or damage by fire or other perils normally covered by the standard extended coverage endorsement available in the State of Texas and against all other perils customarily covered with respect to condominium projects which are similar to the Property in construction, location, and use, including all perils normally covered by the standard "all risk" endorsement.

(2) A commercial general liability insurance policy covering all Common Elements. Such coverage shall not be for less than \$1,000,000.00 for bodily injury, including deaths of persons and property damage arising out of a single occurrence. Such coverage shall be for all occurrences commonly insured against and shall include, without limitation, legal liability of the insureds for property damage, bodily injuries, medical payments, and deaths of persons arising out of or in connection with the use, ownership or maintenance of the Common Elements. In addition, such policy shall cover the following hazards: premises and operations; products and completed operations on an "if any" basis; independent contractors; and blanket contractual liability for all written and oral contracts.

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(3) As long as any Units in the Condominium are leased by Declarant, business interruption/loss of rents insurance (A) with loss payable to Declarant's Mortgagee; (B) covering all risks required to be covered by the insurance provided for in Section 5.4 (a)(1) (C) in an amount equal to one hundred percent (100%) of the projected gross rental income from the Property (on an actual loss sustained basis) for a period continuing until the restoration of the Property is completed; and (D) containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and the Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the (late that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period. All insurance proceeds payable to Declarant's Mortgagee pursuant to this Section 5.4(a)(4) shall be held by Declarant's Mortgagee.

(4) workers' compensation, subject to the statutory limits of Texas;

(5) comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably required by Declarant's Mortgagee on terms consistent with the commercial property insurance policy required under Section 5.4(a)(1);

(6) umbrella liability insurance in an amount not less than TEN MILLION AND 00/100 DOLLARS (\$10,000,000.00) per occurrence on terms consistent with the commercial general liability insurance policy required under Section 5.4(a)(2) hereof.

(b) All insurance policies provided for in Section 5.4(a) shall provide that:

(1) each Owner is an insured person under such policies with respect to liability arising out of the Owner's ownership of an undivided interest in the Common Elements or membership in the Association;

(2) Declarant's Mortgagee and Declarant shall be named as the insured or additional insured in all insurance policies, excluding any policy for worker's compensation required under Section 5.4(c) herein;

(3) all policies of property damage, boiler and machinery shall contain a so-called New York standard non-contributing mortgagee clause;

(4) insurance trust agreements will be recognized;

(5) any right of subrogation of the issuer of the insurance against individual Owners is waived;

(6) the coverage of the policy is not prejudiced by any act or omission of an individual Owner to the extent that such act or omission is not within the collective control of all Owners;

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(7) such policy is primary insurance if at the time of a loss under the policy any Owner has other insurance covering the same property covered by the policy;

(8) no action or omission by any Owner, unless validly exercised on behalf of the Association, will void the policy or be a condition to recovery under the policy;

(9) the policy may not lapse, be cancelled, or have renewal refused, or be materially modified, except after 30 days prior written notice to the Association and the Manager, and 30 days' prior written notice to each First Mortgagee listed as such in such insurance policy, except in the case of nonpayment of premium in which case 30 days written notice of cancellation shall be given to the Association, the Manager, and each listed First Mortgagee.

(10) the Policy shall not be materially changed (other than to increase the coverage provided thereby) or cancelled without at least 30 days' written notice to any First Mortgagee and any other party named therein as an insured;

(11) each Policy shall provide that the issuers thereof shall give written notice to each First Mortgagee if the Policy has not been renewed 30 days prior to its expiration; and

(12) No First Mortgagee shall be liable for any Insurance Premiums thereon or subject to any assessments therefore.

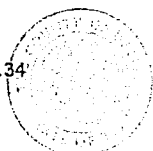
(c) All insurance provided for in Section 5.4(a) hereof shall be obtained under valid and enforceable policies, issued by financially sound and responsible insurance companies authorized to do business in Texas. The insurance companies must have a claims paying ability/financial strength rating of "AA" (or its equivalent) or better by at least two rating agencies (one of which will either be S&P or Moody's), or if only one rating agency is rating the securities, then only by such rating agency.

(d) The name of the insured under the foregoing described policies shall be set forth substantially as follows:

" SoCo Urban Loft Condominiums Association, Inc., for the use and benefit of the individual owners (which owners may be designated by name if required by law)."

(e) The Board of Directors shall have the express authority, on behalf of the Association, to name as insured an authorized representative, including any trustee, or successor thereto ("Insurance Trustee") with whom the Association has entered into any insurance trust agreement, which authorized representative shall have exclusive authority to negotiate losses under any policy providing the property or liability insurance required to be provided herein. Notwithstanding the foregoing, as long as the First Lien Indebtedness of Declarant is outstanding, the insurance policies described in this Section 5.4 shall be issued in the name of Declarant's Mortgagee as Insurance Trustee for the Condominium pursuant to an insurance trust agreement between Declarant's Mortgagee and the Association. Loss payable provisions shall be in favor of the Insurance Trustee as a trustee for the Association, each Owner and each such Owner's First Mortgagee. The Insurance Trustee shall not be liable for the payment of premiums,

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nor the renewal or sufficiency of policies. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes stated in Article VII herein, and for the benefit of each Owner, including Declarant, and such Owner's First Mortgagee, if any, in the percentage set forth as to such Owner's Condominium Unit on Exhibit "C" of this Declaration.

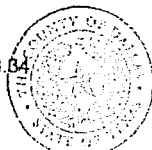
(f) The Manager shall be reflected as additional insured on any commercial general liability insurance policy carried by the Association.

(g) By acceptance of a deed to a Unit, each Owner shall be deemed to have irrevocably appointed the Association (which appointment shall be deemed a power coupled with an interest), together with any insurance trustee, successor trustee or authorized representative designated by the Association, as such Owner's attorney-in-fact for the purpose of purchasing and maintaining the insurance required hereunder as well as for submission of and adjustment of any claim for loss, the collection and appropriate disposition of the proceeds thereof, the negotiation of losses and execution of releases of liability, the execution of all documents, and the performance of all other acts necessary to accomplish such purpose. The Association or such trustee, successor trustee or authorized representative must receive, hold or otherwise properly dispose of any proceeds of insurance in trust for the Owners and the First Mortgagees as their interests may appear. Any proceeds paid under such policy shall be disbursed first for the repair or restoration of any damaged Common Elements and Units, and no Owner or First Mortgagee or other lienholder shall receive payment of any portion of such proceeds unless a surplus remains after the Condominium has either been completely restored or the Condominium has been terminated in accordance with Section 10.1 hereof.

(h) Subject to the provisions of Section 82.111 of the Act, insurance policies shall contain such mortgagee protection clauses as may be required by the First Mortgagees. No such policies or the constituent documents of the company issuing them shall contain any provisions requiring contributions or making assessments against the Association, the Owners, or any First Mortgagee (or any successor or assign of any First Mortgagee) and none of such policies or such constituent documents shall provide that loss payments are contingent upon any action by such company's board of directors, policy holders or members. None of such policies shall contain any limiting clauses (other than insurance conditions) which could prevent any Owner, the Association or a First Mortgagee from collecting insurance proceeds.

(i) The Association and each Owner by his possession or acceptance of title to a Unit hereby waives any and every claim which arises or may arise in its or his favor against any other Owner or the Association for any and all loss of, or damage to, its or his property located within or upon, or constituting a part of, the Condominium, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent such loss or damage is recoverable thereunder. Inasmuch as the foregoing mutual waivers will preclude the assignment of any of such claim by way of subrogation (or otherwise) to an insurance company (or any other party), the Association and each Owner immediately shall give to each insurance company which has issued policies of insurance to such Owner, written notice of the terms of this mutual waiver, and cause such policies to be endorsed, if necessary, to prevent the invalidation of such coverages by reason hereof.

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(j) The Association shall be entitled to obtain and maintain such additional insurance coverages hereunder as the Board of Directors may deem necessary or appropriate including, without limitation, insurance covering all alterations, additions, betterments and improvements to Owners' Units, including all windows and exterior doors of Owners' Units; the electrical systems and wiring and all HVAC ductwork located behind Unit walls and those portions of the water lines extending outside the Owners' Units, and liability insurance for all officers, directors, trustees and employees of the Association. The premiums for all insurance coverages maintained by the Association pursuant to this Section shall constitute a Common Expense and be payable by the Association

(k) An Owner shall be responsible for obtaining and maintaining at such Owner's sole cost and expense insurance covering all alterations, additions, betterments and improvements to such Owner's Unit, including, without limitation, the interior of such Owners Unit, the Storage Space appurtenant to such Owner's Unit, if any, the sheetrock within such Unit, the systems serving solely such Unit, and all other personal property located at the Owner's Unit or constituting a part thereof. An Owner shall be responsible for obtaining and maintaining at such Owner's sole cost and expense such liability insurance as may be appropriate including coverage for damages to the Common Elements or another Unit associated with the Owner's use or occupancy of its Unit. Nothing herein shall be deemed or construed as prohibiting an Owner, at such Owner's sole cost and expense, from obtaining and maintaining such further and supplementary insurance coverages as such Owner may deem necessary or appropriate.

**Section 5.5 Taxes.** Declarant shall give written notice to the appropriate taxing authorities of the creation of the Condominium established hereby, and each Unit shall be subject to separate assessment and taxation. Each Owner shall be responsible for and shall pay when due all taxes, assessments and other governmental impositions lawfully levied or assessed with respect to such Owner's Unit. Any taxes, assessments or other governmental impositions lawfully levied or assessed with respect to the Property not separately billed to the Owners shall constitute a Common Expense and be payable by the Association. The property taxes for the Condominium reflected in the budget take into effect the current tax abatement that benefits the Property. The current tax abatement is an abatement for all ad valorem taxes, except school taxes, and will expire in 2013. As a result, the property tax for the Condominium and each Unit should increase proportionately at that time.

**Section 5.6 Utilities.** Each Owner shall be responsible for and shall pay all water and wastewater usage, audio or visual communications, electricity, gas, and internet connectivity charges relating to such services used or consumed at or with respect to the occupancy of the Owner's Unit. To the extent such charges are separately metered by the respective utility companies or submetered by the Association, the amount charged shall be assessed to the Owner in accordance with the usage thereof. Any such charges not so separately metered or submetered by a utility company, and charges relating to such services used in connection with the use and maintenance of the Common Elements, shall constitute a Common Expense and be payable by the Association.

**Section 5.7 Other.**

(a) The Association shall not be liable for failure to obtain any insurance coverage required by this Declaration or for any loss or damage resulting from such

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failure, if such failure is due to the general unavailability of such coverage from reputable insurance companies.

(b) All insurance coverages purchased by the Association pursuant to Article VI of this Declaration shall not cover claims against any other Owner due to accidents occurring within that other Owner's Unit, casualty, theft or loss to the contents of that other Owner's Unit.

**ARTICLE VI.**  
**Assessments**

**Section 6.1 Monthly Assessments' Budget.**

(a) Common Expenses. The Association shall possess the right, power, authority and obligation to establish a regular Monthly Assessment sufficient in the judgment of the Board of Directors to pay all Common Expenses when due. Such Monthly Assessments so established shall be payable by the Owners on the first day of each calendar month, and shall be applied to the payment of charges for which the Association is responsible, including, without limitation, charges relating to maintenance and repair of elements of the Property not the responsibility of the Owners, care of the Common Elements, casualty, public liability and other insurance coverages required or permitted to be maintained by the Association, governmental impositions not separately levied and assessed, utilities relating to the Common Elements or not separately metered, professional services, such as management, accounting and legal, and such other costs and expenses it may reasonably relate to the proper maintenance, care, operation and management of the Property, and the administration of the Association and the Condominium established hereby, including an adequate reserve fund for the periodic maintenance, repair and replacement of the Common Elements. No consent or approval of the Owners shall be required for the establishment of the Monthly Assessments.

(b) Budget. Thirty days prior to the commencement of each fiscal year of the Association, the Board of Directors shall prepare and deliver to each of the Owners a budget approved by the Board of Directors setting forth the anticipated Common Expenses for the ensuing year. Such budget shall be in sufficient detail so as to inform each Owner of the nature and extent of the Common Expenses anticipated to be incurred, and shall be accompanied by a statement setting forth each Owner's monthly share thereof and the date as of which such Monthly Assessment commences to be payable. No further communication shall be necessary to establish the amount of each Owner's obligation regarding the Monthly Assessment payable hereunder, and the failure of the Board of Directors to timely deliver the budget provided for herein shall in no event excuse or relieve an Owner from the payment of the Monthly Assessments contemplated hereby. Any budget prepared and delivered to the Owners as hereby contemplated may be amended during the fiscal year as and to the extent reasonably necessary, and the amount of an Owner's Monthly Assessment changed to correspond therewith. If the proposed budget for a fiscal year increases more than twenty percent (20%) above the budget for the preceding fiscal year, such budget must be approved by the affirmative vote of sixty-seven percent (67%) of the Owners.

**Section 6.2 Special Assessments.** In addition to the Monthly Assessments contemplated by Section 6.1, the Association shall possess the right, power and authority to



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establish Special Assessments from time to time as may be necessary or appropriate in the judgment of the Board of Directors to pay non-recurring Common Expenses relating to the proper maintenance, care, alteration, improvement, operation and management of the Property, and the administration of the Association and the Condominium established hereby. A Special Assessment relating to the alteration or improvement of any element of the Property must be approved by the affirmative vote of sixty-seven percent (67%) of Owners at a meeting of the Association duly called for purposes of considering same. No consent or approval of the Owners shall be required for the establishment of any other Special Assessment unless required by Article VII.

**Section 6.3 Individual Assessments.** In addition to the Monthly Assessments and Special Assessments contemplated in Sections 6.1 and 6.2, the Association shall possess the right, power and authority to establish or levy Individual Assessments in accordance with the provisions of this Declaration against an individual Owner or an Owner's Unit for charges properly borne solely by one or more but less than all Owners, such as (without limitation) charges for additional services, damages, fines or fees, or insurance deductible payments. Individual Assessments shall be the personal obligation of the Owner against whom the Individual Assessment is assessed, and shall constitute a lien against the Unit in the same manner and with the same consequences as the Monthly Assessment and any duly authorized Special Assessment.

**Section 6.4 Obligation to Pay Assessments.** Each Owner shall be personally obligated to pay Owner's share (i.e., in accordance with owner's undivided interest in and to the Common Elements as set forth in Exhibit "C") of all Assessments duly established pursuant to this Article and Article VII. Unpaid Assessments due as of the date of the conveyance or transfer of a Condominium Unit shall not constitute a personal obligation of the new Owner (other than such new Owner's pro rata share of any reallocation thereof); however, the former Owner shall continue to be personally liable for such unpaid Assessment. No Owner shall be entitled to exemption from liability for Owner's obligation to pay such Assessments by waiver of the use and enjoyment of the Common Elements, by an abandonment of the Owner's Unit or by any other action whatsoever. If the Association does not receive full payment of an assessment by 5:00 p.m. on the fifth calendar day following the due date, the Association may charge a late fee equal to \$25.00 or collect interest at the Past Due Rate until the delinquency is paid in full (but in no event will the late fee and/or interest at the Past Due Rate exceed the maximum rate of interest that the Association is authorized by law to charge or receive), and shall be recoverable by the Association, together with interest as aforesaid and all costs and expenses of collection, including reasonable attorneys' fees, by suit in a court of competent jurisdiction sitting in the County. It shall be the responsibility of the Board of Directors to collect any such delinquent Assessment, the existence of which shall be made known by written notice delivered to the defaulting Owner and, where requested, the Owner's First Mortgagee. The Association shall give written notice of any 60 day delinquency in the payment of assessments or charges by an Owner to the First Mortgagee of such Owner's Unit to the extent the First Mortgagee has requested such notices be provided.

**Section 6.5 Lien to Secure Payment of Assessments.** Declarant hereby reserves and assigns to the Association a lien, pursuant to the provisions of Section 82.113 of the Act, against each Owner's Unit, the Rents, if any, payable to the Owner of any Unit and Insurance Proceeds received by the Owner of any Unit to secure the payment of all Assessments, which lien shall be and constitute a lien and encumbrance, in favor of the Association, upon such Owner's Unit, the Rents, and any Insurance Proceeds. The liens established herein shall be prior and superior to all other liens and encumbrances subsequently created upon such Owner's

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Unit, Rents and Insurance Proceeds, regardless of how created, evidenced or perfected, other than the lien securing the payment of First Lien Indebtedness (provided such lien was recorded prior to the date on which the Assessment became delinquent) and the liens for unpaid taxes, assessments and other governmental impositions. The liens and encumbrances created herein may be enforced by any means available at law or in equity, including, without limitation, a non judicial foreclosure sale of the Unit of a defaulting Owner; such sale to be conducted in the manner set forth in Texas Property Code Section 51.002 (as now written or as hereafter amended). The Owner of each Unit, by acquisition of such Owner's Unit, grants to the Association a power of sale in connection with the Association's liens. By written resolution, the Board of Directors may appoint, from time to time, an officer, agent, trustee or attorney of the Association to exercise the power of sale on behalf of the Association. The Association may bid for and purchase the Owner's Unit, as a Common Expense, at any such foreclosure sale. The foreclosure by a First Mortgagee of an Owner's Unit in order to satisfy First Lien Indebtedness will extinguish the subordinate lien for any Assessments which became payable prior to the date of such foreclosure sale.

**Section 6.6 Commencement of Obligation to Pay Assessments.** Each Owner, other than Declarant, shall be obligated to commence payment of all Assessments against such Owner's Unit on the date the Owner's Unit is conveyed to the Owner. If such date is other than the first day of a month, then such Owner shall be obligated to pay only a pro rata share of the Assessment against such Owner's Unit based on the number of days during such month that the Owner will hold title to the Owner's Unit. Prior to the commencement of the initial Monthly Assessment, Declarant shall pay all Common Expenses of the Condominium (excluding portions thereof allocable to reserves and Working Capital Contributions); provided, however, nothing contained herein shall prevent Declarant from collecting from the purchaser of a Unit at closing any expenses, such as taxes, insurance or utility deposits, to the extent that Declarant prepaid on behalf of the Unit being purchased. After commencement of the initial Monthly Assessment and prior to the earlier of (i) the end of the Declarant Control Period, or (ii) three years following the first conveyance of a Condominium Unit to an Owner, Declarant shall pay the amount by which the Common Expenses of the Condominium (excluding the portion thereof allocable to reserves and Working Capital Contributions) exceed Monthly Assessments required to be paid by Owners other than Declarant; thereafter, Declarant shall pay Monthly Assessments the same as any other Owner. If such date is other than the first day of a month, then Declarant shall be obligated to pay only a pro rata share of the Assessments against such Units based on the number of days remaining during such month.

**Section 6.7 Redemption by Owner.** The Owner of a Unit purchased by the Association, at a foreclosure sale of the Association's lien for Assessments, may redeem the Unit not later than the 90th day after the date of the foreclosure sale. To redeem the Unit, the Owner must pay to the Association all amounts due the Association at the time of the foreclosure sale, interest from the date of foreclosure sale to the date of redemption at the Past Due Rate, reasonable attorneys' fees and costs incurred by the Association in foreclosing the lien, any Assessment levied against the Unit by the Association after the foreclosure sale, and any reasonable costs incurred by the Association, as Owner of the Unit, including costs of maintenance and leasing. Upon redemption, the Association shall execute a deed to the redeeming Owner of the Unit. The exercise of the right of redemption is not effective against a subsequent purchaser or lender for value without notice of the redemption after the redemption period expires unless the redeeming Owner of the Unit records prior to such date the deed from the Association or an affidavit stating that the Owner has exercised the right of redemption. A Unit that has been redeemed remains subject to all liens and encumbrances on the Unit before foreclosure. All Rents collected from the Unit by the Association from the date of foreclosure

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sale to the date of redemption belong to the Association, but the Rents shall be credited against the redemption amount. If the Association purchases a Unit at a sale foreclosing the Association's lien, the Association may not transfer ownership of the Unit during the redemption period to a person other than a redeeming Owner.

**Section 6.8 Notice of Default.** If the Owner of a Unit defaults in the Owner's monetary obligations to the Association, the Association may notify other lienholders of the default and the Association's intent to foreclose its lien. The Association shall notify any holder of a recorded lien or duly perfected mechanic's lien against a Unit which has given the Association a written request for notification of the Owner's monetary default or file Association's intent to foreclose its lien.

**Section 6.9 Alternative Actions.** Nothing contained in this Declaration shall prohibit the Association from taking a deed in lieu of foreclosure or from filing suit to recover a money judgment for sums that may be secured by the lien.

**ARTICLE VII.**  
**Loss and Obsolescence**

**Section 7.1 Loss or Damage.** The following provisions shall govern in the event the Improvements, or any part thereof, are damaged or destroyed by fire or other casualty:

(a) Prompt written notice of any such substantial damage or destruction shall be given to all First Mortgagees.

(b) All insurance proceeds shall be disbursed by the Insurance Trustee in accordance with the Act and with applicable law.

(c) The Association shall promptly proceed with the full restoration and repair of such damage or destruction unless (i) the Condominium is terminated in accordance with Section 11.1 hereof, (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) at least eighty percent (80%) of Owners (including each Owner of a Unit or assigned Limited Common Element that will not be rebuilt or repaired) vote not to rebuild.

(d) The amount by which such restoration and repair costs exceed collectible insurance proceeds shall be and constitute a Special Assessment payable by the Owners within 30 days of the date notice of such Special Assessment is delivered by the Association.

(e) Any excess insurance proceeds remaining after such restoration and repair, or any insurance or sales proceeds available absent such restoration and repair, shall be held in trust by the Insurance Trustee for each Owner according to the Allocated Interests of the Owners, and be applied, without contribution from one such account to another, as follows:

(1) first, to the payment of any taxes and special assessment liens or other governmental impositions in favor of any assessing entity having authority with respect to such Owner's Unit;

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(2) second, to the payment of the balance of the First Lien Indebtedness of such Owner;

(3) third, to the payment of any delinquent Assessment with respect to such Owner's Unit; and

(4) the balance, if any, to such Owner or such other parties as shall be entitled thereto.

**Section 7.2 Matters Relating to Restoration and Repairs.** Any restoration and repair work undertaken by the Association pursuant to Section 7.1 shall be performed in a good and workmanlike manner with a view to restoring the Improvements to a condition similar to that existing prior to such damage or destruction; provided, however, that in no event shall the Association be responsible for restoring, repairing or replacing any improvements to a Unit made by an Owner, or the contents located in such Owner's Unit. All such restoration and repair work, whether done by the Association or an Owner, shall be effected in a manner so as to observe all vertical and horizontal Unit boundaries existing prior to such damage or destruction.

**Section 7.3 Obsolescence of Common Elements.** If not less than sixty-seven percent (67%) of the Owners shall vote, at a meeting of the Association duly called for purposes of considering same, that the Common Elements, or any part thereof, including those Limited Common Elements consisting of Systems which serve only, or are a part of, individual Units, are obsolete the Association shall promptly proceed with the necessary replacements and improvements thereto pursuant to a budget established for such purpose, and the cost thereof shall be and constitute a Special Assessment payable by all Owners within 30 days of the date notice of such Special Assessment is delivered to them by the Association.

**Section 7.4 Obsolescence of the Property.** If not less than eighty percent (80%) of the Owners shall determine, at a meeting of the Association duly called for purposes of considering same, that the Property is obsolete, the Association, after first obtaining the written consent of the First Mortgagees of sixty-seven percent (67%) of the Units, shall promptly proceed with the sale thereof in its entirety. Any proceeds from such sale shall be received, held and applied for and on account of the Owners as provided in Section 7.1(d).

**Section 7.5 Association as Attorney-in-Fact.** Each Owner, by acceptance or possession of title to a Unit, hereby irrevocably makes, constitutes and appoints the Association, and each and every of its successors in interest hereunder (which appointment shall be deemed a power coupled with an interest), as Owner's true and lawful attorney-in-fact, for and in Owner's name, place and stead, upon the damage or destruction of the Property, or any part thereof, or upon any determination by the Owners made pursuant to this Article, to take any and all actions, and to execute and deliver any and all instruments, as the Board of Directors may, in its sole and absolute discretion, deem necessary or advisable to effect the intents and purposes of this Article VII, hereby giving and granting unto the Association full power and authority to do and perform all and every act whatsoever requisite or necessary to be done in and about the premises as fully, to all intents and purposes, as an Owner might or could do, hereby ratifying and confirming whatsoever the Association may do by virtue hereof. The Association is hereby authorized, in the name and on behalf of all Owners, to do and perform all actions necessary or appropriate to effect the intent and purposes of this Article as aforesaid, including, without limitation, the appointment of an Insurance Trustee for the disbursement of any insurance proceeds, and the power and authority to make and settle claims under any



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insurance policies maintained by the Association, contract for restoration and repair work, replacements and improvements to the Common Elements (to the extent authorized as contemplated by Section 7.3), and a sale of the Property (to the extent contemplated by Section 7.4), and to execute and deliver all instruments necessary or incidental to any such actions.

## ARTICLE VIII. Condemnation

**Section 8.1 General Provisions.** If all or any part of the Property is taken or threatened to be taken by eminent domain or by action in the nature of eminent domain (whether permanent or temporary) the Board of Directors and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Board of Directors shall give such notice as it receives of the existence of such proceeding to all Owners, to Declarant's Mortgagee, and to all First Lien Mortgagees which have requested such notice. The expense of participation in such proceedings by the Board of Directors shall be a Common Expense. The Board of Directors is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board of Directors in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Board of Directors, acting as trustee, and such damages or awards shall be applied or paid as hereinafter provided. Any restoration or repair of the Property following a partial condemnation shall be performed in accordance with the provisions of this Declaration and shall follow, as nearly as possible, the original plans and specifications for the Property, unless otherwise approved by all First Mortgagees.

**Section 8.2 Taking of One Unit.** In the event of any taking of an Owner's Unit or a part thereof by eminent domain or sale or other transfer in lieu thereof if an Owner shall vacate and abandon an Owner's Unit by virtue of such taking, the Owner and any First Mortgagee of such Owner shall be entitled to the award for such taking, including the award for the value of such Owner's interest in the Common Elements, whether or not such Common Element interest is acquired, and, after payment thereof such Owner and Owner's First Mortgagee shall be divested of all interest in the Property. If any repair or rebuilding of the remaining portions of the Property is required as a result of such taking, the remaining Owners shall determine by the affirmative vote or written consent of the remaining Owners owning a majority of interests in the Common Elements either to rebuild or repair the Property or to take such other action as such remaining Owners may deem appropriate. If no repair or rebuilding shall be required, or if none be undertaken, the remaining portion of the Property shall be resurveyed, if necessary, and the Declaration shall be amended to reflect such taking and to proportionately readjust the percentages of ownership of the remaining Owners based upon a continuing total ownership of the Property of one hundred percent (100%) and such amendment shall be duly recorded.

**Section 8.3 Taking of Common Elements.** If an action in eminent domain is brought to condemn a portion of the Common Elements together with or apart from any Unit, the Board of Directors, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking of Common Elements only, all damages and awards shall be determined for such taking as a whole and not for any Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be held by the Board of Directors, acting as trustee for each Owner, or Owner's

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mortgagee or mortgagees, as their interests shall appear, in proportion to such Owner's percentage interest in the Common Elements, except that the portion of any such award attributable to the condemnation of a Limited Common Element shall be allocated among the Owners of the Condominium Units served by such Limited Common Elements, as such Owner's interests existed in the Limited Common Elements condemned. The Board of Directors may, if it deems advisable, call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible the Common Elements taken or damaged. In the event it is determined that such Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the Map attached hereto shall be duly amended by instrument executed by the Board of Directors on behalf of the Owners and duly recorded.

**Section 8.4 Taking of Several Units.** In the event that an eminent domain proceeding results in the taking of all or part of those Units comprising less than 2/3 of the total number of Units in the Condominium, then the damage and awards for such taking shall be determined for each Unit and the following shall apply:

(a) The Board of Directors shall determine which of the Units damaged by such taking may be habitable for the purposes set forth in the Declaration, taking into account the nature of the Property and the reduced size of each Unit so damaged.

(b) The Board of Directors shall determine whether it is reasonably practicable to operate the remaining Units of the Property, including those damaged Units which may be habitable, as a condominium project in the manner provided in this Declaration.

(c) If the Board of Directors determines, with the consent of fifty-one percent (51%) of the First Mortgagees (including Declarant's Mortgagee), that it is not reasonably practicable to operate the undamaged Units and the damaged Units which can be made habitable as a condominium project, then the Property shall be deemed to be regrouped and merged into a single estate owned jointly in the undivided interest by all Owners, as tenants-in-common, in the percentage interests previously owned by each Owner in the Common Elements.

(d) If the Board of Directors determines that it will be reasonably practicable to operate the undamaged Units and the damaged Units which can be made habitable as a condominium project, then the damages and awards made with respect to each Unit which has been determined to be capable of being made habitable shall be applied to repair and reconstruct such Unit so that it is made habitable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed pro rata against the Owners of those Units which are being repaired or reconstructed so as to be made habitable. With respect to those Units which may not be made habitable, the award made with respect to each such Unit shall be paid to the Owner of such Unit or Owner's mortgagee or mortgagees, as their interests may appear, and the remaining portion of such Units, if any, shall become a part of the Common Elements and repair and use of such Units shall be determined by the Board of Directors. Upon the payment of such award for the account of such Owner as provided herein, such Unit shall no longer be a part of the Property, and the percentage interest in the Common Elements appurtenant to each remaining Unit which shall continue as part of the Property shall be equitably adjusted to distribute the ownership of the undivided interests in the Common Elements among the reduced number of Owners.

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(e) If the entire Property is taken, or 2/3s or more of the Units are taken or damaged by such taking, all damages and awards shall be held for the accounts of all Owners, and their mortgagees, as their interests shall appear, as provided herein, in proportion to their percentage interests in the Common Elements and this Condominium shall terminate upon such payment. Upon such termination, the Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all Owners as tenants-in-common in the percentage interest previously owned by each Owner in the Common Elements.

(f) **Payment of Awards and Damages.** Any damages or awards provided in this Article to be paid to or for the account of any Owner by the Board of Directors, acting as trustee, shall be applied as follows:

(1) first, to the payment of any taxes and special assessment liens or other governmental impositions in favor of any assessing entity having authority with respect to such Owner's Unit;

(2) second, to the payment of the balance of the First Lien Indebtedness of such Owner;

(3) third, to the payment of any delinquent Assessment with respect to such Owner's Unit; and

(4) the balance, if any, to such Owner or such other parties as shall be entitled thereto.

#### **ARTICLE IX. Development Period**

**Section 9.1 Initial Directors.** The Board of Directors shall be initially established by Declarant as set forth in the Bylaws.

#### **Section 9.2 Period of Declarant Control.**

(a) Except as is provided below, Declarant shall have the right to appoint and remove members of the Board of Directors during the period of Declarant Control. If Declarant voluntarily surrenders control prior to the termination of the period of Declarant Control, Declarant may require that specified actions of the Board of Directors be subject to Declarant approval until the expiration of the period of Declarant Control.

(b) Not later than 120 days after Declarant has conveyed to Owners other than Declarant title to fifty percent (50%) of the Units in the Property, an election shall be held by the Association, pursuant to the Bylaws, for the election of not less than 1/3 of the members of the Board of Directors by Unit Owners other than Declarant.

(c) At least 30 days prior to the termination of the period of Declarant Control, the Association shall elect at least three members of the Board of Directors, pursuant to the Bylaws of which 1/3 will be elected for a three year term, 1/3 will be elected for a two year term and 1/3 will be elected for a one year term.

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**Section 9.3 Working Capital Contributions.**

(a) Each Owner shall, at the time such Owner purchases a Condominium Unit from Declarant, contribute an amount to the Association equal to the Working Capital Contribution. Such amount shall be a contribution of working capital to the Association and shall not be considered as an advance payment of the Monthly Assessments.

(b) If Declarant has elected (in its sole discretion and without any obligation to do so) to make the Working Capital Contribution with respect to a Condominium Unit, anyone who purchases such Condominium Unit from Declarant shall at the time of such purchase, in lieu of the obligation set forth in subparagraph (a) hereof, reimburse Declarant for the Working Capital Contribution which Declarant made on behalf of such Condominium Unit.


(c) Any purchaser of a Condominium Unit from an Owner other than Declarant shall contribute an amount to the Association equal to 1/2 of the Working Capital Contribution at the time of purchase. Such amount shall be a contribution of working capital to the Association and shall not be considered as an advance payment of Monthly Assessments.

**ARTICLE X.  
Arbitration**

**Section 10.1 Mediation.** All Disputes except those relating to equitable remedies, which shall not be resolved within 15 days after same have arisen (unless such greater time is provided elsewhere in the Governing Documents) shall be submitted for, or determined by non-binding mediation. Mediation of any Dispute shall be initiated by any Owner making a written demand therefor to the other Owner or Owners involved in such Dispute and the Association. With respect to such mediation, the parties shall, within ten days after delivery of such written notice to the Association, appoint a mediator who is: (i) a reputable person actively engaged in the commercial real estate industry for a continuous period of not less than ten years, and (ii) is in no way affiliated, or has had material business dealings with any Owner or any member of the Association. If the parties are unable to agree upon a mediator, a mediator having the qualifications set forth above shall be appointed by the then presiding judge of the United States District Court of the Dallas Division of the North District of Texas, or such other service as may be recommended by the Dallas Bar Association. Such mediation shall occur within 30 days after the mediator has been appointed and shall occur at a mutually acceptable location in Dallas, Texas. The costs of such mediation services shall be shared equally (but each party shall bear the cost of their own travel and attorney's fees); provided, however, that if the Dispute is not resolved pursuant to such mediation, the provisions of Section 10.2 of this Declaration shall govern the payment of attorneys fees and costs and expenses of mediation and arbitration under Article X of this Declaration.

**Section 10.2 Final Offer Arbitration.** If the parties are unable to resolve any Dispute at mediation, no later than 30 calendar days after the parties have reached an impasse at mediation, the parties shall submit their Dispute to binding arbitration. The parties agree to select a single arbitrator from a list taken from the American Arbitration Association of commercial arbitrators, and if they cannot agree on an arbitrator, each party shall select a person and those two so selected shall then select the single arbitrator who shall thereafter serve as arbitrator. The issues in dispute shall be submitted as "baseball" or final-offer

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arbitration, whereby each party shall submit what it deems to be its most reasonable position to the arbitrator and the arbitrator shall select one of those two positions. The arbitrator shall have no discretion to select or award a position other than to select one of those submitted by the parties. To the extent rules governing arbitration are deemed necessary by the arbitrator (or by agreement of the parties), the current Rules for Commercial Mediation and Arbitration promulgated by the American Arbitration Association shall apply. Any award that is rendered by the arbitrator shall be accomplished no later than ten days from the initiation of the arbitration procedure. The parties may resort to any court of competent jurisdiction for enforcement of, or any other action relating to, the arbitrator's award. The party or parties whose position is not selected or awarded shall be responsible for all attorneys fees, costs and expenses (incurred in connection with the mediation and arbitration of a Dispute under Article X of this Declaration) of the party whose position is selected or awarded for the arbitration of the Dispute under Article X of this Declaration.

**Section 10.3 Exclusive Remedy.** With respect to any Dispute subject to arbitration under this Article, it is agreed that the arbitration provisions of Article X of the Declaration shall be the sole remedy of the Owners involved in such Dispute under this Declaration. Notwithstanding any other provisions of this Declaration, the foregoing agreement to arbitrate shall be specifically enforceable under prevailing arbitration law. The foregoing agreement to arbitrate shall not constitute any agreement or consent to arbitration of any dispute, claim, controversy or matter that does not constitute a "Dispute" as such term is defined in this Declaration or not described in this Declaration or with any person not named or described in this Declaration, provided that any arbitration proceeding initiated under the terms of this Section may, at the request of any party, be joined or consolidated with other arbitration proceedings involving additional parties if the Dispute and the subject of such other proceedings arise out of common or interrelated factual occurrences. Any award of the arbitrator shall be final and binding upon the Owners involved in the Dispute and such Owners' Mortgagees and nonappealable judgment thereon may be entered by any court having jurisdiction.

## ARTICLE XI.

### Provisions Applicable to Declarant's Mortgagee

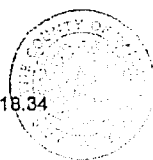
**Section 11.1 Notice To Declarant's Mortgagee.** Declarant's Mortgagee only shall be entitled to receive the following notices in writing from the Association, which notice shall be sent promptly following the occurrence of the applicable event:

(a) Notice of any proposed action which requires the consent of Declarant's Mortgagee, which notice shall be given not less than thirty (30) days prior to the desired effective date of such action;

(b) Notice of default by Declarant on a Unit (the beneficial interest in which is held by Declarant's Mortgagee) in the performance of Declarant's obligations, or delinquency in the payment of assessments or charges owed by Declarant, which remains uncured for a period of sixty (60) days;

(c) Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond required to be maintained hereunder by the Association;

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(d) Notice of any damage or destruction to or condemnation of any portion of the Condominium that affects either a material portion of the Property or any Unit securing Declarant's Mortgagee's Lien Indebtedness, which notice shall be given promptly upon the Association's obtaining knowledge of such damage or destruction;

(e) Sixty (60) days notice prior to the Association instituting any foreclosure action on any Unit owned by Declarant.

**Section 11.2 Cure Rights.** Declarant's Mortgagee shall have the right, but not the obligation, at any time prior to the termination of this Declaration, and without payment of any penalty, to do any act or thing required of any party hereunder; and to do any act or thing which may be necessary or proper to be done in the performance and observance of the agreements, covenants and conditions hereof. All payments so made and all things so done and performed by Declarant's Mortgagee shall be effective to prevent a default under this Declaration as the same would have been if made, done and performed by Declarant instead of by Declarant's Mortgagee. Any event of default under this Declaration which in the nature thereof cannot be remedied by Declarant's Mortgagee shall be deemed to be remedied if: (a) within thirty (30) days after receiving written notice from the non-defaulting party setting forth the nature of such event of default, or prior thereto, Declarant's Mortgagee shall have acquired the property owned by the defaulting party (the "Acquired Property") or shall have commenced foreclosure or other appropriate proceedings in the nature thereof, (b) Declarant's Mortgagee diligently prosecutes any such proceedings to completion, (c) Declarant's Mortgagee shall have fully cured any default in the payment of any monetary obligations owed the non-defaulting party hereunder within such thirty (30) day period and shall thereafter continue to perform faithfully all such non-monetary obligations which do not require possession of the Acquired Property, and (d) after gaining possession of the Acquired Property following a foreclosure or deed in lieu thereof, Declarant's Mortgagee performs all other obligations of the defaulting party hereunder as and when the same are due.

**Section 11.3 No Invalidity of Mortgage Lien.** No violation of this Declaration by, or enforcement of this Declaration against, any party shall impair, defeat or render invalid the lien of Declarant's Mortgagee.

**Section 11.4 Declarant's Mortgagee Requirements.** The Association and the Board of Directors agrees to cooperate reasonably with Declarant's Mortgagee in regard to the satisfaction of requests or requirements by Declarant's Mortgagee; provided, however, such cooperation shall be at the sole cost and expense of the requesting party, and provided, further, that no party shall be deemed obligated to accede to any request or requirement that materially and adversely affects its rights under this Declaration.

**Section 11.5 Unpaid Assessments.** If Declarant's Mortgagee obtains title to any Unit on which Declarant's Mortgagee holds a mortgage encumbering such Unit, pursuant to judicial foreclosure or the powers provided in such mortgage, Declarant's Mortgagee shall take title to such Unit free and clear of any claims for unpaid assessments or charges against such Unit which accrued prior to the time Declarant's Mortgagee acquires title to such Unit.

**Section 11.6 Books and Records.** Declarant's Mortgagee, upon written request, shall have the right to (a) examine the books and records of the Association, including current copies of the Declaration, Rules and Regulations, and financial statements, during normal business hours, (b) require the Association to submit an annual audited financial statement for the preceding fiscal year within one hundred twenty (120) days of the end of the Association's fiscal

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year, if one is available, or have one prepared at the expense of Declarant's Mortgagee if such statement is not otherwise prepared by the Association, (c) receive written notice of all meetings of the Owners, and (d) designate in writing a representative to attend all such meetings.

**Section 11.7 Material Changes.** Declarant's Mortgagee, upon written request, shall be given thirty (30) days' written notice prior to the effective date of (a) any proposed material amendment to this Declaration or the Map; (b) any termination of an agreement for professional management of the Property following any decision of the Owners to assume self-management of the Property; and (c) any proposed termination of the Condominium.

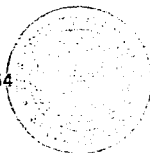
**Section 11.8 Priority of Rights.** No provision of the Declaration shall be construed or applied to give any Owner priority over any rights of Declarant's Mortgagee in the case proceeds or awards are not applied to restoration but are distributed to Owners in the case of a casualty loss or condemnation of, a Unit and/or Common Element.

## **ARTICLE XII. Miscellaneous**

**Section 12.1 Revocation or Termination of Declaration.** This Declaration may be revoked or the Condominium established hereby may be terminated, but only by an instrument in writing, duly approved, executed and acknowledged by not less than eighty percent (80%) of the Owners and not less than one hundred percent (100%) vote of the First Mortgagees. Any such instrument of revocation or termination shall be duly filed of record in the County. If the Property is to be sold upon termination, the agreement effecting such termination shall also set forth the terms of such sale and comply with the provisions of Section 82.068(c) of the Act.

**Section 12.2 Amendment to Declaration.** Except for an amendment executed by Unit Owners reallocating a Limited Common Element as authorized by Section 82.058(b) of the Act, this Declaration may be amended at a meeting of the Owners at which the amendment is approved by not less than sixty-seven percent (67%) of the Owners and by the vote of not less than fifty-one percent (51%) of the First Mortgagees (including Declarant's Mortgagee). Such amendment shall be evidenced by a written instrument executed and acknowledged by an officer of the Association on behalf of the consenting Owners and by the consenting First Mortgagees and filed of record in the County. Any such amendment so effected shall be binding upon all of the Owners, provided however that except as permitted or required by the Act, no such amendment shall (i) cause the alteration or destruction of a Unit or of a Limited Common Element unless such amendment has been consented to by the Owner and the First Mortgagee of the Unit which is to be altered or destroyed ~~or by the Owner and First Mortgagee~~ of a Unit to which the Limited Common Element that is to be altered or destroyed is appurtenant, (ii) create or increase Special Declarant Rights, (iii) increase the number of Units, (iv) change the boundaries of a Unit, (v) change the use restrictions on a Unit unless such amendment has been consented to by one hundred percent (100%) of the Owners, or (vi) adversely affect the lien of the Declarant's Mortgagee on any Unit unless the Declarant's Mortgagee has first consented to such amendment in writing. Notwithstanding the foregoing, no such amendment shall become effective unless approved by Declarant if Declarant still owns one or more Units and the amendment would, in Declarant's reasonable determination, (A) increase or otherwise modify Declarant's obligations; (B) reduce or modify any Special Declarant Rights; (C) materially inhibit or delay Declarant's ability to complete the Improvements or to convey any portion of the Property owned by Declarant, or (D) conflict with any insurance

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requirement of Declarant's Mortgagee on the Property. Notwithstanding the foregoing, Declarant, if Declarant owns a Condominium Unit which has not been conveyed to an Owner, or the Board of Directors, may, without a vote of the Owners or the First Mortgagees or approval of the Association amend the Declaration or the Bylaws in any manner necessary to meet the requirements of the Federal National Mortgage Association, the Federal National Home Loan Mortgage Corporation, the Federal Housing Administration or the Veterans Administration.

**Section 12.3 Partial Invalidity.** In the event any provision of this Declaration, the Bylaws or the Regulations shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall in no way impair or affect the validity or enforceability of the remainder of such instruments.

**Section 12.4 Conflicts.** In the event any of the provisions of this Declaration, the Bylaws or the Regulations shall be in conflict with the provisions of the Act or the Texas Non-Profit Corporation Act or the Texas Business Corporation Act, the provisions of such statutes shall control. In the event that a conflict exists between the provisions of this Declaration, the Bylaws, the Articles and/or Rules and Regulations; the documents shall control in the following order:

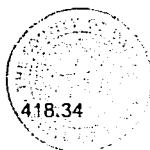
1. This Declaration;
2. The Articles;
3. The Bylaws; and
4. The Rules and Regulations.

**Section 12.5 Captions and Exhibits.** Captions used in the various articles and sections of this Declaration are for convenience only, and they are not intended to modify or affect the meaning of any of the substantive provisions hereof. All exhibits are incorporated in and made a part of this Declaration.

**Section 12.6 Usury.** It is expressly stipulated that the terms of this Declaration and the Bylaws shall at all times comply with the usury laws of the State of Texas. If such laws are ever revised, repealed, or judicially interpreted so as to render usurious any amount called for hereunder or under the Bylaws or contracted for, charged or received in connection with any amounts due hereunder or under the Bylaws, or if the Association's exercise of any provisions hereof or of the Bylaws results in any party having paid any interest in excess of that permitted by applicable law, then it is the Association's and/or Declarant's express intent that all excess amounts theretofore collected by the Association be credited on the principal balance of any indebtedness (or, if the indebtedness has been paid in full, refunded to the payor), and the provisions of this Declaration and the Bylaws immediately be deemed reformed and the amounts thereafter collected be reduced, without the necessity of execution of any new document, so as to comply with then applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

**Section 12.7 Use of Number and Gender.** Whenever used herein, and unless the context shall otherwise provide, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall include all genders.

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**Section 12.8 Governing Law.** THIS DECLARATION AND THE BYLAWS, ARTICLES, AND RULES AND REGULATIONS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS. VENUE FOR ANY ACTION BROUGHT IN CONNECTION WITH THE CONDOMINIUM SHALL BE IN DALLAS COUNTY, TEXAS.

**Section 12.9 Notice To First Mortgagees.** The Association shall give all First Mortgagees fifteen (15) days' written notice of any proposed action which requires the consent of a specified percentage of First Mortgagees pursuant to this Declaration.

**Section 12.10 Non-Liability of Association and Declarant for Security.** Without limitation of any other provision of this Declaration, each Owner (by acceptance or possession of title to a Unit) and their Tenants and family (by occupancy and possession of the Unit), guests and invitees, covenant and agree with respect to any and all security services, systems and facilities provided directly or indirectly by the Association as follows:

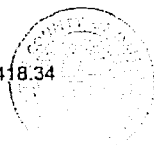
(a) Security is the sole responsibility of local law enforcement agencies and individual Owners, their Tenants, and their respective guests and invitees. It is acknowledged that the Association has no obligation whatsoever to provide security. Security services, systems and facilities shall be provided at the sole discretion of the Board of Directors. The provision of any security services, systems and facilities at any time shall in no way prevent the Board of Directors from thereafter electing to discontinue or temporarily or permanently remove such security service, systems and facilities or any part thereof.

(b) Any third party providers of security services (including those providing maintenance and repair of security systems and facilities) shall be independent contractors, the acts or omissions of which shall not be imputed to the Association or its officers, directors, committee members, agents or employees.

(c) Providing of any security services, systems and facilities shall never be construed as an undertaking by the Association to provide personal security or as a guarantee or warranty that the presence of any security service, systems or facilities will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause.

(d) EACH OWNER, BY HIS ACCEPTANCE OF A DEED TO A UNIT, SHALL BE DEEMED TO HAVE WAIVED, ON BEHALF OF SUCH OWNER AND SUCH OWNER'S TENANTS, AND THEIR RESPECTIVE FAMILY MEMBERS, GUESTS AND INVITEES, ANY AND ALL CLAIMS, NOW OR HEREAFTER ARISING AGAINST THE DECLARANT AND THE ASSOCIATION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, AGENTS AND EMPLOYEES ARISING OUT OF OR RELATING TO ANY INJURIES, LOSS OR DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, OR THE DISCONTINUATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT OR THE ASSOCIATION OR THEIR RESPECTIVE OFFICERS,

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**DIRECTORS, COMMITTEE MEMBERS, AGENTS, CONTRACTORS OR EMPLOYEES.**

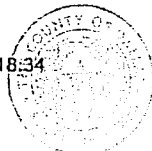
(e) To the extent the release in this Article is not deemed effective as to any Tenant, or any family member, guest or invitee of an Owner, the Owner of each Unit hereby indemnifies and agrees to defend and hold harmless the Declarant and the Association, and their respective officers, directors, committee, Declarant and the Association, and their respective officers, directors, committee members, agents, and employees from and against any and all claims, actions, suits, judgments, damages, costs and expenses (including attorney fees and court costs) arising from bodily injury (including, without limitation, mental anguish, emotional distress and death) and/or loss or damage to property suffered or incurred by any such Tenant of such Unit, or any family member, guest or invitee of the Owner or Tenant of such Unit, as a result of criminal activity within or in the vicinity of the Condominium, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT, THE ASSOCIATION OR THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, AGENTS, CONTRACTORS OR EMPLOYEES.

(f) Any obligation or liability of the Association which is borne by the Association because of an Owner not abiding by such waiver, release and indemnity obligations under this Section 10.12 shall be assessed by the Association as an Individual Assessment against the Owner and the Condominium Unit of the Owner who failed to perform such obligation giving rise to such liability. Nothing herein shall make any Owner liable to the Association or any other Owner for any bodily injury and/or loss or damage to property of the Tenant, family member, guest or invitee of any other Owner.

**Section 12.11 Sound Transmission Disclaimer.** EACH UNIT OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OF THEIR UNIT, HEREBY ACKNOWLEDGES AND AGREES THAT SOUND AND IMPACT NOISE TRANSMISSION IN A HIGH-RISE BUILDING SUCH AS THE CONDOMINIUM IS VERY DIFFICULT TO CONTROL, AND THAT NOISES FROM ADJOINING OR NEARBY UNITS AND OR MECHANICAL EQUIPMENT CAN AND WILL BE HEARD IN UNITS. DECLARANT DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE LEVEL OF SOUND OR IMPACT NOISE TRANSMISSION BETWEEN AND AMONG UNITS AND THE OTHER PORTIONS OF THE CONDOMINIUM PROPERTY, AND EACH UNIT OWNER HEREBY WAIVES AND EXPRESSLY RELEASES, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW AS OF THE DATE OF THIS DECLARATION, ANY SUCH WARRANTY AND CLAIM FOR LOSS OR DAMAGES RESULTING FROM SOUND OR IMPACT NOISE TRANSMISSION.

**Section 12.12 Historic and Tax Abatement Disclaimer.** EACH UNIT OWNER, BY ACCEPTANCE OF A DEED OR OTHER CONVEYANCE OF THEIR UNIT, HEREBY ACKNOWLEDGES AND AGREES THAT THE PROPERTY IS PART OF THE HISTORIC OVERLAY DISTRICT NO. 85, AS SET FORTH IN THE DALLAS CITY CODE. THE HISTORIC OVERLAY DISTRICT IMPOSES CERTAIN RESTRICTIONS ON ALTERING, CONSTRUCTING, MAINTAINING OR REMOVING ANY STRUCTURES ON THE PROPERTY, INCLUDING WITHOUT LIMITATION CERTAIN ALTERATIONS TO THE EXTERIOR OF THE CONDOMINIUM PROJECT, WHICH MAY MATERIALLY IMPACT THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL SYSTEMS IN OPERATION ON THE INTERIOR OF THE BUILDING. ORDINANCE NO. 23485 ESTABLISHING THE HISTORIC

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OVERLAY DISTRICT. THE PROPERTY IS ALSO CURRENTLY SUBJECT TO AND BENEFITS FROM A TAX ABATEMENT FROM THE CITY OF DALLAS. THE PROPERTY TAXES FOR THE CONDOMINIUM PROJECT REFLECTED IN THE BUDGET TAKE INTO EFFECT THE CURRENT TAX ABATEMENT THAT BENEFITS THE PROPERTY. THE CURRENT TAX ABATEMENT WILL EXPIRE IN THE FUTURE AND AS A RESULT, THE PROPERTY TAX FOR THE CONDOMINIUM PROJECT AND EACH INDIVIDUAL UNIT SHOULD INCREASE PROPORTIONATELY AT THAT TIME.

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IN WITNESS WHEREOF, Declarant has duly executed this Declaration on the day and year first above written.

DECLARANT:

SOCO URBAN LOFT CONDOMINIUMS, LTD.,  
a Texas limited partnership

By: SoCo Urban Lofts, Inc.,  
a Texas corporation, its general partner

By: Stephen H. Karoff  
Name: STEPHEN H. KAROFF  
Title: VICE PRESIDENT

STATE OF TEXAS       §  
                                  §  
                                  §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me this 29<sup>th</sup> day of July, 2005, by Stephen H. Karoff the President of SoCo Urban Lofts, Inc., a Texas corporation, general partner of SoCo Urban Loft Condominiums, Ltd., a Texas limited partnership, on behalf of said corporation and partnership.



Stacey Francis  
Notary Public State of Texas  
Stacey Francis  
Printed Name of Notary Public

My Commission Expires:  
\_\_\_\_\_

CONSENT AND SUBORDINATION

The undersigned, beneficiary under the Deed of Trust dated December 5, 1997 and recorded in Volume 97236, Page 4092, of the Deed Records of Dallas County, Texas, as modified by that certain Modification Agreement dated of even dated July 29, 2005 and recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_ of the Deed Records of Dallas County, Texas (collectively the Deed of Trust and Modification Agreement are referred to herein as the "Deed of Trust"), approves the foregoing Declaration, and agrees that the Deed of Trust is, and shall at all times continue to be, subject, inferior, and subordinate in all respects to the Declaration.

Dated: 7/29/05

MORTGAGEE:

THE CITY OF DALLAS

By: Ryan S. Evans  
Name: Ryan S. Evans  
Title: Assistant City Manager

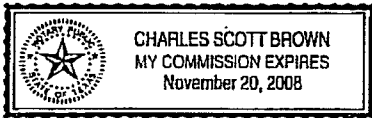
APPROVED AS TO FORM:

THOMAS P. PERKINS, JR., CITY ATTORNEY

By: J. Arthur Hudman  
Name: J. Arthur Hudman  
Title: Assistant City Attorney

STATE OF TEXAS                   §  
  §  
COUNTY OF Dallas           §

This instrument was acknowledged before me on July 29 by Ryan S. Evans, Assistant City Manager of The City of Dallas on behalf of said City.



Charles S Brown  
Notary Public in and for  
State of Texas

My Commission Expires:  
\_\_\_\_\_

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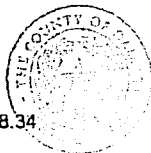
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**EXHIBIT "A" (TO THE DECLARATION)**

**LEGAL DESCRIPTION**

**[The legal description for the Condominium is shown on the pages following this cover sheet]**



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EXHIBIT A

SoCo Urban Loft Condominiums  
PROPERTY DESCRIPTION

BEING a 0.9844 acre tract of land situated in the John Grigsby Survey, Abstract No. 495, Dallas county, Texas, also being those certain tracts of land conveyed to said 1122 Jackson street, Ltd. by Special Warranty Deeds recorded in Volume 97236, Page 03990 and Volume 97236, Page 03997, Deed Records, Dallas County, Texas, and being all of Lot 1, Block A/64 of Eleven Twenty-Two Jackson Street, an addition to the City of Dallas as recorded in Volume 98137, Page 00066, Deed Records, Dallas County, Texas and being more particularly described as follows:

COMMENCING at the intersection of the west line of South Field Street (variable width public R.O.W.) with the north line of Wood Street (variable width public R.O.W.);

THENCE S75°17'45"W, along the said north line Wood Street, a distance of 131.45 feet to the POINT OF BEGINNING, an "X" cut found in concrete being the south end of that certain Boundary Line Agreement record in Volume 89215, Page 2853, Deed Records, Dallas County, Texas:

THENCE S75°17'45"W, continuing along the side north line of Wood Street, a distance of 220.37 feet to a PK nail found for corner;

THENCE N13°54'13"W, departing the north line of Wood Street, a distance of 196.31 feet to a PK nail found for corner lying in the south line of Jackson Street (50' public R.O.W.);

THENCE N76°00'00"E, along the said south line of Jackson Street, a distance of 216.56 feet to a 1/4" steel nail in concrete found for corner, being the north end of the aforementioned Boundary Line Agreement;

THENCE S14°08'10"E, departing the south line of said Jackson Street and along the common boundary line established by said Boundary Line Agreement, a distance of 193.60 feet to the POINT OF BEGINNING and containing 42,882 square feet or 0.9844 acres of land, more or less.

DATE 7/27/05  
File No. 04041



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EXHIBIT A

SoCo Urban Loft Condominiums  
PROPERTY DESCRIPTION

TRACT 2: (Private Licensehold Rights Tract)

BEING a 0.1125 acre (4,900 square feet) subterranean tract of land situated in the John Grigsby Survey, Abstract No. 495, Dallas County, Texas, lying beneath a portion of Jackson Street (50' public R.O.W.), said tract being described in Ordinance No. 23104, Licensing Agreement, recorded in Volume 97117, Page 3837, Deed Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at a P.K. nail set for corner in the south line of Jackson Street (50' public R.O.W.), said nail being at the northeast corner of Lot 1, Block A/64 of ELEVEN TWENTY-TWO JACKSON STREET, an addition to the City of Dallas, Dallas County, Texas, according to the Correction Plat thereof recorded in Volume 98137, Page 66, Map Records, Dallas County, Texas and the north end of a Boundary Line Agreement described in deed recorded in Volume 89215, Page 2853, Dallas County, Texas;

THENCE S76°00'00"W, along said south line of Jackson Street and the north line of said Lot 1, a distance of 32.41 feet to the POINT OF BEGINNING; THENCE S76°00'00"W, continuing along said south line of Jackson Street and along the north line of said Lot 1, a distance of 98.00 feet;

THENCE N14°00'00"W, departing the north line of said Lot 1 and across said Jackson Street, a distance of 50.00 feet to the north line of said Jackson Street;

THENCE N76°00'00"E, along said north line of Jackson Street, a distance of 98.00 feet;

THENCE S14°00'00"E, across said Jackson Street, a distance of 50.00 feet to the POINT OF BEGINNING and containing 4,900 square feet or 0.1125 acres of land, more or less.

TRACT 3: (Private Licensehold Rights Tract)

BEING a 0.1480 acre (6,450 square feet) subterranean tract of land situated in the John Grigsby Survey, Abstract No. 495, Dallas County, Texas, lying beneath a portion of Wood Street (variable width public R.O.W.), said tract being described in Ordinance No. 23104, Licensing Agreement, recorded in Volume 97117, Page 3837, Deed Records, Dallas County, Texas, and being more particularly described as follows:

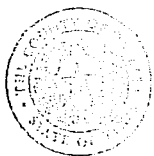
COMMENCING at a concrete nail found in concrete lying in the north line of Wood Street (variable width public R.O.W.) and at the south end of that certain Boundary Line Agreement recorded in Volume 89215, Page 2853, Deed Records, Dallas County, Texas, also being southeast corner of Lot 1; Block A/64 of ELEVEN TWENTY-TWO JACKSON STREET, an addition to the City of Dallas, Dallas County, Texas, according to the Correction Plat thereof recorded in Volume 98137, Page 66, Map Records, Dallas County, Texas:

THENCE S75°17'45"W, along the said north line of Wood Street and the south line of said Lot 1, a distance of 3.22 feet to the POINT OF BEGINNING;

THENCE S14°42'15"E, departing said north line of said Lot 1 and across said Wood Street, a distance of 50.00 feet to the south line of said Wood Street;

THENCE S75°17'45"W, along the south line of said Wood Street, a distance of 129.00 feet; THENCE N14°42'15"W, across said Wood Street, a distance of 50.00 feet to the said north line of Wood Street;

THENCE N75°17'45"E, along the said north line of Wood Street, a distance of 129.00 feet to the POINT OF BEGINNING and containing 6,450 square feet or 0.1480 acres of land, more or less.



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**EXHIBIT "B (TO THE DECLARATION)**

**MAP AND PLANS**

**[The Map and Plans for the Condominium are  
shown on the pages following this cover sheet]**



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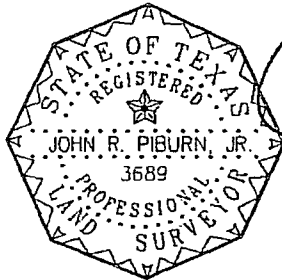
EXHIBIT B

SoCo Urban Loft Condominiums

SURVEYOR'S DECLARATION

THAT I, JOHN R. PIBURN, JR., do hereby certify that this survey was made on the ground by me or under my personal supervision and the plat hereon is a true, correct, and accurate representation of the property as determined by survey. The lines, dimensions and corners of said property being as indicated by the plat. There are no visible or apparent easements, encroachments, conflicts or protrusions except as shown hereon.

The map and property description contained herein contain all information required by Section 82.059 of the Texas Property Code.



A handwritten signature in black ink, appearing to read "John R. Piburn, Jr.", written over a horizontal line.

John R. Piburn, Jr., R.P.L.S.  
Registration No. 3689



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DATE 7/27/05  
File No. 04041

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**METROPLEX LAND SURVEYING, PLLC**  
8035 East R.L. Thornton Frwy. - Suite 519  
Dallas, Texas 75228  
ph: (214) 328-3500 fax: (469) 692-5755  
email@metrosurveyor.com

EXHIBIT B

SoCo Urban Loft Condominiums

LEGEND:

All hallways, stairs and landings, which are not located within a Unit, are general common elements, and all outdoor terraces or patios which are not located within a Unit or are Limited Common Elements are general common elements.

The unit plans show interior sheetrock-to-sheetrock measurements. For the purpose of determining the Common Expenses allocated to each Unit, however, the measurements of each Unit shall also include those areas described more particularly in the Condominium Information Statement.

Elevations based on a finished floor elevation of 100.00' at ground level:

- Parking P2 82.00' - 90.00'
- Parking P1 91.00' - 99.00'
- 1st floor 100.00' - 110.40'
- 2nd floor 111.40 - 121.80'
- 3rd floor 122.80' - 133.20'
- 4th floor 134.20' - 144.60'
- 5th floor 145.60' - 156.00'
- 6th floor 157.00 - 167.40'
- 7th floor 168.40' - 178.80'
- 8th floor 179.80' - 190.20'
- 9th floor 191.20' - 201.60'
- 10th floor 202.60' - 213.00'
- 11th floor 217.20' - 227.60'
- 12th floor 228.60' and up

All parking Units, unless otherwise denoted as Compact Parking Spaces, constitute Regular Parking Spaces.

Parking Units numbered 1-246 are individual Condominium Units designated for separate ownership by the Owner of a Unit.



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ph: (214) 328-3500 fax: (469) 692-5755

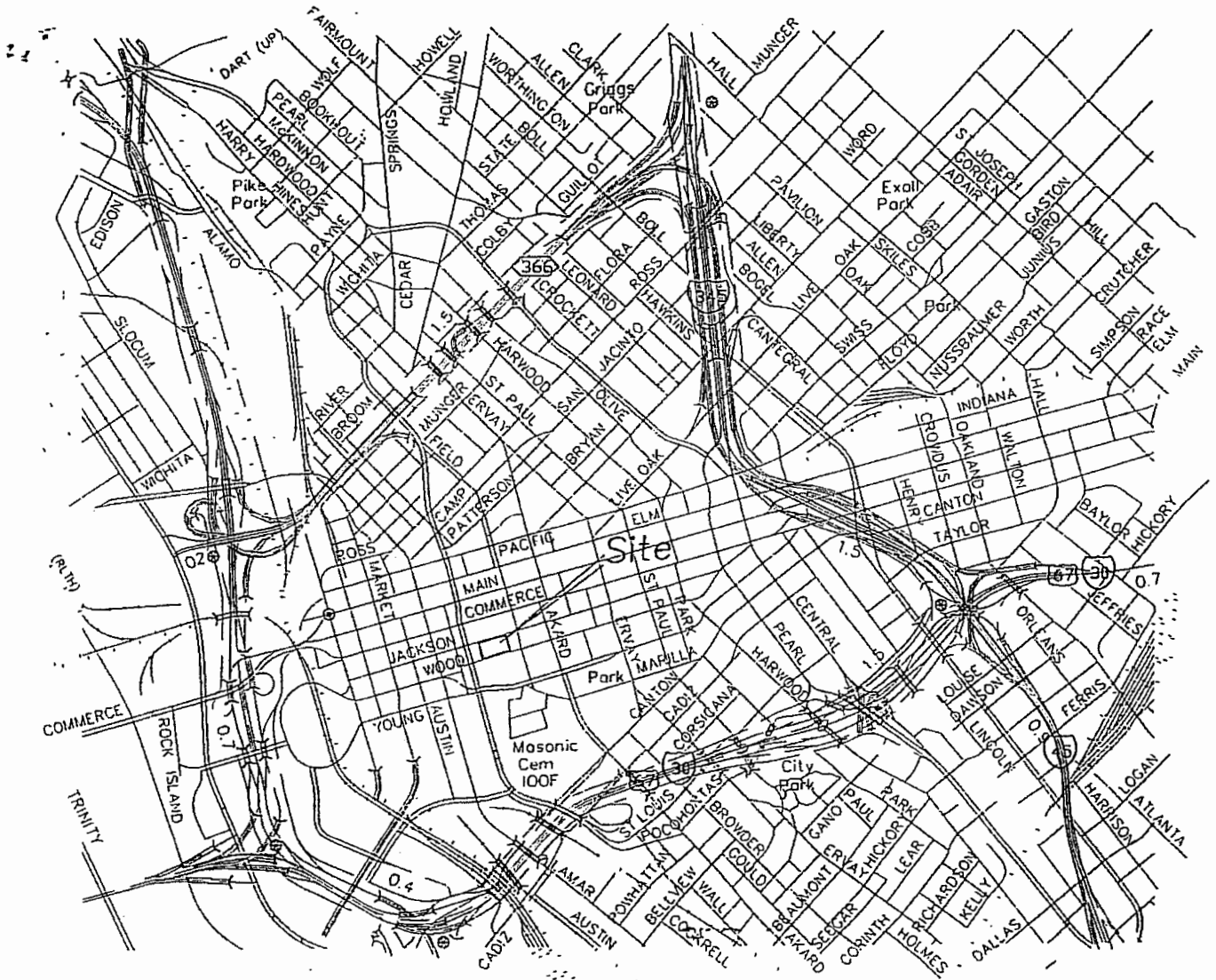
email@metrosurveyor.com

DATE 7/27/05  
File No. 04041

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EXHIBIT B

SoCo Urban Loft Condominiums  
Vicinity Map



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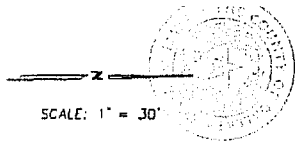
DATE 7/27/05  
File No. 04041

2005 148 0203

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SCALE: 1" = 30'

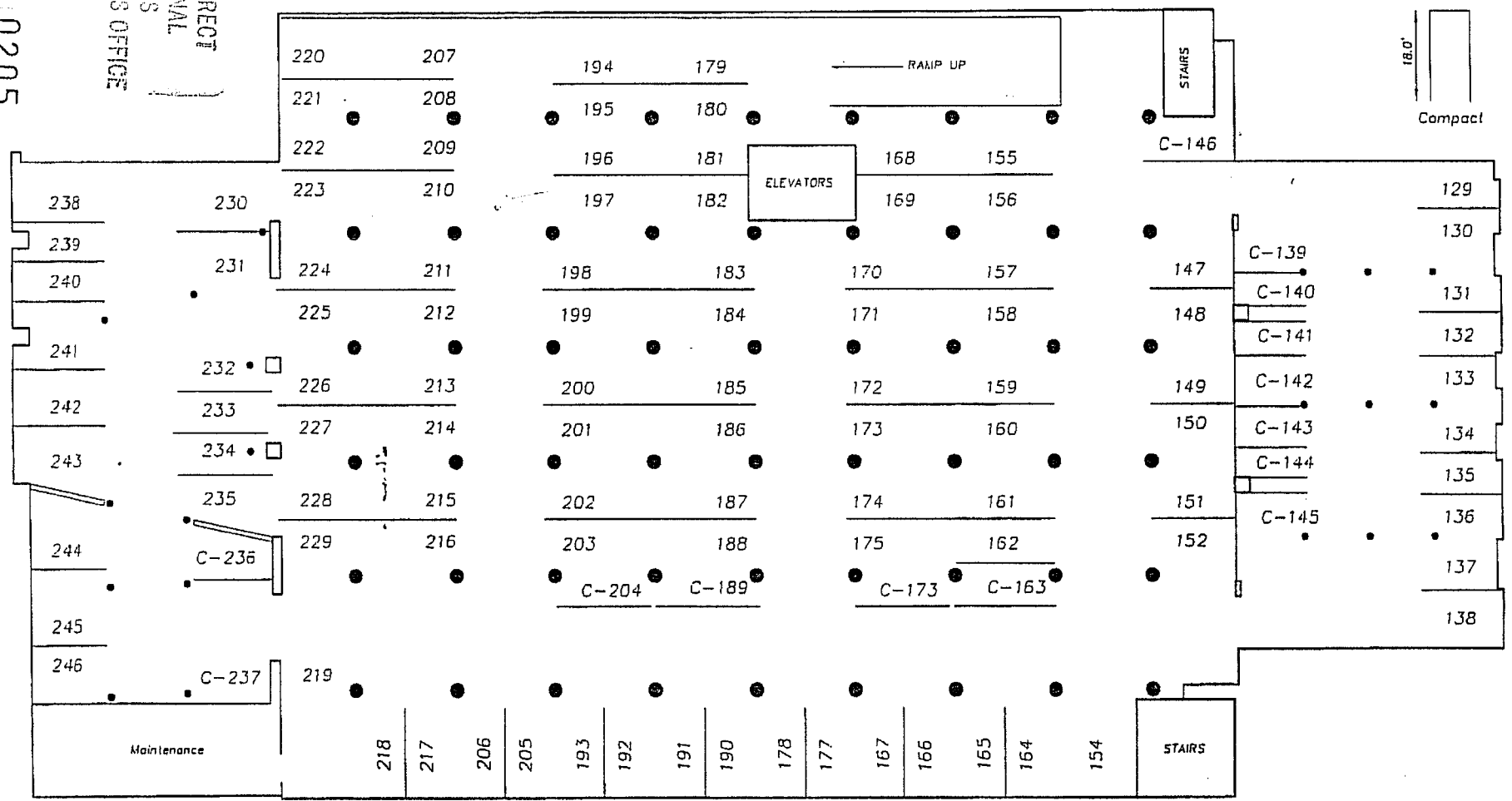
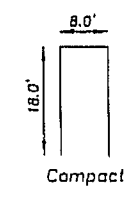
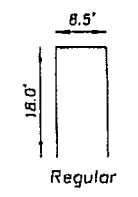
EXHIBIT B

SoCo Urban Loft Condominiums  
PARKING LEVEL P2

2005 148 0205

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RECORDED IN DALLAS  
COUNTY CLERK'S OFFICE

Parking Spaces  
(Typical)



Notes:

C-### Denotes Compact Parking Space

Elevations on Parking Level P2 are between 52.00' and 90.00', based on a finished floor elevation of 100.00' at ground level.

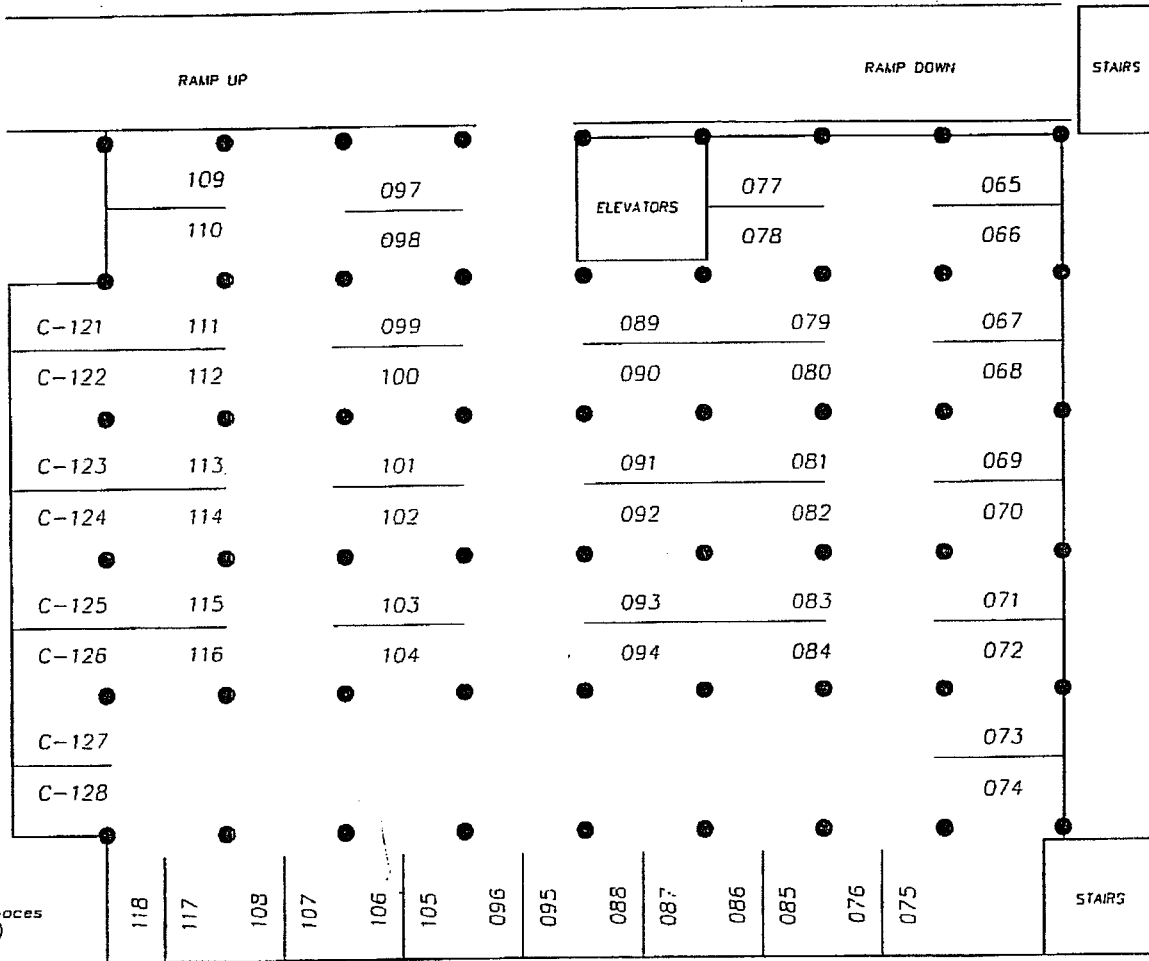
DATE 7/27/05  
File No. 04041

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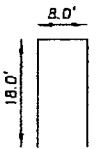
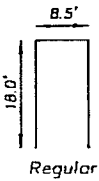
EXHIBIT B

SoCo Urban Loft Condominiums  
PARKING LEVEL P1

SCALE: 1" = 30'



Parking Spaces (Typical)



Notes: Compact

C-### Denotes Compact Parking Space.

Elevations on Parking Level P1 are between 91.00' and 99.00', based on a finished floor elevation of 100.00' at ground level.

DATE 7/27/05  
File No. 04041



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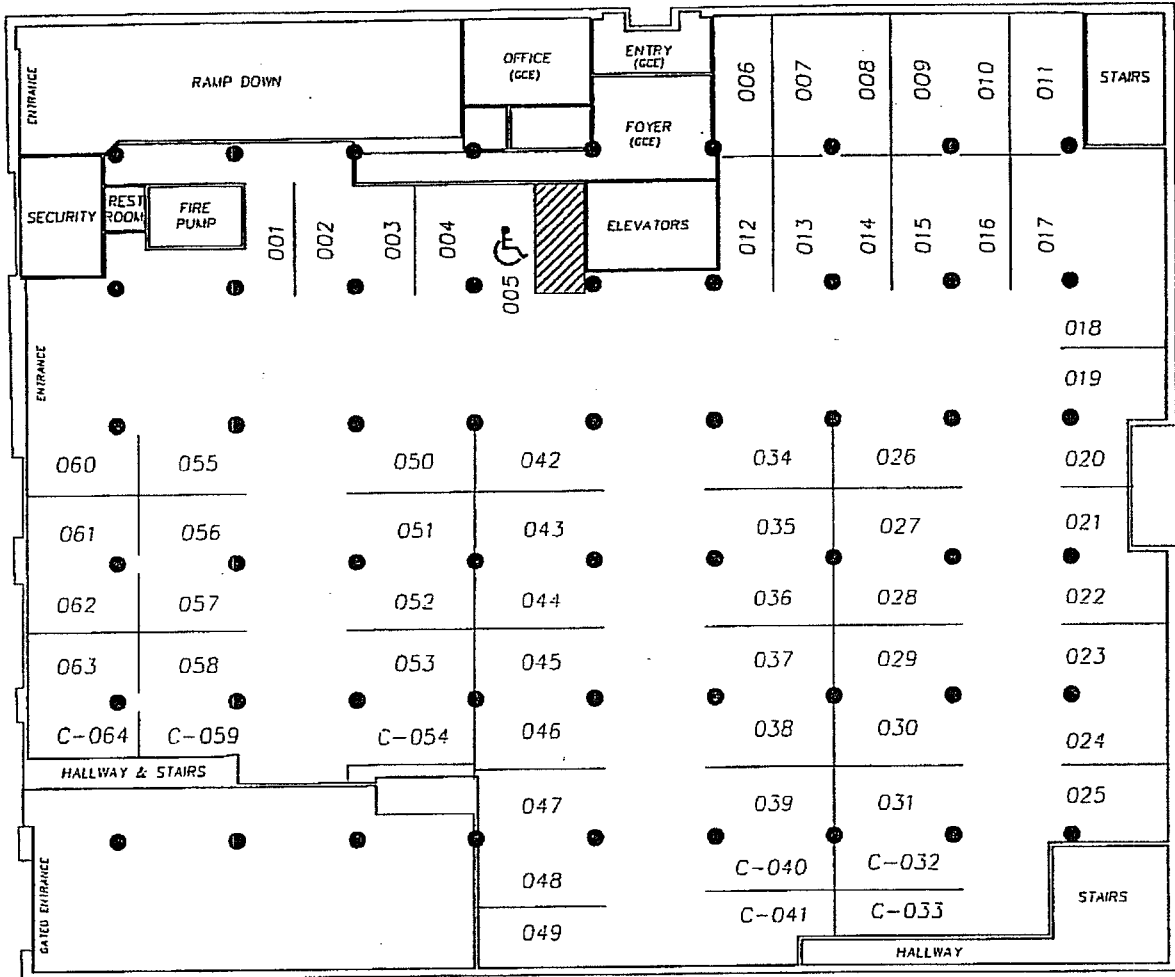
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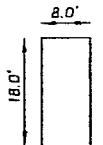
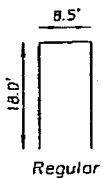
EXHIBIT B

SoCo Urban Loft Condominiums  
FIRST FLOOR

SCALE: 1" = 30'



Parking Spaces  
(Typical)



Notes: Compact

C-### Denotes Compact Parking Space.

Elevations on 1st floor are between 100.00' and 110.40', based on a finished floor elevation of 100.00' at ground level.

DATE 7/27/05  
File No. 04041



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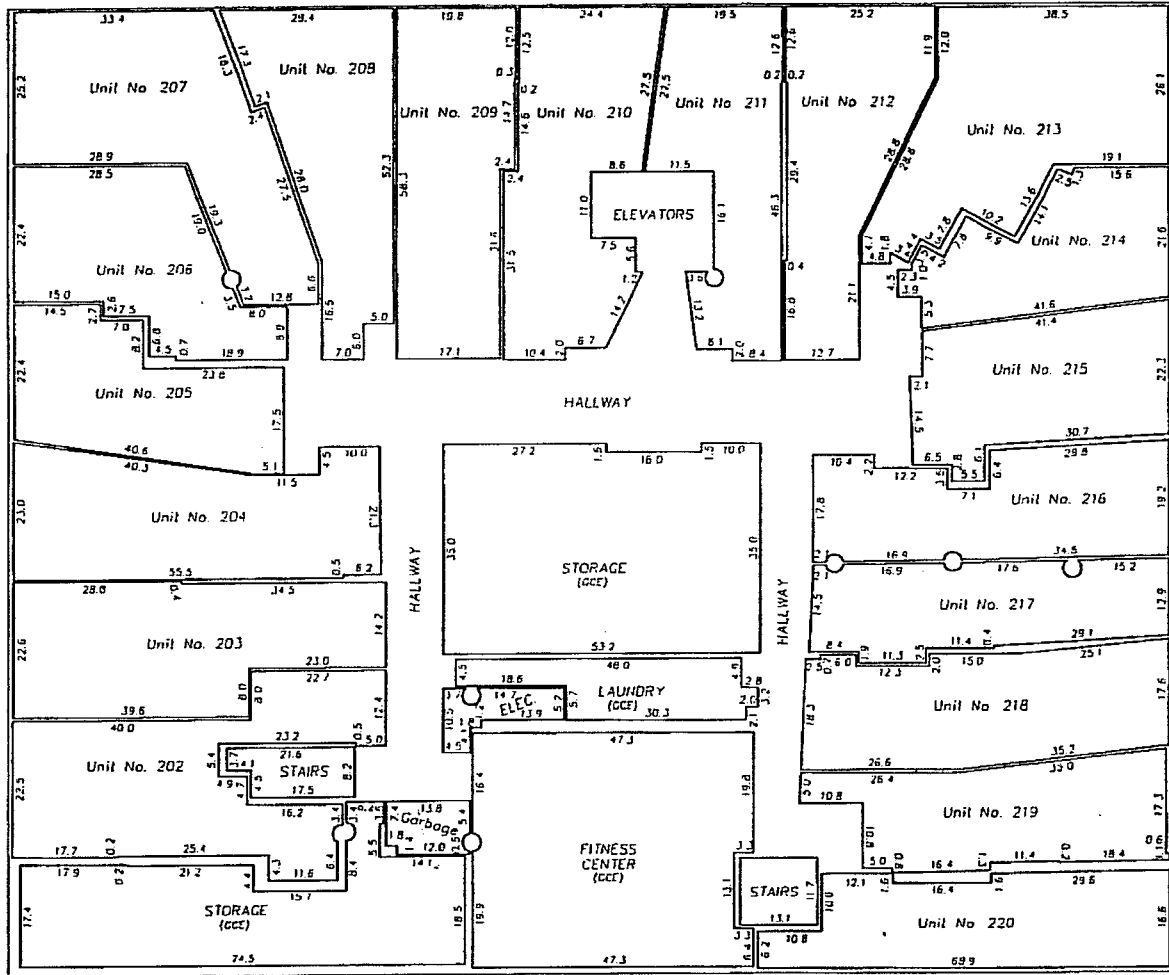
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EXHIBIT B

SoCo Urban Loft Condominiums  
SECOND FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 2nd floor are between 111.40' and 121.80', based on a finished floor elevation of 100.00' at ground level.

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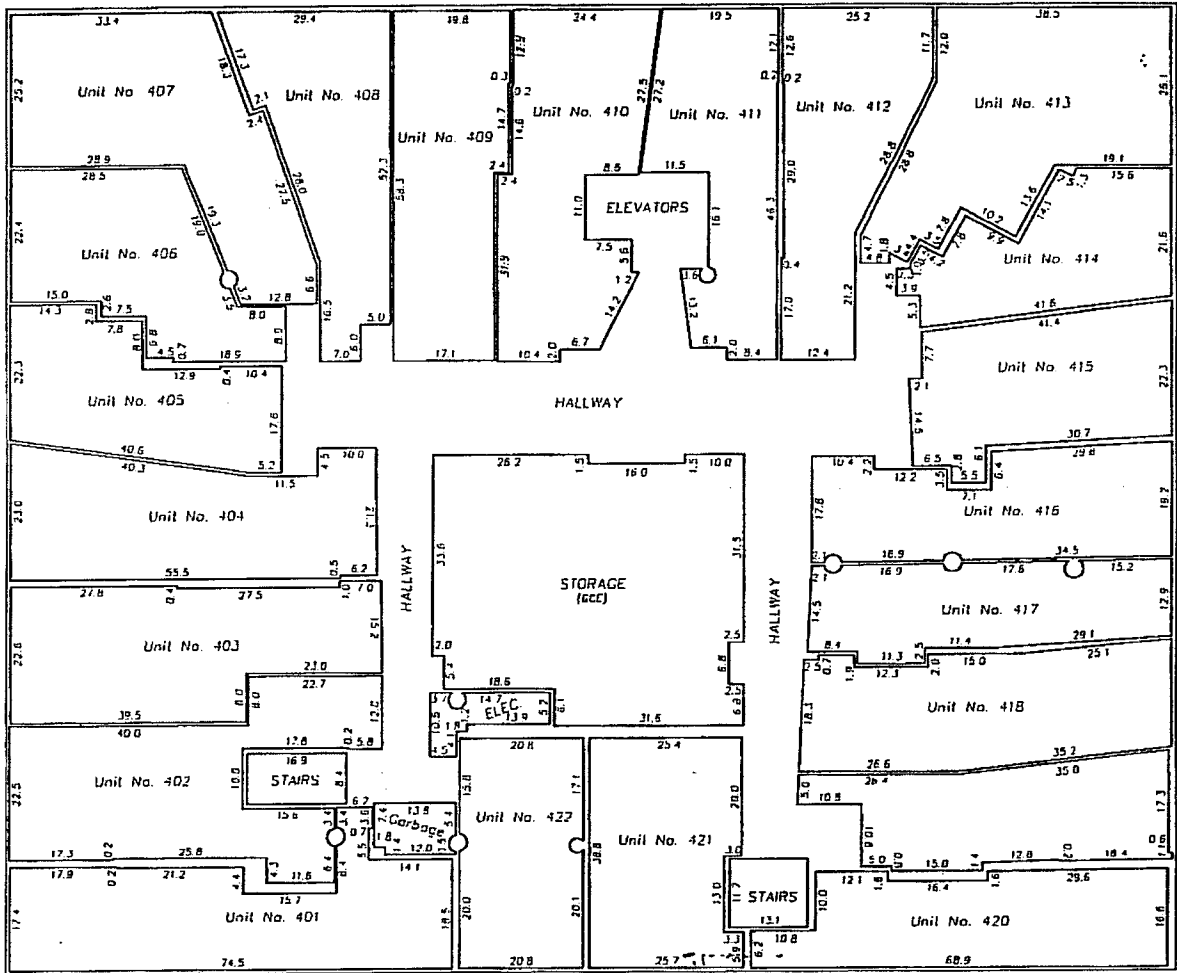
2005 | 48 | 0208



EXHIBIT B

SoCo Urban Loft Condominiums  
FOURTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 4th floor are between 134.20' and 144.60', based on a finished floor elevation of 100.00' at ground level.

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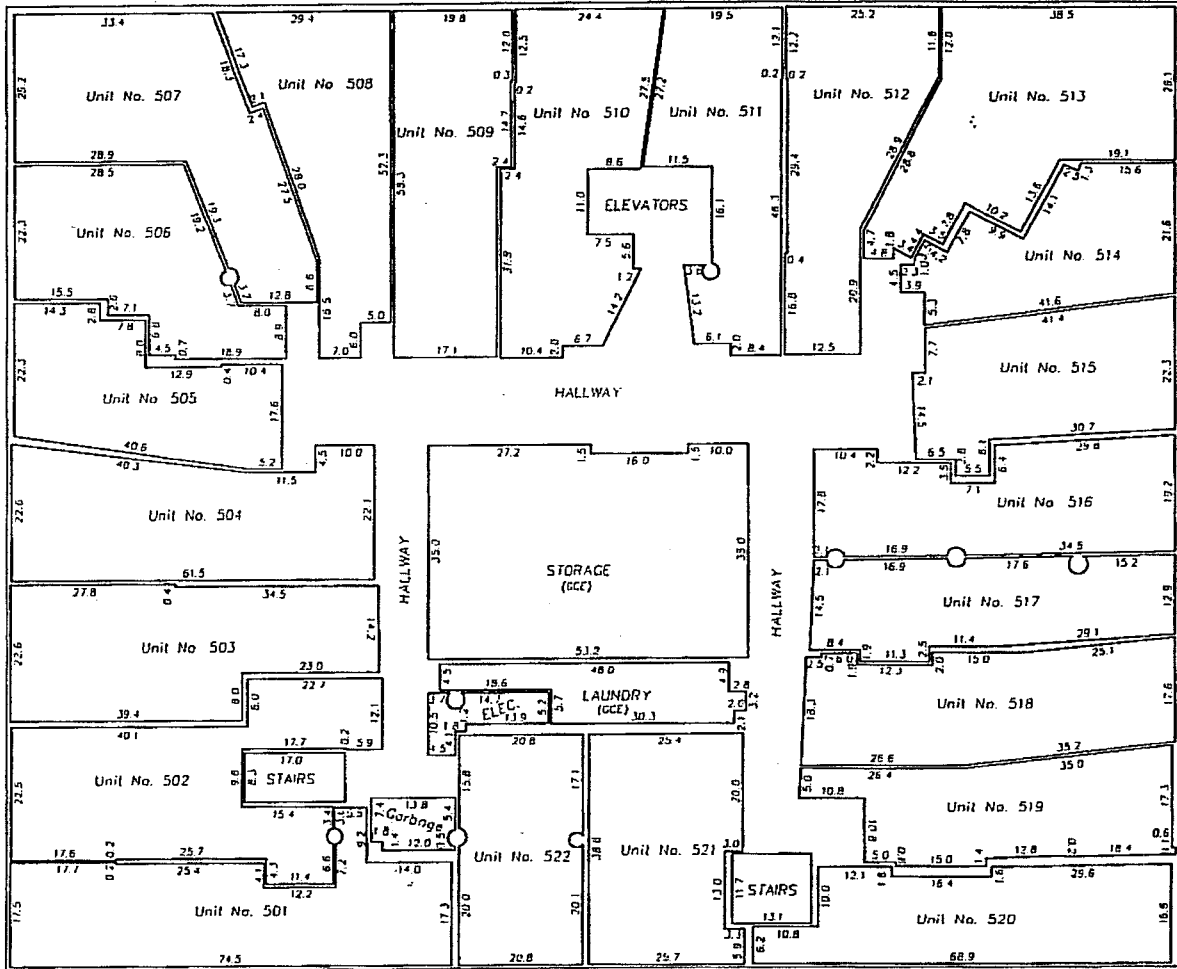
DATE 7/27/05  
File No. 04041

2005148 0210

EXHIBIT B

SoCo Urban Loft Condominiums  
FIFTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 5th floor are between 145.60' and 156.00', based on a finished floor elevation of 100.00' at ground level.

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 File No. 04041

2005 148 0211

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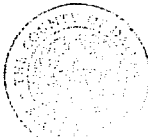
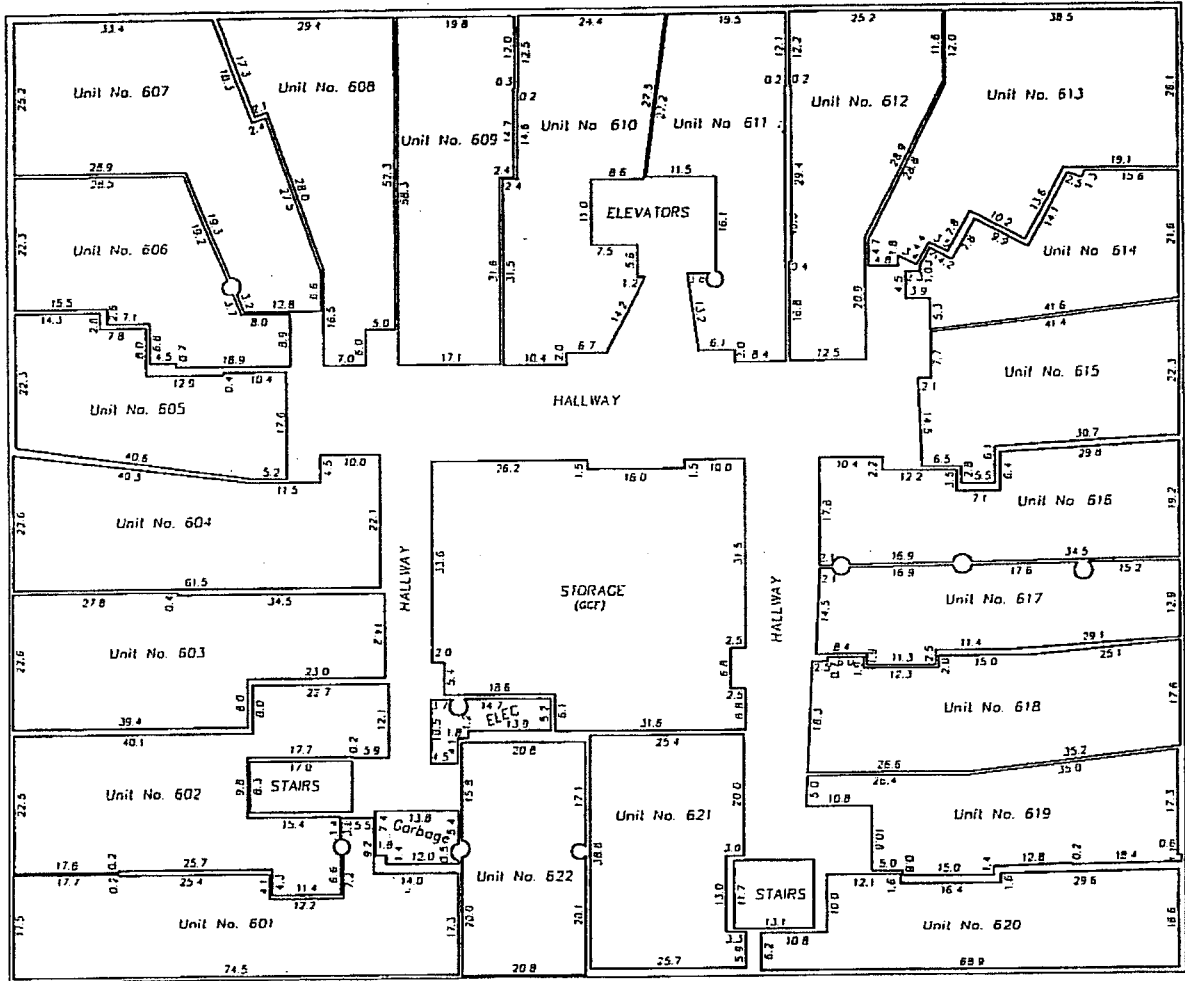
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EXHIBIT B

SoCo Urban Loft Condominiums  
SIXTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 2nd floor are between 157.00' and 167.40', based on a finished floor elevation of 100.00' at ground level.

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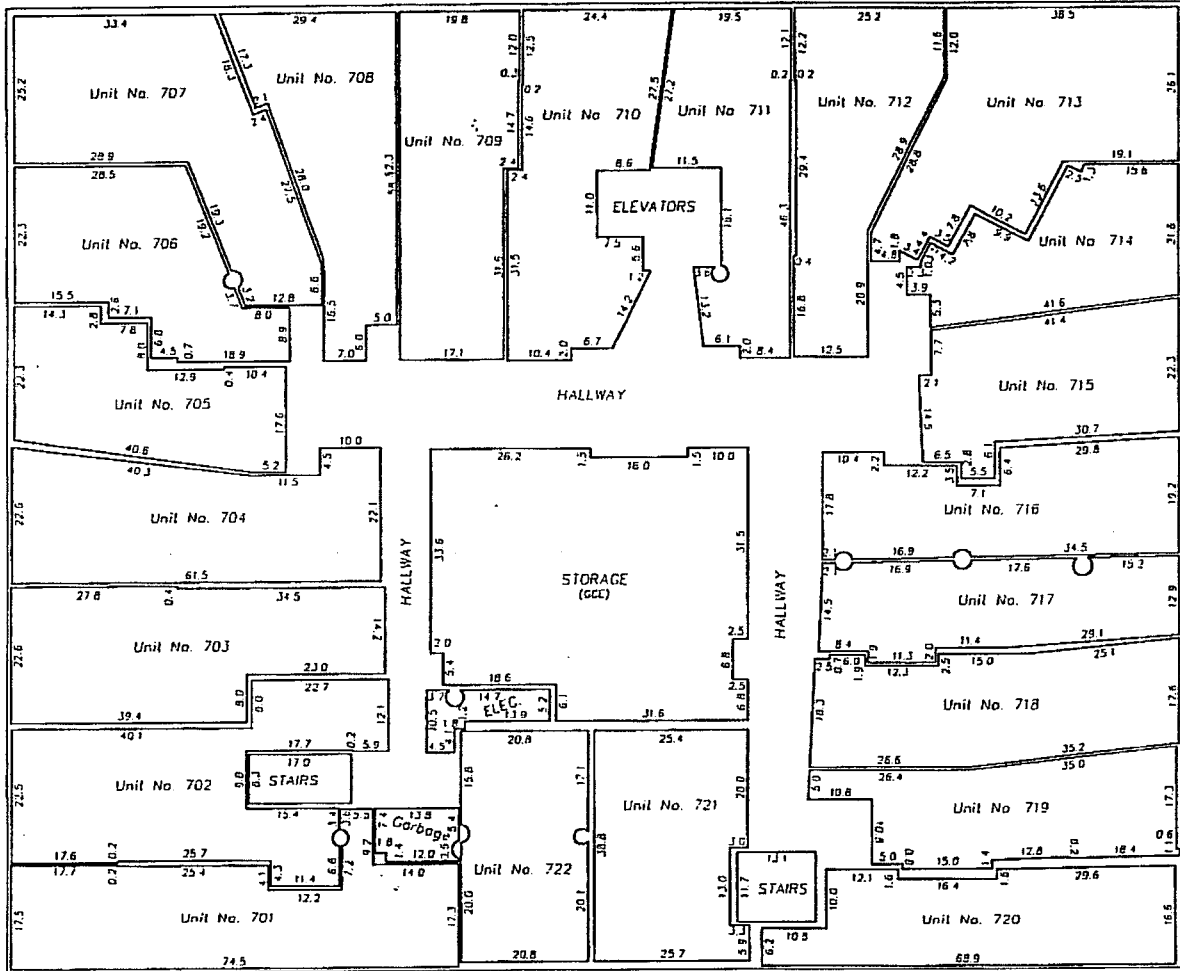
2005 148 0212



EXHIBIT B

SoCo Urban Loft Condominiums  
SEVENTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 7th floor are between 168.40' and 178.80', based on a finished floor elevation of 100.00' at ground level.

DATE 7/27/05  
File No. 04041

2005 148 00213

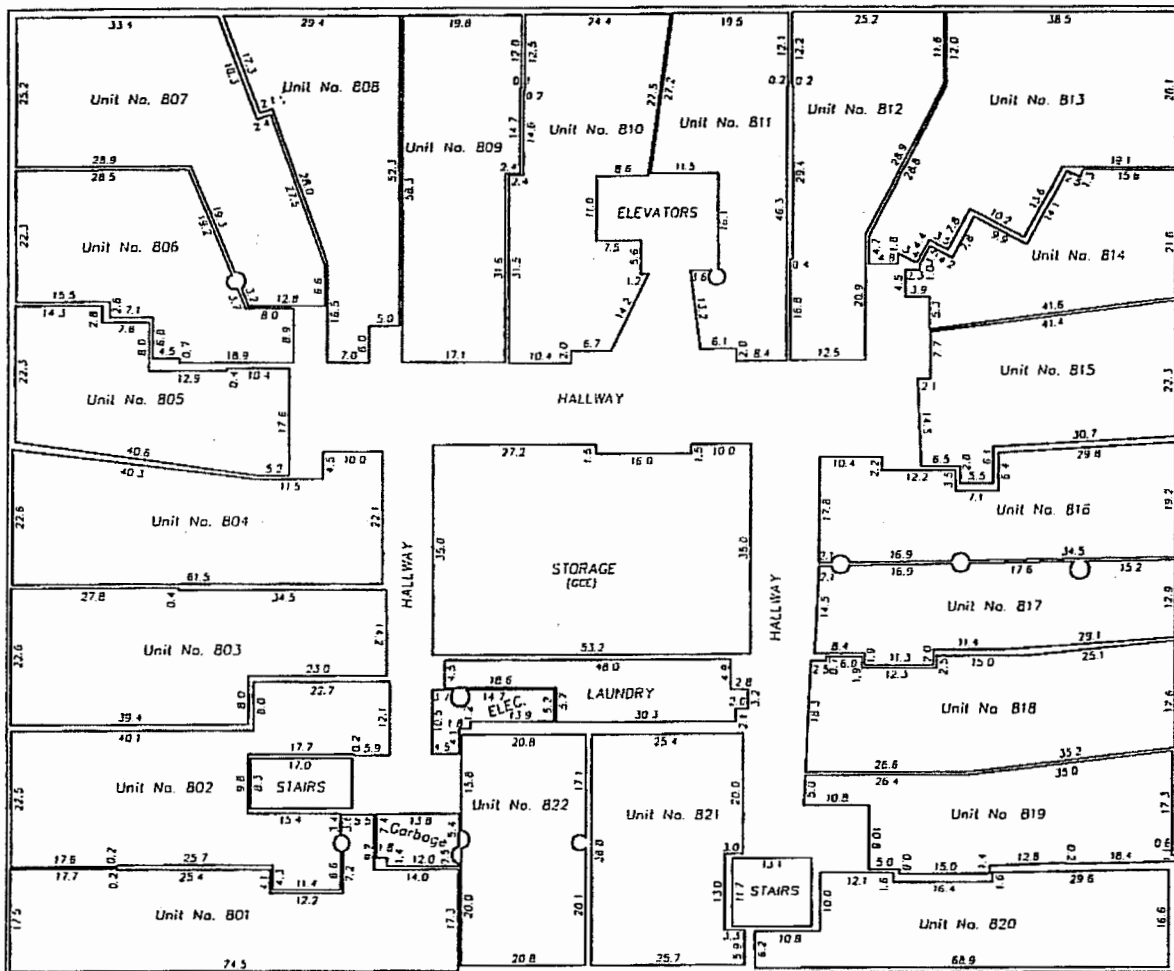
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EXHIBIT B

SoCo Urban Loft Condominiums  
EIGHTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 8th floor are between 179.80' and 190.20', based on a finished floor elevation of 100.00' at ground level.

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2005 148 00214

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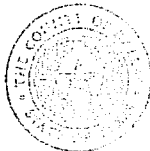
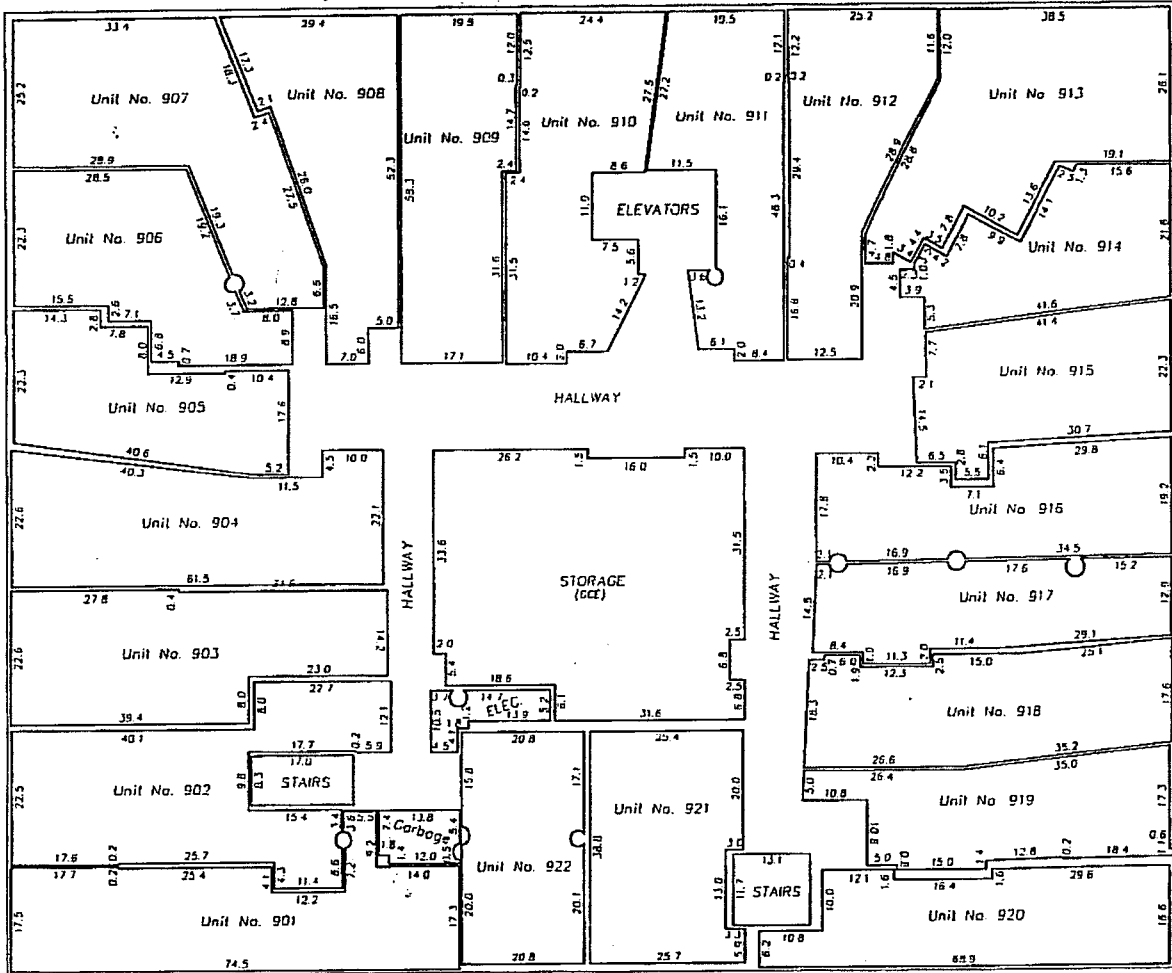
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EXHIBIT B

SoCo Urban Loft Condominiums  
NINTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 9th floor are between 191.20' and 201.60', based on a finished floor elevation of 100.00' at ground level.

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File No. 04041

2005148 0215

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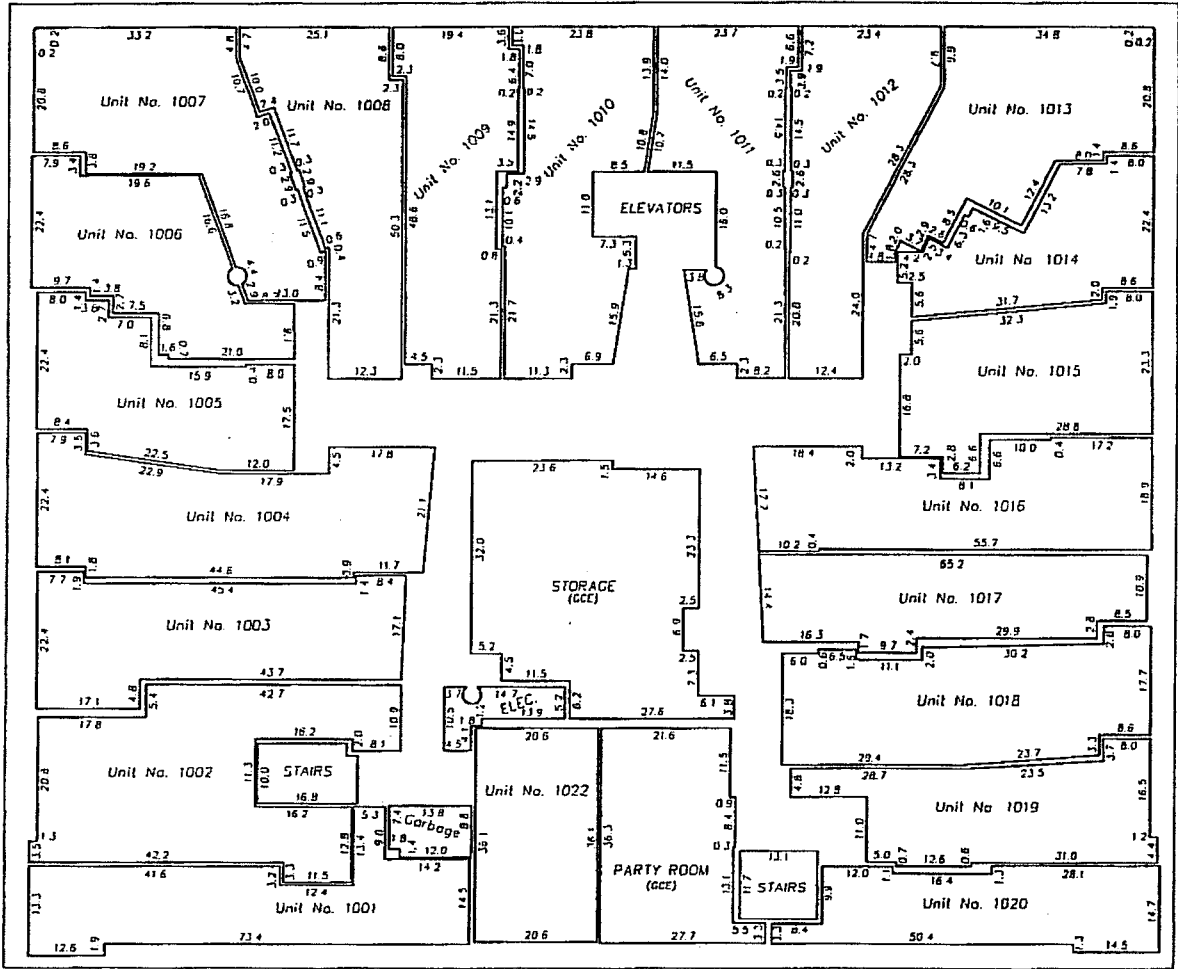
8035 East R.L. Thornton Frwy. - Suite 519  
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EXHIBIT B

SoCo Urban Loft Condominiums  
TENTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 10th floor are between 202.60' and 213.00', based on a finished floor elevation of 100.00' at ground level.

DATE 7/27/05  
File No. 04041

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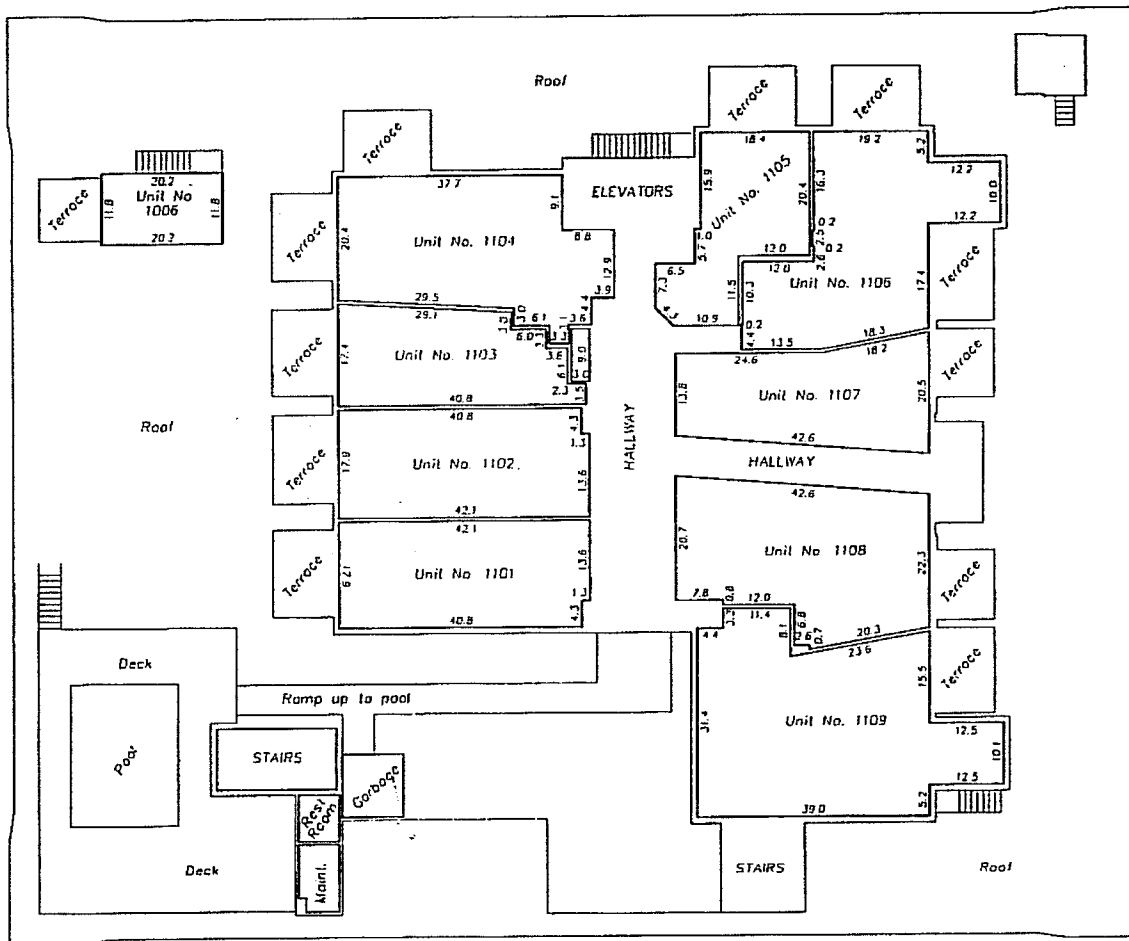
METROPLEX LAND SURVEYING, PLLC

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EXHIBIT B

SoCo Urban Loft Condominiums  
ELEVENTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 11th floor are between 217.20' and 227.60', based on a finished floor elevation of 100.00' at ground level.

DATE 7/27/05  
File No. 04041

2005 148 0217

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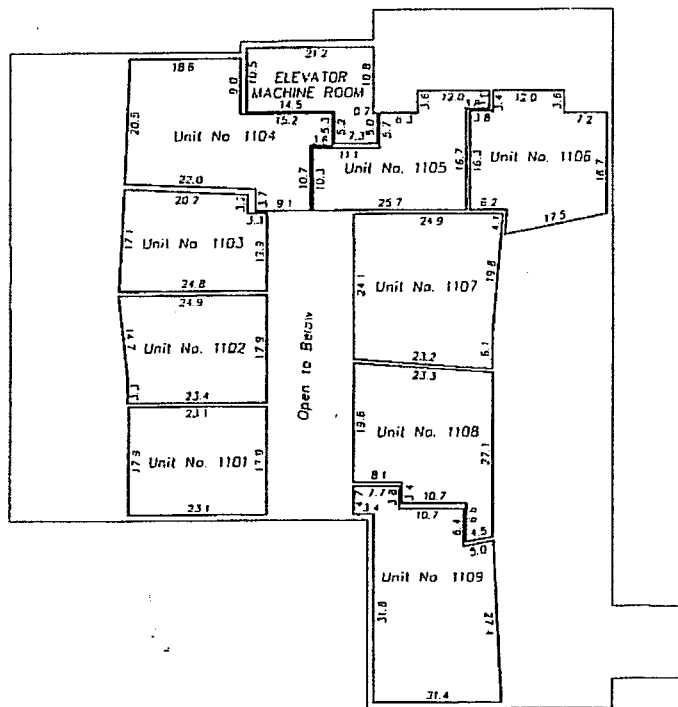
ph: (214) 328-3500 fax: (469) 692-5755

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EXHIBIT B

SoCo Urban Loft Condominiums  
TWELFTH FLOOR

SCALE: 1" = 30'



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Notes:

Elevations on 12th floor are between 228.60' and up, based on a finished floor elevation of 100.00' at ground level.

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2005 148 0218

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**EXHIBIT "C (TO THE DECLARATION)**

**ALLOCATED INTERESTS**

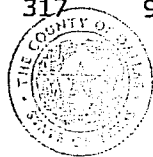
**[The Allocated Interests for the Condominium are  
shown on the pages following this cover sheet]**



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**EXHIBIT "C"**  
**Allocated Interests**

<b>Unit No.</b>	<b>Unit Square Footage</b>	<b>Unit Percentage of Ownership</b>		<b>Projected Monthly Assessment</b>
201	STORAGE			
202	1411	0.6227%	\$	341.97
203	1274	0.5622%	\$	308.77
204	1272	0.5614%	\$	308.28
205	928	0.4095%	\$	224.91
206	1028	0.4537%	\$	249.15
207	1391	0.6139%	\$	337.12
208	1065	0.4700%	\$	258.11
209	1111	0.4903%	\$	269.26
210	1235	0.5450%	\$	299.31
211	1039	0.4585%	\$	251.81
212	1097	0.4841%	\$	265.87
213	1420	0.6267%	\$	344.15
214	831	0.3667%	\$	201.40
215	971	0.4285%	\$	235.33
216	1066	0.4705%	\$	258.36
217	911	0.4020%	\$	220.79
218	1156	0.5102%	\$	280.17
219	954	0.4210%	\$	231.21
220	1024	0.4519%	\$	248.18
221	EXERCISE			
222	ROOM			
301	1341	0.5918%	\$	325.00
302	1411	0.6227%	\$	341.97
303	1274	0.5622%	\$	308.77
304	1272	0.5614%	\$	308.28
305	928	0.4095%	\$	224.91
306	1028	0.4537%	\$	249.15
307	1391	0.6139%	\$	337.12
308	1065	0.4700%	\$	258.11
309	1111	0.4903%	\$	269.26
310	1235	0.5450%	\$	299.31
311	1039	0.4585%	\$	251.81
312	1097	0.4841%	\$	265.87
313	1420	0.6267%	\$	344.15
314	831	0.3667%	\$	201.40
315	971	0.4285%	\$	235.33
316	1066	0.4705%	\$	258.36
317	911	0.4020%	\$	220.79



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318	1156	0.5102%	\$	280.17
319	954	0.4210%	\$	231.21
320	1024	0.4519%	\$	248.18
321	991	0.4374%	\$	240.18
322	840	0.3707%	\$	203.58
401	1341	0.5918%	\$	325.00
402	1411	0.6227%	\$	341.97
403	1274	0.5622%	\$	308.77
404	1272	0.5614%	\$	308.28
405	928	0.4095%	\$	224.91
406	1028	0.4537%	\$	249.15
407	1391	0.6139%	\$	337.12
408	1065	0.4700%	\$	258.11
409	1111	0.4903%	\$	269.26
410	1235	0.5450%	\$	299.31
411	1039	0.4585%	\$	251.81
412	1097	0.4841%	\$	265.87
413	1420	0.6267%	\$	344.15
414	831	0.3667%	\$	201.40
415	971	0.4285%	\$	235.33
416	1066	0.4705%	\$	258.36
417	911	0.4020%	\$	220.79
418	1156	0.5102%	\$	280.17
419	954	0.4210%	\$	231.21
420	1024	0.4519%	\$	248.18
421	991	0.4374%	\$	240.18
422	840	0.3707%	\$	203.58
501	1341	0.5918%	\$	325.00
502	1411	0.6227%	\$	341.97
503	1274	0.5622%	\$	308.77
504	1272	0.5614%	\$	308.28
505	928	0.4095%	\$	224.91
506	1028	0.4537%	\$	249.15
507	1391	0.6139%	\$	337.12
508	1065	0.4700%	\$	258.11
509	1111	0.4903%	\$	269.26
510	1235	0.5450%	\$	299.31
511	1039	0.4585%	\$	251.81
512	1097	0.4841%	\$	265.87
513	1420	0.6267%	\$	344.15
514	831	0.3667%	\$	201.40
515	971	0.4285%	\$	235.33
516	1066	0.4705%	\$	258.36
517	911	0.4020%	\$	220.79
518	1156	0.5102%	\$	280.17
519	954	0.4210%	\$	231.21
520	1024	0.4519%	\$	248.18
521	991	0.4374%	\$	240.18



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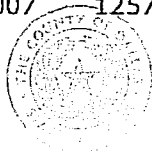
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601	1341	0.5918%	\$	325.00
602	1411	0.6227%	\$	341.97
603	1274	0.5622%	\$	308.77
604	1272	0.5614%	\$	308.28
605	928	0.4095%	\$	224.91
606	1028	0.4537%	\$	249.15
607	1391	0.6139%	\$	337.12
608	1065	0.4700%	\$	258.11
609	1111	0.4903%	\$	269.26
610	1235	0.5450%	\$	299.31
611	1039	0.4585%	\$	251.81
612	1097	0.4841%	\$	265.87
613	1420	0.6267%	\$	344.15
614	831	0.3667%	\$	201.40
615	971	0.4285%	\$	235.33
616	1066	0.4705%	\$	258.36
617	911	0.4020%	\$	220.79
618	1156	0.5102%	\$	280.17
619	954	0.4210%	\$	231.21
620	1024	0.4519%	\$	248.18
621	991	0.4374%	\$	240.18
622	840	0.3707%	\$	203.58
701	1341	0.5918%	\$	325.00
702	1411	0.6227%	\$	341.97
703	1274	0.5622%	\$	308.77
704	1272	0.5614%	\$	308.28
705	928	0.4095%	\$	224.91
706	1028	0.4537%	\$	249.15
707	1391	0.6139%	\$	337.12
708	1065	0.4700%	\$	258.11
709	1111	0.4903%	\$	269.26
710	1235	0.5450%	\$	299.31
711	1039	0.4585%	\$	251.81
712	1097	0.4841%	\$	265.87
713	1420	0.6267%	\$	344.15
714	831	0.3667%	\$	201.40
715	971	0.4285%	\$	235.33
716	1066	0.4705%	\$	258.36
717	911	0.4020%	\$	220.79
718	1156	0.5102%	\$	280.17
719	954	0.4210%	\$	231.21
720	1024	0.4519%	\$	248.18
721	991	0.4374%	\$	240.18
722	840	0.3707%	\$	203.58
801	1341	0.5918%	\$	325.00
802	1411	0.6227%	\$	341.97
803	1274	0.5622%	\$	308.77



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804	1272	0.5614%	\$	308.28
805	928	0.4095%	\$	224.91
806	1028	0.4537%	\$	249.15
807	1391	0.6139%	\$	337.12
808	1065	0.4700%	\$	258.11
809	1111	0.4903%	\$	269.26
810	1235	0.5450%	\$	299.31
811	1039	0.4585%	\$	251.81
812	1097	0.4841%	\$	265.87
813	1420	0.6267%	\$	344.15
814	831	0.3667%	\$	201.40
815	971	0.4285%	\$	235.33
816	1066	0.4705%	\$	258.36
817	911	0.4020%	\$	220.79
818	1156	0.5102%	\$	280.17
819	954	0.4210%	\$	231.21
820	1024	0.4519%	\$	248.18
821	991	0.4374%	\$	240.18
822	840	0.3707%	\$	203.58
901	1341	0.5918%	\$	325.00
902	1411	0.6227%	\$	341.97
903	1274	0.5622%	\$	308.77
904	1272	0.5614%	\$	308.28
905	928	0.4095%	\$	224.91
906	1028	0.4537%	\$	249.15
907	1391	0.6139%	\$	337.12
908	1065	0.4700%	\$	258.11
909	1111	0.4903%	\$	269.26
910	1235	0.5450%	\$	299.31
911	1039	0.4585%	\$	251.81
912	1097	0.4841%	\$	265.87
913	1420	0.6267%	\$	344.15
914	831	0.3667%	\$	201.40
915	971	0.4285%	\$	235.33
916	1066	0.4705%	\$	258.36
917	911	0.4020%	\$	220.79
918	1156	0.5102%	\$	280.17
919	954	0.4210%	\$	231.21
920	1024	0.4519%	\$	248.18
921	991	0.4374%	\$	240.18
922	840	0.3707%	\$	203.58
1001	1077	0.4753%	\$	261.02
1002	1488	0.6567%	\$	360.63
1003	1120	0.4943%	\$	271.44
1004	1335	0.5892%	\$	323.55
1005	875	0.3862%	\$	212.06
1006	1173	0.5177%	\$	284.29
1007	1257	0.5547%	\$	304.65



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1008	1069	0.4718%	\$	259.08
1009	1058	0.4669%	\$	256.42
1010	1213	0.5353%	\$	293.98
1011	1071	0.4727%	\$	259.57
1012	1053	0.4647%	\$	255.20
1013	1168	0.5155%	\$	283.08
1014	778	0.3433%	\$	188.56
1015	972	0.4290%	\$	235.57
1016	1181	0.5212%	\$	286.23
1017	954	0.4210%	\$	231.21
1018	1190	0.5252%	\$	288.41
1019	936	0.4131%	\$	226.85
1020	813	0.3588%	\$	197.04
1021 PARTY ROOM				
1022	780	0.3442%	\$	189.04
1101	1190	0.5252%	\$	288.41
1102	1232	0.5437%	\$	298.59
1103	1035	0.4568%	\$	250.84
1104	1608	0.7096%	\$	389.71
1105	966	0.4263%	\$	234.12
1106	1457	0.6430%	\$	353.12
1107	1313	0.5795%	\$	318.22
1108	1523	0.6721%	\$	369.11
1109	2030	0.8959%	\$	491.99
<b>Total</b>	<b>226591</b>	<b>100.0000%</b>		



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CONDO  
Z PGS

200600203649

When recorded, return to:  
Herman Randow, Esq.  
Munsch Hardt Kopf & Harr, PC  
3800 Lincoln Plaza  
500 N. Akard Street  
Dallas, Texas 75201-6659

CORRECTION TO CONDOMINIUM DECLARATION  
FOR  
SOCO URBAN LOFT CONDOMINIUMS

THIS Correction to Condominium Declaration ("**Correction**") is made this 17th day of May, 2006, by SOCO URBAN LOFT CONDOMINIUMS, LTD., a Texas limited partnership ("**Declarant**").

RECITALS

- A. Declarant previously created SoCo Urban Loft Condominiums pursuant to that certain Condominium Declaration for SoCo Urban Loft Condominiums recorded on August 1, 2005, in Volume 2005148, Page 00158 of the Real Property Records of Dallas County, Texas (the "**Declaration**") on the land described in Exhibit A attached hereto.
- B. Declarant now desires to exercise its rights under Section 3.3 of the Declaration to make certain corrections to the Declaration.

CORRECTION

NOW, THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Declaration is hereby corrected as follows:

1. The Declaration is hereby corrected to correct and restate the following definition contained in Section 5.5.

Section 5.5 Taxes. Declarant shall give written notice to the appropriate taxing authorities of the creation of the Condominium established hereby, and each Unit shall be subject to separate assessment and taxation. Each Owner shall be responsible for and shall pay when due all taxes, assessments and other governmental impositions lawfully levied or assessed with respect to such Owner's Unit. Any taxes, assessments or other governmental impositions lawfully levied or assessed with respect to the Property not separately billed to the Owners shall constitute a Common Expense and be payable by the Association. The property taxes for the Condominium Project reflected in the operating budget take into account the current tax abatement that benefits the Property. The current tax abatement will expire in the future, and as a result, the property tax for the Condominium Project and each individual Unit should increase proportionately at that time.

2. All terms used herein with initial capital letters and not otherwise defined shall have the meanings specified in the Declaration.

IN WITNESS WHEREOF, the Declarant has caused this Correction to be executed on May \_\_, 2006.

DECLARANT:

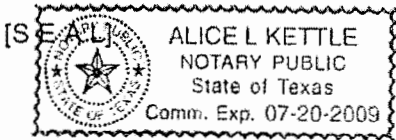
SOCO URBAN LOFT CONDOMINIUMS, LTD.,  
a Texas limited partnership

By: SoCo Urban Lofts, Inc.,  
a Texas corporation, its general partner

By: *Stephen H. Kanoff*  
Stephen H. Kanoff, Vice President

STATE OF TEXAS       §  
                                  §  
COUNTY OF DALLAS   §

This instrument was acknowledged before me this \_\_\_\_ day of May, 2006, by Stephen H. Kanoff, the Vice President of SoCo Urban Lofts, Inc., a Texas corporation, general partner of SoCo Urban Loft Condominiums, Ltd., a Texas limited partnership, on behalf of said corporation and partnership.



*Alice L. Kettle*  
Notary Public State of Texas

Alice L. Kettle  
Printed Name of Notary Public

My Commission Expires:  
7/20/09

**FILED AND RECORDED**



OFFICIAL PUBLIC RECORDS  
*Cynthia Figueroa Calhoun*

Cynthia Figueroa Calhoun, County Clerk  
Dallas County TEXAS

June 06, 2006 10:50:58 AM

FEE: \$20.00

200600203649