

CONDOMINIUM DECLARATION
FOR
WESTRIDGE TOWN HOMES

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, JOHN H. FELTON, of Jefferson County, Texas, hereinafter called "Declarant", is the owner of real property situated in the City of Beaumont, County of Jefferson, and State of Texas, being described as follows, to-wit:

Being a tract of land out of and a part of that certain 32.751 acre tract known as the Margaret Smith Prutzman Estate, H. Williams League Abstract 56 of the City of Beaumont, Jefferson County, Texas, and being more particularly described as follows:

BEGINNING at a concrete monument set in the North line of Prutzman Road being also the Southwest corner of the said Margaret Smith Prutzman Estate 32.751 acre tract;

THENCE North 0°28'30" East along and with the West line of said Prutzman tract 400.10 feet to a 1/2 inch steel pipe for corner;

THENCE North 89°11'00" East 166.21 feet to a 1/2 inch steel pin for corner;

THENCE South 0°49'00" East 400.00 feet to a 1/2 inch steel pin for corner in the said North line of Prutzman Road;

THENCE South 89°11'00" West along and with the said North line of Prutzman Road 175.30 feet to the PLACE OF BEGINNING and containing 1.568 acres of land;

which property is described and depicted on the Map or Plat thereof marked Exhibit "A", which by this reference is made a part hereof; and

WHEREAS, Declarant, as Developer, desires to establish a condominium regime under the Condominium Act of the State of Texas, known and to be known as "WESTRIDGE TOWN HOMES"; and

WHEREAS, there are constructed six (6) buildings and other improvements appurtenant thereto on the property described in said Exhibit "A", which consist of thirty-two (32) separately designated condominium units; and

WHEREAS, Declarant does hereby establish a plan for the individual ownership in fee simple of estates consisting of the area or space contained in each of the thirty-two (32) apartment units in six (6) building improvements and the ownership by the individual and separate owners thereof, as tenants in common, of

all the remaining property, which is the hereinafter defined and referred to as the general common elements;

NOW, THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land, shall be a burden and benefit to Declarant, his heirs, administrators, executors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees, and assigns.

1. DEFINITIONS, unless the context shall expressly provide otherwise:

- (a) "Apartment" or "Apartment Unit" means an individual air space unit which is contained within the interior surfaces of the perimeter walls, floors and ceilings of a building as shown on the Map marked Exhibit "A".
- (b) "Condominium Unit" means one individual air space unit, together with the interest in the general common elements appurtenant to such unit.
- (c) "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more condominium units.
- (d) "General Common Elements" means and includes:
 - (1) The land on which the buildings are located;
 - (2) The foundations, columns, girders, beams, supports, main walls and roofs;
 - (3) The two (2) laundry buildings as shown on the map marked Exhibit "A", including all washers, dryers, and other equipment located therein;
 - (4) The yards, gardens, parking area, fences, storage spaces, street, service drives, walks and service easements;
 - (5) The installation consisting of the equipment and materials making up central services such as power, light, gas and the like;
 - (6) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- (e) "Limited Common Elements" means a part of the general common elements reserved for the exclusive use of the owner of a condominium unit; the heating and air conditioning systems serving one condominium unit only and carport parking areas and patio areas indicated on the attached Map as appurtenant limited elements to a specific unit only shall be deemed "limited common elements".

(f) "Entire premises" or "property" means and includes the land, the building, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

(g) "Common expenses" means and includes:

- (1) All sums lawfully assessed against the general common elements by the Managing Agent or Board of Managers;
- (2) Expenses of administration and management, maintenance, repair or replacement of the general common elements;
- (3) Expenses agreed upon as common expenses by the owners; and
- (4) Expenses declared common expenses by provisions of this Declaration and by the By-Laws.

(h) "Association of Unit Owners" or "Association" means a Texas non-profit association, the By-Laws of which shall govern the administration of this condominium property, the members of which shall be all of the owners of the condominium units.

(i) "Map" or "Plat" means and includes the engineering survey of the land located thereon all of the improvements, the floor and elevation plans and any other drawings or diagrammatic plan depicting a part of or all of the improvements, same being herewith filed, consisting of one (1) sheet labelled Exhibit "A", and incorporated herein.

(j) "Majority of Unit Owners" means the apartment owners with fifty-one per cent (51%) or more of the votes weighted so as to coincide with percentages of ownership assigned in this Declaration to the respective units.

2. The Map attached hereto as Exhibit "A" shall be filed for record simultaneously with the recording of this Declaration as a part hereof, and prior to the first conveyance of any condominium unit. Such Map consists of and sets forth (i) the legal description of the surface of the land; (ii) the linear measurements and locations, with reference to the exterior boundaries of the land, of the buildings and all other improvements built or to be built on said land by Declarant; (iii) floor plans and elevation plans of the buildings built or to be built thereon showing the location, the building designation, the apartment designation and the square footage of each apartment unit, and the limited common elements.

3. The real property is hereby divided in the following separate fee simple estates:

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- (a) Thirty-two (32) fee simple estates consisting of thirty-two (32) separately designated apartment units, each such unit identified by number and by building symbol or designation on the Map, the apartments in each building being described as follows:

BUILDING "A" - Containing six (6) apartments, numbered Units 1 through 6, the size, dimensions, location and boundaries of each being detailed on the Map hereto attached marked Exhibit "A".

BUILDING "B" - Containing six (6) apartments, numbered Units 7 through 12, the size, dimensions, location and boundaries of each being detailed on the Map hereto attached marked Exhibit "A".

BUILDING "C" - Containing seven (7) apartments, numbered Units 13 through 19, the size, dimensions, location and boundaries of each being detailed on the Map hereto attached marked Exhibit "A".

BUILDING "D" - Containing five (5) apartments, numbered Units 20 through 24, the size, dimensions, location and boundaries of each being detailed on the Map hereto attached marked Exhibit "A".

BUILDING "E" - Containing four (4) apartments, numbered Units 25 through 28, the size, dimensions, location and boundaries of each being detailed on the Map hereto attached marked Exhibit "A".

BUILDING "F" - Containing four (4) apartments, numbered Units 29 through 32, the size, dimensions, location and boundaries of each being detailed on the Map hereto attached marked Exhibit "A".

- (b) The remaining portion of the entire premises, referred to as the general common elements, which shall be held common by the owners, the interest of each therein being hereinafter set forth and each undivided interest being appurtenant to one of the thirty-two (32) apartment units.
- (c) The percentage of ownership in the Common Elements and the initial assessment allocated to each apartment and the area, expressed in square feet, of each apartment, is as follows:

<u>Unit No.</u>	<u>Building</u>	<u>Area</u>	<u>Percentage of Ownership</u>	<u>Assessment</u>
1	A	465	2.16%	\$ 61.00
2	A	465	2.16%	\$ 61.00
3	A	465	2.16%	\$ 61.00
4	A	465	2.16%	\$ 61.00
5	A	465	2.16%	\$ 61.00
6	A	465	2.16%	\$ 61.00
7	B	465	2.16%	\$ 61.00
8	B	465	2.16%	\$ 61.00
9	B	884	4.10%	\$113.00
10	B	884	4.10%	\$113.00
11	B	884	4.10%	\$113.00
12	B	884	4.10%	\$113.00
13	C	884	4.10%	\$113.00
14	C	884	4.10%	\$113.00
15	C	884	4.10%	\$113.00
16	C	884	4.10%	\$113.00
17	C	884	4.10%	\$113.00
18	C	884	4.10%	\$113.00
19	C	884	4.10%	\$113.00
20	D	747	3.46%	\$ 95.50
21	D	465	2.16%	\$ 61.00
22	D	465	2.16%	\$ 61.00
23	D	465	2.16%	\$ 61.00
24	D	465	2.16%	\$ 61.00
25	E	630	2.92%	\$ 82.00
26	E	630	2.92%	\$ 82.00
27	E	630	2.92%	\$ 82.00
28	E	630	2.92%	\$ 82.00
29	F	747	3.46%	\$ 95.50
30	F	747	3.46%	\$ 95.50
31	F	747	3.46%	\$ 95.50
32	F	747	3.46%	\$ 95.50
			100.00%	

4. A portion of the general common elements is set aside and reserved for the exclusive use of individual owners, such areas being the limited common elements. The limited common elements reserved for the exclusive use of the individual owners are the carports and patio areas, which are shown on the Map. Such carports and patio areas are allocated and assigned by the Declarant to the respective condominium units as indicated on said Exhibit "A", the parking spaces assigned to each apartment unit being designated by the apartment unit number preceded by the Prefix "C-", or "UC-", with "C-" designating a covered parking space and "UC-" designating an uncovered parking space, the patio area, if any, assigned to any apartment being designated by the apartment unit number preceded by the Prefix "P-". In like manner, heating and air conditioning systems serving only one condominium unit shall be limited common elements. Such limited common elements shall be used in connection with the particular apartment unit, to the exclusion of the use thereof by the other owners except by invitation.

5. Each apartment and its undivided interest in and to the general common elements appurtenant thereto shall be inseparable and may be conveyed, leased or encumbered only as a condominium unit. Subdivision or partition of any apartment shall not be allowed.

6. Every deed, lease, mortgage, trust deed or other instrument may legally describe a condominium unit by its identifying apartment number and building symbol or designation as shown on the Map, followed by the words, "Westridge Town Homes", and by reference to this recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the specified unit together with the undivided interest of the owner in the common elements, both general and limited, appertaining to said unit.

7. Declarant shall give written notice to the assessor-collector of the respective taxing jurisdictions of the creation of condominium ownership of this property, as is provided by law, so that each apartment unit and its percentage of undivided interest in the general common elements shall be deemed a separate parcel and subject to separate assessment and taxation.

8. A condominium unit may be held and owned by more than one person as joint tenants, or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

9. The common elements, both general and limited, shall be owned in common by all of the owners of the apartment units and shall remain undivided, and no owner shall bring any action for partition or division of the general common elements so long as same are suitable for a condominium regime, and in any event, all mortgagees of any unit must be paid prior to the bringing of an action for partition or the consent of all such mortgagees must be obtained.

10. Each owner shall be entitled to exclusive ownership and possession of his apartment. Each owner may use the general common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners.

11. Each apartment shall be occupied and used by the owner only as and for a single family residential dwelling for the owner, his family, his social guests or his tenants, provided however, that with the exception of a lender in possession of a unit following a default in a first mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no owner shall lease his unit for transient or hotel purposes. No owner shall lease less than the entire unit. Any lease agreement must provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the By-Laws attached hereto, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases must be in writing. Other than the foregoing, there is no restriction on the right of any owner to lease his unit.

12. If any portion of the general common elements encroaches upon an apartment unit or units as a result of construction, reconstruction, repair, shifting, settlement, movement of any portion of the property or improvements, or as a result of any other

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cause, a valid easement for the encroachment exist. If any portion of an adjoining apartment unit or units encroaches upon any portion of the general common elements for any of the above causes, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachment(s) and easement(s) shall not be considered or determined to be encumbrances either on the general common elements or the apartment units.

13. No labor performed or materials furnished and incorporated in an apartment unit with the consent or at the request of the owner thereof, or his agent or his contractor, or subcontractor, shall be the basis for filing of a lien against the general common elements owned by other owners. Each owner shall indemnify and hold harmless the other owners from and against all liability arising from the claim of any lien against the apartment unit of any other owner, or against the general common elements for construction performed or for labor, materials, services or other products incorporated in the owner's apartment unit at such owner's request.

14. The administration of this condominium property shall be governed by By-Laws of the non-profit association, hereinafter named and hereinafter referred to as the "Association". A copy of such "By-Laws" is attached hereto as Exhibit "B" and is incorporated herein by reference; and same shall be deemed adopted by Declarant as sole owner of the property herein described, and all owners shall be bound thereby. Declarant may, at its election, cause to be formed a Texas non-profit corporation bearing same name, in which event such non-profit corporation shall be composed of owners of condominium units as herein set out, and such non-profit corporation shall thereafter act and do things to be done by "Association" and the said non-profit corporation, if formed, shall be bound by, adopt and observe as its By-Laws the said By-Laws hereto attached. "Association" as here used shall refer to the member owners as a group, both before and after incorporation. In the event of incorporation, a certified copy of the Certificate of Incorporation of such "Association" shall be recorded and which shall provide that three (3) persons shall act as a Board of Managers and shall serve as the Managers until their successors have been elected and qualified. An owner of a condominium unit, upon becoming an owner, shall be a member of the "Association" and shall remain a member for the period of his ownership. The Managing Agent shall be Declarant or whatever person or entity to whom Declarant may convey for the purpose of resale all its apartment units in this Regime which, at the time of such conveyance, Declarant has not sold to owner occupants. The Managing Agent shall perform all of the duties of the Board of Managers until one (1) year after the execution hereof, unless units representing seventy five per cent (75%) or more of the votes in this Regime are sold prior to the end of such year, at which earlier date Declarant or its successor shall resign and cease being the Managing Agent, upon his dismissal by the Board of Managers or upon the appointment of a successor Managing Agent by the Board of Managers. Any decision of the Board of Managers or the Association to terminate professional management and to assume self-management of the project shall be subject to the prior written approval of each institutional holder of a recorded first mortgage or deed of trust lien on any unit in the project.

15. The owners shall have the irrevocable right, to be exercised by the Managing Agent, or Board of Managers of the Association, to have access to each apartment unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the general common elements therein or accessible therefrom, or for making emergency repairs, or other necessary repairs which the unit owner has failed to perform therein, necessary to prevent damage to the general or limited common elements or to another apartment unit or units.

16. An owner shall maintain and keep in repair the interior of his own apartment, including the fixtures therein. An owner shall also maintain all electric lines, wires, conduits or systems and the heating and air conditioning system serving his apartment unit, whether within or without same. An owner shall also maintain all the plumbing serving his apartment unit. Maintenance of sewer lines serving more than one (1) apartment unit and running from the end of an apartment unit's single sewer line to the point where such sewer line becomes the property of the City of Beaumont shall be a "common expense".

17. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. No owner shall in any way alter, modify, add to or otherwise perform any work whatever upon any of the common elements, save with written consent of the Managing Agent or Board of Managers first obtained.

18. An owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, ground floor and roof surrounding his apartment unit, nor shall such owner be deemed to own the utilities running through his apartment unit, which are utilized for or serve more than one (1) apartment unit, except as a tenant in common. An owner, however, shall be deemed to own and shall maintain the inner decorated and/or finished surfaces of the perimeter and interior walls, floors, ceilings, doors, windows and such other elements consisting of paint, wall paper, floor covering, carpeting and other such finishing materials.

19. Each owner shall comply strictly with the provisions of this Declaration, the By-Laws and the decisions and resolutions of the "Association" adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Managing Agent or Board of Managers on behalf of the owners or, in a proper case, by an aggrieved owner.

20. This Declaration shall not be revoked, nor shall any of the provisions herein be amended or shall the project be abandoned or terminated, (except as hereinafter expressly provided or except as may be expressly provided by law or except in the case of a taking by condemnation or eminent domain) unless all of the owners of Condominium Units and all of the holders of any recorded first mortgage or Deed of Trust lien covering or affecting any or all condominium units unanimously consent and agree to such revocation or amendment by instrument(s) duly recorded.

21. The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or Board of Managers of the Association shall from time to time determine to be paid by all of the owners, including Declarant, during such time as Declarant remains an owner, to provide for the payment of all estimated expenses growing out of or connected with the maintenance and the operation of the general common elements, which sum may include, among other things, cost of management, taxes, assessments, fire insurance with extended coverage for theft, vandalism and malicious mischief endorsements attached, issued in the amount hereinafter provided, casualty and public liability and other insurance premiums, landscaping and care of grounds, common lighting, repairs, and renovations, garbage collections, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Managing Agent or Board of Managers under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of reasonable working capital, contingency or other reserve or surplus funds as well as other costs and expenses relating to the general common elements. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification or a release of the owners from the obligation to pay.

22. The Board of Managers, or the Managing Agent, as the case may be, shall obtain and continue in effect insurance against loss by fire and other casualties normally covered under broad-form fire and extended coverage insurance as written in covering all general and limited common elements, all structural portions of the condominium property and all units, but not including furniture, fixtures, decorations, equipment, or personal property installed or placed therein by unit owners, in an amount satisfactory to a majority of the owners and satisfactory to beneficiaries under first trust deeds on a majority of the apartment units but in any event not less than eighty per cent (80%) of the assessed value thereof. The premiums for such insurance shall be a common expense to be paid by monthly assessments levied by the Managing Agent or Board of Managers. Such insurance shall be issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in blanket policy form naming the Managing Agent or Board of Managers, as Trustee for the apartment owners, or naming the Association, as insured or insureds, which policy or policies shall identify the interest of each condominium unit owner and which shall provide for a standard, non-contributory mortgagee clause in favor of each first mortgagee. It shall also provide that it cannot be cancelled by either the insured or the insurance company until after ten (10) days prior written notice to each first mortgagee. Said Managing Agent or Board of Managers shall, upon request of any first mortgagee, furnish a certified copy of such blanket policy and the separate certificate identifying the interest of the mortgagor. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular owner guilty of a breach of warranty, act, omission, negligence or noncompliance of any provision of such policy, including payment of the insurance premium applicable

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to the owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under such policy, as to the interests of all other insured owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect.

23. Unit owners shall not be prohibited from carrying other insurance for their own benefit at their own expense, provided that such policies contain waivers of subrogation and further provide that the liability of the carriers issuing insurance procured by the Board of Managers or Managing Agent shall not be affected or diminished by reason of any unit owner's insurance.

24. The Board of Managers or the Managing Agent, as the case may be, shall obtain and continue in effect insurance against liability for personal injury and death and for damage to property arising from accidents occurring within the general and limited common elements in such amounts, satisfactory to a majority of the owners and satisfactory to mortgagees holding first mortgages and/or beneficiaries under first trust deeds on any five (5) or more apartment units, as shall be determined by the Board of Managers. The premiums for such insurance shall be a common expense to be paid by monthly assessments levied by the Board of Managers.

25. Notice of substantial damage to or destruction of any unit or any part of the common elements shall be given by the Board of Managers or the Managing Agent to every institutional holder of a recorded first mortgage or deed of trust lien on any unit. In the event of any damage to or destruction of any improvements on the condominium property or any part thereof, (including any unit therein, but excluding furniture, fixtures, decoration, equipment or personal property installed or placed therein by unit owners) or to any common element or elements or any part thereof, such improvements or common elements shall be promptly repaired and restored by the Managing Agent or Board of Managers using the proceeds of any insurance procured and maintained as hereinabove provided. If such proceeds are inadequate to cover the cost of such repair and restoration, unit owners directly affected by the damage or destruction shall be assessed therefor on an equitable basis according to the benefit to be derived by them from such repair and restoration. If any one or more of those comprising a minority of unit owners shall refuse to pay such assessments, on proper resolution setting forth the circumstances of the case, the majority may proceed with the repair or restoration at the expense of the unit owners to be benefited thereby. However, if sixty-six and two-thirds per cent (66-2/3%) or more of the principal structures erected on the project are destroyed or substantially damaged, as shall be determined by the council of co-owners, unless otherwise unanimously agreed upon by the unit owners, the Board of Managers shall proceed to realize on the salvage value of the portion of the condominium property damaged or destroyed, by sale or otherwise, and shall collect the proceeds of any insurance. Thereupon the net proceeds of such sale or other disposition of the property, together with the proceeds of any insurance, after making provision for the removal of all debris and the restoration of the land to level grade, if appropriate, shall be considered as one fund, and shall be divided among unit owners directly affected by such damage or destruction and their mortgagees or trust deed beneficiaries, as their interests may appear, in accordance with the percentages of their common interest as set forth in the declaration.

26. All owners shall be obligated to pay the estimated assessments imposed by the Board of Managers or Managing Agent of the Association to meet the common expenses. Except for insurance premiums, the assessments shall be made pro rata according to each owner's percentage interest in and to the general common elements. Assessments for insurance premiums shall be based upon the proportion of the total premium(s) that the insurance carried on a particular condominium unit bears to the total coverage. Any unpaid assessment or charges which shall be uncollected because of the foreclosure of a first mortgage or deed of trust as provided in Paragraph 28 hereof, shall be reallocated to all units, including the defaulting unit. Assessments for the estimated common expenses, including insurance, shall be due monthly in advance on or before the fifth (5th) day of each month. Failure to pay by the fifteenth (15th) day of each month shall require the imposition and assessment of a late charge of Five and No/100 Dollars (\$5.00). The Managing Agent or Board of Managers shall prepare and deliver, or mail, regularly at least every three (3) months to each owner an itemized statement showing the various estimated or actual expenses for which the assessments are made. A first mortgagee of any unit, at its request to the Association, or Managing Agent or Board of Managers thereof, shall be entitled to written notice from the Association of any default in the performance of its mortgagor's obligations hereunder or under the By-Laws which is not cured within thirty (30) days.

Declarant shall be liable for regular assessments and for an initial working capital and reserve deposit in the amount hereinafter stated, for each unit not sold within ninety (90) days after the date of filing this Declaration, beginning on the first day of the month following ninety (90) days after the date of filing this Declaration. During such period, each initial purchaser of a unit from Declarant, at closing, shall be required to pay, in cash, an initial assessment as shown in Paragraph 3(c) hereof to represent a contribution to the Association working capital and reserves, in addition to regular assessments for expenses. Contribution for monthly assessments shall be prorated if the ownership of a condominium unit commences on a day other than on the first day of the month.

27. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the general or common elements, or by abandonment of his apartments.

28. All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit, including interest thereon at ten per cent (10%) per annum, shall constitute a lien on such unit superior (prior) to all other liens and encumbrances, except that same shall be subordinate to the following:

- (a) Assessments, liens and charges in favor of the State and any political subdivision thereof for taxes past due and unpaid on the unit; and
- (b) Any amounts due under a first mortgage or first deed of trust recorded prior to the date any common expense assessments become due, including all unpaid obligatory sums as may be provided by such encumbrances, and including additional advances made thereon prior to the arising of such a lien.

To evidence such lien the Board of Managers or Managing Agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice shall be signed by one of the Board of Managers or by the Managing Agent and may be recorded in the office of the Clerk and Recorder of Jefferson County, Texas. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment.

Such lien may be enforced by foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof. In any such foreclosure, the owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The owner shall also be required to pay to the Association a reasonable rental for the condominium unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid in the condominium unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

Each holder of a first mortgage or deed of trust lien on a unit who comes into possession of the unit by virtue of a foreclosure of the mortgage, or by deed or assignment in lieu of foreclosure, or any purchaser at a first mortgage or deed of trust foreclosure sale, will take the unit free of any claims for unpaid assessments and charges against the unit which accrue prior to the time such holder or purchaser comes into possession of the unit, except for claims for a pro-rata share of such assessments or charges resulting from a pro-rata reallocation of such assessments or charges to all project units including the mortgage unit.

The amount of the common expenses assessed against each condominium unit shall also be a debt of the owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any lender holding a lien on a condominium unit may pay any unpaid common expense payable with respect to such unit, and upon such payment such lender shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance.

29. Upon the written request of any owner or of any owner of any encumbrance or prospective lender proposing to make a loan upon a condominium unit, the Association, by its Managing Agent or Board of Managers, shall issue a written statement setting forth the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advance payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which become due prior to the date of making of such request shall be subordinate to the lien of the person requesting such statement.

Upon any subsequent sale of a Unit after the initial sale thereof by Declarant, the Grantee of a unit shall be jointly and severally liable with the Grantor for all unpaid assessments against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor; provided, however, that upon written request, any such prospective Grantee shall be entitled to a statement from the Managing Agent or Board of Managers, setting forth the amount of the unpaid assessments, if any, with respect to the subject unit, the amount of the current monthly assessment becomes due, credit for advance payments or for pre-paid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten (10) days of such request, then such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments against the subject unit.

Upon the sale or conveyance of an apartment, all assessments against an owner for his prorata share in the expenses as herein described and levied shall first be paid out of the sales price or by the purchaser, in preference over any other assessments or charges of whatever nature except the following:

- (a) Assessments, liens and charges in favor of the State and any political subdivision thereof for taxes past due and unpaid on the apartments; and
- (b) Amounts due under first mortgage instruments duly recorded.

30. Any owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law. The owner of a condominium unit may create a second mortgage on the following conditions: (1) That any such second mortgage shall always be subordinate to all of the terms, conditions, covenants, restrictions, uses, limitations, obligations, lien for common expenses, and other payments created by this Declaration and by the By-Laws; (2) That the mortgagee under any second mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises, which insurance policies were effected and placed upon the mortgaged premises by the Association. Such release shall be furnished forthwith by a second mortgagee upon written request to the Association.

31. Any institutional holder of a recorded mortgage or deed of trust creating a first mortgage lien on any unit in the project will, upon request, be entitled to:

- (a) Inspect the books and records of the project, the Association, the Managing Agent or Board of Managers during normal business hours;

- (b) Receive an annual audited financial statement of the project within ninety (90) days following any fiscal year of the project; and
- (c) Receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

32. If all or any part of the general or limited common elements is taken, injured, or destroyed by eminent domain, each unit owner shall be entitled to participate, through the Board of Managers or Managing Agent, in the proceedings incident thereto. However, any damages shall be for the taking, injury, or destruction as a whole, and shall be collected by the Board of Managers or Managing Agent. If those unit owners entitled to exercise sixty six and two-thirds per cent (66-2/3%) or more of the total voting power of the Association duly and promptly approve the repair and restoration of the general or limited common elements, the Board of Managers or Managing Agent shall contract for such repair and restoration, and shall disburse the proceeds of the award in appropriate progress payments to contractors engaged in such repair and restoration. If the proceeds of the award are insufficient to defray the entire expense of repair and restoration, the excess of such expense over such proceeds shall be treated as a common expense or limited common expense. In the event that those unit owners entitled to exercise sixty six and two-thirds per cent (66-2/3%) or more of the total voting power of the Association do not duly and promptly approve the repair and restoration of the common elements, the net proceeds shall be divided by the Board of Managers or the Managing Agent among all unit owners and their mortgagees in proportion to their respective general or limited common interests, as the case may be, paying out of the share of each unit owner the amount of any unpaid liens on his unit, in the order of priority of such liens.

If all or any part of any unit or units, other than the undivided interest or interests in the general and limited common elements appurtenant thereto shall be taken, injured, or destroyed by eminent domain, each unit owner so affected shall be entitled to participate directly in the proceedings incident thereto. Any damages shall be payable directly to such unit owner or owners and their mortgagees as provided by law or as provided by the terms of any mortgage or deed of trust creating a lien upon such unit.

If any condominium unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then any institutional lender holding a recorded first mortgage or deed of trust on a unit will be entitled to timely written notice of any such proceeding or proposed acquisition and in no event shall any provision of any document establishing the project entitle the owner of a unit or any other party to priority over such institutional lender with respect to the distribution to such unit of the proceeds of any award or settlement.

33. Prior to the first conveyance of any condominium unit, Declarant shall execute and deliver a bill of sale to the Association, transferring all items of personal property located on the entire premises and furnished by Declarant, which property is intended for the common use and enjoyment of the condominium unit owners and occupants. No owner shall have any other interest and right thereto, and all such right and interest shall absolutely terminate upon the owner's termination of possession of his condominium unit.


34. All notices, demands, or other notices intended to be served upon an owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such owner in care of the apartment number and building address of such owner. All notices, demands, or other notices intended to be served upon the Managing Agent, John H. Felton, or the Board of Managers of the Association, or the Association shall be sent by ordinary or certified mail, postage prepaid, 2490 Interstate 10 East, Beaumont, Texas 77702, until such address is changed by a notice of address change duly recorded.

35. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration and the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

36. The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Texas and to all other provisions of law.

37. That whenever used herein, unless the context shall otherwise provide, the singular shall include the plural, the plural the singular, and the use of any gender shall include all genders.

EXECUTED this the 28th day of November, 1978, A. D.



JOHN H. FELTON

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28 day of November, 1978, A.D.

Phyllis Harper
Notary Public in and for
Jefferson County, Texas

PHYLLIS HARPER, Notary Public,
In and for Jefferson County, Texas
My Commission Expires 10-31-80

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EXHIBIT "B"

BY-LAWS

OF

WESTRIDGE TOWN HOMES
OWNERS ASSOCIATION

ARTICLE I.

OBJECT

(Plan of Apartment Ownership)

1. The purpose for which this non-profit Association is formed is to govern the condominium property situated in the County of Jefferson, State of Texas, which property is described and depicted in Exhibit "A", which by this reference is made a part hereof, and which property has been submitted to the provisions of the Condominium Ownership Act of the State of Texas.

2. All present or future owners, tenants, future tenants, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II.

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM PROXIES

1. Membership. Any person on becoming an owner of a condominium unit shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under, or in any way connected with the condominium regime established by the foregoing declaration, during the period of such ownership and membership in this Association, or impair the rights or remedies which the Board of Managers or the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto. No Certificates of stock shall be issued by the Association, but the Board of Managers may, if it so elects, issue one (1) membership card to the owner(s) of a condominium unit. Such membership card shall be surrendered to the Secretary whenever ownership of the condominium unit designated thereon shall terminate.

2. Voting. Voting shall be based upon the percentage of the undivided interest of each unit owner in the general common elements. An owner of an undivided fractional interest in and to a condominium unit shall be entitled to a vote equal to his fractional ownership interest in such unit. Cumulative voting is prohibited.

3. Majority of Unit Owners. As used in these By-Laws, the term "majority of unit owners" means the apartment owners with fifty-one per cent (51%) or more of the votes weighted so as to coincide with percentages of ownership assigned in the foregoing Declaration to the respective units.

4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of unit owners" as defined in Paragraph 3 of this Article shall constitute a quorum.

5. Proxies. Votes may be cast in person or by proxy. Proxies may be filed with the Secretary before the appointed time of each meeting.

6. Mortgagees. The holder of any recorded first mortgage or deed of trust on any unit shall be entitled to designate a representative to attend all meetings.

ARTICLE III. ADMINISTRATION

1. Association Responsibilities. The owners of the Units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the project through a Board of Managers.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Managers determine.

3. Annual Meetings. The first annual meeting of the Association shall be held on or before thirty (30) days after the transfer by Developer of title to units representing seventy-five per cent (75%) of the votes of all unit owners, and in no event later than one (1) year after the date hereof. Thereafter, the annual meetings of the Association shall be held on the fourth Monday of the month in which these By-Laws are signed each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Managers in accordance with the requirements of Paragraph 5 of Article IV of these By-Laws. The owners may also transact other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Managers, or upon a petition signed by a majority of the owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5ths) of the owners present, either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each owner of record, (and to each holder of a recorded first mortgage or deed of trust on any unit that has requested notice) at least five (5), but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6. Adjourned Meeting. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll Call
- (b) Proof of Notice of Meeting or Waiver of Notice
- (c) Reading of Minutes of Preceding Meeting
- (d) Reports of Officers
- (e) Reports of Committees
- (f) Election of Managers
- (g) Unfinished Business
- (h) New Business.

ARTICLE IV BOARD OF MANAGERS

1. Number and Qualification. The Affairs of this Association shall be governed by a Board of Managers composed of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until one (1) year after the date hereof, unless units representing seventy-five per cent (75%) or more of the votes of this regime are sold by Developer prior to the end of such year (at which earlier time they may be replaced by the Association), or until their successors are elected, to-wit: John H. Felton, Mary Felton and Steve Holloway. Except for the initial Board of Managers named above, all members of the Board of Managers shall be owners or lessees of apartment units.

2. Power and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential condominium project. The Board of Managers may do all such acts and things as are not by these By-Laws or by the foregoing Condominium Declaration directed to be exercised and done by the owners.

3. Other Powers and Duties. The Board of Managers shall be empowered and shall have duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Texas.

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project

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as a whole, including but not limited to rules and regulations covering the alteration, addition to or erection of improvements on patio areas or parking spaces and rules and regulations regarding things that may be placed in the window of any apartment unit such that they are visible from outside an apartment unit, with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the general and limited common elements and all items of personal property used in the enjoyment of the entire premises.

(d) To insure and keep insured all of the insurable general common elements of the property in an amount as provided in the Declaration. Further, to obtain and maintain an owners, landlord and tenant comprehensive liability insurance covering the entire premises in amounts as provided in the Declaration, and such other types and kinds of insurance as a majority of unit owners may direct; and to insure and keep insured all of the fixtures, equipment and personal property acquired by the Association, for the benefit of the Association and the owners of the condominium units and their first mortgagees.

(e) To fix, determine, levy and collect the monthly prorated assessments. To levy and collect an initial working capital contribution and special assessments whenever in the opinion of the Board it is necessary to so do in order to meet increased operating or maintenance expenses or costs, or additional capital expense, or because of emergencies. All monthly or other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws.

(g) To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required and to execute all such instruments evidencing such indebtedness which shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.

(i) To enter into contracts within the scope of their duties and powers.

(j) To establish a bank account for the common treasury and for all separate funds which are required, or may be deemed advisable by the Board of Managers.

(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent certified public accountant, once each year.

(l) To prepare and deliver annually to each owner a statement showing all receipts, expenses, or disbursements since the last such statement.

(m) To meet at least once each quarter.

(n) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.

(o) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable in order to carry out the communal aspect of condominium ownership.

4. Managing Agent. The Managing Agent shall be Declarant, whose mailing address is 2490 Interstate 10 East, Beaumont, Texas 77702, or whatever person or entity to whom Declarant may convey all of the apartment units in this regime which Declarant shall not have sold (at the time of such conveyance) to owner occupants, who shall have all of the powers and shall perform the duties of the Board of Managers until one (1) year after the date hereof, unless seventy five per cent (75%) of the units have been sold prior to the end of such year (at which earlier date Declarant or his successor shall resign as provided in Article 14 of the Condominium Declaration for the project). Declarant shall receive no compensation for serving as Managing Agent. Subsequent to one (1) year after the date hereof, or subsequent to the earlier resignation of Declarant, whichever first occurs, the Board of Managers may employ for the Association a Managing Agent at a compensation to be established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Paragraph 3 of this Article.

Any management agreement or appointment of a Managing Agent, including the foregoing appointment of Declarant as the original Managing Agent, will be terminable by the Association for cause upon thirty (30) days' written notice thereof, and the term thereof shall not exceed one (1) year, renewable by agreement of the parties for successive one (1) year periods.

The Board of Managers shall continually engage a professional Managing Agent and shall not undertake self-management of the project except with the prior written approval of each institutional holder of a recorded first mortgage or deed of trust lien upon any unit in the project.

5. Election and Term of Office. At the first annual meeting of the Association there shall be elected three (3) persons to serve as a Board of Managers. The term of office of one (1) Manager shall be fixed for three (3) years. The term of office of one (1) Manager shall be fixed at two (2) years; and

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the term of office of one (1) Manager shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Manager, his successors shall be elected to serve a term of three (3) years. The three (3) persons acting as Managers shall hold office until their successors have been elected and hold their first meeting.

6. Vacancies. Vacancies on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum, and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association.

7. Removal of Managers. At any regular or special meeting duly called, any one (1) or more of the Managers may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board of Managers shall be held within ten (10) day of election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time, by a majority of the Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

10. Special Meeting. Special meetings of the Board of Managers may be called by the President on three (3) day's notice to each Manager, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Managers.

11. Waiver of Notice. Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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12. Board of Managers' Quorum. At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. Fidelity Bonds. The Board of Managers shall require that all officers and employees of the Association handling or responsible for Association funds and the Managing Agent shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V. OFFICERS

1. Designation. The officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Managers.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of President of an association, including, but not limited to, the power to appoint committee among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. Secretary. The Secretary shall keep all the minutes of all meetings of the Board of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's

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name the number or other appropriate designation of the apartment unit owned by such members and the carport or parking space and storage space assigned for use in connection with such apartment unit. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable time during regular business hours.

6. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies 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 Managers.

ARTICLE VI. INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every Manager or officer, his heirs, executors and administrators, against all loss, costs and expense, 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 Manager 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 has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Manager or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common expenses; provided, however, that nothing in this Article VI contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit, who is or has been a Manager or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the foregoing Declaration as a member or owner of a condominium unit covered thereby.

ARTICLE VII. OBLIGATIONS OF THE OWNERS

1. Assessments. All owners, upon completion of the purchase thereof, or occupancy by such owner or tenant, whichever occurs first, shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the general common elements and shall be due monthly in advance. A member shall be deemed to be in good standing and

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entitled to vote at any annual or a special meeting of members, within the meaning of these By-Laws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Maintenance and Repair.

(a) Every owner must perform promptly at his own expense all maintenance and repair work within his own apartment unit, which if omitted would affect the project in its entirety, or in a part belonging to other owners.

(b) All the repairs of internal installations of the unit such as water, light, gas power, sewage, telephone, air conditioners, sanitary installations, electrical fixtures and all other accessories, equipment and fixtures belonging to the unit area shall be at the owner's expense. External installations of each unit, such as electric lines, wires, conduits and systems and heating and air conditioning systems shall be maintained by the owner of the unit exclusively served by same. An owner shall also maintain all the plumbing serving his apartment exclusively. Maintenance of sewer lines serving more than one (1) apartment unit and running from the end of an apartment unit's single sewer line to the point where such sewer line becomes the property of the City of Beaumont shall be "common expenses".

(c) Damage to exterior doors and windows shall be repaired by and at the expense of the owner, provided, however, if such damage or loss is covered by insurance, such owner shall be entitled to reimbursement to the extent of the insurance payment.

(d) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common elements damaged by his negligence or by the negligence of members of his family or his guests, tenants, or agents.

3. Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of Mechanic's Lien filed against other apartment units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's apartment unit. In the event suit for foreclosure is commenced, then within thirty (30) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim, plus interest for one (1) year, together with the sum of One Hundred Dollars (\$100.00). Such sum or securities shall be held by the Association pending final adjudication or settlement of litigation. Disbursements of such funds or proceeds shall be made to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit, which may be foreclosed as is provided in Paragraph 28 of the Declaration.

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4. General.

(a) Each owner shall comply strictly with the provisions of the foregoing Condominium Declaration.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the project covered by the foregoing Declaration was built.

5. Use of Units - Internal Changes.

(a) All units shall be utilized for single family residential purposes only, and no unit shall be occupied other than on a temporary basis by more than two (2) persons per bedroom and the occupancy by more than such number continuing for a period of ten (10) days shall be deemed for this purpose to constitute permanent occupancy.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein, without previously notifying the Association in writing through the Managing Agent, or if no Managing Agent is employed, then through the President of the Board of Managers. The Association shall have the obligation to answer within five (5) days after such notice, and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration.

6. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements and the limited common elements in accordance with the purpose for which they were intended, without hindering or encroaching upon the lawful rights of the other owners.

7. Right of Entry.

(a) An owner shall grant the right of entry to the Managing Agent, or to any other person authorized by the Board of Managers, in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

8. Rules and Regulations.

(a) All owners shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of any recreational facilities that may be afforded. All owners and their guests shall achieve maximum utilization of such facilities consonant with the rights of each of the other owners thereto.

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(b) Nothing shall be done in any residential unit, nor shall same be occupied or used for any purpose, nor shall any commodity, product or personal property be kept therein or thereon, which shall cause such improvements to be uninsurable against loss by fire, or the perils included in an extended coverage endorsement under the rules of the State of Texas Insurance Commission, or which might cause or warrant any policy or policies covering said promises to be cancelled or suspended by the issuing Company.

(c) Owners and occupants of units shall at all times exercise extreme care to avoid making or permitting to be made loud or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers, and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants, or other occupants of condominium units in the condominium regime established by the foregoing Declaration. No unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants or other residents of adjoining units, nor shall any nuisance, or immoral or illegal activity be committed or permitted to occur in or on any unit or upon any part of the common elements of the condominium regime established by the foregoing Declaration.

(d) The common area is intended for use for the purpose of affording vehicular and pedestrian movement within the condominium, and of providing access to the units; those portions thereof adapted therefor, for recreational use by the owners and occupants of units; and all thereof for the beautification of the condominium and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the common area shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the common area (common elements) be used for general storage purposes, nor anything done thereon in any manner which shall increase the rate for hazard and liability insurance covering said area and improvements situated thereon. No owner shall park or store, or permit to be parked or stored, upon the common elements of the condominium any boat, trailer, camping or travel trailer, mobile home, motorcycle, or any similar vehicle, except wholly within the carport assigned to the unit of such owner. Not more than two (2) small dogs, cats, or other usual small household pets may be kept in any unit, provided always that such household pets shall be allowed on the common areas only as may be specified under reasonable rules therefor promulgated by the Board of Managers. Except as hereinabove stated, no animal, livestock, birds or poultry shall be brought within the condominium or kept in or around any unit thereof.

(e) No resident of the condominium shall post any advertisements, signs, or posters, of any kind in or on the project except as authorized by the Association.

(f) Parking of automobiles shall be only in the spaces designated as parking for each unit; no unattended vehicle shall at any time be left in the alley ways or streets in such

manner as to impede the passage of traffic or to impair proper access to parking areas. Carports and storage areas shall at all times be kept free of accumulation of debris or rubbish of any kind.

(g) It is prohibited to hang garments, rugs and/or any other materials from the windows or from any of the facades of the project.

(h) It is prohibited to dust rugs or other materials from the windows, or to clean rugs by beating on the exterior part of the condominium units, or to throw any dust, trash, or garbage out of any of the windows of any of the units.

(i) It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes.

(j) No owner, resident, or lessee shall install wiring for electrical or telephone installation, television antennae, radio antennae, machines or air conditioning units or any other devices whatsoever on the exterior of the project or that protrude through the walls or out of the windows, or on the roof of the project save as are expressly in writing previously approved by the Association.

(k) No owner or other occupant of any condominium unit shall make any alteration or improvement to the general common elements of the condominium, including limited common elements, or remove any planting, structure, furnishings or other equipment or object therefrom except with the written consent of the Association.

ARTICLE VIII. AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

1. By-Laws. These By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by owners representing at least seventy per cent (70%) of the aggregate interest of the undivided ownership of the general common elements and in the case of any material amendment, after prior written approval of each institutional lender holding a first mortgage or deed of trust lien on any unit.

ARTICLE IX. MORTGAGES

1. Notice of Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the President of the Board of Managers, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

2. Notice of Default. A first mortgagee of any unit, at its request to the Association, or to the Managing Agent or Board of Managers thereof, shall be entitled to written notification from the Association of any default by the mortgagor of such

unit in the performance of such mortgagor's obligations under the condominium documents which is not cured within thirty (30) days.

3. Examination of Books and Records. A first mortgagee shall have the right to examine the books and records of the Association or the condominium project during normal business hours.

4. Notice of Loss or Taking. The Association shall give the holder of any recorded first mortgage or deed of trust lien notice in writing of any proposed taking of any portion of the condominium project by condemnation or eminent domain.

ARTICLE X.
COMPLIANCE

These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Ownership Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the Statute will apply.

ARTICLE XI.
NON PROFIT ASSOCIATION

This Association is not organized for profit. No member, member of the Board of Managers or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or be distributed to, or inure to the benefit of any member of the Board of Managers; provided, however, always (1) that reasonable compensation may be paid to any member, except Declarant, John H. Felton, Mary Felton or Steve Holloway, while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member of the Board of Managers may, from time to time, be reimbursed for his actual and reasonable expense incurred in connection with the administration of the affairs of the Association.

ARTICLE XII.
REGISTERED OFFICE

The Registered office and the principal office for the transaction of business of this Association shall be 2490 Interstate 10 East, Beaumont, Texas 77702, and the Registered Agent shall be John H. Felton at the same address.


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ARTICLE XIII.
AUTHORIZED OFFICERS

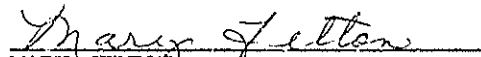
The persons who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary of the Association.

IN WITNESS WHEREOF, the undersigned have hereunto set their hand and seals, at Beaumont, Texas, this the 28 day of NOVEMBER, 1978, A. D.

BOARD OF MANAGERS



JOHN R. FELTON



MARY FELTON



STEVE HOLLOWAY

DECLARANT




JOHN H. FELTON

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28 day of November, 1978, A. D.



Notary Public in and for
Jefferson County, Texas

PHYLLIS HARPER, Notary Public,
in and for Jefferson County, Texas
My Commission Expires 10-31-80

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28 day of November, 1978, A. D.

Phyllis Harper
Notary Public in and for
Jefferson County, Texas

PHYLLIS HARPER, Notary Public,
In and for Jefferson County, Texas
My Commission Expires 10.31.80

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28 day of November, 1978, A. D.

Phyllis Harper
Notary Public in and for
Jefferson County, Texas

PHYLLIS HARPER, Notary Public,
In and for Jefferson County, Texas
My Commission Expires 10.31.80

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28 day of November, 1978, A. D.

Phyllis Harper
Notary Public in and for
Jefferson County, Texas

PHYLLIS HARPER, Notary Public,
In and for Jefferson County, Texas
My Commission Expires 10.31.80

FILED FOR RECORD
R. L. Lewis
COUNTY CLERK
JEFFERSON COUNTY, TEXAS

1005340

Nov 28 3 32 PM '78



STATE OF TEXAS
COUNTY OF JEFFERSON

I hereby certify that this instrument was FILED FOR RECORD on the date and at the time stamped hereon, and duly RECORDED without delay in the Volume and Page of the above named RECORD of Jefferson County, Texas as stamped hereon by me.

R. L. Lewis
COUNTY CLERK
JEFFERSON COUNTY, TEXAS