



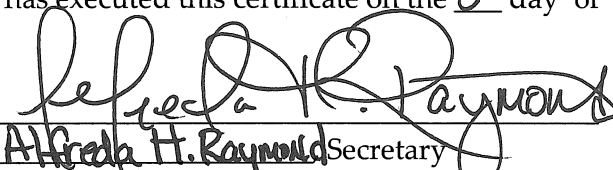
AFTER RECORDING RETURN TO:

**ROBERT D. BURTON, ESQ.
WINSTEAD, PC
401 CONGRESS AVE., SUITE 2100
AUSTIN, TEXAS 78701
EMAIL: RBURTON@WINSTEAD.COM**

**ROYALTON AT RIVER OAKS CONDOMINIUMS
COMMUNITY MANUAL**

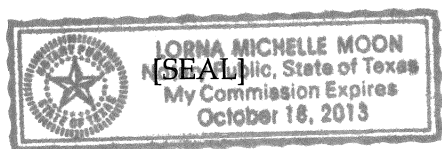
The undersigned hereby certifies that he/she is the duly elected, qualified and acting Secretary of the Royalton at River Oaks Council of Co-Owners, a Texas nonprofit corporation (the "Association"), and that this is a true and correct copy of the current Community Manual of the Association adopted by the Board of Administrators of the Association.

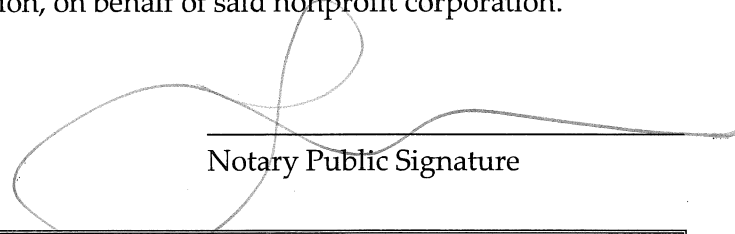
IN WITNESS WHEREOF, the undersigned has executed this certificate on the 3rd day of January, 2012.


Alfreda H. Raymond Secretary

STATE OF TEXAS §
COUNTY OF Harris §

This instrument was acknowledged before me of this 3 day of JANUARY, 2012, by Alfreda H. Raymond, the Secretary of the Royalton at River Oaks Council of Co-Owners, a Texas nonprofit corporation, on behalf of said nonprofit corporation.




Notary Public Signature

PROPERTY
Royalton at River Oaks Condominium are subject to the Declaration of Condominium of Royalton at River Oaks, A Condominium recorded in the Real Property Records of Harris County, Texas as File No. Y492824., as amended.

ROYALTON AT RIVER OAKS CONDOMINIUMS

COMMUNITY MANUAL

TABLE OF CONTENTS

1.	ARTICLES OF INCORPORATION	ATTACHMENT 1
2.	BYLAWS	ATTACHMENT 2
3.	RULES	ATTACHMENT 3
4.	PARKING AND STORAGE LEASE RULES	ATTACHMENT 4
5.	DESIGNATED SMOKING AREA – COMMON ELEMENTS POLICY	ATTACHMENT 5
6.	DESIGNATED PET AREA – COMMON ELEMENTS POLICY	ATTACHMENT 6
7.	MOVING INSTRUCTION POLICY	ATTACHMENT 7
8.	SECOND AMENDED AND RESTATED COLLECTION POLICY	ATTACHMENT 8
9.	SOLAR DEVICE POLICY	ATTACHMENT 9
10.	ENERGY EFFICIENT ROOFING POLICY	ATTACHMENT 10
11.	RAINWATER HARVESTING SYSTEM POLICY	ATTACHMENT 11
12.	FLAG DISPLAY AND FLAGPOLE INSTALLATION POLICY	ATTACHMENT 12
13.	DISPLAY OF CERTAIN RELIGIOUS ITEMS POLICY	ATTACHMENT 13

ATTACHMENT 1

ARTICLES OF INCORPORATION

FILED
In the Office of the
Secretary of State of Texas

MAR 08 2005

ARTICLES OF INCORPORATION
OF
ROYALTON AT RIVER OAKS COUNCIL OF CO-OWNERS
Corporations Section

The undersigned, a natural person over the age of eighteen years, acting as incorporator of Royalton at River Oaks Council of Co-Owners (the "Condominium Association") under the Texas Non-Profit Corporation Act (the "Non-Profit Corporation Act"), does hereby adopt the following Articles of Incorporation (these "Articles") for the Condominium Association:

ARTICLE I

Condominium Association

The Condominium Association shall be, mean, and constitute a unit owners' association organized under Section 82.101 of the Uniform Condominium Act (Texas Property Code, Chapter 82) (the "Condominium Act"), as more specifically described in the Declaration of Royalton at River Oaks, A Condominium, to be recorded in the Condominium Records of Harris County, Texas, as amended from time to time (the "Declaration"), with respect to certain real property located in the City of Houston, Harris County, Texas, and described in the Declaration.

ARTICLE II

Name

The name of the Condominium Association is Royalton at River Oaks Council of Co-Owners.

ARTICLE III

Non-Profit Corporation

The Condominium Association is a Non-Profit Corporation.

ARTICLE IV

Duration

The duration of the Condominium Association shall be perpetual.

ARTICLE V

Purposes

The purposes for which the Condominium Association is formed are to exercise the rights and powers of a unit owners' association under the Condominium Act, and to perform the duties and obligations of the Condominium Association in accordance with the Declaration, the by-laws of the Condominium Association (the "By-Laws"), and the laws of the State of Texas,

including the Condominium Act, as each may be amended from time to time. Such purposes include (without limitation) the acquisition, construction, management, maintenance and care of property owned by the Condominium Association or owned commonly by the Unit Owners.

ARTICLE VI

Powers

In furtherance of its purposes, the Condominium Association shall have the following powers which, unless otherwise provided in these Articles, the Declaration, the By-Laws, or the laws of the State of Texas, may be exercised by the Board of Administrators of the Condominium Association:

- 1. all rights and powers conferred upon Non-Profit corporations by the laws of the State of Texas in effect from time to time;
- 2. all rights and powers conferred upon condominium associations by the laws of the State of Texas, including the Condominium Act, as amended from time to time; and
- 3. all powers necessary, appropriate, or advisable to perform any purpose or duty of the Condominium Association as set out in these Articles, the Declaration, the By-Laws, or the laws of the State of Texas.

ARTICLE VII

Prohibitions

No loans shall be made by the Condominium Association to members of its Board of Administrators, unless permitted by the Non-Profit Corporation Act. No dividend shall be paid and no part of the income or net earnings the Condominium Association shall be distributed to, or inure to the benefit of, the Unit Owners, members of the Board of Administrators, or officers, provided that:

- 1. The Condominium Association may pay compensation in a reasonable amount to Unit Owners, members of the Board of Administrators, or officers for services rendered and for actual expenditures made;
- 2. The Condominium Association may confer benefits upon the Unit Owners in conformity with its purposes, including (without limitation) by acquiring, constructing or providing management, maintenance and care of property owned by the Condominium Association or owned commonly by the Unit Owners, or by rebating excess fees or assessments;
- 3. Upon dissolution or final liquidation, the Condominium Association may make distributions to the Unit Owners, as permitted by the Non-Profit Corporation Act, the Condominium Act, and the Declaration; and

4. Any other distributions may be made if permitted by the Non-Profit Corporation Act or the Condominium Act.

The Condominium Association shall not solicit contributions of funds for the Condominium Association from sources other than the Unit Owners, unless expressly authorized by the Board of Administrators, and in such event may solicit and receive such non-member contributions only up to the amount specified by the Non-Profit Corporation Act. The foregoing limitation does not apply to loans obtained by the Condominium Association or other ordinary course financial transactions permitted for condominium unit owners' associations by the Non-Profit Corporation Act, the Condominium Act and the Declaration.

ARTICLE VIII

Membership

The Condominium Association shall be a non-stock membership corporation. The members of the Condominium Association shall consist solely of the owners of units of the condominium created by the Declaration (the "Unit Owners"). The Declaration and By-Laws shall determine the number and qualifications of members of the Condominium Association; the classes of membership, if any; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

ARTICLE IX

Management by Board of Administrators

The management and affairs of the Condominium Association shall be vested in the board of directors, known as the Board of Administrators, except for those matters expressly reserved to the Unit Owners in the Declaration and By-Laws. The Declaration and By-Laws shall determine the number and qualifications of Administrators; the term of office of Administrators; the methods of electing, removing, and replacing Administrators; and the methods of holding board meetings and obtaining consents.

ARTICLE X

Limitations on Liability

An officer or Administrator of the Condominium Association shall not be liable to the Condominium Association, any Unit Owner or any other person for an act or omission in the officer's or director's capacity as an officer or Administrator, unless a person seeking to establish liability proves that the officer or Administrator has not acted: (1) in good faith; (2) with ordinary care; and (3) in a manner the officer or Administrator reasonably believes to be in the best interest of the Condominium Association.

If the Texas Miscellaneous Corporation Laws Act, the Condominium Act, or the Non-Profit Corporation Act is amended after the date of adoption of this Article X to authorize action

further eliminating or limiting the personal liability of officers or directors, then the liability of an officer or director of the Condominium Association shall be eliminated or limited to the fullest extent permitted by such statutes, as so amended. Any repeal or modification of the foregoing paragraph shall not affect adversely any right of protection of an officer or director of the Condominium Association existing at the time of such repeal or modification.

ARTICLE XI

Indemnification

The Condominium Association shall indemnify and advance expenses to each Administrator and officer of the Condominium Association to the fullest extent permitted by law, including Article 1396-2.22A of the Act, for indemnifying and advancing the expenses of directors of non-profit corporations. The Condominium Association may, by By-Law or by resolution of the Board of Administrators, indemnify and advance expenses to an employee or agent of the Condominium Association, or a person serving at the request of the Condominium Association as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Administrators and officers under this Article.

The indemnification provided by this Article shall be in addition to any indemnification provided in the Declaration and By-Laws. Any repeal or modification of the indemnification provisions in the Non-Profit Corporation Act, this Article, the Declaration or the By-Laws shall not affect adversely any right to indemnification existing at the time of such repeal or modification.

ARTICLE XII

Interested Transactions

A contract or transaction between the Condominium Association and one or more of its Administrators, officers, or Unit Owners, or between the Condominium Association and any other corporation, partnership, association, or other organization in which one or more of its directors, officers, or members are directors, officers, or members, or have a financial interest, shall be void or voidable only to the extent described the Non-Profit Corporation Act.

ARTICLE XIII

Amendment of Articles

These Articles may be amended in accordance with the requirements of the Non-Profit Corporation Act and the Condominium Act, provided, however, that:

1. An amendment shall not conflict with the Declaration or the Condominium Act; and

2. An amendment shall not impair or dilute a right granted to a person by the Declaration, without that person's written consent.

ARTICLE XIV

Amendment of By-Laws

The By-Laws of the Condominium Association may be amended or repealed by the Unit Owners only, according to the amendment provision of the By-Laws.

ARTICLE XV

Dissolution

The Condominium Association may be dissolved only as provided in the Declaration, the By-Laws, and the laws of the State of Texas. On dissolution, the assets of the Condominium Association shall be distributed to the Unit Owners in accordance with the Declaration provision for distribution upon termination; if the Declaration has no such provision, then in accordance with the termination provision of the Condominium Act.

ARTICLE XVI

Action by Non-Unanimous Consent Without Meeting

Unless otherwise restricted by law, these Articles, or the By-Laws, any action required or permitted to be taken at any meeting of the Unit Owners, Administrators, or members of a committee authorized by the Board of Administrators may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Unit Owners, Administrators, or committee members as would be necessary to take that action at a meeting at which all of the Unit Owners, Administrators, or committee members were present and voted. Any action taken by written consent signed by less than all of the Unit Owners, Administrators, or committee members entitled to vote with respect to such action shall comply with the requirements for such action contained the Non-Profit Corporation Act.

ARTICLE XVII

Initial Board of Administrators

The number of directors constituting the Board of Administrators of the Condominium Association and their qualifications shall be fixed or determined by, or in the manner provided in, the By-Laws of the Condominium Association. The initial Board of Administrators shall consist of three (3) Administrators. In accordance with the terms of the Declaration, commencing with the first annual meeting after the Developer has surrendered control of the Council, the Board shall consist of five (5) Administrators, to be determined in the manner

provided in the Declaration and By-Laws. The names and addresses of the persons who are to serve as the initial Administrators of the Condominium Association are:

<u>Name</u>	<u>Address</u>
Chris Yergensen	4680 South Polaris Avenue 3rd Floor Las Vegas, Nevada 89103
John D. Hughes	333 Clay Street, 29 th Floor Houston, Texas 77002
Connie Pardue	333 Clay Street, 29 th Floor Houston, Texas 77002

ARTICLE XVIII

Initial Registered Office and Registered Agent

The address of its initial registered office of the Condominium Association is 333 Clay Street, 29th Floor, Texas 77002, and the name of the initial registered agent at such address is John D. Hughes.

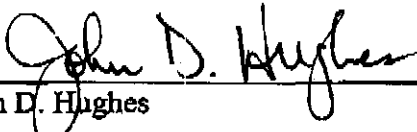
ARTICLE XIX

Incorporation

The name and street address of the incorporator are as follows:

John D. Hughes
333 Clay Street, 29th Floor
Houston, Texas 77002

I execute these Articles of Incorporation on this 8th day of March, 2005.



John D. Hughes

ATTACHMENT 2

BYLAWS

BY-LAWS
OF
ROYALTON AT RIVER OAKS COUNCIL OF CO-OWNERS

**BY-LAWS
OF
ROYALTON AT RIVER OAKS COUNCIL OF CO-OWNERS.**

Article I
General

Section 1. Applicability. These By-Laws provide for the self-government of Royalton at River Oaks Council of Co-Owners, in accordance with the Texas Uniform Condominium Act, Chapter 82 of the Texas Property Code ("Condominium Act"), as may be amended from time to time, the Articles of Incorporation filed with the Secretary of State and the Declaration of Royalton at River Oaks, a Condominium, recorded in the Condominium Records of Harris County, Texas ("Declaration").

Section 2. Name. The name of the corporation is Royalton at River Oaks Council of Co-Owners. ("Condominium Association").

Section 3. Definitions. The terms used herein shall have their generally accepted meanings or such meanings as are specified in the Declaration.

Section 4. Membership. An owner of a Unit ("Unit Owner") shall automatically become a member of the Condominium Association upon taking title to the Unit and shall remain a member for the entire period of ownership. As may be more fully provided below, a Unit Owner's spouse or Domestic Partner may exercise the powers and privileges of the Unit Owner. If title to a Unit is held by more than one (1) Person, the membership shall be shared in the same proportion as the title, but there shall be only one (1) membership and one (1) vote per Unit. Membership does not include Persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Unit Owner's membership. Membership shall be appurtenant to the Unit and shall be transferred automatically by conveyance of that Unit and may be transferred only in connection with the transfer of title.

Section 5. Entity Members. In the event a Unit Owner is a corporation, limited liability company, partnership, trust, or other legal entity not being a natural person or persons, then any natural person who is an officer, director, or other designated agent of such corporation, partner of such partnership, beneficiary or other designated agent of such trust, manager of a limited liability company or representative of such other legal entity shall be eligible to represent such entity or entities in the affairs of the Condominium Association, including, without limitation, serving on the Board of Administrators of the Condominium Association. Such person's relationship with the Condominium Association shall terminate automatically upon the termination of such person's relationship with the entity or entities which are the Unit Owner, and termination of the person's relationship with the Condominium Association will create a vacancy in any elected or appointed position within the Condominium Association in which such

person may have been serving and such vacancy will be filled in accordance with these By-Laws.

Section 6. Voting. Each Unit shall be entitled to one (1) vote equal to the percentage of interest of such Unit in the Common Elements, which vote may be cast by the Unit Owner, the Unit Owner's spouse, the Domestic Partner of the Unit Owner, or by a lawful proxy as provided below. When more than one (1) Person owns a Unit, the vote for such Unit shall be exercised as they determine between or among themselves, but in no event shall more than one (1) vote be cast with respect to any Unit. If only one (1) co-owner of a Unit attempts to cast the vote for the Unit, it shall be conclusively presumed that such co-owner is authorized on behalf of all co-owners to cast the vote for such Unit. In the event of disagreement between or among co-owners and an attempt by two (2) or more of them to cast such vote or votes, such Persons shall not be recognized and such vote or votes shall not be counted. No Unit Owner shall be eligible to vote, either in person or by proxy, or to act as a proxy for any other member of the Condominium Association if that Unit Owner is shown on the books or management accounts of the Condominium Association to be more than thirty (30) days delinquent in any payment due the Condominium Association or if the Unit Owner has had its voting rights suspended for the infraction of any provision of the Declaration, these By-Laws, or any rule of the Condominium Association. If the voting rights of a Unit Owner have been suspended, that Unit Owner shall not be counted as an eligible vote for purposes of establishing a majority or a quorum.

Section 7. Majority. As used in these By-Laws, the term "majority" shall mean those votes, Unit Owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total number of eligible votes, Unit Owners, or other group, respectively. Unless otherwise specifically stated, the words "majority vote" mean more than fifty percent (50%) of those voting in person or by proxy. Except as otherwise specifically provided in the Declaration or these By-Laws, all decisions shall be by majority vote.

Section 8. Purpose. The Condominium Association shall have the responsibility of administering the Condominium, establishing the means and methods of collecting the contributions to the Common Expenses, arranging for the management of the Condominium and performing all of the other acts that may be required to be performed by the Condominium Association pursuant to the Condominium Act, the Texas Non-Profit Corporation Act and the Declaration. Except as to those matters which the Condominium Act, the Declaration or the Texas Non-Profit Corporation Act specifically require to be performed by the vote of the Condominium Association membership, the administration of the foregoing responsibilities shall be performed by the Board of Administrators as more particularly set forth below.

Article II Meeting of the Unit Owners

Section 1. Annual Meetings. The regular annual meeting of the Unit Owners shall be held during the fourth quarter of each year with the date, hour, and place to be set by the Board of Administrators. No annual meeting of the Condominium Association shall be set on a legal holiday.

Section 2. Special Meetings. Special meetings of the Unit Owners may be called for any purpose at any time by the President or Secretary, by request of any two (2) Administrators, or

upon written petition of Unit Owners holding at least twenty percent (20%) of the total eligible Condominium Association vote. Any such written petition by the Unit Owners must be submitted to the Condominium Association's Secretary. The Secretary shall then verify that the required number of Unit Owners have joined in the petition and shall submit all proper petitions to the Condominium Association's President. The President shall then promptly call a special meeting for the purpose stated in the petition setting the date, time and location of the meeting (which is not required to be the date, time or location requested in any petition submitted to the Condominium Association), and the Secretary shall send notice of the meeting in accordance with these By-Laws. Any special meeting called pursuant to written petition shall be set within thirty (30) days of the date of the petition.

Section 3. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver to the each record Unit Owner at his or her Unit a notice of each annual or special meeting of the Condominium Association not less than ten (10) nor more than sixty (60) days prior to each meeting. The notice shall state the purpose of any special meeting, as well as the time and place where it is to be held. The notice of an annual meeting shall state the time and place of the meeting. If any Unit Owner wishes notice to be given at an address other than his or her Unit, the Unit Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered proper service of notice.

Section 4. Waiver of Notice. Waiver of notice of meeting of the Unit Owners shall be deemed the equivalent of proper notice. Any Unit Owner may, in writing, waive notice of any meeting of the Unit Owners, either before or after such meeting. Attendance at a meeting by a Unit Owner, whether in person or represented by proxy, shall be deemed waiver by such Unit Owner of notice of the time, date, and place thereof unless such Unit Owner specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted at such meeting unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote.

Section 5. Quorum. Except as may be provided elsewhere, the presence of Unit Owners, in person or by proxy, entitled to cast one-third (1/3) of the total eligible Condominium Association vote shall constitute a quorum. Once a quorum is established for a meeting, it shall conclusively be presumed to exist until the meeting is adjourned and shall not need to be reestablished. Unit Owners whose voting rights have been suspended pursuant to the Declaration or these By-Laws shall not be counted as eligible votes toward the quorum requirement.

Section 6. Adjournment. Any meeting of the Unit Owners may be adjourned from time to time for periods not exceeding ten (10) days by vote of the Unit Owners holding the majority of the votes represented at such meeting, regardless of whether a quorum is present. Any business which could be transacted properly at the original session of the meeting may be transacted at a reconvened session, and no additional notice of such reconvened session shall be required.

Section 7. Proxy. Any Unit Owner entitled to vote may do so by written proxy duly executed by the Unit Owner setting forth the meeting at which the proxy is valid. To be valid, a

proxy must be signed, dated, and filed with the Secretary prior to the opening of the meeting for which it is to be used. Proxies may be delivered to the Board of Administrators by personal delivery, U.S. mail or facsimile transmission to any Administrator or the property manager. Proxies may be revoked only by written notice delivered to the Secretary, except that: (a) the presence in person by the giver of a proxy at a meeting for which the proxy is given shall automatically invalidate the proxy for that meeting; and (b) a later dated proxy shall automatically be deemed to invalidate any previously given proxy. A proxy holder may not appoint a substitute proxy holder unless expressly authorized to do so in the proxy.

Section 8. Action Take Without a Meeting. In the Board's discretion, any action that may be taken by the Condominium Association Unit Owners at any annual, regular, or special meeting may be taken without a meeting if the Board delivers a written consent form or written ballot to every Unit Owner entitled to vote on the matter.

a) Ballot. A written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

All solicitations for votes by written ballot shall: (1) indicate the number of responses needed to meet the quorum requirements; (2) state the percentage of approvals necessary to approve each matter other than election of Administrators; and (3) specify the time by which a ballot must be received by the Board in order to be counted. A written ballot may not be revoked. The Condominium Association shall maintain such ballots in its file for at least three (3) years.

b) Written Consent. Approval by written consent shall be valid only when the number of written consents setting forth the actions taken is received and equals or exceeds the requisite majority of the voting power required to pass such action at a meeting held on the date that the last consent is executed and such action is consented to by the Declarant, if required. Executed written consents shall be included in the minutes or filed with the Condominium Association's records. If an action of the Unit Owners is approved by written consent hereunder, the Board shall issue written notice of such approval to all Unit Owners who did not sign written consents. Membership approval shall be effective ten (10) days after written notice is issued; provided, however, if the consent is to an amendment to the Declaration or By-Laws which must be recorded, the effective date shall be no earlier than the date of recording of such amendment.

Section 9. Order of Business. At all meetings of the Condominium Association, Roberts Rules of Order (latest edition) shall govern when not in conflict with the Declaration, these By-Laws or the Articles of Incorporation, unless the Unit Owners present at a particular meeting vote to suspend Robert's Rules at that meeting.

Article III
Board of Administrators

A. Composition and Selection

Section 1. Composition and Eligibility. The affairs of the Condominium Association shall be governed by a Board of Administrators ("Board"). Except for Administrators appointed by the Declarant hereunder, the Administrators shall be Unit Owners or spouses or Domestic Partners of such Unit Owners; provided, however, no Unit Owner and his or her spouse or Domestic Partner may serve on the Board at the same time, and no co-owners of a single Unit may serve on the Board at the same time. No persons shall be eligible to be elected to or continue to serve on the Board of Administrators if they are shown on the books and records of the Condominium Association to be more than thirty (30) days delinquent in the payment of any assessment or charge by the Condominium Association. Administrators shall not be eligible to serve more than three (3) consecutive two (2) year terms without first resigning from the Board for a time period which shall be the lesser of: (a) one (1) year; or (b) the period of time from the end of one (1) annual meeting of the Condominium Association to the beginning of the next annual meeting of the Condominium Association.

Section 2. Administrators Appointed by the Declarant. Notwithstanding anything to the contrary herein, Declarant shall have exclusive authority to appoint and remove all Administrators and officers until the earlier of: (1) three (3) years after the recording of the Declaration, (2) one hundred twenty (120) days after the date of which seventy-five percent (75%) of the Units have been conveyed by Declarant to Unit Owners other than a Person constituting the Declarant, or (3) the surrender in writing by Declarant of the authority to appoint and remove officers and Administrators of the Condominium Association; provided, however, not later than one hundred and twenty (120) days after conveyance of fifty percent (50%) of the Units to Unit Owners other than Declarant, one (1) Administrator shall be elected by Unit Owners other than Declarant in accordance with Section 3 below.

Section 3. Number of Administrators and Term of Office. During the period that the Declarant has the authority to appoint all Administrators, the Board shall consist of three (3) persons. Not later than one hundred and twenty (120) days after conveyance of fifty percent (50%) of the Units to Unit Owners other than Declarant, the Condominium Association shall call a meeting to be held at which two (2) Administrators shall be appointed by Declarant and one (1) Administrator shall be elected by Unit Owners, other than Declarant to serve on the Board until the termination of the Declarant's right to appoint Administrators and officers as described in Section 2 of this Article. At the first annual meeting after Declarant no longer has authority to appoint and remove Administrators in accordance with Section 2 above, the Unit Owners will elect five (5) Administrators. At this meeting, the two (2) Administrators receiving the most votes shall be elected for terms of two (2) years each and the three (3) Administrators receiving the next highest number of votes shall be elected for terms of one (1) year each. At each annual meeting thereafter, successors to Administrators whose terms have expired shall be elected to serve for two (2) year terms. Administrators shall hold office until their respective successors have been elected by the Condominium Association.

Section 4. Removal of Administrators. At any annual or special meeting of the Condominium Association duly called, any one (1) or more Administrators, except for

Administrators appointed by Declarant hereunder, may be removed with or without cause by a majority of the total eligible Condominium Association vote to elect said Administrator and a successor may then and there be elected to fill the vacancy thus created. Further, any Administrator who is more than thirty (30) days past due in the payment of any assessment or charge shall be automatically removed from the Board of Administrators, even if the Administrator subsequently pays the amount owed, and the vacancy shall be filled as provided in Section 5 below. Any Administrator who has had three (3) consecutive unexcused absences from regularly scheduled Board meetings may be removed by the vote of a majority of the other Administrators. Any Administrator whose removal has been proposed shall be given at least ten (10) days notice of the calling of the meeting to consider his or her removal and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 5. Vacancies. Vacancies in the Board caused by any reason, except the removal of an Administrator by a majority of the total eligible Condominium Association vote or by Declarant, shall be filled by a vote of the majority of the remaining Administrators, even though less than a quorum, at any meeting of the Board of Administrators. The successor so selected shall hold office for the remainder of the term of the Administrator being replaced. Notwithstanding anything to the contrary herein, any Administrator who is an officer, director or other designated agent of an entity Unit Owner and whose position becomes vacant for any reason, may be replaced by the entity who is the Unit Owner unless there has been a transfer of ownership of the Unit, in which case, the vacancy shall be filled by the remaining Administrators, even if less than a quorum at any meeting of the Administrators.

Section 6. Compensation. Administrators shall not be compensated for services as such unless and only to the extent that compensation is authorized by a majority of the total eligible Condominium Association vote. Administrators may be reimbursed for the expenses incurred in carrying out their duties as Administrators upon approval of such expenses by the Board of Administrators. Administrators also may be given nominal gifts or tokens of appreciation by the Condominium Association for recognition of services performed, not to exceed a value of One Hundred and No/100 Dollars (\$100.00) per calendar year.

Section 7. Administrator Conflicts of Interest. Nothing herein shall prohibit an Administrator from entering into a contract and being compensated for services or supplies furnished to the Condominium Association in a capacity other than as Administrator, provided that the Administrator's interest is disclosed to the Board and the contract is approved by a majority of the Administrators who are at a meeting of the Board of Administrators at which a quorum is present, excluding the Administrator with whom the contract is made. The interested Administrator shall not count for purposes of establishing a quorum of the Board. The interested Administrator shall be entitled to be present at any meeting at which the proposed contract is discussed but shall not be entitled to discuss the proposed contract during the discussion. Notwithstanding anything herein, the Administrators, during the period of Declarant control, shall be authorized on behalf of the Condominium Association to enter into contracts with the Declarant and its affiliates as set forth in the Declaration.

Section 8. Nomination. Nomination for election to the Board shall be made from the floor at the meeting. The Board also may appoint a nominating committee to make nominations prior to the meeting.

Section 9. Elections. All Unit Owners of the Condominium Association eligible to vote shall be entitled to cast their entire vote for each position on the Board of Administrators to be filled. There shall be no cumulative voting. The positions on the Board of Administrators for which elections are held shall be filled by that number of candidates receiving the most votes. Voting for election of Administrators shall be by written ballot (unless dispensed by unanimous consent at such meeting at which such voting is conducted).

B. Meetings

Section 1. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six (6) months. The newly elected Board shall meet within ten (10) days after each annual meeting of the membership.

Section 2. Special Meetings. Special meetings of the Board may be called by the President on two (2) days notice to each Administrator given by regular first class mail, in person, by telephone, or by facsimile transmission, which notice shall state the time, place, and purpose of the meeting. Special meetings of the Board shall be called by the President, Vice President, Secretary, or Treasurer in like manner and on like notice on the written request of at least two (2) Administrators.

Section 3. Waiver of Notice. Any Administrator may, at any time, in writing, waive notice of any meeting of the Board, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by an Administrator at any meeting of the Board shall also constitute a waiver of notice by him or her of the time and place of such meeting. If all Administrators are present at any Board meeting, no notice shall be required and any business may be transacted at such meeting.

Section 4. Conduct of Meetings. The President shall preside over all meetings of the Board of Administrators and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board of Administrators and a record of all transactions and proceedings occurring at such meetings. A majority of Administrators shall constitute a quorum for the transaction of business. One (1) or more Administrators who participate in a meeting by means of telephone or electronic communication shall be deemed present and in attendance for all purposes at such meeting, provided all persons participating in the meeting can hear each other.

Section 5. Open Meetings. All meetings of the Board shall be open to all Unit Owners, but Unit Owners other than Administrators may not participate in any discussion or deliberation unless expressly so authorized by the Board. Notwithstanding the above, the Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Condominium Association is or may become involved, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Unit Owners, matters that are to remain confidential by request of the affected parties and agreement of the Board, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 6. Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if a majority of the Administrators consent to such action in writing, sent via hand delivery, regular first class mail or facsimile. Such consents must describe the action taken and be signed by no fewer than a majority of the Administrators and such consents shall be filed with the minutes of the Board of Administrators.

C. Powers and Duties

Section 1. Power and Duties. The Board of Administrators shall manage the affairs of the Condominium Association and shall have all the powers and duties necessary for the administration of the Condominium and may do all such acts and things not directed to be done and exercised exclusively by the Unit Owners under the Condominium Act, the Declaration, the Articles of Incorporation, or these By-Laws. In addition to the duties imposed by these By-Laws or by any resolution of the Condominium Association that may hereafter be adopted, the Board of Administrators shall have the power to and shall be responsible for the following, in the way of explanation, but not limitation:

(a) preparation and adoption of an annual budget, in which there shall be established the contribution of each Unit Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment;

(c) providing for the operation, care, upkeep, and maintenance of all of the Condominium in accordance with the Declaration;

(d) designating, hiring, and dismissing the personnel or management company necessary for the operation of the Condominium Association and the maintenance, repair, and replacement of the Condominium in accordance with the Declaration and, where appropriate, providing for the compensation of such personnel or company and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a financial depository or institution which it shall approve, or otherwise investing the proceeds in accordance with any limitations set forth in the Condominium Act, and using the proceeds to administer the Condominium Association;

(f) making and amending Rules and Regulations and imposing sanctions for violation thereof, including, without limitation, monetary fines;

(g) opening of bank or other financial accounts on behalf of the Condominium Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to, or alterations of the Common Elements in accordance with the other provisions of the Declaration and these By-Laws, after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the Rules and Regulations adopted by it, and bringing any proceedings which may be instituted on behalf of or against the Unit Owners concerning the Condominium Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Condominium Act and the Declaration, and paying the premium cost thereof;

(k) paying the costs of all services rendered to the Condominium Association or its Unit Owners and not directly chargeable to specific Unit Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Condominium Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred; and

(m) contracting with any Person for the performance of various duties and functions. The Board shall have the power to enter into common management agreements with trusts, condominium associations, or other associations or corporations. Any and all functions of the Condominium Association shall be fully transferable by the Board, in whole or in part, to any other entity.

Section 2. Management Agent. The Condominium Association may, but shall not be required to, hire a professional management agent or agents, at a compensation established by the Board, to perform such duties and services as the Board of Administrators shall authorize in its discretion. The Board shall use reasonable efforts in any management contract to provide for termination of such contract by the Condominium Association with or without cause and without penalty, upon no more than thirty (30) days written notice. No management contract shall have a term in excess of one (1) year.

Section 3. Borrowing. Except as may be set forth in the Declaration, the Board of Administrators shall have the power to borrow money for the purpose of maintenance, repair, restoration, or improvement of the Common Elements and facilities, and for other purposes, with the approval of a majority of the total eligible Condominium Association vote.

Section 4. Liability and Indemnification of Officers, Administrators and Committee Members. To the fullest extent permitted by the Texas Non-Profit Corporation Act, the Condominium Association shall indemnify every officer, Administrator, and committee member (including Administrators, officers, and committee members appointed by Declarant during the period of Declarant control) against any and all expenses, including attorney's fees, reasonably incurred by or imposed upon such officer, Administrator or committee member in connection with any action, suit, or other proceeding (including settlement of any such action, suit, or proceeding, if approved by the then Board of Administrators) to which he or she may be made a party by reason of being or having been an officer, Administrator or committee member, whether or not such person is an officer, Administrator or committee member at the time such expenses are incurred subject to the limitations below. The Condominium Association shall maintain, as a Common Expense, adequate general liability and, if obtainable, officers' and Administrators' liability insurance to fund this obligation, and the insurance shall be written as provided in the Declaration

D. Committees

Section 1. Architectural Control Committee. The Board shall establish an Architectural Control Committee for the purpose of establishing and maintaining architectural standards in the Condominium as provided in the Declaration.

Section 2. Other Committees. There shall be such other committees as the Board shall determine with the powers and duties that the Board shall authorize.

Section 3. Service on Committees. Unless otherwise provided in these By-Laws or in the resolution authorizing a particular committee, the members of any committee shall be appointed by the President and shall serve at the pleasure of the Board of Administrators. Any committee member may be removed with or without cause at any time and with or without a successor being named.

Article IV
Officers

Section 1. Designation. The principal officers of the Condominium Association shall be the President, the Secretary and the Treasurer, all or any of which may be the same person. A Vice President may be elected at the discretion of the Board.

Section 2. Election of Officers. During the period Declarant has the right to appoint any Administrators to the Board, Declarant shall appoint all officers in its discretion. Thereafter, the Condominium Association officers shall be elected annually by the Board at the first Board meeting following each annual meeting of the Unit Owners and shall hold office at the pleasure of the Board and until a successor is elected.

Section 3. Removal of Officers. Upon the affirmative vote of a majority of the Administrators, any officer may be removed, either with or without cause, and a successor may be elected.

Section 4. Vacancies. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Condominium Association and shall preside at all meetings of the Unit Owners and of the Board. The President shall have all the general powers and duties which are incident to the office of the president of a corporation organized under the Texas Non-Profit Corporation Act, including, but not limited to, the power to appoint committees from among the Unit Owners from time to time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium Association.

Section 6. Vice President. The Vice President, if any, shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting.

Section 7. Secretary. The Secretary shall keep the minutes of all meetings of the Unit Owners and of the Board of Administrators and shall have charge of such books and papers as the Board of Administrators may direct, and shall, in general, perform all duties incident to the office of the secretary of a corporation organized under Texas law.

Section 8. Treasurer. The Treasurer shall have the responsibility for the Condominium Association's funds and securities and shall be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, for preparing all required financial statements and tax returns, and for the deposit of all monies and other valuable effects in the name of the Condominium Association or the managing agent in such depositories as may from time to time be designated by the Board of Administrators. The Treasurer shall be responsible for the preparation of the budget as provided in the Declaration. The Treasurer may delegate all or a part of the preparation and notification duties associated with the above responsibilities to a management agent.

Section 9. Other Officers. Other offices may be created by the Board, and the Administrators that hold such offices shall have such titles and duties as are defined by the Board.

Section 10. Amendments, Agreements, Contracts, Deeds, and Leases, Etc. All agreements, contracts, deeds, leases, checks, promissory notes, and other instruments of the Condominium Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Administrators. The President and Secretary shall have authority to prepare, execute, certify, and records amendments to the Declaration on behalf of the Condominium Association.

Article V Rule Making and Enforcement

Section 1. Authority and Enforcement. The Condominium shall be used only for those uses and purposes set out in the Declaration. The Board of Administrators shall have the authority to make, modify, repeal and enforce reasonable Rules and Regulations governing the conduct, use, and enjoyment of Units and the Common Elements; provided, copies of all such Rules and Regulations shall be furnished to all Unit Owners and Occupants. Any rule or regulation may be repealed by the affirmative vote or written consent of a majority of the total eligible Condominium Association vote and the consent of the Declarant so long as the Declarant has the right to appoint and remove Administrators, at an annual or special meeting of the membership. Every Unit Owner and Occupant shall comply with the Declaration, By-Laws and Rules and Regulations of the Condominium Association, and any lack of compliance therewith shall entitle the Condominium Association and, in an appropriate case, one (1) or more aggrieved Unit Owners, to take action to enforce the terms of the Declaration, By-Laws or Rules and Regulations.

The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the Unit Owner's Unit, and to suspend a Unit Owner's right to vote or to use the Common Elements for violation of any duty imposed under the Declaration, these By-Laws, or any Rules and Regulations duly adopted hereunder; provided, however, nothing herein shall authorize the Condominium Association or the Board to limit ingress and egress to or from a Unit. In the

event that any Occupant of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, notice of such violation shall be sent to the Unit Owner and Occupant, and the fine shall first be assessed against such Occupant; provided, however, if the fine is not paid by the Occupant within the time period set by the Board, the Unit Owner shall pay the fine upon notice from the Condominium Association, and the fine shall be an assessment and a lien against the Unit until paid. The failure of the Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

Section 2. Fining and Suspension Procedure. The Board shall not impose a fine, suspend the right to vote or suspend the right to use the Common Elements (provided, however, if a Unit Owner is shown on the books or management accounts of the Condominium Association to be more than thirty (30) days delinquent in any payment due the Condominium Association, suspension of the right to vote and the right to use the Common Elements shall be automatic; provided further, however, suspension of common utility services shall require compliance with the provisions of Paragraph 10(c)(v) of the Declaration, where applicable), unless and until the Condominium Association has sent or delivered written notice to the violator as provided in subsection (a) below. Any such fine or fines may be effective or commence upon the sending of such notice or such later date as may be set forth in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge such fine under subsection (b) below.

(a) Notice. If any provision of the Declaration or By-Laws or any rule or regulation of the Condominium Association is violated, the Board shall send the violator written notice identifying the violation and fine(s) being imposed and advising the violator of the right to request a hearing within thirty (30) days of the date of the notice before the Board to contest the violation or fine(s) or to request reconsideration of the fine(s). Fine(s) may be effective or commence upon the sending of such notice or such later date specified in such notice, notwithstanding the violator's right to request a hearing before the Board to challenge the fine. In the event of a continuing violation, each day the violation continues or occurs again constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator.

(b) Hearing. If a written request for hearing is received from the violator within thirty (30) days of the date of the violation notice provided above, then the Board shall schedule and hold in executive session a hearing affording the violator a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. The Board may establish rules of conduct for such hearing, which may include limits on time and on the number of participants who may be present at one time.

Section 3. Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Declaration, the By-Laws, or the Rules and Regulations by self-help (specifically including, but not limited to, towing of vehicles that are in violation of the parking Rules and Regulations or performing maintenance on any Unit upon a failure by the Unit Owner to so do) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity for compliance with the procedure set forth in Section 2 of this Article. In any such action, to the maximum extent permissible, the Unit Owner or Occupant responsible for the violation for which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

The Condominium Association or its duly authorized agent shall have the power to enter a Unit or upon any portion of the Common Elements to abate or remove, using such force as may be reasonably necessary, any structure, thing or condition which violates the Declaration, the By-Laws, or the Rules and Regulations; provided, however, written notice shall be given to the Unit Owner at least two (2) days prior to the time that any items of construction are altered or demolished. All costs of self-help, including reasonable attorney's fees shall be assessed against the violating Unit Owner and shall be collected as provided herein for the collection of assessments.

Article VI Miscellaneous

Section 1. Notices

(a) Method of Giving Notice. Unless otherwise prohibited in these By-Laws, all notices, demands, bills, statements, or other communications shall be in writing and shall be given:

- (i) Via personal delivery to the addressee; or
- (ii) Via United States mail, first class, postage prepaid; or
- (iii) Via facsimile.

(b) Addressee. Notice sent by one of the methods described in Section 1, Subparagraph (a) shall be deemed to have been duly given:

(i) If to a Unit Owner, at the address or facsimile number which the Unit Owner has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Unit of such Unit Owner;

(ii) If to an Occupant, at the address or facsimile number which the Occupant has designated in writing and filed with the Secretary, or if no such address has been designated, at the address of the Unit occupied; or

(iii) If to the Condominium Association, the Board or the managing agent, at the postal address or facsimile of the principal office of the Condominium Association or the managing agent, if any, or at such other address as shall be designated in writing and filed with the Secretary.

Section 2. Severability. The invalidity of any part of these By-Laws shall not impair or affect in any manner the validity, enforceability, or effect of the balance of these By-Laws or the Declaration.

Section 3. Captions. The captions herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of these By-Laws or the intent of any provision thereof.

Section 4. Gender and Grammar. The use of the masculine gender in these By-Laws shall be deemed to include the feminine gender, and the use of the singular shall be deemed to include the plural whenever the context so requires.

Section 5. Fiscal Year. The fiscal year of the Condominium Association may be set by Board resolution, and, in the absence thereof, shall be the calendar year.

Section 6. Financial Review. A financial review of the accounts of the Condominium Association shall be performed annually in the manner provided by the Board and a financial statement prepared. However, after having received the Board's financial statement review at the annual meeting, the Unit Owners may, by a majority of the total eligible Condominium Association vote, require that the accounts of the Condominium Association be audited as a Common Expense by an independent accountant. Such statement shall be made available to the holder, insurer, or guarantor of any first mortgage on a Unit upon submission of a written request and must be available within one hundred twenty (120) days of the Condominium Association's fiscal year end. If an audited financial statement by an independent accountant is not required, a mortgage holder may have an audited statement prepared at its own expense.

Section 7. Conflicts. The duties and powers of the Condominium Association shall be those set forth in the Texas Uniform Condominium Act, the Texas Non-Profit Corporation Act, the Declaration, these By-Laws, and the Articles of Incorporation, together with those reasonably implied to affect the purposes of the Condominium Association; provided, however, that if there are conflicts or inconsistencies between the Condominium Act, the Texas Non-Profit Corporation Act, the Declaration, these By-Laws, or the Articles of Incorporation, then the provisions of the Condominium Act, the Texas Non-Profit Corporation Act, as may be applicable, the Declaration, the Articles of Incorporation and these By-Laws, in that order, shall prevail, and each Unit Owner, by acceptance of a deed or other conveyance therefor, covenants to vote in favor of such amendments as will remove such conflicts or inconsistencies.

Section 8. Amendment. Except where a higher vote is required for action under a particular provision of the Declaration or By-Laws, in which case such higher vote shall be necessary to amend, these By-Laws may be amended by the affirmative vote, written consent, or any combination of affirmative vote and written consent of the Unit Owners holding sixty-seven percent (67%) of the total eligible Condominium Association vote. As long as Declarant owns any Unit primarily for the purpose of sale, any amendment to the By-Laws shall require the written consent of Declarant. No amendment shall become effective until it is certified by the President and Secretary of the Condominium Association and recorded in the Harris County, Texas land records. Any amendment duly certified and recorded shall be conclusively presumed to have been duly adopted in accordance with the Declaration and By-Laws. Unit Owners whose voting rights have been suspended pursuant to the Declaration or these By-Laws shall not be counted as eligible votes toward the amendment requirement.

Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the amendment's effective date. No action to challenge any such amendment may be brought after such time.

Section 9. Books and Records

(a) All Unit Owners of the Condominium Association and any Eligible Mortgagee shall be entitled to inspect the following records at a reasonable time and location specified by the Condominium Association, upon written request at least five (5) business days before the date on which the Unit Owner or Eligible Mortgagee wishes to inspect and copy:

(i) its Articles or restated Articles of Incorporation and all amendments to them currently in effect;

(ii) its By-Laws or restated By-Laws and all amendments to them currently in effect;

(iii) resolutions adopted by either its Unit Owners or Board of Administrators increasing or decreasing the number of Administrators or the classification of Administrators, or relating to the characteristics, qualifications, rights, limitations, and obligations of Unit Owners or any class or category of members;

(iv) resolutions adopted by either its Unit Owners or Board of Administrators relating to the characteristics, qualification, rights, limitations, and obligations of Unit Owners or any class or category of members;

(v) the minutes of all meetings of Unit Owners and records of all actions approved by the Unit Owners for the past three (3) years;

(vi) all written communications to Unit Owners generally within the past three (3) years, including the financial statements furnished for the past three (3) years;

(vii) a list of the names and businesses or home addresses of its current Administrators and officers; and

(viii) its most recent annual report delivered to the Secretary of State.

(b) A Unit Owner may inspect and copy the following records upon written notice at least five (5) business days before the date on which the Unit Owner wishes to inspect and copy only if the Unit Owner's demand is made in good faith and for a proper purpose that is reasonably relevant to the Unit Owner's legitimate interest as a member; the Unit Owner describes with reasonable particularity the purpose and the records the Unit Owner desires to inspect; the records are directly connected with this purpose; and the records are to be used only for the stated purpose:

(i) excerpts from minutes of any Board meeting, records of any action of a committee of the Board while acting in place of the Board on behalf of the Condominium Association, minutes of any meeting of the Unit Owners, and records of action taken by the Unit Owners or the Board without a meeting, to the extent not subject to inspection under subsection 9(a);

(ii) accounting records of the Condominium Association; and

(iii) the membership list only if for a purpose related to the Unit Owner's interest as a member. Without the consent of the Board, a membership list or any part thereof may not be used to solicit money or property unless such money or property will be used solely to solicit the votes of the Unit Owners in an election to be held by the

Condominium Association; used for any commercial purpose; or sold to or purchased by any person.

The Condominium Association may impose a reasonable charge, covering the cost of labor and material, for copies of any documents provided to the Unit Owner.

Notwithstanding anything to the contrary, the Board may limit or preclude Unit Owner inspection of confidential or privileged documents, including attorney/client privileged communications, executive session meeting minutes, and financial records or accounts of other Unit Owners. Minutes for any Board or Condominium Association meetings do not become effective and an official Condominium Association record until approved by the Board or Condominium Association membership, as applicable, at a subsequent meeting.

ATTACHMENT 3

RULES OF ROYALTON AT RIVER OAKS CONDOMINIUM

These Rules have been adopted by the Board of Administrators of Royalton at River Oaks Council of Co-Owners, a Texas nonprofit corporation and condominium association (the "Association"), in accordance with the provisions of the By-Laws of Royalton at River Oaks Council of Co-Owners (as amended, restated, supplemented or otherwise modified from time to time, the "By-Laws"), the Declaration (as defined below) and the Texas Uniform Condominium Act (the "Act").

These Rules apply to the Units and Common Elements of Royalton at River Oaks, A Condominium ("Royalton at River Oaks" or the "Condominium"), as defined in the Declaration of Condominium of Royalton at River Oaks, A Condominium (as amended, restated, supplemented or otherwise modified from time to time, the "Declaration"), recorded in the Real Property Records of Harris County, Texas as File No. Y492824. By owning or occupying a Unit in Royalton at River Oaks, each Unit Owner and Occupant agrees to abide by these Rules, as well as the obligations of Unit Owners and Occupants provided in the Declaration, the By-Laws and the Act.

For the convenience of Unit Owners and Occupants of Royalton at River Oaks, these Rules may restate some of the rules and covenants contained in the Declaration. Most of these Rules, however, are in addition to the restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules unless otherwise noted. "Common Elements," as used herein, shall include Limited Common Elements. In the event of a conflict between Governing Documents (as defined herein), the hierarchy of authority shall be as follows: the Act (highest), the Declaration, the By-Laws, these Rules, and community policies promulgated by the Board of Administrators to supplement these Rules (lowest).

A. COMPLIANCE

1. Compliance. Each Unit Owner and Occupant shall comply with the provisions of these Rules, the Act, the Declaration, the By-Laws, and community policies promulgated by the Board of Administrators to supplement these Rules, as any of these may be revised from time to time (collectively, the "Governing Documents"). Each Unit Owner, additionally, shall be responsible for compliance with the Governing Documents by the occupants or tenants of his or her Unit and his or her or their respective families, invitees, tenants, subtenants, agents, employees, or contractors (collectively, "Occupants"). Use of "Unit Owner" in these Rules shall be deemed to include and apply to all co-owners of a Unit in Royalton at River Oaks, who shall be jointly and severally responsible for compliance with the Governing Documents with respect to such Unit. A Unit Owner or Occupant should contact the Manager (as defined below) if he or she has a question about these Rules.

2. Additional Rules. Each Unit Owner and Occupant shall comply with all rules and signs posted from time to time within the Condominium by the Association, including those regulating the use of recreational facilities. Each Unit Owner and Occupant shall comply with notices communicated by the General Manager of the Association (the "Manager") or the Board of Administrators, from time to time, in the nature of seasonal or temporary rules.

3. Waiver. Certain circumstances may warrant waiver or variance of these Rules. A Unit Owner must make written application to the Board of Administrators for such waiver or variance. An

Occupant may also make such application with the written consent of the Unit Owner of such Unit. If the Board of Administrators deems the waiver or variance warranted the Board of Administrators may condition its approval, which must be in writing to be effective.

4. Emergency. Notwithstanding anything in these Rules to the contrary, the Board of Administrators and the officers of the Association shall be entitled, in the event of an emergency, to take any such actions as are reasonably necessary to preserve the life, health and safety of Unit Owners, Occupants and other persons on or near the Condominium and to prevent damage or destruction of the Condominium and property located thereon.

5. Complaints. Complaints about an Association employee must be registered with the Manager or the Board of Administrators.

6. Special Privileges. All Owners and Occupants are entitled to the same level of service, thus special privileges or exceptions to the Governing Documents are not to be sought from the Association or its staff, except as provided in paragraph A-3 above.

B. OBLIGATIONS OF UNIT OWNERS AND OCCUPANTS

1. Safety. Each Unit Owner and Occupant is solely responsible for his or her own safety and for the safety, well-being and supervision of his or her guests and any person within the Condominium to whom the Unit Owner or Occupant has a duty of due care, control, or custody

2. Damage. Each Unit Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other Unit Owners and Occupants or their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Unit Owner or by any Occupant or other person for whom the Unit Owner is responsible.

3. Homeowner Insurance Requirements. Each Unit Owner and Occupant is solely responsible for insuring his or her personal property in his or her Unit, including his or her furnishings, automobile, and items kept in storage areas. Personal property placed in or within the Condominium shall be solely at the risk of the Unit Owner or Occupant who owns such personal property.

4. Risk Management. No Unit Owner or Occupant shall permit anything to be done or kept in his or her Unit or the Common Elements, which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.

5. Reimbursement for Enforcement. A Unit Owner shall promptly reimburse the Association for any expenses incurred by the Association in properly enforcing the Governing Documents against the Unit Owner, his or her Unit, or Occupants or other persons for whom the Unit Owner is responsible.

6. Reimbursement for Loss and Damage. A Unit Owner shall promptly reimburse the Association for the cost of any loss or damage to the Condominium caused by the negligence or willful misconduct of the Unit Owner or the Occupants or other persons for whom the Unit Owner is responsible under the Governing Documents.

7. Weapons. No Unit Owner or Occupant shall use or brandish firearms, air rifles, pellet guns, B-B guns, bows and arrows, or other similar dangerous weapons, projectiles or devices anywhere

on or about the Condominium. Proper storage of weapons and ammunition should be used to protect against access by minors.

8. Designation of Property Manager. Each Unit Owner who does not reside in his or her Residential Unit shall designate a property manager to manage such Unit (a "Property Manager"). The Unit Owner may designate himself or herself as Property Manager. The name and contact information of the Property Manager must be given to the Manager in writing. All requests for maintenance service to the unit should be communicated to the Manager by the Unit Owner or the Property Manager. Only emergency requests regarding air conditioning, water leaks, and plumbing will be honored at the request of a tenant.

9. Reimbursement for Building Services. Each Unit Owner who leases out his or her unit shall sign a guarantee of payment (a "Landlord Guaranty") for services rendered to his or her tenant up to a certain amount to be specified by the Unit Owner in the Landlord Guaranty. Any additional amounts over the guarantee of payment amount will have to be authorized by the Unit Owner or the Property Manager prior to any services being rendered. The Landlord Guaranty shall cover any and all maintenance, housekeeping, and facility use extended to the Unit or the tenant at the request of the Unit Owner, the Property Manager or the tenant.

C. OCCUPANCY STANDARDS

1. Numbers. A Residential Unit may be occupied by no more than two individuals per bedroom in such Residential Unit, unless higher occupancy is mandated by public agencies that enforce compliance with the familial status protection of the Fair Housing Act. Any guest(s) of a Unit Owner or Occupant staying in a Residential Unit longer than one month must be listed as a tenant or permitted occupant in a written lease agreement that complies with the requirements in paragraph C.4 below. No more than two guests of a Unit Owner or Occupant are permitted in any Residential Unit between the hours of 12:00am and 6:00am on any day without the prior consent of the Manager.

2. Danger. The Association may prohibit occupancy by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others, pursuant to the Fair Housing Act.

3. Term of Lease. A Unit may not be subleased or leased for hotel or transient purposes. Any lease of a Unit must be for an initial period of at least six (6) months. Less than all of a Unit may not be leased.

4. Written Leases. Each lease of a Unit must be in writing, and a Unit Owner shall provide the Manager with a copy of each lease of that Unit Owner's Unit, together with a background check on the lessee(s) of a scope typical for apartment rentals in Harris County. No lessee(s) will be allowed to utilize any common area amenities or Association services prior to the commencement of lessee's tenancy under lessee's lease. Each lease should clearly incorporate reference to the lessee's obligation to abide by the Governing Documents.

5. Entry Keys. All Unit Owners and Occupants shall deposit a duplicate Unit entry key with the Management Office, (which will be locked in a safe) which will be kept for limited use only in the case of an emergency and as the Unit Owner may otherwise instruct. This requirement is intended for the safety of Unit Owners and Occupants and to minimize or prevent damage to neighboring Units from

such incidents as running water, fire, or other unforeseen situations. Each Unit Owner takes full and sole financial responsibility for forced entry under circumstances of reasonable cause as determined by the Manager, if proper keys have not been furnished to management. In no event shall the Association, the Board of Administrators, the Manager or any Association employee be liable for such entry. The Unit Owner, for the convenience of the Unit Owner, may also leave duplicate keys at the Lobby Desk. Keys left at the Lobby Desk are at the Unit Owner's risk and responsibility and are not in a locked safe.

6. Door Locks. Unit Owners may change front door locks as long as they adhere to building specifications. If an outside locksmith is used, each Unit Owner is required to get approval from the Manager and immediately provide the appropriate keys to the Management Office.

7. Violation. Unit Owners are responsible for violation of the Governing Documents by their lessees or invitees, employees and/or outside contractors and any damage to the Condominium caused by same.

D. GENERAL USE AND MAINTENANCE OF UNIT

1. Residential Use. Each Residential Unit must be used solely for residential use, and may not be used for commercial or business purposes except for home professional or business pursuits which are not disruptive or violate the use, enjoyment and rights of other Unit Owners and Occupants and which conform to all applicable laws and ordinances.

2. Annoyance. No Unit may be used in any way that may reasonably be considered annoying to Unit Owners and Occupants of neighboring Units, or that may endanger the health or safety of other Unit Owners and Occupants or violate any law or any provision of the Governing Documents.

3. Maintenance. Each Unit Owner, at his or her sole cost and expense, shall maintain his or her Unit and keep it in good repair, including the inner, finished surfaces of the Unit's perimeter walls, floors, and ceilings.

4. Patio or Balcony. Each Unit Owner and Occupant shall keep his or her Unit and patio or balcony, if any, in a good state of cleanliness, taking care that the cleaning of his or her patio or balcony does not annoy or inconvenience other Unit Owners and Occupants. A patio or balcony may not be enclosed or used for storage purposes. No grilling of any kind is permitted on a patio or balcony. Objects that might blow off of balconies and cause a hazard (e.g., oversized umbrellas, pillows, cushions, and other light weight objects) or large objects that might exceed weight limitations, cause health, safety, insurance, or liability issues (e.g., hot tubs) are not permitted, unless otherwise approved by the Board of Directors.

5. Exterior Windows. Maintenance and repair of windows along the exterior of the Buildings shall be made only by the Association. The cost of such maintenance or repair of exterior windows may be assessed against a Unit Owner if due to damage caused by the Unit Owners or Occupants, contractors hired by Unit Owners or Occupants, or other persons for whom the Unit Owner or Occupant is responsible.

6. Air Conditioning Equipment. Each Unit Owner, at his or her sole cost and expense, shall maintain, repair, and replace the heating and cooling equipment/system serving his Unit including periodic maintenance and replacement of filters in the air handler mechanical unit located in such Unit.

7. Combustibles. No Unit Owner or Occupant may store or maintain, anywhere within the Condominium (including within a Unit) explosives or materials capable of spontaneous combustion.

8. Report Malfunctions. A Unit Owner or Occupant shall promptly report to the Management Office his or her discovery of any leak, break, or malfunction in any portion of his or her Unit or the adjacent Common Elements for which the Association has a maintenance responsibility. The failure to report promptly a problem may be deemed negligence by the Unit Owner or Occupant, who may be liable for any additional damage caused by the delay.

9. Utilities. Each Unit Owner or Occupant is responsible for maintaining all utilities to his or her Residential Unit. The City of Houston bills the Association for all of the Condominium's water in a bulk account invoice. The Association employs a third party utility billing company to bill back the water usage to each Unit Owner or Occupant. The water service is the only utility maintained by the Association.

E. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

1. Intended Uses. Every area and facility in the Condominium may be used only for its intended and obvious use. For example, walkways, stairways, sidewalks, elevators and driveways are to be used exclusively for purposes of access, not for social congregation or recreation.

2. Grounds. Unless the Board of Administrators designates otherwise, Unit Owners and Occupants may not use or abuse any landscaped areas, lawns, beds, and plant materials on the Common Elements.

3. Utilities. Each Unit Owner and Occupant shall endeavor to conserve the use of any utilities furnished through the Association.

4. Abandoned Items. No item or object of any type shall be stored, placed, or maintained anywhere on the Common Elements (other than Limited Common Elements assigned to a particular Unit), including windowsills, balcony railings, hallways, passageways and courtyards, except by the Board of Administrators or with the prior written consent of the Board of Administrators. Items of personal property found on Common Elements are deemed abandoned and may be disposed of by the Board of Administrators.

5. Storage Leases. If a Unit Owner elects to lease a storage space assigned to such Unit Owner's Residential Unit, the Unit Owner must provide certain documentation to the Manager as required by the Association's Parking and Storage Lease Rules in effect from time to time.

6. Stored Items. If the Association provides storage areas for use by Unit Owners and/or Occupants, each such Unit Owner and Occupant agrees that the Association is not responsible for items stored there by an Unit Owner or Occupant, who shall be solely liable at all times for his or her personal property.

F. COMMUNITY ETIQUETTE

1. Courtesy. Each Unit Owner and Occupant shall endeavor to use his or her Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Unit Owners and Occupants.

2. Annoyance. Each Unit Owner and Occupant shall avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Unit Owners and Occupants or their guests, or the Association's employees and agents. The Manager, a designated representative of the Association, or any federal, state or local law enforcement agency shall have the right to remove any guest who is unruly or otherwise violating these Rules.

3. Noise and Odors. Each Unit Owner and Occupant shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Unit Owners and Occupants of other Units. Work resulting in noise and/or noxious odors to neighbors is not permitted before 9:00 a.m. or after 5:00 p.m., Monday through Friday. Work resulting in noise and/or noxious odors to neighbors is not permitted on Saturday, Sunday, or holidays (a list of holidays is available from the Management Office).

4. Smoking Policy. Smoking shall not be permitted in any of the Common Elements (including but not limited to, the lobby, elevators, corridors, pool area or fitness center), except in such areas as may be clearly designated from time to time for smoking by the Board of Administrators. Any person smoking in any such designated area shall pick up all waste generated thereby and dispose of it in an appropriate manner.

5. Reception Interference. Each Unit Owner and Occupant shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, wireless network, or electronic reception within the Condominium.

6. No Personal Service. The Association's employees and agents are not permitted or authorized to solicit or render personal services to Unit Owners and Occupants during their normal working hours. The Association employee or agent and the Unit Owner or Occupant agree that any service rendered outside normal working hours is solely their individual responsibility.

7. Association's Liability as Bailee. Each Unit Owner and Occupant agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Unit Owner or Occupant other than loss or damage arising from the gross negligence or willful misconduct of the Association or its employees or agents.

8. Compliance With Law. Unit Owners and Occupants may not use the Condominium for unlawful activities. Each Unit Owner and Occupant shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of the City of Houston, Texas. A Unit Owner or Occupant who violates this provision shall hold the Association and other Unit Owners and Occupants harmless from all fines, penalties, costs, and prosecutions for such person's violation or noncompliance.

9. Lobby. For the safety, liability and quiet enjoyment reasons, children are not allowed to run in the lobby, climb on any of the lobby furniture, nor play in the lobby. Guests/visitors/housekeepers and/or other employees are to stop in the Main Lobby Reception/Concierge Desk (the "Lobby Desk") in order to be announced to the Unit Owner or Occupant and/or directed to and sent up in the elevator. Large quantities of groceries, tools, furniture, appliances, equipment, luggage etc. shall not be brought through the lobby and must be brought up or down in the freight elevator.

G. MOVING PERSONNEL AND MOVING INFORMATION

1. Moving Hours. Moves must be scheduled only between the hours of 9:00 a.m., and 5:00 p.m., Monday through Saturday (fees may apply to ensure proper security at the unloading dock on Saturday if a move is scheduled with the Management Office less than 72 hours in advance). No moves are allowed on Sundays or holidays (a list of holidays is available from the Management Office).

2. Notification. All Unit Owners and Occupants moving in or out of the building must notify the Management Office in advance. A refundable security deposit in an amount established by the Board of Administrators from time to time must be provided by the Unit Owner or Occupant moving to cover any possible damage to the Condominium or cleanup costs incurred as a result of the move. The Unit Owner or Occupant, together with the Manager or designated representative, will make a brief inspection of the areas used during moving before any portion of the deposit will be returned to the Unit Owner or Occupant.

3. Access. In order to be admitted into the building, all moving company employees are required to present a valid form of photo identification to the loading dock personnel. Movers must use the freight elevator only. Moving vans must park in the area assigned by Lobby Desk personnel. Furniture and boxes may only be moved through the service entrance. Discarded cartons may be left in the freight service area for pickup and removal by housekeeping. For security reasons, the exterior service doors may not be propped open during a move.

H. ARCHITECTURAL CONTROL

1. Common Elements. Without the prior written approval of the Board of Administrators, no Unit Owner or Occupant may change, remodel, decorate, destroy, or improve the Common Elements, nor do anything to change the appearance of the Common Elements, including, without limitation, the entry door, patio, balcony, hallway, landing or walkway appurtenant to the Unit; provided that, modest decorations on the outside of the hallway door of a Unit may be permitted pursuant to seasonal rules established by the Board of Administrators from time to time.

2. Interior of Individual Units. A Unit Owner must do the following prior to commencing work on any significant renovation or modification within a Unit, including but not limited to construction, removal or other material modification of walls, electrical systems or plumbing systems. The Unit Owner must submit a detailed plan in writing for all such proposed modifications to the Board of Administrators for approval. No work may begin until such plan is authorized in writing by the Board of Administrators. The Board of Administrators reserves the right to carry out inspections of the Unit as work on the Unit progresses. A final inspection and approval of such modifications are also required. Any modifications not completed in accordance with the plan approved by the Board of Administrators must be corrected at the Unit Owner's expense.

3. Prohibited Acts. No person other than the Association may:

(a) Post signs, notices, or advertisements on the Common Elements or in a Unit if visible from outside his or her Unit.

(b) Place or hang an object in, on, from, or above any window, interior windowsill, patio or balcony that detracts from the appearance of the Condominium. A Unit Owner or Occupant may install outdoor carpeting or other floor covering on any patio or balcony floor after receiving permission

from the Board of Administrators to ensure such floor covering allows for proper maintenance of seals on exterior doorways.

(c) Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, patios, balconies, hallways or passageways.

(d) Cause anything to protrude through an exterior wall or roof.

(e) Erect or install exterior horns, lights, speakers, aerials, antennas, satellite dishes or other transmitting or receiving equipment, except antennas and satellite dishes that are (i) no greater than one meter in diameter or diagonal measurement, (ii) wholly within a Unit or any Limited Common Element appurtenant thereto, and do not extend onto or over any Common Elements; (iii) are installed in a manner that does not require modification of, including drilling into or through, any Common Element; and (iii) in order to ensure the safety of others, if located above ground level, are installed in a manner that will withstand level 5 hurricane-force winds.

(f) Except as permitted under paragraph H-1, place decorations or furnishings on the Common Elements.

(g) Obstruct walkways, entranceways, hallways and any other Common Elements.

(h) Plant or place flowers or plants on the Common Elements.

(i) Take commercial photographs, including motion pictures and videos, of the Common Elements or use same for commercial purposes without the prior written consent of the Board of Administrators.

(j) Use, borrow or remove any equipment or property owned by the Association, including valet carts, without prior authorization from the Manager or the Lobby Desk. If authorized, such equipment or property must be returned to its proper point of origin immediately after use. Valet carts must be physically escorted when returned to point of origin, and may not be left in an elevator or hallway unattended. If any Unit Owner or Occupant repeatedly violates this paragraph, the Board of Administrators or the Manager may revoke such Unit Owner's or Occupant's right to borrow such property.

4. Window Treatments. A Unit Owner may install window treatments and/or window film inside his or her Unit, at his or her sole expense, provided:

(a) Aluminum foil, reflective window treatments, sheets and blankets are expressly prohibited;

(b) The exterior of all window treatments shall be neutral in color;

(c) The window film type (to reduce heat or sun exposure) must be on the list of films approved by the Board of Administrators; and

(d) The window film vendor (chosen to install the film) must be on the list of vendors approved by the Board of Administrators to insure the appropriate insurance coverage,

- (e) Window treatments and window films must be maintained in good condition.

I. PARKING AREA RESTRICTIONS

1. Permitted Vehicles. To be permitted in the Parking Area, a vehicle must be operable and be owned, leased or rented by a current Unit Owner, Occupant or employee of the Association or their respective guests or service providers. For purposes of these Rules, permitted vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. The following are not permitted in the Parking Area without the Board of Administrators' consent: trailers, boats, recreational vehicles, buses, large commercial trucks or industrial vehicles.

2. Repairs. Washing, repairs, restoration, or maintenance of vehicles is prohibited in the Parking Area, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility. Cars with any fluid leaks must be repaired within 24 hours; otherwise the car cannot be parked in the garage. A car washing service may be permitted in the parking garage subject to certain rules established by the Board of Administrators from time to time concerning location and proper handling and disposal of any materials used to carry out this service.

3. Space Use. All Parking Spaces in the Parking Area shall be used for parking purposes only, and may not be used for storage. No Parking Space may be enclosed or used for any purpose that prevents the parking of vehicles. Disability parking spaces may only be used by vehicles with valid disability license plates or placards.

4. Parking Leases. If a Unit Owner elects to lease a parking space assigned to such Unit Owner's Residential Unit, the Unit Owner must provide certain information to the Manager as required by the Association's Parking and Storage Lease Rules in effect from time to time.

5. No Obstruction; Loading Areas. No vehicle may be parked in a manner that interferes with ready access to any entrance to or exit from the Parking Area. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard in the Parking Area. No vehicle may be parked, even temporarily, in spaces reserved for others, in fire lanes, or in any area designated as "No Parking." Parking in designated spaces in the loading dock is permitted for loading and unloading only, not to exceed one hour. Vehicles may not be left unattended in any driveway or loading area (other than designated spaces in the loading dock for a period not to exceed one hour) without prior permission from the Management Office or Lobby Desk.

6. Nuisances. Each vehicle shall be muffled and shall be maintained and operated to minimize noise, odors and oil emissions. Emptying vehicle ashtrays onto the Parking Area is prohibited. Each Unit Owner and Occupant shall observe all posted speed limits. Joyriding in or on any type of vehicle is prohibited.

7. Violations. Any vehicle in violation of these Rules may be towed or otherwise removed from the Parking Area by the Manager, at the expense of the vehicle's Unit Owner or Occupant. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

8. Keys. All Unit Owners and Occupants who use the Valet services must, at all times, retain duplicate vehicle keys.

9. Valet Services. Unit Owners and Occupants must notify the Management Office or Lobby Desk of any instance when a party or gathering will have five or more visitor vehicles in attendance, as this will require additional valet services. A fee will be charged for providing additional valet staffing.

J. TRASH DISPOSAL

1. General Duty. Each Unit Owner and Occupant shall not litter Common Elements, shall endeavor to keep the Condominium clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose.

2. Hazards. No Unit Owner or Occupant may store trash inside or outside his or her Unit or in any Storage Space in a manner that encourages vermin, causes odors, or may permit the spread of fire. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, each Unit Owner and Occupant shall ensure that the debris is thoroughly cold.

3. Use of Trash Chute, Dumpsters. Each Unit Owner and Occupant shall place trash entirely within trash chutes and dumpsters, and may not place trash outside, next to, or on top of a trash chute or dumpster or in any trash chute room. All trash placed in a trash chute or dumpster must be securely contained in trash bags not larger than 13 gallon tall kitchen bags. No boxes, furniture or other large items that could block a trash chute may be placed in a trash chute. Trash chute and dumpster doors are to be closed at all times when not in use. In addition to any other rights and remedies under the Governing Documents, the Board of Administrators may charge any Unit Owner or Occupant for any expenses incurred by the Association as a result of such Unit Owner's or Occupant's violation of this section or any rules posted by the Board of Administrators from time to time with respect to the proper use of the trash chutes and dumpsters.

4. Trash Chute Hours. The trash chutes will be available during hours established by the Board of Administrators from time to time. If an emergency need is encountered, a Unit Owner or Occupant may dispose of bags of trash in the main trash room on the ground floor after hours.

K. PETS

1. Permitted Pets. Subject to these Rules, a Unit Owner or Occupant may keep house pets in his or her Unit. Permitted house pets include domesticated dogs, gentle in disposition; cats; caged birds; and aquarium fish. Permitted house pets also include specially trained animals that serve as physical aids to handicapped persons, regardless of the animal's size or type.

2. Prohibited Animals. No Unit Owner or Occupant may keep a dangerous or exotic animal, trained attack dog or any other animal deemed by the Board of Administrators to be a potential threat to the well being of people, property or other animals.

3. Common Elements. All pets, except small pets that are being transported in a pet taxi, must use the service elevator only. A pet is only allowed on the residential elevators if the service elevator is unavailable due to undo delay. Undo delay is defined as any occurrence that does not allow for the use of the service elevator for a minimum of 5 minutes. No pet is allowed on Common Elements unless carried or leashed by an adult. No pet may be leashed to any stationary object on the Common Elements. No pet shall be allowed to dwell in the Common Elements. Pets are only allowed on Common Elements while passing through as permitted above. No pet shall be left unattended anywhere outside of the Unit.

4. Disturbance. Pets shall be kept in a manner that does not disturb the peaceful enjoyment of Unit Owners and Occupants of their Units and the Common Elements. No pet shall be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time. Pets shall not be left on a patio or balcony for extended lengths of time.

5. Damage. Each Unit Owner and Occupant is responsible for any property damage, injury, or disturbance his or her pet may cause or inflict, and shall compensate any person injured by his or her pet. Any Unit Owner or Occupant who keeps a pet within the Condominium shall be deemed to have indemnified and agreed to hold harmless the Board of Administrators, the Association, and other Unit Owners and Occupants, from and against any loss, claim, or liability of any kind or character whatever resulting from any action of his or her pet or arising by reason of keeping or maintaining such pet on the Condominium.

6. Waste. No Unit Owner or Occupant may permit his or her pet to relieve itself anywhere within the Condominium except in areas specifically designated by the Board of Administrators and so long as the Unit Owner or Occupant picks up and properly disposes of such animal waste.

7. Removal. If a Unit Owner or Occupant or his or her pet violates these Rules or the community policies pertaining to pets, or if a pet causes or creates a nuisance, odor, unreasonable disturbance, or noise, such Unit Owner or Occupant or any person having control of the animal shall be given a written notice by the Board of Administrators to correct the problem. If the problem is not corrected within the time specified in the notice (not less than 10 days), the Unit Owner or Occupant, upon written notice from the Board of Administrators, may be required to remove the pet. Each Unit Owner and Occupant agrees to permanently remove his or her violating pet from the Condominium within 10 days after receipt of a removal notice from the Board of Administrators.

L. SWIMMING POOL AND EXERCISE ROOM

1. Use. All persons using the pool do so at their own risk. There is no lifeguard on duty. There is always a risk of personal injury when using the pool, or the pool deck area. Please read and observe all warning signs on the pool deck. The Association is not responsible for accidents, injury or loss. All children sixteen years or younger must be accompanied by an adult while in the swimming pool area. Each Unit Owner and Occupant must be considerate of the other Unit Owners and Occupants in the matter of inviting guests to use the swimming pool since the Unit Owners and Occupants have first consideration as to the use of the pool. No Unit Owner or Occupant shall invite more than four (4) guests per Unit without the prior approval of the Manager. Guests are not permitted unless the Unit Owner or Occupant who has invited them is with them at the pool. Each Unit Owner or Occupant shall be deemed to have indemnified and agreed to hold harmless the Board of Administrators, the Association, and other Unit Owners and Occupants, from and against any loss, claim, or liability of any kind or character whatever resulting from his or her use or the use of their guests of the swimming pool. Anyone leaving the pool area is required to dry off and wear shoes before entering any of the other Common Elements.

2. Disturbance. Profanity, horseplay, skating, riding toys, scuffling or harassment of other swimmers is not permitted in the pool area. Only unbreakable containers are allowed in the pool area, and no glass is permitted. If the pool is drained and cleaned as a result of any glass breaking in the pool area, the expense will be charged to the offending Unit Owner or Occupant. Proper swimwear must be worn for swimming at all times. The volume of radios, tape players and other listening devices must be tuned for individual listening only.

3. Health. For the protection of each Unit Owner and Occupant, anyone with an infectious disease, sore or inflamed eyes, a cold, nasal or ear discharge, open sores, or bandages of any kind, cannot use the pool. No diapers are allowed to be worn in the pool. Pets are forbidden in and around the pool area.

4. Exercise Room. The exercise room is solely for the use of Unit Owners and Occupants. No children sixteen years or younger shall be permitted in the exercise room without adult supervision. Proper workout clothing and a towel are required. A Unit Owner or Occupant is responsible for wiping down the equipment used after use. There is a risk of personal injury when using this equipment. Unit Owners and Occupants assume full responsibility for accidents, injuries or property damage/loss resulting from their use of the exercise room.

M. GENERAL AMENITY RULES

1. Reservations. Amenities included in the Common Elements, including, but not limited to, the Crown Room, Ballroom, Conference Room(s) and Theater Room, may be reserved through the Management Office or Lobby Desk. The reservation of such amenities shall be on a first come, first served basis, and may only be reserved by a Unit Owner or Occupant. The Unit Owner or Occupant must be present at all times during the use of such amenities. Unit Owners and Occupants are responsible for any property damage, injury or loss occurred while using such amenities. The Association is not responsible or liable in any way for any damage or loss incurred during the use of such amenities. There will be a fee associated with the use of such amenities as set forth by The Board of Administrators. The Board of Administrators or the Manager shall have the right to require a deposit in connection with a Unit Owner's or Occupant's reservation of such amenities, as permitted herein, and if the condition of such amenities after such Unit Owner's or Occupant's use is not satisfactory upon Manager's inspection, the cost of cleaning or repair will be deducted from such deposit, with any overage charged to such Unit Owner or Occupant. The Board of Administrators or the Manager may set a minimum deduction for cleaning or repairs.

2. Hours. All amenities shall be available during hours established by the Board of Administrators from time to time. It is the responsibility of all Unit Owners and Occupants using such amenities to be considerate during the early morning and late evening hours so as not to disturb other Unit Owners and Occupants.

3. Lost and Found. Any items lost on the property may be reported to the Lobby Desk. Lost items are kept in the holding room and are held for a maximum of 90 days, otherwise the item may be disposed of. It is the Unit Owner's responsibility to check for lost items during that time frame.

4. Guest Apartments and Wine Storage Lockers.

(a) Guest Apartments. Guest Apartments may be leased to a Unit Owner or Occupant, for use by the Unit Owner or Occupant, his/her family members and friends of the Unit Owner or Occupant; provided however, that only the Unit Owner or Occupant may enter into such a lease with the Association. The Guest Apartments are otherwise not open to the public. Such lease(s) may be for any length of time, not to exceed ten (10) days without approval of the Board of Administrators, so long as the Unit Owner or Occupant or his/her guests comply with the Governing Documents. Failure by either the Unit Owner or Occupant or the guest to comply with the Governing Documents shall be automatic grounds to immediately terminate the lease of the Guest Apartment without penalty of any

kind to the Association. The Association may not sell the Guest Apartments. Availability of the Guest Apartments is on a first come, first served basis. Reservation of a Guest Apartment must be within ninety (90) days of the date of occupancy, with a deposit equal to one night's rental price. Failure to cancel the reservation within forty-eight (48) hours of reservation shall forfeit the deposit. The price to lease a Guest Apartment shall be determined by the Board of Administrators from time to time. The Association disclaims any warranty whatsoever with the lease of the Guest Apartments, and is not responsible or liable for damage or loss incurred with the lease of the Guest Apartment(s). Unit Owners and Occupants and their guests shall be solely liable for any damage done to the guest's property. A Unit Owner or Occupant who leases a Guest Apartment shall be fully liable and responsible for any damage or loss to the Guest Apartment attributable to the Unit Owner or Occupant or his/her guests. All Guest Apartments are nonsmoking and pets are not permitted.

(b) Wine Room and Wine Storage Lockers. Wine storage lockers are Common Elements in the Wine Room, which may be leased, on a first come, first served basis. The Manager shall maintain a waiting list if necessary. Wine storage lockers may only be leased to Unit Owners or Occupants. Such lease shall automatically terminate once a Unit Owner or Occupant ceases to be a Unit Owner or Occupant. The lease price shall be determined by the Board of Administrators from time to time. Wine storage lockers shall only be used for the storing of wine bottles or like kind spirits that belong to the Unit Owner or Occupant. All Unit Owners and Occupants shall cooperate with the Association in keeping the wine storage lockers neat and clean. No Unit Owner or Occupant shall store any item, or do anything, or permit anything to be done, that will in any way cause or create noxious odors or that attracts insects or vermin. Unit Owners and Occupants are responsible for any property damage, injury, or loss of the property placed in the wine storage lockers. The Association is not responsible or liable in any way for items stored in the wine storage lockers, and each Unit Owner and Occupant shall be solely liable at all times for his or her personal property. No person under the age of twenty-one (21) may be permitted in the Wine Room unless accompanied by a parent or legal guardian.

Reservation or rental of any of the amenities by a Unit Owner or Occupant is prohibited if the Unit Owner or Occupant is in arrears by more than 30 days in any payments to the Association in excess of \$100.

N. FINES AND PENALTIES POLICY

1. Violations. Any Unit Owner or Occupant may report violations of the Governing Documents to the Management Office, setting forth in writing the date, time, and location, name of violator(s) and description of violation. All such violation reports must be signed by the reporting Unit Owner or Occupant.

2. Fines. Every Owner and Occupant shall comply with the Governing Documents, as amended from time to time. Failure of a Unit Owner or Occupant to comply shall be grounds for action, which may include without limitation, an action to recover sums due for damages, fines, injunctive relief, any other remedy provided for in the Governing Documents or at law, or any combination thereof. In addition to all other remedies, in the sole discretion of the Board of Administrators, a fine or fines may be imposed upon a Unit Owner or Occupant for failure of a Unit Owner or Occupant, his/her family, guests, invitees, lessees or employees, to comply with any covenant, restriction, rule or regulation in the Governing Documents, provided the procedures in Article V, Section 2 of the By-Laws are adhered to.

3. Amount of Fines. The Board of Administrators may impose fines against the offending Unit Owner or Occupant for violations of the Governing Documents up to the maximum amount permitted by law from time to time and only as provided on a written schedule of fines promulgated by the Board of Administrators. The Unit Owner is responsible for the fine imposed on any lessee of such Unit Owner's Unit if not paid by such lessee. The fines levied shall be as follows, subject to amendment by the Board of Administrators from time to time:

(a) If the violation continues from day to day (as determined at the sole discretion of the Board of Administrators):

First Violation:	\$50.00 per day
Second Violation:	\$100.00 per day
Third Violation:	\$150.00 per day
Each Additional Violation:	\$200.00 per day

(b) If the violation consists of single or separate incidents (as determined at the sole discretion of the Board of Administrators):

First Violation:	\$100.00
Second Violation:	\$200.00
Third Violation:	\$300.00
Each Additional Violation:	\$1,000.00

(c) In the case of at least ten violations consisting of single or separate incidents (as determined at the sole discretion of the Board of Administrators) occurring within any twelve month period, the Board of Administrators may elect to impose an additional fine against the offending Unit Owner or Occupant in an amount up to \$10,000.00. Such fine shall be in addition to all other fines hereunder and under the other Governing Documents.

Each incident that is grounds for a fine shall be the basis of a separate fine. A per day charge will continue until incident is corrected. Or, if it is a single incident, a one-time charge will be incurred. If the same incident occurs again, a larger fine will be incurred, as set forth in the schedule of fines above. An additional violation is deemed to have occurred if it is within twelve months of the previous one.

4. Payment of Fines. Fines shall be paid no later than the latter of (i) thirty (30) days after notice of the imposition thereof and (ii) if the applicable Unit Owner or Occupant has requested a hearing in accordance with Article V, Section 2(b) of the By-Laws, delivery to such Unit Owner or Occupant of the written decision of the Board of Administrators pursuant to such hearing.

5. Application of Fines. All monies received from fines shall be allocated as directed by the Board of Administrators in accordance with the Governing Documents.

6. Non-Exclusive Remedy. These fines shall not be construed to be exclusive and shall exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled. Any penalty paid by the offending Owner or Occupant shall be deducted from or offset against any damages, which the Association may otherwise be entitled to recover by law from such Owner or Occupant.

7. Eviction of Lessee. After an Occupant has committed an offense more than twice in any calendar year, such Occupant is subject to eviction as determined by the Board of Administrators with the advice of the Association's counsel, to the extent such eviction is permitted by applicable laws.

8. Additional. These Rules shall be cumulative with the Covenants, Conditions and Restrictions set forth in the Declaration and the By-Laws, provided that the provisions of the Declaration and By-Laws shall control over these Rules in the event of a conflict or a doubt as to whether a specific practice or activity is or is not permitted.

O. MISCELLANEOUS

1. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. The Association, its Administrators, officers, committee members, agents and employees, shall not in any way be considered an insurer or guarantor of security within the Condominium, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Unit Owner, Occupant, guest, and invitee within the Condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit, and to any other of his or her property on the Condominium. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.

2. Mailing Address. Each Unit Owner and Occupant shall be responsible for maintaining with the Association his or her current mailing address. Notifications of change of name or change of address should be sent to the Management Office and be clearly marked as such. All notices required to be sent to Unit Owners or Occupants under the Governing Documents shall be sent to the most recent address as shown on the records of the Association. If a Unit Owner or Occupant fails to provide a mailing address, the address of that Unit Owner's or Occupant's Unit shall be deemed effective for purposes of delivery. Delivery may be in person; by courier or messenger to any person at the address; or by United States mail to such address. All deliveries shall be effective on receipt by the addressee or any person at the addressee's address, except that delivery by mail shall be effective three days after deposit in the mail, postage prepaid.

3. Revision. These Rules are subject to being revised, replaced, or supplemented in accordance with the Governing Documents. Unit Owners and Occupants are urged to contact the Management Office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until the Association amends these Rules in accordance with the Governing Documents.

4. Other Rights. These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the other Governing Documents and the other laws of the State of Texas and the federal laws of the United States of America.

5. Effective Date. These Rules shall become effective January 1, 2012.

ATTACHMENT 4

PARKING AND STORAGE LEASE RULES

1. If an owner elects to lease a parking and/or storage space assigned to such owner's unit, the owner must provide the following information to the Association Manager in writing:
 - A. The parking or storage space number.
 - B. The name and address of the existing owner and such owner's tenant who will utilize the parking or storage space.
 - C. The make, model and license plate number of the vehicle(s) that will be parked in the leased parking space.
 - D. The commencement date of the lease and the date the lease terminates.

The information set forth above is required to provide proper instructions to the Association's parking service provider, and to otherwise facilitate proper management of parking and storage. If the information required by these rules is not submitted to the Association's manager, the manager shall have the ability to: (i) instruct the parking service provider to refuse parking services to and from the affected parking space; (ii) tow any vehicle illegitimately parked in the affected parking space; and (iii) deny access to the storage space by the owner's lessee.

2. A parking or storage space may only be leased to existing owners and all existing owner's tenants. The use of parking and storage is limited to all existing owners of units and all existing owner's tenants.

ATTACHMENT 5

DESIGNATED SMOKING AREA RULES

ROYALTON AT RIVER OAKS COMMON ELEMENTS

The rules and regulations of the Royalton at River Oaks Condominiums, Section F, Community Etiquette, Item number 4, Smoking Policy, states: "Smoking shall not be permitted in any of the Common Elements (including but not limited to, the lobby, elevators, corridors, pool area or fitness center), except in such areas as may be clearly designated from time to time for smoking by the Board of Administrators. Any person smoking in any such designated area shall pick up all waste generated thereby and dispose of it in an appropriate manner."

After careful review of the Rules and Regulations of the Royalton at River Oaks Condominiums and City of Houston smoking ordinance number 2006-1054, the Board of Administrators made the following determination:

A designated smoking area has been established at the Royalton at River Oaks. Beginning Friday, August 12, 2011 the designated smoking area is restricted to four benches in the fountain area on the north end of the building. The designated smoking area is clearly marked with signage and ash urns are present for extinguishing and properly disposing of ashes. Smoking is not permitted in any other Common Elements of the building including but not limited to, the lobby, elevators, corridors, pool area, summer kitchen and patio area, fitness center, and parking garage. The designated smoking area meets the reasonable distance requirement in section 21-241 of City of Houston smoking ordinance number 2006-1054 which states: "Smoking is prohibited within 25 feet outside entrances, exits, or wheelchair ramps serving any entrance or exit, operable windows, and ventilation systems of enclosed areas where smoking is prohibited, so as to ensure that tobacco smoke does not enter those areas."

ATTACHMENT 6

DESIGNATED PET AREA

ROYALTON AT RIVER OAKS COMMON ELEMENTS

The rules and regulations of the Royalton at River Oaks Condominiums, Section K, Pets, Item number 6, Waste, states: *“No Unit Owner or Occupant may permit his or her pet to relieve itself anywhere within the Condominium except in areas specifically designated by the Board of Administrators and so long as the Unit Owner or Occupant picks up and properly disposes of such animal waste”*

The Board of Administrators has made the following determination respecting the establishment of a designated pet area:

Beginning Sunday, January 1, 2012 the designated pet area is restricted to the back of the building which faces Rochow Street, no less than 20 feet from the building.

In the Rules and Regulations of the Royalton at River Oaks, Section K Pets, Item number 3, Common Elements, states: *“All pets, except small pets that are being transported in a pet taxi, must use the service elevator only. A pet is only allowed on the residential elevators if the service elevator is unavailable due to undo delay. Undo delay is defined as any occurrence that does not allow for the use of the service elevator for a minimum of 5 minutes. No pet is allowed on Common Elements unless carried or leashed by an adult. No pet may be leashed to any stationary object on the Common Elements. No pet shall be allowed to dwell in the Common Elements. Pets are only allowed on Common Elements while passing through as permitted above. No pet shall be left unattended anywhere outside of the Unit.”*

A fine or fines may be imposed upon a Unit Owner or Occupant for failure of a Unit Owner or Occupant, his/her family, guests, invitees, lessees or employees, to comply with any covenant, restriction, rule or regulation in the Governing Documents, provided the procedures in Article V, Section 2 of the By-Laws are adhered to.

ATTACHMENT 7

Moving Instructions

- A. **Moving Hours.** Moves must be scheduled in advance via the management office. Moving hours are from 9:00 am till 5:00 pm Monday through Friday and between the hours of 9:00am and 5:00 pm Saturdays. (fees may apply to ensure proper security at the loading dock on Saturday if not reserved no less than 72hrs in advance) **Moves are not allowed on Sundays and Holidays** (See management office for a list of Holidays).
- B. **Notification.** All individuals moving in or out of the building must notify the Management Office **no less than** one week in advance. If your move will include the use of an 18 wheeler truck, management must be notified at the time of booking to ensure that there is adequate space to accommodate the moving vehicle.
- C. **Deposit.** A \$500.00 refundable security deposit must be provided by the person moving to cover any possible damage to the property or clean up cost incurred as a result of the move.
- D. **Access.** In order to be admitted into the building, all moving company employees are required to present a valid form of photo identification to the loading dock personnel. Movers must use the freight elevator only. Moving vans must park in the service entrance located behind the building. The doors between the freight elevator landing and the main corridor may not be propped open during the move.
- E. **Boxes & Trash.** All household trash must be **bagged** and disposed of in the designated trash chute. Boxes must be **broken down** and left in the freight service area for housekeeping to dispose of. **DO NOT** place boxes, furniture or construction debris in the trash chute.
- F. **Overtime Fees.** Moves are scheduled based on individual needs and availability. Please carefully consider the amount of time that you will need to facilitate your move and ensure that any moving companies and packers are advised of that time. If your move exceeds the scheduled time you will be billed **no less than \$25.00** per hour for any overtime incurred. This does not guarantee that the loading dock will be left open to complete your move, so please schedule accordingly.
- G. **Saturday Moves.** Please be advised if a cancellation of service for a Saturday move is not given to the management office by 5pm on the Friday preceding, **half of your \$500.00 deposit will be forfeited** to pay for cost incurred by the Association to staff the loading dock on Saturday.
_____ **initial.**

Resident

Date

Resident

Date

Management Representative

Date

2. DUE DATE

The aggregate of the annual assessment made by the Board and allocated and assessed to the Co-Owner or Co-Owners of each Unit shall be payable in twelve (12) equal monthly installments following the date of the last determination or amendment of assessments by the Board. Such payments shall be due and payable in advance on the first day of each month. If any assessment due the Council is not paid on the date when due, then such assessment shall become delinquent thirty (30) days after the due date. Charges disputed by a Co-Owner are considered delinquent until such time as they are paid in full. The Board may, in its sole and absolute discretion, require that delinquent payments be payable via certified funds.

3. CONVEYANCE OF A UNIT

Upon conveyance of a Unit, whether by the Developer, a current Co-Owner or otherwise, at the closing of such conveyance, by sale, exchange or gift, the acquiring Co-Owner shall pay to the Council, an amount equal to two (2) months of assessments to the reserve fund of the Council, and shall pay an amount equal to two (2) months of assessments to the general fund for Common Expenses of the Council. The amount paid to the Council's general fund shall be credited towards the acquiring Co-Owner's assessment dues.

4. ACCELERATION

If, at any time, a Co-Owner is in arrears more than fifteen (15) days with respect to the payment of two (2) monthly installments, the Board may, at its option, accelerate the due date of the remaining unpaid monthly installments and declare said sums immediately due and payable and provide notice of such action to such Co-Owner. From and after the due date of such notice, the Board may enforce the payment of any such sums determined to be due as in the case of any other assessment.

5. NOTICE

Written notice of the assessment may be sent to every Co-Owner subject to the assessment. A Co-Owner may not escape liability or be entitled to a deferral of interest, fines or collection costs with regard to delinquent Assessments on the basis of such Co-Owner's failure to receive notice, if such notice was sent via regular mail to the most recent address of the Co-Owner according to the records of the Council. Each Co-Owner shall have the obligation to notify the Council in writing of any change in address which shall become effective five (5) days after written notice has been received.

6. INTEREST

If the assessment is not paid within sixty (60) days after the due date, the assessment shall bear interest at the rate of ten percent (10%) per annum from the due date until the assessment is paid in full.

7. DELINQUENCY NOTIFICATION

The Council may cause to be sent one or more of the following notification(s) to delinquent Co-Owners:

- a) PAST DUE NOTICE: In the event that an assessment account balance remains unpaid thirty (30) days from the due date, a Past Due Notice may be sent via regular mail to each Co-Owner with a delinquent account setting forth all Assessments, interest and other amounts due.

- b) FINAL NOTICE: In the event that an assessment account balance remains unpaid over sixty (60) days or later from the due date, a Final Notice may be sent via certified mail to each delinquent Co-Owner. A charge of twenty-five dollars (\$25.00) will be added to each delinquent Co-Owner's account balance for administrative and postage costs. The Final Notice will set forth the following information and the result of failure to pay, including an explanation of:
- i. AMOUNTS DUE: All delinquent regular and special assessments, dues, fees, charges, interest, late fees, fines, collection costs, attorneys fees, and any other amount due to the Council;
 - ii. HEARING: When required by law, the Co-Owner shall be given notice and opportunity for a hearing before the Board. A hearing shall be granted if a written request for a hearing is received by the Council not more than thirty (30) days from the Co-Owner's receipt of the Final Notice;
 - iii. COMMON AREA, SERVICES AND VOTING RIGHTS SUSPENSION: Subject to notice and a right to a hearing as may be required by law and/or the Declaration, and/or if a hearing is not requested within thirty (30) days from receipt of the Final Notice, the Council, in accordance with the Declaration, may suspend certain Co-Owner rights, including, without limitation: Co-Owner's voting rights, the Co-Owner's use of recreational facilities and common properties, and/or services provided by the Council, including, without limitation, maid services, maintenance services, and facilities rental;
 - iv. LATE FEES: Late fees in the amount of One-Hundred Dollars and 00/100 (\$100.00) per month shall be assessed to each Co-Owner's account in the event a monthly assessment remains unpaid for over thirty (30) days; and
 - v. ATTORNEY FEES: Explanation that the delinquent account will be turned over to legal counsel for collection and that the Council will incur reasonable attorney's fees, for which reimbursement from the Co-Owner will be sought.

8. APPLICATION OF PAYMENTS

Any payment(s) received by the Council shall be applied in the following order of priority:

1. Costs;
2. Attorney Fees;
3. Interest;
4. Late Fees;
5. Fines;
6. Delinquent Special Assessments;
7. Delinquent Annual Assessment;
8. Current Special Assessments; and
9. Current Annual Assessments

As to each category identified in this section (8), payment shall be applied to the most-aged charge first. The acceptance of a partial payment on a Co-Owner's account does not constitute a waiver of the Council's right to collect the full outstanding balance due on said Co-Owner's account.

9. PAYMENTS RETURNED NON-SUFFICIENT FUNDS

A Co-Owner will be assessed a Twenty-Five dollars and 00/100 (\$25.00) service charge for any check that is returned or Automatic Clearing House ("ACH") debit that is not paid for any reason, including but not limited to Non-Sufficient Funds ("NSF") or stop payment order. The amount of the service charge assessed will be the customary amount charged. The Council reserves the right to refuse to accept any partial payment or payment that includes limiting instructions—whether recited directly on the form of payment or in any correspondence included therewith. The inclusion of address information that differs from the mailing address information last provided in writing by the Co-Owner to the Council shall not constitute a written indication of new mailing address information.

10. REFERRAL OF ACCOUNT TO ASSOCIATION ATTORNEY

At the sole discretion of the Board, if a hearing is not requested within thirty (30) days from receipt of the Final Notice, the account may be referred to a collection agent and/or the Council's attorney for collection and any fees and expenses will be charged to the Co-Owner's assessment account. Upon referral of the account to the Council's attorney, the attorney is authorized to take whatever action is necessary, in consultation with the Board, including but not limited to: sending demand letters, filing a lawsuit against the delinquent owner for a money judgment, a nonjudicial foreclosure sale process; and, filing necessary claims, objections and motions in the bankruptcy court and monitoring the bankruptcy case in order to protect the Council's interests.

11. ATTORNEY PROCESS

Unless contrary instructions are given by the Board or advised by the Council's attorney, one or more of the following actions may be taken upon referral to the Council's attorney with regard to a delinquent Co-Owner not protected by federal bankruptcy law. The Board, at its sole discretion and after consideration of circumstances regarding the Co-Owner's account, may direct the Council attorney to alter the order of or eliminate certain of the following actions:

- a) Initial Demand Letter – Allowing the Co-Owner thirty (30) days to pay the delinquent amounts owed.
- b) Demand for Rents – Pursuant to Article XV, Section D of the Declaration, the Board may direct the Council's attorney to send demand to the tenant of any Co-Owner of a Residential Unit, demanding the payment of rents directly to the Council. Any such amounts received by the Council, after deducting any expenses of operating the Residential Unit and the expenses of such collection and enforcement, shall be applied on account of any such lien for unpaid Common Expenses.
- c) Final Demand Letter – Allowing the Co-Owner thirty (30) days to pay the delinquency if said delinquency was not paid in full pursuant to the Initial Demand Letter.
- d) Notice of Lien – Notice to the Co-Owner that a Notice of Assessment Lien shall be filed in the Official Public Records of Real Property of Harris County, Texas.

- e) Notice to Lienholder(s) – Pursuant to Chapter 82 of the Texas Property Code, if a Co-Owner defaults on the Co-Owner’s monetary obligations to the Council, the Council may notify the lien holders on the Unit of the default and the Council’s intent to foreclose its lien. The Council’s attorney may prepare and send to any and all lien holders said notice.
- f) Initial Notice of Foreclosure – Notice to the Co-Owner that the Council intends to nonjudicially foreclose the Co-Owner’s Unit pursuant to the powers granted to the Council by Texas law and the Declaration.
- g) Final Notice of Foreclosure and Notice of Sale - Notice to the Co-Owner that the Council is posting the Co-Owner’s Unit for sale and including therewith a true and correct copy of said notice, which shall be posted pursuant to Texas law and the Declaration.
- h) Post-Foreclosure Demand for Rents – Pursuant to Article X, Section C of the Declaration, from and after any foreclosure of a Unit, the occupants of such Unit shall be required to pay a reasonable rent for the use of the Unit. The Council may direct the Council’s attorney to make such demand upon the occupant of any foreclosed Unit.
- i) Forcible Detainer – At any time after the foreclosure sale of a Co-Owner’s Unit at which the Council was the successful bidder, and in accordance with applicable law, the Council’s attorney may notice and proceed with a forcible detainer of any occupants of a foreclosed Unit.
- j) Alternately, if instructed by the Board, judicial foreclosure and/or pursuit of any other legal remedy available to the Council will be commenced.
- k) After obtaining a judgment, post-judgment remedies will be considered on a case by case basis to be determined in the sole discretion of the Board.

12. COLLECTION AGENCY. At the sole discretion of the Board, a Co-Owner’s account may be referred to a collection agency for collection. Upon referral of the account to the collection agency, the collection agency may pursue all lawful methods in collecting the debt from the Co-Owner, including the engagement of its own legal counsel to pursue all remedies available at law.

13. BANKRUPTCIES

Upon receipt of any notice of a bankruptcy of a Co-Owner, the account shall be turned over to the Council’s Attorney so that the Council’s interests may be protected.

14. SALE OR CONVEYANCE OF UNIT WITH UNPAID ASSESSMENTS. Pursuant to Article X, Section F.2. of the Declaration, upon the sale or conveyance of a Unit, except through foreclosure of a Prior Lien of record or a deed in lieu thereof, all unpaid Assessments against a Co-Owner shall first be paid out of the sale price; provided however, that if such unpaid Assessments are not paid or collected at the time of a sale or conveyance of a Unit, the grantee of same shall be jointly and severally liable with the selling Co-Owner for all unpaid Assessments against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee’s right to recover from the selling Co-Owner the amounts paid by the grantee therefore. Additionally, the grantee shall be liable for any Assessments becoming due

after the date of any such conveyance; and, further, such grantee shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid Assessments due and owing by the former Unit Co-Owner have been paid.

15. WAIVER/MODIFICATION OF POLICY

The Board, in its sole and absolute discretion, may grant a waiver of any provision or otherwise modify any of the procedures contained herein upon a petition of a Co-Owner showing a personal hardship or just cause.

16. REQUIRED ACTION

Nothing contained herein, not otherwise required by the Declaration shall require the Council to take any of the specific actions contained herein. The Board shall have the right, but not the obligation, to evaluate each delinquency on a case-by-case basis as it, in its best judgment, deems reasonable.

ATTACHMENT 9

SOLAR DEVICE POLICY

No solar device may be installed on any portion of the Common Elements without the advance written approval of the Board. The Common Elements located in the Project are owned in undivided interests by all the Members of the Association.

ATTACHMENT 10

ENERGY EFFICIENT ROOFING POLICY

The roof components of each building located in the Project are Common Elements and the Owner of a Unit is not authorized to cause to be constructed or replaced any Improvements (including roofing) on Common Elements without the advance written consent of the Board.

ATTACHMENT 11

RAINWATER HARVESTING SYSTEM POLICY

No rain barrel may be installed on any portion of the Common Elements without the advance written approval of the Board. The Common Elements located in the Project are owned in undivided interests by all the Members of the Association.

ATTACHMENT 12

FLAG DISPLAY AND FLAGPOLE INSTALLATION POLICY

No flagpole may be installed on any portion of the Common Elements without the advance written approval of the Board. The Common Elements located in the Project are owned in undivided interests by all the Members of the Association.

ATTACHMENT 13

DISPLAY OF CERTAIN RELIGIOUS ITEM POLICY

A. **Display of Certain Religious Items Permitted.** An Owner or resident is permitted to display or affix to the entry door or door frame of the Owner's unit (which may not extend beyond the outer edge of the door frame) one or more religious items, the display of which is motivated by the owner's or resident's sincere religious belief. This Policy outlines the standards which shall apply with respect to the display or affixing of certain religious items on the entry to the entry door or door frame of the Owner's unit.

B. **General Guidelines.** Religious items may be displayed or affixed to the entry door or door frame of the Owner's unit (which may not extend beyond the outer edge of the door frame); provided, however, that individually or in combination with each other, the total size of the display is no greater than twenty-five square inches (5"x5" = 25 square inches).

C. **Prohibitions.** No religious item may be displayed or affixed to the entry door or door frame of the Owner's unit (which may not extend beyond the outer edge of the door frame): (a) threatens the public health or safety; (b) violates applicable law; or (c) contains language, graphics or any display that is patently offensive. No religious item may be displayed or affixed in any location other than the entry door or door frame of the Owner's unit (which may not extend beyond the outer edge of the door frame). Nothing in this Policy may be construed in any manner to authorize an Owner or resident to use a material or color for the entry door or door frame of the Owner's unit or make an alteration to the entry door or door frame that is not otherwise permitted pursuant to the Association's governing documents.

D. **Removal.** The Association may remove any item which is in violation of the terms and provisions of this Policy.

E. **Covenants in Conflict with Statutes.** To the extent that any provision of the Association's recorded covenants restrict or prohibit an Owner or resident from displaying or affixing a religious item in violation of the controlling provisions of Section 202.018 of the Texas Property Code, the Association shall have no authority to enforce such provisions and the provisions of this Policy shall hereafter control.

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Pages 58
01/06/2012 12:40:10 PM
e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees 240.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically
and any blackouts, additions or changes were present
at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or
use of the described real property because of color or
race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in
File Number Sequence on the date and at the time stamped
hereon by me; and was duly RECORDED in the Official
Public Records of Real Property of Harris County, Texas.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS