DECLARATION
OF
MERIDIAN CONDOMINIUMS

THE STATE OF TEXAS

885628

COUNTY OF HIDALGO

This Declaration is made on June 30, 2000 by **TEXAS CONTEC, INC.**, a Texas corporation, ("Declarant,") whose address is 12087 Starcrest, San Antonio, Texas 78427-4351.

RECITALS

1. Declarant is the owner of all of the real property, including the land; all improvements and structures on the property; and all easements, rights, and appurtenances belonging to the property that is located in the City of Pharr, Hidalgo County, Texas (herein referred to as the "Property,") more particularly described as follows, to-wit:

> Lots 11, 12,13,14, and 15 out of SOLETEC SUBDIVISION, which is a subdivision consisting of a 7.49 acre tract of land according to the Map or Plat thereof recorded in Volume 36, Page 53, Map Records of Hidalgo County, Texas, which Property is graphically depicted in **Exhibit A**, which shows the general layout of the buildings and improvements on the subject Property. **Exhibit A** is attached hereto and made a part hereof for all purposes..

2. Declarant submits the Property to a condominium regime established by the Texas Uniform Condominium Act (TUCA), which is codified in Chapter 82 of the Property Code (the "Act."). Each capitalized term not otherwise defined in this Declaration or in the plats and plans shall have the meanings specified or used in the Act.

3. The Property constitutes a condominium project (the "Project") within the meaning of TUCA. The formal name of the Project is MERIDIAN CONDOMINIUMS .

4. Declarant intends and desires to establish by this Declaration a plan of ownership for the condominium project ("Project"). The plan consists of individual ownership of residential condominium units (the "Unit(s)") and other areas. The Project as currently established provides for five buildings divided into twenty units (four units per building). This condominium regime is established, however, to allow the inclusion of **additional** real property to the Project. The **additional** real property which may be added by Declarant to the Project is specifically described on **Exhibits B-1 (Phase II) and B-2 (Phase III) and B-3 (all Phases together)** attached hereto and made a part hereof for all purposes. If any of the **additional** real property is incorporated into the Project by Declarant, then Declarant shall have the right, but not the obligation, to build and construct additional units, but in no event shall there be no more than forty additional (40) Units in ten (10) building(s)built on the additional real property. The building(s) in this Project shall be known and designated as Building 15, Building 14, Building 13, Building 12, Building 11. The Units shall be known and designated as Unit 15-A, Unit 15-B, Unit 15-C, Unit 15-D, Unit 14-A, Unit 14-B, Unit 14-C, Unit 14-D, Unit 13-A, Unit 13-B, Unit 13-C, Unit 13-D, Unit 12-A, Unit 12-B, Unit 12-C, Unit 12-D, Unit 11-A, Unit 11-B, Unit 11-C, and Unit 11-D..

5. The Declarant intends to impose on the Project mutually beneficial restrictions for the benefit of all Units and the persons who own those Units (the 'Owners"). The Declarant further intends, in accordance with the terms set forth herein, that the owners will govern the Project by means of an organization of Owners (herein the "Association"), as more particularly set forth herein. The name of the Association shall be MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC., which shall be a Texas Non-Profit Corporation.

6. The Units are more particularly described in **Exhibit C-1(a) thru Exhibit C-1(e)** which show, respectively, the floor plan of each Building 11 thru 15. The floor plan of each Unit within each Building is more particularly described in **Exhibit C-2(a) thru Exhibit C-2(d).** The relative positions of the Buildings and the floor plans of the Units are more particularly described in **Exhibit C-3**. The elevation of the building is more particularly described in Exhibit C-4. **Exhibits C-1 (a) thru C-1 (e), C-2 (a) thru C-2 (d), C-3 and C-4** are attached and incorporated by reference.

The Owners shall each have an undivided interest in the "Common Elements" which are identified in this Declaration. **Exhibit D** sets forth the allocation to each Unit of (a) a fraction or percentage of undivided interests in "the common elements of the condominium"; (b) a fraction or percentage of undivided interests in the common expenses of the MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC., and (c) a portion of votes in the MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC., by the formulas set forth therein.

7. Therefore, the Declarant declares that the Project is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division of the Property into Units, and all of which are established and agreed on for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Project and every part of the Project. All of the covenants, conditions, and restrictions shall run with the Property and shall be binding on all parties having or acquiring any right, title, or interest in or any part of the Property and shall be for the benefit of each Owner of the Project or any interest in the Project and shall inure to the benefit of and be binding on each successor in interest of the Owners.

ARTICLE 1

DEFINITIONS

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

1.02. ASSOCIATION means (i) the MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC., a corporation organized under the Texas Non-Profit Corporation Act for the management of the Project, the membership of which consists of all of the Owners in the Project

1.03. BOARD means the Board of Directors of the Association.

1.04. BYLAWS means (i) the Bylaws of MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC. and amendments to the Bylaws that are or shall be adopted by the Board. The initial Bylaws are set forth in **Exhibit E,** which is attached and incorporated by reference.

1.05. CONDOMINIUM means the separate ownership of single units in a multiple-unit structure or structures with common elements and common areas.

1.06. COMMON ELEMENTS mean all elements of the Project except the separately owned Units, and includes both general and limited common elements.

1.07 DECLARANT means TEXAS CONTEC, INC., a Texas corporation, and its successors and assigns.

1.08. DECLARATION means this Declaration document and all that it contains.

1.09. GENERAL COMMON ELEMENTS mean all the Common Elements except the Limited Common Elements.

1.10. GOVERNING INSTRUMENTS mean this Declaration, and the Articles of Incorporation and Bylaws of the Associations.

1.11. LIMITED COMMON ELEMENTS mean the Common Elements allocated for the exclusive use of one or more but less than all of the Units.

1.12. MANAGER means the person or corporation, if any, appointed by the Board to manage the Project.

1.13. OWNER(S) means any person that owns a Unit within the Project.

1.14. PERSON means an individual, firm, corporation, partnership, association, trust, other legal entity, or any combination of persons or entities.

1.15. PROJECT means the entire parcel or the Property described above, including the land, all improvements and structures on the Property, and all easements, rights, and appurtenances belonging to the Property that are divided or are to be divided into Units to be owned and operated as a Condominium. The Project as currently declared has twenty (20) units within five buildings. If Declarant adds additional property as set forth in Paragraphs 8.01, 8.02, or 8.03, then the Project will consist of no more than sixty (60) units within fifteen (15) buildings..

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

1.17. UNIT means a physical portion of the Condominium as designated by **Exhibits Exhibits C-1 (a) thru C-1 (e) and C-2 (a) thru C-2 (d)** for separate ownership. The Condominium currently consists of twenty (20) Units contained within five buildings (four Units per building). The Declarant reserves the right to add additional real property to the Project and to build and additional forty (40) Units contained within ten buildings pursuant to the provisions of Section 82.055 (5) of the Act. The boundaries of each Unit are located as shown on the Plats and Plans and except as otherwise provided by the Plats or Plans, are identified pursuant to the provisions of Section 82.052 of the Act.

ARTICLE 2

THE PROPERTY

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

2.02 **Units.** Each Owner shall be entitled to the exclusive ownership and possession of the Owner's Unit. Any Unit may be jointly or commonly owned by more than one Person. No Unit may be subdivided. The boundaries of the Unit shall be and are the interior surfaces of the perimeter walls, floors, ceilings, and the exterior surfaces of balconies and terraces. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and other finish surface materials are a part of the Unit.

An Owner shall not be deemed to own the utilities running through the Owner's Unit that are utilized for or serve more than one Unit, except as a tenant in common with the other Owners.

An owner shall be deemed to own and shall have the exclusive right to paint, repaint, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of the walls, floors, ceilings, windows, and doors bounding the Owner's Unit.

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

(i) The undivided interest, on the basis of the square footage of each Unit (not including open porch areas) divided by the square footage of all Units;

(ii) The percentage of liability for common expenses, on the basis of of the square footage of each Unit (not including open porch areas) divided by the square footage of all Units; and

(iii) The number of votes in the Association, on the basis of the square footage of each Unit (not including open porch areas) divided by the total number of the Units.

2.04. **Common Elements.**

A. General Common Elements. The Common Elements (sometimes known as General Common Elements) are reserved for the exclusive, but common use of the Owners of the Units. The General Common Elements include, without limitation, all portions of the buildings which have not been classified as a portion of any Unit such as the outsides of the buildings, roofs, structural walls and foundations, common electrical and water systems, common waste water systems. Also included within the Common Elements are the roadways, green and lawn areas, and recreational areas as indicated on the plat which are shared with the Owners of all Units in this MERIDIAN Condominium Regime established by Declarant and which interests are identified according to the provisions of the preceding paragraph 2.03.

B. Limited Common Elements. The Common Elements (sometimes known as Limited Common Elements) are reserved for the exclusive use of the Owners of the Units to which they are appurtenant. Portions of the Common Elements may be subsequently allocated by the Declarant as Limited Common Elements. These portions of the Common Elements include, without limitation, reserved vehicle parking areas, patios, garden areas, recreation areas, portions of the building which may be used for storage purposes, and others. Each Unit will be assigned two parking spaces reserved for the exclusive use of each such Unit.

The Declarant reserves the right to allocate specified areas which constitute a part of these Common Elements as Limited Common Elements for the exclusive use of the Owners of Units to which these specified areas shall become appurtenant. Declarant may assign such Common Elements as Limited Common Element areas pursuant to the provisions of Section 82.058 of the Act (i) by making such an allocation in a recorded instrument, or (ii) in a deed to the Unit to which such Limited Common Element storage area shall be appurtenant, or (iii) by recording an appropriate amendment to this Declaration. Such allocations by the Declarant may be to Units owned by the Declarant. Subsequent to the Declarant control period, as outlined in Section 3.08, the right of allocation pursuant to this Section, shall pass from the Declarant to the Board, and the Declarant may not thereafter exercise any such right.

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

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

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

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

ARTICLE 3

UNIT OWNERS ASSOCIATION

3.01. The Associations, organized as a nonprofit corporation under the Texas Non-Profit Corporation Act , are each charged with certain duties and invested with the powers prescribed by law and set forth in this Declaration and in each Association's Articles of Incorporation and Bylaws.

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

3.03. Voting shall be on a percentage basis. For MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC., the Owner of each Unit is entitled to a percentage of the total vote equal to the percentage interest that the Owner's Unit bears to the entire Project as assigned in **Exhibit D**. If an unit has more than one owner, the aggregate vote of the Owners of the Unit may not exceed the percentage of the total vote assigned to the Unit.

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

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

(a) The power to establish, fix, and levy assessments against owners in accordance with the procedures and subject to the limitations set forth in Article 4 of this Declaration.

(b) The power to adopt reasonable operating rules governing the use of the Common Elements and Common Areas and any facilities located on the Common Elements, as well as the use of any other Association property.

(c) The right to institute and maintain actions for damages or to restrain any actual or threatened breach of any of the provisions of the Governing Instruments or Association Rules in its own name, either on its own behalf or on behalf of any consenting Owner.

(d) The right to discipline Owners for violation of any of the provisions of the Governing Instruments or Association Rules by suspension of the violator's voting rights or privileges for use of the Common Elements or by imposition of monetary penalties, subject to the following limitations:

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

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

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

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

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

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

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

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

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

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

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

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

(iii) A policy or policies insuring the Board, the Owners and/or the Association against any liability to the public or to the Owners and their tenants and invitees, incidental to the ownership and/or use of the Project, including the personal liability exposure of the owners. Limits of liability under such insurance shall not be less $1,000,000.00 for any one person injured, $1,000,000.00 for any one accident, and $500,000.00 for property damage. The limits and coverage shall be reviewed at least annually by the Board and varied in its discretion, provided, however, that the said limits and coverage shall never be of fewer kinds or lesser amounts than those set forth in this Paragraph. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement in which the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

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

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

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

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

(i) A pro forma operating statement for each fiscal year shall be distributed not less than thirty (30) days before the beginning of the fiscal year.

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

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

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

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

(ii) Minutes of proceedings of owners, Board of Directors, committees to which any authority of the Board of Directors has been delegated.

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

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

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

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

(e) Arrangement for an audit of all books and records of the Association, as may be required by law.

3.08. Declarant shall have the power to appoint and remove officers and members of the Board until three hundred sixty (360) days after Declarant has conveyed ninety (90) percent of the Units in the Project to Owners other than Declarant, provided, however, that, not later than the three hundred (300) days after Declarant's conveyance of seventy five (75) percent of the Units to owners other than a Declarant, not less than one third of the Board members must be elected by Owners other than Declarant.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.11. The Association may assign its future income, including its rights to receive common expense assessments, only by the affirmative vote of Units to which at least fifty-one percent (51%) of the votes in the Association are allocated, at a meeting called for that purpose.

3.12. The Declarant shall have all of the powers reserved in Section 82.103(c) of the Act to appoint and remove officers and members of the Board.

ARTICLE 4

ASSESSMENTS

4.01. The Declarant covenants and agrees for each Unit owned by it in the Project, and each Owner by acceptance of the deed to such Owner's Unit is deemed to covenant and agree, to pay to the Association the regular and special assessments levied pursuant to the provisions of this Declaration. All moneys collected shall be put into a maintenance fund to be used to defray expenses attributable to the ownership, operation, and maintenance of common interests by the Association. The Owner may not waive or otherwise escape liability for these assessments by nonuse of the Common Elements or by abandonment of the Owner's Unit.

4.02. Regular assessments shall be made in accordance with the following. Within thirty (30) days prior to the beginning of each calendar year, the Board shall estimate the net charges to be paid during that year, including a reasonable provision for contingencies and replacements with adjustments made for any expected income and surplus from the prior year's fund. Regular assessments may be large enough to provide for an adequate reserve fund for maintenance, repairs, and replacement of those Common Elements that must be replaced on a periodic basis. The estimated cash requirement shall be assessed to each owner according to the the percentage attributable to such owner's unit computed on the basis of of the square footage of such Unit (not including garage areas or open porch areas) divided by the square footage of all Units subject to assessment. Each owner is obligated to pay assessments to the Board in equal monthly installments on or before the first day of each month, provided however, that the Board may invoice and collect the assessments on a quarterly basis.

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

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

4.05. Regular assessments shall commence on the date of closing of the first sale of any Unit in the Project.

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

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

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

(b) Amounts due under mortgage instruments duly recorded.

4.08. The Association shall have a lien on each Unit for any delinquent assessments attributable to that Unit. The Association's lien for assessments is pursuant to Texas Property Code Section 83.113. The Association is authorized to enforce the lien through any available remedy, including nonjudicial foreclosure pursuant to Texas Property Code Section 51.002. The Owners expressly grant to the Board a power of sale, through a trustee designated in writing by the Board, in connection with any such liens. The Association's lien for assessments is created by the recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of lien is required, however, to evidence such lien, the Board of Directors may at its option prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the name of the Owner and description of the Unit. Such notice of lien may be signed by one of the Board members or Officers and may be recorded in the office of the County Clerk of Cameron County, Texas. In any collection proceedings, the Owner in default shall be required to pay the costs, expenses and attorney's fees incurred by the Association. Suit to recover a money judgment for unpaid assessments may also be maintained by the Association without foreclosing or waiving the Association's lien. In addition to all other remedies, the Association may terminate furnishing utility services to a Unit, the owner of which is delinquent in payment of an assessment that is used, in whole or in part, to pay the cost of that utility, after giving fifteen (15) days' written notice of its intent to do so.

4.09. The Board is fully authorized to adopt or amend reasonable rules for the collection of delinquent assessments, to include the imposition of interest for late payment of assessments, returned check charges, and late charges or reasonable fines for late payments.

ARTICLE 5

RESTRICTIONS AND COVENANTS

5.01. The right of an Owner and the Owner's guests to occupy or use the Owner's Unit or to use the Common Elements or any of the facilities on the Common Elements is subject to the following restrictions:

(a) No Owner shall occupy or use the Owner's Unit, or permit the Unit or any part of it to be occupied or used, for any purpose other than as a private residence. Nothing in this Declaration shall prevent the Owner from leasing or renting out the Owner's Unit, provided that it is subject to the Association's Governing Instruments and Rules.

(b) There shall be no obstruction of the Common Elements. Nothing shall be stored in the Common Elements without the prior consent of the Board, except as expressly provided for in the Declaration, or in designated storage areas.

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

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

(e) No animals, livestock, or poultry of any kind shall be raised, bred, or kept in the Unit or in the Common Elements, except that dogs, cats, or other household pets may be kept in Units, subject to the Rules and Regulations adopted by the Board.

(f) No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done in any Unit or in the Common Elements that may be or become an annoyance or nuisance to the other Owners.

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

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

(i) No owner shall park any automobile or other motor vehicle in the Common Elements except in a space designated for the owner by the Board.

(j) No Unit or any interest therein shall ever be subjected to any time-sharing or time interval ownership arrangement of any nature whatsoever including, but not limited to, any arrangement whereby any Owner of a Unit is entitled to use and possession of such Unit for any time period to the exclusion of any other Co-Owners of such Unit.

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

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

5.04. Declarant shall be exempt from the restrictions of Article 5.01 of this Declaration to the extent reasonably necessary for completion of construction, sales, or additions to the Project. Such exemption includes, but it not limited to, maintaining Units as model homes, placing advertising signs on Project property, and generally making use of the Project lots and Common Elements as is reasonably necessary to carry on construction activity.

ARTICLE 6

DAMAGE OR DESTRUCTION

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

(b) Reconstruction shall not be compulsory if at least 80 percent of the Owners of the Units elect not to rebuild or repair and further provided that the Owner of the affected Unit is in agreement to receive insurance proceeds or other compensation for such loss. If the Owners and the affected Owner so vote to not rebuild any Unit, that Unit's allocated interests shall be redeemed and shall be automatically reallocated as if the Unit had been condemned and the Association shall prepare, execute, and record an amendment to Exhibit E of the Declaration reflecting the reallocation. If the entire Project is not repaired or replaced and unless otherwise unanimously agreed to by the Owners, the insurance proceeds shall be delivered pro rata to the Owners or their mortgagees, as their interest may appear, in accordance with the percentages or fractions set forth in Exhibit E of this Declaration.

6.02. When reconstruction is required by the terms of Article 6.01 of this Declaration, but the insurance proceeds are insufficient to cover the cost of reconstruction, the costs in excess of the insurance proceeds and reserves shall be considered a common expense that is subject to the Association's lien rights.

6.03. If the Project is damaged by fire or any other disaster, the Board shall obtain firm bids, including the obligation to obtain a performance bond, from two or more responsible contractors to rebuild the Project in accordance with its original plans and specifications. The Board shall also, as soon as possible after obtaining the bids, call a special meeting of the Owners to consider the bids. If the Board fails to do so within sixty (60) days after the casualty occurs, any Owner may obtain bids and call and conduct a meeting as provided by this Article 6.03. At such meeting, the owners may, by a vote of not less than sixty-seven (67) percent of the votes present, elect to reject all of the bids or, by not less than fifty-one (51) percent of the votes present, elect to reject all the bids requiring amounts more than five hundred dollars ($500) in excess of available insurance proceeds. If all bids are rejected, the Board shall obtain additional bids for presentation to the Owners. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable.

ARTICLE 7

RIGHTS OF BENEFICIARIES UNDER DEEDS OF TRUST

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

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

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

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

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

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

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

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

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

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

(A) Levying assessments or charges.

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

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

(iii) To partition or subdivide any Unit.

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

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

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

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

ARTICLE 8

SPECIAL DECLARANT RIGHTS AND DEVELOPMENT RIGHTS

8.01. **Special Declarant Rights**. Declarant reserves the following Special Declarant Rights pursuant to Section 82.055 of the Texas Property Code for a period of four (4) years from the date of the filing of this document..

(a) The right to complete and make improvements indicated on the Plats and Plans;

(b) The right to maintain sales offices, management offices, leasing offices, and models in Units or on the Common Elements, but only to the extent of the utilization of two (2) Units for a period of forty-eight (48) months from the date of filing of this document;

(c) The right to maintain signs on the Condominium to advertise the Condominium;

(d) The right to use, and to permit others to use, easements through the Common Elements as may be reasonably necessary for the purpose of discharging the Declarant's obligations under the Act of this Declaration;

(e) The right to appoint or remove any officer of the Association or any director during the Declarant control period consistent with the Act and as more specifically provided in paragraph 3.08; and

(f) The right to exercise any development right set out in Section 8.03 hereafter, including the right to add additional real property to this Project and the right to construct and add additional Units to this Project..

8.02. Unless sooner terminated by a recorded instrument signed by the Declarant, any Special Declarant Right may be exercised by the Declarant for the period of time specified in the Act or in this Declaration, whichever is greater.

8.03. **Development Rights**. Declarant reserves the following development rights pursuant to Section 82.060 of the Texas Property Code.:

(a) The right, **but not the obligation**, to add additional real property (all or part of the real property described in Exhibits B-1 and B-2) to this Condominium regime (Project) and the right, **but not the obligation**, to construct up to an additional ten buildings consisting of an aggregate of forty units onto the newly added real property;

(b) The right to construct and create Units and to create, delete or re-designate Common Elements, or Limited Common Elements within this Condominium regime (Project) and the right to reallocate interests pursuant to Exhibit E;

(c) The right to subdivide Units or convert Units into Common Elements; or

(d) The right to withdraw the real property from the Condominium and the Condominium regime.

ARTICLE 9

GENERAL PROVISIONS

9.01. Amendment to Declaration

(a) At such time as Declarant has sold 90% of the Units which Declarant has the right, but not the obligation, to construct (60 Units) or upon the completion of four years after the date of this Declaration, whichever comes first, then this Declaration may thereafter be amended at a meeting of the Unit Owners at which the amendment is approved by the holders of at least sixty-seven percent (67%) of the ownership interests in the Project, or by written ballot approved by the holders of at least sixty-seven percent (67%) of the ownership interests in the Project. The written ballot shall state the exact wording or substance of the amendment and shall specify the date by which the ballot must be received to be counted.

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

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

(d) Notwithstanding the foregoing, this Declaration may be amended by using any other method permitted by Section 82.067(a) of the Act.

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

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

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

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

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

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

9.08. Notices.

(a) Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given with when delivered personally at the appropriate address set forth in Article 8.08(b) of this Declaration, or seventy-two (72) hours after deposit in any United States post office box, postage prepaid, addressed as set forth in Article 8,.08(b) of this Declaration.

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

Texas Contec, Inc.
12087 Starcrest
San Antonio, Texas 78427

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

TEXAS CONTEC, INC.

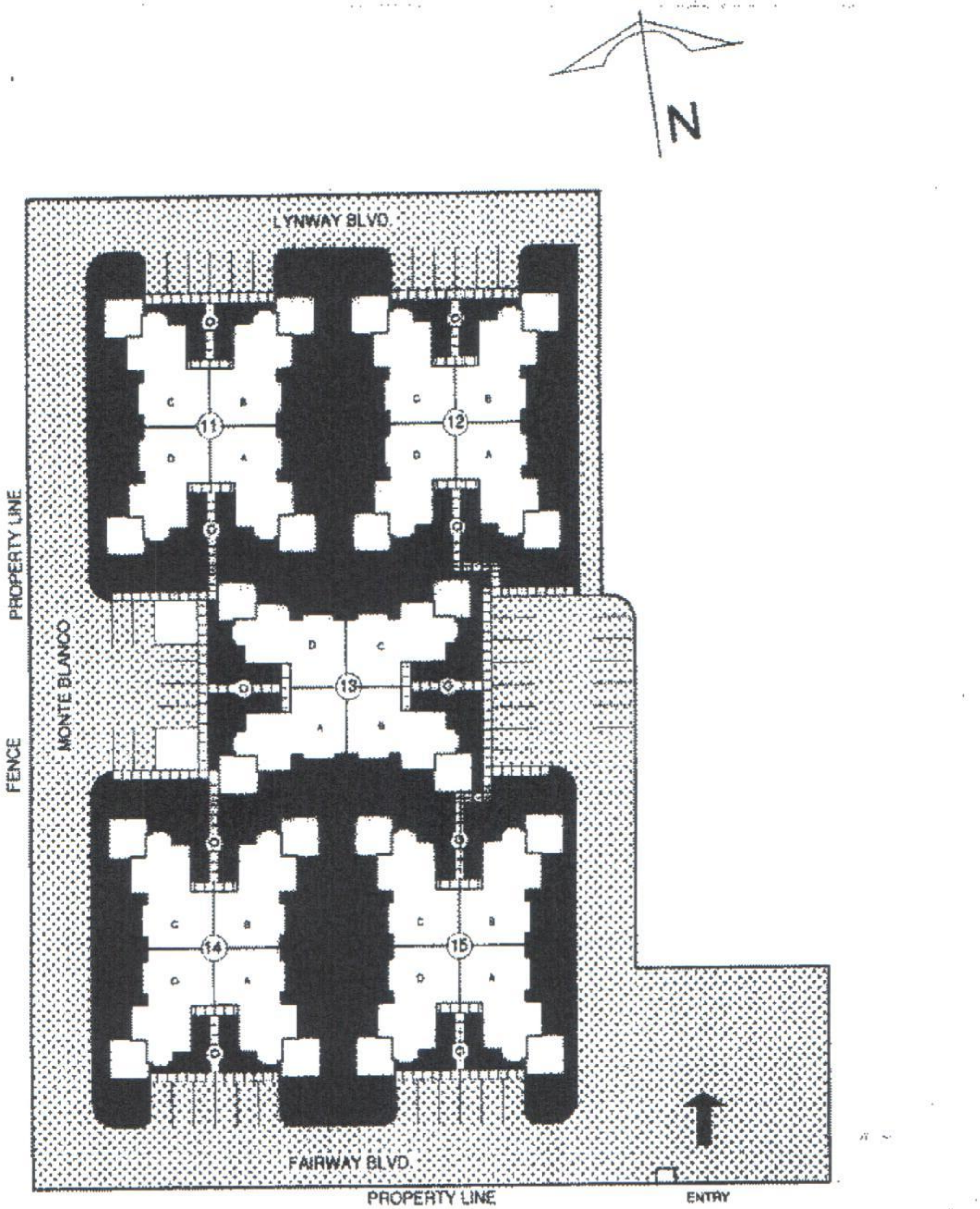
By: [signature]
Patricio Sada
Its: Vice President/ Real Estate

THE STATE OF TEXAS)
)
COUNTY OF HIDALGO)

This instrument was acknowledged before me on June 30th 2000, by Patricio Sada, Vice President/ Real Estate of TEXAS CONTEC, INC., a Texas corporation, on behalf of said corporation.

Erika Trad
Notary Public, State of Texas

ERIKA TRAD
Notary Public
STATE OF TEXAS
My Comm. Exp. 9 - 14 - 2002

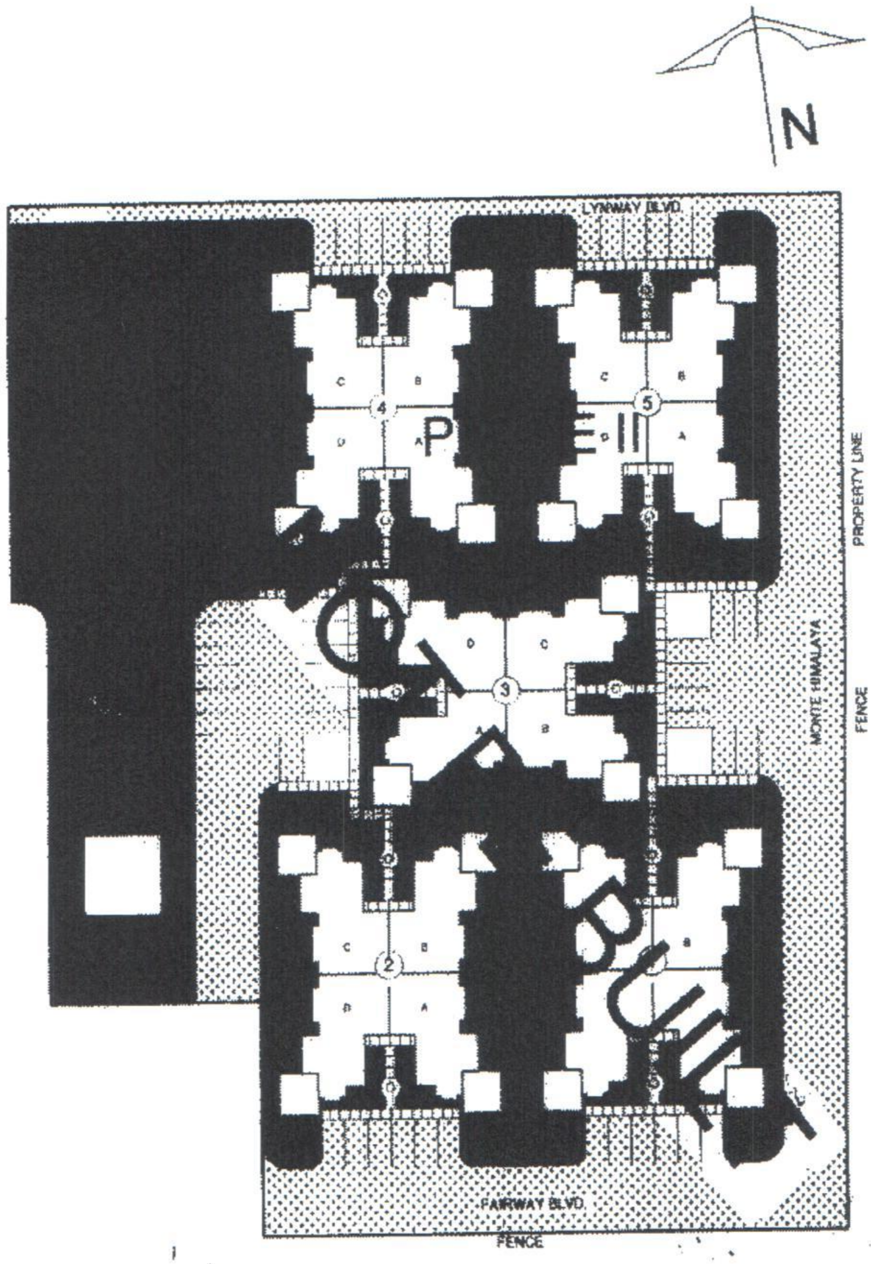


Lots 11,12,13,14 and 15, out of SOLETEC SUBDIVISION, Pharr, Hidalgo County, Texas as recorded in Volume 36, Page 53 of the Map Records of Hidalgo County, Texas.

EXHIBIT A	PLOT AND SITE PLAN
Location: Meridian Condominiums Pharr TX.	
Property: Tx.Contec,Inc.	
Design By Felipe Woloski	

COMMON AREAS (GREEN SPACES)

COMMON AREAS (STREET AND PARKING)

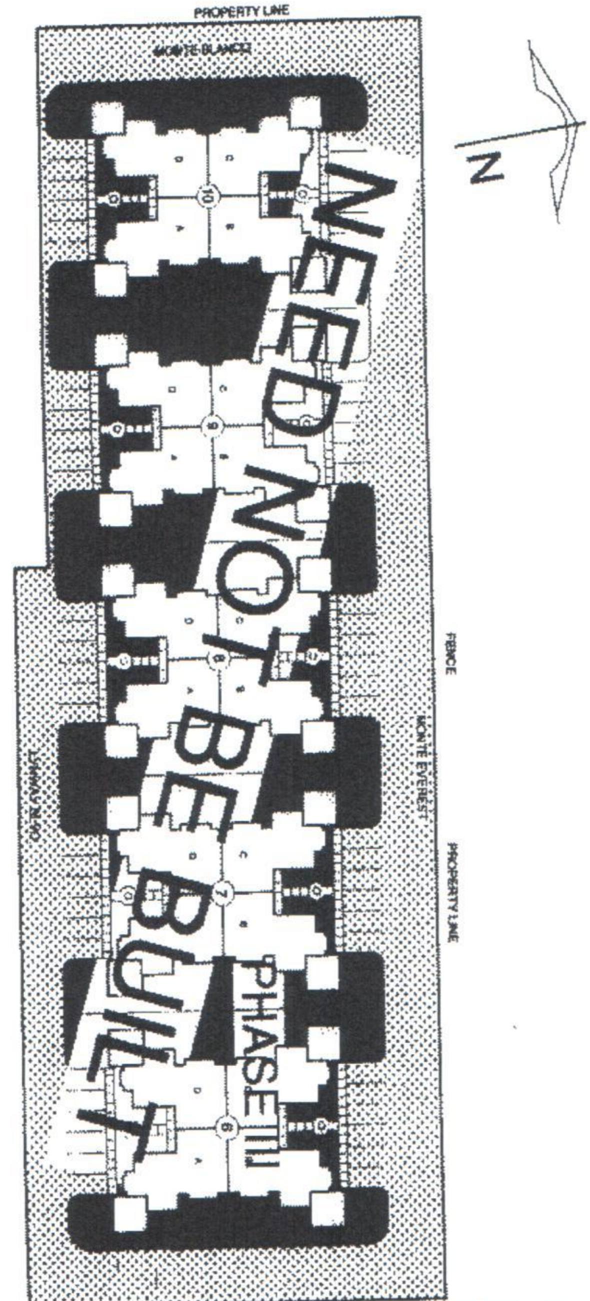


Lots 1,2,3,4 and 5 out of SOLETEC SUBDIVISION, Pharr, Hidalgo County, Texas as recorded in Volume 36, Page 53 of the Map Records, of Hidalgo County, Texas.

EXHIBIT B-1 PHASE II PLOT AND SITE PLAN
Location: Meridian Condominiums Pharr TX.
Property: Tx.Contec,Inc.
Design By Felipe Woloski

COMMON AREAS (GREEN SPACES)

COMMON AREAS (STREET AND PARKING)



Lots 6, 7,8,9 and 10 out of SOLETEC SUBDIVISION, Pharr, Hidalgo County, Texas as recorded in Volume 36, Page 53, Map Records of Hidalgo County, Texas

EXHIBIT B-2 PHASE III	PLOT AND SITE PLAN
Location: Meridian Condominiums Pharr TX.	
Property: Tx.Contec,inc.	
Design By Felipe Woloski	

COMMON AREAS (GREEN SPACES)

COMMON AREAS (STREET AND PARKING)

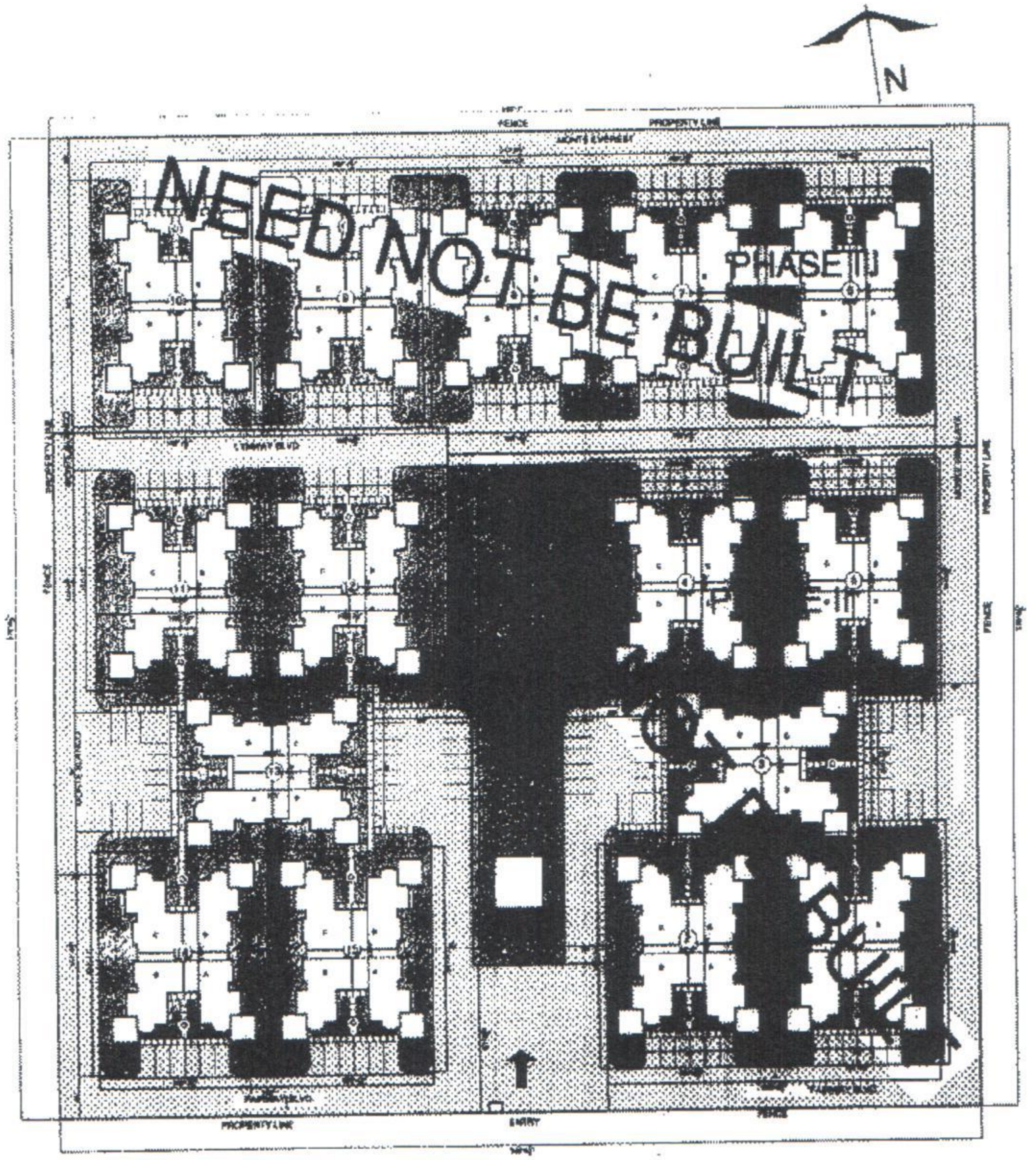
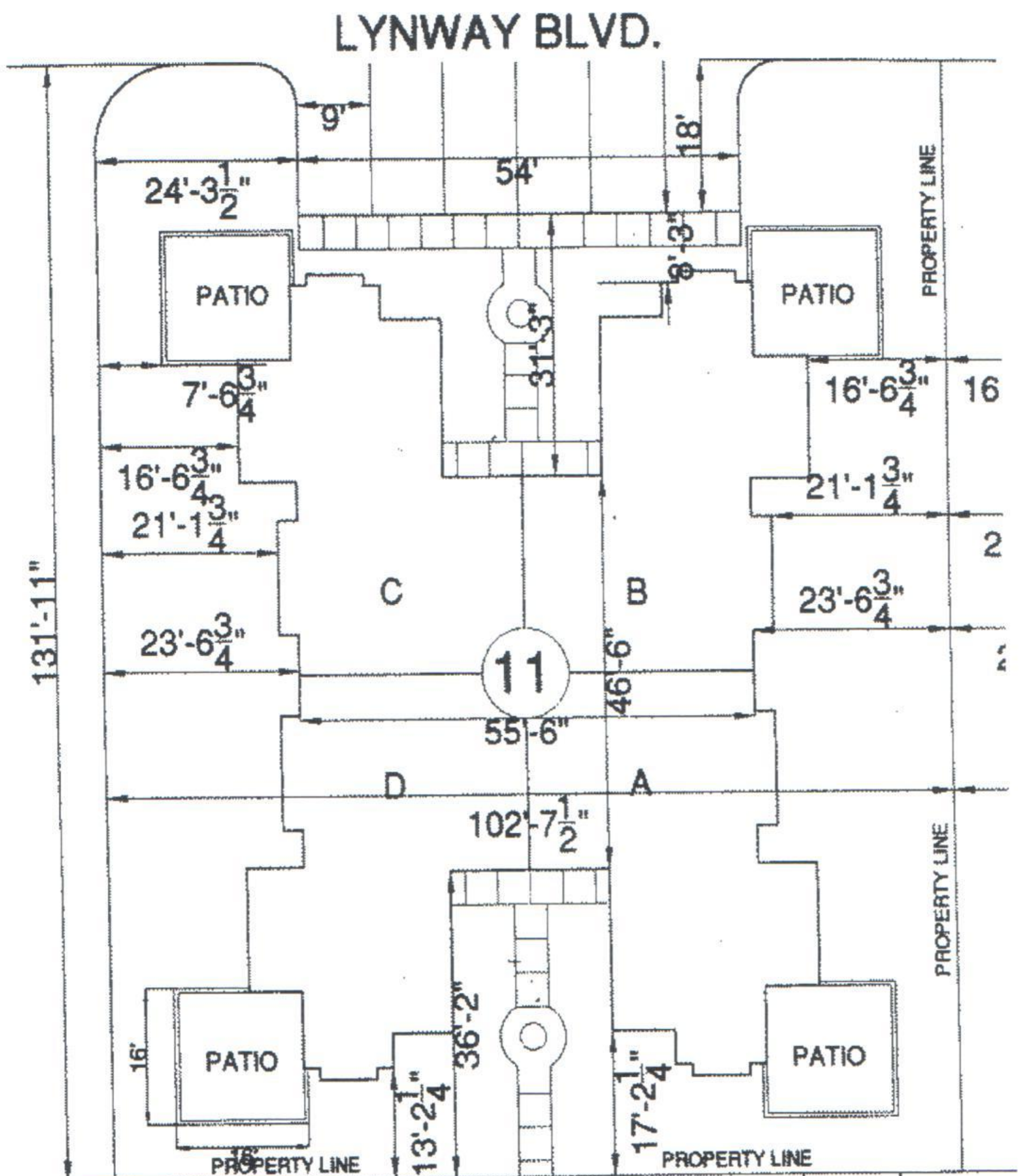


EXHIBIT B-3 PLOT AND SITE PLAN	
Location: Hidalgo Condominiums Pharr TX.	
Property: TJ.Cortez,Inc.	
Design By Felipe Widaski	

COMMON AREA (GREEN)

COMMON AREA (STREET AND PARKING)



F.W. Construction	EXHIBIT C-1 (a)
	Location: Meridian Condominiums Pharr TX.
	Property: Tx.Contec,Inc.
	Design By Felipe Woloski

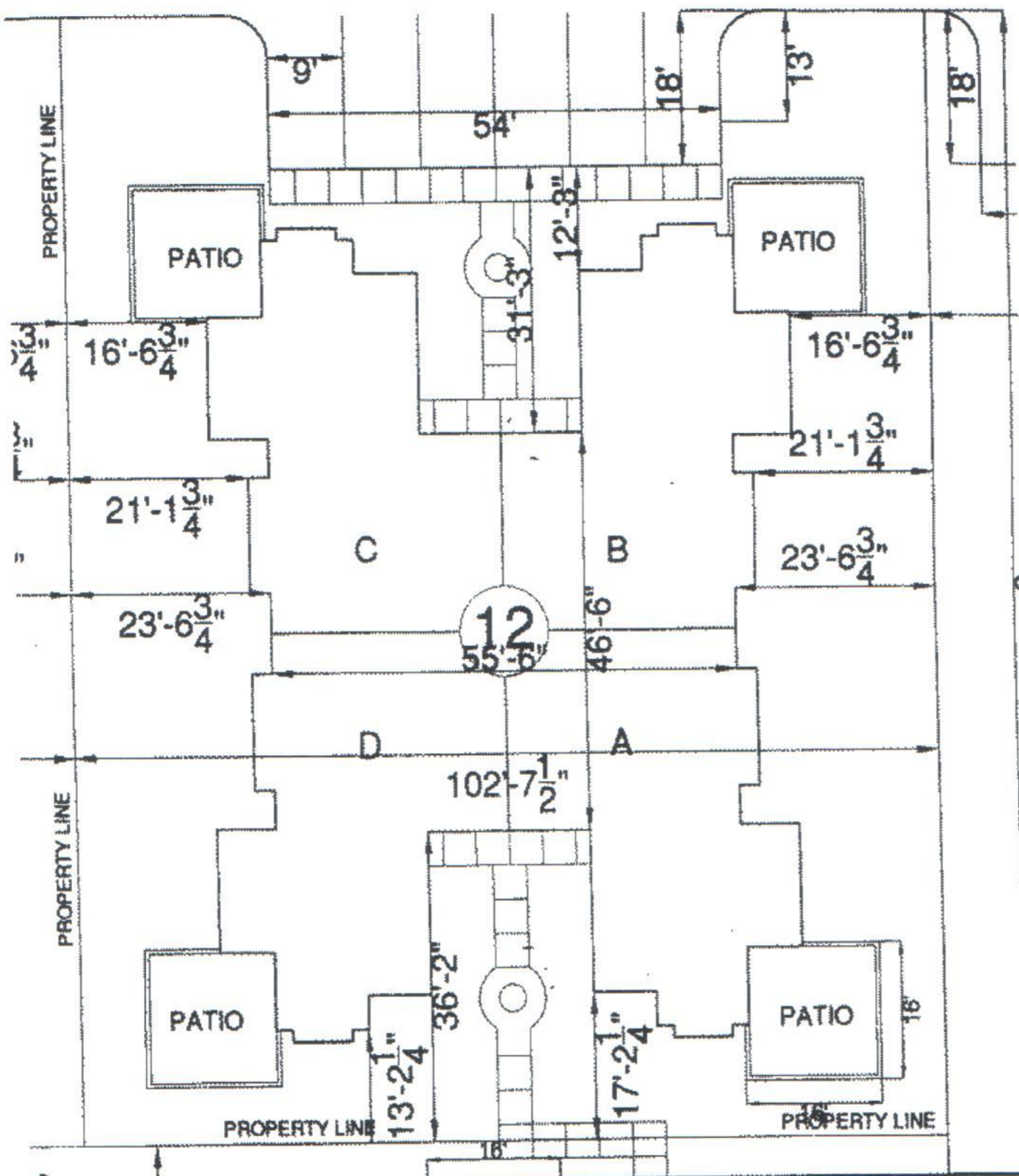


EXHIBIT C-1 (b)

Location: Meridian Condominiums Pharr TX.

Property: Tx.Contec,Inc.

Design By Felipe Woloski

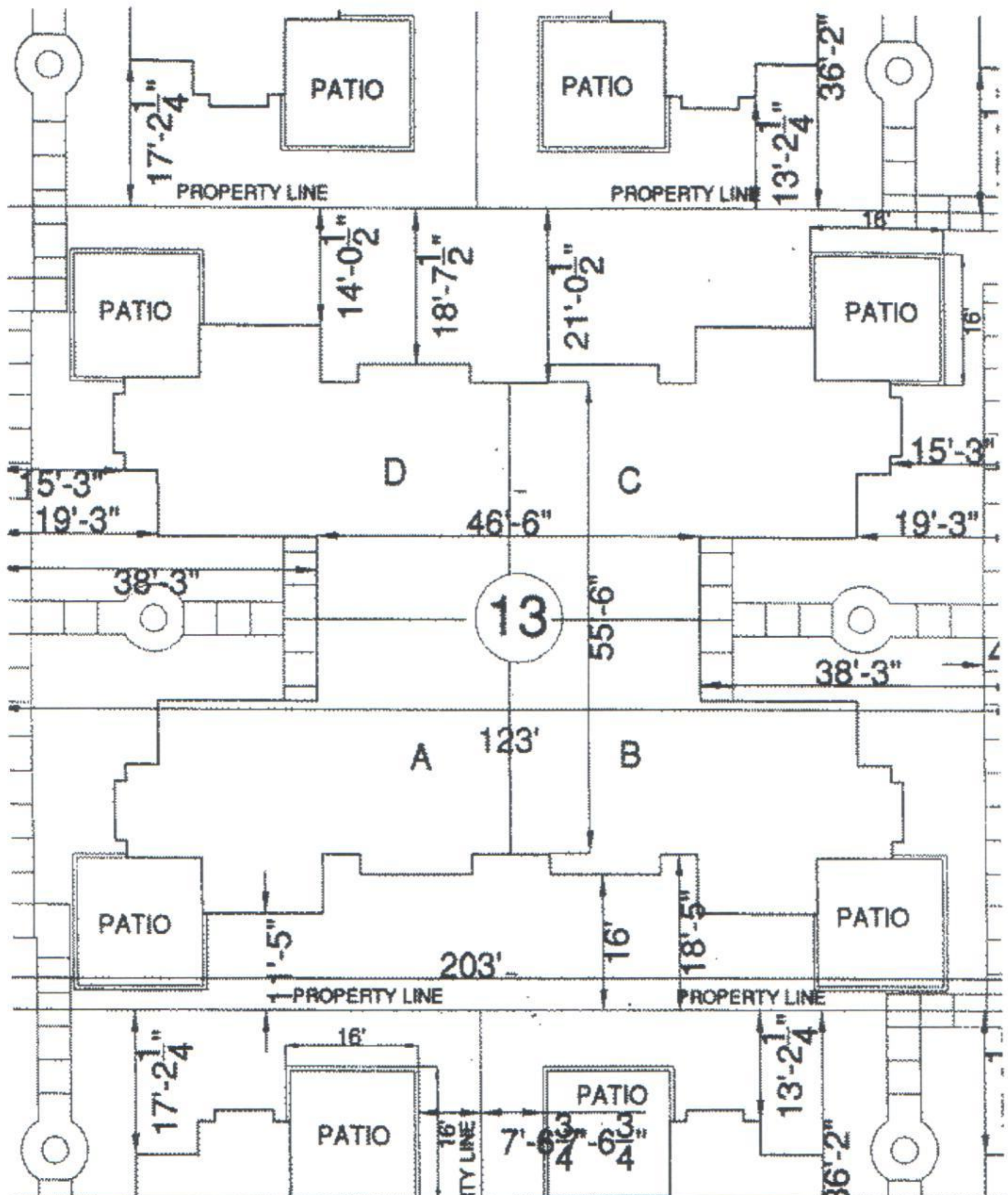


EXHIBIT C-1 (c)
Location: Meridian Condominiums Pharr TX.
Property: Tx.Contec,Inc.
Design By Felipe Woloski

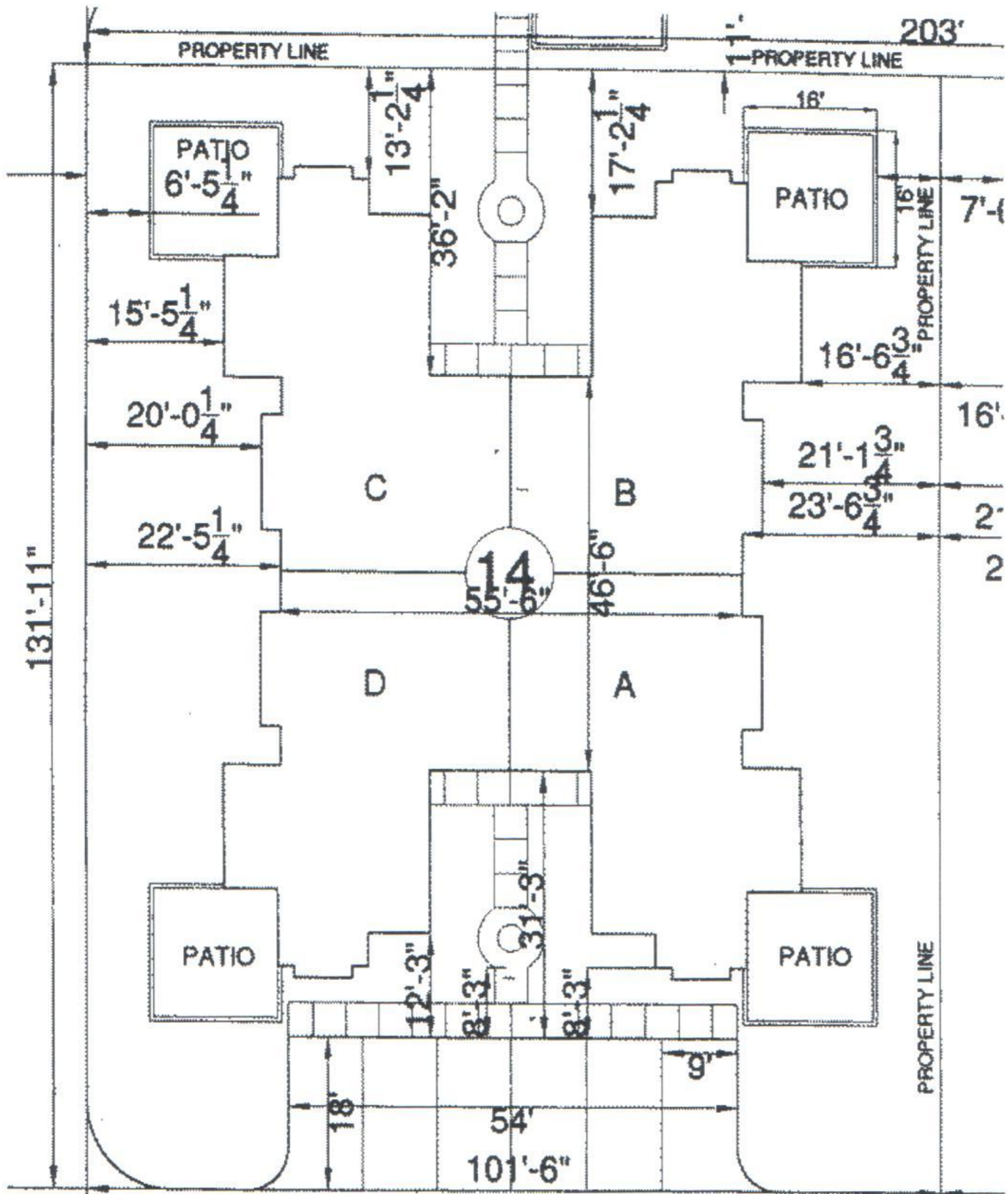
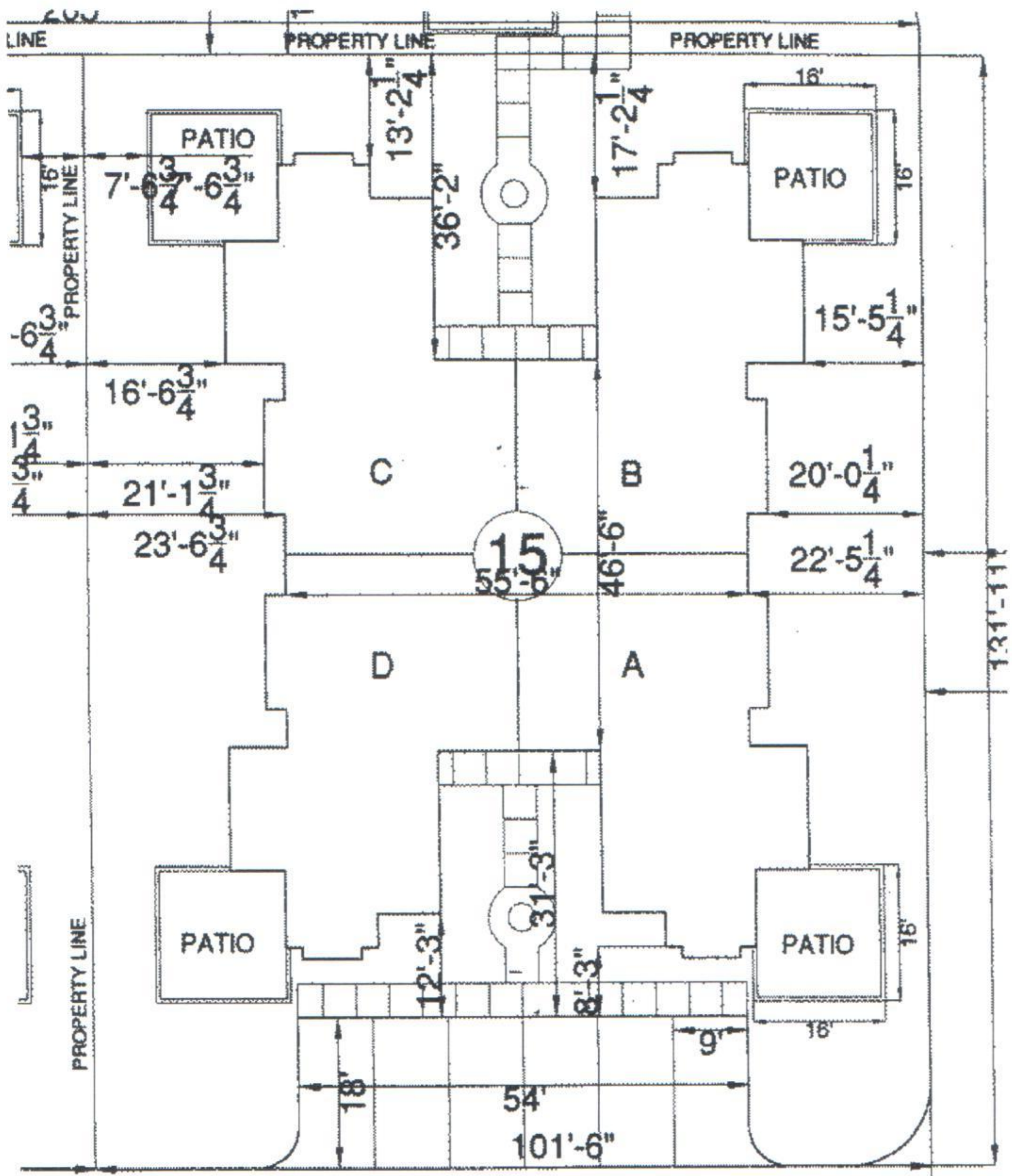


EXHIBIT C-1 (d)
Location: Meridian Condominiums Pharr TX.
Property: Tx.Contec,Inc.
Design By Felipe Woloski



F.W. Construction	EXHIBIT C-1 (e)
	Location: Meridian Condominiums Pharr TX.
	Property: Tx.Contec,Inc.
	Design By Felipe Woloski

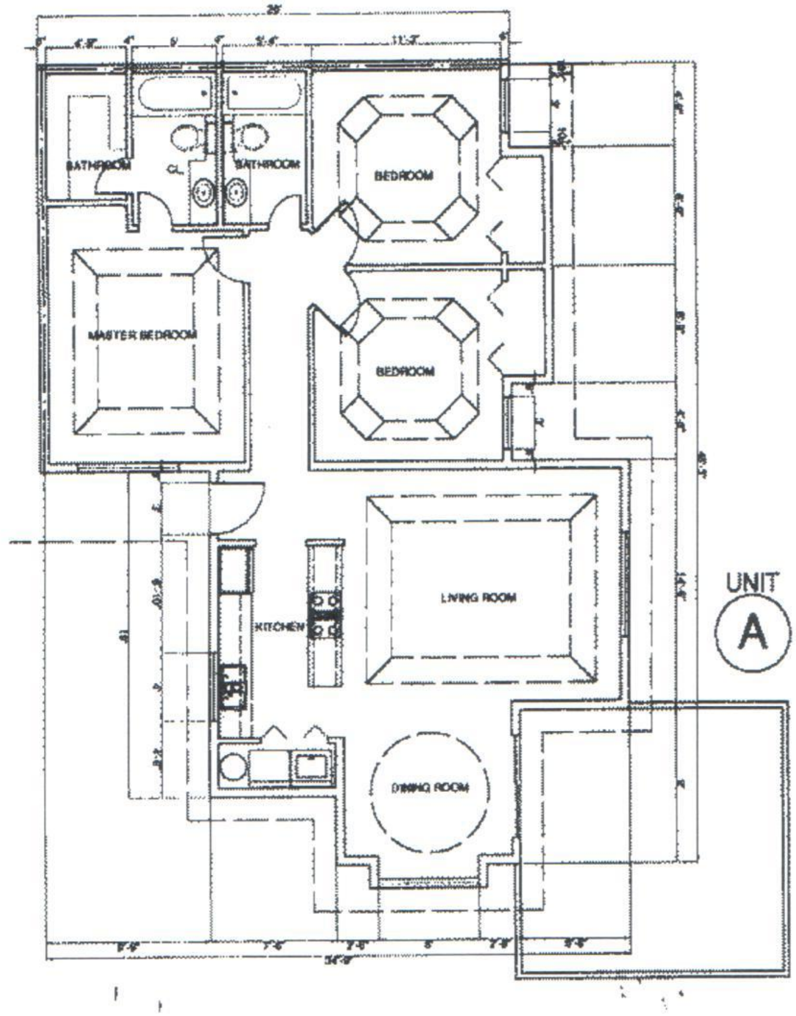
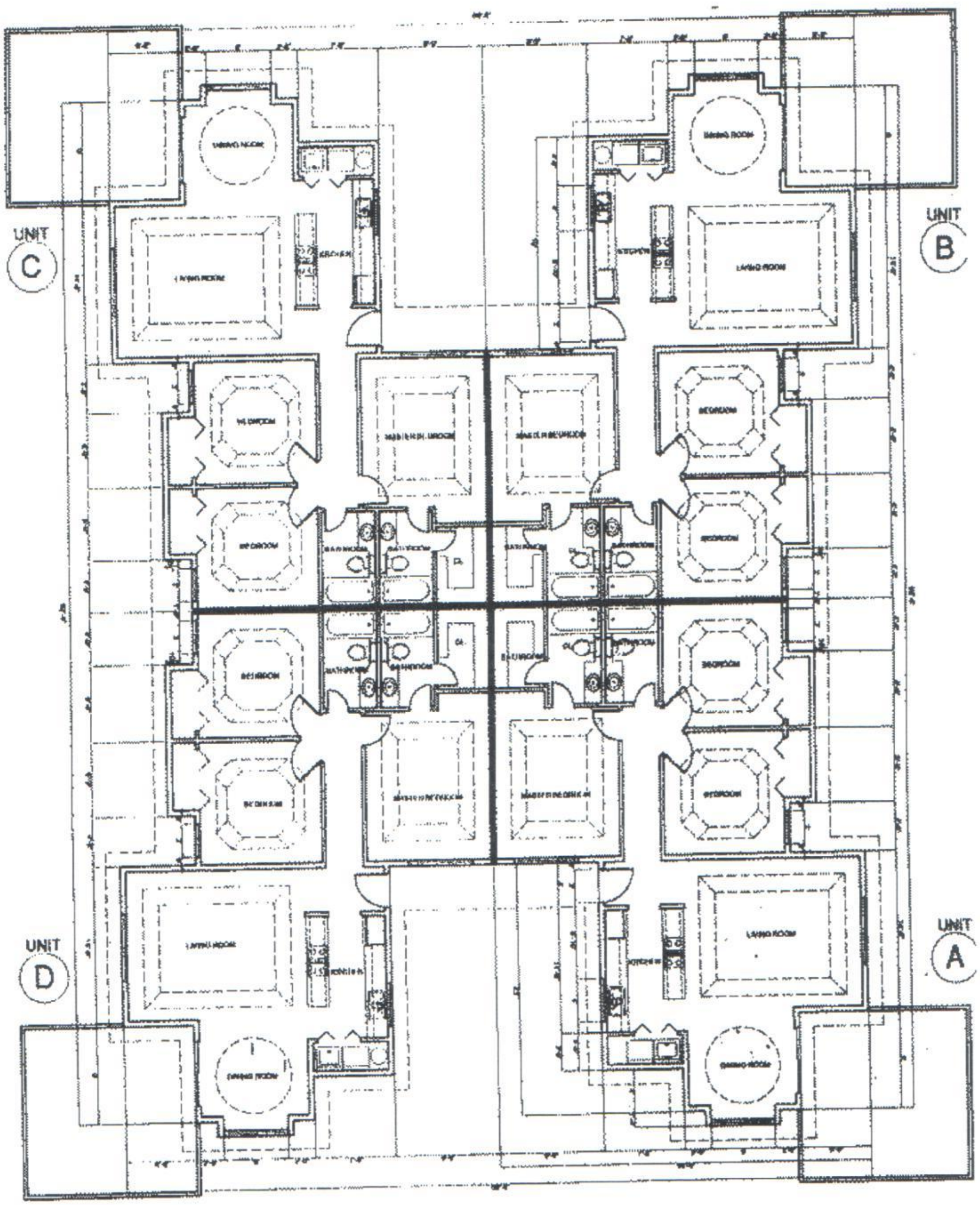


EXHIBIT C-2 (a)		TYPICAL UNIT FLOOR PLAN UNIT A
Location: Meridian Condominiums Pharr TX.		
Property: Tx.Contec, Inc.		
Design By Felipe Woloski		

F.W. Construction



F.W	EXHIBIT C-3 TYPICAL UNIT FLOOR PLAN FOR EACH BUILDING 1 THRU 15	
	Location: Meridian Condominiums Pharr TX.	
	Property: Tx.Contec, Inc.	
	Design By Felipe Woloski	

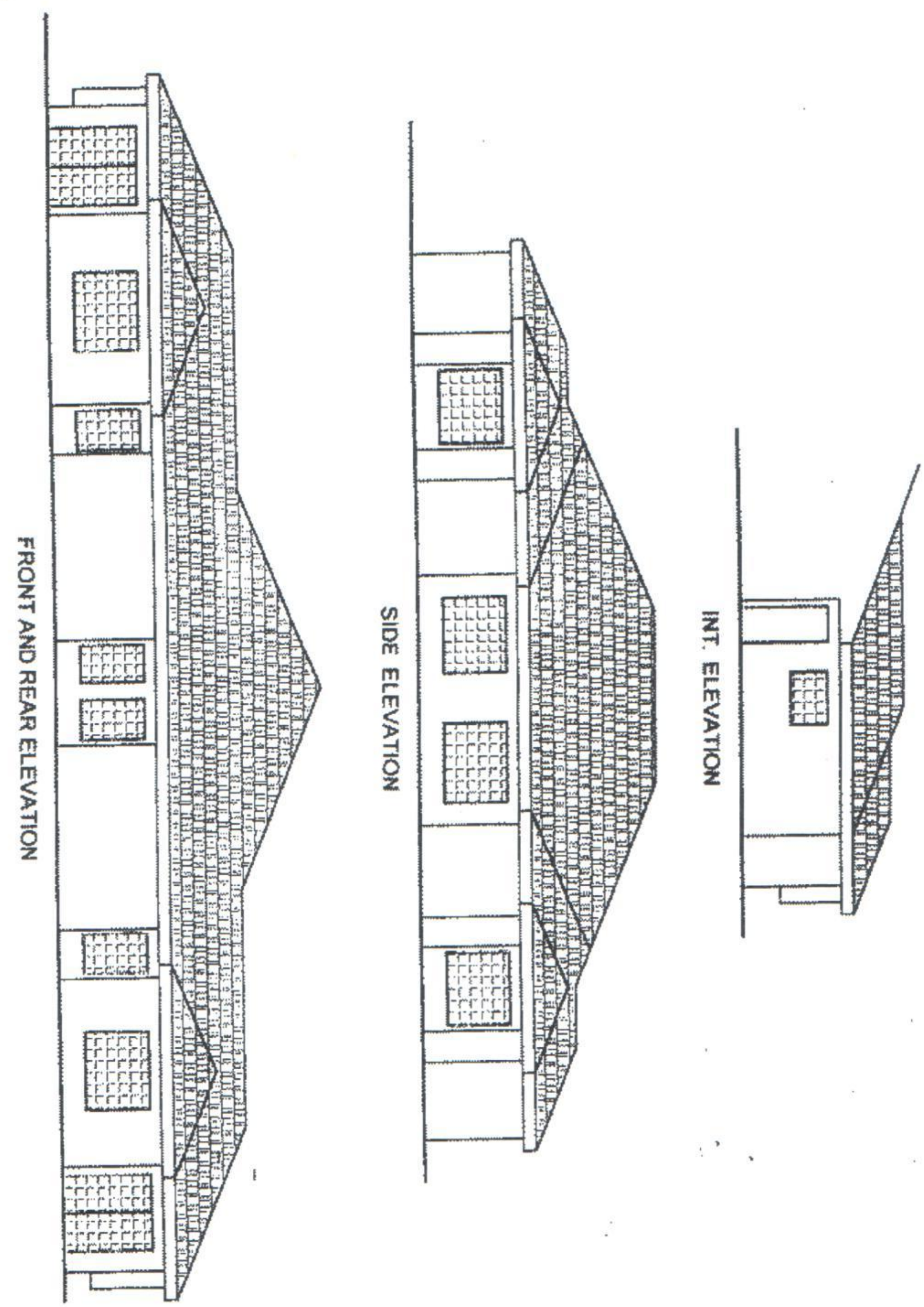


EXHIBIT C-4	ELEVATION PLAN
Location: Meridian Condominiums Pharr TX.	
Property: Tx.Contec,Inc.	
Design By Felipe Woloski	

EXHIBIT D

Allocation of Percentage Held by Each Unit in Common Elements, Common Expenses, and Votes in MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC.

Unit	Square feet (w/o Patio)	Square feet (With Patio)	% of Undivided Interest	% of Vote In Association
15-A	1,097.79	1,345.85	5.00	5.00
15-B	1,097.79	1,345.85	5.00	5.00
15-C	1,097.79	1,345.85	5.00	5.00
15-D	1,097.79	1,345.85	5.00	5.00
Building 15	4,391.16	5,383.40		
14-A	1,097.79	1,345.85	5.00	5.00
14-B	1,097.79	1,345.85	5.00	5.00
14-C	1,097.79	1,345.85	5.00	5.00
14-D	1,097.79	1,345.85	5.00	5.00
Building 14	4,391.16	5,383.40		
13-A	1,097.79	1,345.85	5.00	5.00
13-B	1,097.79	1,345.85	5.00	5.00
13-C	1,097.79	1,345.85	5.00	5.00
13-D	1,097.79	1,345.85	5.00	5.00
Building 13	4,391.16	5,383.40		
12-A	1,097.79	1,345.85	5.00	5.00
12-B	1,097.79	1,345.85	5.00	5.00
12-C	1,097.79	1,345.85	5.00	5.00
12-D	1,097.79	1,345.85	5.00	5.00
Building 12	4,391.16	5,383.40		
11-A	1,097.79	1,345.85	5.00	5.00
11-B	1,097.79	1,345.85	5.00	5.00
11-C	1,097.79	1,345.85	5.00	5.00
11-D	1,097.79	1,345.85	5.00	5.00
Building 11	4,391.16	5,383.40	100.00	100.00

In the event that more than the original twenty condominium units are constructed by Declarant in SOLETEC SUBDIVISION and such units are added to this condominium regime, then the incorporated units and the original units will receive a new allocation of a percentage of rights and responsibilities in the (a) undivided interests in the Common Elements as defined in this condominium regime; (b) undivided interest in the Common expenses pertaining to the Common Elements, and (c) a portion of the votes in MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC.

In such new allocation, all of the new additional square footage of the additional units will be added to the existing units and all of the allocations pertaining to all units (original and newly added) will then be recomputed and reassessed on the basis that the square footage which each Unit bears to the square footage of all Units within the Project, including the Units newly incorporated into the Project.

BYLAWS OF MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC.

ARTICLE 1

DEFINITIONS

1.01. PROJECT shall mean all of the real property located in the City of Pharr, County of Hidalgo, State of Texas, including the land; all improvements and structures on the land; and all easements, rights, and appurtenances to the land, more particularly described as follows:

TRACT I:

Lots 11, 12,13,14, and 15 out of SOLETEC SUBDIVISION, which is a subdivision consisting of a 7.49 acre tract of land according to the Map or Plat thereof recorded in Volume 36, Page 53, Map Records of Hidalgo County, Texas

Also, the following real property, or portions thereof, may hereafter be incorporated into the Project:

Lots 1 thru 10 out of SOLETEC SUBDIVISION, which is a subdivision consisting of a 7.49 acre tract of land according to the Map or Plat thereof recorded in Volume 36, Page 53, Map Records of Hidalgo County, Texas.

1.02. DECLARATION shall mean the Declaration applicable to the Project and filed in the Office of the County Clerk of Cameron Official Records, to which these Bylaws were attached as Exhibit "E" at the time of recording, including any amendments to the Declaration as may be made from time to time in accordance with the terms of the governing statute.

1.03. Other terms used in these Bylaws shall have the meaning given them in the Declaration, incorporated by reference and made a part of these Bylaws.

ARTICLE 2

APPLICABILITY OF BYLAWS

2.01. The provisions of these Bylaws constitute the Bylaws of the nonprofit corporation known as MERIDIAN CONDOMINIUMS ASSOCIATION OF CO-OWNERS, INC., referred to as the "Association".

2.02. The provisions of these Bylaws are applicable to the Project as defined in Paragraph 1.01 of these Bylaws.

2.03. All present or future owners, present or future tenants, their employees, or other persons that use the facilities of the Project in any manner are subject to the regulations set forth in these Bylaws. The acquisition or rental of any of the Units of the Project, or the act of occupancy of any of the Units, will signify that these Bylaws are accepted and ratified and will be complied with by the purchaser, tenant, or occupant.

ARTICLE 3

OFFICES

3.01. The principal office of the Association shall be located at 3203 Alberta Road, Edinburg, Texas.

3.02. The Association shall have and shall continuously maintain in the State of Texas a registered office and a registered agent, whose office, shall be identical with the registered office,

EXHIBIT E

as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 4

QUALIFICATIONS FOR MEMBERSHIP

4.01. The membership of the Association shall consist of all of the Owners of the Units within the Project.

4.02. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of an Unit in the Project. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

4.03. The sole qualification for membership shall be the ownership of a Unit in the Project. No initiation fees, costs, or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are specifically authorized under the Articles of Incorporation or the Declaration.

4.04. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association that shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered-on the records of the Association and maintained by the Secretary at the registered office of the Association.

ARTICLE 5

VOTING RIGHTS

5.01. Voting rights shall be allocated among the Members on the basis of the formulas and allocations set forth in the Declaration. The Owner of each unit shall be entitled to vote the percentage of allocation attributable to such Unit as determined by the formula established in Exhibit D to the Declaration.

5.02. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of the Member's Unit or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

5.03. The presence, either in person or by proxy, at any meeting, of Members entitled to cast at least 50 percent of the total voting power of the Association shall constitute a quorum for any action, except as otherwise provided in the Governing Instruments. In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) days or more than thirty (30) days from the meeting date.

5.04. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of members, unless the vote of a greater number is required by statute or by the Declaration, by the Articles of Incorporation of this Association, or by these Bylaws.

5.05. Cumulative voting is not permitted.

ARTICLE 6

MEETINGS OF MEMBERS

6.01. The first meeting of the Members of the Association shall be held within forty-five (45) days after the closing of the sale of the Unit that represents the fifty-first (51st) percentile interest or within six (6) months after the closing of the sale of the first Unit within the Project, whichever is earlier. After the first meeting, the annual meeting of the Members of the Association shall be held on the second Saturday of September of each succeeding calendar year at the hour of 10:00 A.M., or any other date and time which may be designated b the Association. If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the first day following that is not a legal holiday or a Sunday.

6.02. Special meetings of the Members may be called by the President, the Board of Directors, or by Members representing at least twenty (20) percent of the total voting power of the Association.

6.03. Meetings of the Members shall be held within the Project or at a meeting place as close to the Project as possible, as the Board may specify in writing.

6.04. Written notice of all Members, meetings shall be given by or at the direction of the Secretary of the Association or such other persons as may be authorized to call the meeting, by mailing or personally delivering a copy of such notice at least ten (10) but not more than fifty (50) days before the meeting to each Member entitled to vote at the meeting. The notice must be addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

6.05. The order of business at all meetings of the Members shall be as follows:

(a) Roll call.

(b) Proof of notice of meetings or waiver of notice.

(c) Reading of Minutes of preceding meeting.

(d) Reports of officers.

(e) Reports of committees.

(f) Election of directors.

(g) Unfinished business.

(h) New business.

ARTICLE 7

BOARD OF DIRECTORS

7.01. The affairs of this Association shall be managed by a Board of Directors consisting of three (3) persons, all of whom, must be Members of the Association. The terms of the Directors shall be staggered as provided in Section 7.02 below.

7.02. At the first meeting of the Association, the Member shall elect the initial Directors The initial Directors shall be classified with respect to the time for which they hold office by dividing them into three classes, each class consisting of one Director, and each Director of the Association shall hold office until his successor is elected and qualified. At the first meeting of the Association, the Director of the first class shall be elected for a term of one year; the Director of the second class shall be elected for a term of two years; and the Director of the third class shall be elected for a term of three years; and at each annual election of the Members thereafter the successor to the class of Directors whose term expires that year shall be elected to hold office for a term of three (3) years, so that the term of office of one class of Directors shall expire each year.

7.03. Directors may be removed from office without cause by a majority vote of the Members of the Association.

7.04. In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve for the unexpired term of the predecessor.

Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

7.05. With the prior approval of a majority of the voting power of the Association, a Director may receive compensation in a reasonable amount for services rendered to the Association. A Director may be reimbursed by the Board for actual expenses incurred by the Director in the performance of the Director's duties.

7.06. The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in the Governing Instruments of the Project.

ARTICLE 8

NOMINATION AND ELECTION OF DIRECTORS

8.01. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting of the Members.

8.02. Directors are elected at the annual meeting of Members of the Association. Members, or their proxies, may cast, in respect to each vacant directorship, as many votes as they are entitled to exercise under the provisions of the Declaration. The nominees receiving the highest number of votes shall be elected.

ARTICLE 9

MEETINGS OF DIRECTORS

9.01. Regular meetings of the Board of Directors shall be held quarterly at a place within the Project and at a time as may be fixed from time to time by resolution of the Board. Notice of the time and place of regular meetings shall be posted at a prominent place or places within the Common Elements.

9.02. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any two (2) Directors other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of a special meeting must be given to each Director not less than three (3) days or more than fifteen (15) days prior to the date fixed for such meeting by written notice either delivered personally, sent by mail, or sent by telegram to each Director at the Director's address as shown in the records of the Association. A copy of the notice shall be posted in a prominent place or places in the Common Elements of the Project not less than three (3) days prior to the date of the meeting.

9.03. A quorum for the transaction of business by the Board of Directors shall be the lesser of either a majority of the number of Directors constituting the Board of Directors as fixed by these Bylaws or two (2).

9.04. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless any provision of the Declaration, the Articles of Incorporation of this Association or these Bylaws requires the vote of a greater number.

9.05. Regular and special meetings of the Board shall be open to all Members of the Association, provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of a quorum of the Board.

9.06. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, contract negotiations, enforcement actions, other business of a confidential nature involving a Member, and matters requested by the involved parties to remain confidential. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE 10

OFFICERS

10.01. The Officers of this Association shall be a President, a Secretary, and a Treasurer, who shall at all times be members of the Board of Directors. The Board of Directors may, by resolution, create such other offices as it deems necessary or desirable.

10.02. The Officers of this Association shall be elected annually by the Board of Directors, and each shall hold office for one (1) year, unless the Officer shall sooner resign, be removed, or be otherwise disqualified to serve.

10.03. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect at the date of receipt of the notice or at any later time specified in the notice. Any officer may be removed from office by the Board whenever, in the Board's judgment, the best interests of the Association would be served by such removal.

10.04. Any two or more offices may be held by the same person, except the offices of President, Treasurer and Secretary.

10.05. Officers shall receive such compensation for services rendered to the Association as determined by the Board of Directors and approved by a majority of the voting power of the Association.

ARTICLE 11

PRESIDENT

11.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of their number to act as President.

11.02. The President shall perform the following duties:

(a) Preside over all meetings of the members and of the Board.

(b) Sign as President all deeds, contracts, and other instruments in writing that have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of another Officer.

(c) Call meetings of the Board whenever he or she deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than three (3) days.

(d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association and discharge such other duties as may be required of him or her by the Board.

(e) Prepare, execute, certify, and have recorded all amendments to the Declaration required by statute to be recorded by the Association.

ARTICLE 12

VICE-PRESIDENT

12.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect one of its Members to act as Vice-President.

12.02. The Vice-President shall perform the following duties:

(a) Act in the place and in the stead of the President in the event of the President's absence, inability, or refusal to act.

(b) Exercise and discharge such other duties as may be required of the Vice-President by the Board. In connection with any such additional duties, the Vice-President shall be responsible to the President.

ARTICLE 13

SECRETARY

13.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Secretary.

13.02. The Secretary shall perform the following duties:

(a) Keep a record of all meetings and proceedings of the Board and of the Members.

(b) Keep the seal of the Association, if any, and affix it on all papers requiring the seal.

(c) Serve notices of meetings of the Board and the Members required either by law or by these Bylaws.

(d) Keep appropriate current records showing the Members of the Association together with their addresses.

(e) Sign as Secretary all deeds, contracts, and other instruments in writing that have been first approved by the Board if the instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

(f) Prepare, execute, certify, and have recorded all amendments to the Declaration required by statute to be recorded by the Association.

ARTICLE 14

TREASURER

14.01. At the first meeting of the Board immediately following the annual meeting of the Members, the Board shall elect a Treasurer.

14.02. The Treasurer shall perform the following duties:

(a) Receive and deposit in a bank or banks, as the Board may from time to time direct, all of the funds of the Association.

(b) Be responsible for and supervise the maintenance of books and records to account for the Association's funds and other Association assets.

(c) Disburse and withdraw funds as the Board may from time to time direct, in accordance with prescribed procedures.

(d) Prepare and distribute the financial statements for the Association required by the Declaration.

ARTICLE 15

BOOKS AND RECORDS

15.01. Complete and correct records of account and minutes of proceedings of meetings of Members, Directors, and committees shall be kept at the registered office of the corporation. A record containing the names and addresses of all Members entitled to vote shall be kept at the registered office or principal place of business of the Association.

15.02. The Governing Instruments of the Project, the membership register, the books of account, and the minutes of proceedings shall be available for inspection and copying by any Member of the Association or any Director for any proper purpose at any reasonable time.

ARTICLE 16

GENERAL PROVISIONS

16.01. These Bylaws may be amended, altered, or repealed at a regular or special meeting of the Members of the Association by the affirmative vote in person or by proxy of Members representing a majority of a quorum of the Association, or by written ballot approved by the holders of at least fifty (50) percent of the ownership interests in the Project. The written ballot shall state the exact wording or substance of the amendment and shall specify the date by which the ballot must be received to be counted. Notwithstanding the above, the percentage of affirmative votes necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

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