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DECLARATION OF RESTRICTIVE AND PROTECTIVE CONVENANTS FOSER 8 10 37 AM 1978
CONDOMINIUM REGIME KNOWN AS HAMMERLY WOODS
CONDOMINIUM NO. II

OLSON-LIVELY ENTERPRISES, INC., a corporation of the State of Texas, having its principal office at 11002 Hammerly Boulevard, in the City of Houston, County of Harris and State of Texas hereinafter referred to as the Developer, does hereby make, declare and publish its intention and desires to submit, and does hereby submit, the lands and premises described in Exhibits "A" together with building and improvements located or to be located thereon in the City of Houston, County of Harris and State of Texas, and designated as Condominium as provided by the Condominium Act of Texas (Article 1301 (a) Revised Civil Statutes of Texas) for the specific purpose of creating and establishing HAMMERLY WOODS CONDOMINIUM NO. II and for the further purpose of defining the plan of apartment ownership and imposing thereon certain restrictive and protective covenants for the benefit of said Condominium Project.

DEFINITIONS

- A. "Property" means and includes the land whether leasehold or in fee simple and the building, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto.
- B. "Building" includes the principal structure or structures erected or to be erected upon the land described in the declaration provided for in Section "G" which determines the use to be made of the improved land whether or not such improvement is composed of one (1) or more separate buildings containing one (1) or more floors or stories.
- C. "Condominium Project" means a real estate condominium project; a plan or project whereby four (4) or more apartments, rooms, or other units in existing or proposed buildings or structures are offered or proposed to be offered for sale.
- D. "Condominium" means the separate ownership of single units or apartments in a multiple unit structure or structures with common elements.
- E. "Apartment" means an enclosed space consisting of one (1) or more rooms occupying all or part of a floor or floors in a building of one (1) or more floors or stories provided it has a direct exit to a thoroughfare.

HAMMERLY WOODS C A CONDOMINIUM PROJ CONDOMINIUM RECOR HARRIS COUNTY, TE F. "Developer" means a person who undertakes to develop a real estate condominium project.

- G. "Master Deed" or "Master Lease" or "Declaration" means the deed, lease or declaration establishing the property as a condominium regime.
- H. "Co-owner" means a person, firm, corporation partnership, association, trust or other legal entity, or any combination thereof, who owns an apartment or apartments within the condominium project.
- I. "Council of Co-owners" means all the co-owners as defined in Subsection H of this section.
- J. "Majority of Co-owners" means the apartment owners with fifty-one percent (51%) or more of the votes weighed so as to coincide with percentages or fractions assigned in the declaration.
- K. "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.
 - L. "General Common Elements" means and includes:
- 1. The land, in the condominium project, as more particularly described on Exhibit "A" attached hereto.
- The foundations, bearing walls and columns, roofs, halls, lobbies, stairways and entrances and exits or communication ways;
- The basements, flat roofs, yard and gardens, except as otherwise provided or stipulated;
- 4. The premises for the lodging of janitors or persons in charge of the building, except as otherwise provided or stipulated;
- 5. The compartments or installation of central services such as power, light, gas, cold and hot water, refrigeration, central air conditioning and central heating, reservoirs, water tanks and pumps, and the like;
- 6. The garbage incinerators and, in general, all devices or installations existing for common use; and
- 7. All other elements of the building desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime, and any other elements described in the declaration filed pursuant to Section "G".

- M. "Limited Common Elements" means and includes those common elements which are agreed upon by all of the co-owners to be reserved for the use of a certain number of apartments to the exclusion of the other apartment, such as:
 - (i) Parking spaces designated with a Unit Number corresponding to a Unit Number as described on the condominium subdivision plan attached hereto as Exhibit "B".
 - (ii) patios designated with a Unit Number corresponding to a Unit Number as described on the condominium subdivision plan attached hereto as Exhibit "B".
- N. Each Owner shall bear the cost of maintenance, repair and replacement of the following items within such Owner's Unit: interior surfaces of bearing walls, ceilings and floors (including carpeting, tile, wall paper, paint or other coverings); heating, ventilating and air conditioning equipment; garbage disposals, ranges, refrigerators dishwashers and any and all other appliances of any nature whatsoever; window panes and light bulbs; plumbing and other fixtures of any nature whatsoever; any "built-in" features; any decorative features; and, any furniture and furnishings. Each Owner shall bear the cost of maintenance, repair and replacement of all items on owner's roof including without limitation, air conditioning equipment.

Each Owner shall have the following easements to, through and over the general and limited common elements to the extent necessary for such Owner's maintenance, repair and replacement:

- to paint, remove and replace any finish on the surface of any general or limited common element appurtenant to his Unit;
- (ii) to install, repair, maintain, remove and/or replace any plumbing, heating, cooling, lighting, cooking or other fixtures or equipment which are a part of his Unit of which would become a part thereof when installed in any bearing wall, floor, ceiling or roof; provided, however, such installation, repair, maintenance, removal and/or replacement shall not impair the structural integrity of the building in which his Unit is located (unless the Association consents thereto.)
- (iii) to drive and remove nails, screws, bolts and the like into and from bearing walls, floors, ceiling and roof; provided, however, such action shall not impair the structural integrity of the building in which his Unit is located (unless the Association consents thereto).

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The cost of maintenance, repair and replacement of both general and limited common elements (except to the extent such costs are borr by each Owner as set forth above) shall be an expense of administrati of the Condominium Project to be assessed in accordance with the condominium by-laws attached hereto as Exhibit "D".

- O. "To Record" means to record in the office of the County Clerk of the county in which the property is situated in accordance with the provisions of Title 115, Revised Civil Statutes of Texas, 1925, as amended.
- P. All pronouns used herein include the singular or plural numbers, as the case may be. The definitions recited herein shall control unless a contrary intent appears in The Declaration.
 - Q. "Unit or Dwelling Unit" are synonomous with apartment.

DESCRIPTION OF PROPERTY

A. The lands and premises owned by the DEVELOPER which are hereby made expressly subject to the provisions of this instrument are hereby described as follows:

All that certain lot, tract or parcel of land and premises situate, lying and being in the City of Houston, County of Harris and State of Texas, more particularly described on Exhibit "A" attached hereto and made a part hereof;

THE CONDOMINIUM APARTMENTS AND COMMON ELEMENTS

- A. The DEVELOPER has constructed on the parcel of land and premises described aforesaid, a project known and designated as HAMMERLY WOODS CONDOMINIUM NO. II hereinafter called "the Condominia according to the plat of the premises described aforesaid and the plat attached thereto as Exhibit "B" containing a total of 23 pages. The said plans contain the dimensions of the several units at floor level location and dimensions of the perimeter walls of each unit with reference to established geographical points. The said project consist of 22 multi-family dwelling buildings containing in all, a total of 118 condominium apartments. The DEVELOPER covenants and agrees that construction of the said 22 multi-apartment buildings is substantial in accord with the architectural plans attached hereto as Exhibit "B'
- B. The DEVELOPER, in order to implement the Condominium place of ownership for the above described property, and improvements, covenants and agrees that it hereby subdivides the above described property and all of the improvement erected thereon, vertically and horizontally into the following fee simple estates:

1. 118 separate parcels of real property, being the apartments, patios, and designated parking spaces (commonly referred to herein as "unit" or "apartment"), hereinafter more particularly described and as shown on Exhibit "B" attached hereto. Said Exhibit "B" contains 23 pages and describes the architectural plans of the several apartments at floor level.

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Each of said 118 apartments consists of (a) the volumes or cubicles of space enclosed by the unfinished inner surfaces of perimeter and interior walls, ceilings and floors thereof, including vents, doors, windows and other structural elements that ordinarily are regarded as enclosures of space and (b) all interior dividing walls and partitions (including the space occupied by such walls or partitions) excepting load bearing interior walls and partitions and (c) the decorated inner surfaces of said perimeter and interior walls (including floors and ceilings, consisting of wall paper, paint, plaster, carpeting, tiles and all other finishing materials affixed or installed as a part of the physical structure of the apartment equipment installed and for the sole and exclusive use of the apartment, commencing at the point of disconnection from the structural body of the dwelling building and from the utility lines, pipes and systems serving the apartment unit, and (d) patios and balconies directly appurtenant to a particular apartment. No pipes, wires, conduits or public utility lines or installations constituting a part of the overall systems designed from the service of any particular unit or multi-unit dwelling building, nor any of the structural members of partitions of any kind including fixtures and appliances within the dwelling building, which are not removable without jeopardizing the soundness, safety or usefulness of the remainder of the building, shall be deemed to be a part of any apartment unit. The words, "unit" or dwelling unit" when used throughout this instrument, shall be deemed to refer to each of the aforesaid 118 apartment units as herein described, and the patios attached thereto.

- 2. A separate Fee Simple Estate in the remaining portions of all of the lands and premises hereinabove described with all improvements constructed and to be constructed thereon, including all appurtenances thereto, which said remaining portions shall be hereafter known and referred to as "general common elements"; SAVE AND EXCEPT the 118 apartments contained in the said multi-unit dwelling buildings and the 23½ individual parking spaces assigned thereto, which are to be individually and separately owned. More specifically the general common elements shall include, but not be limited to, the following:
 - (a) The land in fee simple, on which the building stands;
- (b) The foundations, bearing walls and columns, roofs, halls, lobbies, stairways and entrances and exits or communication ways;

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- (c) The basements, flat roofs, yard and gardens, except as otherwise provided or stipulated;
- (d) The premises for the lodging of janitors or persons in charge of the building, except as otherwise provided or stipulated;
- (e) The compartments or installation of central services such as power, light, gas, cold and hot water, refrigeration, central air conditioning and central heating, reservoirs, water tanks and pumps, and the like;
- (f) The garbage incinerators and, in general, all devices or installations existing for common use, and
- (g) All other elements of the building desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime, and any other elements described in this Declarat

The general common elements shall not include the recreation are to be conveyed to HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC., or any of the 118 apartments as hereabove described and as shown on the attached Exhibit "B" it being the intention of the DEVELOPER that the interest in the general common shall be hereinafter defined, shall not include any interest whatsoever in any of the other apartments and the space within them.

- C. For the purpose of this instrument, the ownership of each apartment shall conclusively be deemed to include the respective undivided interest, as specified and establised hereinafter, in the common elements and each unit together with its appurtenant undivided interest in the common elements as defined and hereinafter referred to as "apartments." It is the intention of the DEVELOPER hereby to provide that the general common elements in the Condominium shall be owned by the owner or owners of each apartment under the Condominium form of ownership, the undivided interest of each therein being as set forth hereinafter. For the purpose of further clarifying the stated intent and purpose of the DEVELOPER, the aforesaid property wi be owned under the Condominium concept, when the title to the aforesaid lands and all of the improvements constructed thereon are held or acquired by two or more persons in any manner whereby each person is vested of (1) the fee simple ownership of one or more of the apartments, and (2) an undivided interest in the correlative general common elements, all pursuant to the provisions of this Declaration, the Condominium Act of the State of Texas and the restrictions, covenants, limitations and conditions herein set forth.
- D. Portions of the common elements are hereby set aside and reserved for the restricted use of the respective apartments to the exclusion of the other units and such portions shall be known and referred to herein as "Limited Common Elements," and more fully set 11 out in Exhibit "B".

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- E. The 118 individual apartments hereby established and which shall be individually conveyed, the building number and type, and apartment number, parking space number, square footage of each apartment and the percentage of interest of each unit in the common elements are described and identified on Exhibit "C" attached hereto and made a part hereof.
- The above respective undivided interest in the common elements hereby established and to be conveyed with the respective units, shall have a permanent character and shall not be altered or changed without the acquiescence of all the unit owners of all of the apartments in the Condominium and DEVELOPER, its successors and assigns and Co-owners hereunder covenant and agree that the undivided interest in the common elements and the fee simple title to the respective units conveyed therewith, shall not be separately conveyed, transferred, alienated or encumbered and each of the said undivided interest shall be deemed to be conveyed, transferred, alienated or encumbered with its respective unit notwithstanding the description in the instrument of conveyance, transfer, alienation or encumbrance may refer only to the fee simple title to the apartment. The DEVELOPER, its successors and assigns, and the Co-owners hereunder, further covenant and agree that any conveyance, transfer or alienation of any unit shall conclusively be deemed to include all of the interest of the owner or owners in the Condominium and any encumbrance upon any unit shall also be conclusively deemed to attach to all of the interest of the owner or owners of said apartment in the Condominium.

THE ADMINISTERING ASSOCIATION

- The Condominium shall be administered, supervised and managed by HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC., hereinafter called "the Association," a non-profit corporation of the State of Texas, presently having its principal office at 11002 Hammerly Boulevard, Houston, Texas, which shall act by and on behalf of the owners of the units in this Condominium and Hammerly Woods Condominium No. I, in accordance with this instrument, the By-laws of the Association annexed hereto as Exhibit "D" and in accordance with the Condominium Act of the State of Texas, its supplements and amendments. The aforesaid By-laws form an integral part of the plan of ownership herein described and this instrument shall be construed in conjunction with the provisions of said By-laws. Pursuant to the requirements of the Condominium Act of the State of Texas, the aforsaid Association is hereby designated as the form of administration of the Condominium, the same being more particularly set forth in the By-laws of the Association attached hereto. The said Association shall also be empowered to exercise any of the rights, powers, privileges or duties, which may from time to time, be established by law or shich may be delegated to it by the Owners of Co-owners of the units in the Condominium.
 - B. Anything to the contrary herein notwithstanding, or in the By-laws of the Association, the percentage of interest of each apartment appertaining to the common expenses, common receipts, common surplus, relating to the common elements within the particular Condominium of which it is a part, shall be allocated to and governed by the percentage allocable to such respective unit as set out in

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Exhibit "C" and each apartment's proportionate ownership in the Association and maintenance fees payable to the Association shall be set forth in Article XIII of the By-laws of the Association. The DEYELOPER reserves the right, for so long as it shall remain the owner of any of the aforesaid units, to change the price or value of such units. However, no change in the price or value of any of aforesaid units shall change or otherwise affect the percentage of interest of any of said units in the general and limited common elements within the particular Condominium of which it is a part, as more specifically set out in Exhibit "C", or in the percentage of ownership in the Association, as set forth in Article XIII of the By-laws.

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DECLARATION OF RESTRICTIVE AND PROTECTIVE COVENANTS AND AGREEMENTS AND EASEMENTS GRANTS

A. To further implement this plan of ownership, to make feasible the ownership and sale of units in the Condominium, to preserve the character of the community and to make possible the fulfillment of the purpose of cooperative living intended, the DEVELOPER, its successors and assigns, by reason of this declaration, and all future owners of units in the Condominium by their acquisition of title thereto, covens and agree as follows:

OWNERSHIP OF COMMON ELEMENTS

1. That the common elements shall be owned in common by all of the owners of apartments and none others. The common elements shall remain undivided and no unit owner shall bring any action for partition of the whole or any part thereof except as otherwise provided by law or in Article VI, Section 2 of the By-laws of the Association.

OWNERSHIP AND CONVEYANCE OF CONDOMINIUM UNITS

2. That each unit and its designated parking space shall, for all purposes, constitute a separate parcel of real property which may be owned in fee simple and which may be conveyed, devised, inherited, transferred or encumbered along with its allocated percentage of interest in the common elements, in the same manner as any other parcel of real property, independently of all other units, subject to the provisions of this instrument, the By-laws of the Association and the Condominium Act of the State of Texas. No part of any unit shall be conveyed, devised, inherited, transferred or encumbered apart from the whole of said unit and its correlative percentage of interest in the common elements.

OCCUPANCY OF CONDOMINIUM UNITS

3. That each Condominium unit shall be occupied and used by th respective owners as a private residential dwelling only for the own his family, tenants and social guests and for no other purposes. No animals shall be kept except docile household pets and shall not be permitted to run loose on the common elements.

EASEMENTS AND ENCROACHMENTS

4. That in the event that any portion of the common elements encroaches upon any unit or vice versa, or in the event that any portion of one unit encroaches upon another unit, a valid easement for the encroachment and for the maintenance of the same, so long as it stands, shall and does exist. In the event that any one or more of the multi-unit dwelling buildings is partially or totally destroyed and is then rebuilt in substantially the same location, and as a result of such rebuilding any portion of the common elements encroaches upon the units, or vice versa, or any of the units encroach upon another unit, a valid easement for such encroachment shall and does exist.

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LOCATION OF CONDOMINIUM UNITS

5. That in interpreting any and all provisions of this instrument, the Exhibits attached hereto, or subsequent deeds and morgages to individual units, the actual location of the unit shall be deemed conclusively to be the property intended to be conveyed, reserved or encumbered not withstanding any minor deviations, either horizontally or vertically, from the proposed locations as indicated on Exhibit "B" annexed hereto. The the extent that such minor variations in location do or shall exist, a valid easement therefor and for the maintenance thereof does and shall exist.

UTILITY EASEMENTS

6. That a valid non-exclusive easement in favor of DEVELOPER, its successors, and assigns, does and shall continue to exist throughout the common elements for the purpose of installation, maintenance, repair and replacement of all sewer, gas, water, power and telephone lines, pipes, television cables, mains, conduits, wires, poles, transformers, water sprinklers and any and all other equipment or machinery necessary or incidental to the proper functioning of any utility or water sprinkling system. Developer may execute any documents necessary to effect such easements and may place same of record and recordings shall bind all owners of the Condominium.

MEMBERSHIP OF UNIT OWNERS IN CONDOMINIUM ASSOCIATION

7. That every owner or owners of a unit shall automatically, upon becoming the owner of an apartment or apartments, in this Condominium, be a member of the Association and shall remain a member of said Association until such time as his ownership of an apartment herein referred to ceases for any reason, at which time as his membership in said Association shall automatically cease. Other than as an

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incident to a lawful transfer of title to an apartment, membership in the Association shall be nontransferable and any attempted transfer shall be null and void.

DEVELOPERS RESERVATION TO ELECT MAJORITY OF BOARD OF DIRECTORS

8. That, notwithstanding the provisions of this Declaration or the By-laws of the Association, the DEVELOPER reserves the right and shall be entitled, at its sole discretion, to elect a majority of Board of Directors of the Association, until the date of recording of the last deed by DEVELOPER to a dwelling unit in this Condominium or Hammerly Woods Condominium I. The intent and sole purpose of this provision is to provide for and allow the DEVELOPER to complete development of this Condominium, and prior Condominiums, and the proposed plan of cooperative living intended by this Declaration, the By-laws of the Association and Exhibits hereto and to preserve the character of the community which will or may be administered and supervised by the Association. A waiver by DEVELOPER of its rights hereunder during the aforesaid period of control shall not be construed in any way as a waiver of any such rights in the future and during said period of control. The provisions of this paragraph cannot be changed or amended by nondeveloper members or Directors during aforesaid period of control, anything herein or in the By-laws of the Association to the contrary notwithstanding. Developer may conduct such commercial activity as is necessary to complete the construction and sale of this Condominium project.

ADMINISTRATION OF ASSOCIATION

9. That the administration of the Association shall be in accordance with the provisions of this instrument, the By-laws and Rules and Regulations of the Association as may from time to time be amended or promulgated, and the Condominium Act of the State of Texas.

COMPLIANCE WITH BY-LAWS AND RULES AND REGULATIONS

10. That each owner, tenant and occupant of a unit shall comply with the provisions of this instrument and the By-Laws and Rules and Regulations of the Association and failure to compile therewith shall be grounds for an action to recover sums due, or damages or for injunctive relief.

AMENDMENT OR REVOCATION OF THIS DECLARATION

11. This Declaration and any of its provisions shall not be revok or amended without the acquiescence of three-fourths (3/4) of the non-Developer Co-owners, the then owners of the mortgages covering said units, and the DEVELOPER during the period of control as set forth in Paragraph 8 hereof.

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CONTRIBUTION OF CONDOMINIUM OWNERS TOWARD EXPENSES, ADMINISTRATION, ETC. OF COMMON ELEMENIS AND ASSOCIATION

12. That the owner or Co-owners of each unit are bound to contribute pro rata in the percentage of their ownership in the common elements as set out in Exhibit "C" hereto, toward the expenses of administration, maintenance, repair, and replacement of the said common elements. As to expenses of administering and maintaining the association and all of its real and personal property in such amount as shall from time to time be found by the Association to be necessary, including but not limited to expenses for the operation, maintenance, repair or replacement of the Association buildings, grounds or facilities; the maintenance, operation, repair or replacement of the recreational facilities; or costs of carrying out the duties and powers of the Association; compensation of Association employees, insurance premiums and expenses relating thereto; taxes which may be assessed against Association property and other expenses of the Association set forth herein, or in the By-laws of such Association, or which may be designated proportionate to the ratio as the total expenses bears to the total number of units owning interests in the Condominiums administered by said Association at any given time, as more fully set cut in Article XIII of the By-laws of HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC. Condominium dues or charges shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments. All first mortgagees shall have the right to examine the books and records of the condominium homeowners association of the condominium project. No owner may exempt himself from contributing toward such expenses, either as Owner or Co-owner of a unit in the particular condominium of which it is a part, or in the said HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC., by waiver of the use of or enjoyment of the common elements or the community or recreational facilities of the Association, if any, or by abandonment of the unit owned by him.

LIEN IN FAVOR OF THE ASSOCIATION

13. That all charges and expenses chargeable to any unit shall constitute a lien against said unit in favor of the Association, which lien shall be prior to all other liens except (1) assessments, liens and charges for taxes past due and unpaid on the unit, and (2) payments due under bona fide purchase money mortgage instruments, if any, duly recorded. The charges and expenses represented in the usual monthly charge shall become effective as a lien against each unit on the first day of each calendar quarter. Additional or added assessments, charges and expenses, if any, chargeable to units and not covered by the usual monthly maintenance charge, shall become effective as a lien against each unit as of the date when the expense or charge giving rise to such additional or added assessment was incurred by the Association. In the event that the assessment charge or other expense giving rise to said lien remains unpaid for more than ten (10) days after the same shall become due and payable, the lien may be foreclosed by the Association in the manner provided for the foreclosure and sale of real estate mortgages, and in the event of foreclosure, the Association shall, in addition to the amount due, be entitled to recover reasonable expenses of the action including court costs and reasonable attorney's fees. The right of the Association to foreclose the lien shall be in addition to any other remedy which

may be available to it at law or equity for the collection of monthly additional or added charges and expenses, including the right to proceed personally against any delinquent owner for the recovery of a personal judgment against him for the amount due, court costs and reasonable attorney's fees. The title acquired by any purchaser following any such foreclosure sale or sheriff's judgment sale shall be subject to all of the provisions of this instrument, the By-laws and Rules and Regulations of the Association and the Condominium Act of the State of Texas, and, by so acquiring title to the unit, said purchaser covenants and agrees to abide by and be bound thereby. Any first mortgagee of any condominium unit shall be entitled, upon request, to written notification from the Home Owners Association of any default in the performance by the individual unit Borrower of any obligation under the Condominium Constituent documents which is not cured within sixty (60) days of such default.

PAYMENT OF EXPENSES OUT OF PROCEEDS OF SALE

14. That upon the sale, conveyance or other lawful transfer of title to a unit, all unpaid assessments, charges and expenses chargeable to the unit shall first be paid out of the sales price of by the acquirer in preference to any other assessments or charges of whatever nature except (1) assessments, liens and charges for taxes past due and unpaid on the unit, and (2) payments due under bona fide purchase money mortgage instruments, if any, duly recorded.

LIABILITY OF PURCHASER FOR ASSESSMENTS DUE ASSOCIATION

15. That the acquirer of title to a unit shall be jointly and severally liable with his predecessor in title thereto for the amounts owing by the latter to the Association up to the time of the transfer of title, without prejudice to the acquirer's right to recover from his predecessor in title the amount paid by him as such joint debtor. The Association shall provide for the issuance of and issue to every acquirer, upon his request, a statement of such amounts due and the acquirer's liability under this covenant shall be limited to the amount as set forth in said statement.

STRUCTURAL MODIFICATION OF DWELLING UNITS

16. That no owner shall make any structural modifications or alterations within an apartment without the written consent of the Association or its duly authorized representatives and no act shall be done under any circumstances which does or may tend to impair the structural integrity of any of the multi-unit dwelling buildings or adversely affect any of the common elements. No owner shall place reflective or other material in the windows of the unit other than draperies.

USE OF COMMON ELEMENTS

17. That each owner or co-owner, tenant or guest of an apartment may use the common elements of this Condominium in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners or co-owners, tenants or guest of the apartment. However, no activities shall be conducted nor conditions maintained by any owner either in his Unit or upon the Common Elements which despoils the appearance of the Condominium project.

ACCESS TO CONDOMINIUM UNITS

18. That the Association shall have the irrevocable right, to be exercised by the Directors or manager of the Association, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance repair or replacement of any of the common elements therein or accessible therefrom or of making emergency repairs therein necessary to prevent damage to the common elements or to another dwelling unit or units.

RENTAL RESTRICTION OF UNITS

19. That dwelling units shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as a rental for any period less that 180 days. Other than the foregoing restrictions, the owners of the respective dwelling units shall have the absolute right to lease the same, provided that the terms of the lease are subject to the covenants, conditions and restrictions contained in this instrument, the By-laws and Rules and Regulations of the Association and the Condominium Act of the State of Texas. Developer, however, may from time to time lease units for single-family residence purposes.

INSURANCE

(a) The Board of Directors, or its designee, shall be required to obtain and maintain, to the extent obtainable, the following insurance (1) fire insurance with broad form fire and extended coverage, vandalism and malicious mischief endorsements, insuring all the buildings containing the units and common elements therein (including in all of the units, the fixtures, appliances and carpeting initially installed therein by the Developer, but not including the painted or decorated surfaces of interior walls, furniture, furnishings, personal property, contents or personal liability of individual unit owners) together with all central utility and other service machinery contained therein, and all buildings, fixtures, equipment, and personal property owned by the Association, in the amount determined by the Board and approved by all first mortgagees having mortgage liens upon the Condominium units contained in said buildings. All such policies shall provide that in the event of loss or damage, the proceeds of said policy or policies shall be payable to the Board of Directors or its designee as an insurance trustee on behalf of all of the owners, co-owners and mortgagees of units in said buildings. Said insurance trustee shall be obligated to apply said proceeds as set forth in Article VI of the By-laws of the Association. Each of said policies shall contain a standard mortgagee clause in. favor of each mortgagee of a unit and shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its respective interest may appear, subject however, to the right of the Board or its designee as insurance trustee, to receive said proceeds to be applied to repair or reconstruction as (2) workmen's compensation, and (3) public liability provided herein, insurance insuring the Association and its members against liability for any negligent act of commission or omission attributable to the Association or any of its members and which occurs on or in any

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of the common elements of the Condominiums or the community or recreational facilities of the Association, (4) boiler, glass, burglary, theft and such other insurance as will protect the interest of the Association, its employees, the members and mortgagee. All insurance premiums shall be paid by the Association as common expenses.

- (b) All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by the unit owners or of invalidity arising from any acts of the insured or any unit owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including all purchase money mortgagees of units.
- (c) Unit owners may obtain insurance for their own account and for their own benefit. No owner shall, however, insure any part of the common elements whereby, in the event of loss thereto, the right of the Association to recover the insurance proceeds for such loss in full, shall be diminished in any way.

RESTORATION AND REPLACEMENT OF CONDOMINIUM IN THE EVENT OF FIRE OR CASUALTY

A. In the event of fire or other disaster or casualty resulting in damage to the buildings and common elements of any one or more of the Condominiums less than two-thirds of the livable area of building or buildings comprising the Condominium or Condominiums, as may be determined by the Council of Co-owners, the net proceeds of any insurance collected shall be made available for the purpose of restoration or replacement. Where the insurance indemnity is insufficient to cover the cost of reconstruction or replacement, the new building costs shall be paid by all of the Co-owners directly affected by the damage, in proportion to the percentage of the value of their respecti dwelling units as it bears to the total value of the damaged building or buildings. If any one or more of those composing the minority of the Co-owners who were directly affected by the damage shall refuse to make such payments, the Board of Directors shall levy an assessment in an amount proportionate to the percentage of value of the dwelling units affected by the damage, the proceeds of such assessment being paid, with the insurance indemnity, to the Association for the purpose of covering the costs of repair and replacement. In the event any owner or owners shall fail to respond to the assessment by payment thereof within a reasonable time, the Association shall cause restoration or reconstruction to be accomplished and to charge the cost thereof, less any applicable insurance credits, to the owners of the units affected in the proportions mentioned. Such costs less any insurance credits, shall constitute a lien against the dwelling unit or units of such owner or owners and may be enforced and collected in the same manner as all other liens as hereinbefore provided. The provisions of this Section may be changed by unanimous resolution of the then owners of all units or apartments within the Condominium as a whole, adopted subsequent to the date on which the fire or other disaster or casualty occured.

UM NO. 11.

T A.

HARRIS COUNTY.

VOL. 82 PAGE

B. In the event of a total destruction of the entire Condominium or Condominiums, or if the common elements are damaged or destroyed to more than two-thirds of the livable area of building or buildings comprising the Condominium or Condominiums, the Council of Co-owners of the said Condominium or Condominiums may elect to reconstruct or replace the said buildings and common elements. In the event of an election to reconstruct or replace, payment of the costs thereof shall be made as provided in the preceding Section of this Article.

If the Council of Co-owners shall elect not to reconstruct or replace, the Council of Co-owners of the said Condominium or Condominiums, with the consent of all of the mortgages holding first mortgages on the dwelling units within said Condominium or Condominiums, may sell for cash and upon terms, the entire Condominium or Condominiums, provided seventy-five (75%) percent or more of the owners are in accord and so vote at a regular duly called meeting of the said Council of Co-owners. In the event the election is made to sell, the covenants against partition contained in this Declaration of Restrictive and Protective Covenants, shall become null and void and the said owner or owners shall be entitled to convey their interest in the Condominium or Condominiums and may invoke relief in a Court of Equity to compel such a sale and partition against those owners who shall have refused to approve such a sale and partition.

All sums received from insurance shall be combined with the proceeds of sale of the Condominium or Condominiums. After providing for all necessary costs and expenses, including court costs and reasonable attorney's fees in the event of any litigation necessary to compel any owner or owners to join in a conveyance of their interests in the Condominium or Condominiums, distribution of the combined funds shall be made to the owner or owners of the dwelling units in the said Condominium or Condominiums, in accordance with their respective undivided interest in the common elements as set forth in this Declaration creating the particular Condominium or Condominiums, subject only to the rights of outstanding purchase money mortgage holders.

Except as provided in this Section, the common elements, shall remain undivided and shall not be the subject of an action for partition or division of the co-ownership.

round to be inadequate for the best protographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and changes were present at the time the instrument was filed and recorded.

DEVELOPERS NON-EXCLUSIVE EASEMENT

21. That as to those portions of the common elements of this Condominium as shown on the annexed Exhibit "B" a valid non-exclusive easement for the benefit of the DEVELOPER, its successors and assigns, does and shall continue to exist thereon for the maintenance, operation and development by DEVELOPER of this Condominium, and as a means of providing ingress and egress by DEVELOPER to other portions of the common elements in this Condominium and to other Condominiums administered by the Association and/or contiguous lands of the DEVELOPER, its successors and assigns.

RECIPROCAL EASEMENT AMONG CONDOMINIUMS

22. That, as to the common elements of this Condominium as shown on the annexed Exhibit "B" a valid non-exclusive easement is hereby granted to the Association, its agents, members and assigns, to use any common elements or facilities located on the premises in question, subject to the By-laws and Rules and Regulations thereunder of the Association. This easement is intended to be a reciprocal one, with Hammerly Woods Condominium No. I which is subject to administration by the Association.

PROVISIONS OF THIS INSTRUMENT AND EXHIBITS THERETO TO BE A COVENANT RUNNING WITH THE LAND

23. The present title to the property herein described and the title to each unit which shall be hereafter conveyed or acquired in any manner is hereby expressly declared and made subject to the term and provisions of this instrument and the acquisition of title by any person to a unit shall be conclusively deemed to mean that the acquirer approves, adopts and ratifies the provisions of this instrument, the By-laws and Rules and Regulations of the Association and will comply therewith. The covenants, agreements and restrictions set fortherein shall run with the land and shall be binding upon the DEVELOPER its successors and assigns and by all persons claiming by, through or under their heirs, executors, administrators and assigns.

DEVELOPERS CONTRIBUTION TOWARD COMMON EXPENSES

24. In the event there are completed and unsold Condominium units, the DEVELOPER retains the right to be the owner of said unsold units under the same terms and conditions as all other unit owners in said Condominium. A completed Condominium unit shall be a unit on which the final electrical inspection has been approved. The DEVELOPER shall contribute to the common expenses as to the completed units owned by it in the same manner as all other unit owners, as provided herein.

SEVERABILITY OF PROVISIONS HEREOF

25. It is the intention of the DEVELOPER that the provisions of this instrument are severable so that if any provisions, condition, covenant or restriction thereof shall be invalid or void under any applicable federal, state or local law, the remainder shall be unaffected thereby. In the event that any provision, condition, covenant or restriction thereof, is at the time of recording of this instrument, void, voidable or unenforceable as being contrary to any applicable federal, state or local law the DEVELOPER, its successors and assigns, and all persons claiming by, through or under the Association covenant and agree that any future amendments or supplements to the said laws having the effect of removing said invalidity, voidability or unenforceability, shall be deemed to apply retrospectively to this instrument thereby operating to validate the provisions of this instrument which might otherwise be invalid and it is convenanted and agreed that any such amendments and supplements to the said laws shall have the effect herein described as fully as if they had been in effect at the time of the execution of this instrument.

IN WITNESS WHEREOF, the DEVELOPER has caused this instrument to be signed, sealed and delivered by its proper corporate officers and its corporate seal to be affixed, this the 17th day of August, 1978.

ATTEST

Sam L. Olson, Jr.-Secretary

OLSON-LIVELY ENTERPRISES, INC.

Truitt V. Lively President

JOINDER OF MORTGAGEE

The undersigned, Continental Savings Association of the State of Texas, being the holder of an existing mortgage and liens upon and against the real property described in Exhibit "A" attached to the foregoing Declaration, as such mortgagee and lienholder does hereby consent to and join in the Declaration.

This consent and joinder shall not be construed or operate as a release of said mortgage or liens held by the undersigned, or any part thereof but the undersigned agrees that its said mortgage and liens shall hereafter be upon and against each and all of the Units and all appurtenances thereto, and all of the undivided, equitable shares and interests in the common area, subject to the Declaration.

Signed by the officers of said Continental Savings Association, hereunto authorized, this the 18th day of August, 1978.

CONTINENTAL SAVINGS ASSOCIATION

Carrel

By:

HAMMERLY, WOODS

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HARRIS C

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Carell Colly Jo, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the // day of August, A.D., 1978.

Notary Public in and for Harris County TEXAS

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THE STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Truitt V. Lively, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the / of August, A.D., 1978.

Adal Notary Prin

Harris

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QMINIUM NO. 11

PROJECT

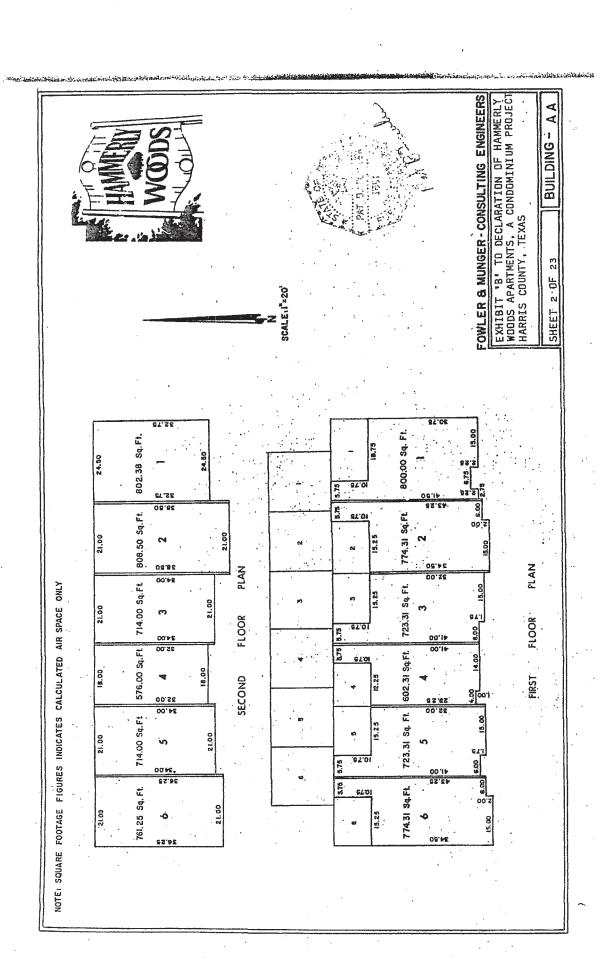
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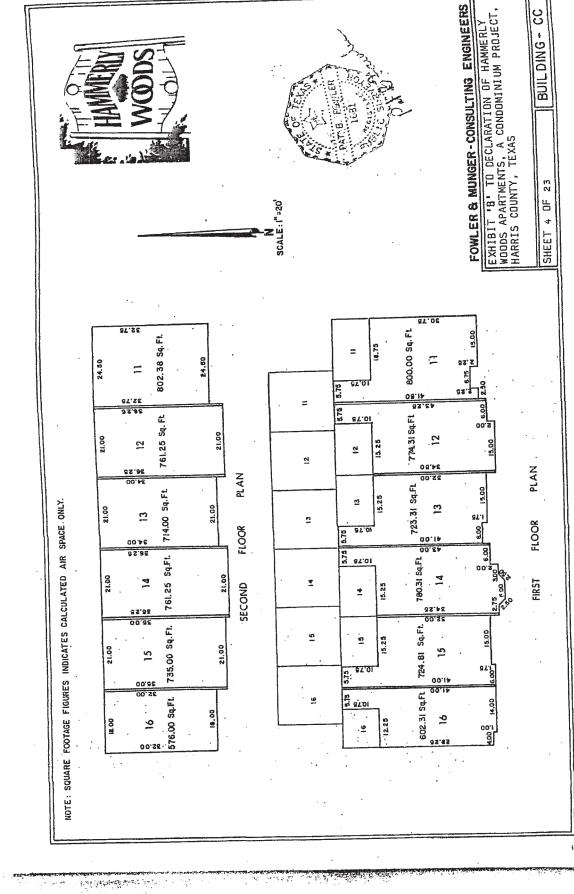
EXHIBIT "A"

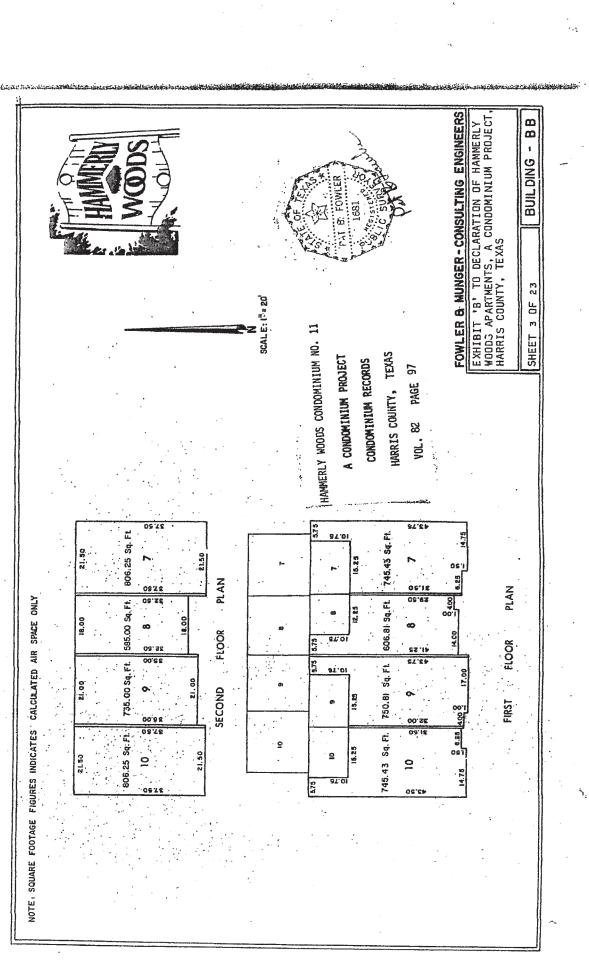
FIELD NOTES for 6.705 acre tract of land out of Lots 75 and 77 of the Moore Acres Subdivision located in the C. Williams Survey, A-835, Harris County, Texas and being more particularly described by metes and bounds as follows:

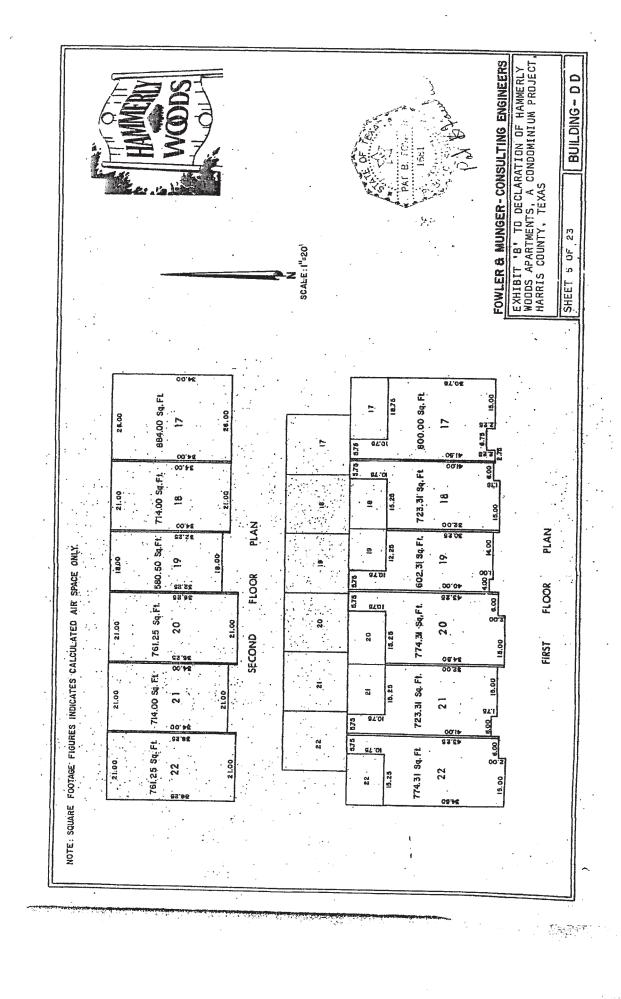
COMMENCING FOR REFERENCE at the point of intersection of the West Line of Brittmoore Road 80 foot right of way and the North Line of Hammerly Blvd. 80 foot right of way;

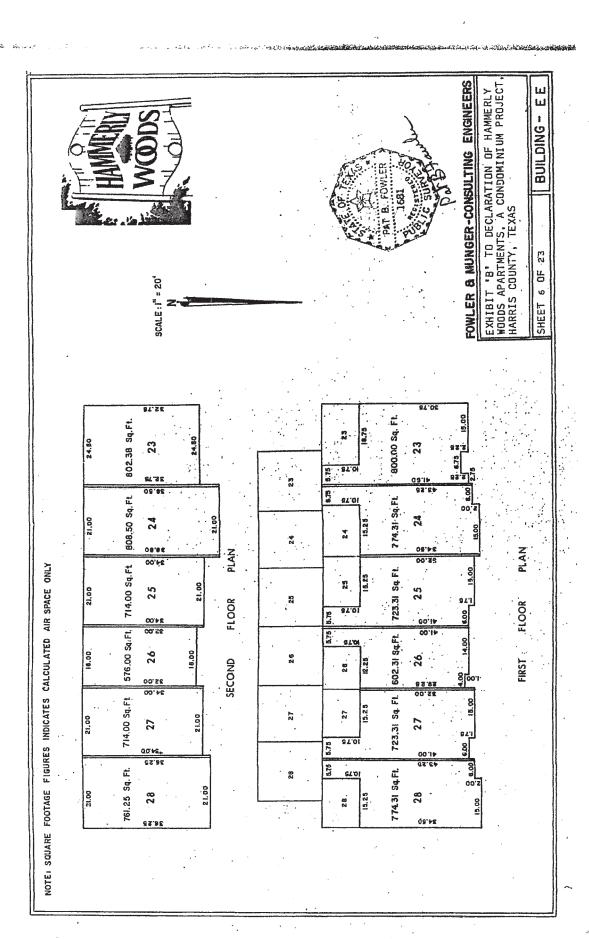
- THENCE S 89° 15' 17" W 15.00 feet to a cut back point of the Brittmoore Road and Hammerly Blvd. Rights of Way;
- THENCE S 89° 15' 17" W 514.72 feet along the North Line of Hammerly Blvd. to a point for corner in the East Line of Gaywood Drive;
- THENCE N 00° 31' 55" E 552.24 feet along the east line of Gaywood Drive to a point for corner in the South Line of Fullerton Plaza Subdivision;
- THENCE N 89° 15' 13" E 528.81 feet along the South Line of Fullerton Plaza Subdivision to a point for corner in the West Line of Brittmoore Road;
- THENCE S 00° 26' 17" W 537.23 feet along the West Line of Brittmore Road to the cut back point of the Brittmore Road and Hammerly Blvd. Rights of Way;
- THENCE S 44° 50' 42" W 21.43 feet along the cut back line to the POINT OF BEGINNING.

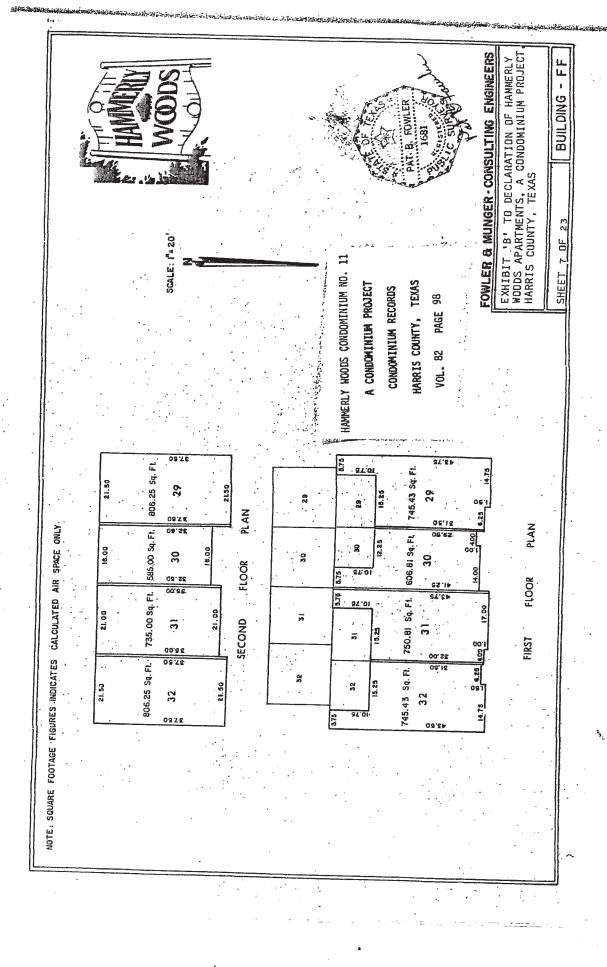


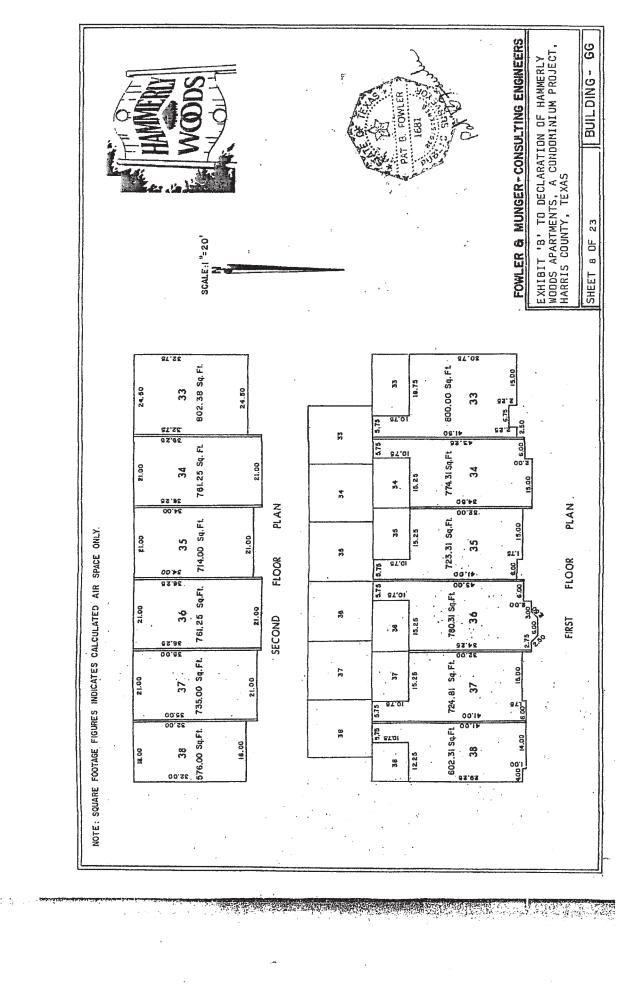


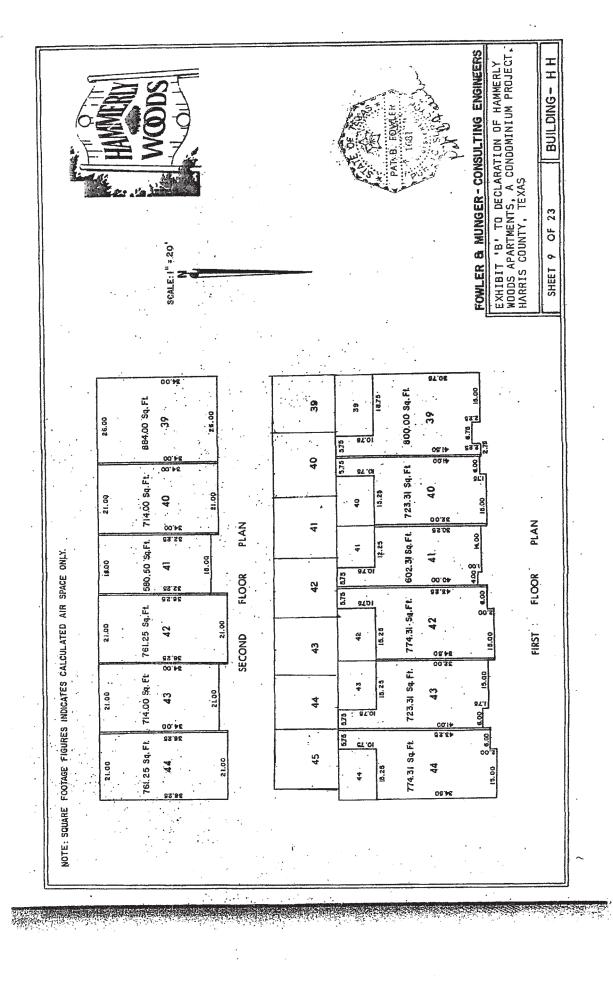


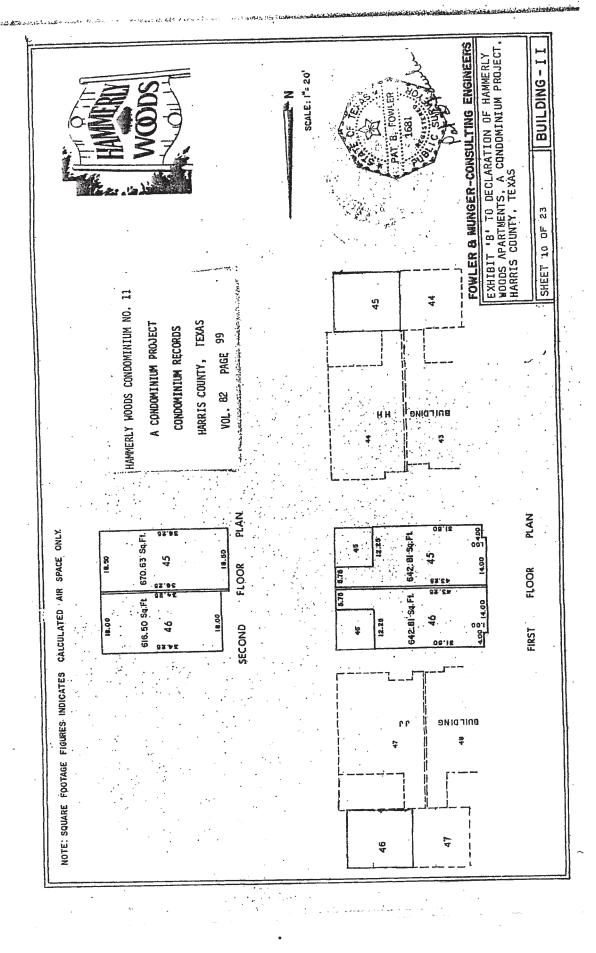


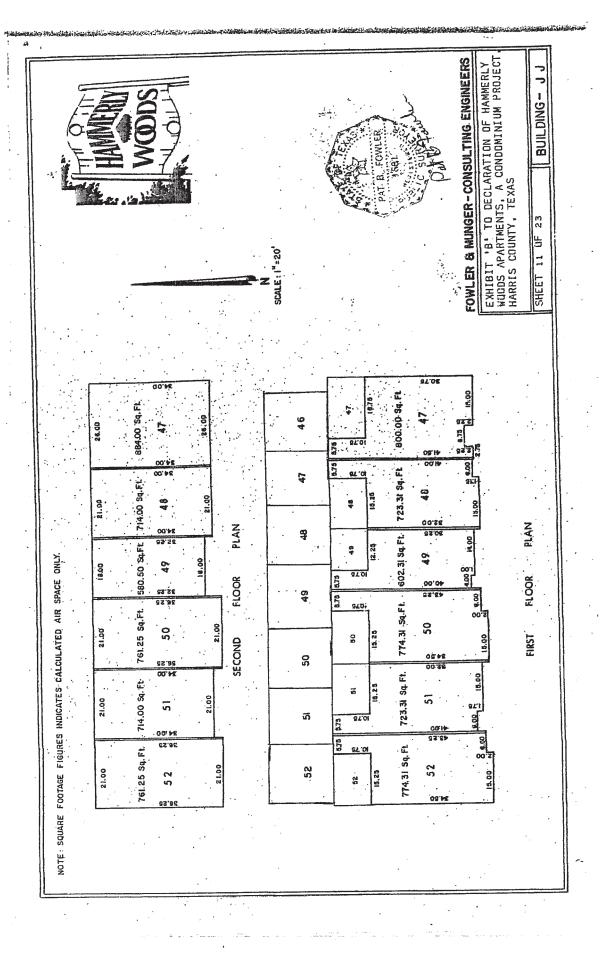


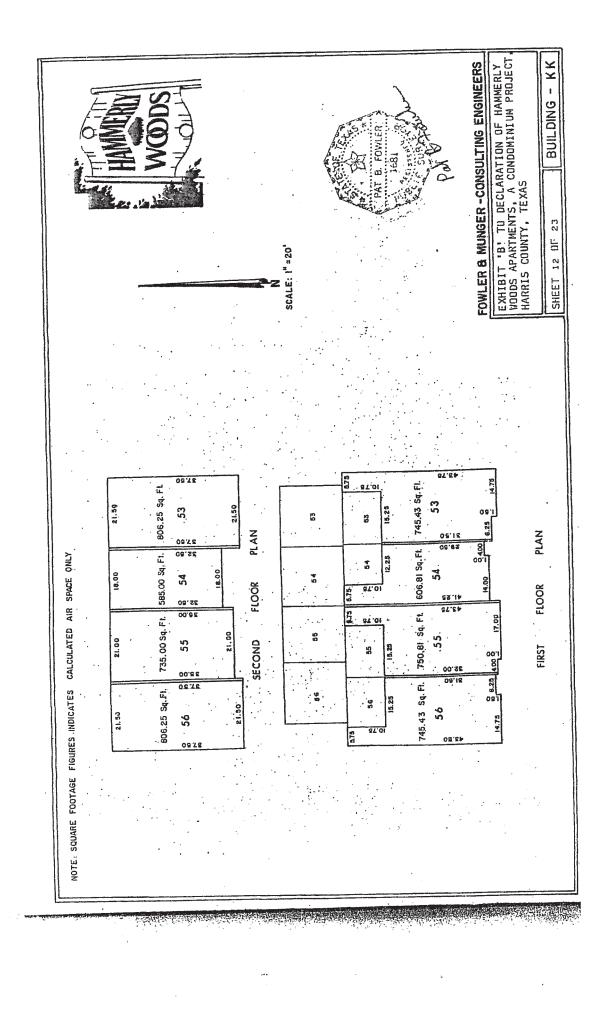


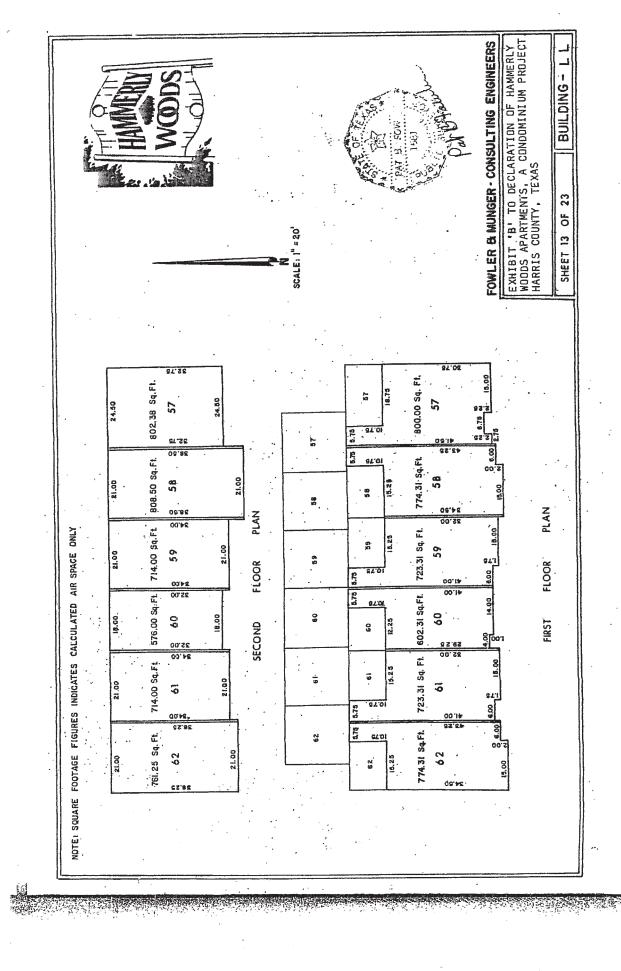


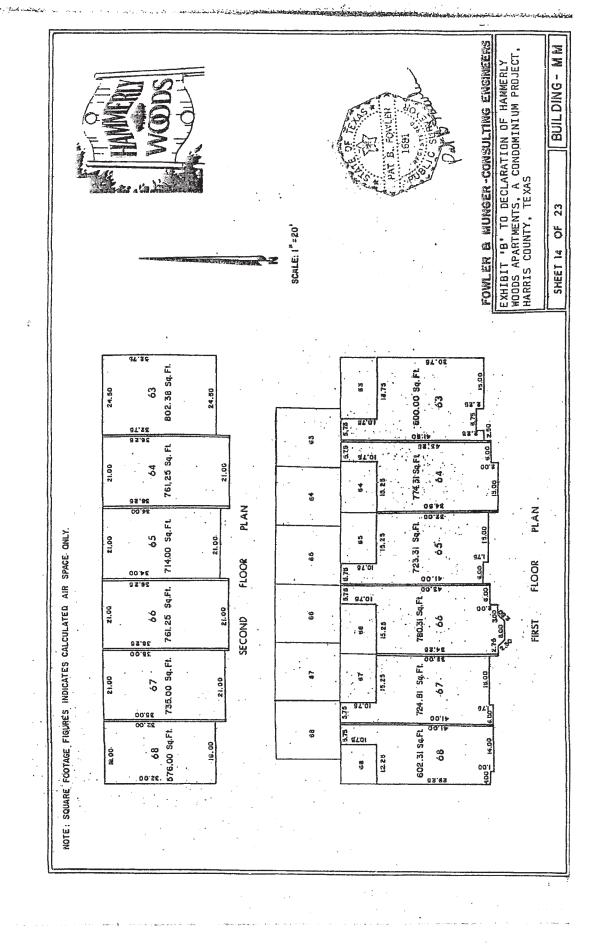


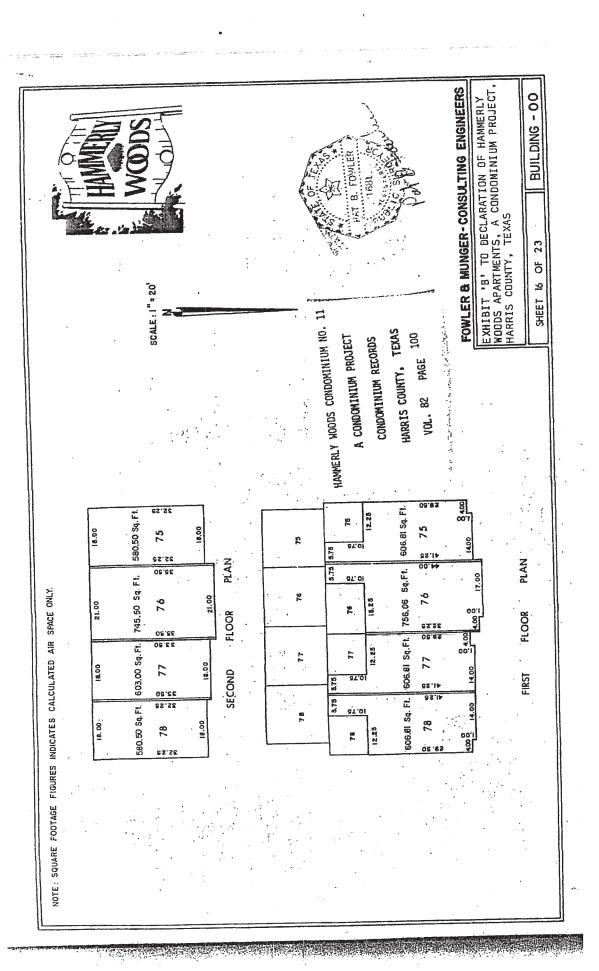


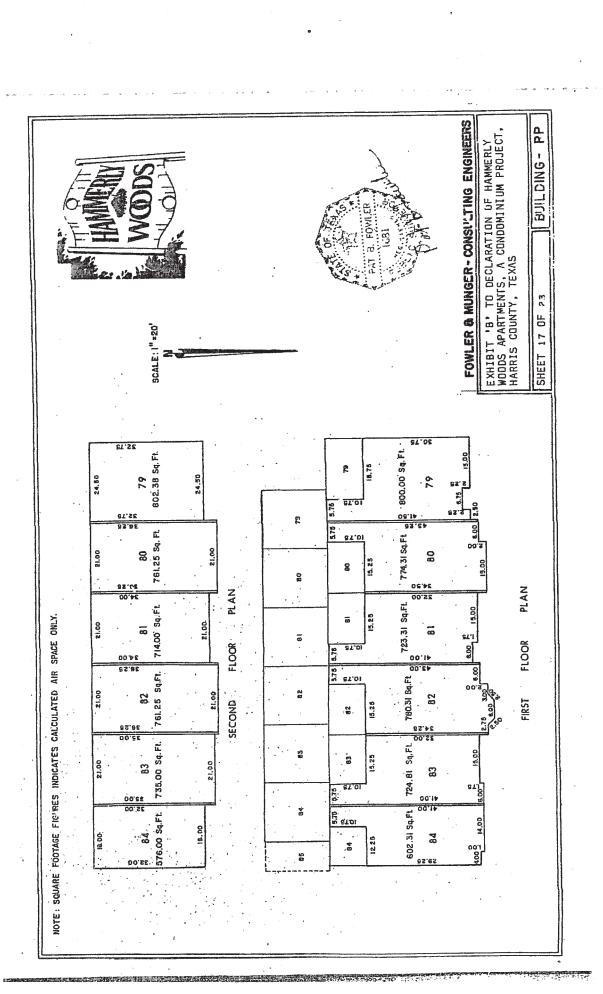


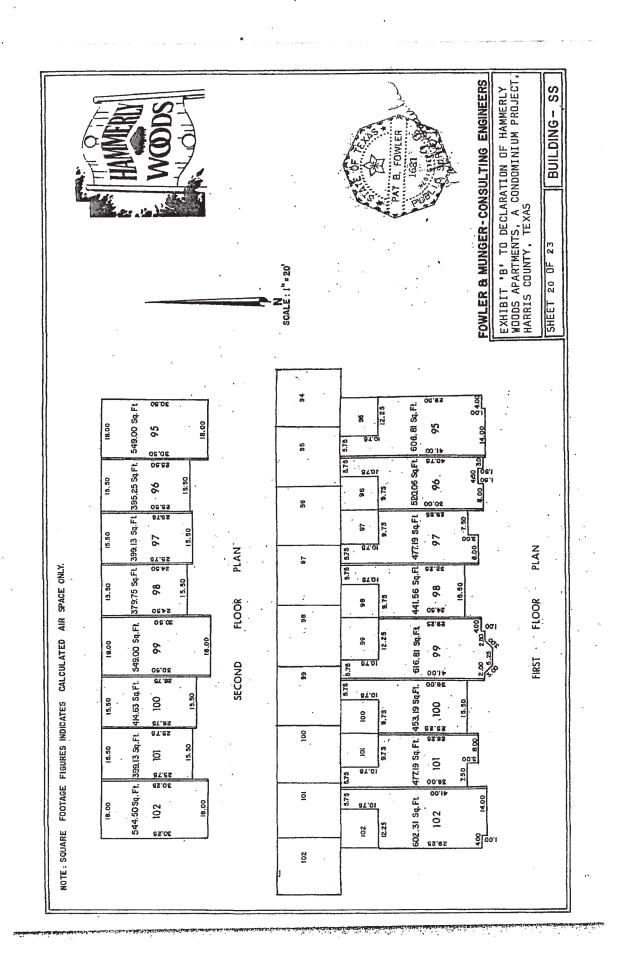


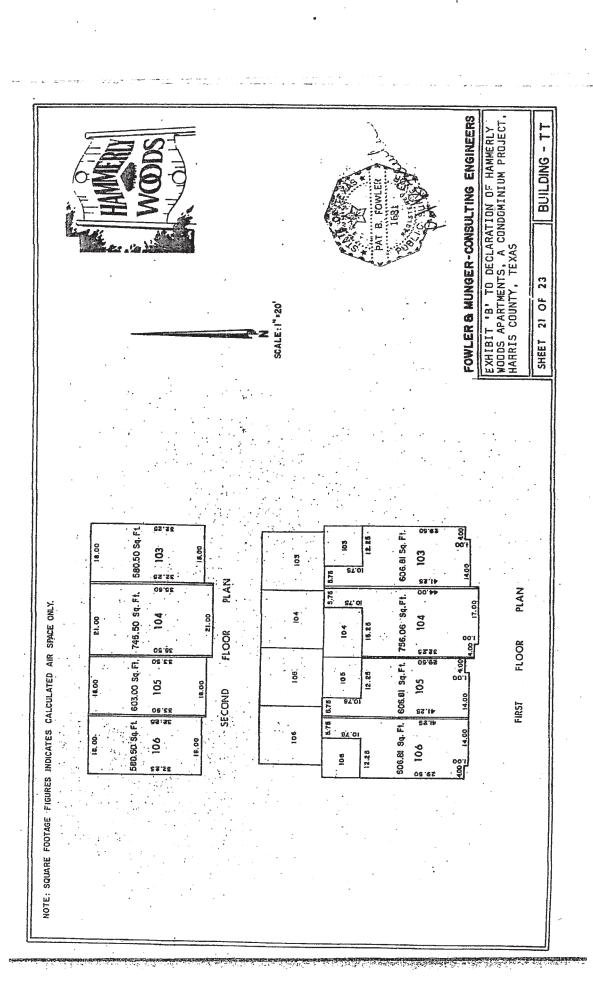


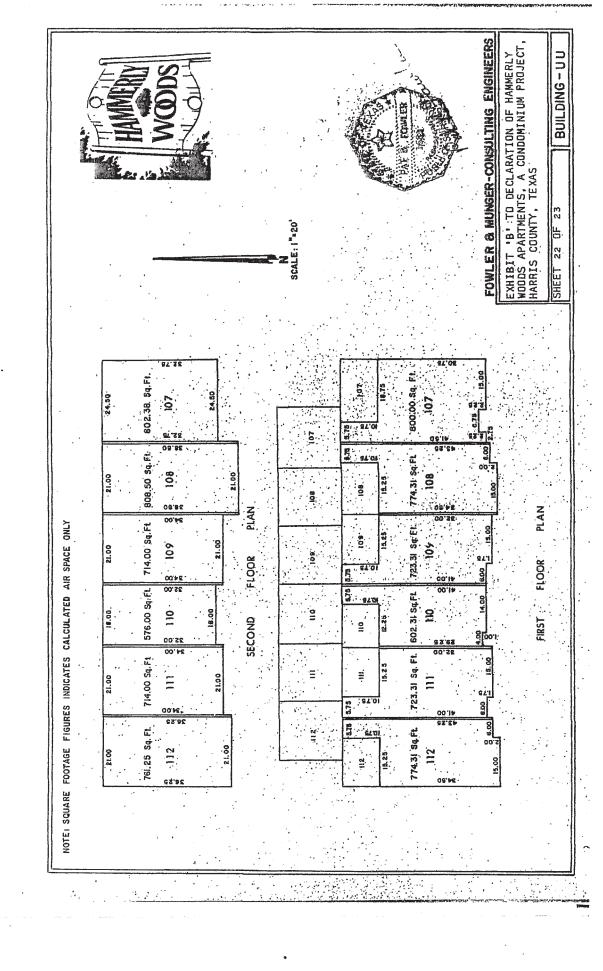


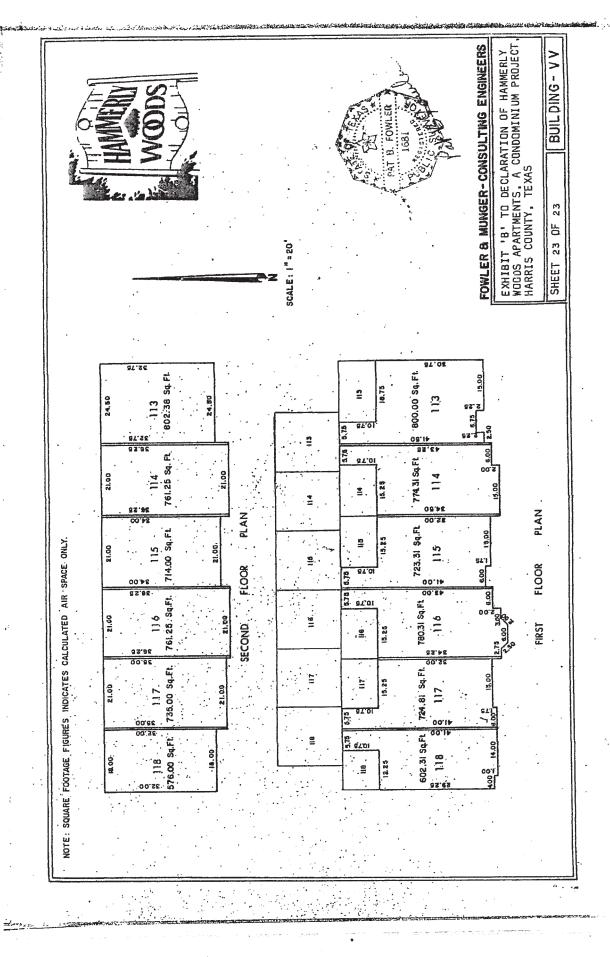


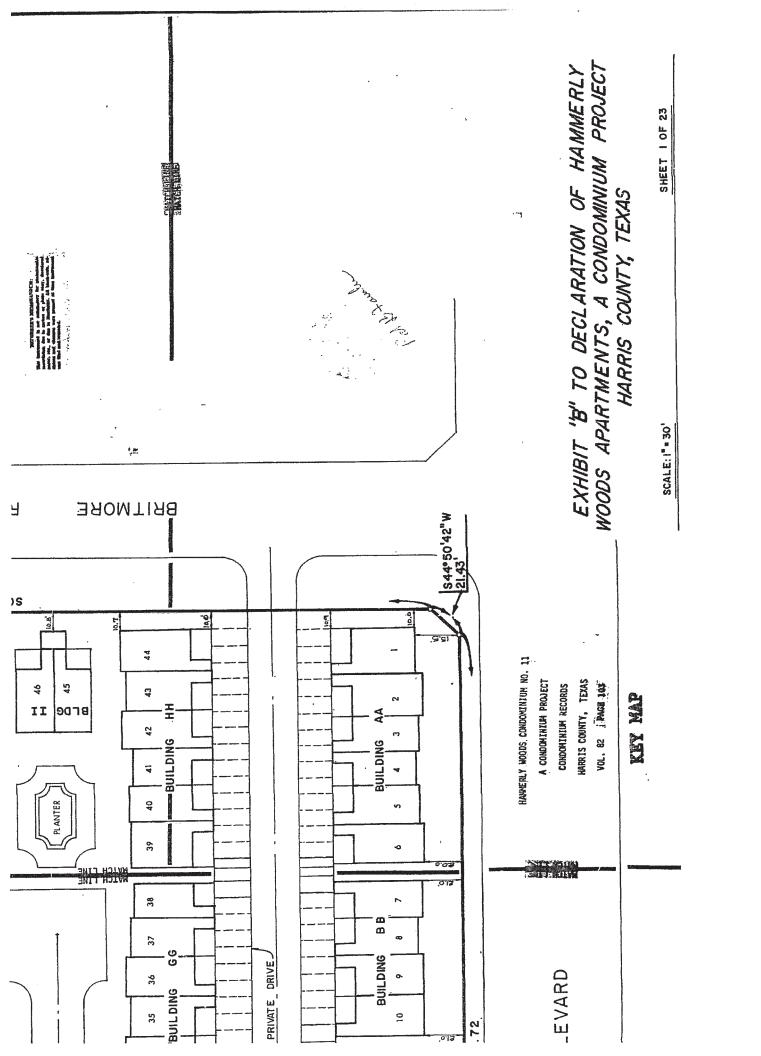


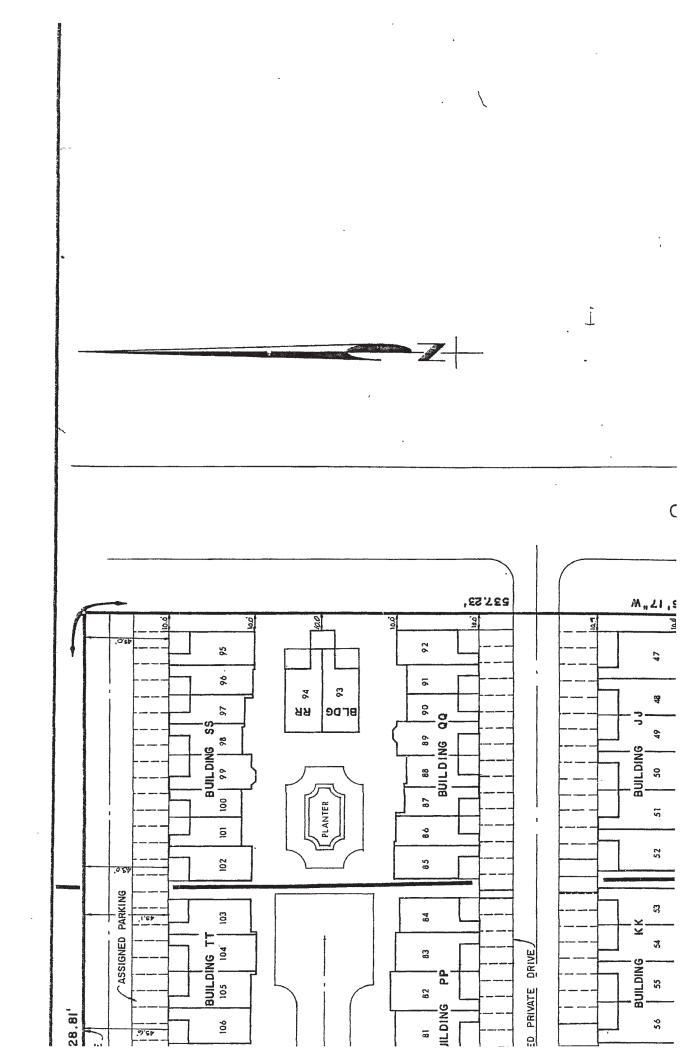


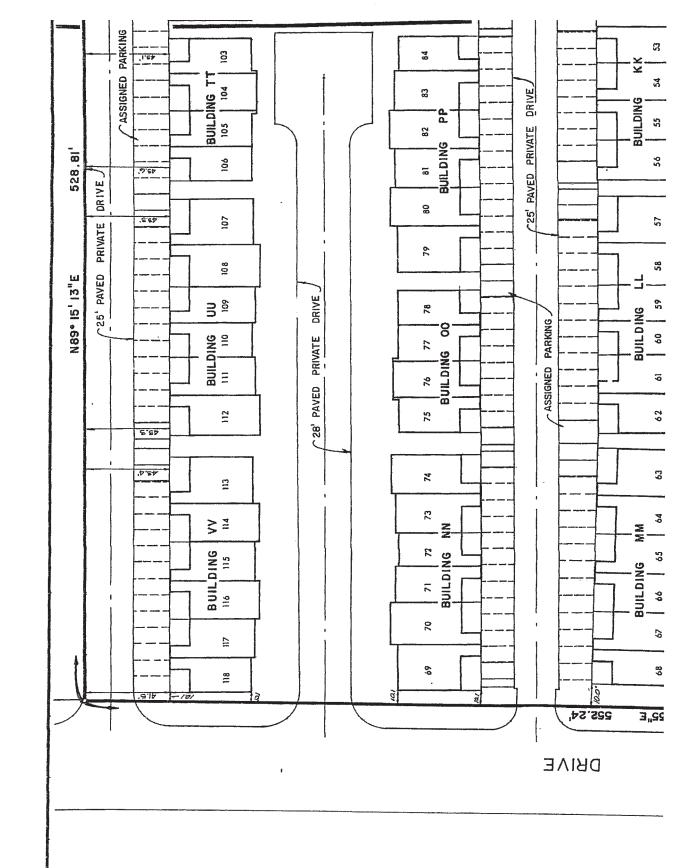


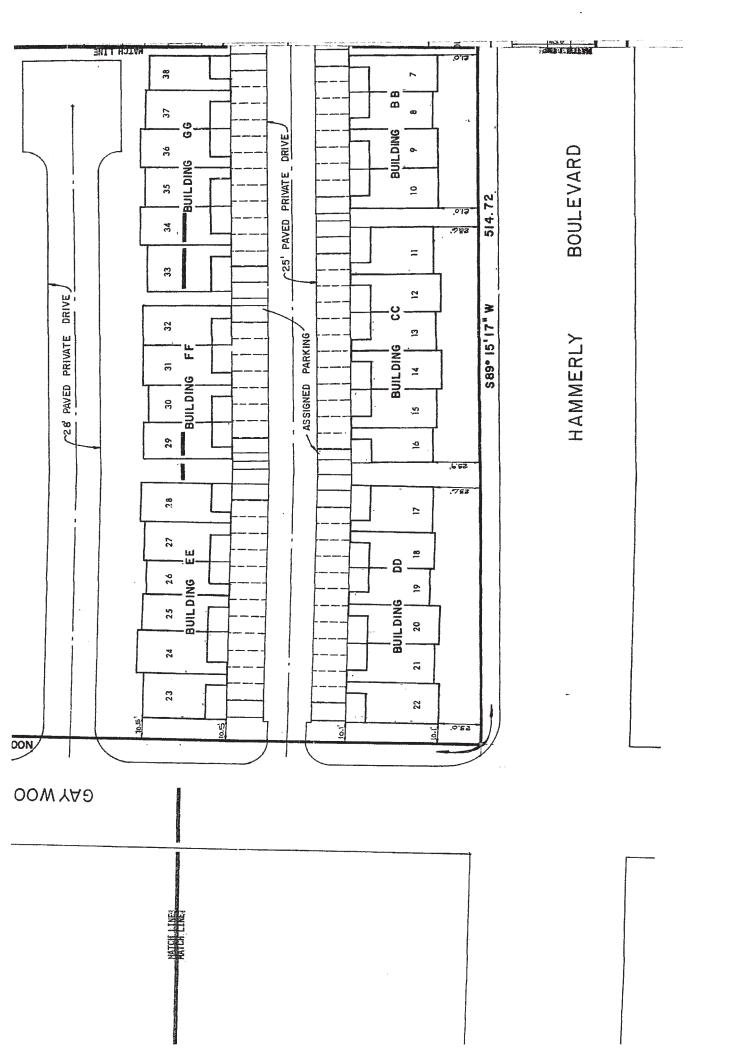


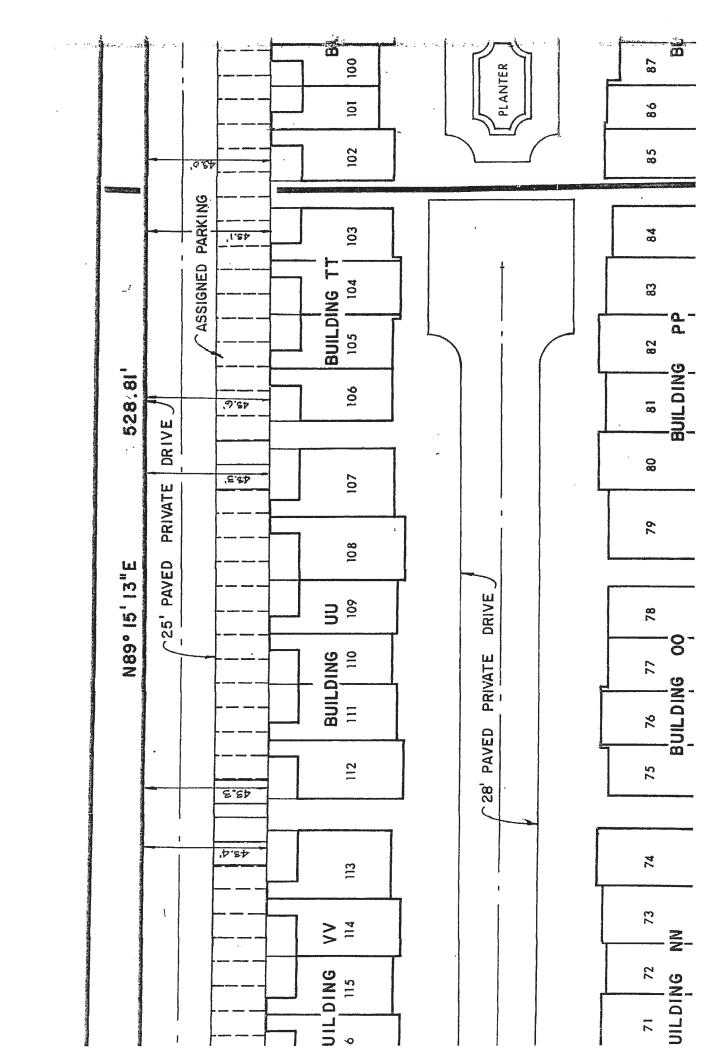


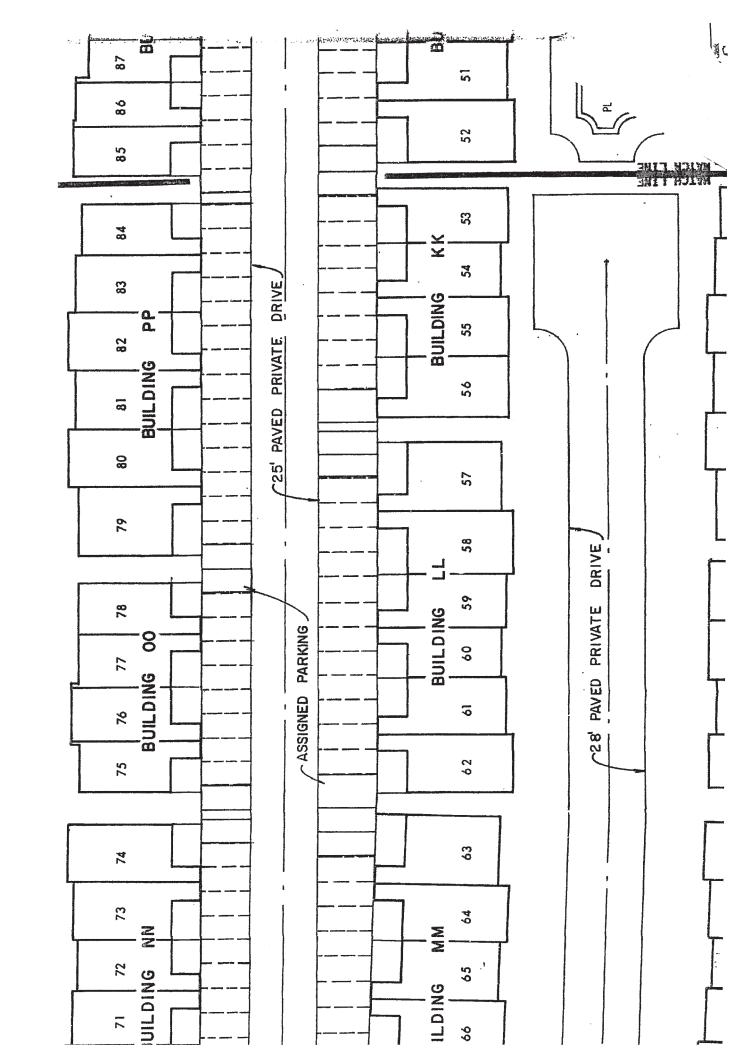


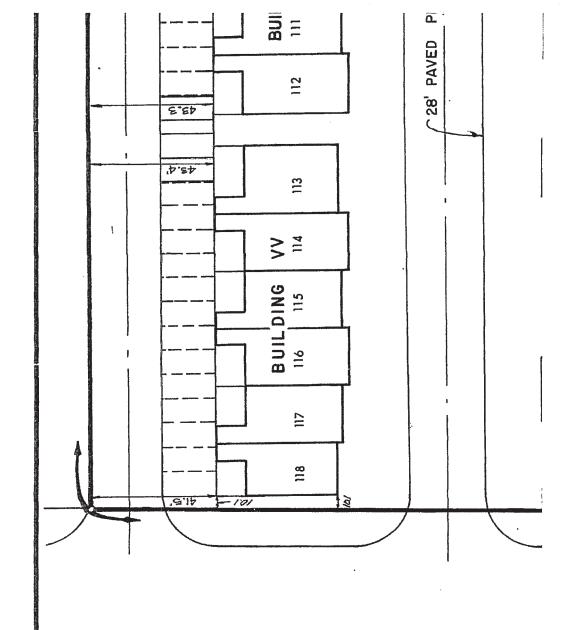










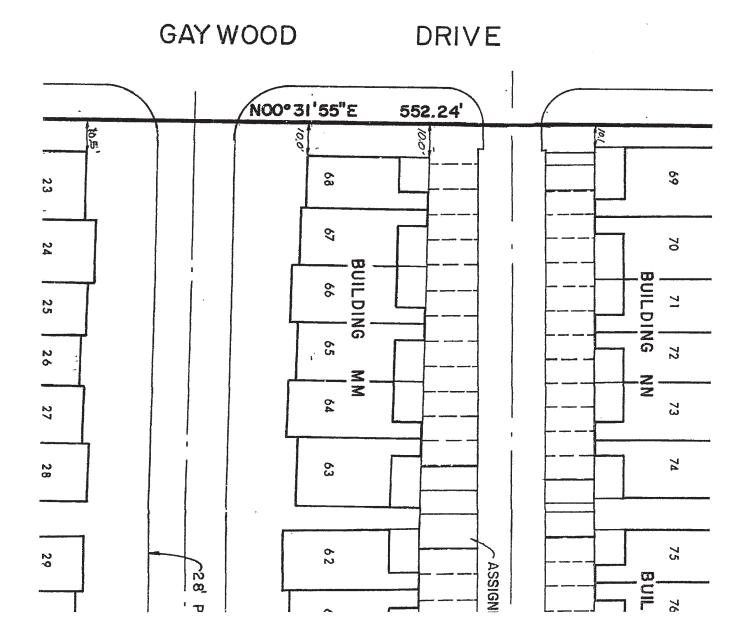


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A CONDOMINIUM PROJECT

CONDOMINIUM RECORDS

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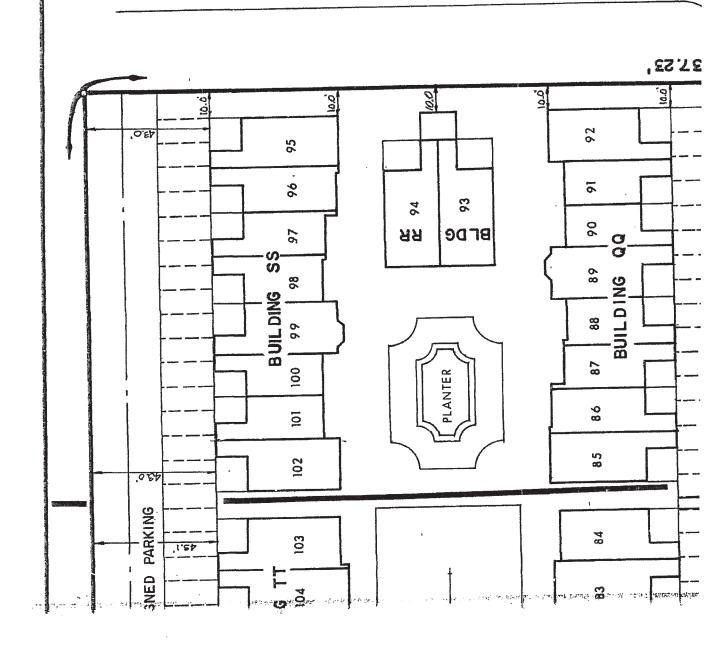
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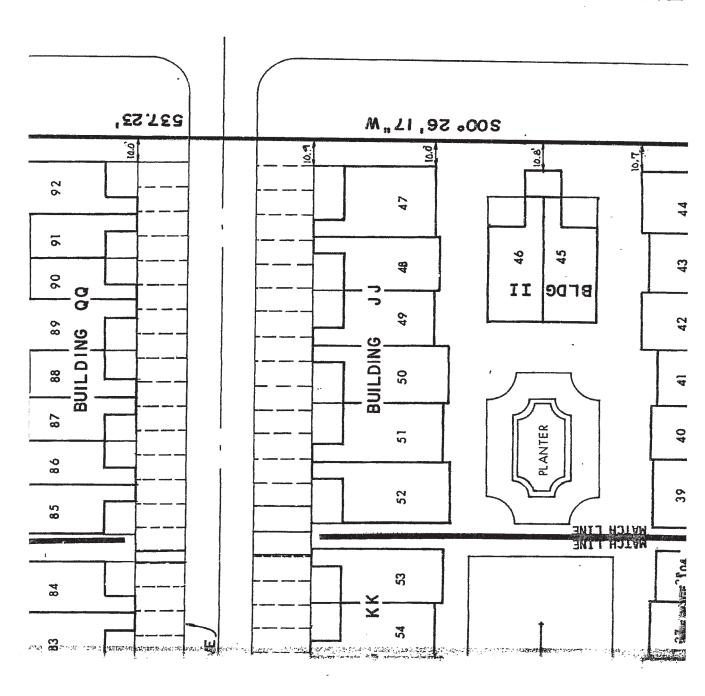
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VOL. 82 PAGE 105

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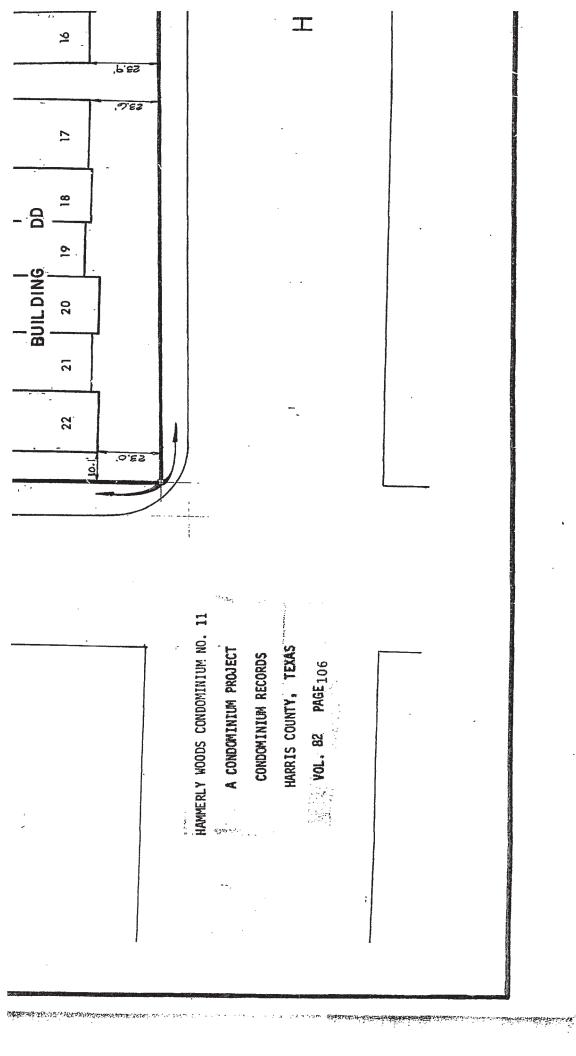
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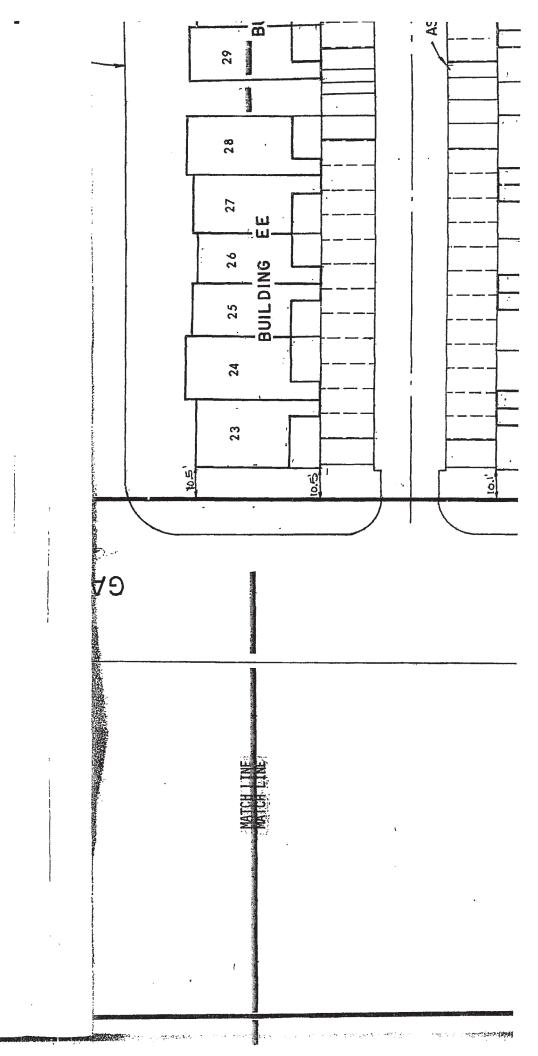


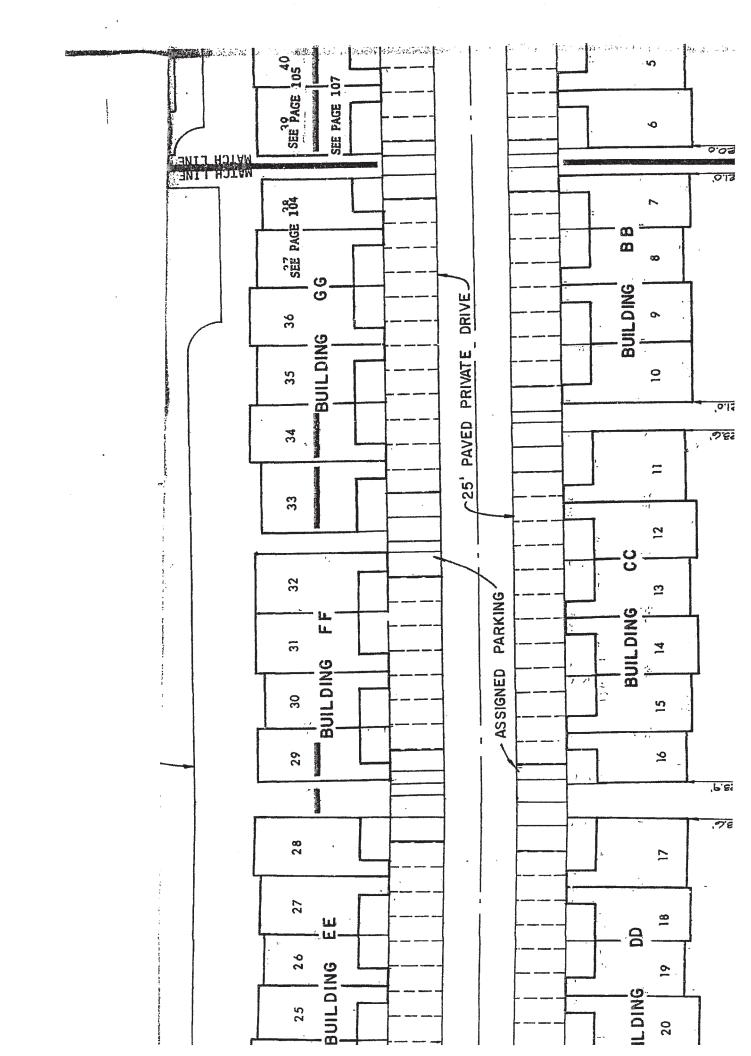


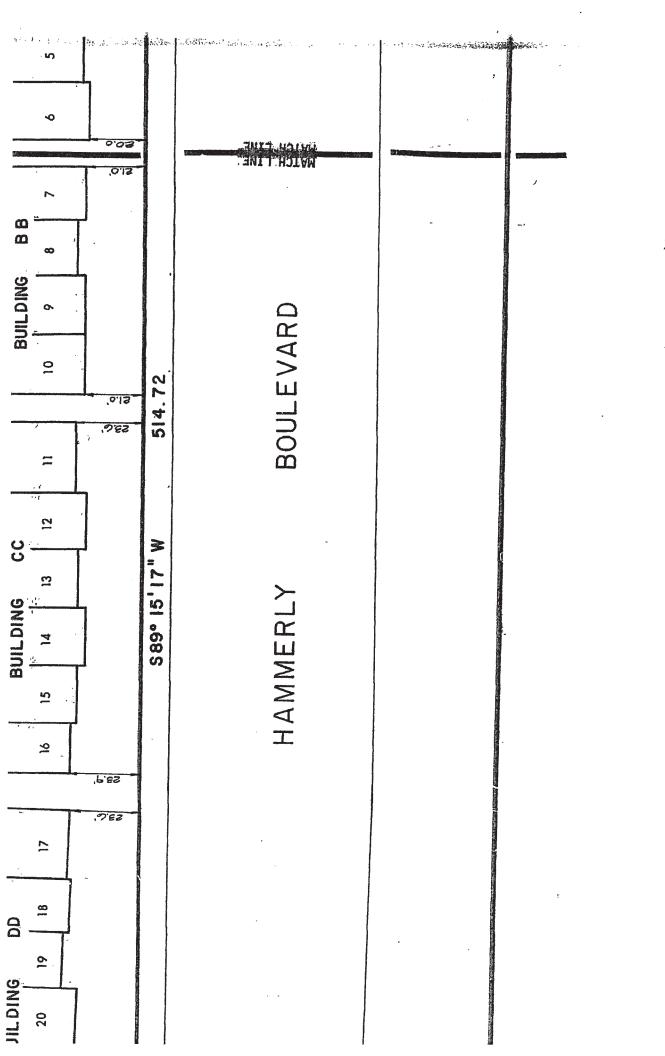
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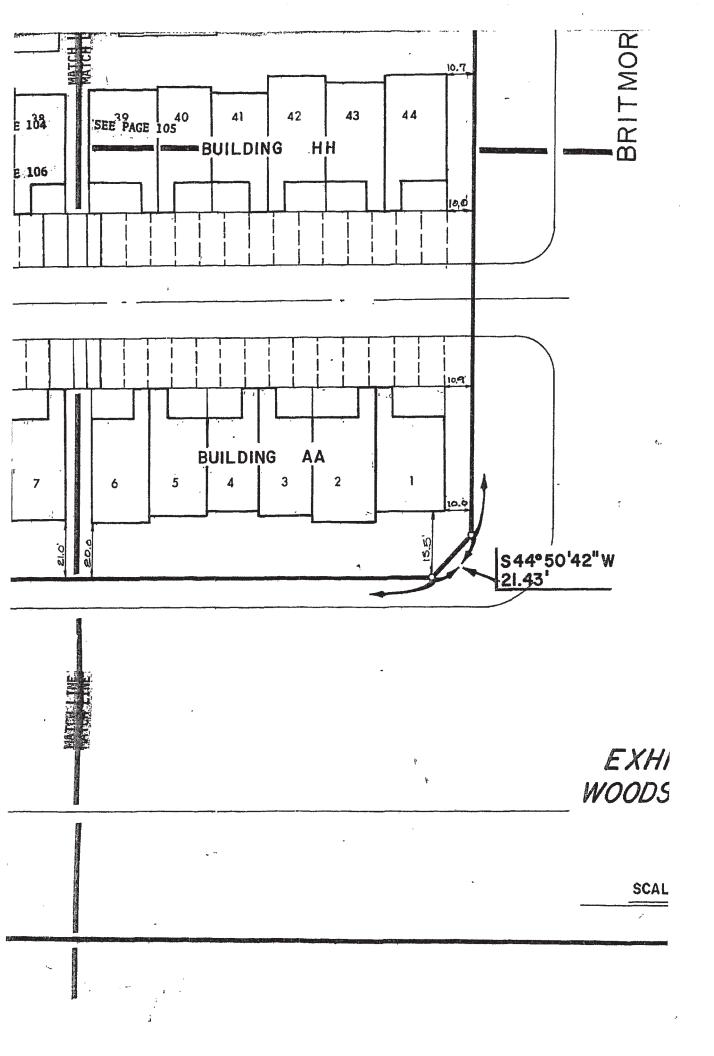
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A CONDOMINIUM PROJECT

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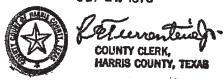
HARRIS COUNTY, TEXAS

VOL. 82 PAGE 107

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 bareon by me: and was suly RECORDED, in the Official Public Records of Real Property of Harris County, Texas als

SEP 12 1978



31T 'B' TO DECLARATION OF HAMMERLY
APARTMENTS, A CONDOMINIUM PROJECT
HARRIS COUNTY, TEXAS

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HAMMERLY WOODS CONDOMINIUM NO. 1
A CONDOMINIUM PROJECT

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EXHIBIT "D"

BY-LAWS OF HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I.

APPLICABILITY, MEMBERS, MEMBERSHIP AND DEFINITIONS

- SECTION 1. These By-Laws shall be applicable to HAMMERLY WOODS Condominium Association, Inc., a non-profit corporation of the State of Texas, hereinafter referred to as the "Association" to all of the members thereof as hereinafter defined, to the community and recreational facilities owned or leased by the Association and to each HAMMERLY WOODS Condominium which is now or may hereafter be created, hereinafter referred to as the "Condominiums."
- SECTION 2. All present and future owners, tenants, future tenants, their guests, invitees, licensees, agents, employees and any other person or persons that shall be permitted to use the facilities of the Association or of the Condominiums, shall be subject to these By-Laws and to the Rules and Regulations issued by the Association to govern the conduct of its members. Acquisition, rental or occupancy of any of the units in the Condominiums shall be conclusively deemed to mean that the said owner, tenant or occupant has accepted and ratified these By-Laws and the Rules and Regulations of the Association and will comply with them.
- SECTION 3. Unless it is plainly evident from the context that a different meaning is intended, as used throughout these By-Laws:
- (a) "Property" means and includes the land whether leasehold or in fee simple and the building, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto;
- (b) "Building" includes the principal structure or structures erected or to be erected upon the land described in the Declaration provided for in Section (g) which determines the use to be made of the improved land whether or not such improvement is composed of one (1) or more separate buildings containing one (1) or more floors or stories.
- (c) "Condominium Project" means a real estate condominium project; a plan or project whereby four (4) or more apartments, rooms, or other units in existing or proposed buildings or structures are offered or proposed to be offered for sale;

- "Condominium" means the separate ownership of single units or apartments in a multiple unit structure or structures with common elements;
- "Apartment" means an enclosed space consisting of one (1) or more rooms occupying all or part of a floor or floors in a building if one (1) or more floors or stories, provided it has a direct exit to a thoroughfare or to a given common space leading to a thoroughfare;
- "Developer" means OLSON-LIVELY ENTERPRISES, INC., its successors or assigns;
- "Master Deed" or "Master Lease" or "Declaration" means the deed, lease or declaration establishing the property as a condominium regime;
- "Co-owner" means a person, firm; corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns an apartment or apartments within the condominium project;
- "Council of Co-owners" means all the Co-owners as defined in Subsection (h) of this section:
- "Majority of Co-owners" means the apartment owners with fiftyone (51%) percent or more of the votes weighed so as to coincide with percentages or fractions assigned in the Declaration;
- "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof;
 - "Unit or Dwelling Unit" are synonomous with "apartment". (1)
 - "General Common Elements" means and includes: (m)
- The land, whether leased or in fee simple, on which the building stands;
- The foundations, bearing walls and columns, roofs, halls, lobbies, stairways and entrances and exits or communication ways;
- The basements, flat roofs, yard and gardens except as provided or stipulated;
- The premises for the lodging of janitors or persons in charge of the building, except as otherwise provided for or stipulated;

- 5. The compartments or installation of central services such as power, light, gas, cold and hot water, refrigeration, central air conditioning and central heating, reservoirs, water tanks and pumps, and the like;
- 6. The garbage incinerators and, in general all devices or installations existing for common use; and
- 7. All other elements of the building desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime, and any other elements described in the Declaration filed pursuant to Section (g).
- (n) "Limited Common Elements" means and includes those common elements which are agreed upon by all of the Co-owners to be reserved for the use of a certain number of apartments to the exclusion of the other apartments, such as:
 - (i) parking spaces designated with a Unit Number corresponding to a Unit Number as described on the condominium subdivision plan attached hereto as Exhibit "B".
 - (ii) patios designated with a Unit Number corresponding to a Unit Number as described on the condominium subdivision plan attached hereto as Exhibit "B".
- (6) "To Record" means to record in the office of the County Clerk of the county in which the property is situated in accordance with the provisions of Title 115, Revised Civl Statutes of Texas, 1925, as amended.
- (p) All pronouns used herein include the singular or plural numbers, as the case may be.
- SECTION 4. Except as otherwise provided, membership in the Association shall be limited to the owners or Co-owners of apartments in the Condominiums, provided that whenever title to a unit is vested in two or more persons, such Co-owners shall be entitled jointly to one vote for their particular apartment.

In the event that a member shall lease or permit another to occupy his Condominium unit, the tenant or occupant shall be permitted to enjoy the recreational and community facilities of the Association but shall not vote in the affairs of the Association except as the member shall permit the tenant or occupant to exercise the proxy vote of the member. The use of community and recreational facilities of the Association shall be limited to occupants of apartments and their guest and invitees.

In the event that a member shall mortgage his unit, the lien of the mortgage shall be deemed to attach to the member's rights, privileges and obligations in the Association, including the right to vote in the affairs of the Association so that if the member shall be in default of any of the terms of the mortgage and such default shall result in foreclosure thereof, the member's membership in the association shall automatically terminate and all of the rights, privileges and obligations of membership shall inure to the mortgagee and its assigns or purchaser at foreclosure.

Every lawful transfer of title to a member's apartment shall include membership in the Association and upon making such transfer, the previous owner's membership shall automatically terminate and fully vest in the new owner.

Except as provided above, membership in the Association may not be assigned or transferred and any attempted assignment or transfer thereof shall be void and of no effect.

SECTION 5. Evidence of membership and ownership in the Association may be evidenced by a membership card issued to each member of the Association.

ARTICLE II

PRINCIPAL OFFICE

SECTION 1. The principal office of the Association shall be located at 11002 Hammerly Boulevard, Houston, Texas 77043 but may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Directors.

MEETING OF MEMBERS: VOTING

- SECTION 1. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.
- on the Fourth Tuesday in March of each year. At each annual meeting, there shall be elected by a ballot of a majority of the members entitled to vote, the Directors of the Association in accordance with the provisions of Article V, Section 2 of these By-Laws. The members may also transact such other business as may properly come before the meeting.
- SECTION 3. The Secretary shall mail notices of annual meetings to each membe of the Association, directed to his last known post office address as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall

be mailed not less than ten days nor more than twenty days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at their residence in their absence.

SECTION 4. The President may call a special meeting of the members of the Association, and it shall be the duty of the Association whenever he is directed to do so by resolution of a majority of the Directors or upon presentation to the Secretary of a petition signed by 33-1/3% of the members entitled to vote at such meeting.

SECTION 5. The Secretary shall mail notice of such special meeting to each member of the Association in the manner provided in Section 3 of this Article, except that notices of such special meetings shall be mailed not less than five nor more than ten days before the date fixed for such meetings. In lieu of mailing notice as herein provided, such notice may be delivered by hand to the members or left at their residence in their absence. No business shall be transacted at any special meeting except as stated in the notice thereof unless by consent of two-thirds of the members entitled to vote at such meeting either in person or by proxy.

SECTION 6. The Secretary shall compile and keep up to date at the principal office of the Association, a complete list of the members and their last known post office addresses. Such list shall also show opposite each member's name the number of the dwelling unit owned by him, the parking space assigned to said unit and the percentage of ownership of the member in the common elements in the particular Condominium in which his unit is located. This list shall be open to inspection by all members and other persons lawfully entitled to inspect the same at reasonable hours during regular business days. The Secretary shall also keep current and retain custody of the minute book of the Association, containing the minutes of all annual and special meetings of the Association and all resolutions of the Directors.

SECTION 7. Each Condominium apartment shall have one vote in the Association. If a member owns more than one apartment, he shall be entitled to one vote for each unit owned. The vote of an apartment unit shall not be divisible among co-owners.

SECTION 8. A member shall be deemed to be in "good standing" and "entitled to vote" at any annual or special meeting of the Association if, and only if, he shall have fully paid all assessments made or levied against him and his unit by the Directors as hereinafter provided, together with all interest, costs, attorney's fees, penalties and other expenses, if any, properly chargeable to him and against his unit, at least three days prior to the date fixed for such annual or special meetings.

SECTION 9. Except as otherwise provided in these By-Laws, the presence in person or by proxy of members representing a majority of the total number of votes in the Association shall constitute a quorum at any annual or special meeting of members. If any meeting of members cannot be organized because a quorum has not attended, the members present, either in person or by proxy, may adjourn the meeting to a time not less than eighteen hours from the time the original meeting was called. In the event of any such adjourned meeting, no further notice of the adjourned date need be given to any of the members.

SECTION 10. Votes may be cast either in person or by proxy. Proxies must be in writing and filed with the Secretary at least two days before the time appointe for each meeting in the notice thereof.

SECTION 11. All decisions shall require for passage, the affirmative vote of at least a majority of the members in good standing and entitled to vote and who vote in person or by proxy.

SECTION 12. The order of business at all annual meetings of the members of the Association shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Certification to minutes of Association of names of members in good standing and entitled to vote;
- (d) Reading of minutes of preceding meeting;
- (e) Reports of committees;
- (f) Reports of officers;
- (g) Appointment of inspectors of election;
- (h) Election of Directors;
- (i) Unfinished business;
- (j) New business.

ARTICLE IV

OBLIGATIONS OF MEMBERS

SECTION 1. Each member shall perform promptly and at his own risk, cost and expense, all maintenance and repair work with respect to the portion of each apartment owned by him which does not comprise a part of the common elements and which, it omitted, would adversely affect or jeopardize the safety of the Condominium in which his unit is located or any part of parts thereof belonging in whole or in part to other members and each member shall be liable for any damages, liabilities, costs or expenses, including attorney's fees, caused by or arising out of his failure to promptly perform any such maintenance and repair work.

- SECTION 2. Each member shall be obligated to reimburse the Association for any expenses incurred by it in repairing or replacing any part or parts of the common elements damaged solely by his negligence or by the negligence of his tenants, agents, guests, invitee or licensees, promptly upon the receipt of the Association's statement therefor.
- That the owner or co-owners of each unit are bound to contribute pro rata in the percentage of their ownership in the common elements as set out in Exhibit "C" attached to the Declaration hereto, toward the expenses of administration, maintenance, repair, and replacement of the said common elements within the particular condominium of which it is a part. As to expenses of administering and maintaining the Association and all of its real and personal property in such amount as shall from time to time be found by the Association to be necessary, including but not limited to expenses for the operation, maintenance, repair or replacement of the Association buildings, grounds, or facilities; the maintenance, operation, repair or replacement of the recreational facilities; or costs of carrying out the duties and powers of the Association; compensation of Association employees, insurance premiums and expenses relating thereto; taxes which may be assessed against Association property and other expenses of the Association set forth herein, or in the Declaration attached hereto, or which may be designated by the Board of Directors of such Association as "common expenses," each owner or co-owner of each unit are bound to contribute pro rata to such expenses as designated proportionate to the ratio as the total expenses bears to the total number of units owning interest in and administered by said Association, at any given time, as more fully set out in Article XIII hereof. No owner may exempt himself from contributing toward such expense, either as an owner or co-owner of a unit in the particular condominium of which it is a part, or in the said HAMMERLY WOODS Condominium Association, Inc. by waiver of the use of or enjoyment of the common elements or the community or recreational facilities of the Association or by abandonment of the unit owned by him.
- SECTION 4. Payment by the member of his share of the aforesaid expenses shall be made in the amount from time to time fixed by the Directors, to the Treasurer of the Association at the principal office of the Association or such other place as shall be designated by the Directors.
- SECTION 5. All such charges and expenses chargeable to a member and his dwelling unit shall constitute a lien against the said unit in favor of the Association for the use and benefit of the members of the Association prior to all other liens except (1) assessments, liens and charges for taxes past due and unpaid on the unit, and (2) payments due under purchase money mortgage instruments of encumbrance, if any, duly recorded. The said lien may be foreclosed in the manner provided for the foreclosure and sale of real estate mortgages and in the event of foreclosure, the Association shall, in addition to the amount due, be entitled to recover reasonable expenses of the action including court costs and reasonable attorney's fees.

The right of the Association to foreclose the lien aforesaid shall be in addition to any other remedy which may be available to it at law for the collection of the charges and expenses including the right to proceed personally against any delinquent member for the recovery of a personal judgment against him for the amount due, court costs and reasonable attorney's fees.

- SECTION 6. In the event a member shall fail to pay any assessment levied against him and the Condominium unit owned by him for the maintenance of the common elements of the Condominium in which his unit is located, for the expenses of administering, maintaining and operating the community and recretional facilities of the Association or any other expense lawfully agreed upon, within ten days after the same shall become due and payable, the Association shall be entitled to foreclose the lien referred to in the preceding section.
- SECTION 7. Upon the sale, conveyance or other lawful transfer or title to a unit, all unpaid assessments against a member for his pro rata share of the expenses of administration, maintenance and repair of the common elements and the community and recreational facilities of the Association and other expenses agreed upon, shall first be paid out of the sales price or by the acquirer in preference over any other assessments or charges of whatever nature except the following:
- (a) Assessments, liens and charges for taxes past due and unpaid on the dwelling unit, and
- (b) Payments due under purchase money mortgage instruments of encumbrance, if any, duly recorded.
- SECTION 8. The acquirer of a Condominium apartment shall be jointly and severally liable with the seller for the amounts owing by the latter to the Association up to the time of the conveyance or transfer, without prejudice to the acquirer's right to recover from the seller the amount paid by him as such joint debtor. The Association shall provide for the issuance, and issue to every acquirer upon his request, a statement of such amounts due by the seller and the acquirer's liability under this Section shall be limited to the amount as set forth in said statement.
- SECTION 9. All units shall be utilized for residential purposes only. A membe shall not make structural modifications or alterations in his unit or installations lo cated therein without the written consent of the Directors.
- SECTION 10. The Association shall have the irrevocable right, to be exercised by the Directors or Manager of the Association, or any duly authorized agent, to have access to each dwelling unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the common elements therein or accessible therefrom or for making emergency repairs therein necessary to prevent damage to the common elements or to another dwelling unit or units.



SECTION 11. Each member shall comply strictly with these By-laws and with the administrative Rules and Regulations adopted pursuant thereto including swimming pool and recreational facilities rules as either of the same may be lawfully amended from time to time and with the covenants, conditions and restrictions set forth in the Declaration and in the Deed to his unit. Failure to comply with any of the same shall be grounds for a civil action to recover sums due, for damages or injunctive relief, or both, plus Court costs and reasonable attorney's fees; maintainable by the Association on behalf of the Council of Co-owners, or, may be brought as a class action.

ARTICLE V

BOARD OF DIRECTORS

- SECTION 1. The affairs of the Association shall be governed by a Board of Directors consisting of seven (7) persons each of whom shall be either a member of the Association or an officer, director, employee or designed of the Developer.
- SECTION 2. At the first annual meeting of the Association, two Directors shall be elected to serve for a term of three years, two Directors shall be elected to serve for a term of two years and the remaining three Directors shall be elected to serve for the term of one year. At the expiration of the initial term of each Director, his successor shall be elected to serve for a term of three years, provided that each Director shall continue to hold office until his successor is elected. Directors shall serve without compensation.
- SECTION 3. If the office of any Director shall become vacant by reason of his death, resignation, retirement, disqualification removal from office or otherwise, the remaining Directors, at a special meeting duly called for such purposes, shall choose a successor, who shall hold office until the next annual meeting of the members and his re-election or the election of his successor at such meeting. The person so elected shall serve for the unexpired term in respect to which such vacancy occurred.
- SECTION 4. Directors may be removed with or without cause, by the affirmative vote of two-thirds of the members in good standing and entitled to vote at such annual or special meeting of members duly called for such purpose.
- SECTION 5. The first or organizational meeting of each newly elected Board of Directors shall be held immediately upon adjournment of the meeting of members at which they were elected and at the same place where the meeting of members was held, provided a quorum is present. If a quorum of the Board is not then present, such first or organizational meeting shall be held as soon thereafter as may be practicable provided notice is given to each Director as set forth in Section 8 of this Article.

SECTION 6. Regular meetings of the Board of Directors may be held at such time and place permitted by law as from time to time may be determined by the Directors, but at least four such meetings shall be held in each fiscal year. Notice of regular meetings of the Board shall be given to each Director personally, by telegram or by United States mail, with postage prepaid, directed to him at his last known post office address as the same appears on the records of the Association, at least five days before the date appointed for such meeting. Such notice shall state the date, time and place of such meeting and the purpose thereof.

SECTION 7. Special meetings of the Board of Directors may be called by the President of the Association on three days' written notice to each Director, given in the same manner as provided in Section 6 of this Article. Special meetings of the Board shall be called by the President or the Secretary in like manner upon the written request of any two Directors.

SECTION 8. Before any meeting of the Board of Directors, whether regular or special, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall likewise constitute a waiver by him of such notice. If all Directors are present at any meeting of the Board, no notice of such meeting shall be required and any business may be transacted at such meeting except as prohibited by law or by these By-Laws.

SECTION 9. At all duly convened meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business except as otherwise expressly provided in these By-Laws or by law, and the acts of the majority of the Directors present at such meeting at which a quorum is present, shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, the Director or Directors present may adjourn the meeting from time to time, and at any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting as originally called, may be transacted without further notice to any Director.

SECTION 10. The Board of Directors shall have and exercise all lawful powers and duties necessary for the proper conduct and administration of the affairs of the Association and the operation and maintenance of a residential Condominium project and may do or cause to be done all such other lawful acts and things as are not by law, by these By-Laws or otherwise, directed or required to be done or exercised by members of the Association or owners of units, or by others. In the performance of its duties as the administering body of the Association and of the Condominiums being administered by said Association, the Board of Directo shall have powers and duties including, but not limited to, the following:

The operation, maintenance, renewal, replacement, care, upkeep, protection and surveillance of the buildings in each Condominium, their general and limited common elements and services and the

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community and recreational facilities and all other property, real or personal, of the Association.

The preparation prior to the beginning of each fiscal year of a B. budget or estimate for the annual expenses of the operation of the Association, the expenses of the operation of the community and recreational facilities, and reasonable reserves for depreciation, retirements and renewals. The total amount of such budget or estimate shall be assessed against all of the dwelling units and the respective owners thereof, in the proportionate shares and percentages applicable to the units owned by them as set forth in the Declaration, and prorated as set forth in Article XIII herein to include the owners and units in all Condominiums which are now, or may hereafter, be administered by the Association, The proportionate amounts thus found applicable to each dwelling unit shall be payable by the owner thereof to the Association in equal installments, in advance, said billing dates to be determined by the Directors.

- C. By majority vote of the Board, to adjust or increase the amount of any annual assessment and equal installments, and to levy and collect in addition thereto, special assessments in such amounts as the Board may deem proper, whenever the Board is of the opinion that it is necessary to do so in order to meet increased operating or maintenance costs, or additional capital expenses, or because of emergencies; provided, however, that all such increased or special assessments shall be made or levied against such owners and the family units owned by them respectively, in the same proportions or percentages as provided in Subsection (B) of Section 10 of this Article.
- To use and expend any sums collected from such assessments or levies D. for the operation, maintenance, renewal, care, upkeep, surveillance and protection of the common elements, community and recreational facilities of the Association and all of its real and personal property.
- E. To require all officers and employees of the Association handling, or responsible for funds of the Association or fund in it possession or under its control to furnish adequate fiduciary bonds, in form, penalties and with corporate surety satisfactory to the Board of Directors. The premiums on such bonds shall be paid by the Association as part of the common expenses.

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- F. To pay all taxes and assessments levied or assessed against any property of the Association, exclusive of any taxes or assessments levied against any individual dwelling unit or otherwise properly chargeable to the owners thereof.
- To employ and dismiss such clerks, stenographers, workmen, janitors, gardeners, watchmen and other personnel, and to purchase or arrange for such services, machinery, equipment, tools, materials and supplies, as in the opinion of the Board of Directors may from time to time be necessary for the proper operation and maintenance of the Condominiums, and the community and recreational facilities of the Association, except the portions thereof required to be maintained by owners of dwelling units. The Board of Directors may also employ a Manager for the Association, at such compensation as may be established by the Board, to perform such duties and ser-

vices as the Board may lawfully delegate.

- for or in connection with the operation, maintenance, repair, renewal or protection of any common elements, or to prevent damage to the common elements or any dwelling units, or in emergencies, provided that such entry and work shall be done with as little inconvenience as possible to the owners and occupants of such dwelling units. Each owner shall be deemed to have expressly granted such rights of entry by accepting and recording the Deed to his Condominium unit.
- I. To collect delinquent levies or assessments made by the Association through the Board of Directors against any dwelling units and the respective owners thereof, together with such costs and expenses incurred in connection therewith, including but not limited to Court costs and attorney's fees, whether by suit or otherwise, to abate nuisances and enforce observance of the Rules and Regulations relating to the Condominiums, by injunction or such other legal action or means as the Board of Directors may deem necessary or appropriate.
- J. To employ or retain legal counsel, engineers and accountants and to fix their compensation whenever such professional advice or services may be deemed necessary by the Board for any proper purposes of the Association, including but not limited to in these By-Laws.
- K. To borrow money and sign any Promissory notes and accompanying documents in connection therewith, with consent of two-thirds of the members in good standing and entitled to vote.

MINIUM NO. 11

PROJECT

TEXAS

- L. To hire an outside agent and/or management firm to perform all duties and services required by these By-Laws.
- M. To enter into any necessary contracts or agreements for the operation and administration of the corporation or the Condominiums being administered by the Association, with private parties or any governmental agency.
- N. To cause such operating accounts, and escrow and other accounts, if any, to be established and opened as the Board of Directors may deem appropriate from time to time and as may be consistent with good accounting practices.
- O. 1. To cause a complete audit of the books and accounts of the Association to be made by an independent certified public accountant at the end of each fiscal year, and at such other time or times as may be deemed necessary. The Board of Directors shall also prepare at the end of each fiscal year and furnish to the owner of each dwelling unit a report of the business and affairs of the Association, showing its transactions and reflecting fully and accurately its financial condition.
 - 2. To keep detailed books of account of the receipts and expenditures affecting each Condominium and its administration and specifying the maintenance and repair expenses of the common elements and all other expenses incurred.
- P. To make and enforce compliance with such Rules and Regulations relative to the operation, use and occupancy of the dwelling units, common elements and Association facilities, and to amend the same from time to time as the Board shall deem necessary or appropriate which Rules and Regulations when approved by appropriate resolutions shall be binding on the owner and occupant of dwelling units, their successors in title and assigns. A copy of such Rules and Regulations and copies of any amendments thereof shall be delivered or mailed to each owner of a family unit promptly upon the adoption thereof or posted in a conspicuous place in the Community Building.
- Q. 1. The Board of Directors, or its designee, shall be required to obtain and maintain, to the extent obtainable, the following insurance, (1) fire insurance with broad form fire and extended coverage, vandalism and malicious mischief endorsements, insuring all the buildings containing the units and common elements therein (including in all units, the fixtures, appliances and carpeting initially installed therein by the Developer, but not including the painted or decorated surfaces of interior walls, furniture, furnishings, personal property, contents or personal liability of individual unit owners) together with all central utility

and other service machinery contained therein, and all buildings, fixtures, equipment and personal property owned by the Association, in the amount determined by the Board and approved by all first mortgagees having mortgage liens upon the Condominium units contained in said buildings. All such policies shall provide that in the event of loss or damage, the proceeds of said policy or policies shall be payable to the Board of Directors or to its designees as an insurance trustee on behalf of each of the owners, co-owners and mortgagees of units in said buildings. Said insurance trustee shall be obligated to apply said proceeds as set forth in Article VI of these By-Laws. Each of said policies shall contain a standard mortgagee clause in favor of each mortgagee of a unit and shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its respective interest may appear, subject however, to the right of the Board or its designees as insurance trustee, to receive said proceeds to be applied to repair or reconstruction as provided herein, (2) workmen's compensation, and (3) public liability insurance insuring the Association and its members against liability for any negligent act of commission or omission attributable to the Association or any of its members and which occurs on or in any of the common elements of the Condominiums or the community or recreational facilities of the Association, (4) boiler, glass, burglary, theft and such other insurance as will protect the interest of the Association, its employees, the members and mortgagees. All insurance premiums shall be paid by the Association as common expenses.

- 2. All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by unit owners or of invalidity arising from any acts of insured or any unit owners, and shall provide that such policies may not be cancelled or substantially modified without at least ten days' prior written notice to all of the insureds, including all mortgagees of units.
- 3. Unit owners may obtain insurance for their own account and for their own benefit. No owner shall, however, insure any part of the common elements whereby, in the event of loss thereto, the right of the Association to recover the insurance proceeds for such loss in full, shall be diminished in any way.
- R. The Board of Directors of the Association may appoint committees as deemed appropriate in carrying out its purposes, including but not limited to:
 - A <u>Recreation Committee</u> which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

- 2. A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Area and Properties, as appropriate, and shall perform such other functions as the Board in its discretion determines;
- 3. An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement, certified by an independent public accountant, of income and expenditures to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex officio member of the Committee.

ARTICLE VI

RESTORATION AND REPLACEMENT OF CONDOMINIUM IN THE EVENT OF FIRE OR CASUALTY

SECTION 1. In the event of fire or other disaster or casualty resulting in damage to the buildings and common elements of any one or more of the Condominiums less than two-thirds of the livable area of building or buildings comprising the Condominium or Condominiums, as may be determined by the Council of Coowners, the net proceeds of any insurance collected shall be made available for the purpose of restoration or replacement. Where the insurance indemnity is insufficient to cover the cost of reconstruction or replacement, the new building costs shall be paid by all of the co-owners directly affected by the damage, in proportion to the percentage of the value of their respective dwelling units as it bears to the total value of the damaged building or buildings. If any one or more of those composing the minority of the co-owners who were directly affected by the damage shall refuse to make such payments, the board of Directors shall levy an assessment in an amount proportionate to the percentage of value of the dwelling units affected by the damage, the proceeds of such assessment being paid, with the insurance indemnity, to the Association for the purpose of covering the costs of repair and replacement. In the event any owner or owners shall fail to respond to the assessment by payment thereof within a reasonable time, the Association shall cause such restoration or reconstruction to be accomplished and to charge the cost thereof, less any applicable insurance credits, to the owners of the units affected in the proportions mentioned. Such costs less any insurance credits, shall constitute a lien against the dwelling unit or units of such owner or owners and may be enforced and collected in the same manner as all other liens as hereinbefore provided. The provisions of this Section may be changed by unanimous resolutuion of the owners of units or apartments then concerned within the Condominium as a whole, adopted subsequently to the date on which the fire or other disaster or casualty occurred.

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SECTION 2. In the event of a total destruction of the entire Condominium or Condominiums, or if the common elements are damaged or destroyed to more than two-thirds of the livable area of building or buildings comprising the Condominium or Condominiums, the Council of Co-owners of the said Condominium or Condominiums upon unanimous consent by all the Co-owners may elect to reconstruct or replace the said buildings and common elements. In the event of an election to reconstruct or replace, payment of the costs thereof shall be made as provided in the preceding Section of this Article.

If the Council of Co-owners shall elect not to reconstruct or replace, the Council of Co-owners of the said Condominium or Condominiums, with the consent of all of the mortgagees holding first mortgages on the dwelling units within said Condominium or Condominiums, may sell for cash and upon terms, the entire Condominium or Condominiums, provided seventy-five percent or more of the owners are in accord and so vote at a regular duly called meeting of the said Council of Co-owners. In the event the election is made to sell, the covenants against partition contained in the Declaration of Restrictive and Protective Covenants, shall become null and void and the said owner or owners shall be entitled to convey their interest in the Condominium or Condominiums and may invoke relief in a Court of Equity to compel such a sale and partition against those owners who shall have refused to approve such a sale and partition.

All sums received from insurance shall be combined with the proceeds of sale of the Condominium or Condominiums. After providing for all necessary costs and expenses, including court costs and reasonable attorney's fees in the event of any litigation necessary to compel any owner or owners to join in a conveyance of their interests in the Condominium of Condominiums, distribution of the combined funds shall be made to the owner or owners of the dwelling units in the said Condominium or Condominiums, in accordance with their respective undivided interest in the common elements as set forth in the Declaration creating the particular Condominium or Condominiums, subject only to the rights of outstanding mortgage holders.

Except as provided in this section, the common elements shall remain undivided and shall not be the subject of an action for partition or division of the co-ownership.

ARTICLE VII

OFFICERS

SECTION 1. The officers of the Association shall be a President. Vice President, Secretary and a Treasurer. The Secretary may be eligible to the office of Treasurer. The President shall also be a member of the Board of Directors. The Board of Directors may also appoint Assistant Secretaries and Assistant Treasurers as they may deem necessary.

- SECTION 2. The officers of the Association shall be elected annually by the Board of Directors at the organization of each new Board and shall hold office until their successors are dected or appointed by the Board and qualify, provided that each officer shall hold office at the pleasure of the Board of Directors and may be removed either with or without cause and his successor elected at any annual or special meeting of the Board called for such purpose, upon the affirmative vote of a majority of the members of the Board.
- SECTION 3. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and of the Board of Directors. He shall have the general powers and duties usually vested in the office of President of an Association, including but not limited to the power to appoint committees from among the members from time to time as he may deem appropriate to assist in the conduct of the affairs of the Association, He shall execute such contracts and other instruments where duly authorized in the name and on behalf of the Association and under its corporate seal when a seal is required, except when such documents are required or permitted by law to be otherwise executed and except when the signing and executing thereof shall be delegated by the Board of Directors to another officer or agent of the Association.
- SECTION 4. The Vice President shall perform all of the duties of the President in his absence, and such other duties as may be required of him from time to time by the Board of Directors.
- SECTION 5. The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and record all votes and the minutes of all meetings and proceedings, including resolutions, in a minute book to be kept for that purpose and shall perform like duties for any committees when required. He shall have charge of the minute book and such records and papers as the Board shall direct and perform all duties incident to the office of Secretary, including the sending of notices of meetings to the members, the Board of Directors and committees and such other duties as may be prescribed by the By-laws or by the Board of Directors or the President. He shall also have custody of the corporate seal and when authorized by the Board, affix the same to any instrument requiring it and attest the same when appropriate.
- SECTION 6. The Treasurer shall have responsibility for the Association's funds and securities and shall keep full and accurate accounts of receipts and distribursements in books belonging to the Association and shall deposit all monies, checks and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. He shall disburse the funds of the Association as may from time to time be ordered by the Board, making vouchers for such disbursements and shall render to the President and Directors, at the regular meetings of the Board or whenever they or either of them shall require, an account of his transactions as Treasurer and of the financial condition of the Association.

RECORDER'S MEMORAN

SECTION 7. The officers of the Association shall serve without compensation except that they shall be entitled to reimbursement for all expenses reasonably incurred in the discharge of their duties.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Association shall indemnify every Director and officer, his heirs, executors and administrators, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified had not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expenses incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated by the Association as common expenses, provided however, that nothing contained in this Article shall be deemed to obligate the Association to indemnify any membe or owner of a dwelling unit, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of his membership in the Association or as a member or owner of a dwelling unit in any Condominium or Condominiums.

ARTICLE IX

FISCAL YEAR

SECTION 1. The fiscal year of the association shall begin on the first day of January in each year.

ARTICLE X

CORPORATE SEAL

SECTION 1. The corporate seal of the Association shall consist of two concentric circles between the circumferences of which shall be inscribed the name of the Association and within the circumference of the inner circle the words, "Texas".

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ARTICLE XI

AMENDMENTS TO BY-LAWS

SECTION 1. These By-Laws and form of administration set forth herein may be amended from time to time by the affirmative vote of two-thirds of the total number of votes prescribed by law. No such modification shall be operative until it is embodied in the minutes of the Association.

SECTION 2. Notwithstanding the provisions of Section 1 of this Article the DEVELOPER retains the sole and exclusive right to amend these By-laws until the expiration of one (1) year from the date of the recording of the last deed by DEVELOPER to a Condominium unit in any Condominium which is or may in the future be administered by the Association, whichever time is later. The intent and sole purpose of this provision is to provide for and allow the DEVELOPER to complete development of the various Condominiums which are or will in the future be administered by this Association, The provision of this paragraph cannot be changed or amended by non-developer members during the aforesaid period of time, anything herein to the contrary notwithstanding.

ARTICLE XII

DISSOLUTION

SECTION 1. In the event of waiver of termination of the Condominium or Condominiums being administered by this Association the Association shall immediately be dissolved as provided by law and this instrument.

SECTION 2. Prior to such dissolution, the assets of the Association, after the payment of all debts including mortgages and other encumbrances, shall be distributed to the members of the Association in accordance with their percentage of ownership therein.

ARTICLE XIII

MEMBER'S PERCENTAGE OF OWNERSHIP AND MAINTENANCE FEES

SECTION 1. The percentage of ownership of each member in the Association shall be computed in the same manner as set out in Section 2 hereof. Maintenance costs for the Association-owned land and facilities will be assessed to each unit owner in the same manner as set out in Section 2 hereof. Until the final determination of interest is made, the developer will retain all membership interest not distributed to unit owners.

SECTION 2. In addition to the above cost, the fee to be paid by each member for the maintenance of the condominium-owned lands and common elements shall be computed as follows:

A. Where there is only one Condominium being administered by the Association, by dividing unit square footage by the total Condominium square footage and multiplying the result thereof by one hundred, the final figure being expressed in a percentage. The resulting percentage shall be used to determine an owner's percentage of ownership in the undivided common elements of the particular Condominium in which his unit is located, as reflected by Exhibit "C". The percentage of ownership of each owner in the undivided common elements of the Condominium in which his unit is located shall have a permanent character and shall not be altered except by the affirmative vote of all of the owners or co-owners and their first mortgagees of all the dwelling units in each particular Condominium.

The maintenance cost for each unit shall be determined by multiplying the percentage of ownership as above determined, by the total operating budget for the Condominium.

B. Where there is more than one Condominium being administered by the Association, by dividing the unit square footage by the aggregate unit square footage of all of the Condominiums being thus administered and multiplying the result thereof by one hundred, the final figure being expressed in percentage. The method of allocation of the fee to be paid by each owner or co-owner toward maintenance of the Condominium owned lands and common elements shall be made annually by the Council of Co-owners but not inconsistent with the provisions of the Texas Condominium Act, Article 1301a, Revised Civil Statutes of Texas.

The maintenance cost for each unit shall be determined by multiplying the percentage as determined in this Paragraph B, by the total operating budget for those Condominium being administered by the Association.

SECTION 3. "Unit Square Footage" as used in this article shall mean the square footage of the enclosed area of each unit.

SECTION 4. "Condominium Square Footage" as used in this Article shall mean the total square footage of the enclosed area of all the units located in the particular Condominium.

SECTION 5. "Aggregate Square Footage of Condominium" as used in this Article shall mean the total square footage of all the Condominiums being administered by the Association.

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RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All block-outs, edditions and changes were present at the time the instrument was filed and recorded.

CONDOMINIUM RI HARRIS COUNTY, VOL. 82 PAG

ARTICLE XIV

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ANNEXATION

SECTION 1. Association has been advised by Developer, that Developer, its parent corporation or one of its subsidiary or affiliated corporations may construct additional Condominiums or convert existing apartments to a Condominium or Condominiums, in the City of Houston, on property contiguous or adjacent to the property shown on Exhibit "A" attached to the Declaration.

SECTION 2. Unless specifically deemed otherwise by Developer any such additional Condominiums shall be considered annexed to and a part of HAMMERLY WOODS Condominium and governed and administered by this Association and all owners or Co-owners of Condominium units therein shall be members of this Association and subject to the provisions of these By-Laws and to the Rules and Regulations of this Association.

ARTICLE XV

DEPOSITS REQUIRED

SECTION 1. Upon conveyance of a dwelling unit by Developer to an initial purchaser of said dwelling unit, said dwelling unit owner shall deposit with the Association three (3) months' estimated monthly association assessments and one (1) years estimated insurance premium, the latter to cover insurance on the unit owner's interest in the common elements of his particular Condominium.

SECTION 2. The aforesaid deposits shall be refunded to the unit owner (less any assessments currently owed) upon any resale of the dwelling unit by him, upon the condition that a deposit in an amount equal to that being held by the Association (excluding any assessments currently owed) is received from the purchaser of the particular dwelling unit. In the event said deposits are not received by the Association within thirty (30) days from the date of closing of title to such resale, the deposits shall be deemed credited to the account of the new owner. Nothing herein shall affect any unit owner's obligation for the payment of any Association assessments, charges or liens.

ARTICLE XVI

TAXATION

SECTION 1. Each Unit shall be assessed and taxed for all purposes as a separate parcel of real estate entirely independent of the building of which such Unit is a part, and independent of the Condominium Project or Common Elements thereof, and each Owner shall be solely responsible for the payment of all taxes, municipal claims, charges and assessments of any nature whatsoever assessed against such Unit. Such payment shall be made prior to the due date of such taxes, municipal claims, charges and assessments.

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ત્રાંતિ સ્વાર્થ કેલ્પ્રોટિક હાલ્યાની હોય છ	of OCTOBER, 1976.	S, on this the 20th day
	ATTEST:	HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC.
	Sam L. Olson , Jr. Secretary	Scent Lively President
		Y Y
	THE STATE OF TEXAS	
	COUNTY OF HARRIS	
	BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Truitt V. Lively, known of me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC., a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.	
	day of OCTOBER , 1976.	AL OF OFFICE on this the 20th

Notary Public in and for Harris O County, TEXAS

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FIRST AMENDMENT TO CONDOMINIUM DECLARATION

STATE OF TEXAS)
COUNTY OF HARRIS)

Whereas by Condominium Declaration executed by Olson-LivelqEnterprises, Inc., dated August 17, 1978, and filed of record on September 8, 1978 under File No. 758802 and in Volume 82, Page 85 of the Condominium Records of Harris County, Texas, Olson-Lively Enterprises, Inc. did create a Condominium Community, known as Hammerly Woods Condominium II, for sale to the general public on that certain tract of land, more particularly described in Exhibit "A" attached hereto and made a part hereof, and whereas, paragraph 12, "Contribution of Condominium Owners Toward Expenses, Administration, Etc. of Common Elements and Association" on page 11 of said declaration and paragraph 13, "Liens in Favor of the Association" on page 11 and 12 of said declaration had certain omissions necessary to said declaration, and whereas, it is the desire of Olson-Lively Enterprises, Inc. to amend said Condominium Declaration to correct same as herein above designated; now, therefore, in consideration of the premises, and other good and valuable considerations, Olson-Lively Enterprises, Inc. does hereby amend the Condominium Declaration for Hammerly Woods Condominium II so that paragraph 12 and paragraph 13 referred to above shall read as follows:

"CONTRIBUTION OF CONDOMINIUM OWNERS TOWARD EXPENSES, ADMINISTRATION ETC. OF COMMON ELEMENTS AND ASSOCIATION

12. That the owner or Co-owners of each unit are bound to contribute pro-rata in the percentage of their ownership in the common elements as set out in Exhibit "C" hereto, toward the expenses of administration, maintenance, repair, and replacement of the said common elements. As to expenses of administering and maintaining the association and all of its real and personal property in such amount as shall from time to time be found by the Association to be necessary, including but not limited to expenses for the operation, maintenance, repair or replacement of the Association buildings, grounds or facilities; the maintenance, operation, repair or replacement of the recreational facilities; or costs of carrying out the duties and powers of the Association; compensation of Association employees, insurance premiums and expenses relating thereto; taxes which may be assessed against Association property and other expenses of the Association set forth herein, or in the By-laws of such Association, or which may be designated by the

HAMMERLY

Board of Directors of such association as "Common Expenses", each owner or co-owner of each unit are bound to contribute pro-rata to such expenses as designated proportionate to the ratio as the total expenses bears to the total number of units owning interests in the Condominiums administered by said Association at any given time, as more fully set out in Article XIII of the By-laws of HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC. Condominium dues or charges shall include an adequate reserve fund for maintenance, repairs and replacement of those common elements that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments. All first mortgagees shall have the right to examine the books and records of the condominium homeowners association of the condominium project and to require annual reports and other financial data. No owner may exempt himself from contributing toward such expenses, either as Owner or Co-owner of a unit in the particular condominium of which it is a part, or in the said HAMMERLY WOODS CONDOMINIUM ASSOCIATION, INC., by waiver of the use of or enjoyment of the common elements or the community or recreational facilities of the Association, if any, or by abandonment of the unit owned by him.

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LIEN IN FAVOR OF THE ASSOCIATION

13. That all charges and expenses chargeable to any unit shall constitute a lien against said unit in favor of the Association, which lien shall be prior to all other liens except (1) assessments, liens and charges for taxes past due and unpaid on the unit, and (2) payments due under bona fide purchase money mortgage instruments, if any, duly recorded. The charges and expenses represented in the usual monthly charge shall become effective as a lien against each unit on the first day of each effective as a lien against each unit on the first day of each calendar quarter. Additional or added assessments, charges and expenses, if any, chargeable to units and not covered by the usual monthly maintenance charge, shall become effective as a lien against each unit as of the date when the expense or charge giving rise to such additional or added assessment was incurred by the Association. In the event that the assessment charge or other expense giving rise to said lien remains unpaid for more than ten (10) days after the same shall become due and payable, the ten (10) days after the same shall become due and payable, the lien may be foreclosed by the Association in the manner provided for the foreclosure and sale of real estate mortgages, and in the event of foreclosure, the Association shall, in addition to the amount due, be entitled to recover reasonable expenses of the action including court costs and reasonable attorney's fees. The right of the Association to foreclose the lien shall be in addition to any other remedy which may be available to it at law or equity for the collection of monthly additional or added charges and expenses, including the right to proceed personally against any delingment owner for the recovery of the research of the resea delinquent owner for the recovery of a personal judgment against him for the amount due, court costs and reasonable attorney's fees. The title acquired by any purchaser following any such foreclosure sale or sheriff's judgment sale shall be subject to all of the provisions of this instrument, the By-laws and Rules and Regulations of the Association and the Condominium Act of the State of Texas, and, by acquiring title to the unit, said purchaser covenants and agrees to abide by and be bound thereby. Any first mortgagee who obtains title to the Condominium pursuant to the remedies provided in the mortgage or foreclosure of the mortgage will not be liable in the mortgage or foreclosure of the mortgage will not be liable for such Condominium's unpaid dues or charges which accrue prior to the acquisition of title to such Condominium by the mortgagee. Any first mortgagee of any condominium unit shall be entitled, upon request, to written notification from the Home Owners Association of any default in the performance by the individual unit Borrower of any obligation under the Condominium Constituent documents which is not cured within sixty (60) days of such default."

All of the remaining terms and provisions of said Condominium Declaration shall remain unchanged and as herein amended shall continue in full force and effect.

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2914 day of September, 1978. Executed this

Attest

Olson-Lively Enterprises, Inc.

Olson, Jr. Secretary Sam L. OLSON, JR -

STATE OF TEXAS COUNTY OF HARRIS

Before me the undersigned, a Notary Public in and for said County and State on this day personally appeared Truitt V. Lively, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed, in the capacity therein stated and as the act and deed of said Corporation.

Given under my hand and seal of office on this 39of September, 1978.

RETURN to TIZUITT V. LIVERY 8705 KARY Freeway Su. 2 300 Houston, TEXAS 77024

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EXHIBIT "A"

FIELD NOTES for 6.705 acre tract of land out of Lots 75 and 77 of the Moore Acres Subdivision located in the C. Williams Survey, A-835, Harris County, Texas and being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at the point of intersection of the West Line of Brittmoore Road 80 foot right of very and the North Line of Hammerly Blvd. 80 foot right of way;

THENCE S 89° 15' 17" W 15.00 feet to a cut back point of the Brittmoore Road and Hammerly Blvd. Rights of Way;

THENCE S 89° 15' 17" W 514.72 feet along the North Line of Hammerly Blvd. to a point for corner in the East Line of Gaywood Drive;

THENCE N 00° 31' 55" E 552.24 feet along the east line of Gaywood Drive to a point for corner in the South Line of Fullerton Plaza Subdivision;

THENCE N 89° 15' 13" E 528.81 feet along the South Line of Fullerton Plaza Subdivision to a point for corner in the West Line of Brittmoore Road;

THENCE S 00° 26' 17" W 537.23 feet along the West Line of Brittmoore Road to the cut back point of the Brittmore Road and Hammerly Blvd. Rights of Way;

THENCE S 44° 50' 42" W 21.43 feet along the cut back line to the POINT OF BEGINNING.

CTATE OF TENAS COUNTY OF MARIS I hereby cert yes Humber Securhercen by mea on Public Records of I



