

CONDOMINIUM INFORMATION STATEMENT

CITY PLAZA,
A CONDOMINIUM

*Buyer is advised to read this Condominium Information Statement (CIS)
before signing the Earnest Money Contract to purchase a Unit in
City Plaza,
A Condominium.*

*The Earnest Money Contract, the CIS and the Exhibits to the CIS are
important legal documents and should be reviewed with an attorney.*

Dated: April 4, 2002

CITY PLAZA,
A CONDOMINIUM
1330 Old Spanish Trail
Houston, Texas 77054

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CONDOMINIUM INFORMATION STATEMENT

CITY PLAZA, A CONDOMINIUM

I. Name and Principal Addresses

Condominium: City Plaza, A Condominium
1330 Old Spanish Trail
Houston, Texas 77054

Declarant: Houston Condominiums, L.P.
6640 Powers Ferry Road, Suite 100
Atlanta, Georgia 30339

II. General Description of the Condominium

City Plaza, A Condominium is a Condominium located at 1330 Old Spanish Trail near the intersection with Kirby Drive in Houston, Texas. The Texas Medical Center, Astroworld, Astrodome complex and Reliant Stadium are all within close proximity. The Condominium is located on an approximately 7.441 acre tract, which property is presently developed with eight 3-story residential apartment buildings, five garages and one clubhouse.

The eight buildings will be converted into 246 residential condominium units. Each of the buildings contains two or three interior open-air breezeways providing access to the units. Parking is provided in surface lots located at the sides of the perimeter access drive through the property. There are also five private garages, each containing ten parking spaces. The ground floor units all have private patios and the second-story and third-story units all have private balconies. Units range in size from approximately 653 square feet to approximately 1,119 square feet. The recreation amenities consist of an outdoor swimming pool with waterscape features and sun deck, a barbecue area with two charcoal grills, and a clubhouse equipped with a kitchen and a fitness center. The property is beautifully landscaped and offers gated access.

All units are meticulously designed and include a washer and dryer. Many units have built-in bookcases, wet bars and wood-burning fireplaces. The third floor units have cathedral or vaulted ceilings. All of the units are furnished with horizontal mini-blinds, ceiling fans/light fixtures in the bedroom and chandeliers in the dining room. Many units have an individual storage unit located off its balcony or patio.

Types of Units

There are seven basic floor plans for the Condominium. The floor plans are shown in greater detail in the Plat included with the Condominium Declaration, which is attached as Exhibit "A" to this CIS. The Plat includes dimensional drawings showing the boundaries of the Units and plats showing the layout of the Condominium.

Maximum Number of Units

The types and number of residential units described above represent the current plans for the Condominium. However, the Declarant reserves the right to make alterations to the units owned by the Declarant, including by subdividing or combining such units or converting units into common elements. (*See* Declaration, Section 4.(b)(ii)). The maximum number of units that the Declarant reserves the right to create in the building is 246.

III. Development Rights

The Declarant is reserving various development rights in the Declaration (*see* Declaration, Section 4.(b)):

(1) To add real property or interests in real property to the Condominium. However, no such alterations will change the percentage interests of other unit owners in the common elements, without the consent of such owners.

(2) To alter, subdivide, combine and convert units owned by the Declarant, as described above in Section II. "Maximum Number of Units", and to amend the Declaration to reflect such changes.

(3) To make changes or additional improvements to the common elements during any time when the Declarant owns a unit.

Conditions to Development Rights

Some of the Declarant's development rights are subject to limitations. The right to alter units applies to those units owned by the Declarant. The right to make changes to the common elements applies to the common elements as a whole, but only so long as the Declarant owns a unit. The other development rights do not have time limitations or other conditions.

Special Declarant Rights

Other special rights of the Declarant, known as "Special Declarant Rights," are also described in the Declaration (*see* Declaration, Section 4.(a)). These include the right to maintain sales offices, models and signs, and appoint Board members and officers of the Association during the initial period of Declarant control.

Subsequent Allocation of Limited Common Elements

Declarant has the right to sell the right to use the garage spaces in the private garages. (See Declaration, Section 5(e)).

IV. Condominium Documents

The following documents govern the Condominium and are attached to this CIS and incorporated herein:

<u>Exhibit "A"</u>	Condominium Declaration for City Plaza, A Condominium
<u>Exhibit "B"</u>	Articles of Incorporation of City Plaza Owners' Association, Inc.
<u>Exhibit "C"</u>	Bylaws of City Plaza Owners' Association, Inc.
<u>Exhibit "D"</u>	Rules of City Plaza Owners' Association, Inc.

Prior to the closing of the first unit sale, the Declaration and Articles will be recorded, and the By-Laws and Rules will be adopted by the initial Board of Directors of the Association at its organizational meeting. Any material and substantive changes made by the Declarant to the above documents, or to this CIS, that adversely affect a buyer will be provided to the buyer prior to closing.

Closing Documents

Other than loan documents, the only lease and contract required by the Declarant to be signed at closing is an assumption of any the existing third party lease of the unit, in the form attached as Exhibit "E" to this CIS. The Declarant also requires buyers to execute an affidavit, attached as Exhibit "F" to this CIS, to induce lenders to make mortgage loans on units, to induce title insurance companies to issue policies on the units, and to affirm the buyers' understanding of the property they are purchasing.

V. First Year Budget

A projected or pro forma budget for the unit owners' association, City Plaza Owners' Association, Inc., for the first fiscal year following the first unit sale, is attached as Exhibit "G" to this CIS. It includes the amount included as a reserve of the Association (or that no reserve is included), and the projected monthly common expense assessment for each square foot of owned space.

The budget was prepared by Ronald L. Lozoff on behalf of the Declarant. It is based in part on the following assumptions concerning occupancy and inflation: (1) that all of the units are occupied for all or most of the budget year; and (2) that the net collection rate is 100% and all estimates are in current dollars unadjusted for inflation.

VI. Leases, Liens and Encumbrances

There are existing residential leases affecting title to the units in the Condominium other than the units being used as models by Declarant. A copy of the standard form Lease Agreement covering the units is attached as Exhibit "H" to this CIS. Title to the Condominium is also subject to the following liens and encumbrances:

(1) Deed of Trust, Security Agreement and Assignment of Leases and Rents granted by the Declarant, recorded under County Clerk's File No. V571735 in the Real Property Records of Harris County, Texas, to secure a loan by Corus Bank, N.A., in the original principal amount of \$17,800,000.00, for the acquisition of the property. Such loan is additionally secured by an Assignment of Leases and Rents recorded under County Clerk's File No. V571736 in the Real Property Records of Harris County, Texas. Upon the closing of each unit, the lender will release its lien on the unit being conveyed, provided the Declarant has received signed earnest money contracts and the related deposits of earnest money for the sale of not less than forty (40) units in the Condominium by November 29, 2002.

(2) Lien in favor of the Association for any unpaid annual and special assessments (*see* Declaration, Section 9.(f)).

(3) The recorded easements and licenses set forth on Exhibit "I" attached to this CIS.

(4) Encroachments by the common elements or limited common elements on units, or by units on common elements or limited common elements; or encroachments of any unit upon any part of any other unit resulting from building renovation, reconstruction, settling or shifting, or alterations (*see* Declaration, Section 6.(b)).

(5) Easement in and to all units for repairs and maintenance of common elements and limited common elements, and right of access of Board of Directors for same (*see* Declaration, Section 8.(a)(i)(5)).

(6) Easement for existing utilities on any part of the common elements (*see* Declaration, Section 6.(c)).

(7) Easement of Declarant and Association to install cable receiving dishes on the roofs and perimeter of units (*see* Declaration, Section 6.(d)).

(8) Easement of Declarant, when it owns a unit to use portions of the common elements with no charge therefor, for Declarant's sales, marketing, leasing, administrative and other activities (*See* Declaration, Section 6.(j)).

(9) Easement of enjoyment by unit owners of all common elements (*see* Declaration, Section 6.(e)).

(10) Easement to each unit for ingress and egress along all driveways, walkways, stairways, lobbies, hallways, and corridors providing access to the unit and to the parking area (*see* Declaration, Section 6.(f)).

(11) All other restrictions, covenants, assessments and liens described in the Declaration.

(12) Taxes, including any reassessment or reallocation from the creation of the Condominium, which become due and payable after the date of conveyance to a unit buyer.

VII. Warranties

The Declarant is to provide the following warranties to each unit buyer:

(1) Special Warranty of Title: At closing, the Declarant shall convey the unit by a special warranty deed, containing a special warranty that the Declarant “shall warrant and defend the title against claims and demands of the grantor and all persons claiming by, through and under grantor, but not otherwise,” or containing substantially similar language.

(2) Limited Warranty on Unit: The Purchase Agreement for buying the unit contains the following limited warranty, or substantially similar language (*see* Purchase Agreement, Paragraph 18.(b)):

“AS IS” and “WHERE IS”. Seller shall not by the execution and delivery of any document or instrument executed and delivered in connection with the closing, make any warranty, express or implied, of any kind or any nature whatsoever, with respect to the Property other than warranties of title pursuant to the deed of conveyance in Paragraph 4(a), and all such warranties are hereby disclaimed. Without limiting the generality of the foregoing, SELLER MAKES, AND SHALL MAKE, NO EXPRESS OR IMPLIED WARRANTY OF SUITABILITY OR FITNESS OF THE PROPERTY FOR ANY PURPOSE, OR AS TO THE MERCHANTABILITY, VALUE, QUALITY, CONDITION OR SALEABILITY OF THE PROPERTY. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES BASED ON ALLEGED DIMINUTION IN THE VALUE OF THE PROPERTY OR THE UNIT. The sale of the Property by Seller to Purchaser shall be “AS IS” and “WHERE IS”. Seller shall transfer to Purchaser any manufacturing warranties pertaining to the Unit which by their terms are transferable.

VIII. Judgments and Suits

The Declarant has no actual knowledge of any unsatisfied judgments against the unit owners' association, City Plaza Owners Association, Inc., or any pending suits to which the Association is a party or which are material to the land title and construction of the Condominium.

IX. Insurance Coverage

The following generally describes the insurance coverage which the Association shall obtain for the benefit of unit owners. The casualty and liability policies shall be obtained prior to the first unit sale, while other policies may or shall be obtained by the Association as provided in the Declaration. A more detailed description is found in the Declaration, Section 10.

(1) Casualty: “Blanket” standard extended coverage policy against loss by fire and other hazards (excluding damage caused by earthquake and flood, and water which backs up through sewers and drains), for one hundred percent (100%) of the insurable replacement cost of the following insured property:

Insured Property: (i) The Condominium building, including all common elements, limited common elements and units, and all improvements and fixtures initially installed in units by the Declarant; (ii) all other improvements on the real property; and (iii) all personal property owned by the Condominium and included in the common elements.

Excluded: (i) Land, foundations, excavation and other items normally excluded from coverage; and (ii) any improvements, fixtures, furniture, furnishings or other personal property supplied by unit owners or tenants. *Unit owners and tenants are encouraged to obtain their own insurance on any property which they supply or install in the units.*

(2) Liability: Comprehensive commercial general liability policy, including medical payments insurance, with limits of at least \$1,000,000 per occurrence, covering all claims for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the common elements. Coverage shall include:

- (i) “Severability of Interest Endorsement” or equivalent coverage that would preclude the insurer from denying the claim of a unit owner because of negligent acts of the Association, the Board of Directors or unit owners; and
- (ii) Protection against water damage liability (excluding flood waters), liability for non-owned and hired automobile, liability for property of others, and if applicable, elevator malfunction, garage-keeper’s liability, host liquor liability and other risks customarily covered for similar projects.

The Association does not provide liability coverage for accidents or occurrences that occur within that portion of the Condominium which is reserved for an owner’s exclusive use and occupancy.

(3) General Provisions: The casualty and liability policies shall include the following terms:

Named Insured: Policies on the Condominium property shall be for the benefit of unit owners and their mortgagees, and shall be payable to the Board of Directors as trustee for the owners and mortgagees. Each unit owner shall be a named insured for liability related to the owner's interest in the common elements and membership in the Association.

Subrogation: The insurer shall waive: (i) rights of subrogation against the Association, any unit owner and their agents, employees and tenants; and (ii) any defenses of co-insurance or other insurance, or invalidity from acts of the insured, and any pro rata reduction of liability.

Acts of Owners: Coverage shall not be voided for: (i) acts or omissions of unit owners, if not within the control of the Association, or if not within the person's authority on behalf of the Association; or (ii) conditions in parts of the property beyond the Association's control.

Primary Insurance: The Association policy shall be primary insurance, if a unit owner owns insurance on the same property.

Cancellation: Coverage may not be cancelled or substantially modified without 30 days' notice to all named insureds and holders of first mortgages.

Repairs: If available, that the insurer shall not have the option to restore property damage in lieu of a cash settlement, without the consent of the Association.

(4) Other Policies: As a common expense, the Association shall also obtain: (i) Officers & Directors Insurance, insuring the Association's directors and officers against claims arising from acts in their official capacities; and (ii) Worker's Compensation insurance, to the extent required by law. The Association may also obtain other policies determined by the Board to be desirable, including rent insurance (on charges payable by unit owners), flood insurance, machinery insurance, plate glass insurance, and fidelity bonds for all persons handling Association funds. Fidelity bonds and flood insurance shall be mandatory if required by the FNMA.

(5) Areas Not Covered: Because of exclusions in the master policy obtained by the Association, you should consult with your own insurance agent about purchasing a policy to cover the following exposures:

- (i) Value of household and personal property.
- (ii) Additional living expense.
- (iii) Personal injury.
- (iv) Loss assessment coverage.

- (v) Value of jewelry, furs, silverware, and fine art.
- (vi) Business interruptions.
- (vii) Value of betterments and improvements made or acquired at the expense of an individual unit owner.

X. Fees and Charges

There are no current or expected fees or charges to be paid by unit owners for the use of the common elements and other facilities related to the Condominium, although the Board of Directors may later impose them. Each unit owner is responsible for the monthly common expense assessment and any other assessments authorized by the Declaration, Bylaws and Rules. (See Declaration, Section 9) The projected monthly common expense assessment for the first fiscal year is set forth on the budget attached as Exhibit "G" to this CIS.

XI. Condition of Existing Building

The Texas Uniform Condominium Act requires that for any existing building that is converted into a condominium, the Declarant must provide certain statements regarding the condition of the building. Attached as Exhibit "J" to this CIS is the Declarant's dated statement of the following:

(1) A description of the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the Condominium building, based on a report by an independent architect or engineer, and a statement of the expected useful life of such items (or that no representations are made in that regard); and

(2) A list of any uncured building code or other regulatory violations, if any, of which the Declarant has received notice, and the estimated cost of curing such violations.

XII. Amendments to CIS; Conflicts

The Declarant reserves the right to amend this CIS, including any documents attached as Exhibits. If any amendment includes a material and substantive change that adversely affect a buyer, the Declarant will provide the buyer a copy of the amendment prior to closing. This CIS may not be amended orally. Any conflict between this CIS and the Exhibits shall be controlled by the Exhibits.

EXHIBIT "A"

**TO CONDOMINIUM INFORMATION STATEMENT
OF CITY PLAZA, A CONDOMINIUM**

**CONDOMINIUM DECLARATION FOR
CITY PLAZA, A CONDOMINIUM**

**DECLARATION OF CONDOMINIUM
CITY PLAZA CONDOMINIUMS**

1330 Old Spanish Trail
Houston, Texas 77054

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**DECLARATION OF CONDOMINIUM
CITY PLAZA CONDOMINIUMS**

This Declaration ("Declaration") made and entered into this _____ day of _____, 2002, by Houston Condominiums, L.P., whose address is 6640 Powers Ferry Road, Suite 100, Atlanta, Georgia 30339 (the "Declarant"):

W I T N E S S E T H

WHEREAS, the Declarant is the owner in fee simple of certain real estate in Houston, Harris County, Texas, legally described on Exhibit "A" attached hereto and made a part hereof, and the improvements thereon (hereinafter referred to as the "Property") being more particularly described on the plat (hereinafter defined and referred to as the "Plat"), attached hereto as Exhibit "B" and made a part hereof for all purposes;

WHEREAS, the above described real estate is, on the date this Declaration is recorded, subject to covenants, restrictions, agreements and easements of record.

WHEREAS, the Declarant intends to, and does hereby submit such real estate together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anyway pertaining thereto, to the provisions of the Uniform Condominium Act (hereinafter the "Act"), Chapter 82 of the Texas Property Code, as amended from time to time; and

WHEREAS, the name of the Condominium shall be City Plaza Condominiums; and

WHEREAS, the Declarant desires to establish certain rights and easements in, over and upon said real estate for the benefit of itself and all future owners of any part of said real estate, and any unit or units thereof or therein contained, and to provide for the harmonious, beneficial and proper use and conduct of the real estate and all units; and

WHEREAS, the Declarant desires and intends that the several unit owners, mortgagees, occupants and other persons hereafter acquiring any interest in the Property, hereinafter defined, shall at all times enjoy the benefits of, and shall hold their interests subject to, the rights, easements, privileges, and restrictions hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspect of the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property.

NOW THEREFORE, Declarant hereby declares that the land described in Exhibit "A" attached hereto, together with all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto, is hereby submitted to a condominium regime pursuant to the Act, and that said Property is and shall be held, conveyed, hypothecated, encumbered, pledged, leased, rented, used, occupied and improved subject to the following limitations,

easements, restrictions, covenants, conditions, charges and liens, all of which are declared to be established for the purpose of enhancing the value, desirability and attractiveness of said Property and every part thereof. All of said limitations, easements, covenants, restrictions, conditions, charges and liens shall run with the said Property and shall be binding upon all parties having or acquiring any right, title or interest therein or any part thereof and shall be for the benefit of each owner of any portion of said Property or any interest therein, and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof.

1. DEFINITIONS

Certain words and terms used in this Declaration are defined as follows:

1.(a) Act

The Uniform Condominium Act, Chapter 82 of the Texas Property Code, as amended from time to time.

1.(b) Association

The association of all the Unit Owners acting pursuant to the By-Laws, as amended, from time to time, through its duly elected Board known as City Plaza Owners Association, Inc.

1.(c) Board

The Board of Directors of the incorporated Association.

1.(d) Buildings

All structures located on the Property, attached or unattached, containing one or more Units.

1.(e) By-Laws

The By-Laws of the Association.

1.(f) Common Elements

As defined in Section 5(a) hereof.

1.(g) Common Expense Liability

The liability for Common Expenses allocated to each Unit.

1.(h) Common Expenses

The proposed or actual expenses affecting the Property, including reserves, if any, lawfully assessed by the Board.

1.(i) Condominium

The condominium established by this Declaration to be known as “City Plaza Condominiums.”

1.(j) Condominium Instruments

All documents and authorized amendments thereto recorded pursuant to the provisions of the Act, including the Declaration and Plat.

1.(k) Declaration

This instrument by which the Property is submitted to the Act.

1.(l) Declarant

Houston Condominiums, L.P., a Georgia limited partnership, and its successors and assigns.

1.(m) First Mortgagee

The holder of a note secured by a bona fide first deed of trust or mortgage covering any portion of the Property. A reference to a given percentage of the First Mortgagees (*e.g.* “51% of the First Mortgagees”) shall mean First Mortgagees holding Mortgages on Units representing such percentage of the votes in the Association.

1.(n) Garage Spaces

Those fifty (50) garage spaces contained within the five enclosed free-standing garage structures on the Property which shall be Limited Common Elements.

1.(o) Limited Common Elements

As defined in Section 5(b) hereof.

1.(p) Maintenance Fund

All monies collected or received by the Association pursuant to the provisions of the Condominium Instruments.

1.(q) Majority of Unit Owners

The owners, without regard to their number, of more than 50% in the aggregate in interest of the entire undivided ownership interest of the Common Elements. Any specified percentage of the Unit Owners shall mean those Unit Owners who, in the aggregate, own such percentage of the entire undivided ownership interest in the Common Elements.

1.(r) Manager

Initially Declarant and after it ceases to be the Manager, the person or firm selected by the Declarant or the Board pursuant to the provisions of this Declaration.

1.(s) Model

A Unit or Units used by the Declarant to assist in the sale of Units to prospective purchasers.

1.(t) Mortgage

A deed of trust or mortgage covering a Unit and the undivided interest in the Common Elements appurtenant thereto.

1.(u) Mortgagee

A beneficiary under a Mortgage and any servicing agent of such beneficiary.

1.(v) Occupant

A person or persons, other than a Unit Owner, in possession of a Unit.

1.(w) Parking Area

The portions of the Property which are designated for parking for the Unit Owners pursuant to the Plat, this Declaration, the rules and regulations of the Association, or any resolution of the Board. The Parking Area includes any access areas or driveways related to the Parking Area, Garage Spaces, and Parking Spaces.

1.(x) Parking Spaces

Those portions of the Parking Area designated for the parking of automobiles, motorcycles, and bicycles, which shall be Common Elements.

1.(y) Person

A natural individual, corporation, partnership, limited liability company, trustee or other legal entity capable of holding title to real property.

1.(z) Plat

A plat or plats of survey of the Property and all of the Units in the Property submitted to the provisions of the Act, along with any plan or plans, said plat being attached hereto as Exhibit "B" and hereby made a part hereof and recorded with the recording of this Declaration and as amended from time to time in accordance herewith, which shall consist of such data as required by the Act.

1.(aa) Property

All land, property and space submitted to the provisions of the Act pursuant to this Declaration, all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all fixtures.

1.(bb) Reserves

Those sums paid by Unit Owners which are separately maintained by the Board in the Maintenance Fund for the purposes specified by the Board or the Condominium Instruments.

1.(cc) Sales Office

One or more offices in Units or on Common Elements to be used in connection with sales, management and leasing of the Condominium.

1.(dd) Unit

Any part of the Property within the Buildings, including one or more rooms and the balcony storage area, occupying one or more floors, or a part or parts thereof, designed and intended for any type of independent use and which is designated on the Plat as a Unit.

1.(ee) Unit Owner

The person or persons whose estates or interests, individually or collectively, aggregate fee simple absolute ownership of a Unit.

1.(ff) Unit Ownership

A part of the Property consisting of one Unit and its undivided interest in the Common Elements appurtenant thereto.

2. LEGAL DESCRIPTION OF PROPERTY

The Property hereby submitted to the provisions of the Act is legally described on Exhibit "A" hereto.

3. UNITS

3.(a) Legal Description.

All Units are delineated on the Plat attached hereto as Exhibit "B" and made a part of this Declaration. The boundaries of each Unit are the interior surfaces of floors, ceilings, perimeter walls, doors, and windows of such Unit. The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument may legally describe a Unit by its identifying number or symbol as shown on Exhibit "B" and every such description shall be deemed good and sufficient for all purposes. No Unit Owner shall execute any deed, mortgage, lease or other instrument affecting title to his or her Unit Ownership without including therein both his or her interest in the Unit and his or her corresponding percentage of ownership in the Common Elements, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, lease or other instrument purporting to affect the one without including also the other shall be deemed and taken to include the interest so omitted even though the latter is not expressly mentioned or described therein. The Common Elements shall remain undivided and shall not be the object of an action for partition or division of the Unit Ownership thereof so long as subject to a condominium regime, and, in any event, all Mortgages must be paid in full prior to bringing an action for partition or the consent of all First Mortgagees must be obtained.

3.(b) Subdivision.

Except as provided by the Act or as provided elsewhere herein, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his or her Unit to be separated into any tracts or parcels different from the whole Unit as shown on Exhibit "B". Unit Owners may, at their expense, subdivide or combine Units and locate or relocate Common Elements affected or required thereby, subject to the following: the Unit Owner must make a written application to the Board which (i) requests an amendment to the Condominium Instruments; (ii) sets forth the proposed reallocation, if any, to the new units of the percentage interest in the Common Elements; and (iii) sets forth whether the Limited Common Elements, if any, previously assigned to the affected Unit(s) shall be reassigned. The subdivision or combination must be approved by a majority of the Board and will be effective only upon recording of an appropriate amendment to the Condominium Instruments and execution of appropriate documentation by the Unit Owner(s) involved. The requesting Unit Owner(s) shall pay, whether or not the subdivision or combination is approved, all costs of the Association and Board in connection therewith, including but not limited to, attorneys' fees, survey costs and recording charges.

Notwithstanding the foregoing, until such time as the Declarant no longer owns any Units, the Declarant may subdivide and combine Units and alter, expand, reconfigure or close Common Elements (collectively the "Declarant Modifications") without further consent of any other party and shall thereupon record an amendment to the Declaration reflecting any such Declarant Modifications. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, acting by or through its duly authorized officers, its successors, or its designee, and its agents, and each of them singly, as attorney-in-fact, to amend the

Declaration, as described above, without notice to any Unit Owner. The delivery of each deed, mortgage or other instrument with respect to a Unit, and the acceptance thereof, shall be deemed a grant of such power to each of said attorneys-in-fact, and acknowledgment of and consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to amend the Declaration, as described above.

3.(c) Measurements

To the extent such data is available to the Declarant at the time this Declaration is recorded, the Plat sets forth the measurements, elevations, locations and other data, as required by the Act, with respect to (i) the Property and its exterior boundaries; (ii) every Building and each floor thereof; and (iii) each Unit in every Building and said Unit's horizontal and vertical dimensions. Declarant shall not be liable to any Unit Owner as a result of any discrepancies in actual Unit measurements from those set forth on the Plat, and each Unit Owner, by accepting a deed to a Unit, waives any such claim or cause of action against Declarant.

However, the Declarant hereby reserves unto itself the right, from time to time, as further data becomes available, to amend the Plat so as to set forth the measurements, elevations, locations and other data required by the Act, with respect to the Buildings and the Units now or hereafter constructed on the Property. In furtherance of the foregoing, a power coupled with an interest is hereby granted to the Declarant, acting by or through its duly authorized officers, its successors, or its designee, and its agents, and each of them singly, as attorney-in-fact, to amend the Plat, as described above, without notice to any Unit Owner. The delivery of each deed, mortgage or other instrument with respect to a Unit, and the acceptance thereof, shall be deemed a grant of such power to each of said attorneys-in-fact, and acknowledgment of and consent to such power, and shall be deemed to reserve to each of said attorneys-in-fact the power to amend the Plat, as described above.

3.(d) Structural Components

Except as constructed or altered by or with the permission of the Declarant or the Association, nothing shall be done in any Unit or in, on or to the Common Elements or Limited Common Elements which would impair the structural integrity, safety or soundness of the Buildings or which would structurally change the Buildings.

3.(e) Ownership Interest

The ownership interest of each Unit Owner shall consist of fee simple title to the Unit owned by such Unit Owner, an undivided interest in the Common Elements, and the right to use the Limited Common Elements allocated to that Unit.

3.(f) Transfer of a Unit

Any Unit Owner may, without restriction under this Declaration, except for the restrictions on leasing in subsection 3.(g) below, sell, give, devise, lease or otherwise transfer his

or her Unit, or any interest therein. Written notice of any transfer under this subsection must be given to the Association within ten (10) days following consummation of such transfer.

3.(g) Leasing

3.(g)(i) Unit Owners

Any Unit Owner shall have the right to lease, or permit a subsequent sublease or assignment of all (but not less than all) of his or her Unit upon such terms and conditions as the Unit Owner may deem acceptable subject to this Declaration and any rules and regulations adopted by the Board, except that no Unit shall be leased, subleased or assigned for transient or hotel purposes, or for a period of less than six (6) months, nor shall any Unit be leased for more than two (2) years. Notwithstanding any other provision of this Section 3.(g), no Unit Owner shall lease his or her Unit if such lease shall cause the Condominium to fail to comply with the requirements of the Federal National Mortgage Association (FNMA).

Any lease, sublease or assignment of a Unit shall be in writing, a copy of which must be delivered to the Association within ten (10) days after execution, and shall provide that the lease, sublease or assignment set forth above shall be subject to the terms of this Declaration. The lease shall provide that any failure of the lessee, sublessee or assignee to comply with the terms of this Declaration shall be a default under the lease, sublease or assignment. Every such lease shall also expressly provide that the Association may exercise against the lessee thereunder any and all remedies available to the Association under this Declaration, including, but not limited to, the right to take possession of the Unit, or of the interest therein, or lease thereunder. In furtherance of the foregoing, each deed, lease, mortgage or other conveyance instrument with respect to a Unit, and the delivery and acceptance thereof, shall be deemed to assign, transfer and set over the Association and the Board, or either one of them ("Assignees") all interest of the lessor Unit Owner or any other lessor of said Unit, or interest therein, in any lease of such Unit, or any interest therein, or any extensions or renewals thereof, together with all rents payable under same and all benefits and advantages to be derived therefrom, to hold and receive same unto Assignees (together with all rights against any guarantors of the lessee's obligations under such lease) as security for the payment of any lien which may exist against such Unit, or any interest therein, for such Unit Owner's unpaid proportionate share of the Common Expenses, pursuant to this Declaration, in the performance by said Unit Owner of each and all of said Unit Owner's obligations under this Declaration. Any such lease of a Unit, or interest therein, shall contain and include such provisions in furtherance of said assignment as the Board may approve and deem prudent, from time to time, in order to effect such collateral assignment; provided, however, that such assignment shall not be construed as constituting the Assignee thereunder as a trustee or mortgagee in possession.

In the event of a default by such Unit Owner under the terms and provisions of this Declaration, the Association and the Board, or either of them, may elect to exercise each and all of the rights and powers conferred upon them as Assignee by such assignment and to directly collect all rents and other amounts then due under such lease from the lessee thereunder; provided, however, that such amounts so collected, after deducting therefrom the expenses of operating such Unit and the expenses of such collection and enforcement, shall be applied on

account of any such lien for unpaid Common Expenses. Any costs or expenses incurred in connection with the operation of such Unit or in connection with such collection and enforcement (including, without limitation, reasonable attorneys' fees) shall be a Common Expense and secured as set forth in this Declaration, and the defaulting Unit Owner shall reimburse the Association therefor immediately upon demand.

Notwithstanding anything hereinabove to the contrary, any such assignment of the lease of a Unit, or any interest herein, by a Unit Owner, as hereinabove described, shall be subordinate to any assignment of such lease which is recorded and attaches prior to the date such lien for unpaid Common Expenses and which is owned or held by any First Mortgagee, except for the amount of said proportionate share of such Common Expenses which becomes due and payable from and after the date on which such First Mortgagee either takes possession of the lessor's interest encumbered by such assignment, accepts a conveyance of any interest therein (other than as a security) or causes a receiver to be appointed in a suit to enforce such assignment. This provision shall not be amended or rescinded without the prior written consent of all such First Mortgagees who are the holders or owners of any such collateral assignments recorded prior to the date of such amendment or rescission.

The Unit Owners making any such lease, or permitting such sublease or assignment shall not be relieved thereby from any obligations under the Declaration.

3.(g)(ii) Declarant

Notwithstanding anything to the contrary in subsection 3.(g)(1) above, the Declarant may lease, sublease or assign any Units owned or controlled by it under such terms and conditions as it may deem acceptable.

3.(h) Use and Occupancy

3.(h)(i) General

Notwithstanding anything contained herein to the contrary, each Unit shall be allowed to be used (i) for residential purposes; (ii) as premises which are used by a professional or quasi-professional Occupant thereof as both a residence and a home office for professional pursuits which shall not be disruptive or violate the use, enjoyment and rights of other Owners. Except for those activities conducted in connection with a home office as set forth above or as part of the marketing and development program of the Declarant, no industry, business, trade or commercial activities, unscheduled public visits, nonresidential storage, mail or other use of a Unit shall be conducted, maintained or permitted in any part of a Unit, nor shall any Unit be used or rented for transient, hotel or motel purposes. No improper, offensive or unlawful use may be made of the Property. Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and the State of Texas and all ordinances, rules and regulations of the City of Houston, Texas. Any violating Unit Owner shall hold harmless the Declarant, the Association and other Unit Owners from all fines, penalties, costs and prosecutions for any violation or noncompliance. Additionally, unless specifically provided otherwise herein, Declarant shall be deemed an owner of a Unit so long as it is the legal title holder of any Unit.

3.(h)(ii) Insurance

Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Property, or contents thereof, without the prior written consent of the Association. No Unit Owner shall permit anything to be done or kept in his or her Unit or in the Common Elements which will result in the cancellation of any insurance maintained by the Association, or which is in violation of any law. No waste shall be committed on the Common Elements.

3.(h)(iii) Appurtenances

Unit Owners shall not cause or permit anything to be hung or displayed on the outside of windows or placed on the outside walls of the Building or upon the Limited Common Elements and no sign, awning, canopy or shutter (except as installed by Declarant or the Association or approved by Declarant or the Association) shall be affixed to or placed upon the exterior walls or roof or any part thereof or on the Common Elements, or Limited Common Elements, without the prior written consent of the Association. No air conditioning unit of any type may be installed by a Unit Owner without the prior notification and consent of the Association. The installation of all radio or television antennas or receiving dishes shall be subject to the rules and regulations of the Association.

3.(h)(iv) Pets

No animals, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Unit or in the Common Elements, except that household pets, including dogs, cats and birds, may be kept in Units, subject to the provisions of Section 13(a) hereof and rules and regulations adopted by the Association, which rules or regulations may exclude any kind of pet other than dogs, cats or birds, by type or category, provided that no pets are kept, bred, or maintained for any commercial purpose; and provided further that any such authorized pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days' written notice from the Association. Each Unit Owner and each Occupant shall be responsible for picking up after any animal kept in his or her Unit, including without limitation, removing any waste deposited by such animal anywhere on the Common Elements.

3.(h)(v) Nuisance

No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or Occupants. Fireworks are prohibited in any Unit and in the Common Elements, and firearms are prohibited in the Common Elements.

3.(i) Real Estate Taxes

It is understood that real estate taxes are to be separately taxed to each Unit Owner for his or her Unit and its corresponding percentage of ownership of the Common Elements, as provided in the Act. In the event that for any year such taxes are not separately taxed to each Unit Owner, then the Association shall collect from each Unit Owner of a Unit not separately taxed, the proportionate share of the tax bill attributable to each Unit based on the relative percentage of ownership of the Common Elements of each such Unit not separately taxed in proportion to the total percentage of ownership of the Common Elements of all of the Units located on property affected by such tax bill. Such taxes shall be considered a Common Expense of each such Unit.

4. DECLARANT RIGHTS

Pursuant to the Act, the Declarant reserves the following rights:

- 4.(a) Special Declarant Rights. The Declarant reserves the following rights, referred to as “Special Declarant Rights” under the Act:
 - 4.(a)(i) To exercise any development right set forth in subsection 4.(b) below;
 - 4.(a)(ii) To maintain Sales Offices and Models for Declarant’s exclusive use, subject to the following limitations:
 - (i) no more than ten (10) Units owned by the Declarant may be used at any one time as Sales Offices and Models;
 - (ii) Sales Offices and Models may be located on any floor of the Condominium and may consist of multiple Units with the same floor plan or any combination of floor plans; and
 - (iii) Sales Offices and Models may be relocated at any time provided Declarant takes reasonable steps to minimize any disruption to the Unit Owners caused by such relocation.
 - 4.(a)(iii) To maintain signs advertising the Condominium;
 - 4.(a)(iv) To appoint or remove any officer of the Association or Board member, during the period of Declarant control described in Section 7(d) of this Declaration.
- 4.(b) Development Rights. The Declarant reserves the following development rights:

- 4.(b)(i) To add real property or interests in real property to the Condominium, whether by purchase, lease, easement or otherwise; provided, that no such alterations will change the percentage interests in the Common Elements of any Units without the consent of the Unit Owners of such other Units and any additions of real property for purposes of creating additional Units shall comply with the Act and any requirements of the Federal National Mortgage Association (FNMA). The maximum number of Units that the Declarant reserves the right to create is 246;
- 4.(b)(ii) To alter, subdivide, combine and convert any Units owned by Declarant, including by converting such Declarant-owned Units into Common Elements, and to make any amendments to this Declaration that results therefrom; and
- 4.(b)(iii) To make changes or additional improvements to the Common Elements during any time when the Declarant owns a Unit.

4.(c) Time Limitations and Applicable Property

Unless sooner terminated by a recorded instrument signed by Declarant, any of the above Special Declarant Rights and development rights may be exercised by Declarant for the maximum period of time permitted by the Act and the applicable provisions of this Declaration. All such Special Declarant Rights and development rights apply to the Property as a whole, as described on Exhibit "A" attached hereto, unless limited to specific portions of the Property by the applicable provisions of this Declaration. Unless limited by this Declaration, any of the Special Declarant Rights and development rights may be exercised with respect to different portions of the Property at different times, and in any order. Declarant makes no assurances as to the timing or order of its exercise of any such rights, the boundaries of any portions of the Property affected, or whether its exercise of such rights with respect to one portion will require the exercise of such rights as to other portions or the Property as a whole.

5. THE COMMON ELEMENTS

5.(a) Description of Common Elements

The Common Elements shall consist of all portions of the Property, except the Units, and including the Limited Common Elements, unless otherwise expressly specified herein. The Common Elements include, without limitation and if applicable, any of the following items located on the Property: the walls, roof, hallways, breezeways, stairways, exterior windows, entrances and exits, security system for entry and exit (not including private security systems contained entirely within individual Units), mechanical equipment areas, storage areas, trash compaction system, grounds, walkways, mail boxes, master television antenna systems (whether

leased or owned), if any, fire escapes, pipes, ducts, flues, shafts, electrical wiring and conduits (except pipes, ducts, flues, shafts, electrical wiring and conduits situated entirely within a Unit and serving only such Unit), central heating and ventilating systems servicing the Common Elements, public utility lines, structural parts of the Buildings, and all other portions of the Property except the individual Units. Structural columns located within the boundaries of a Unit shall be part of the Common Elements. Any references to "Common Elements" appearing on the Plat (except references to Limited Common Elements) shall be deemed solely for purposes of general information and shall not be limiting in any way, nor shall any such reference define the Common Elements in any way. The use of the Common Elements and the right of the Unit Owners with respect thereto shall be subject to and governed by the Act, the Condominium Instruments and the rules and regulations of the Association.

5.(b) Description of Limited Common Elements

The Limited Common Elements are parts of the Common Elements which serve exclusively a single Unit or less than all of the Units as an inseparable appurtenance thereto, as designated as such in this Declaration or the Plat, or which by the nature or location thereof, or by the terms of this Declaration, are clearly intended to be reserved exclusively for or for the use of one or more Units and not others. The Limited Common Elements appertaining to, or designated or reserved for or for the use of, or serving any Unit (alone in or in conjunction with other Units) are hereinafter from time to time referred to as the Limited Common Elements of such Unit. The Limited Common Elements shall include, but shall not be limited to, the interior surface of the perimeter walls, ceilings and floors which define the boundary planes of a Unit.

5.(c) Structural Components

Except as a tenant in common with all other Unit Owners, no Unit Owner shall own any structural components of the Buildings, including structural columns or pipes, ducts, flues, shafts, electrical wiring, conduits, or public utility lines running through his or her Unit and forming a part of any system serving more than his or her Unit, or any cable components of communication systems, if any, located in his or her Unit, whether or not any such items shall be located in the floors, ceilings or perimeter or interior walls of the Unit. All pipes, ducts, flues, shafts, electrical wiring, conduits, utility lines (to the outlets), chutes, and structural components located in or running through a Unit and serving more than one Unit or serving, or extending into, the Common Elements shall not be deemed to be Limited Common Elements. No Unit Owner may take any action which would interfere with the ability of the Association to repair, replace or maintain said Common Elements as provided herein.

5.(d) Percentage of Ownership

Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit "C" attached hereto. The percentages of ownership interests set forth in Exhibit "C" have been computed and determined in accordance with the Act, and shall remain constant and shall not be changed, except as specifically permitted under the Act or the Declaration, without unanimous written consent of all Unit Owners and all Mortgagees having bona fide liens of record against

any of the Unit Ownerships. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The formula for determining the undivided interests in the Common Elements and each Unit Owner's share of the Common Expenses is a proportional allocation based on the relative square footage of each Unit divided by the total square footage of all the Units. The ownership of each Unit shall not be conveyed separately from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall always be deemed conveyed or encumbered with any conveyance or encumbrance of that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

5.(e) Garage Spaces and Parking Spaces

The Parking Spaces are Common Elements which may be assigned and reassigned from time to time for the use of the Unit Owners to whom they are assigned by the Association or any Manager appointed by the Board.

Declarant shall have the right to sell and assign to a Unit or Units the right to use one or more Garage Spaces for such consideration as Declarant shall determine from time to time. Garage Spaces shall be Limited Common Elements for the exclusive use of the Unit Owner or Occupant of the Unit to which they are assigned of record by the Declarant. Such assignment shall not be recorded in the Public Records of the county but rather shall be made by way of instrument placed of record in the official records of the Association.

Once the right to use such Garage Spaces has been assigned by the Declarant, such Garage Spaces, being Limited Common Elements, shall be perpetually appurtenant to the Unit to which they are assigned, except as provided herein for transfers among Unit Owners. Any conveyance of any Unit shall be deemed to convey also the right to use such Garage Spaces even though made without specifically or particularly referring to the same. A Unit Owner may lease or assign and transfer his or her exclusive right to use a Garage Space which is appurtenant to his or her Unit but only to another Unit Owner, and such lease, transfer or assignment may be made for a term or perpetually as such Unit Owners may agree between them. In the event of any such assignment or transfer, the Unit Owners involved shall cause an appropriate instrument of transfer to be prepared and executed by such Unit Owners, which instrument shall be joined in by an officer of the Association and shall be prepared at the expense of the reallocating Unit Owners. Such instrument of transfer shall recite the term of any assignment or transfer between the Unit Owners and shall designate the Garage Spaces, the exclusive use of which was assigned or transferred.

No Parking Space or Garage Space shall be used for any purpose other than the parking of automobiles, motorcycles, and bicycles, although automobiles, motorcycles, and bicycles in good working order may be stored in the Garage Spaces. Doors to the Garage Spaces shall remain closed at all times except when entering or exiting a Garage Space. No Unit Owner or Occupant shall interfere in any manner with ready access to and from any Garage Space and no vehicle may be parked, even temporarily, in front of any Garage Space. The Manager or

Association may cause any improperly parked vehicle to be towed or otherwise removed from the Property at the expense of the vehicle's Unit Owner and shall not be liable for any damage to the vehicle resulting from such action.

5.(f) Balconies, HVAC Units and Hot Water Heaters

Any balcony structure contiguous to and serving exclusively a single Unit or adjoining Units shall be a Limited Common Element serving said Unit or Units, subject to such rules and regulations as the Board may prescribe. The balconies serving Units shall not be used for the storage of personalty or equipment of any kind. Carpeting or other covering for balcony surfaces may be installed or modified only if expressly permitted by rules adopted by the Board, and shall thereafter be maintained as required by the Board at the sole expense of the Unit Owner making such installation. The cost of maintenance, repair and replacement of the balcony structure shall be a Common Expense.

All heating and air conditioning systems (including without limitation, air conditioning compressors) and all mechanical elements related thereto and all hot water heaters which serve exclusively a single Unit shall be personal property of the Unit Owner of said Unit, subject to such rules and regulations as the Board may prescribe. The cost of use, maintenance, repair and replacement of said heating and air conditioning systems and hot water heaters shall be paid by the Unit Owner. The Unit Owner shall be responsible for any and all damages to the Common Elements or other Units caused by any component of his or her heating and air conditioning systems and hot water heaters.

5.(g) Use and Occupancy of Common Elements and Limited Common Elements

Each Unit Owner and Occupant shall have the right to (i) the exclusive use and possession of the Limited Common Elements serving exclusively the Unit(s) of such Unit Owner(s), which right shall be appurtenant to and shall run with title to such Unit(s), and shall not be separated from such Unit(s), and (ii) the use and possession of the Limited Common Elements serving the Unit(s) of such Unit Owner(s) in common with one or more (but not all) other Units, which use and possession shall be to the exclusion of all other persons except the Unit Owner of any such other Unit to which such Limited Common Elements shall respectively appertain. Each Unit Owner shall be obligated to maintain his or her own Unit and the Limited Common Elements appurtenant thereto in good, clean order and repair. No Unit Owner shall overload the electric wiring or plumbing systems in the Building, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Association, an unreasonable disturbance to others. No Unit Owner shall overload the floors of any Unit, the Common Elements or the Limited Common Elements. There shall be no obstruction of the Common Elements nor shall anything be stored in the Common Elements without the prior consent of the Association except as herein expressly provided.

5.(h) Cleanliness of Common Elements

No clothes, sheets, blankets, laundry or other articles of any kind shall be hung out or exposed on any part of the Common Elements. The Common Elements shall be kept free and clear of rubbish, debris and other unsightly materials.

5.(i) Storage in Common Elements

No benches, chairs or other personal property shall be left on, nor shall any playing, lounging, parking of baby carriages, playpens, bicycles, wagons, toys or vehicles be permitted on, any part of the Common Elements without the prior consent of, and subject to any regulations of, the Association.

5.(j) Modification of Common Elements and Limited Common Elements

Nothing shall be altered or constructed in or removed from the Common Elements or Limited Common Elements except as (i) constructed, altered or removed by or with the permission of the Declarant at any time prior to the first annual meeting of the Unit Owners, or (ii) with the written consent of the Association thereafter.

5.(k) Unit Security Systems

If a Unit contains a security system, that system is the personal property of the Unit Owner. Each Unit Owner must provide the managing agent for the Condominium and the Association with the security code therefor. The managing agent for the Condominium and the Association shall not be responsible for any charges incurred in connection with the use or operation of the security systems. Declarant and the Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. Declarant, the Association, and their respective directors, officers, committees, members, agents and employees, shall not in any way be considered an insurer or guarantor of security within the Condominium, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Unit Owner, Occupant, guest, and invitee on the Condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit and Garage Space, if any, and to any other of his or her property on the Condominium. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.

6. EASEMENTS AND ENFORCEMENTS

6.(a) Recorded Easements

Recorded easements and licenses to which the Condominium is currently subject are set forth on Exhibit "D" attached hereto. The Condominium is also subject to the easements described in subsections (b), (c), (d), (e), (f) and (j) of this Section 6.

6.(b) Encroachments

If any part of the Common Elements encroaches or shall hereafter encroach upon any part of any Unit, or any part of any Unit encroaches or shall hereafter encroach upon any part of the Common Elements, or any portion of any Unit encroaches upon any part of any other Unit as a result of the renovation, repair, reconstruction, settlement or shifting of the Building, valid easements for the maintenance of such encroachment are hereby established and shall exist for the benefit of such Unit or Common Elements so encroaching so long as all or any part of the Building containing such Unit or Common Element so encroaching shall remain standing; provided, however, that after the date this Declaration is recorded, a valid easement for any encroachment shall in no event be created in favor of any owner of a Unit other than the Declarant or in favor of the owners of the Common Elements if such encroachment occurred due to the intentional or willful conduct of said owner(s) or their agent(s).

6.(c) Utility Easements

Easements are hereby declared and granted for utility purposes, including the right to install, lay, construct, maintain, operate, renew, repair and replace water mains and pipes, sewer lines, gas mains, telephone wires, receiving dishes and equipment, and electrical conduits, wires and equipment over, under, along and on any part of the Common Elements for the purpose of providing the Property with such services, as may exist on the date any Property is submitted to the Act.

6.(d) Cable Easements

Easements are hereby declared and granted to the Declarant and the Association on the roofs and alongside the perimeter of the Units for purposes of installing receiving dishes for cable reception and the like.

6.(e) Easement of Enjoyment

A non-exclusive easement of enjoyment is hereby declared and granted to each Unit Owner in and to the Common Elements.

6.(f) Easement of Access.

Each Unit shall have, and each Unit shall be subject to, a perpetual easement for the use and maintenance of all rights of ingress and egress along driveways, walkways, stairways, lobbies, hallways, and corridors providing access to such Unit and to the Parking Area.

6.(g) Streets and Utilities

Upon approval by at least 66-2/3% of the Unit Owners, portions of the Common Elements (excluding any Limited Common Elements) may be dedicated to a public body for purposes of streets or utilities. Where such a dedication is made, nothing in the Act or any other law shall be construed to require that real property taxes of every Unit must be paid prior to

recordation of the dedication. Any action pursuant to this subsection (f) of Section 6 must be taken at a meeting of Unit Owners duly called for that purpose.

6.(h) Easements Appurtenant

All easements and rights described herein are easements appurtenant, running with the Property, and shall inure to the benefit of and be binding on the Declarant, its successors and assigns, and any Unit Owner, purchaser, Mortgagee and other person having an interest in said Property, or any part or portion thereof.

6.(i) Incorporation of Easements

Reference in the respective deeds of conveyance, or in any Mortgage or deed of trust or other evidence of obligation, to this Declaration shall be sufficient to create and reserve such easements and rights to the respective grantees, mortgagees and trustees of such parcels as fully and completely as though such easements and rights were recited fully and set forth in their entirety in such documents.

6.(j) Declarant Easements

The right of the Unit Owners to use and possess the Common Elements as set forth herein shall be subject to a blanket easement over the Common Elements in favor of the Declarant, and its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns, for the purpose of (i) access and ingress to and egress from the Common Elements or any part thereof, (ii) construction, installation, repair, replacement and restoration of utilities, buildings, landscaping and any other improvements on the Property or any part thereof, (iii) the installation and maintenance of signs advertising the Units on the Property, or any part thereof, and signs directing potential purchasers to the Sales Office and Models erected in connection with such Units, (iv) using and showing the Models and Sales Office or for such other purposes deemed necessary or desirable in connection with such construction, leasing, marketing, sales, or brokerage, (v) setting up, staffing and maintaining marketing materials and tables in the Common Elements and using the Common Elements for special events, (vi) posting and maintaining such signs and lighting on the Property as are deemed necessary or desirable in connection with (iv) and (v) above, and (vii) using the office of the Buildings for management of the Buildings, construction activities at the Buildings and sales or leasing activity concerning the Buildings. Until all the Units are sold and conveyed, the Declarant shall be entitled to such access, ingress and egress to the Property as it shall deem necessary in connection with the sale of, or work in, the Buildings or any Unit. Declarant shall have a blanket easement over the Common Elements for its representatives, agents, associates, employees, contractors, subcontractors, tenants, successors and assigns for purposes of access and ingress to and egress from said Common Elements, and for purposes of marketing, sales, brokerage, construction, installation, repair, replacement and restoration of utilities, driveways, buildings, landscaping and any other improvements on said Common Elements until Declarant is no longer a Unit Owner. The foregoing easement shall be deemed and taken to be a covenant running with the land.

7. THE ASSOCIATION

7.(a) Incorporation

The Declarant has caused the formation of a Texas not-for-profit corporation for the purposes of facilitating the administration and operation of the Property and to act as the Association.

7.(b) Miscellaneous

- 7.(b)(i) Membership. Each Unit Owner shall be a member of such Association, which membership shall terminate upon the sale or other disposition by such member of his or her Unit, at which time the new Unit Owner shall automatically become a member therein;
- 7.(b)(ii) Voting. Each Unit Owner shall have the number of votes in the Association equal to his or her percentage ownership interest in the Common Elements, as set forth on Exhibit "C".
- 7.(b)(iii) By-Laws. The initial By-Laws of the Association shall be adopted by the initial Board and may be amended thereafter as provided in the Act;
- 7.(b)(iv) Name. The name of such Association shall be City Plaza Owners Association, Inc.

7.(c) Board's Determination Binding

In the event of any dispute or disagreement between any Unit Owners relating to the Property or any question of interpretation or application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Unit Owners.

7.(d) Period of Declarant Control

Notwithstanding anything herein to the contrary, until one hundred twenty (120) days after the sale of seventy-five percent (75%) of the Units to persons other than the Declarant the Declarant shall appoint and remove the Manager, all officers of the Association and all members of the Board. If the Declarant voluntarily surrenders such appointment and removal power before termination of the 120-day period described above, the Declarant may require, for the duration of such one hundred twenty (120) day period, that specified actions of the Association or the Board be approved by the Declarant before they become effective. Notwithstanding the foregoing, within one hundred twenty (120) days after the sale of fifty percent (50%) of the Units to persons other than the Declarant, one-third of the members of the Board shall be elected by Unit Owners other than the Declarant, at a regular or special meeting of the Association. In no event shall the period of Declarant control described in this paragraph extend beyond three (3)

years after the first conveyance of a Unit to a person other than the Declarant, at which time such period of control shall automatically expire. After the expiration of the Declarant's appointment and removal power pursuant to this paragraph, the first annual meeting of the Association shall be held at which time the then officers and Board shall resign and a new Board shall be elected. The new Board shall elect new officers of the Association within thirty (30) days after the expiration of the period of Declarant control.

8. MAINTENANCE, ALTERATION AND IMPROVEMENTS

Responsibility for the maintenance of the Property and restrictions upon the alteration and improvement thereof shall be as follows:

8.(a) Maintenance of Units and Common Elements Adjacent or Contiguous To, or Between, Units.

8.(a)(i) By the Association. The Association shall maintain, repair and replace, as a Common Expense of the Association:

8.(a)(i)(1) All portions of the Common Elements and Limited Common Elements adjacent or contiguous to a Unit, or between or within Units, contributing to the support of the Building, which portions shall include but not be limited to the outside walls of the Building and all fixtures on the exterior thereof, boundary walls of Units, floor and ceiling slabs, load-bearing columns, interior wall studs, and load-bearing walls.

8.(a)(i)(2) All conduits, vents, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions described in Subsection 8.(a)(i)(1) above; and all of such facilities contained within a Unit which service part or parts of the Condominium, other than the Unit within which contained.

8.(a)(i)(3) All exterior windows and exterior Unit doors.

8.(a)(i)(4) The Parking Area, including without limitation, the exterior of the Garage Spaces which shall be maintained in a manner consistent with the Buildings, but excluding the interior of the Garage Spaces.

8.(a)(i)(5) Right of Access. A Unit Owner shall grant a right of access to the Unit and any Limited Common Elements such as the balcony of a Unit and Garage Spaces to the Association's officers and agents, the Board, the Manager and/or any other person authorized by the Board or the

Manager and shall provide the Association a copy of the keys to the Unit and Garage Space, for the purpose of making inspections, including inspections for structural damage, or for the purpose of removing violations noted or issued by any governmental authority against the Common Elements, the Limited Common Elements or any other part of the Property, or for the purpose of correcting any conditions originating in such Unit and threatening another Unit or all or any part of the Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the Common Elements within such Unit or elsewhere in any Building, or for the purpose of reading, maintaining or replacing utility meters or sub-meters relating to the Common Elements, such Unit or any other Unit in the Buildings or to correct any condition which violates the provisions of any Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Unit. Any damage caused by such entry shall be repaired by the Association and charged as a Common Expense. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

A Unit Owner shall grant a right of access to the Unit Owner's Unit, and the Board shall grant a right of access to the Common Elements, to the Declarant and its contractors, subcontractors, agents and employees, for the purposes of completing construction of improvements to the Buildings in accordance with the plans and specifications thereof; provided that access thereto shall be exercised in such a manner as will not unreasonably interfere with the use of Units.

8.(a)(i)(6) Declarant and the Association shall not liable for any special, consequential or indirect damages in connection with maintenance of the Common Elements.

8.(a)(ii) By Each Unit Owner. The responsibilities and obligations of a Unit Owner shall be as follows:

8.(a)(ii)(1) Each Unit Owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceiling, floor and doors

bounding such Unit Owner's Unit at the Unit Owner's expense. Decorative wall items such as lights, shelves and art work may be affixed to or installed on the interior walls, floor, doors and ceiling of any Unit which are Limited Common Elements without prior approval of the Association provided such affixation or installation is done in a good and workmanlike manner. Except for such affixation or installation of decorative wall items, no Unit Owner shall make any alterations to, or that affect, any of the Common Elements (including windows and doors which are Limited Common Elements) nor install any article therein without the prior approval of the Association. The exterior of all draperies, window shades, curtains, or other window coverings shall be neutral in color and subject to the rules and regulations of the Association.

- 8.(a)(ii)(2) A Unit Owner shall repair, replace and maintain in good, clean repair and condition at his or her sole expense (i) the Fixtures (as hereinafter defined) within the Unit Owner's Unit; (ii) the finished interior surfaces of perimeter walls, interior walls, ceiling and floor of the Unit, including, but not limited to, such materials as lath, furring, drywall, wallboard, plasterboard, plaster, paneling, wallpaper, paint, wall and floor tile and flooring (but not including the subflooring); (iii) any Solar-X material on the interior surface of all exterior windows, and any glass in doors or interior windows facing the hallway; (iv) the space, enclosed by the balcony or patio, including the floor or carpeting or other floor coverings, as the case may be (with the structure enclosing the balcony or patio to be maintained by the Association as a Limited Common Element); (v) the interior of any Garage Space assigned to the Unit; and (vi) the air handler mechanical unit and air conditioning compressor for the Unit. The interior surfaces of all exterior windows and the exterior surfaces of windows and doors on balconies which are Limited Common Elements shall be cleaned or washed by the Unit Owner thereof. The repair, replacement and maintenance required by this paragraph of these areas or surfaces which are exposed to public view shall be done in a manner consistent with the decor of the Condominium and shall be subject to the control and direction of the Association. No Unit Owner shall disturb or relocate any Utilities (as hereinafter defined) running through a Unit.

8.(a)(ii)(2)(a) “Utilities,” as used herein, means all lines, pipes, wires, conduits or systems located within the walls, floors or ceilings of a Unit which are a part of the Common Elements.

8.(a)(ii)(2)(b) “Fixtures,” as used herein, means the personal property, appliances, machinery and equipment installed in, on or within, or affixed to, a wall, ceiling or floor of, a Unit commencing at the point where such items connect with the Utilities, including, but not limited to, all light fixtures, plumbing appliances (such as but not limited to faucets, water valves, shower heads, tubs, sinks and drain taps within a Unit), electrical wall switches or outlets, common TV antenna outlet, air conditioning vents, range, oven, dishwasher, disposal, vented hood over kitchen sink, if any, refrigerator and the like.

8.(a)(ii)(3) No Unit Owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of their Unit, any balcony or patio to their Unit, except as provided in Subsection 5(f), or of the Buildings, including windows and exterior doors of the Unit.

8.(a)(ii)(4) All Unit Owners shall promptly report to the Board any defect or need for repairs that are the responsibility of the Association under this Section 8.

8.(a)(ii)(5) Construction work on the interior of any Unit must be in compliance with such Construction Rules as the Board may approve from time to time. Any replacement of carpet with hardwood floors must be done in such a manner as to ensure proper sound buffering is achieved.

8.(a)(iii) Required Maintenance of Individual Units – Special Assessments.

Maintenance and repair of any Units, if such maintenance or repair is reasonably necessary, in the discretion of the Board, to protect the Common Elements or Limited Common Elements or preserve the appearance and value of the Property, when the Unit Owner or Unit Owners of said Unit have failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the

Board, shall be performed by the Board for which it shall levy a special assessment against the Unit of such Unit Owner or Unit Owners for the cost of said maintenance or repair, the payment of which shall also be secured by the lien for assessments hereinafter provided as in the case of assessments for Common Expenses.

8.(a)(iv) Costs Expended for Individual Units

The costs of any materials, supplies, furniture, labor, services, maintenance, repairs, approved interior structural alterations or taxes provided or paid for particular Units shall be specially assessed against the Unit and Unit Owners of the Unit benefited.

8.(a)(v) Special Services for Individual Units Prohibited

Nothing herein shall authorize the Board to furnish to any person services primarily for the benefit or convenience of any Unit Owner or Unit Owners, or any Occupant or Occupants, of any Unit other than services which may be customarily available, with or without charges therefor, to all Units.

8.(b) Common Elements, General.

8.(b)(i) By the Association. The maintenance and operation of the Common Elements and Limited Common Elements shall be the responsibility and the Common Expense of the Association, except where maintenance and repairs of Limited Common Elements are specifically assigned to a Unit Owner or Unit by this Declaration or the rules and regulations governing the Condominium.

8.(b)(ii) By Declarant. The Declarant shall have the right to alter the Common Elements to the extent described in Section 4.

9. ASSESSMENTS

9.(a) Definition

For purposes of this Declaration, “assessments” means any regular or special assessment (including annual assessments, defined below), dues, fees, charges, interest, late fees, fines, collection costs, attorneys’ fees, and any other amount due to the Association by a Unit Owner or levied against a Unit by the Association, all of which are enforceable as assessments under this Declaration and the Act.

9.(b) Obligation to Pay

All Unit Owners are bound to contribute, in proportion to their percentage of ownership , as set out on Exhibit "C", to the payment of Common Expenses covering the expenses of administration of the Condominium and the administration, maintenance, repair and replacement of the Common Elements, and other expenses authorized by the terms hereof. No Unit Owner shall be exempt from the obligation to make such contribution by waiver of the use of enjoyment of the Common Elements or by abandonment of such Unit Owner's Unit, or under any other circumstances.

9.(c) Determination of Common Expenses and Common Expense Liability

The Declarant, initially, and thereafter the Board, shall from time to time, and at least annually, prepare an annual budget for the Condominium, fixing and determining the amount of assessments payable by the Unit Owners to meet the Common Expenses of the Condominium and allocate and assess such Common Expenses among the Unit Owners in proportion to their percentage ownership interest in the Common Elements, as set out on Exhibit "C".

9.(c)(i) Common Expenses shall include, but not be limited to:

9.(c)(i)(1) Expenses for the operation, maintenance, repair or replacement of the Common Elements and the Limited Common Elements;

9.(c)(i)(2) Cost of carrying out the powers and duties of the Association;

9.(c)(i)(3) All insurance premiums and expenses relating thereto, including fire insurance and any other expenses designated as Common Expenses from time to time by the Board;

9.(c)(i)(4) Utility expenses for the Common Elements, and utility expenses for Limited Common Elements that are not separately metered; and

9.(c)(i)(5) Any costs to use, lease, operate, maintain or repair the Parking Area, Sales Office and Models.

9.(c)(ii) The Common Expenses for repair and replacement of any of the garage structures containing the Garage Spaces shall be assessed equally against each of the Units which have been assigned a Garage Space in that garage structure subject to Section 13(a) hereof. Any Unit Owner who is assigned the right to use a Garage Space shall pay the Association a maintenance assessment for each Garage Space assigned to the Unit Owner in an amount equal to (a) until January 1, 2003, the maximum annual maintenance

assessment for each Garage Space shall be \$150.00 per annum, payable in equal monthly installments, and (b) from and after January 1, 2003, the maximum annual assessment may be increased, effective January 1 of each year, without a vote of the Unit Owners, by an amount not to exceed the percentage increase in the annual budget of the Association for such year over the prior year's annual budget, and shall be payable in equal monthly installments.

- 9.(c)(iii) The Board may also include, as Common Expenses, an amount for working capital for the Association, amounts necessary to make up any deficit in the Common Expenses for a prior year, and such amounts as may be necessary to effect any other purpose or requirement of this Declaration, including the purchase of additional equipment or services. The Board shall establish an initial working capital fund from funds collected from each Unit Owner at the time of closing of the sale of a Unit by the Declarant in an amount equal to two (2) full months of assessments against the Unit for Common Expenses based on the annual budget adopted by the Association. Amounts in the initial working capital fund shall not be considered advance payments for regular assessments. The Declarant may pay any budget deficit during the period of Declarant control in lieu of paying assessments on the Units that it owns, in accordance with the Act.
- 9.(c)(iv) The Board may establish an adequate reserve fund for replacement of Common Element components and Limited Common Elements that the Association is obligated to maintain (including amounts for deductibles in property insurance policies), to be a part of the Common Expenses and paid as part of the assessments. Without the prior approval by majority vote of the Unit Owners (or such greater vote as may be required by law), no part of such reserve fund may be spent for normal operating expenses.
- 9.(c)(v) The Board shall promptly advise all Unit Owners in writing of the amount of the assessment payable by each of them, respectively, as determined by the Board, or Declarant, as aforesaid, and shall furnish copies of the budget on which such assessment is based to all Unit Owners.

If the allocation and assessment of Common Expenses to the Unit Owner or Unit Owners of each respective Unit (hereinafter referred to as the "annual assessment") proves inadequate for any reason, including nonpayment of any Unit Owner's annual assessment, or in the event of casualty losses, condemnation losses or other events which require additional funds

to be supplied for preservation, repair, replacement, rebuilding or restoration of the Condominium, the Board shall have the authority at any time and from time to time to levy a special assessment as it shall deem necessary for such purposes against each of the Unit Owners in accordance with their percentage interest in the Common Elements, except as otherwise expressly provided herein.

9.(d) Payment of Assessments

The aggregate of the annual assessment made by the Board and allocated and assessed to the Unit Owner or Unit Owners of each Unit shall be payable in twelve (12) equal monthly installments following the date of the last determination or amendment of assessments by the Board, prorated to the date of conveyance of a Unit. Assessments against all Units shall begin on a date determined by the initial Board, and no later than sixty (60) days after the first conveyance of a Unit to a person other than the Declarant; but in lieu of such assessments during the period of Declarant control Declarant shall have the option of paying any deficit between operational expenses of the Association and assessments paid by Unit Owners other than Declarant, in accordance with the Act. Such payments shall be due and payable in advance on the first day of each month. If, at any time, a Unit Owner is in arrears more than fifteen (15) days with respect to the payment of two (2) monthly installments, the Board may, at its option, accelerate the due date of the remaining unpaid monthly installments and declare said sums immediately due and payable and give notice of such action to such Unit Owner. From and after the date of such notice, the Board may enforce the payment of any such sums determined to be due as in the case of any other assessment. Special assessments shall be payable on or before ten (10) days after Unit Owners are invoiced therefor.

The failure or delay of the Declarant or Board to prepare any annual budget or to deliver copies of such budgets to each Unit Owner shall not constitute a waiver or release in any manner of any Unit Owner's obligation to pay Common Expenses as assessed and, in the event of any delay or failure to establish any annual budget, each Unit Owner shall continue to pay the Common Expenses, monthly, at the rate established for the previous period.

9.(e) Interest on Unpaid Assessments

Assessments that are unpaid for over sixty (60) days after due date shall bear interest at the rate of ten percent (10%) per annum from due date until paid.

9.(f) Unpaid Assessments: Liens, Penalties and Methods of Collection

9.(f)(i) All assessments are a personal obligation of the Unit Owner charged, and shall not pass to successors in title unless expressly assumed. The Association shall have a lien on a Unit for any unpaid assessments against the Unit Owners of such Unit, together with interest thereon and reasonable attorneys' fees incurred in collection of same and the enforcement of said lien. Such lien shall include all rents and insurance proceeds received by such

Unit Owners and relating to such Unit. All such liens shall be subordinate and inferior to the purchase money lien (vendor's or deed of trust or both) of a first mortgage or to the lien of a Mortgagee for improvements to a Unit if such first mortgage lien or lien for improvements was recorded before the date on which the unpaid assessment becomes delinquent. The Board shall take such action as it deems necessary to collect assessments and may settle and compromise the same if it is in the best interest of the Association. Said liens shall be effective as and in the manner provided for by the Act and shall have the priorities established by said Act.

9.(f)(ii) The Board may bring an action at law against the Unit Owner personally obligated to pay an assessment or foreclose the lien against the Unit, or both, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. Each Unit Owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Unit Owner personally for the collection of such assessments as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to the Texas Property Code, and such Unit Owner hereby expressly grants to the Board a power of sale in connection with said lien. The Board may designate a trustee in writing from time to time to post or cause to be posted the required notices and to conduct such foreclosure sale. The trustee may be changed at any time and from time to time by an instrument in writing signed by the President or a Vice-President of the Association and filed for record in the Official Public Records of Real Property of the County in which the Condominium is located. The lien provided for in this section shall be in favor of the Association for the common benefit of all Unit Owners. In the event that the Board has decided to foreclose the lien provided herein for the nonpayment of assessments by any Unit Owner, the Board shall mail to such Unit Owner or Unit Owners and the Mortgagee of the Unit for which the assessment has not been paid a copy of the Notice of Trustee's Sale no less than twenty-one (21) days prior to the date on which said sale is scheduled by posting same through the U.S. Postal Service, postage prepaid, certified or registered, return receipt requested, properly addressed to such Unit Owner or Unit Owners at their last known address according to the records of the Board.

9.(f)(iii) At any foreclosure, judicial or non-judicial, the Association shall be entitled to bid up to the amount of its lien, together with interest, costs and attorneys' fees, and to apply as a cash credit

against its bid all sums due the Association covered by the lien foreclosed. Any amount bid by the Association shall be a Common Expense of the Association. From and after any such foreclosure the occupants of such Unit shall be required to pay a reasonable rent for the use of the Unit and the purchaser at such foreclosure shall be entitled to the appointment of a receiver to collect same, and, further, shall be entitled to sue for recovery of possession of the Unit premises at forcible detainer without the necessity of giving any notice to the former Unit Owner or Unit Owners or any occupants of the Unit sold at foreclosure.

- 9.(f)(iv) The Association may also, at its option, accept a deed in lieu of foreclosure, or sue to recover a money judgment for unpaid assessments, without thereby waiving the lien securing the same.
- 9.(f)(v) A foreclosure of the Association's lien for unpaid assessments shall not affect, in any way, a valid lien of any First Mortgagee on any Unit sold at such foreclosure, whether the instruments creating such lien were recorded before or after the time at which the lien for assessments became fixed.
- 9.(f)(vi) In addition to, and cumulative with, any other remedy provided herein, in the case of failure of any Unit Owner to pay any assessment due or comply with the terms and provisions of the Declaration, the Bylaws or any rules and regulations of the Association, the Board may suspend the voting rights of any Unit Owner (i) for any period after such Unit Owner has been delinquent in the payment of assessments due the Association for more than thirty (30) days, (ii) for any period during which such Unit Owner shall remain in default of any other obligation herein provided, and (iii) for any period not to exceed thirty (30) days for a single infraction of the By-laws or any rules and regulations of the Association, or both; provided, however, except for failure to pay assessments, no such suspension shall be effected until the Unit Owner shall have been given the opportunity to present evidence on the Unit Owner's behalf at a hearing before the Board or a committee designated by the Board, and no such hearing shall be held until the Unit Owner shall have received at least ten (10) days' written notice specifying the nature of the alleged default and the exact time and place of the hearing.
- 9.(f)(vii) Assessments involving a charge for property damage or a fine for violation of this Declaration, the By-laws or any rules and regulations of the Association shall involve the following notice procedure:

9.(f)(vii)(1) The Association shall give the Unit Owner of the affected Unit a written notice that:

9.(f)(vii)(1)(a) describes the violation or property damage and states the amount of the proposed fine or damage charge;

9.(f)(vii)(1)(b) states that not later than the thirtieth (30th) day after the date of the notice, the Unit Owner may request a hearing before the Board to contest the fine or damage charge; and

9.(f)(vii)(1)(c) allows the Unit Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Unit Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.

9.(f)(vii)(2) After levying the fine or damage charge, the Association shall give notice of the fine or damage charge to the Unit Owner not later than the thirtieth (30th) day after the date of levy.

9.(f)(vii)(3) The Association may give a copy of the notices required by this Section 9(f) to any Occupant of the affected Unit.

9.(f)(viii) Notwithstanding anything herein to the contrary, the Association may not foreclose a lien for assessments consisting solely of fines for violation of this Declaration, the By-laws or any rules and regulations of the Association, unless such foreclosure is permitted by applicable law. Foreclosure shall be permitted for any assessments that include fines in addition to other types of assessments.

9.(g) Liability of Purchaser for Unpaid Assessments.

9.(g)(i) Where a First Mortgagee of record or other purchaser of a Unit obtains title thereto as a result of foreclosure of said First Mortgage, or where said First Mortgagee accepts a deed or assignment to said Unit in lieu of foreclosure, such acquirer of the title and its heirs, successors, legal representatives and assigns, shall not be liable for the assessments pertaining to such Unit or chargeable to the former Unit Owner of such Unit which became due prior to acquisition of title thereto in the manner set out above. Such foreclosure shall cut off and extinguish the lien of the Association securing assessments which became due and payable prior to acquisition of title by such First Mortgagee. However, no

such foreclosure shall free such Unit from the lien securing assessments thereafter becoming due and payable; nor shall the personal obligation of the former Unit Owner of such Unit for unpaid assessments be extinguished by any foreclosure.

9.(g)(ii) Upon the sale or conveyance of a Unit, except through foreclosure of a first or second Mortgage of record or the giving of a deed in lieu of foreclosure, as specifically provided in the immediately preceding paragraph, all unpaid assessments against a Unit Owner shall first be paid out of the sale price, as provided in the Act; provided, however, that if such unpaid assessments are not paid or collected at the time of a sale or conveyance of a Unit, the grantee of the Unit shall be jointly and severally liable with the selling Unit Owner for all unpaid assessments against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the selling Unit Owner the amounts paid by the grantee therefor. Any grantee of a Unit shall be entitled, upon written request therefor, to a statement from the Board setting forth the amount of the unpaid assessments against the selling Unit Owner due the Board and such grantee shall not be liable for, nor shall the Unit conveyed be subject to, a lien for any unpaid assessments made by the Board against the selling Unit Owner in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any assessments becoming due after the date of any such conveyance; and, further, such grantee shall not be entitled to occupancy of the Unit or enjoyment of the Common Elements until such time as all unpaid assessments due and owing by the former Unit Owner have been paid.

9.(g)(iii) The provisions of this part of the Declaration shall be cumulative with the rights of the Association set out in the Act.

9.(h) Assessment for Utility Service

The Association shall arrange for utility services for the Condominium, including Common Elements and all Units. The service centrally metered shall be a part of the Common Expense payable as in the case of other expenses; except that any such service individually sub-metered to each Unit shall be paid by the Unit Owner of such Unit based upon the amount of usage reflected by such sub-meter as a pro rata amount of the charges based on the central master meter (if such usage is measured by a sub-meter).

9.(i) Assessments in Case of Claims Against Common Elements

The Board shall also pay any amount necessary to discharge any lien or encumbrance claimed or levied against the Property or any part thereof which may, in the opinion of the

Board, constitute a lien against the Common Elements, rather than merely against the interests therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the amount required to discharge it; and any costs incurred by the Board by reason of any such lien shall be specially assessed to said Unit Owners and the payment of any such sums assessed shall be secured by the lien provided above and may be enforced as in the case of assessments for Common Expenses.

10. INSURANCE AND CONDEMNATION

Insurance, other than such title insurance as may be issued to a Unit Owner upon his or her respective Units and appurtenant interests in the general Common Elements, shall be governed by the following to the extent policies containing such provisions and affording such coverages are reasonably available and the premiums therefor are not found by the Board to be an unnecessary economic burden.

10.(a) General.

- 10.(a)(i) All insurance policies on the Property purchased by the Board shall be for the benefit of the Unit Owners and their respective Mortgagees, as their interests may appear, and provisions shall be made for the issuance of certificates of Mortgagee endorsement to the Mortgagees of Unit Owners. Such policies shall be payable to the Board as trustee for the Unit Owners and Mortgagees, as their interests may appear, and such policies and endorsements thereon shall be deposited with the Board.
- 10.(a)(ii) Any hazard policy acquired by the Board shall provide that if, at the time of loss, there is other insurance in the name of a Unit Owner covering the same property covered by the policy acquired by the Board, the insurance coverage afforded by the policy acquired by the Board shall be primary and not contributing with such other insurance. In no event shall the insurance coverage obtained and maintained be brought into contribution with insurance purchased by the Unit Owners of the condominium Units or their Mortgagees.
- 10.(a)(iii) All policies shall provide that coverage shall not be prejudiced by (i) any act or neglect of any Occupants or Unit Owners when such act or neglect is not within the control of the Association or Unit Owners (collectively); or (ii) by failure of the Association to comply with any warranty or condition with regard to any portion of the premises over which the Association or Unit Owners (collectively) have no control.
- 10.(a)(iv) All policies shall provide that coverage may not be cancelled or substantially modified (including cancellation for non-payment of

premium) without at least thirty (30) days' prior written notice to any and all insured named thereon and to all First Mortgagees and Mortgage share loans.

10.(a)(v) All such policies shall contain a waiver of subrogation by the insurer as to any and all claims against the Association, the Unit Owner of any Unit and/or his or her respective agents, employees or tenants, and waivers of any defenses based upon co-insurance or other insurance or upon invalidity arising from the acts of the insured and of pro rata reduction of liability.

10.(a)(vi) If available, all policies of property insurance shall provide that, notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making the cash settlement, such option shall not be exercisable without the prior written approval of the Association.

10.(a)(vii) Notwithstanding any other provision of this Section 10, all insurance policies shall comply with the requirements, if any, for such policies prescribed by FNMA.

10.(b) Coverage.

10.(b)(i) Casualty. The Condominium (including the Buildings, the Parking Area, and all easements owned by the Condominium, and all of the Common Elements, Limited Common Elements and Units therein and the improvements, including fixtures, installations or additions, of each Unit initially installed therein or sold by the Declarant, but not including improvements, fixtures, furniture, furnishings or other personal property supplied by Unit Owners or tenants of Unit Owners) and all other improvements upon the Property and all personal property owned by the Condominium and included in the Common Elements shall be insured under a "master" or "blanket" type of policy, in an amount equal to not less than one hundred percent (100%) of the insurable "replacement cost," exclusive of land, foundations, excavation and other items normally excluded from coverage. The Board is authorized, but not required, to include in the master casualty policy, as a Common Expense, insurance covering damage to or loss of fixtures, installations or additions within Units, as initially installed by or at the expense of the Unit Owner, or replacements thereof, and other personal property within Units; provided that such additional coverage shall be required for full replacement cost of all such items if any Units are financed by Mortgages that are purchased or securitized by FNMA. Such coverage shall afford protection against: (1) loss or damage by fire and other hazards covered by

standard extended coverage policies, and debris removal, cost of demolition, vandalism, malicious mischief, windstorm and water damage; and (2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the Building on the Property, including those covered by the standard "all risk" endorsement or "broad form" covered causes of loss.

The casualty policy must be written by an insurance carrier that has an acceptable rating from the A. M. Best Company, Demotech, Inc., or Standard and Poor's, Inc., or is covered by reinsurance with a company meeting the ratings specified by FNMA. The maximum deductible amount on any casualty policy shall be the lesser of \$10,000 or one percent (1%) of the face amount of the policy. The casualty policy shall include the following endorsements:

Replacement Cost Endorsement - either the "Guaranteed Replacement Cost Endorsement" (providing for replacement regardless of cost) or the "Replacement Cost Endorsement" (providing for payment of up to 100% of replacement cost); and if the policy includes a coinsurance clause, an "Agreed Amount Endorsement" (waiving the requirement for coinsurance).

Standard Mortgage Clause - naming as mortgagees all holders of Mortgages on Units. If FNMA has purchased or securitized a Mortgage, the named mortgagees shall include, as applicable, either FNMA or the servicers (and the servicers' successors and assigns) for the Mortgages or Mortgage share loans held by FNMA on Units.

Inflation Guard Endorsement - when it can be obtained.

Building Ordinance or Law Endorsement - if applicable, for continuing liability from operation of building, zoning or land-use laws, including loss or damage, increased costs of repair or reconstruction, or additional demolition and removal costs.

Steam Boiler and Machinery Coverage Endorsement - If the Condominium has central heating or cooling, either this endorsement or separate stand-alone coverage, with a minimum coverage per accident equal to the lesser of \$2,000,000 or the insurable value of the building housing the boiler or machinery.

Special Condominium Endorsement - providing that any Insurance Trust Agreement will be recognized, and including the provisions of Subsections (ii) (primary coverage), (iii) (coverage not prejudiced) and (v) (waiver of subrogation) of Subsection (a) of this Section 10.

- 10.(b)(ii) General Liability. The Association shall also obtain a comprehensive policy or policies of commercial general liability insurance, including medical payments insurance, with a “Severability of Interest Endorsement” or equivalent coverage which would preclude the company from denying the claim of a Unit Owner because of the negligent acts of the Association, Board or Unit Owners, with limits not less than \$1,000,000.00 per occurrence covering all claims for death, bodily injury and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements (including all common areas, public ways and other areas under the supervision of the Association, and any commercial spaces owned by the Association, even if leased to others). Such coverage shall include protection against water damage liability, liability for non-owned and hired automobile, liability for property of others (excluding property damage to property in the care, custody or control of a named insured or as to which a named insured is for any purpose exercising physical control), and, if applicable: elevator malfunction, garage-keeper’s liability, host liquor liability and such other risks as shall customarily be covered with respect to projects similar in construction, location and use.
- 10.(b)(iii) Common Provisions. In addition to the provisions in Subsection (b) of this Section 10, insurance policies carried under subsections 10.(b)(i) and (ii) above shall provide that:
- 10.(b)(iii)(1) Each Unit Owner is an insured person under the policy with respect to liability arising out of such Unit Owner’s ownership of an undivided interest in the Common Elements or membership in the Association;
- 10.(b)(iii)(2) The insurer waives its right of subrogation under the policy against the Association and a Unit Owner;
- 10.(b)(iii)(3) No action or omission of a Unit Owner, unless within the scope of such Unit Owner’s authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

- 10.(b)(iii)(4) If, at the time of a loss under the policy, there is other insurance in the name of a Unit Owner covering the same property covered by the policy, the Association's policy provides primary insurance.
- 10.(b)(iv) Officers and Board Members. The Association shall also obtain a policy or policies of liability insurance insuring the Board members and officers of the Association against any claims, losses, liabilities, damages or causes of action arising out of, in connection with or resulting from, any act done or omission to act in their respective capacities. This insurance shall be purchased by the Association to the extent available and the cost thereof shall be a Common Expense.
- 10.(b)(v) Workers' Compensation. The Association shall also obtain a Workers' Compensation Policy to meet the requirements of law.
- 10.(b)(vi) Other Insurance. The Association may also obtain such other insurance as the Board shall determine from time to time to be desirable, including, but not limited to, rent insurance covering the Common Expenses payable by the Unit Owners to the Board, machinery insurance, and plate glass insurance.
- 10.(b)(vii) Fidelity Bonds. The Board may obtain adequate fidelity bonds or fidelity insurance for all Board members, officers, agents and employees of the Association handling or responsible for Condominium or Association funds, whether or not they receive compensation for such services. Any professional manager hired by the Association shall obtain its own fidelity insurance providing for the same coverage as that obtained by the Association. Fidelity coverage for the Association shall be mandatory if required by the FNMA, and shall comply with any FNMA requirements for such coverage. The premiums on such bonds shall constitute a Common Expense. Such fidelity bonds shall meet the following requirements:
- 10.(b)(vii)(1) All such fidelity bonds shall name the Association as an obligee; and
- 10.(b)(vii)(2) Such fidelity bonds shall be written in an amount equal to at least 150 percent of the estimated annual operating expenses of the Condominium, including reserves, and in no event less than the maximum

funds in custody of the Association and its professional manager; and

- 10.(b)(vii)(3) Such fidelity bonds shall contain waivers of any defense based upon the exclusion of persons who serve without compensation from any definition of employee or similar expression; and
- 10.(b)(vii)(4) Such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for nonpayment of premium) without at least 30 days' prior written notice to the Association, any Mortgagee and each servicer that services a FNMA-owned or FNMA-securitized Mortgage.

The Board may enact financial controls to reduce the fidelity insurance requirements of any Mortgagee or the FNMA, including separate bank accounts for the Association's working account and reserve account, requiring checks on the reserve account to be signed by two Board members, prohibiting access to the reserve account by any professional manager, and requiring any professional manager to maintain separate records and accounts for its clients.

10.(b)(viii) Flood Insurance. The Board may obtain flood insurance in such amounts and coverages as it determines appropriate. Such insurance shall be mandatory if any part of the Condominium is in a Special Flood Hazard Area designated as A, AE, AH, AO, A1-30, A-99, V, VE or V1-30 on a Flood Insurance Rate Map (FIRM), or if otherwise required by FNMA. If so required, the policy shall be a "master" or "blanket" policy, with coverage for the lesser of the maximum coverage available under the applicable National Flood Insurance Administration program, or one hundred percent (100%) of the insurable value of the Condominium as follows:

- 10.(b)(viii)(1) Building Coverage - One hundred percent (100%) of the insurable value of the Condominium (including the Buildings, Parking Area, and all easements), including machinery and equipment that are part of the Buildings and easement areas; and
- 10.(b)(viii)(2) Contents Coverage - One hundred percent (100%) of the insurable value of all contents in the Condominium (including the Buildings, Parking

Area, and all easements), including machinery and equipment that are not part of the Buildings or easement areas but owned in common by the Association.

The maximum deductible for any flood insurance policy shall be the lesser of \$5,000 or one percent (1%) of the policy's face amount.

10.(c) Premiums - Common Expense.

Premiums on insurance policies and fidelity bonds purchased by the Board shall be paid as a Common Expense.

10.(d) Board as Trustee of Insurance Proceeds.

All such policies shall provide that adjustment of loss shall be made by the Board as trustee for the Unit Owners and Mortgagees, as their interests may appear. The duty of the Board members and their successors from time to time who shall receive proceeds of any insurance policies shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Association, Unit Owners and their Mortgagees, in the following shares, but which shares need not be set forth on the records of the trustees:

- 10.(d)(i) Common Elements. Proceeds on account of damage to Common Elements—an undivided share for each Unit Owner, such share being the same as the undivided share in the Common Elements appurtenant to such Unit.
- 10.(d)(ii) Units. Proceeds on account of damage to Units or Limited Common Elements specifically assigned to a Unit shall be held in the following undivided shares:
 - 10.(d)(ii)(1) When damaged Units or Limited Common Elements are to be restored—an undivided share for the Unit Owner of each damaged Unit in proportion to the total cost of repairing the damage suffered by such Unit Owner, which cost shall be determined by the Board.
 - 10.(d)(ii)(2) When any damaged Units are not to be restored but the Condominium is not terminated – an undivided share for the Unit Owner of each damaged Unit in proportion to the total cost of repairing the damage suffered by such Unit Owner, which cost shall be determined by the Board.

10.(d)(ii)(3) When the Building is not to be restored and the Condominium is terminated—an undivided share for each Unit Owner, such share of the total net proceeds being the same as the undivided share in the Common Elements appurtenant to such Unit.

10.(d)(iii) Mortgages. In the event a Mortgagee endorsement has been issued with respect to a Unit, the share of the Unit Owner shall be held in trust for the Mortgagee and the Unit Owner as their interests may appear; provided, however, no Mortgagee shall have any right to determine or participate in the determination as to whether or not any damaged Property shall be reconstructed or repaired.

10.(e) Distribution of Insurance Proceeds.

Proceeds of insurance policies received by the trustee shall be distributed to or for the benefit of the Unit Owners or their respective Mortgagees or both in the following manner:

10.(e)(i) Expenses of Trustees. All expenses of the trustees shall be first paid or provision made therefor, but in no event shall this provision take priority over payments to first Mortgagees of Units.

10.(e)(ii) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such cost shall be distributed to the Unit Owners, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

10.(e)(iii) Failure to Reconstruct or Repair. If it is determined, in the manner elsewhere provided, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the Unit Owners, remittances to Unit Owners and their Mortgagees being payable jointly to them. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

10.(e)(iv) Certification of Unit Owners, Mortgagees and Shares. In making distribution to Unit Owners and their Mortgagees, the trustees may rely upon a certificate of the Secretary of the Association as to the names of the Unit Owners' Mortgagees and their respective shares of the distribution.

10.(f) Board as Agent.

The Board is hereby irrevocably appointed agent and attorney-in-fact for each Unit Owner and for each owner and holder of a Mortgage or other lien upon a Unit to adjust all claims and negotiate losses covered by insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

10.(g) Unit Owner's Insurance.

10.(g)(i) Unit Owners shall obtain insurance coverage at their own expense upon their own Units (including interior surface coverings such as paneling, wallpaper, paint, wall and floor tile and flooring installed at a Unit Owner's expense, Fixtures as defined herein or any other improvements made by a Unit Owner to a Unit), their own personal property and for their personal liability and cost and expenses incident thereto. The Association shall not be responsible for procurement or maintenance of any insurance covering the contents of the interior of any Unit or covering the liability of any Unit Owner for occurrences not caused or connected with the Association's operation, maintenance, or use of the Condominium.

10.(g)(ii) Any insurance carried by a Unit Owner which separately insures such Unit Owner's Unit or any part thereof against any loss or damage which is also covered by insurance carried by the Association under this Section shall be in such form as to not cause any diminution in the insurance proceeds payable to the Board under policies carried pursuant to this Section; and if any such diminution is caused or results from the nature or type of any policy carried by a Unit Owner then such diminution shall be chargeable to the Unit Owner who acquired such other insurance, who shall be liable to the Association to the extent of any such diminution. All personal liability insurance carried by a Unit Owner shall contain waiver of subrogation rights by the insurance carrier as to negligent Unit Owners.

10.(h) Condemnation.

In the event of a taking or condemnation by competent authority of any part of the Property, the Association shall, if necessary, restore the improvements on the remaining portion of the Property to conform as closely as possible to the general design, structure and materials used with respect to the improvements as they existed prior to the taking or condemnation. In the event that part or all of one or more Units is taken or condemned, then the portions so taken or condemned shall be deemed to have been removed from the provisions of the Act and the percentage of ownership interest in the Common Elements allocated to such Unit or a portion

thereof (as determined by the Board on the basis of diminution in market value of the Unit) shall be reallocated among the remaining Units on the basis of the relative percentage of ownership interests in the Common Elements of the remaining Units. In such cases, this Declaration and the Plat shall be amended accordingly by an instrument executed by the President and the Secretary of the Association, which the Board shall record in the Real Property Records of the county in which the Condominium is located. The allocation of any condemnation award, or other proceeds to any withdrawing or remaining Unit Owner shall be on an equitable basis, which need not be a Unit's percentage of interest in the Common Elements. Any such proceeds available from the withdrawal of Limited Common Elements shall be distributed in accordance with the interests of those entitled to their use, as determined by the Board. Upon the withdrawal of any Unit or portion thereof, the responsibility for the payment of assessments on such Unit or portion thereof so withdrawn shall cease or shall be equitably reduced.

10.(i) Destruction of Personality

Each Unit Owner and the Association hereby waive and release any and all claims which her or she or it may have against any other Unit Owner, the Association, members of the Board, the Declarant and their respective agents, for damage to the Common Elements, the Units, or to any personal property located in the Units or Common Elements, caused by fire or other casualty or any act or omission referred to in Section 13, to the extent that such damage is covered by fire or other form of hazard insurance.

11. RECONSTRUCTION AND REPAIR AFTER CASUALTY

11.(a) Duty to Repair

Subject to Section 82.111 of the Act, any portion of the Condominium for which insurance is required by this Declaration or the Act shall be promptly repaired or replaced by the Association unless: (i) the Condominium is terminated; (ii) repair or replacement would be illegal under any state or local health or safety statute or ordinance; or (iii) at least eighty percent (80%) of the Unit Owners, including each Unit Owner of a Unit or assigned Limited Common Element that will not be rebuilt or repaired, vote to not rebuild. The vote on whether to terminate the Condominium or repair damaged portions shall be pursuant to the procedures set forth in Subsection (b) of this Section 11.

11.(b) Determination of Necessity of Reconstruction or Repair

If any part of the Condominium shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

- 11.(b)(i) Special Meeting. Within fifteen (15) days after the date of such casualty, the Board shall call and give notice of a special meeting of the Association, to be held not less than fifteen (15) days, nor more than forty (40) days, following the date of such notice. Such

notice shall be in writing and personally delivered or mailed, certified mail, return receipt requested, to each Unit Owner and shall state the date, time and place of the meeting of the Association to be held, and the purpose of the meeting which shall be to determine, in accordance with the Act, whether the Condominium shall be reconstructed.

11.(b)(ii) Determination of Extent of Damage. At the meeting of the Association called for the purpose set out above, a vote shall be taken to determine: (i) whether the required construction comprises the whole or more than two-thirds (2/3) of the Buildings, and (ii) whether to undertake the reconstruction.

11.(b)(iii) Termination After Damage to More Than 2/3 of Condominium. If, as determined by the vote of at least fifty percent (50%) of the Unit Owners, reconstruction is required for the whole or more than two-thirds (2/3) of the Buildings, then a second vote shall be held on whether to terminate the Condominium. If at least eighty percent (80%) of the Unit Owners and fifty-one percent (51%) of the First Mortgagees vote to terminate, all insurance proceeds shall be paid by the trustees, in accordance with the provisions of paragraphs (d) and (e) of Section 10, and the condominium regime shall be terminated in accordance with Section 12. If less than eighty percent (80%) of the Unit Owners or less than fifty-one percent (51%) of the First Mortgagees vote to terminate, a third vote shall be held on whether to repair the damaged portions of the Condominium, in the same manner, and with the same consequences, as the second vote described in the succeeding subsection (b)(iv) of this Section 11.

11.(b)(iv) Effect of No Termination or Damage to Less Than 2/3 of Condominium. If, by vote of at least fifty percent (50%) of the Unit Owners, it is determined that the required construction does not comprise more than two-thirds (2/3) of the Buildings, then a second vote shall be held on whether to repair or replace the damaged portions of the Condominium. Likewise, such a vote shall be taken if the Unit Owners vote not to terminate the Condominium despite damage to more than two-thirds (2/3) of the Buildings. If at least eighty percent (80%) of the Unit Owners vote not to repair or replace the damaged portions, including the vote of each Unit Owner of a Unit or assigned Limited Common Element that will not be rebuilt or repaired, then:

11.(b)(iv)(1) Any insurance proceeds attributable to the damaged Common Elements shall be used to restore the

damaged area to a condition compatible with the remainder of the Condominium;

- 11.(b)(iv)(2) Any insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt shall be distributed to the Unit Owners of those Units and the Unit Owners of the Units to which those Limited Common Elements were assigned, and to their Mortgagees, as their interests may appear, pursuant to Section 10 (e) hereof;
- 11.(b)(iv)(3) The remainder of the proceeds shall be distributed to all Unit Owners based on their interests in the Common Elements; and
- 11.(b)(iv)(4) The percentage interests in the Common Elements of any Units that are not being rebuilt are deemed automatically reallocated as if the Unit had been condemned, and the Association shall prepare, execute and record an amendment to this Declaration reflecting the reallocation.

If, in the foregoing vote, less than eighty percent (80%) of the Unit Owners vote not to repair or replace the damaged portions, or any Unit Owner of a Unit or assigned Limited Common Element that would not be rebuilt or repaired does not join in such vote, then all insurance proceeds shall be paid by the trustees to repair and reconstruct all damaged Common Elements and Units. In such event, Unit Owners and their Mortgagees shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Condominium has been completely repaired or restored. Any cost of repair or replacement in excess of the insurance proceeds and reserves is a Common Expense.

- 11.(b)(v) Certification of Determination of Necessity of Reconstruction. The insurance trustees may rely upon a certificate of the Board made by the President and Secretary to determine whether or not the damaged Property is to be reconstructed or repaired.

11.(c) Plans and Specifications for Reconstruction

All reconstruction and repair must be substantially in accordance with the plans and specifications for the original Buildings and facilities constituting the Condominium and Property, or, if the same are not available, then according to plans and specifications approved by the Board.

11.(d) Board to Obtain Estimates

Immediately after a determination to rebuild or repair damage to Property for which the Association has the responsibility of repair and reconstruction, the Board shall obtain reliable and detailed estimates of the cost to rebuild or repair.

11.(e) Assessments for Construction in Case of Insufficient Insurance Proceeds

To the extent permitted by the Act, if the proceeds of insurance are not sufficient to defray the estimated cost of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the cost thereof are insufficient, assessments shall be made against the Unit Owners who own the damaged Units and against all Unit Owners in the case of damage to Common Elements, in sufficient amounts to provide funds for the payment of such costs. Such assessments against Unit Owners for damage to Units shall be in proportion to the total cost of reconstruction and repair of their respective Units. Such assessments on account of damage to Common Elements shall be in the same proportion as each Unit Owner's share in Common Expenses. All assessments made pursuant hereto may be enforced in accordance with any other provision hereof relating to regular assessments.

11.(f) Distribution of Remaining Funds After Reconstruction

If there is a balance of funds, including insurance proceeds and assessments, if any, after payment of all costs of reconstruction and repairs for which funds were collected, such balance shall be distributed to the Unit Owners thereof in the manner elsewhere stated; except, however, that part of the distribution to a Unit Owner which is not in excess of assessments paid by such Unit Owner for repair and reconstruction shall not be made payable to any Mortgagee.

12. TERMINATION AFTER CASUALTY

12.(a) Condominium Not Reconstructed: Distribution of Insurance Proceeds; Sale of Condominium and Termination of Declaration

If Unit Owners holding at least eighty percent (80%) of the votes in the Association and First Mortgagees of Units representing at least fifty-one percent (51%) of votes in the Association vote to terminate the Condominium after more than two-thirds (2/3) of the Buildings is destroyed or damaged by fire or other casualty, as provided in Section 11, then the insurance proceeds shall be delivered to the Unit Owners and their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements as set forth on Exhibit "C". Thereafter, the Board, as soon as reasonably possible and as agent for the Unit Owners, and with the approval of remaining Mortgagees of Units representing at least fifty-one percent (51%) of votes in the Association, shall sell the entire Condominium, in its then condition, on terms satisfactory to the Board, free from the effect of this Declaration, which shall terminate upon such sale, and the net proceeds of such sale, after the payment of all remaining

debts and expenses of the Association, shall thereupon be distributed to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements as set forth on Exhibit "C".

12.(b) Partition in the Event of Board's Failure to Sell

If the Unit Owners should not rebuild, pursuant to the above provisions, and the Board fails to consummate a sale pursuant to Subsection 12.(a) above within twenty-four (24) months after the destruction or damage occurs, then the Board shall, or if they do not, any Unit Owner or Mortgagee may, with the approval of all remaining Mortgagees of Units, record a sworn statement in the Condominium Records and Deed Records describing the Property and setting forth such decision not to rebuild and reciting that under the provisions of this Declaration the condominium form of ownership had terminated and the prohibition against judicial partition contained in the Act and in this Declaration has terminated, and that judicial partition of the Condominium may be obtained pursuant to the laws of the State of Texas. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall be null and void and of no further force and effect. The provisions of this Subsection 12.(b) can be amended only by the unanimous written consent of the Unit Owners.

13. REMEDIES

13.(a) Damage to Other Units and Common Elements

If the act or omission of a Unit Owner, or of a member of his or her family, a household pet, guest, occupant or visitor of such Unit Owner, shall cause damage to the Common Elements or to a Unit or Units owned by others, or maintenance, repairs or replacements shall be required which would otherwise be at the Common Expense, then such Unit Owner shall pay for such damage and such maintenance, repairs and replacements, as may be determined by the Association, to the extent such payment is not waived or released under the provisions of Section 10(i).

13.(b) No Waivers

No terms, obligations, covenants, conditions, restrictions or provisions imposed hereby or contained herein shall be abrogated or waived by any failure to enforce the same, no matter how many violations or breaches may occur.

13.(c) Violation of Declaration

The violation of any rule or regulation adopted by the Association or the breach of any covenant or provision herein or contained in the By-Laws shall, in addition to any other rights provided for in this Declaration or the By-Laws, give the Association the right: (a) to enter upon the Unit, or any portion of the Property upon which, or as to which, such violation or breach exists and at the expense of the defaulting Unit Owner to summarily abate and/or remove, as applicable, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and neither the Association nor the officers or agents thereof

shall thereby be deemed guilty of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of such Unit Owner's interest in the Property and to maintain an action for possession of such Unit in the manner provided by law; or (d) assess reasonable fines therefor.

Except in cases of emergency where damage to persons or property is threatened, the Association shall not take any such action unless it has (a) first given the Unit Owner a hearing on such alleged violation pursuant to rules and regulations adopted by the Association, (b) the Association shall have determined such allegations to be true and (c) the Unit Owner shall not have desisted from such violation or breach or shall not have taken such steps necessary to correct such violation or breach within such reasonable period of time as determined by the Association and communicated to the Unit Owner. Any and all costs and expenses incurred by the Association in the exercise of its authority as granted in this Section 13, including but not limited to court costs, reasonable attorneys' fees, and cost of labor and materials shall be paid by the Unit Owner in violation, and, until paid by such Unit Owner, shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided herein and under the Act with respect to liens for failure to pay a share of the Common Expenses. Any such lien shall be junior and subordinate to the lien of any then existing First Mortgagee with respect to such Unit.

Any Unit Owner in default hereunder or under the provisions of the By-Laws or any rule or regulation adopted by the Association shall pay to the Association, as a Common Expense with respect to his or her Unit, all interest, late charges, reasonable attorneys' fees, costs of collection and amount of any fine by the Association in enforcing the provisions of the By-Laws, this Declaration or the rules and regulations of the Association as to which the Unit Owner is in default. Until such amounts are paid by the Unit Owner, the total amount thereof shall constitute a lien on the interest of the Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided herein and under the Act with respect to liens for failure to pay a share of the Common Expenses. Any such liens shall be junior and subordinate to the lien of any then existing First Mortgagee with respect to such Unit.

13.(d) Right of Action.

All Unit Owners hereby acknowledge and agree that a Unit Owner shall not be entitled to institute any legal action against the Declarant which is based on any alleged defect in the Common Elements, or any damage allegedly sustained by any Unit Owner by reason thereof, but rather, that all such actions shall be instituted by the Association. Once the Declarant no longer has the right to appoint and remove directors and officers, as set forth in Section 7.(d) of the Declaration, the Association Board of Directors may negotiate the resolution of any alleged defect(s) in the Common Elements on behalf of the Unit Owners and shall have the right and authority to settle and release on behalf of any and all of the Unit Owners claims, causes of action, damages and suits involving the same. Any such settlement and release shall bind all Unit Owners and their successors and assigns.

14. FIRST MORTGAGEES

14.(a) Rights of First Mortgagees

Any deed of trust or mortgage owned or held by a First Mortgagee and recorded prior to the recording or mailing of a notice by the Association of the amount owing by a Unit Owner who has refused or failed to pay his or her share of the monthly assessment when due shall be superior to the lien of such unpaid Common Expenses set forth in said notice and to all assessments for Common Expenses which become due and are unpaid subsequent to the date of recording of such first Mortgage. Any First Mortgagee who comes into possession of a Unit pursuant to the remedies provided in the Mortgage, foreclosure of the Mortgage or deed (or assignment thereof) in lieu of foreclosure shall not be liable for and shall take the Unit and its proportionate interest in the Common Elements free from claims for unpaid common or special assessments levied by the Association which accrue prior to the date of possession as aforesaid. A First Mortgagee, or an insurer or guarantor of the note held by a First Mortgagee, upon written request to the Association (such request to state the name and address of such First Mortgagee, insurer or guarantor and the Unit number), shall be entitled to timely written notice of or have the right to:

- 14.(a)(i) receive, without charge, notice of any proposed amendment of the Condominium Instruments effecting a change in (i) the boundaries of any Unit or the exclusive easement rights appertaining thereto, (ii) the interests in the Common Elements or Limited Common Elements appertaining to any Unit or the liability for Common Expenses, (iii) the number of votes in the Association appertaining to any Unit or (iv) the purposes to which any Unit or Common Elements are restricted;
- 14.(a)(ii) examine, without charge, current copies of this Declaration, the By-Laws, rules and regulations and the books and records of the Association during normal business hours;
- 14.(a)(iii) receive, without charge and within a reasonable time after such request, any annual audited or unaudited financial statements which are prepared and distributed by the Association to the Unit Owners at the end of each of its respective fiscal years, provided, however, that in the event an audited financial statement is not available, fifty-one percent (51%) or more of the First Mortgagees shall be entitled to have such an audited statement prepared at their expense;
- 14.(a)(iv) receive written notices of all meetings of the Association and to designate a representative to attend all such meetings;
- 14.(a)(v) receive written notice of any decision by the Unit Owners to make a material amendment to the Declaration, By-Laws or Articles of Incorporation of the Association;
- 14.(a)(vi) receive written notice of any action which would require the consent of a specified percentage of First Mortgagees;

- 14.(a)(vii) receive notice of any proposed termination of the condominium regime;
- 14.(a)(viii) receive notice of any condemnation loss or any casualty loss which affects a portion of the Common Elements, which loss exceeds \$10,000.00, or which affects any Unit, which loss exceeds \$1,000.00, on which there is a first mortgage held, insured or guaranteed by such eligible holder;
- 14.(a)(ix) receive notice of any delinquency in the payment of assessments or charges owed by a Unit Owner subject to the mortgage of a requesting First Mortgagee, insurer or guarantor, where such delinquency has continued for a period of 60 days; and
- 14.(a)(x) receive notice of any lapse, cancellation or material modification of any insurance policy maintained by the Association.

No provision of this Declaration or Articles of Incorporation of the Association or any similar instrument pertaining to the Property or the Units therein shall be deemed to give a Unit Owner or any other party priority over the rights of the First Mortgagees pursuant to their Mortgages in the case of distribution to Unit Owners of insurance proceeds or condemnation awards for losses to or a taking of the Units, and/or the Common Elements, or any portion thereof or interest therein. In such event, the First Mortgagees and insurers or guarantors thereof, of the Units affected shall be entitled, upon specific written request, to timely written notice of any such loss.

14.(b) Actions Requiring Consent of 100% of First Mortgagees

Unless the First Mortgagees of all of the Units of the Condominium have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to:

- 14.(b)(i) by act or omission seek to abandon or terminate the condominium regime, except for abandonment provided by the Act in case of substantial loss to or condemnation of the Units and/or the Common Elements;
- 14.(b)(ii) change the pro rata interest or obligations of any Unit Owner for (1) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, and (2) determining the pro rata share of ownership of each Unit Owner in the Common Elements, except as set forth in Section 10 hereof; or

- 14.(b)(iii) use hazard insurance proceeds for losses to any Property (whether to Units or to Common Elements) for other than the repair, replacement, or construction of such improvements, except as provided by the Act in case of substantial loss to the Units and/or the Common Elements.

In the event a First Mortgagee fails to respond to a request for consent within thirty (30) days after the request for such consent is made, such First Mortgagee shall be deemed to have consented to the action for which such consent was requested.

14.(c) Actions Requiring Consent of at Least 51% of First Mortgagees

Unless the First Mortgagees of the individual Units representing at least fifty-one percent (51%) of the votes in the Association have given their prior written approval, neither the Association nor the Unit Owners shall be entitled to do or permit to be done any of the following:

- 14.(c)(i) Adoption of an amendment to this Declaration which (A) changes any provision of this Declaration which specifically grants rights to First Mortgagees, (B) materially changes insurance and fidelity bond requirements, (C) imposes a right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer or otherwise convey his or her Unit Ownership or changes the provisions concerning the leasing of Units, (D) reduces reserves for maintenance, repair and replacement of Common Elements, (E) changes voting rights, (F) increases in assessments that raise the previously assessed amount by more than twenty-five percent (25%), (G) changes responsibility for maintenance and repairs, or (H) redefines any Unit boundaries;
- 14.(c)(ii) Abandonment, partition, subdivision, encumbrance, sale or transfer of the Common Elements (except for the granting of easements for public utilities or for other purposes consistent with the intended use of the Property and except for the encumbrance, sale or transfer of the percentage of ownership in the Common Elements in connection with the encumbrance, sale or transfer of a Unit Ownership);
- 14.(c)(iii) Sale of the Property;
- 14.(c)(iv) Removal of a portion of the Property from the provisions of the Act and this Declaration; and
- 14.(c)(v) Effectuation of a decision by the Association to terminate professional management and assume self-management of the Condominium.

In the event a First Mortgagee fails to respond to a request for consent within thirty (30) days after the request for such consent is made, such First Mortgagee shall be deemed to have consented to the action for which such consent was requested.

14.(d) Condemnation

If any Unit or portion thereof or the Common Elements 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 the First Mortgagee, or insurer or guarantor thereof, of said Unit will be entitled to timely written notice, upon specific written request, of any such proceeding or proposed acquisition and no provisions of any document will entitle the owner of a Unit or such other party to priority over such First Mortgagee with respect to the distribution to such Unit of the proceeds of any award or settlement.

15. AMENDMENTS AND SPECIAL AMENDMENTS

- 15.(a) No provision of this Declaration affecting the rights, privileges and duties of the Declarant may be modified without the written consent of the Declarant.
- 15.(b) Except as otherwise expressly provided herein, this Declaration may be modified or rescinded only by the vote of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of Common Elements or by a written instrument setting forth such modification or rescission, signed by Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Such modification or rescission shall be effective only if all lien holders of record have been notified by certified mail of such modification or rescission, and an affidavit by the secretary of the Association certifying such mailing is made a part of such instrument.
- 15.(c) If the Act, the Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all lien holders for any action specified in the Act or in this Declaration, then any instrument modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all lien holders or both, as required by the Act, the Declaration or the By-Laws.
- 15.(d) No consent of the Unit Owners or Mortgagees shall be required if the Declarant or Association shall amend this Declaration to comply with the legal requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Veterans Administration, the Federal Housing Administration, the Farmer's Home Administration, the Government National Mortgage Association and any other public or private secondary mortgage market entity (any one of which is herein referred to as an "Agency"), provided such Agency is participating in purchasing or guarantying mortgages of Units in the Property and further provided the Board has notice of such participation by the Agency to be notified.

- 15.(e) No consent or agreement of any of the Unit Owners or Mortgagees other than those affected by the transfer, subdivision or combination shall be required if the Declarant or the Association desires to amend this Declaration in order to provide for the transfer of Limited Common Elements or the subdivision or combination of Units, provided the provisions of the Act governing such special amendments are satisfied.
- 15.(f) Any modification or rescission of this Declaration shall be effective upon recording of such instrument in the Official Records of Real Property of Harris County, Texas, provided, however, that no provisions in this Declaration may be modified or rescinded so as to conflict with the provisions of the Act.

16. MISCELLANEOUS

16.(a) Grantees

Each grantee of the Declarant, each purchaser of a Unit and each tenant, subtenant or assignee under a lease, sublease or assignment accepts the same subject to all easements, restrictions, conditions, covenants, reservations, liens and charges, the By-Laws, rules and regulations of the Association, jurisdiction, rights and powers created or reserved by this Declaration, and the provisions of the Act, as at any time amended, and all easements, rights, benefits and privileges of every character hereby granted, created, reserved or declared, and all impositions and obligations hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of each grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance.

16.(b) Notices

Whenever any notice is required to be given under the provisions of this Declaration, or the By-Laws, a waiver thereof in writing by the person or persons entitled to such notice, whether before or at the time stated herein, shall be deemed equivalent to the giving of such notice, provided such waiver or the time of giving same is not contrary to the provisions of the Act. Notices required to be given to any devisee or personal representative of a deceased Unit Owner shall be delivered by mail to such party at his or her or its address appearing in the records of the court wherein the estate of such deceased owner is being administered. Other notices required or permitted to be given shall be in writing and shall be given in the manner set forth in the Condominium Instruments.

16.(c) Violations of Certain Rules

If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful or void for violation of (a) the rule against perpetuities or some analogous statutory provision, (b) the rule restricting restraints on alienation, or (c) any other statutory or common law rule imposing time limits, then such provision shall continue only until twenty-one (21)

years after the death of the survivor of the now living lawful descendants of George W. Bush, the President of the United States of America and Richard Cheney, the Vice President of the United States of America.

16.(d) Severability

The invalidity of any restriction hereby imposed, or of any provision hereof, or of any part of such restriction or provision, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, and all of the terms hereof are hereby declared to be severable.

16.(e) Construction

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of a first-class condominium.

16.(f) Changes or Modifications by the Declarant

Until the first annual meeting of Unit Owners, the Declarant, or its successors or assigns, shall have the right from time to time to change or modify the Condominium Instruments, which change or modification shall be effective upon the recording thereof; provided, however, that the provisions of Section 14 of this Declaration shall not be amended, modified or changed without the consent of any First Mortgagee affected thereby, and provided further that such right shall be exercised only (i) to bring the Declaration into compliance with the Act, or (ii) to correct clerical or typographical errors in the Declaration. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make any change or modification as authorized hereunder on behalf of each Unit Owner as attorney-in-fact for such Unit Owners. Each deed, mortgage, deed of trust, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant as aforesaid.

16.(g) Trustees

In the event title to any Unit should be conveyed to a title holding land trust, under which all powers of management, operation and control of the premises remain vested in the trust beneficiary or beneficiaries, then the trust estate under such trust, and the beneficiaries thereunder from time to time shall be liable for payment of any claim, lien, or obligation hereby created, and the trustee shall not be obligated to sequester funds or trust property to apply in whole or in part against any such lien or obligation, but the amount hereof shall continue to be a charge or lien upon the premises notwithstanding any transfer of beneficial interest or title of such real estate.

16.(h) Assignments by Declarant

All rights which are specified in this Declaration to be rights of the Declarant are mortgageable, pledgeable, assignable or transferable. Any successor to, or assignee of, the rights

of the Declarant hereunder (whether as the result of voluntary assignment, foreclosure, assignment in lieu of foreclosure or otherwise) shall hold or be entitled to exercise the rights of Declarant hereunder as fully as if named as such party herein. No party exercising rights as Declarant hereunder shall have or incur any liability for the acts of any other party which previously exercised or subsequently shall exercise such rights.

16.(i) Disclosures by Declarant

Each Unit Owner acknowledges the following:

- (a) that he or she has received and read the Condominium Information Statement;
- (b) the Condominium Association budget provided to each Unit Owner is based on estimated expenses only and may increase or decrease significantly when the actual expenses of the Condominium Association become known;
- (c) the Condominium is located adjacent to thoroughfares which could be improved or widened in the future;
- (d) the views from an Unit Owner's Unit can change over time due to among other things, additional development and the removal or addition of landscaping;
- (e) no representations are made regarding the zoning of adjacent property;
- (f) no representations are being made regarding which schools may now or in the future serve the Unit;
- (g) since in every neighborhood, there are conditions which different purchasers may find objectionable, Unit Owner acknowledges that there may be conditions outside of the Property which the Unit Owner finds objectionable and that it shall be the sole responsibility of the Unit Owner to become acquainted with neighborhood conditions which could affect the Unit, including periodic entertainment, arts, sports and other events;
- (h) no representations are made that the Unit is or will be soundproof or that sound may not be transmitted from one Unit to another;
- (i) the condominium floor plans and the dimensions and square footage calculations shown thereon are only approximations. Any Unit Owner who is concerned about any representations regarding the floor plans should do his/her own investigation as to the dimensions, measurements and square footage of his/her Unit;
- (j) Declarant reserves the right to alter, change, and/or discontinue its prices on any units in the Condominium, to the maximum extent permitted by law.

IN WITNESS WHEREOF, the undersigned has caused its name to be signed to these presents on the day and year first above written.

HOUSTON CONDOMINIUMS, L.P.

By: Choice Condominiums, L.L.C., its
General Partner

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the ____ day of _____ 2002,
by _____, the _____ of Choice Condominiums L.L.C, a
_____ limited liability company and General Partner of Houston Condominiums,
L.P., a Georgia limited partnership, on behalf of said limited partnership.

Notary Public in and for the State of Texas

Name of Notary Public
My Commission Expires: _____

CONSENT OF MORTGAGEE

Corus Bank, as beneficiary of a Deed of Trust, Security Agreement and Assignment of Leases and Rents recorded with the Official Records of Real Property of Harris County, Texas, on _____, under Clerk's File Number _____, hereby consents to the execution and recording of the above and foregoing Declaration of Condominium.

The undersigned hereby subordinates its mortgage lien and security interests and any and all other liens owned or held by it (in and to the Property of the condominium regime to be created) to the terms and provisions of the above and foregoing Declaration of Condominium for City Plaza Condominiums (to which this Consent of Mortgagee is annexed) and to the condominium regime created thereby (or to be created thereby upon recordation) all with the same effect and intent as if said Declaration had been executed and recorded prior to the execution and recordation of the mortgage and other instruments creating said liens and security interests. This consent shall not be construed or operate as a release of said mortgage or liens owned and 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 individual Units and all appurtenances thereto, and all of the undivided shares and interests in the Common Elements of the Property and of said condominium regime established by said Declaration, until said mortgage and liens are otherwise released by the undersigned.

IN WITNESS WHEREOF, the said Mortgagee has caused this instrument to be signed on its behalf at _____, _____, on this _____ day of _____, 2002.

CORUS BANK

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on this _____ day of _____, 2002, by _____, the _____ of CORUS BANK, a _____ banking association.

Notary Public in and for _____

Name of Notary Public
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Description of 7.4441 acres (324.264 square feet) of land as described in deeds to Gable Realty Limited Partnership recorded under Harris County Clerk's File No. P685924, P685925 and P685926, and being all of O.S.T APARTMENTS as recorded in Film Code No. 360052 of the Map Records of Harris County, Texas, said 7.4441 acre tract being more particularly described as follows (with bearings referenced to the northerly line of the subject tract, called as North 72° 49' 20" East on the said plat of O.S.T. APARTMENTS):

BEGINNING at a 5/8-inch iron rod found in the southerly right-of-way line of Old Spanish Trail (a 100-foot wide right-of-way) at the northeast corner of Block 1 of Reserve "A" of GEOFFERY ACRES-O.S.T as recorded in Film Code No. 353026, Harris County Map Records and the northwest corner of said O.S.T. APARTMENTS and the herein described tract:

THENCE, North 72° 49' 20" East, along the southerly right-of-way line of said Old Spanish Trail, a distance of 670.64 feet to the northwest corner of that called 2.8067 acre tract described in deed to Med-Center Hospitality Co recorded under Harris County Clerk's File No. N044151 and the most northerly northwest corner of Reserve "A" of PLAZA DEL ORO SECTION TWO REPLAT as recorded in Volume 182, Page 70, Harris County Map Records and the northeast corner of said O.S.T. APARTMENTS and the herein described tract, from which a found 5/8-inch iron rod bears North 75° 43' West, a distance of 0.36 foot and a found bent 5/8-inch iron rod bears North 05° 58' East, a distance of 0.64 foot;

THENCE, South 23° 24' 19" East, along the westerly line of said PLAZA DEL ORO SECTION TWO REPLAT and said Med-Center Hospitality tract, a distance of 470.68 feet to a 5/8-inch iron rod found in the northerly line of that called 1.166 acre tract described in deed to Mental Health and Mental Retardation Authority of Harris County recorded under Harris County Clerk's File No. J972058 and at the southeast corner of said O.S.T. APARTMENTS and the herein described tract;

THENCE, South 69° 43' 35" West, along the northerly lines of said Mental Health and Mental Retardation tract and also that called 1.000 acre tract described in deed to American Heart Association recorded under Harris County Clerk's File No. F642736 that called 1.000 acre tract described in deed to Treeline Partners, Ltd., recorded under Harris County Clerk's File No. R085930 that called 1.2660 acre tract described in deed to Treeline Partners, Ltd. recorded under Harris County Clerk's File No. R848585, and that called 1.1455 acre tract described in deed to Ahmed A. Rabie recorded under Harris County Clerk's File No. T722155, a distance of 661.26 feet to a 5/8-inch iron rod with cap found at the southeast corner of said GEOFFREY ACRES-O.S.T. for the southwest corner of said O.S.T. APARTMENTS and the herein described tract;

THENCE, North 24° 07' 44" West, along the easterly line of said GEOFFREY ACRES-O.S.T., a distance of 507.35 feet to the POINT OF BEGINNING and containing a computed area of 7.4441 acres (324.264 square feet) of land.

EXHIBIT B

PLAT



OLD SPANISH



Block 1
Restricted Reserve "A"
GEOFFREY ACRES - O.S.T.
Plan Code No. 353026. H.C.M.R.

KIRBY DRIVE
(100 FEET WIDE R.O.W.)

Restricted Reserve "B"

Toys "R" Us-Hydra, Inc.
called 3.8004 acres
H.C.C.F. No. 3760161

Studio Plus Properties, Inc.
called 2.127 acres
H.C.C.F. No. 3402814

Ahmed A. Rabie
called 1.1456 acres
H.C.C.F. No. 3722165

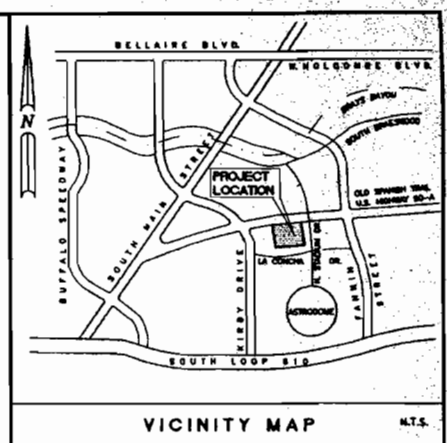
TreeLine Partners, Ltd.
called 1.2880 acres
H.C.C.F. No. 3848585

4		
3		
2		
1		
No.	Revisions	Date

RAIL - U.S. HIGHWAY 90-A
 60 FEET WIDE R.O.W.
 101.74' N. 151' N.C.D.R.

LEGEND:

- MANHOLE
- ✱ FIRE HYDRANT
- ✱ WATER VALVE
- † POWER POLE
- TELEVISION PEDESTAL
- TELEPHONE PEDESTAL
- A.C. COMPRESSOR
- ELECTRIC TRANSFORMER
- SANITARY SEWER CLEAN OUT
- STORM SEWER INLET



NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking. The maximum height of the garage space handicapped parking is 8'-0". The maximum height of the garage space regular parking is 7' 3-5/8".

FIELD NOTES

Description of 7.4441 acres (324,264 square feet) of land as described in deeds to Cobles Realty Limited Partnership recorded under Harris County Clerk's File Nos. P885924, P885925 and P885926, and being all of O.S.T. APARTMENTS as recorded in Film Code No. 360052 of the Map Records of Harris County, Texas, said 7.4441 acre tract being more particularly described as follows (with bearings referenced to the northerly line of the subject tract, called as North 72°49'20" East on the said plat of O.S.T. APARTMENTS):

BEGINNING at a 5/8-inch iron rod found in the southerly right-of-way line of Old Spanish Trail (a 100-foot wide right-of-way) at the northeast corner of Block 1 of Reserve "A" of GEOFFREY ACRES-O.S.T. as recorded in Film Code No. 353025, Harris County Map Records, and the northeast corner of said O.S.T. APARTMENTS and the herein described tract;

THENCE, North 72°49'20" East, along the southerly right-of-way line of said Old Spanish Trail, a distance of 670.64 feet to the northwest corner of 1.607 acre tract described in deed to Med-Center Hospitality Co., recorded under Harris County Clerk's File No. N044151 and the most northerly northwest corner of Reserve "A" of PLAZA DEL ORO SECTION TWO REPLAT as recorded in Volume 182, Page 70, Harris County Map Records and the northeast corner of said O.S.T. APARTMENTS and the herein described tract, from which a found 5/8-inch iron rod bears North 73°43' West, a distance of 0.38 foot and a found bent 5/8-inch iron rod bears North 05°58' East, a distance of 0.64 foot;

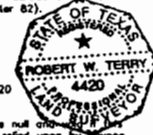
THENCE, South 23°24'19" East, along the westerly line of said PLAZA DEL ORO SECTION TWO REPLAT and said Med-Center Hospitality tract, a distance of 470.88 feet to a 5/8-inch iron rod found in the northerly line of that called 1.168 acre tract described in a deed to Mental Health and Mental Retardation Authority of Harris County recorded under Harris County Clerk's File No. J972058 and at the southeast corner of said O.S.T. APARTMENTS and the herein described tract;

THENCE, South 89°43'35" West, along the northerly line of said Mental Health and Mental Retardation tract and also that called 1,000 acre tract described in deed to American Heart Association recorded under Harris County Clerk's File No. F642736, that called 1,000 acre tract described in deed to Treeline Partners, Ltd. recorded under Harris County Clerk's File No. R025930, that called 1,2660 acre tract described in deed to Treeline Partners, Ltd. recorded under Harris County Clerk's File No. R046585, and that called 1,1455 acre tract described in deed to Ahmed A. Robie recorded under Harris County Clerk's File No. T722155, a distance of 861.26 feet to a 5/8-inch iron rod with cap found at the southeast corner of said GEOFFREY ACRES-O.S.T. for the southwest corner of said O.S.T. APARTMENTS and the herein described tract;

THENCE, North 24°07'44" West, along the easterly line of said GEOFFREY ACRES-O.S.T., a distance of 507.35 feet to the POINT OF BEGINNING and containing a computed area of 7,4441 acres (324,264 square feet) of land.

SURVEYOR'S CERTIFICATE
 I hereby certify that this survey, originally dated June 8, 1995, was last made on the ground and last updated on March 12, 2002, that this drawing accurately represents the facts found at the time of survey and that this professional service substantially conforms to the current Texas Society of Professional Surveyors Standards and Specifications for a Category 1A, Condition II Survey, and also complies with those certain requirements for plats contained within Section 92.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

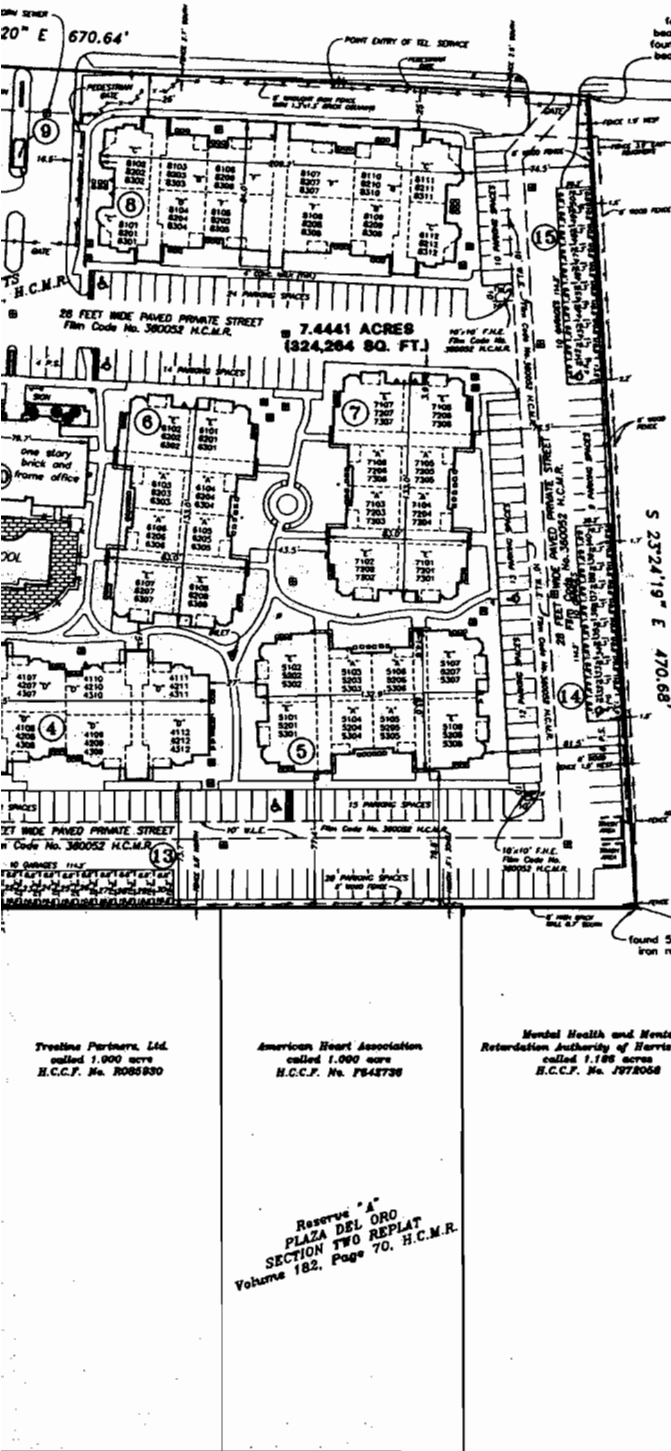
Robert W. Terry
 Registered Professional Land Surveyor No. 4420
 March 15, 2002



This certification is revoked and this survey is null and void if any document is altered in any manner, used or relied upon by anyone other than the parties addressed above, or does not bear an original signature and seal of the Surveyor.

Med-Center Hospitality Co.
 called 2.8067 acres
 H.C.C.F. No. N044151

Reserve "A"
 PLAZA DEL ORO
 SECTION TWO REPLAT
 Volume 182, Page 70, H.C.M.R.



Treeline Partners, Ltd.
 called 1,000 acres
 H.C.C.F. No. R025930

American Heart Association
 called 1,000 acres
 H.C.C.F. No. F642736

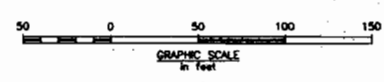
Mental Health and Mental
 Retardation Authority of Harris County
 called 1,168 acres
 H.C.C.F. No. J972058

Reserve "A"
 PLAZA DEL ORO
 SECTION TWO REPLAT
 Volume 182, Page 70, H.C.M.R.

CITY PLAZA CONDOMINIUMS

O.S.T. APARTMENTS BEING A 7.4441 ACRE (324,264 SQ. FT.) TRACT OF LAND AS RECORDED UNDER FILM CODE NO. 360052 H.C.M.R. P.W. ROSE SURVEY A-645 HOUSTON, HARRIS COUNTY, TEXAS

1 BLOCK 1 UNRESTRICTED RESERVE
 SCALE= 1"=50' MARCH 2002
 OWNER: HOUSTON CONDOMINIUMS, L.P.



CLARK-GEORAM INC.
 LAND SURVEYORS
 Dallas - Houston - San Antonio
 1818 Shurwood Forest Drive - Houston, Texas 77048
 tel. 713.461.1408 - fax 713.481.8688

Copyright © 2002, Clark-Geogram Inc. - All rights reserved
 Job# 93-10-3535/005 CONDOMINIUM PLAT FILE: 3535 CONDO UNITS

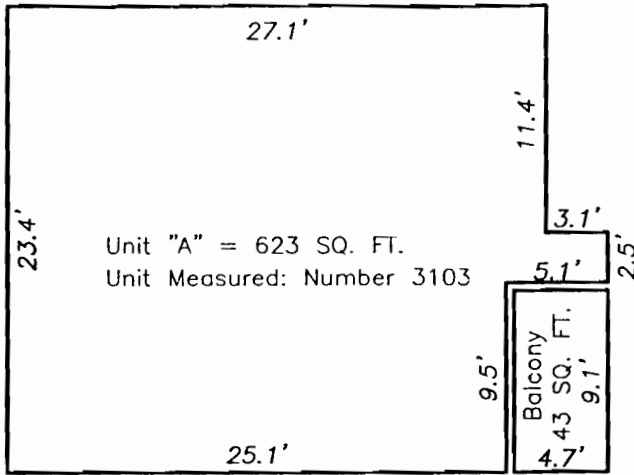
ONCHA LANE
 (60 FEET WIDE R.O.W.)

NOT TO SCALE

Interior Area = 623 Sq. Ft.

Balcony Area = 43 Sq. Ft.

Total Area = 666 Sq. Ft.



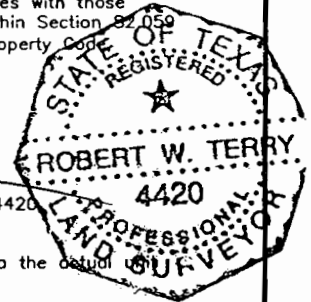
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

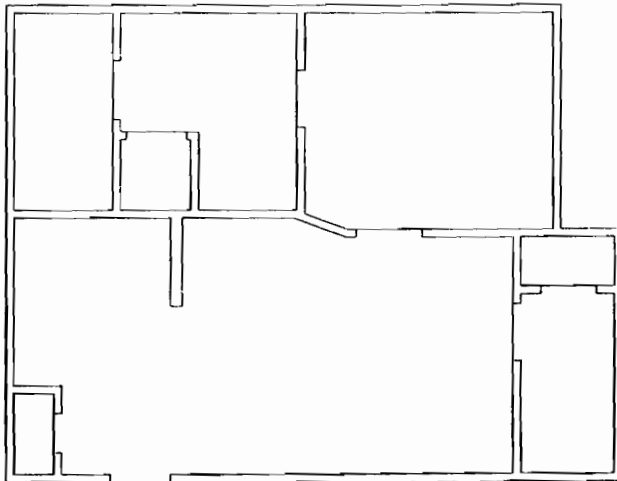
This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



This certification is valid only with regard to the actual unit measured as shown hereon.

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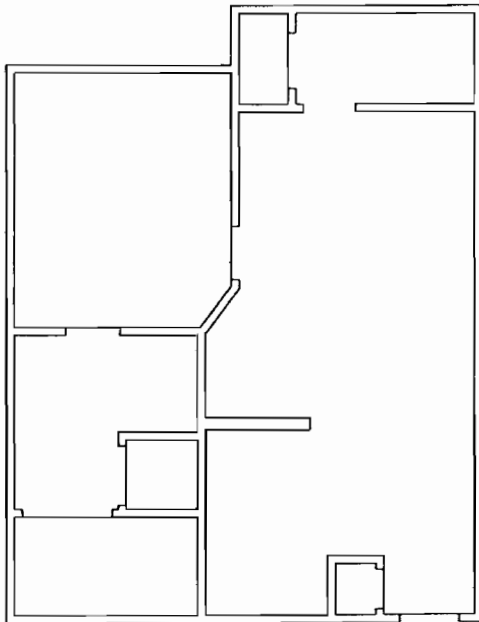
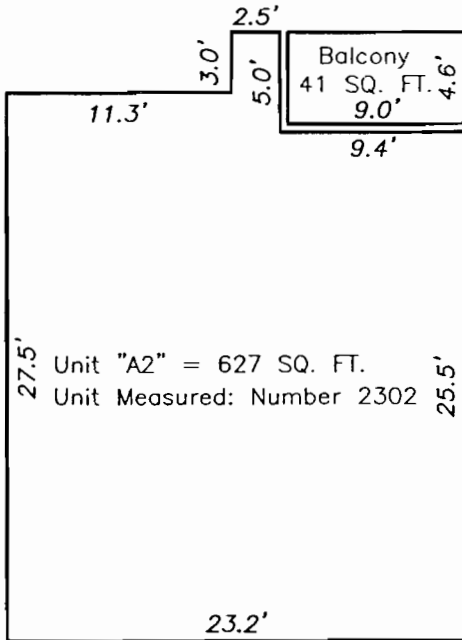
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No.	Revisions	Date
FLOOR PLAN EXHIBIT		
UNIT "A" FLOOR PLAN DIMENSIONS OUT OF CITY PLAZA CONDOMINIUMS HOUSTON, HARRIS COUNTY, TEXAS		
Client: HOUSTON CONDOMINIUMS, L.P.		
Scale: N.T.S.	File: 3535 CONDO UNITS	
Drawn. by: JDK	Calc. by: JDK	Chk. by: BT
Dwg. date: 03/08/02		Job no.: 93-10-3535/005



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1315 Sherwood Forest Drive - Houston, Texas 77043
tel. 713.461.1400 - fax 713.461.3639 - info@clarksurvey.com

NOT TO SCALE



Interior Area = 627 Sq. Ft.

Balcony Area = 41 Sq. Ft.

Total Area = 668 Sq. Ft.

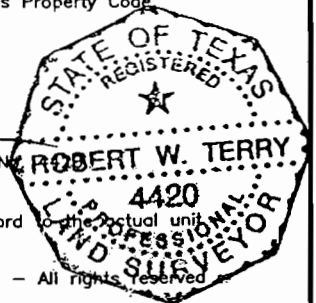
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code Chapter 82).

Robert W. Terry
 Robert W. Terry
 Registered Professional Land Surveyor No. 4420
 March 15, 2002



This certification is valid only with regard to the actual unit measured as shown hereon.

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No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "A2" FLOOR PLAN DIMENSIONS OUT OF CITY PLAZA CONDOMINIUMS HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S. File: 3535 CONDO UNITS

Drawn. by: JDK Calc. by: JDK Chk. by: BT

Dwg. date: 03/08/02 Job no.: 93-10-3535/005



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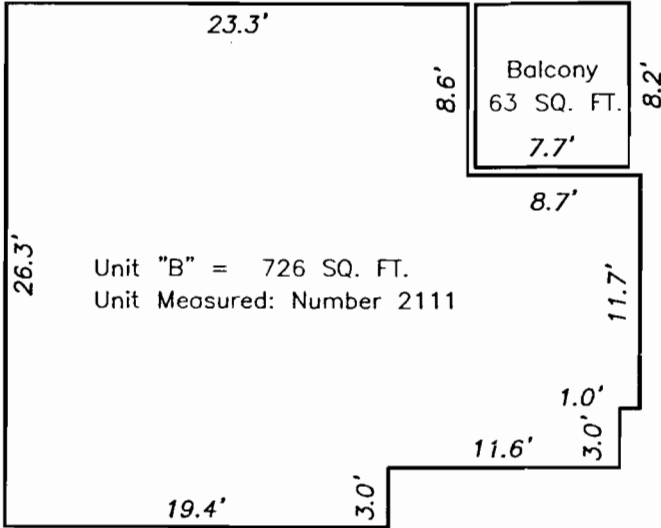
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 1315 Sherwood Forest Drive - Houston, Texas 77043
 tel. 713.461.1400 - fax 713.461.3639 - Info@clarksurvey.com

NOT TO SCALE

Interior Area = 726 Sq. Ft.

Balcony Area = 63 Sq. Ft.

Total Area = 789 Sq. Ft.



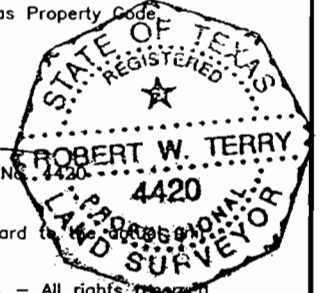
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Marley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

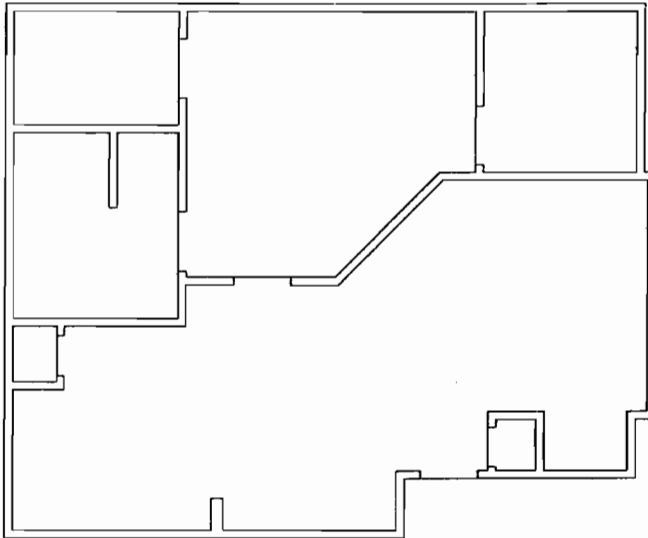
This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



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No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "B" FLOOR PLAN DIMENSIONS OUT OF
CITY PLAZA CONDOMINIUMS
HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S.	File: 3535 CONDO UNITS	
Drawn. by: JDK	Calc. by: JOK	Chk. by: BT
Dwg. date: 03/08/02	Job no.: 93-10-3535/005	



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LAND SURVEYORS

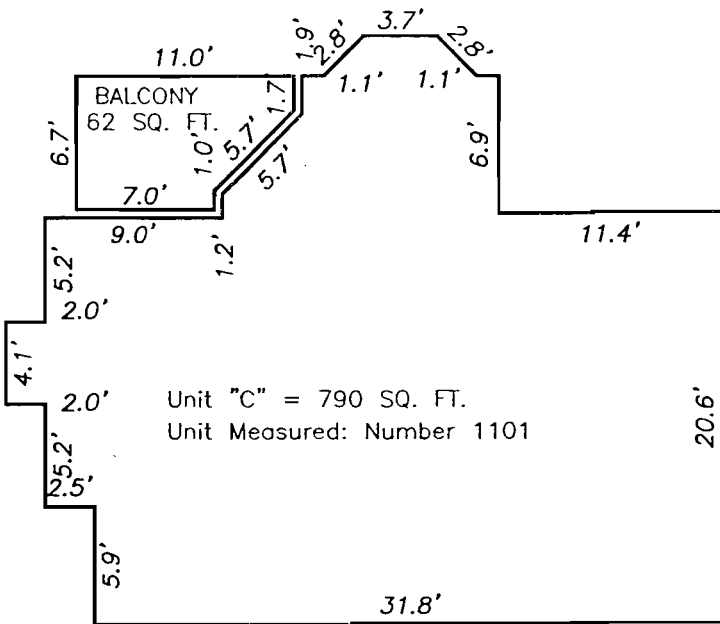
Dallas - Houston - San Antonio
1315 Sherwood Forest Drive - Houston, Texas 77043
tel. 713.461.1400 - fax 713.461.3639 - info@clarksurvey.com

NOT TO SCALE

Interior Area = 790 Sq. Ft.

Balcony Area = 62 Sq. Ft.

Total Area = 852 Sq. Ft.



Unit "C" = 790 SQ. FT.
Unit Measured: Number 1101

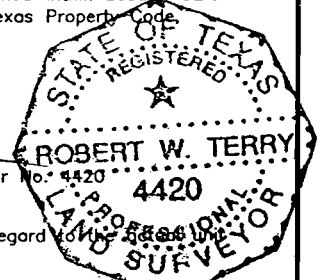
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



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No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "C" FLOOR PLAN DIMENSIONS OUT OF
CITY PLAZA CONDOMINIUMS
HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S. File: 3535 CONDO UNITS

Drawn. by: JDK Calc. by: JDK Chk. by: BT

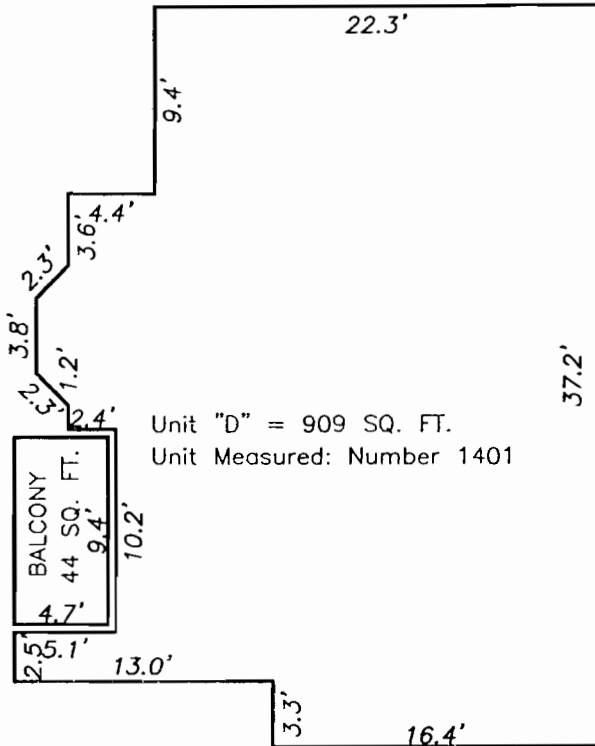
Dwg. date: 03/08/02 Job no.: 93-10-3535/005



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NOT TO SCALE



Unit "D" = 909 SQ. FT.
Unit Measured: Number 1401

BALCONY
44 SQ. FT.
9.4'
4.7'

Interior Area = 909 Sq. Ft.
Balcony Area = 44 Sq. Ft.

Total Area = 953 Sq. Ft.

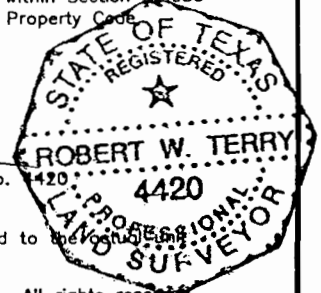
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

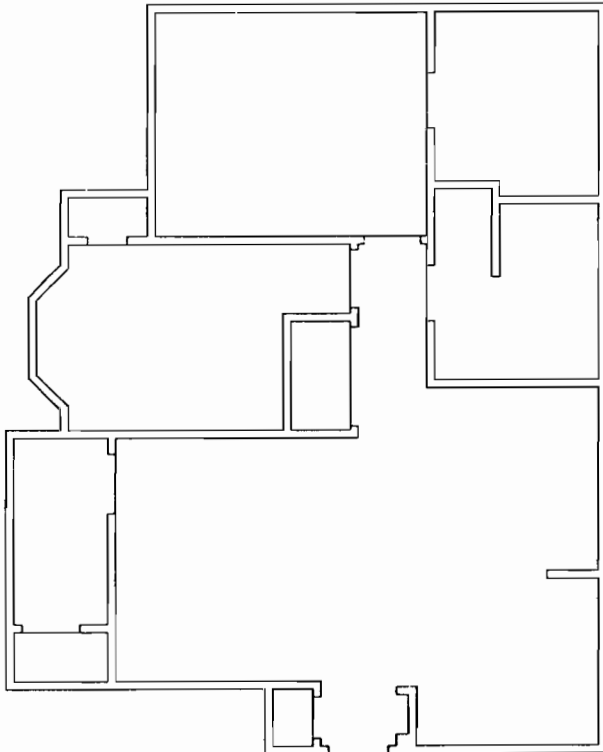
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Robert W. Terry
Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



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No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "D" FLOOR PLAN DIMENSIONS OUT OF
CITY PLAZA CONDOMINIUMS
HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S. File: 3535 CONDO UNITS

Drawn. by: JDK Calc. by: JDK Chk. by: BT

Dwg. date: 03/08/02 Job no.: 93-10-3535/005



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LAND SURVEYORS

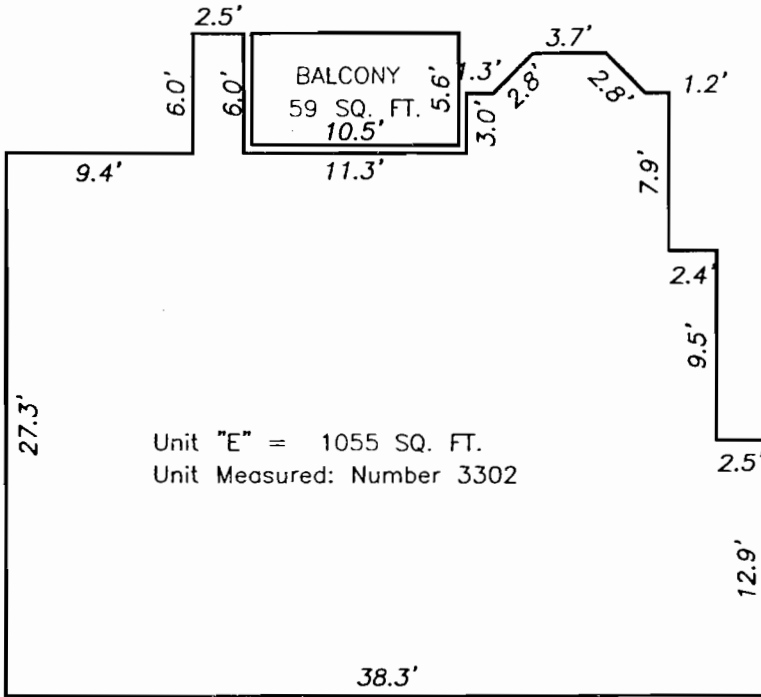
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1315 Sherwood Forest Drive - Houston, Texas 77043
tel. 713.461.1400 - fax 713.461.3639 - info@clarksurvey.com

NOT TO SCALE

Interior Area = 1055 Sq. Ft.

Balcony Area = 59 Sq. Ft.

Total Area = 1114 Sq. Ft.



NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

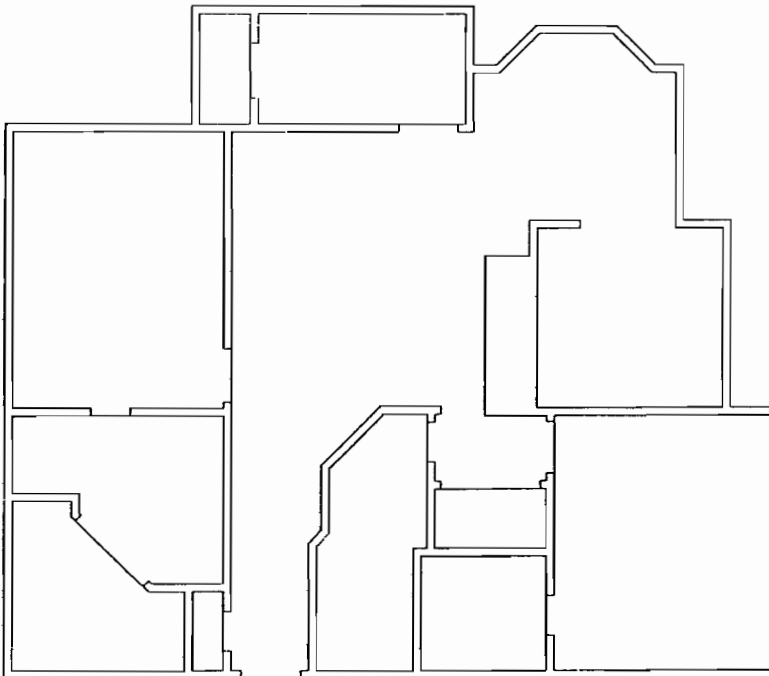
This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code, Chapter 82).

Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



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No.	Revisions	Date

FLOOR PLAN EXHIBIT

UNIT "E" FLOOR PLAN DIMENSIONS OUT OF
CITY PLAZA CONDOMINIUMS
HOUSTON, HARRIS COUNTY, TEXAS

Client: HOUSTON CONDOMINIUMS, L.P.

Scale: N.T.S. File: 3535 CONDO UNITS

Drawn by: JDK Calc. by: JDK Chk. by: BT

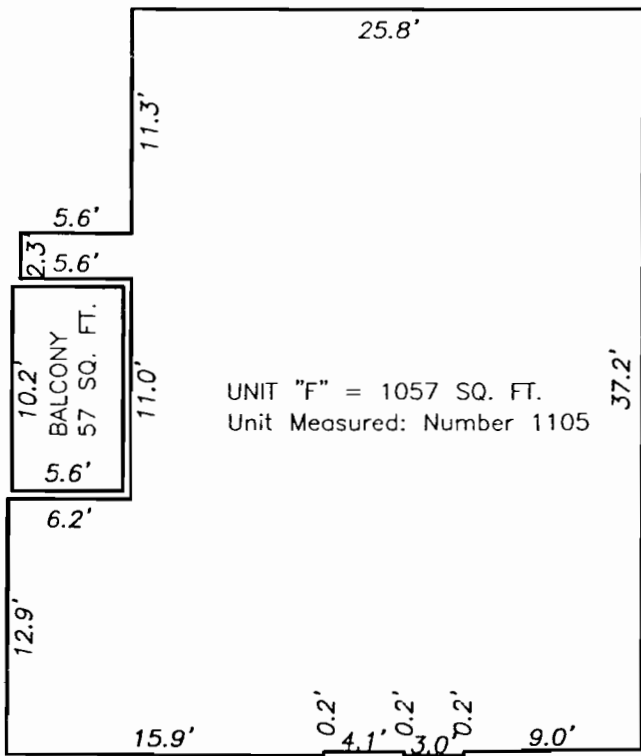
Dwg. date: 03/08/02 Job no.: 93-10-3535/005



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NOT TO SCALE



UNIT "F" = 1057 SQ. FT.
Unit Measured: Number 1105

Interior Area = 1057 Sq. Ft.

Balcony Area = 57 Sq. Ft.

Total Area = 1114 Sq. Ft.

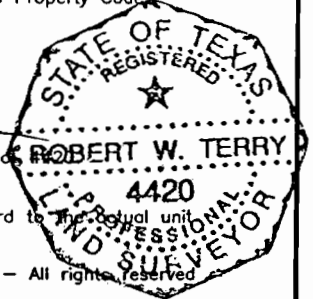
NOTES:

1. All buildings (except office buildings) consist of three (3) floors of residential units.
2. The boundaries of each unit are the interior surfaces of floors, ceilings, perimeter walls, doors and windows thereof, and there are 246 total units on the subject property.
3. The maximum vertical height of units with a regular ceiling is 9'-0". The maximum vertical height of units with a vaulted ceiling is 13'-4". Only third story units have vaulted ceilings.
4. According to the Manager, Donna Manley, the garages are not assigned to a particular unit as they are rented on a month-to-month basis. There are 50 covered garages on the subject tract. Of these, 5 are designated as handicapped parking.
5. The units are numbered with a four (4) digit number. The first digit is the building number (1-8). The second digit is the floor number (1-3). The last two numbers are the unit number.

SURVEYOR'S CERTIFICATE

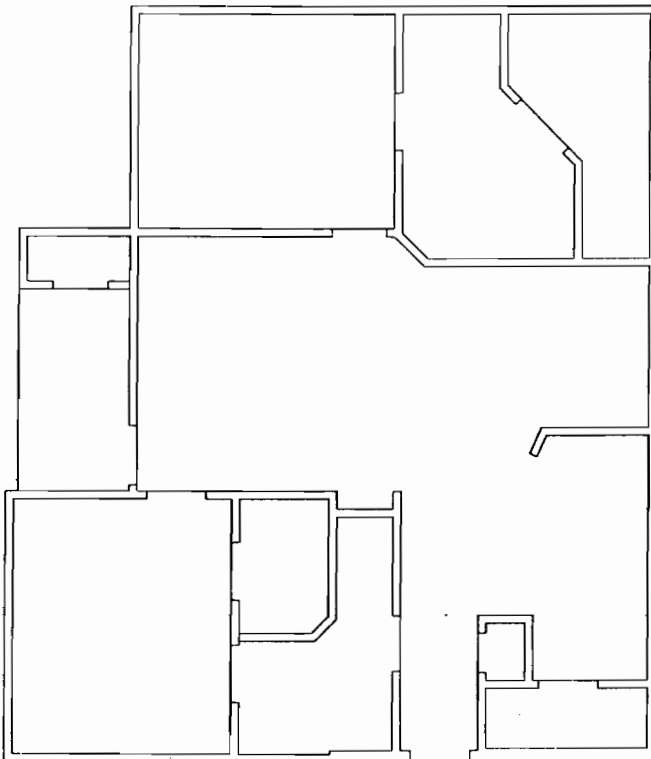
This drawing represents the facts and measurements of the specific unit shown as found at the premises on March, 2002, and the information depicted hereon complies with those certain requirements for plats contained within Section 82.059 of the Uniform Condominium Act (Texas Property Code Chapter 82).

Robert W. Terry
Robert W. Terry
Registered Professional Land Surveyor No. 4420
March 15, 2002



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No.	Revisions	Date
FLOOR PLAN EXHIBIT		
UNIT "F" FLOOR PLAN DIMENSIONS OUT OF CITY PLAZA CONDOMINIUMS HOUSTON, HARRIS COUNTY, TEXAS		
Client: HOUSTON CONDOMINIUMS, L.P.		
Scale: N.T.S.	File: 3535 CONDO UNITS	
Drawn. by: JDK	Calc. by: JDK	Chk. by: BT
Dwg. date: 03/08/02		Job no.: 93-10-3535/005



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Exhibit C
Percentage of Ownership
Interest in the Common Elements

Unit #	Building	Type	% Ownership
3103	Building 3	A 1BR/1BA	0.30%
3104	Building 3	A 1BR/1BA	0.30%
3105	Building 3	A 1BR/1BA	0.30%
3106	Building 3	A 1BR/1BA	0.30%
3203	Building 3	A 1BR/1BA	0.30%
3204	Building 3	A 1BR/1BA	0.30%
3205	Building 3	A 1BR/1BA	0.30%
3206	Building 3	A 1BR/1BA	0.30%
3303	Building 3	A 1BR/1BA	0.30%
3304	Building 3	A 1BR/1BA	0.30%
3305	Building 3	A 1BR/1BA	0.30%
3306	Building 3	A 1BR/1BA	0.30%
5103	Building 5	A 1BR/1BA	0.30%
5104	Building 5	A 1BR/1BA	0.30%
5105	Building 5	A 1BR/1BA	0.30%
5106	Building 5	A 1BR/1BA	0.30%
5203	Building 5	A 1BR/1BA	0.30%
5204	Building 5	A 1BR/1BA	0.30%
5205	Building 5	A 1BR/1BA	0.30%
5206	Building 5	A 1BR/1BA	0.30%
5303	Building 5	A 1BR/1BA	0.30%
5304	Building 5	A 1BR/1BA	0.30%
5305	Building 5	A 1BR/1BA	0.30%
5306	Building 5	A 1BR/1BA	0.30%
6103	Building 6	A 1BR/1BA	0.30%
6104	Building 6	A 1BR/1BA	0.30%
6105	Building 6	A 1BR/1BA	0.30%
6106	Building 6	A 1BR/1BA	0.30%
6203	Building 6	A 1BR/1BA	0.30%
6204	Building 6	A 1BR/1BA	0.30%
6205	Building 6	A 1BR/1BA	0.30%
6206	Building 6	A 1BR/1BA	0.30%
6303	Building 6	A 1BR/1BA	0.30%
6304	Building 6	A 1BR/1BA	0.30%
6305	Building 6	A 1BR/1BA	0.30%
6306	Building 6	A 1BR/1BA	0.30%
7103	Building 7	A 1BR/1BA	0.30%

Unit #	Building	Type	% Ownership
7104	Building 7	A 1BR/1BA	0.30%
7105	Building 7	A 1BR/1BA	0.30%
7106	Building 7	A 1BR/1BA	0.30%
7203	Building 7	A 1BR/1BA	0.30%
7204	Building 7	A 1BR/1BA	0.30%
7205	Building 7	A 1BR/1BA	0.30%
7206	Building 7	A 1BR/1BA	0.30%
7303	Building 7	A 1BR/1BA	0.30%
7304	Building 7	A 1BR/1BA	0.30%
7305	Building 7	A 1BR/1BA	0.30%
7306	Building 7	A 1BR/1BA	0.30%
2102	Building 2	A2 1BR/1BA	0.30%
2113	Building 2	A2 1BR/1BA	0.30%
2202	Building 2	A2 1BR/1BA	0.30%
2213	Building 2	A2 1BR/1BA	0.30%
2302	Building 2	A2 1BR/1BA	0.30%
2313	Building 2	A2 1BR/1BA	0.30%
1103	Building 1	B 1BR/1BA	0.36%
1104	Building 1	B 1BR/1BA	0.36%
1109	Building 1	B 1BR/1BA	0.36%
1110	Building 1	B 1BR/1BA	0.36%
1203	Building 1	B 1BR/1BA	0.36%
1204	Building 1	B 1BR/1BA	0.36%
1209	Building 1	B 1BR/1BA	0.36%
1210	Building 1	B 1BR/1BA	0.36%
1303	Building 1	B 1BR/1BA	0.36%
1304	Building 1	B 1BR/1BA	0.36%
1309	Building 1	B 1BR/1BA	0.36%
1310	Building 1	B 1BR/1BA	0.36%
2104	Building 2	B 1BR/1BA	0.36%
2105	Building 2	B 1BR/1BA	0.36%
2106	Building 2	B 1BR/1BA	0.36%
2107	Building 2	B 1BR/1BA	0.36%
2108	Building 2	B 1BR/1BA	0.36%
2109	Building 2	B 1BR/1BA	0.36%
2110	Building 2	B 1BR/1BA	0.36%
2111	Building 2	B 1BR/1BA	0.36%
2204	Building 2	B 1BR/1BA	0.36%
2205	Building 2	B 1BR/1BA	0.36%
2206	Building 2	B 1BR/1BA	0.36%
2207	Building 2	B 1BR/1BA	0.36%

Unit #	Building	Type	% Ownership
2208	Building 2	B 1BR/1BA	0.36%
2209	Building 2	B 1BR/1BA	0.36%
2210	Building 2	B 1BR/1BA	0.36%
2211	Building 2	B 1BR/1BA	0.36%
2304	Building 2	B 1BR/1BA	0.36%
2305	Building 2	B 1BR/1BA	0.36%
2306	Building 2	B 1BR/1BA	0.36%
2307	Building 2	B 1BR/1BA	0.36%
2308	Building 2	B 1BR/1BA	0.36%
2309	Building 2	B 1BR/1BA	0.36%
2310	Building 2	B 1BR/1BA	0.36%
2311	Building 2	B 1BR/1BA	0.36%
8103	Building 8	B 1BR/1BA	0.36%
8104	Building 8	B 1BR/1BA	0.36%
8109	Building 8	B 1BR/1BA	0.36%
8110	Building 8	B 1BR/1BA	0.36%
8203	Building 8	B 1BR/1BA	0.36%
8204	Building 8	B 1BR/1BA	0.36%
8209	Building 8	B 1BR/1BA	0.36%
8210	Building 8	B 1BR/1BA	0.36%
8303	Building 8	B 1BR/1BA	0.36%
8304	Building 8	B 1BR/1BA	0.36%
8309	Building 8	B 1BR/1BA	0.36%
8310	Building 8	B 1BR/1BA	0.36%
1101	Building 1	C 1BR/1BA	0.39%
1102	Building 1	C 1BR/1BA	0.39%
1111	Building 1	C 1BR/1BA	0.39%
1112	Building 1	C 1BR/1BA	0.39%
1201	Building 1	C 1BR/1BA	0.39%
1202	Building 1	C 1BR/1BA	0.39%
1211	Building 1	C 1BR/1BA	0.39%
1212	Building 1	C 1BR/1BA	0.39%
1301	Building 1	C 1BR/1BA	0.39%
1302	Building 1	C 1BR/1BA	0.39%
1311	Building 1	C 1BR/1BA	0.39%
1312	Building 1	C 1BR/1BA	0.39%
2101	Building 2	C 1BR/1BA	0.39%
2103	Building 2	C 1BR/1BA	0.39%
2112	Building 2	C 1BR/1BA	0.39%
2114	Building 2	C 1BR/1BA	0.39%
2201	Building 2	C 1BR/1BA	0.39%

Unit #	Building	Type	% Ownership
2203	Building 2	C 1BR/1BA	0.39%
2212	Building 2	C 1BR/1BA	0.39%
2214	Building 2	C 1BR/1BA	0.39%
2301	Building 2	C 1BR/1BA	0.39%
2303	Building 2	C 1BR/1BA	0.39%
2312	Building 2	C 1BR/1BA	0.39%
2314	Building 2	C 1BR/1BA	0.39%
8101	Building 8	C 1BR/1BA	0.39%
8102	Building 8	C 1BR/1BA	0.39%
8111	Building 8	C 1BR/1BA	0.39%
8112	Building 8	C 1BR/1BA	0.39%
8201	Building 8	C 1BR/1BA	0.39%
8202	Building 8	C 1BR/1BA	0.39%
8211	Building 8	C 1BR/1BA	0.39%
8212	Building 8	C 1BR/1BA	0.39%
8301	Building 8	C 1BR/1BA	0.39%
8302	Building 8	C 1BR/1BA	0.39%
8311	Building 8	C 1BR/1BA	0.39%
8312	Building 8	C 1BR/1BA	0.39%
4101	Building 4	D 1BR/Den	0.44%
4102	Building 4	D 1BR/Den	0.44%
4103	Building 4	D 1BR/Den	0.44%
4104	Building 4	D 1BR/Den	0.44%
4105	Building 4	D 1BR/Den	0.44%
4106	Building 4	D 1BR/Den	0.44%
4107	Building 4	D 1BR/Den	0.44%
4108	Building 4	D 1BR/Den	0.44%
4109	Building 4	D 1BR/Den	0.44%
4110	Building 4	D 1BR/Den	0.44%
4111	Building 4	D 1BR/Den	0.44%
4112	Building 4	D 1BR/Den	0.44%
4201	Building 4	D 1BR/Den	0.44%
4202	Building 4	D 1BR/Den	0.44%
4203	Building 4	D 1BR/Den	0.44%
4204	Building 4	D 1BR/Den	0.44%
4205	Building 4	D 1BR/Den	0.44%
4206	Building 4	D 1BR/Den	0.44%
4207	Building 4	D 1BR/Den	0.44%
4208	Building 4	D 1BR/Den	0.44%
4209	Building 4	D 1BR/Den	0.44%
4210	Building 4	D 1BR/Den	0.44%

Unit #	Building	Type	% Ownership
4211	Building 4	D 1BR/Den	0.44%
4212	Building 4	D 1BR/Den	0.44%
4301	Building 4	D 1BR/Den	0.44%
4302	Building 4	D 1BR/Den	0.44%
4303	Building 4	D 1BR/Den	0.44%
4304	Building 4	D 1BR/Den	0.44%
4305	Building 4	D 1BR/Den	0.44%
4306	Building 4	D 1BR/Den	0.44%
4307	Building 4	D 1BR/Den	0.44%
4308	Building 4	D 1BR/Den	0.44%
4309	Building 4	D 1BR/Den	0.44%
4310	Building 4	D 1BR/Den	0.44%
4311	Building 4	D 1BR/Den	0.44%
4312	Building 4	D 1BR/Den	0.44%
1105	Building 1	F 2BR/2BA	0.50%
1106	Building 1	F 2BR/2BA	0.50%
1107	Building 1	F 2BR/2BA	0.50%
1108	Building 1	F 2BR/2BA	0.50%
1205	Building 1	F 2BR/2BA	0.50%
1206	Building 1	F 2BR/2BA	0.50%
1207	Building 1	F 2BR/2BA	0.50%
1208	Building 1	F 2BR/2BA	0.50%
1305	Building 1	F 2BR/2BA	0.51%
1306	Building 1	F 2BR/2BA	0.51%
1307	Building 1	F 2BR/2BA	0.51%
1308	Building 1	F 2BR/2BA	0.51%
3101	Building 3	E 2BR/2BA	0.51%
3102	Building 3	E 2BR/2BA	0.51%
3107	Building 3	E 2BR/2BA	0.51%
3108	Building 3	E 2BR/2BA	0.51%
3201	Building 3	E 2BR/2BA	0.51%
3202	Building 3	E 2BR/2BA	0.51%
3207	Building 3	E 2BR/2BA	0.51%
3208	Building 3	E 2BR/2BA	0.51%
3301	Building 3	E 2BR/2BA	0.51%
3302	Building 3	E 2BR/2BA	0.51%
3307	Building 3	E 2BR/2BA	0.51%
3308	Building 3	E 2BR/2BA	0.51%
5101	Building 5	E 2BR/2BA	0.51%
5102	Building 5	E 2BR/2BA	0.51%
5107	Building 5	E 2BR/2BA	0.51%

Unit #	Building	Type	% Ownership
5108	Building 5	E 2BR/2BA	0.51%
5201	Building 5	E 2BR/2BA	0.51%
5202	Building 5	E 2BR/2BA	0.51%
5207	Building 5	E 2BR/2BA	0.51%
5208	Building 5	E 2BR/2BA	0.51%
5301	Building 5	E 2BR/2BA	0.51%
5302	Building 5	E 2BR/2BA	0.51%
5307	Building 5	E 2BR/2BA	0.51%
5308	Building 5	E 2BR/2BA	0.51%
6101	Building 6	E 2BR/2BA	0.51%
6102	Building 6	E 2BR/2BA	0.51%
6107	Building 6	E 2BR/2BA	0.51%
6108	Building 6	E 2BR/2BA	0.51%
6201	Building 6	E 2BR/2BA	0.51%
6202	Building 6	E 2BR/2BA	0.51%
6207	Building 6	E 2BR/2BA	0.51%
6208	Building 6	E 2BR/2BA	0.51%
6301	Building 6	E 2BR/2BA	0.51%
6302	Building 6	E 2BR/2BA	0.51%
6307	Building 6	E 2BR/2BA	0.51%
6308	Building 6	E 2BR/2BA	0.51%
7101	Building 7	E 2BR/2BA	0.51%
7102	Building 7	E 2BR/2BA	0.51%
7107	Building 7	E 2BR/2BA	0.51%
7108	Building 7	E 2BR/2BA	0.51%
7201	Building 7	E 2BR/2BA	0.51%
7202	Building 7	E 2BR/2BA	0.51%
7207	Building 7	E 2BR/2BA	0.51%
7208	Building 7	E 2BR/2BA	0.51%
7301	Building 7	E 2BR/2BA	0.51%
7302	Building 7	E 2BR/2BA	0.51%
7307	Building 7	E 2BR/2BA	0.51%
7308	Building 7	E 2BR/2BA	0.51%
8105	Building 8	F 2BR/2BA	0.51%
8106	Building 8	F 2BR/2BA	0.51%
8107	Building 8	F 2BR/2BA	0.51%
8108	Building 8	F 2BR/2BA	0.51%
8205	Building 8	F 2BR/2BA	0.51%
8206	Building 8	F 2BR/2BA	0.51%
8207	Building 8	F 2BR/2BA	0.51%
8208	Building 8	F 2BR/2BA	0.51%

Unit #	Building	Type	% Ownership
8305	Building 8	F 2BR/2BA	0.51%
8306	Building 8	F 2BR/2BA	0.51%
8307	Building 8	F 2BR/2BA	0.51%
8308	Building 8	F 2BR/2BA	0.51%
			100.00%

EXHIBIT D

RECORDED EASEMENTS AND LICENSES

1. Restrictive Covenants in instrument filed under: Film Code. 360052 of the Map Records of Harris County, Texas.
2. An easement for water line ten (10) feet in width, in addition to four (4) fire hydrant easements ten (10) feet wide and ten twenty-eight (28) foot private roadway systems, as reflected by the map filed for record under Film Code No. 360052 of the Map Records of Harris County, Texas.
3. Drainage easement fifteen (15) in width on each side of the center line of all natural drainage courses as shown by the plat recorded in Film Code No. 360052 of the Map Records of Harris County, Texas.
4. Building set-back line twenty-five (25) feet in width along the northerly property line, as shown by instrument recorded in Film Code No. 360052 of the Map Records of Harris County, Texas.
5. Water Meter Easement ten (10) feet wide and twenty (20) feet long along the north property line as reflected by the map filed for record under Film Code No. 360052.
6. Asphalt and/or concrete for driveways extending over the ten (10) foot water line easement as shown on survey dated June 8, 1995, last revised September 11, 2001, prepared by Ward D. Kelsey, Registered Professional Land Surveyor No. 4302.

EXHIBIT "B"

**TO CONDOMINIUM INFORMATION STATEMENT
OF CITY PLAZA, A CONDOMINIUM**

**ARTICLES OF INCORPORATION OF
CITY PLAZA OWNERS' ASSOCIATION, INC.**

**ARTICLES OF INCORPORATION
OF
CITY PLAZA OWNERS ASSOCIATION, INC.**

ARTICLE ONE

The name of the Corporation is City Plaza Owners Association, Inc.

ARTICLE TWO

The corporation is a non-profit corporation.

ARTICLE THREE

The period of its duration is perpetual.

ARTICLE FOUR

The specific and primary purposes for which the Corporation is organized and formed under the laws of the State of Texas are (i) the collection, expenditure and management of assessments provided for in any Declaration of Condominium, as amended from time to time ("Declaration"), to which a residential condominium in Harris County, Texas, known as City Plaza, a Condominium, is subject, (ii) the enforcement of the Declaration, (iii) providing for the maintenance, operation and management within City Plaza, a Condominium, as set forth in the Declaration, (iv) operating, maintaining and improving the Common Elements (as defined in the Declaration), and (v) the general overall supervision of all of the affairs of such condominium and the promotion of the general welfare of the unit owners within City Plaza, a Condominium.

ARTICLE FIVE

The street address of its initial Registered Office, and the name of its initial Registered Agent at this address is as follows:

Julie R. Caggiano
Hughes, Watters & Askanase, L.L.P.
1415 Louisiana, 37th Floor
Houston, Texas 77002

ARTICLE SIX

The number of initial Directors is three (3). The names and addresses of the initial Directors are:

Ronald L. Lozoff	ADDRESS: 6640 Powers Ferry Road, Suite 100 Atlanta, Georgia 30339
Joseph Harmon	ADDRESS: 6640 Powers Ferry Road, Suite 100 Atlanta, Georgia 30339
Susan Pafford	ADDRESS: 6640 Powers Ferry Road, Suite 100 Atlanta, Georgia 30339

ARTICLE SEVEN

The name and address of the Incorporator is:

Julie R. Caggiano
 Hughes, Watters & Askanase, L.L.P.
 1415 Louisiana, 37th Floor
 Houston, Texas 77002

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of April, 2002.

 Julie R. Caggiano, Incorporator

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

SUBSCRIBED, SWORN TO, AND ACKNOWLEDGED before me this __ day of April, 2002, by Julie R. Caggiano, to which witness my hand and seal of office.

 Notary Public in and for
 The State of Texas

EXHIBIT "C"

**TO CONDOMINIUM INFORMATION STATEMENT
OF CITY PLAZA, A CONDOMINIUM**

**BY-LAWS
OF
CITY PLAZA OWNERS' ASSOCIATION, INC.**

BY-LAWS
OF
CITY PLAZA OWNERS ASSOCIATION, INC.

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**BY-LAWS
OF
CITY PLAZA OWNERS ASSOCIATION, INC.**

**ARTICLE I
General Provisions**

The Association is responsible for the overall administration of the Property through its duly elected Board. The Association shall have such powers, not inconsistent with the Texas Non-Profit Corporation Act, as are now or may hereafter be granted by the Act. The Association shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Association is organized and to do every other act not inconsistent with any law and which may be appropriate to promote and attain the purposes set forth in the Act or the Condominium Instruments.

The provisions of these By-Laws, the Act, the Declaration and all other Condominium Instruments, and any and all rules and regulations that relate to the use of a Unit or the Common Elements shall be applicable to any person leasing a Unit. All such provisions shall be deemed to be incorporated into any lease executed with respect to any Unit.

**ARTICLE II
Members**

Section 1. Classes of Members, Membership, and Termination Thereof

The Association shall have one class of members. The designation of such class and the qualifications of the members of such class shall be as follows:

Each Unit Owner (including Declarant) shall be a member of the Association, and such membership shall terminate upon the sale or other disposition of such member's Unit, at which time the new Unit Owner shall automatically become a member of the Association. Such termination shall not relieve or release any such former Unit Owner from any liability or obligation incurred under or in any way connected with the Condominium or the Association, during the period of such ownership and membership in the Association. Furthermore, such termination shall not impair any rights or remedies which the Board or others may have against such former Unit Owner arising from, or in any way connected with, such ownership and membership and the covenants and obligations incident thereto. No certificates of stock or other certificates evidencing membership shall be required to be issued by the Association.

Section 2. Votes and Voting Rights

(a) Until the date of the first annual meeting of the members, as provided in Article III, Section 2 hereof, no member of the Association other than Declarant shall have the right to elect the Board of Directors: all such members of the Board shall be appointed and shall hold office as provided in Article III, Section 1 of these By-Laws.

(b) Each Unit Owner shall possess a vote with respect to each Unit owned by the Unit Owner equal in weight to such Unit Owner's percentage of ownership of the Common Elements allocated to such Unit pursuant to the Declaration.

(c) If a Unit is owned by more than one person, the voting rights with respect to such Unit shall not be divided, but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owner. Any proxy must be executed in writing by the Unit Owner or his or her duly authorized attorney in fact, must bear the date of execution, and shall be invalid after 11 months from the date of its execution. If only one of the multiple owners of a Unit is present, and if any one of the multiple owners casts the vote allocated to that Unit without protest to the person presiding over the meeting being made promptly by any of the other Owners of the Unit, there is deemed to be majority agreement.

Section 3. Transfer of Membership

Membership in this Association is not transferable or assignable, except as provided in Article II, Section 1 hereof.

ARTICLE III **Meetings of Members**

Section 1. Elections During Period of Declarant Control

Until one hundred twenty (120) days after the sale of seventy-five percent (75%) of the Units that may be created to persons other than the Declarant, the Declarant shall appoint and remove all officers, all members of the Board, and the Manager. If the Declarant voluntarily surrenders such appointment and removal power before termination of the 120-day period described above, the Declarant may require, for the duration of such 120-day period, that specified actions of the Association or the Board be approved by the Declarant before they become effective. Notwithstanding the foregoing, within one hundred twenty (120) days after the sale of fifty percent (50%) of the Units that may be created to persons other than the Declarant, one-third of the members of the Board shall be elected by Unit Owners other than the Declarant, at a regular or special meeting of the Association. In no event shall the period of Declarant control described in this paragraph extend beyond three (3) years after the first conveyance of a Unit to a person other than the Declarant, at which time such period of control shall automatically expire.

Section 2. Annual Meetings

After the expiration of the Declarant's appointment and removal power, pursuant to Article III, Section 1 above, the first annual meeting of the members shall be held, at which time the then officers and Directors shall resign and a new Board shall be elected. Thereinafter, an annual meeting of the members for the purpose of electing Board members and of the transaction of such other business as may come before the meeting shall be held in March each year on a

date as shall be fixed by the Board by written notice to the members. If the election of members of the Board shall not be held on the day designated herein for any annual meeting, or at any adjournment hereof, the Board shall cause the election to be held at a special meeting of the members called as soon thereafter as conveniently may be.

Section 3. Special Meetings

Special meetings of the members may be called by the Board, the President, or by the members having votes equal to at least 20% of the percentage ownership in the Common Elements. All matters to be considered at special meetings of the members called by the members having votes equal to at least 20% of the percentage ownership in the Common Elements shall first be submitted in writing to the Board not less than ten (10) days prior to the date of the special meeting of the members called to consider such matters.

Section 4. Place and Time of Meeting

All meetings of the members shall take place at such time and location on the Property designated by the person or persons calling the meeting, or at such other reasonable place designated by the Board or the person or persons calling the meeting.

Section 5. Notice of Meetings

Written or printed notice stating the purpose, place, day and hour of any meeting of members shall be mailed or delivered to each member entitled to vote at such meeting, not less than ten (10) days nor more than thirty (30) days before the date of such meeting, by or at the direction of the President or the Secretary, or the officer or persons calling the meeting, provided that notice of the first annual meeting of the members shall be mailed or delivered not less than twenty-one (21) nor more than thirty (30) days before the date of such meeting. The notice of a meeting shall be deemed mailed when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the Association, with proper postage thereon prepaid.

Section 6. Quorum

The members present at a meeting in person or by proxy, holding votes equal to 20% of the percentage ownership in the Common Elements, shall constitute a quorum at such meeting. If a quorum is not present at the commencement of any meeting of members, the meeting shall be adjourned and may only be called again in accordance with the provisions of these By-Laws.

Section 7. Proxies

At any meeting of members, a member entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after twelve months from the date of its execution, unless otherwise provided in the proxy, and every proxy must bear the date of execution.

Section 8. Manner of Acting

Except as set forth below and except as otherwise required by the Declaration or the Act, any action to be taken at any meeting of the members at which a quorum is present shall be upon the affirmative vote of more than 50% of the percentage ownership in the Common Elements held by the members represented at such meeting, in person or by proxy. The following matters shall require the affirmative vote of not less than 66 2/3% of the percentage ownership in the Common Elements held by all the members at a meeting duly called for that purpose:

- (a) Sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, of the property and assets of the Association.

ARTICLE IV **Board**

Section 1. In General

The affairs of the Association shall be managed by its Board of Directors, which shall act as the Board of Directors of the Condominium as provided in the Act and the Declaration.

Section 2. Number, Tenure and Qualifications.

- (a) The initial number of members of the Board shall be three (3). The initial members of the Board shall be the directors named in the Articles of Incorporation of the Association; otherwise, the members of the Board shall be as appointed by the Declarant except as provided in Section 2.(b) hereinbelow. Such initial members of the Board shall hold office until their successors are elected and qualified.
- (b) Not later than one hundred twenty (120) days after Declarant has conveyed to Unit Owners other than Declarant title to fifty percent (50%) of the Units, the number of members of the Board shall be increased to five (5) and an election shall be held by the Association, pursuant to these By-Laws, for the election of not less than one-third of the members of the Board.
- (c) Not later than the termination of the period of Declarant control described in Article III, Section 1, the five (5) members of the Board shall each be elected solely by, from and among, the members. At the first annual meeting of the members, the term of office of three directors shall be fixed for two years. The term of office of two directors shall be fixed for one year. At the expiration of the initial terms of office of each respective director, his or her successor shall be elected to serve a term of two years. The directors shall hold office until their respective successors shall have been elected and qualified. All members of the Board shall be elected at large. Each member of the Board shall hold office without compensation. In the event that a member of the Board is a legal entity other than a natural person or person, then any

shareholder, officer or director of such corporation, partner of such partnership, beneficiary or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a member of the Board. Notwithstanding the above, only one person from each Unit may be a member of the Board. A member of the Board may succeed himself or herself in office.

Section 3. Election

At each annual meeting of the members, the members shall not be entitled to vote on a cumulative basis. The candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected. Any candidate for election to the Board or such candidate's representative shall have the right to be present at the counting of the ballots at such election.

Section 4. Regular Meetings

A regular annual meeting of the Board shall be held immediately after, and at the same place as, the annual meeting of members. The Board shall, by regulations which the Board may, from time to time adopt, provide the time and place for the holding of additional regular meetings of the Board, provided that the Board shall meet at least four times per year.

Section 5. Special Meetings

Special meetings of the Board may be called by or at the request of the President or any two members of the Board. The person or persons permitted to call special meetings of the Board may fix the time and place for holding any special meeting of the Board called by them.

Section 6. Notice

Written notice of any special meeting of the Board shall be mailed or delivered to all members of the Association at least 48 hours prior to date of such special meeting. Written notice of regular meetings of the Board shall be mailed or delivered to all members of the Association at least 48 hours prior to the date of such meeting. All such notices shall be deemed to be mailed when deposited in the United States mail addressed to each member at his or her address as it appears on the records of the Association, with proper postage thereon prepaid. The business to be transacted at, or the purpose of any regular or special meeting of the Board, shall be specified in the notice. Notices of a regular meeting of the Board need not be served on members of the Board. However, copies of said notices of meetings of the Board shall be posted in entranceways or other conspicuous places in the Condominium designated by the Board at least 48 hours prior to the meeting.

Section 7. Quorum

A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the members of the Board are

present at the commencement of said meeting, the meeting shall be adjourned and may only be called again in accordance with the provisions of these By-Laws.

Section 8. Manner of Acting

The act of a majority of the members of the Board present at a meeting at which a quorum is present at the commencement of the meeting shall be the act of the Board, except where otherwise provided by law or in the Condominium Instruments.

Section 9. Vacancies

Except as provided in Article III, Section 1, any vacancy occurring in the Board by reason of death, removal or resignation of a member of the Board shall be filled by two-thirds vote of the remaining members of the Board. A member elected to fill a vacancy shall be elected until the next annual meeting of the members of the Association; provided that if a petition signed by members of the Association holding votes equal to 20% of the percentage ownership in the Common Elements requesting a meeting of the members to fill the vacancy for the balance of the unexpired term of his predecessor is filed with any officer of the Association, the term of the member so elected by the Board shall terminate 30 days after the filing of the petition and a meeting of the members for the purpose of filling such vacancy for such unexpired term shall be called no later than 30 days following the filing of such petition. Members of the Board, including those appointed by the Declarant, may resign at any time by written resignation delivered or mailed to any officer of the Association, which resignation shall be effective upon receipt of said resignation. If as the result of death, removal or resignation of a member of the Board, no member of the Board remains in office, a special meeting of the members of the Association may be called to fill all vacancies for the unexpired term of the members of the Board.

Section 10. Removal

From and after the date of the first annual meeting of the members, any member of the Board may be removed from office by the affirmative vote of 66 2/3% of the percentage ownership in the Common Elements held by all the members of the Association at a special meeting called for such purpose.

Section 11. Adoption of Rules and Regulations

All rules and regulations, or amendments thereto, shall be adopted by the Board after a meeting of the members called for the specific purpose of discussing the proposed rules and regulations, notice of which contains the full text of the proposed rules and regulation, which rules and regulations conform to the requirements of the Act, the Declaration and these By-Laws. No quorum is required at such meeting of the members. No rules and regulations may impair any rights guaranteed by the First Amendment to the Constitution of the United States . Such rules and regulations shall be effective sixty (60) days after their adoption, provided that the members may veto the rules and regulations at a special meeting of the members called for such

purpose, and held before the effective date of the rule or regulation, by a vote of 66 2/3% of the percentage ownership in the Common Elements held by all the members of the Association.

Section 12. Open Meetings

All meetings of the Board, whether regular or special, shall be open to the members of the Association except for meetings:

(a) To discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such an action is probably imminent;

(b) To consider information regarding appointment, employment or dismissal of an employee; or

(c) To discuss violations of rules and regulations of the Association or a Unit Owner's unpaid share of Common Expenses. Any vote on the above matters shall be taken at a meeting or portion thereof open to any member. Any member may record the proceedings at meetings required to be open by the Act or these By-Laws by tape, film, or other means, subject to reasonable rules and regulations prescribed by the Board to govern the right to make such recordings.

Section 13. Delegation of Board Duties

Notwithstanding anything herein to the contrary, the Board may, by written instrument executed by a majority of the Board, delegate any of its duties, powers or functions to a Manager, provided that any such delegation shall be revocable upon notice by the Board. The members of the Board shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

ARTICLE V **Officers**

Section 1. Officers

The officers of the Association shall be a President, one or more Vice-Presidents, if applicable (the number thereof to be determined by the Board), a Treasurer and a Secretary.

Section 2. Election and Term of Office

The officers of the Association shall be elected annually by the Board at the regular annual meeting of the Board, from among the members of the Board. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. Vacancies may be filled or new offices created and filled at any meeting of the Board. Each officer shall hold office until his or her successor shall have been duly elected and shall

have qualified. An officer may succeed himself or herself in office. Officers shall serve without compensation.

Section 3. Removal

Any officer elected by the Board may be removed by a majority vote of the members of the Board.

Section 4. Vacancies

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

Section 5. President

The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. The President shall preside at all meetings of the members and of the Board. The President may sign, with the Secretary or any other proper officer of the Association authorized by the Board, any deeds, mortgages, contracts, or other instruments which the Board has authorized to be executed and any amendment to the Declaration or Plat as provided in the Declaration and the Act, and, in general, shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board from time to time.

Section 6. Vice-President

In the absence of the President or in the event of inability or refusal to act, the Vice-President, if elected, (or in the event there be more than one Vice-President, the Vice-Presidents in the order of their election) shall perform the duties of the President, and, when so acting, shall have all the power of, and be subject to all the restrictions upon, the President. Any Vice-President shall perform such other duties as from time to time may be assigned by the President or by the Board.

Section 7. Treasurer

The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever (except the Treasurer shall not have to give receipts for regular assessment payments), and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these By-Laws; and in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board.

Section 8. Secretary

The Secretary shall keep the minutes of the meetings of the members and of the Board in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; receive all notices on behalf of the Association and together with the President, execute on behalf of the Association, amendments to Condominium Instruments and other documents as required or permitted by the Declaration, these By-Laws or the Act; be custodian of the records of the Association; and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the President or by the Board.

ARTICLE VI

Powers and Duties of the Association and Board

Section 1. General Duties, Powers, Etc. of the Board

The Board shall exercise for the Association all powers, duties and authority vested in the Association by the Act and the Condominium Instruments, including but not limited to the following:

- (a) Operation, care, upkeep, maintenance, replacement and improvement of the Common Elements, including payments therefor, including approving payment vouchers therefor;
- (b) Preparation, adoption and distribution of the annual budget for the Property;
- (c) Levying of assessments;
- (d) Collection of assessments from Unit Owners;
- (e) Employment and dismissal of the personnel necessary or advisable for the maintenance and operation of the Common Elements;
- (f) Obtaining adequate and appropriate kinds of insurance in accordance with the Declaration, which shall include a fidelity bond;
- (g) Owning, conveying, encumbering, leasing and otherwise dealing with Units conveyed to or purchased by it;
- (h) Adoption and amendment of bylaws and rules and regulations covering the details of the operation and use of the Property;
- (i) Keeping of detailed, accurate records of the receipts and expenditures affecting the use and operation of the Property;
- (j) Having access to each Unit, from time to time, as may be necessary for the maintenance, repair or replacement of any Common Elements therein or accessible therefrom, or

for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units;

(k) Paying real property taxes, special assessments, any other special taxes or charges of the State of Texas or of any political subdivision thereof, or other lawful taxing or assessing body, which are authorized by law to be assessed and levied upon the real property of the Condominium;

(l) Imposing charges for late payments of a Unit Owner's assessments, or any other expenses lawfully agreed upon, and after notice and an opportunity to be heard, levying reasonable fines for violation of the Declaration, By-Laws, and rules and regulations of the Association;

(m) Assigning its right to future income, including the right to receive assessments;

(n) Recording the dedication of a portion of the Common Elements to a public body for use as, or in connection with, a street or utility where authorized by the Unit Owners under the provisions of Section 6(f) of the Declaration;

(o) Recording the granting of an easement for the laying of cable television cable where authorized by members holding votes equal to more than 50% of the percentage ownership in the Common Elements;

(p) Borrowing money at such rates of interest as it may determine; issuing its notes, bonds and other obligations to evidence such borrowing; and securing any of its obligations by making a mortgage or giving a security interest in all or any of its property or income, provided if such mortgage or security interest encumbers all or substantially all of the assets of the Association, the approval of the members shall first be obtained pursuant to Article III, Section 8, of these By-Laws. In the performance of their duties, the officers and members of the Board, whether appointed by the Declarant or elected by the members, shall exercise the care required of a fiduciary of the members.

(q) Accommodating the needs of a handicapped Unit Owner as required by any federal or local acts and ordinances.

Section 2. Specific Powers and Duties

Anything herein contained to the contrary notwithstanding, the Association shall have the power:

(a) To engage the services of a manager or managing agent, which may be any person, firm or corporation, upon such terms and compensation as the Association deems fit, and to remove such manager or managing agent at any time, provided any agreement with such manager or managing agent shall extend for not more than three years and must be terminable by either party to such agreement without cause and without payment of a termination fee, upon ninety (90) days or less prior written notice;

(b) To engage the services of any persons (including, but not limited to, accountants and attorneys) deemed necessary by the Association at such compensation as is deemed reasonable by the Association, in the operation, repair, maintenance and management of the Property, or in connection with any duty, responsibility or right of the Association and to remove, at any time any such personnel;

(c) To establish or maintain one or more bank accounts, or functionally similar accounts such as money market fund accounts, for the deposit of any funds paid to, or received by, the Association;

(d) To invest any funds of the Association in certificates of deposit, money market funds, or comparable investments;

(e) Upon authorization of a two-thirds vote by the members of the Board or by affirmative vote not less than a majority of the Unit Owners at a meeting duly called for such purpose, the Board acting on behalf of all Unit Owners shall have the power to seek relief from or in connection with the assessment or levy of any real property taxes, special assessments or charges of the State of Texas or any political subdivision thereof or of any lawful taxing or assessing body, and to charge and collect all expenses incurred in connection therewith as Common Expenses. Nothing herein shall be constructed to give the Association authority to conduct an active business for profit on behalf of all the Unit Owners or any of them.

Section 3. Authorized Expenditures

The Association shall acquire and make arrangements for, and pay for out of the Maintenance Fund, in addition to the manager, managing agent or other personnel above provided for, the following:

(a) Water, waste removal, heating, electricity, telephone and other necessary utility service for the Common Elements and such services to the Units as are not separately metered or charged to the owners thereof.

(b) Such insurance as the Association is required or permitted to obtain as provided in the Declaration.

(c) Landscaping, gardening, snow removal, painting, cleaning, tuckpointing, maintenance, decorating, repair and replacement of the Common Elements (but not including the Limited Common Elements which the Unit Owners enjoying the use thereof shall paint, clean, decorate, maintain and repair) and such furnishings and equipment for the Common Elements as the Association shall determine are necessary and proper, and the Association shall have the exclusive right and duty to acquire the same for the Common Elements. Anything in the foregoing to the contrary notwithstanding, the Association shall be responsible for the repair and replacement of all windows and doors from the Common Elements to a Unit (not including balcony doors and interior doors) provided that where the need for repair or replacement is due

to the act or omission of a Unit Owner, guest, occupant, family member or pet, the Association shall charge the Unit Owner for the cost of such repair or replacement.

(d) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, or assessments which the Association deems necessary or proper for the maintenance and operation of the Property or for the enforcement of any restrictions or provisions contained herein.

(e) Any amount necessary to discharge any mechanic's lien or other encumbrance levied against the Property or any part thereof which may in the opinion of the Association constitute a lien against the Property or against the Common Elements, rather than merely against the interest therein of particular Unit Owners. Where one or more Unit Owners are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it and any costs incurred by the Association by reason of said lien or liens including but not limited to, any interest, late charges, reasonable attorney's fees, costs of collections and the amount of unpaid fines shall be specially assessed to said Unit Owners and shall, until paid by such Unit Owners, constitute a lien on the interest of such Unit Owners in the Property, which lien may be perfected and foreclosed in the manner provided in Section 82.113 of the Act with respect to liens for failure to pay a share of the Common Expenses.

(f) Maintenance and repair of any Unit or any other portion of the Property which a Unit is obligated to maintain or repair under the terms hereof, if such maintenance or repair is necessary, in the discretion of the Association, to protect the Common Elements, or any other portion of the Property, and the owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair is delivered by the Association to said Unit Owner; provided that the Association shall levy a special assessment against such Unit for the cost of said maintenance or repair and the amount of such special assessment shall constitute a lien on the interest of such Unit Owner in the Property, which lien may be perfected and foreclosed in the manner provided in Section 82.113 of the Act with respect to liens for failure to pay a share of the Common Expense. All expenses, charges and costs of the maintenance, repair or replacement of the Common Elements, and any other expenses, charges or costs which the Association may incur or expend pursuant hereto, shall be approved by the Association, and a written memorandum thereof prepared and signed by the treasurer. There shall be no structural alterations, capital additions to, or capital improvements on, the Common Elements (other than for the purposes of repairing, replacing and restoring portions of the Common Elements) requiring an expenditure in excess of Five Thousand Dollars (\$5,000.00) without the prior approval of members holding votes equal to 66 2/3 percent of the percentage ownership in the Common Elements.

Section 4. Annual Budget

(a) Each year on or before December 1st the Board shall estimate the annual budget of Common Expenses (the "Annual Budget") including: the total amount required for the cost of wages, materials, insurance, services and supplies which will be required during the ensuing calendar year for the rendering of all services, together with a reasonable amount considered by the Association to be necessary for a reserve for contingencies and replacements, all anticipated

assessments and income and each Unit Owner's proposed Common Expense assessment, together with an indication of which portions of the Annual Budget are intended for capital expenditures or repairs or payment of real estate taxes. The Board shall deliver a copy of the proposed Annual Budget to each Unit Owner at least thirty (30) days prior to the adoption thereof. The Association shall give Unit Owners notice as provided in Article III, Section 5, of the By-Laws of the meeting of the Board at which the Board proposes to adopt the Annual Budget, or at which any increase or establishment of any assessment, regular or special, is proposed to be adopted.

(b) The Annual Budget shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements. Each Unit Owner shall be obligated to pay to the Association, or as it may direct, the portion of the Annual Budget assessed to such owner in equal monthly installments (subject to acceleration as hereinafter provided) on or before January 1st of the ensuing year, and on the 1st day of each and every month of said year. The Association does not have the authority to, and cannot, forbear the payment of assessments by any Unit Owners.

(c) The failure or delay of the Association to prepare or serve the Annual Budget on the Unit Owners shall not constitute a waiver or release in any manner of the Unit Owners' obligation to pay the maintenance and other costs and necessary Reserves, as herein provided, whenever the same shall be determined, and, in the absence of any annual or adjusted budget, the Unit Owners shall continue to pay the monthly assessment charges at the then existing monthly rate established for the previous period (until the monthly assessment payment which is due more than ten (10) days after such new Annual Budget shall have been mailed to the Unit Owners).

(d) Anything herein or in the Declaration to the contrary notwithstanding, the Board may charge to fewer than all Unit Owners such portion of the insurance premium for insurance the Association is required or permitted to obtain which reflects increased charges for coverage on the Units owned by such Unit Owners, on such reasonable basis as the Board shall determine. Such charge shall be considered a Common Expense with respect to the Units owned by such Unit Owners for all purposes herein and under the Declaration.

(e) All funds collected hereunder shall be held and expended solely for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and except for such special adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners in their relative percentages of ownership interest in the Common Elements.

Section 5. Annual Accounting

(a) On or before the 1st day of August of each calendar year commencing August 1, 2001, the Association shall supply to all Unit Owners an itemized account of the Common Expenses for the preceding calendar year actually incurred and paid together with an indication of which portions of the Annual Budget were for capital expenditures or repairs or payment of real estate

taxes and with a tabulation of the amounts collected pursuant to the budget or assessment, and showing the net excess or deficiency of income over expenditures plus Reserves. Any amount accumulated in excess of the amount required for actual expenses and Reserves in such preceding year shall be credited according to each Unit Owner's percentage of ownership in the Common Elements to the next monthly installments due from Unit Owners under the current year's Annual Budget, until exhausted, and any net shortage shall be added, according to each Unit Owner's percentage of ownership of the Common Elements, to the installments due in the succeeding six months after the rendering of the accounting.

(b) The Association shall allow any First Mortgagee to examine the books and records of the Association during reasonable business hours and to receive, on request, annual reports and other financial data prepared by the Association or at its direction.

Section 6. Reserves

The Association may build up and maintain a reasonable Reserve for replacement and a working capital fund for operations and contingencies. To establish such a Reserve and a working capital fund, the Declarant shall collect from each Unit Owner upon conveyance by the Declarant of a Unit to such Unit Owner, an amount equal to two (2) months of the Annual Budget as established by the Association for the Condominium allocable to such Unit and shall remit one half of such amount to the Association for a Reserve and one-half of such amount for a working capital fund. Extraordinary expenditures not originally included in the Annual Budget which may become necessary during the year shall be charged first against such Reserve. In addition, the Association or the Board shall have the right to segregate all or any portion of the Reserve for any specific replacement or contingency upon such conditions as the Association or the Board deems appropriate. Without the prior approval by majority vote of the Unit Owners (or such greater vote as may be required by law), no part of such Reserve may be spent for normal operating expenses.

Section 7. Special Assessments

(a) If said Annual Budget proves inadequate for any reason, including non-payment of any Unit Owner's assessment, or any non-recurring Common Expense or any Common Expense not set forth in the Annual Budget as adopted, the Board may at any time levy a further assessment, which shall be assessed to the Unit Owners according to each Unit Owner's percentage of ownership in the Common Elements, and which may be payable in one lump sum or in such installments as the Board may determine. The Board shall serve notice of such further assessment on all Unit Owners (as provided in Article III, Section 5, of the By-Laws) by a statement in writing giving the amount and reasons therefor, and such further assessment shall become effective and shall be payable at such time or times as determined by the Board, provided, however, that in the event such further assessment with respect to any Unit exceeds five (5) times such Unit's most recent monthly installment of Common Expenses such further assessment for all Units shall not be effective until approved by Unit Owners holding votes equal to 66 2/3% of the percentage ownership in the Common Elements at a meeting of Unit Owners duly called for such purpose. All Unit Owners shall be obligated to pay the further assessment.

(b) The Board may adopt separate assessments for expenditures relating to emergencies or mandated by law without being subject to Unit Owner approval or the provisions of Article VI, Section 1(a). Herein, "emergency" implies an immediate danger to the life, health, safety or property of the Unit Owners or the Association.

Section 8. Default in Payment(a) If a Unit Owner is in default in the monthly payment of the aforesaid charges or assessments for over sixty (60) days from the due date, the Association shall assess interest at the rate of ten percent (10%) per annum on the balance of the aforesaid charges and assessments from the due date until paid. In addition to any remedies or liens provided by law, if ,at any time, a Unit Owner is in default in the monthly payment of two (2) monthly installments of the aforesaid charges or assessments for more than fifteen (15) days, all other monthly payment of charges and assessments due for the calendar year in which such default occurs may, at the option of the Board, be accelerated and become immediately due and payable. The Association may bring suit for and on behalf of itself and as representative of all Unit Owners, to enforce collection thereof or to foreclose the lien therefor as provided by law, or both; and there shall be added to the amount due, the costs of said suit, together with interest and reasonable attorneys' fees. In addition, the Association may also exercise the power of sale and conduct a nonjudicial foreclosure sale of such defaulting Unit Owner's interest in the Property and maintain an action for possession of the Unit in the manner provided by law and the Declaration. In addition to, and cumulative with, any other remedy provided herein, the Board may exercise any and all rights and remedies granted in the Declaration, including without limitation, suspending the voting rights of any Unit Owner. No Unit Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Elements or abandonment of his or her Unit.

(b) Each such assessment, together with interest, court costs, late charges, reasonable attorneys' fees, cost of collections, and the amounts of any unpaid fines shall also be the personal obligation of the person who was the Unit Owner at the time the assessment fell due. The personal obligation for delinquent assessments shall not pass to successors in title or interest unless assumed by them, or required by applicable law.

Section 9. Unit Owner Accounts

Upon ten (10) days' notice to the Association, the payment of a reasonable fee, if any, fixed by the Association, not to exceed Fifteen Dollars (\$15.00), any Unit Owner shall be furnished a statement of his account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 10. Rules and Regulations

The Association may, pursuant to the provisions of Article IV, Section 11 and Article VI, Section 1(h) of these By-Laws, from time to time, adopt or amend such rules and regulations governing the operation, maintenance, beautification and use of the Common Elements and the Units, not inconsistent with the terms of the Declaration, as it sees fit, and the Unit Owners shall conform to, and abide by, such rules and regulations. Written notice of such rules and

regulations shall be delivered to all Unit Owners and occupants. A violation of such rules or regulations shall be deemed a violation of the terms of the Declaration.

ARTICLE VII
Contracts, Checks, Deposits and Funds

Section 1. Contracts

The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc.

All checks, drafts and other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer and countersigned by the President of the Association.

Section 3. Deposits

All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may elect.

ARTICLE VIII
Books and Records

Section 1. Maintaining Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, the Board and committees having any of the authority of the Board.

Section 2. Availability for Examination

The Association shall maintain the following records of the Association, and make such records available for examination and copying at convenient hours of weekdays by the Unit Owners or their mortgages and their duly authorized agents or attorneys:

(a) Copies of the Recorded Declaration, By-Laws, other Condominium Instruments and any amendments, Articles of Incorporation of the Association, annual reports, and any rules and regulations adopted by the Association or the Board. Prior to the organization of the Association, the Declarant shall maintain and make available for records set forth in this subsection (a) for examination and copying.

(b) Detailed accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the maintenance and repair expenses of the Common Elements and any other expenses incurred, and copies of all contracts, leases or other agreements entered onto by the Association.

(c) The minutes of all meetings of the Association and the Board. The Association shall maintain these minutes for a period of not less than seven years.

(d) A record giving the names and addresses of the members entitled to Vote.

(e) Ballots for all elections to the Board and for any other matters voted on by the Unit Owners. The Association shall maintain these ballots for a period of not less than one year.

(f) Such other records of the Association as are available for inspection by members of a unit owners' association pursuant to the Act .

A reasonable fee covering the direct out-of-pocket cost of providing such information and copying may be charged by the Association or the Board for the cost of providing such information and copying.

ARTICLE IX
Fiscal Year

The fiscal year of the Association shall begin on the first day of January and ends on the last day of December.

ARTICLE X
Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of the Uniform Condominium Act of Texas, the Non-Profit Corporation Act of Texas, the provisions of the Articles of Incorporation or By-Laws of the Association, or the Declaration, a waiver thereof (subject to all the provisions of such instruments) in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI
Amendments to By-Laws

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted upon the affirmative vote of members holding votes equal to 66 2/3 % of the percentage ownership in the Common Elements at a regular meeting or at any special meeting called for such purpose, by recording an instrument in writing setting forth such alteration, amendment or repeal, which is signed and acknowledged by the President or Vice-President and the Secretary

of the Association and which contains an affidavit by an officer of the Board certifying that the necessary affirmative vote of the members of the Association has been obtained.

ARTICLE XII **Indemnification**

Section 1. **Definitions**

a. “Indemnitee” means (i) any present or former Director, advisory director or officer of the Association; (ii) any person who while serving in any of the capacities referred to in clause (i) hereof served at the Association’s request as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise; and (iii) any person nominated or designated by (or pursuant to authority granted by) the Board or any committee thereof to serve in any of the capacities referred to in clauses (i) or (ii) hereof.

b. “Official Capacity” means (i) when used with respect to a Director, the office of Director of the Association, and (ii) when used with respect to a person other than a Director, the elective or appointive office of the Association held by such person or the employment or agency relationship undertaken by such person on behalf of the Association, but in each case does not include service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise.

c. “Proceeding” means any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitative or investigative, any appeal in such an action, suit or proceeding, and any inquiry or investigation that could lead to such an action, suit or proceeding.

Section 2. **Indemnification**

The Association shall indemnify every Indemnitee against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement and reasonable expenses actually incurred by the Indemnitee in connection with any Proceeding in which he was, is or is threatened to be named defendant or respondent, or in which he or she was or is a witness without being named a defendant or respondent, by reason, in whole or in part, of his or her serving or having served, or having been nominated or designated to serve, in any of the capacities referred to in Section 1, if it is determined in accordance with Section 4 that the Indemnitee (a) conducted himself or herself in good faith, (b) reasonably believed, in the case of conduct in his or her Official Capacity, that his or her conduct was in the Association’s best interests and, in all other cases, that his or her conduct was at least not opposed to the Association’s best interests, and (c) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful; provided, however, that in the event that an Indemnitee is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the Indemnitee, the indemnification (i) is limited to

reasonable expenses actually incurred by the Indemnitee in connection with the Proceeding, and (ii) shall not be made in respect of any Proceeding in which the Indemnitee shall have been found liable for willful or intentional misconduct in the performance of his or her duty to the Association. Except as provided in the immediately preceding proviso to the first sentence of this Section 2, no indemnification shall be made under this Section 2 in respect of any Proceeding in which such Indemnitee shall have been (y) found liable on the basis that personal benefit was improperly received by him or her, whether the benefit resulted from an action taken in the Indemnitee's Official Capacity, or (z) found liable to the Association.

The termination of any Proceeding by judgment, order, settlement or conviction, or on a plea of *nolo contendere* or its equivalent, is not of itself determinative that the Indemnitee did not meet the requirements set forth in clauses (a), (b) or (c) in the first sentence of this Section 2. An Indemnitee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Reasonable expenses shall include, without limitation, all court costs and all fees and disbursements of attorneys for the Indemnitee.

Section 3. Successful Defense

Without limitation of Section 2 and in addition to indemnification provided for in Section 2, the Association shall indemnify every Indemnitee against reasonable expenses incurred by such person in connection with any Proceeding in which he or she is a witness or a named defendant or respondent because he or she served in any of the capacities referred to in Section 1, if such person has been wholly successful, on the merits or otherwise, in defense of the Proceeding.

Section 4. Determinations

Any indemnification under Section 2 (unless ordered by a court of competent jurisdiction) shall be made by the Association only upon a determination that indemnification of the Indemnitee is proper in the circumstances because the Indemnitee has met the applicable standard of conduct. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of Directors who, at the time of such vote, are not named defendants or respondents in the Proceeding; (b) if such a quorum cannot be obtained, then by a majority vote of a committee of the Board of Directors, duly designated to act in the matter by a majority vote of all Directors (in which designation Directors who are named defendants or respondents in the Proceeding may participate), such committee to consist solely of two (2) or more Directors who, at the time of the committee vote, are not named defendants or respondents in the Proceeding; (c) by special legal counsel selected by the Board of Directors or a committee thereof by vote as set forth in clauses (a) or (b) of this Section 4, or, if the requisite quorum of all the Directors cannot be obtained therefor and such committee cannot be established, by a majority vote of all the Directors (in which Directors who are named defendants or respondents in the Proceeding may participate); or (d) by the shareholders in a vote that excludes the shares held by Directors that are named defendants or respondents in the Proceeding. Determination as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is

permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified in clause (c) of the preceding sentence for the selection of special legal counsel. In the event a determination is made under this Section 4 that the Indemnitee has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably prorated.

Section 5. Advancement of Expenses

Reasonable expenses (including court costs and attorney's fees) incurred by an Indemnitee who was or is a witness or was, is or is threatened to be made a named defendant or respondent in a Proceeding shall be paid by the Association at reasonable intervals in advance of the final disposition of such Proceeding, and without making any of the determinations specified in Section 4, after receipt by the Association of (a) a written affirmation by such Indemnitee of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the Association under this Article and (b) a written undertaking by or on behalf of such Indemnitee to repay the amount paid or reimbursed by the Association if it shall ultimately be determined that such Indemnitee is not entitled to be indemnified by the Association as authorized in this Article. Such written undertaking shall be an unlimited obligation of the Indemnitee but need not be secured and it may be accepted without reference to financial ability to make repayment. Notwithstanding any other provision of this Article, the Association may pay or reimburse expenses incurred by an Indemnitee in connection with his or her appearance as a witness or other participation in a Proceeding at a time when such Indemnitee is not named a defendant or respondent in the Proceeding.

Section 6. Other Indemnification and Insurance

The indemnification provided by this Article shall (a) not be deemed exclusive of, or to preclude, any other rights to which those seeking indemnification may at any time be entitled under the Association's Articles of Incorporation, any law, agreement or vote of members or disinterested Directors, or otherwise, or under any policy or policies of insurance purchased and maintained by the Association on behalf of any Indemnitee, both as to action in his or her Official Capacity and as to action in any other capacity, (b) continue as to a person who has ceased to be in the capacity by reason of which he or she was an Indemnitee with respect to matters arising during the period he or she was in such capacity, and (c) inure to the benefit of the heirs, executors and administrators of such a person.

Section 7. Notice

Any indemnification of or advance of expenses to an Indemnitee in accordance with this Article shall be reported in writing to the members of the Association with or before the notice or waiver of notice of the next members' meeting or with or before the next submission to members of a consent to action without a meeting and, in any case, within the twelve (12) month period immediately following the date of the indemnification or advance.

Section 8. Construction

The indemnification provided by this Article shall be subject to all valid and applicable laws, including, without limitation, Article 1396-2.22A of the Texas Non-Profit Corporation Act, and, in the event this Article or any of the provisions hereof or the indemnification contemplated hereby are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and this Article shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

Section 9. Continuing Offer, Reliance, Etc.

The provisions of this Article (a) are for the benefit of, and may be enforced by, each Indemnitee of the Association, the same as if set forth in their entirety in a written instrument duly executed and delivered by the Association and such Indemnitee and (b) constitute a continuing offer to all present and future Indemnitees. The Association, by its adoption of these Bylaws, (x) acknowledges and agrees that each Indemnitee of the Association has relied upon and will continue to rely upon the provisions of this article in becoming and serving in any of the capacities referred to in Section 1(a) of this Article, (y) waives reliance upon, and all notices of acceptance of, such provisions by such Indemnitees, and (z) acknowledges and agrees that no present or future Indemnitee shall be prejudiced in his or her right to enforce the provisions of this Article in accordance with its terms by any act or failure to act on the part of the Association.

Section 10. Effect of Amendment

No amendment, modification or repeal of this Article or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnitees to be indemnified by the Association, nor the obligation of the Association to indemnify any such Indemnitees, under and in accordance with the provisions of the Article as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board, or otherwise, both as to action in his or her Official Capacity and as to action in other capacity while holding such office, and shall continue as to a person who has ceased to be a member of the Board or an officer of the Association.

Section 11. Expenses

The sums necessary to discharge the obligations of the Association under this Article shall be Common Expenses.

ARTICLE XIII

Construction

(a) Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. Said Declaration and these By-Laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these By-Laws and the aforesaid Declaration, the provisions of the Declaration shall control.

(b) All words and terms used herein which are also used in the Declaration shall have the same meaning as provided in the Declaration for such words and terms.

(c) The words, "Board of Directors" and "Director" may be substituted for the words "Board" and "Member of the Board," respectively, wherever they appear herein.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the By-Laws of City Plaza Owners Association, Inc., a Texas non-profit corporation, as adopted by the initial Board of Directors at its organization meeting effective April _____, 2002.

IN WITNESS WHEREOF, I hereunto set my hand this the ____ day of April, 2002.

CITY PLAZA OWNERS ASSOCIATION, INC.

By: _____
Ronald L. Lozoff, _____

EXHIBIT "D"

**TO CONDOMINIUM INFORMATION STATEMENT
OF CITY PLAZA, A CONDOMINIUM**

**RULES OF
CITY PLAZA OWNERS' ASSOCIATION, INC.**

RULES

OF

CITY PLAZA OWNERS ASSOCIATION, INC.

RULES
OF
CITY PLAZA OWNERS ASSOCIATION, INC.

These Rules have been adopted by the Board of Directors of City Plaza Owners Association, Inc., a Texas nonprofit corporation and condominium association (the “**Association**”), in accordance with the provisions of Article VI.1.(h). of the By-Laws of City Plaza Owners Association, Inc. (the “**By-Laws**”).

These Rules apply to the Units and Common Elements of City Plaza, a Condominium (“**City Plaza**” or the “**Condominium**”), as defined in the Declaration of Condominium of City Plaza, a Condominium (the “**Declaration**”), to be recorded in the Real Property Records of Harris County, Texas. By owning or occupying a Unit in City Plaza, each Unit Owner and Occupant agrees to abide by these Rules, as well as the obligations of Unit Owners and Occupants provided in the Declaration and By-Laws.

For the convenience of Unit Owners and Occupants of City Plaza, these Rules may restate some of the rules and covenants contained in the Declaration. Most of these Rules, however, are in addition to the restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules unless otherwise noted. “**Common Elements**,” as used herein, shall include Limited Common Elements. In the event of a conflict between Governing Documents (as defined herein), the hierarchy of authority shall be as follows: Declaration (highest), By-Laws, and these Rules (lowest).

A. COMPLIANCE

- A-1. Compliance.* Each Unit Owner and Occupant shall comply with the provisions of these Rules, the Declaration, the By-Laws, and community policies promulgated by the Board of Directors to supplement these Rules, as any of these may be revised from time to time (collectively, the “**Governing Documents**”). Each Unit Owner, additionally, shall be responsible for compliance with the Governing Documents by the occupants or tenants of his or her Unit and his or her or their respective families, invitees, tenants, subtenants, agents, employees, or contractors (collectively, “**Occupants**”). Use of “**Unit Owner**” in these Rules shall be deemed to include and apply to all co-owners of a Unit in City Plaza, who shall be jointly and severally responsible for compliance with the Governing Documents with respect to such Unit. A Unit Owner or Occupant should contact the Board of Directors if he or she has a question about these Rules.
- A-2. Additional Rules.* Each Unit Owner and Occupant shall comply with all rules and signs posted from time to time on the Condominium by the Association, including those regulating the use of recreational facilities. Such posted rules are incorporated in these Rules by reference. Each Unit Owner and Occupant shall comply with notices

communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Condominium. Such temporary rules are incorporated in these Rules by reference.

- A-3. *Waiver.* Certain circumstances may warrant waiver or variance of these Rules. A Unit Owner must make written application to the Board of Directors for such waiver or variance. An Occupant may also make such application with the written consent of the Unit Owner of such Unit. If the Board of Directors deems the waiver or variance warranted, the Board of Directors may condition its approval, which must be in writing to be effective.
- A-4. *Emergency.* Notwithstanding anything in these Rules to the contrary, the Board of Directors and the officers of the Association shall be entitled, in the event of an emergency, to take any such actions as are reasonably necessary to preserve the life, health and safety of Unit Owners, Occupants and other persons on or near the Condominium and to prevent damage or destruction of the Condominium and property located thereon.

B. OBLIGATIONS OF UNIT OWNERS AND OCCUPANTS

- B-1. *Safety.* Each Unit Owner and Occupant is solely responsible for his or her own safety and for the safety, well-being and supervision of his or her guests and any person on the Condominium to whom the Unit Owner or Occupant has a duty of care, control, or custody.
- B-2. *Damage.* Each Unit Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other Unit Owners and Occupants or their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Unit Owner or by any Occupant or other person for whom the Unit Owner is responsible.
- B-3. *Association Does Not Insure.* Each Unit Owner and Occupant is solely responsible for insuring his or her personal property in the Unit and on the Condominium, including his or her furnishings, automobile, and items kept in storage areas. Personal property placed in or on the Condominium shall be solely at the risk of the Unit Owner or Occupant who owns such personal property. The Association urges Unit Owners and Occupants to purchase insurance on their personal belongings.
- B-4. *Risk Management.* No Unit Owner or Occupant shall permit anything to be done or kept in his or her Unit or the Common Elements, which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.
- B-5. *Reimbursement for Enforcement.* A Unit Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the Governing

Documents against the Unit Owner, his or her Unit, or Occupants or other persons for whom the Unit Owner is responsible.

- B-6. Reimbursement for Damage.* A Unit Owner shall promptly reimburse the Association for the cost of damage to the Condominium caused by the negligent or willful conduct of the Unit Owner or the Occupants or other persons for whom the Unit Owner is responsible.

C. OCCUPANCY STANDARDS

- C-1. Numbers.* A Residential Unit may be occupied by no more than one family, unless higher occupancy is mandated by public agencies that enforce compliance with the familial status protection of the Fair Housing Act.
- C-2. Danger.* The Association may prohibit occupancy by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others, pursuant to the Fair Housing Act.
- C-3. Occupancy Defined.* Occupancy of a Unit, for purposes of these Rules, shall mean occupancy of at least 30 continuous days or 60 noncontinuous days in any 12-month period.
- C-4. Term of Lease.* A Unit may not be leased for hotel or transient purposes. Less than all of a Residential Unit may not be leased.
- C-5. Written Leases.* Each lease of a Residential Unit must be in writing, and a Unit Owner shall provide the Board of Directors with a copy of each lease of that Unit Owner's Unit.

D. GENERAL USE AND MAINTENANCE OF UNIT

- D-1. Residential Use.* Each Residential Unit must be used solely for residential use, and may not be used for commercial or business purposes except for home professional or business pursuits which are not disruptive or violate the use, enjoyment and rights of other Unit Owners and Occupants and which conform to all applicable laws and ordinances.
- D-2. Annoyance.* No Unit may be used in any way that may reasonably be considered annoying to Unit Owners and Occupants of neighboring Units, or that may endanger the health or safety of other Unit Owners and Occupants or violate any law or any provision of the Governing Documents.
- D-3. Maintenance.* Each Unit Owner, at his or her sole cost and expense, shall maintain his or her Unit and keep it in good repair, including the inner, finished surfaces of the Unit's perimeter walls, floors, and ceilings.

- D-4. *Patio or Balcony.* Each Unit Owner and Occupant shall keep his or her Unit and patio or balcony, if any, in a good state of cleanliness, taking care that the cleaning of his or her patio or balcony does not annoy or inconvenience other Unit Owners and Occupants. A patio or balcony may not be enclosed or used for storage purposes. No grilling is permitted on a patio or balcony.
- D-5. *Exterior Windows.* Maintenance and repair of windows along the exterior of the Buildings shall be made only by the Association, unless the Board of Directors grants permission otherwise. The cost of such maintenance or repair of exterior windows may be assessed against a Unit if due to damage caused by the Unit Owners or Occupants of such Unit or other persons for whom the Unit Owner is responsible.
- D-6. *Air Conditioning Equipment.* Each Unit Owner, at his or her sole cost and expense, shall maintain, repair, and replace the heating and cooling equipment/system serving his Unit, including periodic maintenance and replacement of filters in the air handler mechanical unit located in such Unit.
- D-7. *Combustibles.* No Unit Owner or Occupant may store or maintain, anywhere on the Condominium (including within a Unit) explosives or materials capable of spontaneous combustion.
- D-8. *Report Malfunctions.* A Unit Owner or Occupant shall immediately report to the Board of Directors his or her discovery of any leak, break, or malfunction in any portion of his or her Unit or the adjacent Common Elements for which the Association has a maintenance responsibility. The failure to report promptly a problem may be deemed negligence by the Unit Owner or Occupant, who may be liable for any additional damage caused by the delay.
- D-9. *Utilities.* Each Unit Owner and Occupant shall endeavor to conserve the use of utilities furnished through the Association, including water consumption within his or her Unit.
- D-10. *Frozen Water Pipes.* During periods of anticipated below freezing temperatures, water lines within or serving a Unit should be allowed to drip continuously, and cabinets enclosing plumbing lines should be left ajar. Failure by a Unit Owner or Occupant to monitor the local weather and take appropriate precautions shall be deemed negligence.

E. GENERAL USE & MAINTENANCE OF COMMON ELEMENTS

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

- E-2. Grounds.* Unless the Board of Directors designates otherwise, Unit Owners and Occupants may not use or abuse any landscaped areas, lawns, beds, and plant materials on the Common Elements.
- E-3. Abandoned items.* No item or object of any type shall be stored, placed, or maintained anywhere on the Common Elements, including window sills, passageways and courtyards, except by the Board of Directors or with the prior written consent of the Board of Directors. Items of personal property found on Common Elements are deemed abandoned and may be disposed of by the Board of Directors.
- E-4. Stored Items.* If the Association provides storage areas for use by Unit Owners and/or Occupants, each Unit Owner and Occupant agrees that the Association is not responsible for items stored there by an Unit Owner or Occupant, who shall be solely liable at all times for his or her personal property.

F. COMMUNITY ETIQUETTE

- F-1. Courtesy.* Each Unit Owner and Occupant shall endeavor to use his or her Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Unit Owners and Occupants.
- F-2. Annoyance.* Each Unit Owner and Occupant shall avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Unit Owners and Occupants or their guests, or the Association's employees and agents. The Manager shall have the right to remove any guest who is unruly or otherwise violating these Rules.
- F-3. Noise and Odors.* Each Unit Owner and Occupant shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Unit Owners and Occupants of other Units.
- F-4. Reception Interference.* Each Unit Owner and Occupant shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Condominium.
- F-5. No Personal Service.* The Association's employees and agents are not permitted or authorized to render personal services to Unit Owners and Occupants. Each Unit Owner and Occupant agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Unit Owner or Occupant.
- F-6. Compliance with Law.* Unit Owners and Occupants may not use the Condominium for unlawful activities. Each Unit Owner and Occupant shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of Houston, Texas. A Unit Owner or Occupant who violates this

provision shall hold the Association and other Unit Owners and Occupants harmless from all fines, penalties, costs, and prosecutions for such person's violation or noncompliance.

G. ARCHITECTURAL CONTROL

G-1. Common Elements. Without the prior written approval of the Board of Directors, no Unit Owner or Occupant may change, remodel, decorate, destroy, or improve the Common Elements, nor do anything to change the appearance of the Common Elements, including, without limitation, the entry door, patio, balcony, and landing or walkway appurtenant to the Unit.

G-2. Prohibited Acts. No person may:

- a. Post signs, notices, or advertisements on the Common Elements or in a Unit if visible from outside his or her Unit.
- b. Place or hang an object in, on, from, or above any window, interior windowsill, patio or balcony that unreasonably detracts from the appearance of the Condominium. Notwithstanding the foregoing, a Unit Owner or Occupant may install carpeting or other floor covering on the patio or balcony floor.
- c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, patios, balconies, or passageways.
- d. Erect or install exterior horns, lights speakers, aerials, antennas or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof except antennas and satellite dishes installed in accordance with Federal Communication Commission regulations.
- e. Place decorations on the Common Elements.

G-3. Window Treatments. A Unit Owner may install window treatments inside his or her Unit, at his or her sole expense, provided:

- a. Aluminum foil, reflective window treatments, sheets and blankets are expressly prohibited;
- b. The exterior of all window treatments shall be neutral in color; and
- c. Window treatments must be maintained in good condition.

G-4. Board Approval. To obtain the Board of Directors' written consent for a modification to a Unit, an Unit Owner must submit to the Board of Directors by receipted hand delivery

or certified mail, return receipt requested, complete plans and specifications showing the nature, kind, shape, size, materials, colors and location for all proposed work, and any other information reasonably requested by the Board of Directors. The Board of Directors' failure to respond to the Unit Owner's written request within 30 days after it receives the Unit Owner's request shall be construed as no objection to the proposed changes.

H. PARKING AREA RESTRICTIONS

- H-1. Permitted Vehicles.* To be permitted in the Parking Area, a vehicle must be operable. For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. The following are not permitted in the Parking Area without the Board of Directors' consent: trailers, boats, recreational vehicles, buses, large commercial trucks or industrial vehicles.
- H-2. Repairs.* Washing, repairs, restoration, or maintenance of vehicles is prohibited in the Parking Area, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.
- H-3. Space Use.* All Parking Spaces in the Parking Area shall be used for parking purposes only, and may not be used for storage. No Parking Space may be enclosed or used for any purpose that prevents the parking of vehicles.
- H-4. No Obstruction.* No vehicle may be parked in a manner that interferes with ready access to any entrance to or exit from the Parking Area and Garage Spaces. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard in the Parking Area. No vehicle may be parked, even temporarily, in spaces reserved for others, in fire lanes, in any area designated as "No Parking," or in front of a Garage Space.
- H-5. Nuisances.* Each vehicle shall be muffled and shall be maintained and operated to minimize noise, odor, and oil emissions. The use of car horns in the Parking Area is discouraged. Emptying vehicle ashtrays onto the Parking Area is prohibited. Each Unit Owner and Occupant shall observe all posted speed limits and in no event shall his or her speed exceed 10 MPH in the Parking Area. Joyriding in/on any type of vehicle is prohibited.
- H-6. Violations.* Any vehicle in violation of these Rules may be towed or otherwise removed from the Parking Area by the Board of Directors, at the expense of the vehicle's Unit Owner. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

I. TRASH DISPOSAL

- I-1. *General Duty.* Each Unit Owner and Occupant shall not litter Common Elements, shall endeavor to keep the Condominium clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose.
- I-2. *Hazards.* No Unit Owner or Occupant may store trash inside or outside his or her Unit in a manner that encourages vermin, causes odors, or may permit the spread of fire. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, each Unit Owner and Occupant shall ensure that the debris is thoroughly cold.
- I-3. *Excess Trash.* Each Unit Owner and Occupant shall place trash entirely within a dumpster, and may not place trash outside, next to, or on top of dumpster. Dumpster doors are to be closed at all times when not in use.

J. PETS

- J-1. *Permitted Pets.* Subject to these Rules, a Unit Owner or Occupant may keep house pets in his or her Unit. Permitted house pets include domesticated dogs, gentle in disposition, cats, caged birds and aquarium fish. Permitted house pets also include specially trained animals that serve as physical aids to handicapped persons, regardless of the animal's size or type.
- J-2. *Prohibited Animals.* No Unit Owner or Occupant may keep a dangerous or exotic animal, trained attack dog or any other animal deemed by the Board of Directors to be a potential threat to the well being of people or other animals.
- J-3. *Common Elements.* No pet is allowed on Common Elements unless carried or leashed. No pet may be leashed to any stationary object on the Common Elements.
- J-4. *Disturbance.* Pets shall be kept in a manner that does not disturb the peaceful enjoyment of Unit Owners and Occupants of their Units and the Common Elements. No pet shall be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time. Pets shall not be left on a patio or balcony for extended lengths of time.
- J-5. *Damage.* Each Unit Owner and Occupant is responsible for any property damage, injury, or disturbance his or her pet may cause or inflict, and shall compensate any person injured by his or her pet. Any Unit Owner or Occupant who keeps a pet on the Condominium shall be deemed to have indemnified and agreed to hold harmless the Board of Directors, the Association, and other Unit Owners and Occupants, from and against any loss, claim, or liability of any kind or character whatever resulting from any action of his or her pet or arising by reason of keeping or maintaining such pet on the Condominium.
- J-6. *Waste.* No Unit Owner or Occupant may permit his or her pet to relieve itself on the Condominium unless the Unit Owner or Occupant picks up and properly disposes of such animal waste.

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

K. SWIMMING POOL AND EXERCISE ROOM

- K-1 Use.* All children sixteen years or younger must be accompanied by an adult while in the swimming pool area. Each Unit Owner and Occupant must be considerate of the other Unit Owners and Occupants in the matter of inviting guests to use the swimming pool since the Unit Owners and Occupants have first consideration as to the use of the pool. No more than two (2) guests should be invited by any Unit Owner or Occupant. Guests are not permitted unless the Unit Owner or Occupant who has invited them is with them at the pool. Each Unit Owner or Occupant shall be deemed to have indemnified and agreed to hold harmless the Board of Directors, the Association, and other Unit Owners and Occupants, from and against any loss, claim, or liability of any kind or character whatever resulting from his or her use of the swimming pool.
- K-2 Disturbance.* Profanity, horseplay, bicycle riding, skating, riding toys, scuffling or harassment of other swimmers is not permitted in the pool area. Only unbreakable containers are allowed in the pool area, and no glass is permitted. Regulation bathing suits (no cut offs) must be worn for swimming at all times.
- K-3 Health.* For the protection of each Unit Owner and Occupant, anyone with an infectious disease, sore or inflamed eyes, a cold, nasal or ear discharge, open sores, or bandages of any kind cannot use the pool. Pets are forbidden in and around the pool area.
- K-4 Exercise Room.* The exercise room is solely for the use of Unit Owners and Occupants. No children sixteen years or younger shall be permitted to use the exercise room unless accompanied by an adult. Proper work-out clothing and a towel is required. A Unit Owner or Occupant is responsible for wiping down the equipment used after use.

L. MISCELLANEOUS

- L-1. Security.* The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. The Association, its Directors, officers, committees, members, agents and employees, shall not in any way be considered an insurer or guarantor of security within the Condominium, and shall not be held liable for any loss or

damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Unit Owner, Occupant, guest, and invitee on the Condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit and Garage Space, if any, and to any other of his or her property on the Condominium. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.

- L-2. Right to Hearing.* A Unit Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of these Rules by the Unit Owner or an Occupant of the Unit Owner's Unit. An Occupant may also request a hearing with the written consent of the Unit Owner of the Occupant's Unit. The Board of Directors will schedule a hearing within 30 days of receiving the Unit Owner's or Occupant's written request. At the hearing, the Board of Directors will consider the facts and circumstances surrounding the alleged violation. The Unit Owner and, if applicable, the Occupant may attend the hearing in person, or may be represented by another person or by written communication. Any fines and assessments are specifically subject to the notice and hearing procedures in Article 9.(f)(vii) of the Declaration.
- L-3. Mailing Address.* A Unit Owner or Occupant who receives mail at any address other than the address of his or her Unit shall be responsible for maintaining with the Association his or her current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Unit Owners or Occupants by the Governing Documents shall be sent to the most recent address as shown on the records of the Association. If a Unit Owner or Occupant fails to provide a forwarding address, the address of that Unit Owner's or Occupant's Unit shall be deemed effective for purposes of delivery. Delivery may be either in person; by courier or messenger to any person at the address; by facsimile; or by United States mail. All deliveries shall be effective on receipt by the addressee or any person at the addressee's address, except that delivery by mail shall be effective three days after deposit in the mail, postage prepaid.
- L-4. Revision.* These Rules are subject to being revised, replaced, or supplemented. Unit Owners and Unit Owner and Occupants are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until the Association delivers notice of an amendment or revocation of these Rules to a Unit Owner of each Unit.
- L-5. Other Rights.* These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, By-Laws, Articles of Incorporation, and the laws of the State of Texas.
- L-6. Effective Date.* These Rules are the initial Rules of City Plaza Owners Association, Inc. and shall become effective April __, 2002.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the initial Rules of City Plaza Owners Association, Inc., a Texas nonprofit corporation and condominium association, as adopted by the initial Board of Directors at its organization meeting on the _____ day of _____, 2002.

IN WITNESS WHEREOF, I hereunto set my hand this the _____ day of _____ 2002.

CITY PLAZA OWNERS ASSOCIATION, INC.

By: _____
Secretary

THE STATE OF TEXAS

COUNTY OF HARRIS

Before me, the undersigned authority, on this _____ day of _____ 2002, personally appeared _____, the Secretary of City Plaza Owners Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same on behalf of the Association.

Notary Public in and for the State of Texas

Print Name
My Commission Expires: _____

EXHIBIT "I"

**TO CONDOMINIUM INFORMATION STATEMENT
OF CITY PLAZA, A CONDOMINIUM**

RECORDED EASEMENTS AND LICENSES

1. Restrictive Covenants in instrument filed under Film Code No. 360052 of the Map Records of Harris County, Texas.
2. An easement for water line ten (10) feet in width, in addition to four (4) fire hydrant easements ten (10) feet wide and ten (10) feet long located wholly within or adjacent to the twenty-eight (28) foot private roadway system, as reflected by the map filed for record under Film Code No. 360052 of the Map Records of Harris County, Texas.
3. Drainage easement fifteen (15) feet in width on each side of the center line of all natural drainage courses as shown by the plat recorded in Film Code No. 360052 of the Map Records of Harris County, Texas.
4. Building set-back line twenty-five (25) feet in width along the northerly property line, as shown by instrument recorded in Film Code No. 360052 of the Map Records of Harris County, Texas.
5. Water Meter Easement ten (10) feet wide and twenty (20) feet long along the north property line as reflected by the map filed for record under Film Code No. 360052 of the Map Records of Harris County, Texas.
6. Asphalt and/or concrete for driveways extending over the ten (10) foot water line easement as shown on survey dated June 8, 1995, last revised September 11, 2001, prepared by Ward D. Kelsey, Registered Professional Land Surveyor No. 4304.

EXHIBIT "J"

**TO CONDOMINIUM INFORMATION STATEMENT
OF CITY PLAZA, A CONDOMINIUM**

**DECLARANT'S STATEMENT ON CONDITION OF BUILDINGS
DATED APRIL 4, 2000**

Attached to this Statement by Declarant is a Property Evaluation Report dated September 28, 2001, prepared by LM Consultants, Inc. describing the condition of the Buildings and the roof, foundation, external walls and windows, electrical, plumbing, and structural elements and common facilities. The major items identified in such report as needing repair/replacement within the next year are summarized on page 2. Declarant has agreed to perform all of such repairs. It is anticipated that the Association will pay the costs of the anticipated future capital repair/replacement work shown on the Replacement Reserve Schedule from its reserves.

The Declarant makes no representations regarding the useful life of any of the structural components and mechanical and electrical installations material to the use and enjoyment of the Buildings. There are no notices of building code violations outstanding.



ARCHITECTURAL AND ENGINEERING CONSULTANTS

PROPERTY EVALUATION REPORT

REPORT ISSUE DATE: September 28, 2001

CLIENT: Corus Bank

PROPERTY NAME: Gables City Plaza Apartments

PROPERTY LOCATION: 1330 Old Spanish Trail
Houston, Texas

LM PROJECT NO.: 202.026

DATE OF OBSERVATION: September 17 and 18, 2001

OBSERVATION BY: Christian R. Heer, PE

SITE CONTACTS: Ginger Jones-Strange, Property Manager
Santos Reynosa, Lead Maintenance

PROJECT DOCUMENTS: Architectural, landscaping, mechanical, electrical
and plumbing drawings were available at the site.

ATTACHMENTS: Location Map
Repair/Replacement Reserve Schedule
Photographs

LM CONSULTANTS, INC.

750 EAST BUNKER COURT, SUITE 100, VERNON HILLS, IL 60061-1835

TEL: 847-573-1717 FAX: 847-573-9737 TOLL FREE: 888-431-1457 EMAIL: LM@LMCONSULTANTS.COM

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EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

The subject property consists of a 246-unit apartment complex containing eight 3-story apartment buildings, five garages, and one clubhouse on a 7.4441-acre parcel located on the south side of Old Spanish Trail near the intersection with Kirby Drive in Houston, Texas. The apartment complex was constructed in 1995 for Gables Residential Trust based on the Architectural Design of The Steinberg Collaborative, A.I.A.

The apartment buildings have a wood-framed structure with a combination of face brick and hardiplank siding. The roof structure is wood trusses, plywood decking, and fiberglass shingles. Each unit has electric appliances, including a range, refrigerator, dishwasher, disposal, water heater, and washer and dryer. All units are heated and cooled by split HVAC systems with 1½ to 2½ ton cooling capacities.

PROCEDURES AND LIMITATIONS

The investigation and resulting report were prepared in accordance with the Agreement for Property Evaluation Services between the Client and LM Consultants, Inc. The findings contained in this Report are based on the conditions visually observed at the time of our site visit. No samples were taken, no tests were performed, no equipment was operated, and no construction materials were removed to inspect underlying structure or systems. The findings of the investigation and report are not intended to warrant or guarantee the performance of any property component or system. Conditions often change with the passage of time. This Evaluation and Report were prepared for the exclusive use of the Client.

PROPERTY CONDITION/COST ESTIMATE TO CORRECT

Based upon our on-site observations, the property improvements were found to be in generally average condition for a development of this type and age. Routine maintenance procedures appear to have generally prevented the accumulation of deferred maintenance issues. There were, however, conditions observed at the time of our site visit that require repair and/or replacement. A listing of the noted conditions is outlined within the *Property Condition Section* of this Report. A summary of the estimated costs for the noted conditions that are considered to require repair/replacement within the next year is as follows:

	<u>IMMEDIATE COST</u>
CODE COMPLIANCE/LIFE SAFETY ISSUES SUBTOTAL	\$0.00
ADA BARRIER REMOVAL ISSUES SUBTOTAL	\$2,000.00
DEFERRED MAINTENANCE/PROPERTY DEFICIENCY SUBTOTAL	\$7,250.00
COST TOTALS	\$9,250.00

See the attached *Replacement Reserve Schedule* for anticipated future capital repair/replacement work.

MAINTENANCE

Based upon our on-site observations, the maintenance procedures are considered to be average for a development of this type and age. Maintenance procedures will need to be continued and enhanced as the development continues to age.

CODE COMPLIANCE/LIFE SAFETY

We have contacted the Houston Building and Fire Departments to determine the status of open code violations. We are waiting for responses to our requests. At the time of our site visit, we observed conditions that, in our opinion, are code violations or life safety issues. Descriptions of these conditions and associated cost estimates to remedy these conditions are contained in the *Property Condition Section* of this Report.

ADA TITLE III AND FAIR HOUSING ACT COMPLIANCE

The building was designed and constructed subsequent to and in general accordance with the enactment of the Americans with Disabilities Act (ADA) and the Fair Housing Act (FHA). Based upon our on-site observations, there are barrier removal issues that should be addressed for compliance with the ADA Accessibility Guidelines and/or FHA. These conditions are outlined in the *Property Condition Section* of this Report.

CONCLUSIONS

Based upon our on-site observations, the property is considered to be in generally average condition when compared with developments of similar type and age. The routine maintenance procedures have generally prevented the accumulation of deferred maintenance issues. There were code compliance, ADA accessibility, and deferred maintenance/physical condition issues noted at the time of our site visit. Please refer to the *Property Condition Section* of this Report for additional information.

PROPERTY DESCRIPTION

SITE

LOCATION:

The property is located on the south side of Old Spanish Trail near the intersection with Kirby Drive in Houston, Texas.

ADJACENT PROPERTY USES:

Adjacent properties include Old Spanish Trail and apartment buildings to the north, a Best Western hotel to the east, low-rise office buildings to the south, and retail and restaurants to the west. Also notable is the Astrodome complex and Reliant Stadium (under construction) approximately two blocks to the south.

PROPERTY SIZE:

The plans indicate that the site is 7.441 acres in size and basically rectangular in shape. The property line lengths are: 670.64' north (along Old Spanish Trail), 470.68 east, 661.26 south, and 507.35 west.

TOPOGRAPHY:

The entire site is basically flat, with slopes in the lawn areas and pavement areas to drain inlets.

FLOOD PLAIN STATUS:

The flood plain status was not noted on the provided plans.

ACCESS:

The site has two entrances from Old Spanish Trail. The main entrance is at the center of the north property line and is a divided entrance. The second entrance is at the northeast corner of the site and is for resident exiting only. All entrances/exits are gated and are controlled by cards or calling the residents or main office.

PARKING:

Parking is provided in surface lots located at the sides of the perimeter access drive throughout the property.

The following information was noted, indicated on the project documents, and provided relative to the parking:

- ▲ Total Number of Parking Spaces: Parking for a total of 376 automobiles is indicated on the plans. Management indicated that 386 spaces are provided. We counted a total of 373 spaces.
- ▲ Spaces per Apartment: There are basically 1.5 spaces per apartment unit.
- ▲ No. of Accessible Stalls: The plans indicate 10 spaces, the management indicated 14 spaces, and we counted 12 spaces. All counts include the one space per garage for a total of five garage accessible spaces.
- ▲ No. of Surface Lot Spaces: The plans indicate 326 spaces, the management indicated 336 spaces, and we counted 323 spaces.
- ▲ No. of Garage Spaces: Five separate garages exist, each with 10 spaces with one end space being accessible.
- ▲ No. of Carport Spaces: No carport spaces exist on this property.

PAVEMENT CONSTRUCTION:

- ▲ Streets: The access drives consist of Portland cement concrete. No details of the thickness, reinforcing, or base construction were provided. The joints appear to be approximately 20' by 25'. Brick pavers are utilized on a 90' by 100' area in front of the clubhouse.
- ▲ Parking Areas: The parking areas are constructed the same as the street areas above.
- ▲ Aprons: No aprons were noted.
- ▲ Dumpster Pads: The dumpster pads sit on the parking area pavement.

CURBS/WHEELSTOPS:

Concrete curbs are provided at the pavement edges. No wheelstops were noted.

GARAGES:

- ▲ No. of Structures: A total of five separate garage buildings exist—two each on the east and west property lines and one on the south property line.
- ▲ Construction:
 - Foundations: No foundation information was available. We assume shallow spread concrete footings.
 - Walls/Columns: The columns are 4" by 4" by 1/4" tube steel located every other bay. The wall sections consist of (from exterior to interior): hardiplank siding, 1/2" gypsum sheathing, 2x4 wood studs, and 5/8" fire code sheetrock.
 - Roof Framing: Roof framing consists of wood roof trusses at 24" centers.
 - Roofing: Roofing is composition shingles on 15# felt over 15/32" plywood with clips at panel joints. Gutters and downspouts provided.
 - Doors: The car doors are 9' by 7' metal panel overhead doors with a garage door opener. The end handicapped spaces have a 3'-6" wide personnel door.

SIDEWALKS:

The sidewalks extend from the parking spaces to the front and rear elevations of the apartment buildings and include the ground floor breezeways. The sidewalks are exposed aggregate concrete and are generally 4' wide. No information regarding thickness or reinforcing was provided.

PATHS (BICYCLE/WALKING):

No bicycle or walking paths are provided on site.

UTILITY SERVICE COMPANIES:

- ▲ Water: City of Houston
- ▲ Sanitary Sewer: City of Houston
- ▲ Storm Sewer: City of Houston
- ▲ Electricity: Houston Lighting and Power
- ▲ Gas: No gas service to the site
- ▲ Phone: Southwestern Bell
- ▲ Cable TV: Optel
- ▲ Satellite TV: Provided by individual residents
- ▲ Fiber Optics: None

STORM SEWER:

No civil plans were available. Drainage inlets were generally located in the center of the concrete drives and in lawn areas. Some of the drainage piping was noted to be PVC. The deeper piping is assumed to be RCP. Management indicated that the site storm sewer system connects to the municipal system.

RETENTION/DETENTION PONDS:

No retention or detention ponds exist on site.

SANITARY SEWER:

The plans indicated two sanitary sewer manholes, both along Old Spanish Trail. One is located at the center of the north elevation of Building 1 and serves Buildings 1, 2, 3, 4, and the clubhouse. The second manhole is located at the northeast corner of the site and serves Buildings 5, 6, 7, and 8. The mains are generally 8" in diameter, with the laterals from the buildings being 6" diameter pipes. Cleanouts are typically located at the ends of the buildings.

WELLS/WATER TOWERS:

No wells or water towers are located on this site.

WATER MAIN:

The main water vault is located at the northwest corner of the site. From the vault, a 4" diameter main runs south and a 6" diameter main runs east. The mains loop around the site and connect to each building, generally at the center of the rear elevation.

FIRE HYDRANTS:

A total of four fire hydrants exist on site—at the northwest corner of Building 2, the southwest corner of Building 3, the southeast corner of Building 5, and the southeast corner of Building 8. Also, one fire hydrant was noted along Old Spanish Trail next to Building 8.

ELECTRIC SERVICE:

The primary electrical service is from pole-mounted electrical transformers offsite that run underground onsite to pad-mounted electrical transformers located throughout the site. Meter panels are typically located on the exterior building elevations at the side elevations. Each meter panel has six meters.

GAS SERVICE:

No gas service is provided to the site.

SITE LIGHTING:

Site lighting includes wall-mounted HID lights on the building exterior elevations, fluorescent lights at each unit entrance, incandescent lights at the patios/balconies, ceiling-mounted lights in the breezeways, and wall-mounted lights on the front elevations of the garages. The lights are controlled by a combination of photocells and timers.

FENCING:

Wrought iron fencing with an ornamental brick base exists along Old Spanish Trail (approximately 7' high). A 5'-high wrought iron fence encloses the pool area. An 8'-high wood slat fence is built along the west, south, and east property lines.

DUMPSTER ENCLOSURES:

Three dumpster enclosure areas were noted—one enclosure at the northwest corner of the site, one enclosure at the southwest corner of the site, and two enclosures at the southeast corner of the site. Each enclosure is 13'-6" by 12'-0" and has face brick walls on three sides with a concrete block backup. The front side has two wood gates for access to the dumpster and a personnel door on the side. Concrete-filled bollards stand in front of the enclosures.

RETAINING WALLS:

The only noted retaining walls are the brick planters located at the north elevation of the clubhouse. These brick planters are approximately 1'-0" to 2'-6" in height.

LANDSCAPING AND LAWN IRRIGATION:

A row of shrubs is located in front of the wrought iron fencing along Old Spanish Trail. The main entrance corners and island are landscaped with annual flowers. Various hardwood trees are located throughout the site. The building perimeters are generally landscaped with various hardwood trees and shrubs. The remaining areas are grassed. The entire site has a lawn irrigation system that operates on timers.

IDENTIFICATION SIGNAGE:

The main entrance island contains the main identification signage for the apartment complex. The sign is a monument-type consisting of face brick with a stone center, and has lettering for "Gables City Plaza" on both surfaces. Two strip fluorescent, ground-mounted lights illuminate the sign. Each apartment building has stone insets on the exterior wall with the apartment numbers contained in that building; i.e., "1101-1312." Each unit entrance has an attached wood plaque with the apartment number.

SITE AMENITIES:

One swimming pool is located directly south of the clubhouse. The courtyard area between Buildings 2 and 4 has a barbeque area with two charcoal grills.

APARTMENT BUILDINGS

BUILDING TYPES:

Building No.	Units per Building	No. of Bldgs.
1 and 8	36	2
2	42	1
3, 5, 6 and 7	24	4
4	36	1
Totals	246	8

DWELLING UNIT TYPES:

Unit	Description	No. of Units	Unit Area (SF) By Plans	Total Area (SF) By Plans	Unit Area (SF) Interior Dim.	Total Area (SF) Interior Dim.
A	One bed/one bath	48	653	31,344	587	28,176
A2	One bed/one bath	6	665	3,990	607	3,642
B	One bed/one bath	48	766	36,768	692	33,216
C	One bed/one bath	36	826	29,736	757	27,252
D	One bed/one bath/study	36	972	34,992	859	30,924
E	Two bed/two bath	48	1,119	53,712	1,000	48,000
F	Two bed/two bath	24	1,118	26,832	997	23,928
	Totals	246		217,374		195,138

BASIC PLAN DIMENSIONS OF BUILDINGS:

The outer dimensions of the apartment buildings is as follows: Buildings 1 and 8—209'-4" by 85'-9", Building 2—185'-2" by 98'-1", Buildings 3, 4, 5, and 6—132'-1" by 82'-11", and Building 4—247'-1" by 76'-5". Floor-to-floor heights are generally 9'-1½".

FOOTINGS AND FOUNDATIONS:

No structural drawings of the buildings were available. We assume that shallow spread concrete footings were utilized.

GROUND FLOOR CONSTRUCTION:

No structural drawings of the buildings were available. We assume that a concrete ground floor slab is provided.

STRUCTURAL FRAMING:

The structural framing for the exterior walls and interior bearing walls consists of wood framing. The 1st floor framework for the apartment buildings consists of two 2x4 wood studs at 16" centers or 3x4 wood studs at 16" centers. The upper floors and non-load bearing walls are all 2x4 wood studs at 16" centers. The suspended floor construction consists of wood 2x4 floor trusses at 24" centers with $\frac{23}{32}$ " tongue and groove plywood decking and $\frac{3}{4}$ " gypcrete. The roof framing consists of wood 2x4 trusses at 24" centers with $\frac{15}{32}$ " standard C-D interior grade plywood decking.

DESIGN LIVE LOADS:

No design live loads were listed in the plans made available for our review. The plans did indicate the occupancy designation as Group M, Division 1—Apartments and the construction type as Type V—one hour. The buildings were designed under Uniform Building Code (UBC), 1991 Edition with the latest Houston amendments and handicapped requirements. The sprinkler system was designed under NFPA-13R and City of Houston codes.

EXTERIOR WALL CONSTRUCTION/DETAILING:

The main exterior wall section includes, from exterior to interior: face brick veneer, air space, $\frac{1}{2}$ " exterior gypsum sheathing, 2x4 wood studs, and $\frac{1}{2}$ " gypsum wallboard. R-13 batt insulation is included between the wood studs. The hardiplank siding sections are similar, but without the air space. The door, window, and hardiplank/face brick interfaces all have wood trim. The wood trim is in various sizes, including 1x6, 1x8, 2x6 and 2x10. The fascia boards are 2x8 and the frieze boards are 1x6. Plywood $\frac{3}{8}$ " thick is utilized in the soffit areas.

ROOF CONSTRUCTION:

The roofing system consists of wood 2x4 trusses at 24" centers with $\frac{15}{32}$ " standard C-D interior grade plywood decking and 240# Class "A" fiberglass shingles. The main roof sections slope at 5:12 and the dormer sections are 12:12. The roof edges have aluminum gutters and downspouts. The downspouts discharge at grade onto concrete splashpads or the runoff is directed through HDPE piping. Some downspouts connect directly to the underground drainage system. Roof penetrations include roof vents and vent piping from the bathrooms. No skylights were noted. The attic spaces are generally accessed through individual units. Draft stops are located in the attic areas between each unit and are constructed of gypsum wallboard. Ventilation is provided by roof vents and louvered vents at the gable roof sections at the ends of the buildings. Soffit vents are described in the plans, but were not noted in the field.

BALCONIES/PATIOS:

The patios consist of concrete slabs-on-grade. No plans for the balcony structures was provided, but we assume that balcony construction is similar to the breezeway areas with the wood floor trusses, decking, and concrete surfacing. The handrails are wood with 2x6 top and bottom rails and 2x2 wood balusters at 2 $\frac{1}{2}$ " spacings. The ceiling areas are painted plywood.

WINDOWS:

The apartment building windows are single-hung aluminum-framed windows with single glazing. All glass within a 24" radius of doorways is tempered. The plans indicate that the windows have 16" wide poly around the window openings.

ENTRANCE VESTIBULES/FOYERS:

No entrance vestibules or foyers exist at the apartment buildings—only open-air breezeways. The buildings typically have two or three interior breezeways. The breezeway construction includes 2x4 wood floor trusses, $\frac{23}{32}$ " tongue and groove plywood decking, 15# felt hot mopped, and a minimum of 1½" concrete topping. The walls are hardiplank siding and the ceilings $\frac{5}{8}$ " fire code gypsum wallboard on resilient channels at 16" centers.

ENTRANCE DOORS:

The apartment unit doors are typically 3'-0" by 6'-8" sized 6-panel metal doors in wood frames. The doors are rated at 20 minutes, with the doors within 10' of stairways to be 45-minute rated. Each entrance door has an aluminum threshold, locking door hardware, viewport, two deadbolts (one keyless), and door knocker. The ground floor doors have lowered thresholds and lever hardware.

STAIR CONSTRUCTION/NUMBER/ENCLOSURES:

The exterior stairs are connected to the various open-air breezeways in the buildings. Stair construction includes painted steel stringers with precast concrete treads. The treads are connected to the stringers with steel angles. The handrail is metal and consists of 1¼" square steel posts and ½" square steel balusters spaced at 4" centers.

ACCESSIBILITY FEATURES:

An adequate number of handicapped parking spaces are provided at the site, including one handicapped garage space in each garage building.

Accessible routes are provided to all buildings and amenities.

The buildings were constructed under the current accessibility codes at the time of construction. Those codes are basically the same as today's accessibility requirements. All ground floor units were constructed to be handicapped adaptable, as required by FHA. Accessible features in the ground floor units include 32" door openings, 36" wide hallways, lowered door thresholds, lever handle entrance doors, electrical outlets at 15" to 48" above the floor, 30" by 48" spaces in bathrooms and kitchens, blocking in bathroom walls for grab bars, and 40" space between counters in the kitchens. The only noted exception is that the thermostats for the heating and cooling systems are located at 54" above the floor. FHA guidelines allow a height of only 48".

The ground floor areas under the breezeway stairs are blocked off to protect blind people.

The clubhouse has an accessible entrance, lever door hardware, 32" doors, and accessible unisex restroom.

INTERIOR WALL CONSTRUCTION AND STC RATINGS:

The corridor/unit demising wall construction consists of hardiplank siding, 1/2" exterior gypsum sheathing, 2x4 wood studs at 16" centers, and 5/8" sheetrock with R-13 batt insulation.

A two-hour wall exists between sections 4A and 4B in Building 4. This wall has two rows of 2x4 studs at 16" centers separated by an air space with two layers of 5/8" fire code sheetrock on the two outer edges. One set of studs has roll insulation.

The partitions between units are similar to the two-hour wall, but with only one layer of sheetrock on each edge. No STC ratings were provided.

COMMON AREA/CORRIDOR FINISHES:

No enclosed common or corridor areas exist in the apartment buildings.

APARTMENT UNIT FINISHES:

- ▲ Walls: The walls are primarily painted sheetrock with some texturing. Mirrors on the back dining room wall in all units except the A and A2 units.
- ▲ Floors & Base: There are carpeted areas in the living, dining and bedrooms and tile flooring at the entry area. All areas have painted wood base.
- ▲ Ceiling & Heights: Ceilings are painted sheetrock at 9'-0" heights. Some of the 3rd floor units have vaulted ceilings. Crown molding is present in the living and dining room areas.
- ▲ Lighting: There are ceiling-hung incandescent lights in the dining room area. The bedrooms are equipped with ceiling fans containing three incandescent lights.
- ▲ Doors/Frames/Hardware: There are generally hollow core wood doors in wood frames. Ground floor units have 32" wide doors for handicapped adaptability.
- ▲ Window Treatment: Horizontal mini-blinds are provided.
- ▲ Fireplaces: Fireplaces are located only in select 3rd floor C and E units. The fireplaces are prefabricated steel with 12" square ceramic tile surrounds.
- ▲ Fire Sprinklers: Exposed fire sprinkler heads were noted.

KITCHEN AREA FINISHES AND FIXTURES:

- ▲ Walls: The walls are primarily painted sheetrock with some texturing.
- ▲ Floor & Base: There is vinyl flooring with painted wood base.
- ▲ Ceiling & Height: Ceilings are painted sheetrock at 9'-0" heights.
- ▲ Lighting: Lighting is 1' by 4' ceiling-attached fluorescent fixtures.
- ▲ Cabinets: Cabinets are plastic laminate covered with wood trim.
- ▲ Countertops: Countertops are plastic laminate with integral backsplash and front nosings.
- ▲ GFCI Receptacles: GFCI outlets were generally noted.
- ▲ Sinks: Double stainless steel sinks are provided.
- ▲ Disposals: There are ½ horsepower disposals.
- ▲ Dishwashers: Whirlpool dishwashers are provided.
- ▲ Ranges: Whirlpool electric ranges and ovens are provided.
- ▲ Exhaust Hoods: An exhaust hood is located above the range/oven to recirculate the interior air.
- ▲ Refrigerators: There are Whirlpool 14 cubic foot refrigerators in the one-bedroom units and 18 cubic foot refrigerators in the two-bedroom units.
- ▲ Microwave Ovens: Microwave ovens are not supplied by the Owner.

WASHERS & DRYERS:

Each unit has a full-size Whirlpool washer and dryer. Stackable washer/dryer combinations are provided in all one-bedroom units except the "C" units.

BATHROOM FINISHES & FIXTURES:

- ▲ Walls: The walls are primarily painted sheetrock with some texturing.
- ▲ Floor & Base: There is vinyl flooring with painted wood base.
- ▲ Bathtub/Shower: Garden style fiberglass tubs with ceramic tile surrounds are provided. Garden tubs are provided in all units. Showers are provided in the second bathroom of the two-bathroom units and have ceramic tile surrounds, 1" square floor tile, and clear doors.
- ▲ Ceilings & Height: The ceilings are furred down 14" and covered with painted sheetrock.
- ▲ Lighting: Four- or six-bulb Hollywood lights are provided above the sink areas.
- ▲ Water Closet Type: Water closets are floor mounted and flush tank types.

- ▲ Lavatory/Vanity: Plastic laminate tops with enameled metal sinks are provided.
- ▲ Mirrors: Mirrors are provided above the sink areas.
- ▲ Medicine Cabinets: Medicine cabinets are generally located on a sidewall next to the sinks.
- ▲ GFCI Receptacles: GFCI electrical outlets were noted in the bathrooms.

PLUMBING:

The domestic water piping material is copper, the waste piping is PVC, and the vent piping is PVC. Each unit is equipped with a Bradford-White 40-gallon electric water heater. Water heaters are generally located in the exterior storage closet. Each unit has a pressure relief valve. Drain pads are provided in the upper units, with connections to the waste lines. Each unit is separately metered. Frostproof hose bibs are located inside the fire sprinkler/domestic water closets.

HVAC:

The apartment units are heated and cooled by split HVAC systems. The systems vary in cooling capacity from 1½ tons for the one-bedroom units to 2½ tons for the 3rd floor two-bedroom units. The condensing units are located at ground level on concrete pads at the perimeter of the buildings. The concrete pads are generally continuous for the individual groups. The fan and heating sections are generally located in the furred-down ceiling sections in the unit bathrooms. Air distribution is through ducts extending from the fan units to grilles at the perimeter of the furred-down sections. Supply air is drawn from inside the units. Electronic thermostats were noted.

Toilet exhaust consists of PVC piping through the roof. No exterior kitchen exhaust is provided. The dryers are exhausted through the exterior walls and have black painted vent hoods.

ELECTRICAL:

The apartment buildings generally have electrical meter panels on the end exterior walls. Each panel supplies six units. These building service panels are 600-ampere, 120/240-volt, 1-phase, 3-wire. Each apartment circuit breaker panel is 100-ampere, 120/240-volt, 1-phase, 3-wire. The A, A2, B, and C unit electrical panels generally have one 240-volt, 40-ampere circuit for the range; one 240-volt, 30-ampere circuit for the heating element; one 240-volt, 30-ampere circuit for the water heater; one 240-volt, 30-ampere circuit for the dryer; one 240-volt, 15-ampere circuit for the air conditioner; five 120-volt, 20-ampere circuits; and two 120-volt, 15-ampere circuits. The D unit electrical panels generally have one 240-volt, 40-ampere circuit for the range; one 240-volt, 40-ampere circuit for the heating element; one 240-volt, 30-ampere circuit for the water heater; one 240-volt, 30-ampere circuit for the dryer; one 240-volt, 20-ampere circuit for the air conditioner; five 120-volt, 20 ampere circuits; and three 120-volt, 15-ampere circuits. The E and F unit electrical panels generally have one 240-volt, 40-ampere circuit for the range; one 240-volt, 50-ampere circuit for the heating element; one 240-volt, 30-ampere circuit for the water heater; one 240-volt, 30-ampere circuit for the dryer; one 240-volt, 30-ampere circuit for the air conditioner; five 120-volt, 20 ampere circuits; and three 120-volt, 15-ampere circuits. The power feeders to the exterior electrical panels and to the apartment panels are aluminum. Branch wiring inside the units was noted to be copper. No emergency power is available at the site.

FIRE PROTECTION & LIFE SAFETY:

The fire protection systems in the apartment buildings were designed to NFPA-13R standards. The systems are wet systems, with one fire sprinkler riser in each building. The systems operate under pressure from the City water supply. A fire hose connection and exterior alarm bell are typically located on the front building elevations.

Each apartment building has a Firelite ESL 1500 series fire alarm control panel that connects to the fire sprinkler riser and valve flow and tamper switches and hard-wired smoke alarms (with battery backup) in the units. A signal from the panel will activate the audible/strobe alarms in the breezeways on all three floors. The clubhouse contains a Firelite MS-9200 fire alarm system that is addressable and is linked to the individual buildings fire alarm panels. Activation sends a signal to the monitoring company, AlarmTech. Fire extinguishers are provided on each floor of the breezeways. No pull stations or carbon monoxide detectors are provided.

We note that Central Sprinkler Company sprinkler heads are provided; see the *Property Condition Section* for further information.

SECURITY SYSTEMS:

The entrance/exit gates have card access. The entrance gate can also be opened by a four-digit code or a call on the provided intercom system to the clubhouse office or an individual unit. The northeast exit only gate is a card-only exit. Eight security closed circuit cameras are located at the entrances and exits and throughout the site. Two television monitors in the clubhouse have split screens for the eight camera shots. Four of the cameras can be accessed by residents on their own television sets.

Each apartment unit has a security system that monitors the exterior doors and windows. An interior alarm sounds when activated. Residents can contract with an outside monitoring agency, if desired. The entrance doors are equipped with two deadbolt locks, one of which is keyless.

A guardhouse is provided at the main entrance. It is staffed from 3:00 PM to 6:00 AM seven days a week.

SPECIAL EQUIPMENT:

- ▲ Master TV Antenna System: There is no master TV antenna system.
- ▲ Cable TV System: Cable TV is provided by Optel
- ▲ Swimming Pools: There is one pool directly south of the clubhouse, approximately 30' by 55'. Depths range from 3'-6" to 4'-6". The deck is exposed concrete aggregate to match the surrounding sidewalks. A 5'-high wrought iron fence surrounds the pool and deck area.
- ▲ Whirlpool/Spas: A small bubble pool is provided in the pool area, but it is not heated.
- ▲ Saunas: There are no saunas.
- ▲ Tennis Courts: There are no tennis courts.
- ▲ Exercise Equipment: An exercise room is provided inside the clubhouse and includes a universal gym, various treadmills, and a wall-mounted television set.
- ▲ Playground Equipment: There is no playground equipment.
- ▲ Trash Chutes: There are no trash chutes.
- ▲ Trash Compactors: There are no trash compactors.

LEASING OFFICE/CLUBHOUSE BUILDING

GENERAL LAYOUT/FEATURES:

The clubhouse is 79'-10" by 53'-11½" in size and contains the entrance foyer and clubroom, leasing office, management offices, kitchen, exercise room, unisex restroom, and storage areas. Also in the clubhouse, but with exterior access only, are the maintenance office, phone and pool equipment rooms, unisex restroom, and mail room. The southeast corner contains a vending area and accessible water fountain.

STRUCTURAL FRAMING:

The structural framing for the clubhouse utilizes the same wood stud construction as for the apartment buildings. The phone equipment room has 8" concrete block walls.

EXTERIOR WALL CONSTRUCTION:

The exterior wall section includes, from exterior to interior: face brick veneer, air space, ½" exterior gypsum sheathing, 2x4 wood studs, and ½" gypsum wallboard. R-13 batt insulation is included between the wood studs. The hardiplank siding sections are similar, but without the air space. The hardiplank/face brick interfaces all have wood trim. The wood trim is in various sizes, including 1x6, 1x8, 2x6, and 2x10. The fascia boards are 2x8 and the frieze boards are 1x6. Plywood ¾" thick is utilized in the soffit areas.

ROOF CONSTRUCTION:

The roofing system consists of wood 2x4 trusses at 24" centers with 15/32" standard C-D interior grade plywood decking and 240# Class "A" fiberglass shingles. The main roof sections slope at 8:12 and the dormer sections are 12:12. The roof edges have aluminum gutters and downspouts. The downspouts discharge at grade onto concrete splashpads or the runoff is directed through HDPE piping. Some downspouts connect directly to the underground drainage system. Roof penetrations include roof vents and vent piping from the bathrooms. No skylights were noted. One draft stop is located approximately one-third the length in from the west end and is constructed of gypsum wallboard. R-30 roof insulation was noted in the plans.

WINDOWS/DOORS:

The clubhouse windows are single-hung aluminum-framed windows with single glazing. All glass within a 24" radius of doorways is tempered. The plans indicate that the windows have 16"-wide poly around the window openings.

The clubhouse main doors are French-type doors with sidelights. All exit doors have panic hardware. Interior doors are similar French doors with up to 15 lights. Safety glazing is provided in these doors. The exterior doors to the equipment rooms are typically hollow metal doors in hollow metal frames.

Interior Finishes:

- ▲ Walls: Walls are painted gypsum wallboard.
- ▲ Floors & Base: Flooring is carpeting in the foyer, leasing and management offices, hallway, and exercise room; vinyl in the storage room; and tile in the restroom and kitchen. The equipment rooms typically have exposed concrete floors. All base, if any, is painted wood.
- ▲ Ceiling & Heights: Ceilings are painted gypsum wallboard at 9'-0" heights in the leasing office, 12'-0" in the manager's office, 14' in the exercise room, and vaulted in the clubroom.
- ▲ Lighting: Lighting is generally recessed incandescent, with indirect fluorescent in the clubroom.
- ▲ Window Treatment: Wood blinds are provided.
- ▲ Fireplaces: There is no fireplace in the clubhouse.
- ▲ Fire Sprinkler Head Type: The clubhouse does not have a fire sprinkler system.
- ▲ Exit Lights: There is one lit exit light with battery backup above the main entrance door.
- ▲ Emergency Lights: There is one emergency light with battery backup above the main entrance door.

TOILET/LOCKER ROOM FINISHES & FIXTURES:

- ▲ Walls: Walls are painted gypsum wallboard with 12" square tile wainscot.
- ▲ Floor & Base: There are 12" square tile floors and base.
- ▲ Showers: No showers are provided.
- ▲ Ceilings & Height: Ceilings are painted gypsum wallboard at 12' heights.
- ▲ Lighting: There is recessed incandescent lighting with 4-bulb Hollywood lights above the sinks.
- ▲ Water Closets/Urinals: There is one handicapped-accessible floor-mounted flush-tank toilet with grab bars. No urinals are provided.
- ▲ Lavatories/Vanities: There are plastic laminate tops with enameled sinks, lever handles, and insulated waste piping.
- ▲ GFCI Receptacles: GFCI receptacles were noted in both restrooms.

PLUMBING:

The domestic water piping material is copper, the waste piping is PVC, and the vent piping is PVC. The plans indicated two 20-gallon electric water heaters. We noted one water heater in the maintenance office and were informed that this was the only water heater.

MECHANICAL:

We noted a total of four pad-mounted condensing units around the clubhouse, including one 4-ton Trane unit along the east elevation and three Trane units along the west elevation (one 1½-ton unit and two 4-ton units). All units were manufactured in 1994.

ELECTRICAL:

Two electrical panels were noted in the maintenance office. They are 225-ampere panels with 120/240-volt, 1-phase, 3-wire services.

FIRE PROTECTION & LIFE SAFETY:

The clubhouse is not equipped with a fire sprinkler system. The plans state that a fire sprinkler system is not required, since the occupancy is A-3 with less than 300 occupants. An exit light and emergency light are mounted above the main entrance door.

OTHER:

The clubhouse kitchen is equipped with a double compartment stainless steel sink with disposal, full-size refrigerator, dishwasher, icemaker, and undercabinet microwave oven.

PROPERTY CONDITION

Conditions were observed at the time of our site visit that have been categorized as Code Compliance/Life Safety Issues, ADA Barrier Removal Issues, or Deferred Maintenance/Physical Condition Issues.

CODE COMPLIANCE/LIFE SAFETY ISSUES

At the time of our site visit, we observed conditions that were considered code violations or life safety issues. These items and the cost estimates to correct are listed in the charts on the following pages.

ADA BARRIER REMOVAL ISSUES

The building was designed and constructed after the enactment of the Americans with Disabilities Act (ADA) and Fair Housing Act (FHA). There are portions of the property that, in our opinion, require barrier-free access as defined by Title III of the ADA. As part of this property evaluation, attempts have been made to identify the basic barrier removal issues. This evaluation is not intended to serve as a comprehensive ADA survey. In addition, changes in building occupancy and use can result in the need to eliminate barriers. At the time of our site visit, we observed conditions that are considered barrier removal issues. These items and cost estimates to remove the barriers, as may be readily achievable, are listed in the charts on the following pages.

DEFERRED MAINTENANCE/PHYSICAL CONDITION ISSUES

There were deferred maintenance and physical condition issues noted that require remedial repairs and/or replacements. These items and cost estimates to correct are listed in the charts on the following pages.

Code Compliance/Life Safety Issues:

No. Item	Quantity	Units	Unit Cost	Immediate Cost
1.0 The apartment units are equipped with fire sprinkler systems (see Photo Nos. 16 and 82). We did note that the spare sprinkler head cabinet in the clubhouse contained glass bulb sprinkler heads manufactured by Central Sprinkler Company (see Photo No. 63). Central Sprinkler Company presently has a recall program for many heads they have manufactured. We recommend that Central be contacted to determine if these heads are on the recall list. We have not included any cost, as Central will reportedly pay for replacements.				
1.1 We note that the clubhouse is not equipped with a fire sprinkler system. The plans indicate that none is required due to the occupancy classification and expected number of people in the building. However, the clubhouse is equipped with fire exit and emergency lights and with panic hardware on the exit doors.				
2.0 No pull stations are provided at any buildings due to UBC Section 1211, Exception #2.				
3.0 The plans call for 750-Watt heat strips in the fire sprinkler riser/domestic water closets located on the exterior apartment building walls. We did not note any strip heaters in the closets (see Photo No. 16). The pipes were insulated; therefore, the chance of the lines freezing is diminished. Heat strips may be considered, but we have not added any cost.				
4.0 Backflow preventers are specified on the plans. We noted annual inspection reports dated May 25, 2001 for the backflow preventers.				
Code Compliance/Life Safety Subtotal				\$0.00

ADA/FHA Barrier Removal Issues:

No. Item	Quantity	Units	Unit Cost	Immediate Cost
1.0 The apartment units, clubhouse, and amenities were designed under the then-latest accessibility codes. Accessible routes are provided from the parking spaces to the apartment buildings, clubhouse, mailroom, and site amenities. All the ground floor apartment units are handicapped adaptable and include lowered thresholds, lever handle entrance doors, electrical outlets at 15" to 48" above the floor, 32" door openings, 36" corridor/hallways, 30" by 48" spaces in bathrooms and kitchens, blocking in bathroom walls for grab bars, and 40" space between counters in the kitchens. The only noted exception is that the thermostats for the heating and cooling systems are located at 54" above the floor. FHA guidelines allow a height of only 48". All of the ground floor units could be forced to lower the thermostats. We include an allowance of \$1,000 to lower a portion of the thermostats as needed.	1	Allowance	\$1,000.00	\$1,000.00
2.0 We counted a total of 7 surface handicapped spaces and 5 garage handicapped spaces, for a total of 12 handicapped spaces (see Photo Nos. 5, 13, and 29). The number of accessible parking spaces exceeds the 2% of the covered dwelling units required by FHA. One van-accessible space is provided next to the clubhouse. The handicapped spaces have the proper signage and widths.				
3.0 Curb ramps or cuts are typically located at the handicapped parking spaces. Some of the ramps have side slopes that exceed the 1:10 slope as shown in the plans. Modifications are needed to several of the ramps to meet this requirement. Also, the handicapped space at the northwest corner of Building 1 has the curb cut at the parking space and the access aisle is blocked by the trash enclosure (see Photo No. 13). We recommend that the parking space be moved to the south and the present space be utilized as the access aisle. We include a lump sum amount for these changes.	1	Is	\$1,000.00	\$1,000.00
4.0 We noticed only one ground floor unit entrance door without lever hardware. Changing out with lever hardware is considered to be a maintenance issue; therefore, no cost is included.				
ADA Barrier Removal Subtotal				\$2,000.00

Deferred Maintenance/Deficiency Issues:

No. Item	Quantity	Units	Unit Cost	Immediate Cost
1.0 The pavement at the site consists of Portland cement concrete pavement with brick pavers at the main entrance in front of the clubhouse (see Photo Nos. 3, 4, 34 through 36, 39, and 46). The brick pavers are in good condition and no deficiencies were noted. We did note that several areas of the concrete pavement have been replaced (see Photo Nos. 39 and 46). Ponding was observed along the centerlines of some areas near drainage inlets (see Photo Nos. 35 and 36). The problem appears to be minor in scope, and no remedial measures are recommended at this time. Cracking was noted in several areas (see Photo No. 47). It appears that these cracks have been filled. No deterioration of the cracks or changes in elevation were noted. The filling of additional cracks is considered a part of routine maintenance, and no cost is included. Refer to the Repair and Replacement Schedule for future maintenance costs.				
1.1 One section of concrete curbing has been repaired (see Photo No. 22). We did not note any other damaged areas. Future repairs should be covered under the pavement maintenance in the Repair and Replacement				
2.0 The exposed aggregate sidewalks and pool deck are in overall good condition (see Photo Nos. 6, 14, 25, 45, and 54). We did note two areas where the sidewalk was slightly depressed, causing ponding and the accumulation of soil (see Photo Nos. 9 and 42). We recommend replacement of these sections.	1	ls	\$750.00	\$750.00
3.0 The wood slat fence along the east, south, and west property lines appears to be in good condition, but should be pressure washed (see Photo No. 34).	1	ls	\$750.00	\$750.00
4.0 The exterior walls consist of a combination of face brick veneer, hardplank siding, and wood trim (see Photo Nos. 5, 7, 12, 14, 38, and 39). The brick veneer is in overall good condition. Problems were noted with cracked areas at Buildings 5 and 8 (see Photo Nos. 40, 41, 43, 48, 49, and 50). The center portions of the Building 5 south and north elevations have cracks extending from the gutterline to the foundation (see Photo Nos. 40, 41, and 43). A crack was noted in the visible section of the foundation, but no change in elevation was noted. The cracking in Building 8 was less severe (see Photo Nos. 48, 49, and 50). Only these two buildings exhibited this cracking. We noted silicone sealant in some of the cracks. At this time, we recommend mortar repair and tuckpointing of the cracks. These areas should be monitored for further movement. Also, the interior units in these areas should be monitored for wall cracking, indicating possible structural problems.	1	ls	\$2,500.00	\$2,500.00
4.1 Staining of the face brick was noted in several corners and is assumed to be the result of water overflow or leaks in the adjacent gutter sections (see Photo No. 17). Stains were also noted on the north elevations of Buildings 5 and 8. Pressure washing of these areas is recommended.	1	ls	\$500.00	\$500.00
4.2 The hardplank siding appears to be in good condition and no repairs are needed.				

No. Item	Quantity	Units	Unit Cost	Immediate Cost
4.3 The wood trim for the building is in average condition. Deterioration, peeling paint, and other blemishes were noted in several areas (see Photo Nos. 8, 26, 27, 32, and 44). Also, in those areas that have caulking, some areas were split (see Photo No. 90). We include \$1,500 for immediate repairs and an annual amount in the Repair and Replacement Schedule.	1	ls	\$1,500.00	\$1,500.00
5.0 The hardplank and wood trim areas on the buildings are painted. It appears that the south elevations of Buildings 3, 4, and 5 are showing shadows and peeling paint (see Photo Nos. 33 and 38). Various wood trim areas also have peeling paint. We recommend painting four buildings in Year 1 and the remainder in Year 2. See the Repair and Replacement Schedule for these costs.				
6.0 The pitched shingle roofs appear to be in good overall condition. Several areas were noted with missing tabs (see Photo No. 27). We understand that an outside contractor performs roof repairs, and we include an amount for replacing the missing tabs.	1	ls	\$500.00	\$500.00
6.1 The plans indicate soffit vents in the plywood soffit. We did not note any soffit vents (see Photo Nos. 32 and 37). The attic area we inspected was not extremely hot. We did not perform any calculations to determine if the provided ventilation is sufficient for the attic areas. No cost is included for this item.				
7.0 The supplied HVAC systems appear to be adequate for the units (see Photo Nos. 11, 15, and 82). See the Repair and Replacement Schedule for replacement costs.				
8.0 The unit appliances are in good condition. See the Repair and Replacement Schedule for anticipated replacement costs.				
8.1 The property management indicated that the unit carpeting is replaced on a 4- to 5-year schedule. See the Repair and Replacement Schedule for replacement costs.				
9.0 The ceiling areas of several 3 rd floor breezeways have cracked joints (see Photo No. 23). Repair of these areas is recommended.	1	ls	\$750.00	\$750.00
10.0 Aluminum electrical feeder wiring was noted in the units (see Photo No. 68). We recommend that tightening of the connections be included as a part of the routine maintenance.				
Deferred Maintenance/Property Deficiency Subtotal				\$7,250.00

COST SUMMARY

	<u>IMMEDIATE COST</u>
CODE COMPLIANCE/LIFE SAFETY ISSUES SUBTOTAL	\$0.00
ADA BARRIER REMOVAL ISSUES SUBTOTAL	\$2,000.00
DEFERRED MAINTENANCE/PROPERTY DEFICIENCY SUBTOTAL	\$7,250.00
COST TOTALS	\$9,250.00

MAINTENANCE

The following information was indicated by Ginger Jones-Strange, property manager, relative to the routine maintenance of the property:

1. Staff Size: The maintenance staff consists of four full-time personnel: a lead maintenance person, a make-ready person, a porter, and a maid.
2. Landscaping: The landscaping is outside contracted to KNB. KNB makes weekly site visits and includes seasonal flower changes. KNB also maintains and repairs the irrigation system.
3. Pest Control: Pest control is outside contracted to Big Country. Big Country visits weekly for resident requests. All units are serviced two times per year and rodent traps are checked monthly.
4. Rubbish Removal: Rubbish removal is outside contracted to Browning-Ferris (BFI). BFI picks up three times per week—Monday, Wednesday, and Friday.
5. Roofing: Camp Roofing is utilized on an on-call basis for roof repairs.
Management indicated that roof warranties were in effect, but was not sure of the warranty term.
6. HVAC: The maintenance staff replaces HVAC filters quarterly or on request. The lead maintenance person is certified to perform freon work.
7. Plumbing: The maintenance staff handles most plumbing problems, but would outside contract larger problems. Annual backflow preventer inspections are performed by AAA Plumbing. The last inspection was performed May 25, 2001.
8. Electrical: The maintenance staff handles most electrical problems, but would outside contract larger problems.
9. Fire Sprinkler System: A-1 Fire Sprinkler performs annual fire sprinkler system tests and maintains the fire extinguishers.
10. Fire Alarm/Off-Site Monitoring Agency: AlarmTech monitors the fire alarm panels.
11. Pool: The porter handles the pool maintenance. City inspectors visit the site regularly.

Based on our review of the maintenance procedures, it is our opinion that the provided maintenance has prevented an accumulation of deferred maintenance issues. Enhancement of the routine maintenance procedures will be required as the property improvements continue to age.

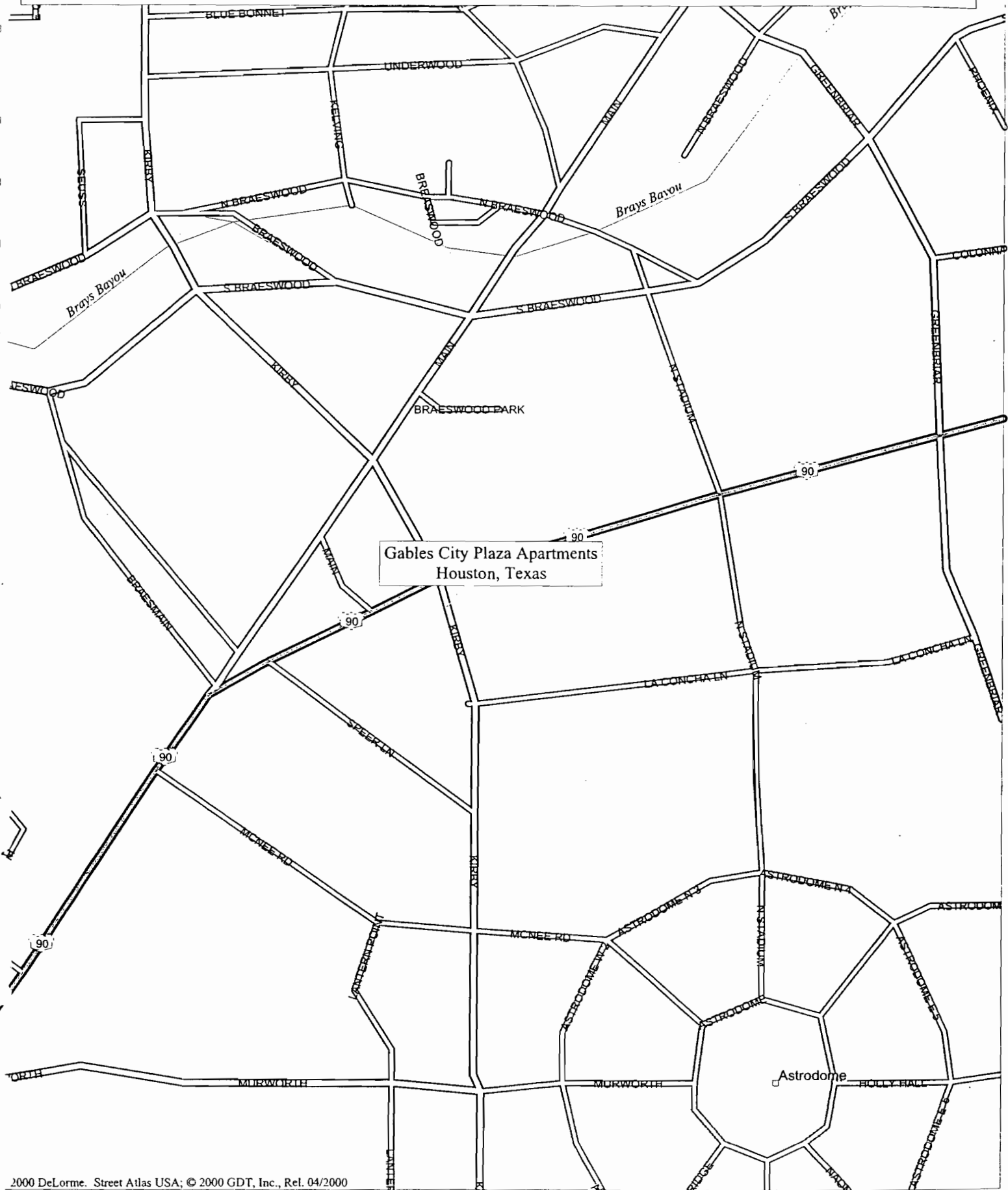
CODE COMPLIANCE

We have contacted the Houston Building Inspection Department by written request to determine the status of any open code violation. To date, we have not received a response to our inquiry.

We have also contacted the City of Houston Fire Marshal's Office to determine the status of open code violations. To date, we have not received a response to our inquiry.

At the time of our site visit, we observed conditions that are considered code violations or life safety issues, as well as ADA accessibility issues. These conditions with associated estimated costs to correct are contained in the *Property Condition Section*.

Gables City Plaza Apartments, Houston, TX



Gables City Plaza Apartments
Houston, Texas

PROPERTY EVALUATION REPORT

GABLES CITY PLAZA APARTMENTS

Houston, Texas

September 28, 2001

REPAIR AND REF

Property Component	Quantity	Units	Unit Cost	Footnr	Year 7 2008	Year 8 2009	Year 9 2010	Year 10 2011	10 Year Totals
Site									
Sidewalks & Pool Slabs	18,000	sf	\$5.00	(c)					\$0
Exterior Stairs	20	ea	\$3,000.00						\$0
Concrete Patios	82	ea	\$500.00						\$0
Concrete Pav't Maint.	121,000	sf	\$0.05	(d)		\$6,050		\$6,050	\$30,250
Concrete Pav't Replace	121,000	sf	\$5.00	(e)					\$0
Wrought Iron Fencing	1,000	lf	\$40.00						\$0
Wood Slat Fencing	1,600	lf	\$0.25	(f)	\$400	\$400	\$400	\$400	\$4,000
Buildings									
Face Brick Veneer	62,000	sf	\$10.00	(g)	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000
Hardiplank Siding	64,000	sf	\$2.50	(h)					\$0
Wood Trim	1	ls	\$1,000.00	(i)	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000
Balconies	164	ea	\$500.00						\$0
Paint and Caulk	62,000	sf	\$0.50	(j)		\$15,500	\$15,500		\$62,000
Roofing	120,000	sf	\$1.50	(k)					\$0
Apartment Units									
Carpeting	246	ea	\$600.00	(l)	\$29,520	\$29,520	\$29,520	\$29,520	\$295,200
Vinyl Flooring	246	ea	\$150.00	(l)	\$7,380	\$7,380	\$7,380	\$7,380	\$73,800
Refrigerator	246	ea	\$650.00	(m)	\$20,000	\$20,000	\$20,000	\$20,000	\$80,000
Range	246	ea	\$350.00	(m)	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
Dishwasher	246	ea	\$250.00	(m)	\$6,150	\$6,150	\$6,150	\$6,150	\$55,350
Washer and Dryer	246	ea	\$750.00	(m)	\$25,000	\$25,000	\$25,000	\$25,000	\$100,000
Water Heater	246	ea	\$250.00	(m)	\$6,150	\$6,150	\$6,150	\$6,150	\$24,600
Furnace / Condensing Unit	246	ea	\$750.00	(m)	\$30,000	\$30,000	\$30,000	\$30,000	\$120,000
Clubhouse Building									
Exterior Shell	1	ls	\$200.00	(n)	\$200	\$200	\$200	\$200	\$2,000
Roofing	4,300	sf	\$1.50	(k)					\$0
Interior Finishes	1	ls	\$2,500.00	(o)			\$2,500		\$2,500
Pool Equipment and Shell	1	ls	\$3,500.00	(p)					\$3,500
Totals									
Site Subtotal					\$400	\$6,450	\$400	\$6,450	\$34,250
Buildings Subtotal					\$2,000	\$17,500	\$17,500	\$2,000	\$82,000
Apartments Subtotal					\$134,200	\$134,200	\$134,200	\$134,200	\$788,950
Clubhouse / Leasing Office Su					\$200	\$200	\$2,700	\$200	\$8,000
TOTALS					\$136,800	\$158,350	\$154,800	\$142,850	\$913,200

Footnotes:

- a. Expected life values are based upon the assumed age of the building component and the assumption that the work outlined in the Property Condition Section is performed and that continued proper routine maintenance is provided.
- b. Remaining life assumes that recommended repair work outlined in the Property Condition Section and annual maintenance are performed.
- c. The sidewalks and pool deck are in good condition. Replacement of some areas is included in the Property Condition Section of the Report.
- d. The amount indicated for biannual maintenance includes costs for spall repairs and crackfilling.
- e. We do not anticipate concrete pavement replacement in the next 10 years.
- f. Included is an annual amount for spot replacement of wood slats and pressure washing.
- g. The face brick is in good condition other than Buildings 5 and 8. We include an annual amount for tuckpointing and pressure washing.
- h. The hardiplank siding is in good condition. Painting and caulking are included below.
- i. An annual maintenance amount is included for replacing and spot repairs of the wood trim.
- j. Painting of the eight apartment buildings and five garages is split between Years 1 and 2 and is repeated seven years later.
- k. The roof shingles appeared to be in good condition. No replacements are planned in the next 10 years.
- l. The carpeting and vinyl flooring are set up on a 5-year replacement schedule.
- m. The replacement costs for the appliances and condensing units is started before the expected useful life and is spread out over several years. Some of the costs are beyond this 10-year schedule.
- n. Included is an annual amount for brick tuckpointing and minor painting.
- o. Cost for refinishing the clubhouse interior.
- p. Parts of the pool equipment have been recently refurbished.



1. View looking south at the main apartment property entrance off Old Spanish Trail.



2. View looking east along Old Spanish Trail. Note the wrought iron fencing to the right.



3. View of the guardhouse to the left and the entrance and exit gates in the background.



4. View looking east at the brick paver section of pavement in front of the clubhouse.



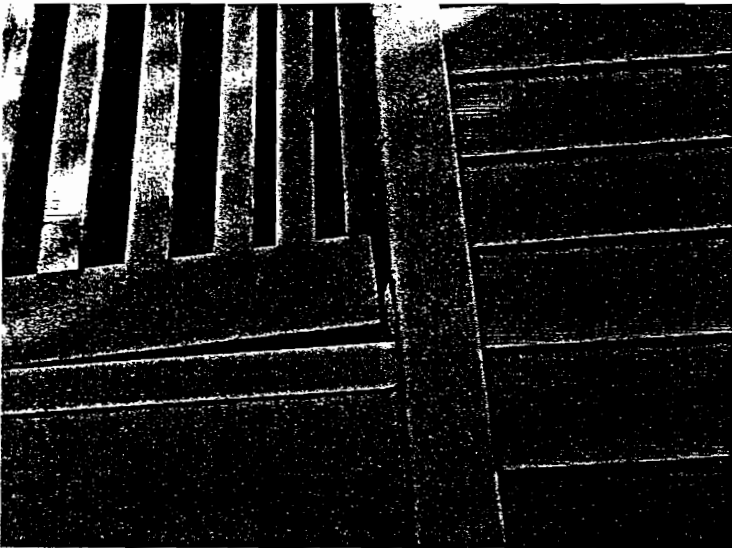
5. View looking west at the south (front) elevation of Building 1.



6. View of the southeast stairs and breezeway at Building 1.



7. View of the typical face brick/hardiplank sections of exterior wall. Also note the precast section, with unit numbers, exterior HID light, and dryer vents.



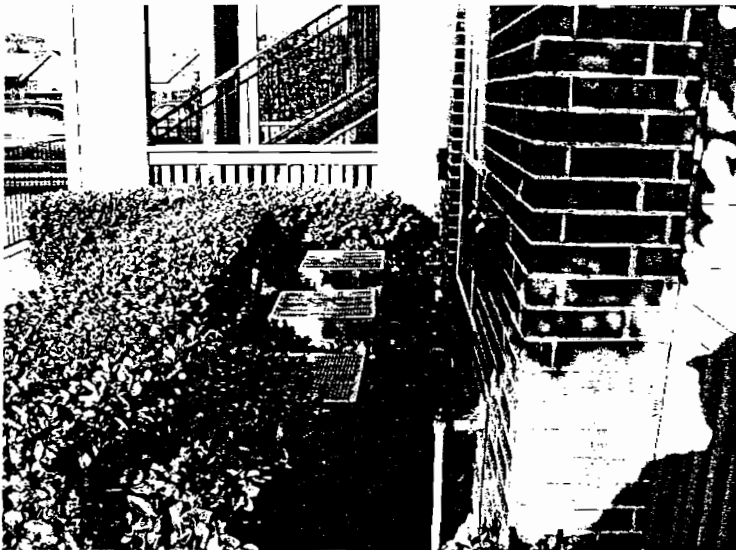
8. View of an area on the south elevation of Building 1 where the bottom wood rail on one of the balconies has come loose.



9. View of the sidewalk area on the south side of Building 1 where the sidewalk is slightly depressed and ponding water. It appears that the downspout runoff is directed onto the walking surface. The discharge should be redirected.



10. View of the typical fire hose connection and associated alarm bell on the exterior south elevation of Building 1.



11. View of the typical arrangement for the HVAC condensing units. One continuous concrete pad is provided with separate electrical panel boxes.



12. View looking north at the west elevation of Building 1.



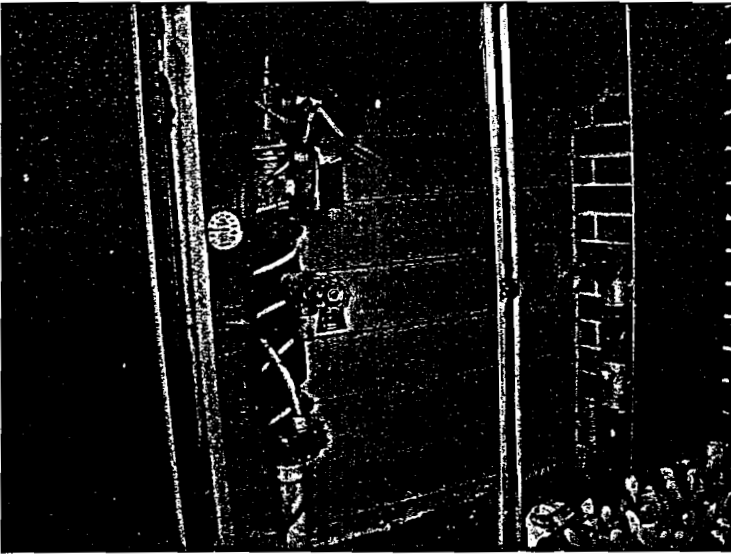
13. View of the trash enclosure and handicapped-accessible parking space at the northwest corner of Building 1. The ramp for the handicapped-accessible space should be on the access aisle. The trash enclosure appears to interfere with the access aisle.



14. View looking east on the north (rear) elevation of Building 1. The sidewalk shown here is the accessible path. The accessible paths are typically located at the rear building elevations.



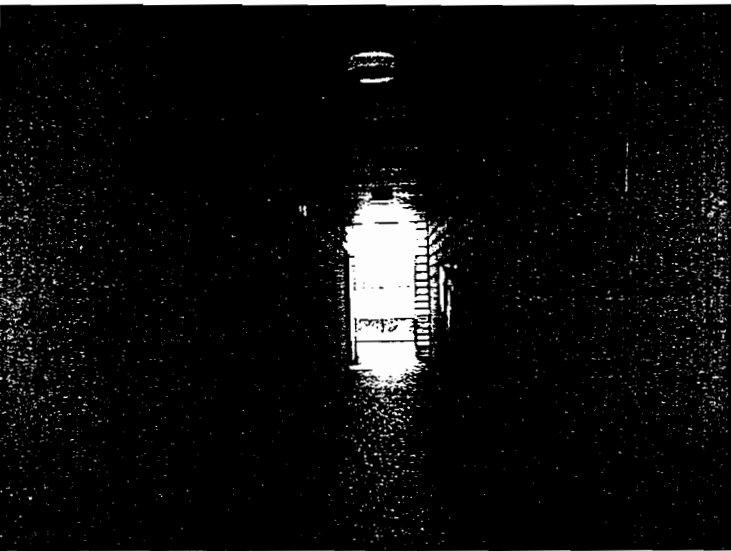
15. View of the HVAC condensers and electric meter panels at the west end of Building 1.



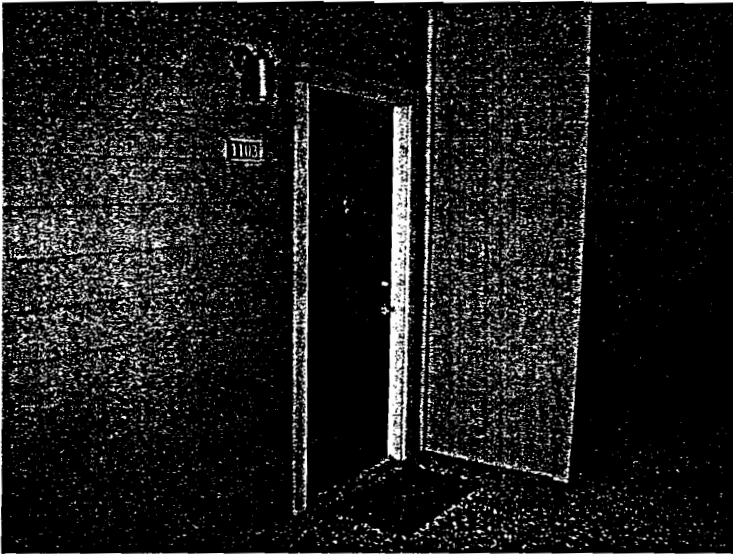
16. View of the incoming domestic water and fire sprinkler riser closet at the north elevation of Building 1. Note that the riser has a flow switch and valve alarm. No heaters are located in the closets.



17. View of wall staining on the north elevation, east end of Building 1. Also, the end wood trim piece at the backside of the lower roof appears to be rotted.



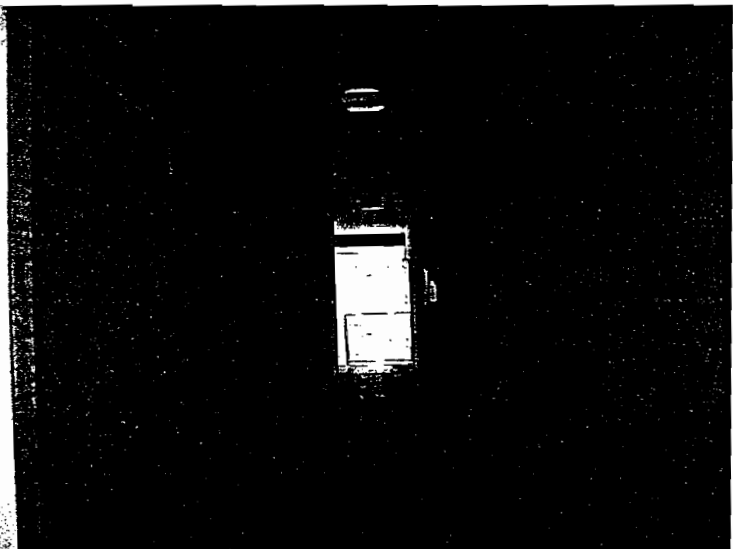
18. View of the ground floor breezeway at the east end of Building 1. All breezeways are equipped with fire extinguisher cabinets and audible/strobe alarms. One breezeway in each building also contains the building fire alarm control panel (shown in this photo).



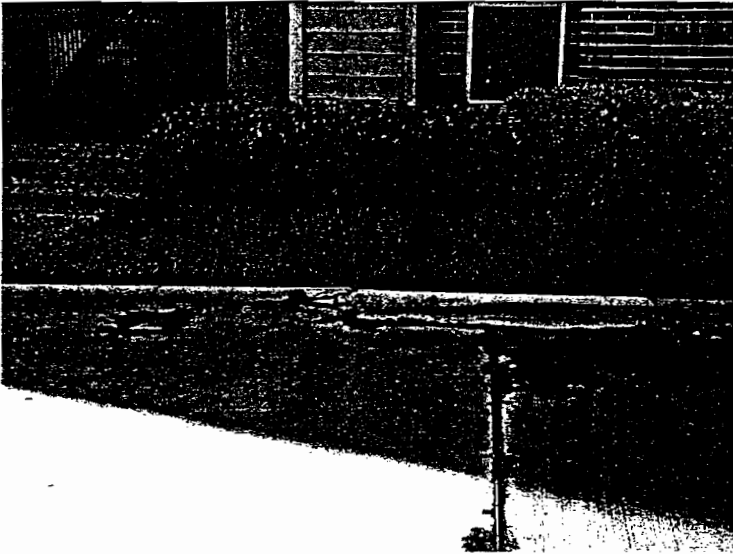
19. View of the typical ground floor unit entrance with lowered threshold, lever hardware, viewport, wood unit number, and fluorescent light.



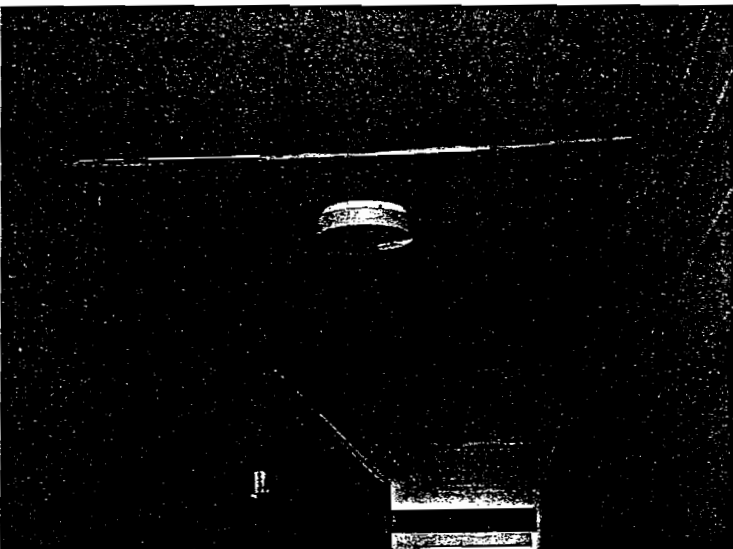
20. View of the typical stair construction at the ends of the breezeways.



21. View of the 3rd floor breezeway at Building 1. The upper breezeways have concrete floors.



22. View of a section of repaired curbing at the north elevation of Building 2.



23. View of cracks at the joints in the ceiling of the 3rd floor at the west breezeway in Building 2.



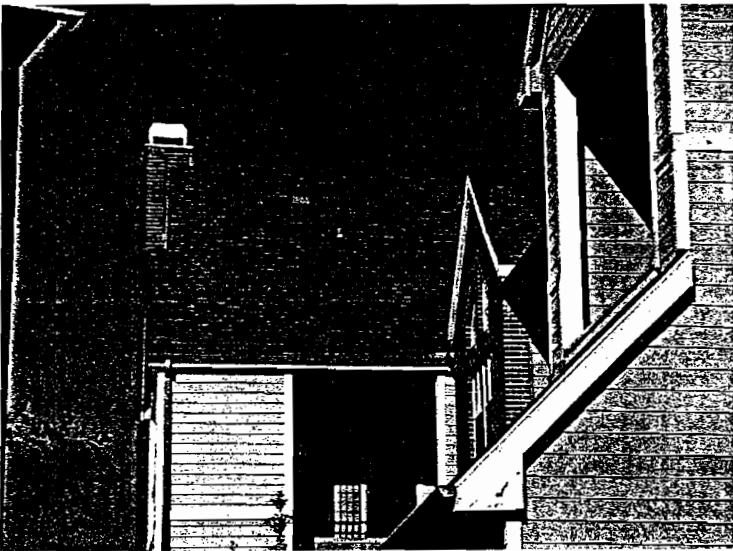
24. View of an irrigation sprinkler head at the east elevation of Building 2. The wood joints in this area have been sealed against water infiltration.



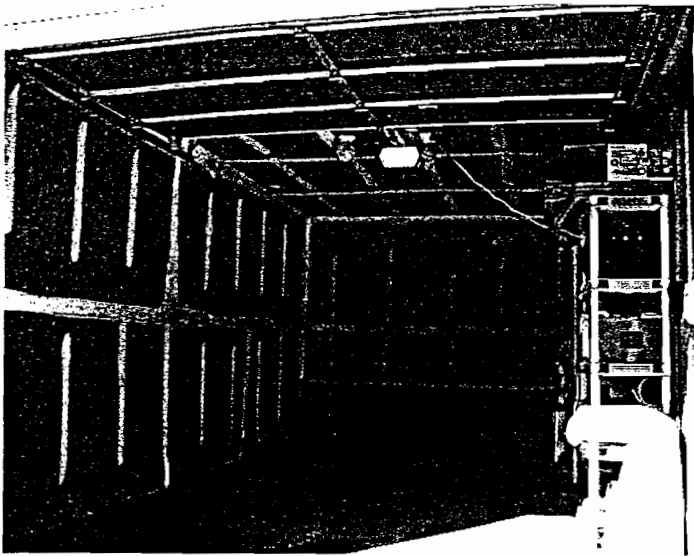
25. View of the barbeque area between Buildings 2 and 4. Two charcoal grilles are provided, along with a fire extinguisher.



26. View of a wood rail on the south elevation of Building 2 that will eventually need replacement.



27. View looking west along the south elevation of Building 2. Note the peeling paint on the wood trim in the foreground and the missing shingle tabs on the roof section in the background.



28. View inside one of the regular garage spaces. Each space has a garage door opener.



29. View of the accessible garage space at the north end of Building 11. The accessible spaces also have a personnel door into the space.



30. View looking south at garage Building 11. Only Buildings 11 and 15 have brick on the north elevation only.



31. View of one of several downspouts that connect to the underground storm sewer system. This downspout is on the north elevation of Building 3.



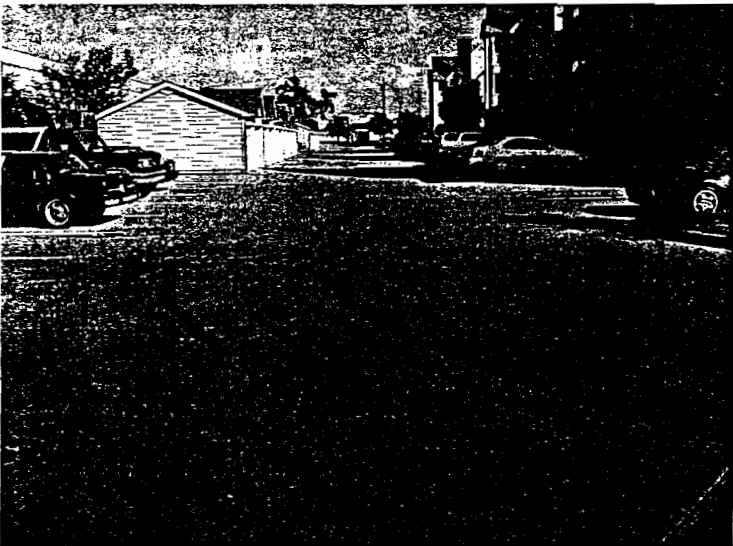
32. View of the blemished wood trim on the south elevation of Building 3.



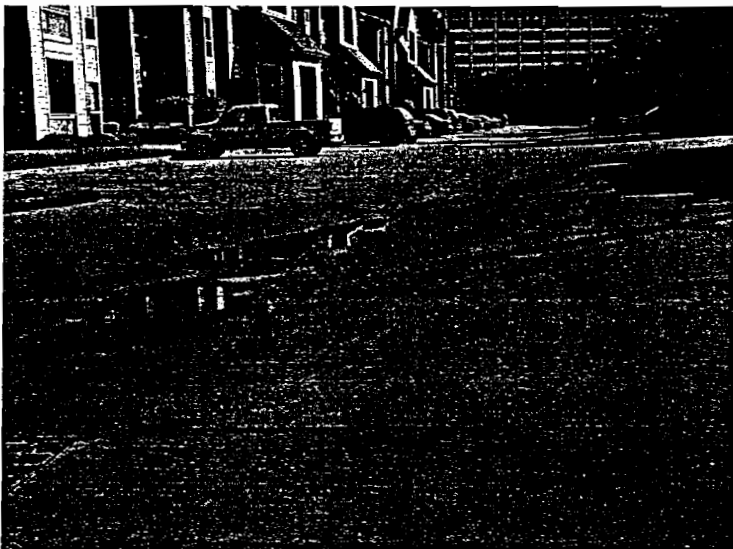
33. View of the south elevation of Building 3. Note the shadowing of the painted wood areas.



34. View looking east at the wood slat fencing along the south property line.



35. View looking north at the west access drive area. Some minor ponding is noted along the centerline.



36. View looking east at the south drive area. Some minor ponding is noticed on this section also.



37. View of the wood soffit area at the northeast corner of Building 4. The plans call for soffit vents, but none were observed.



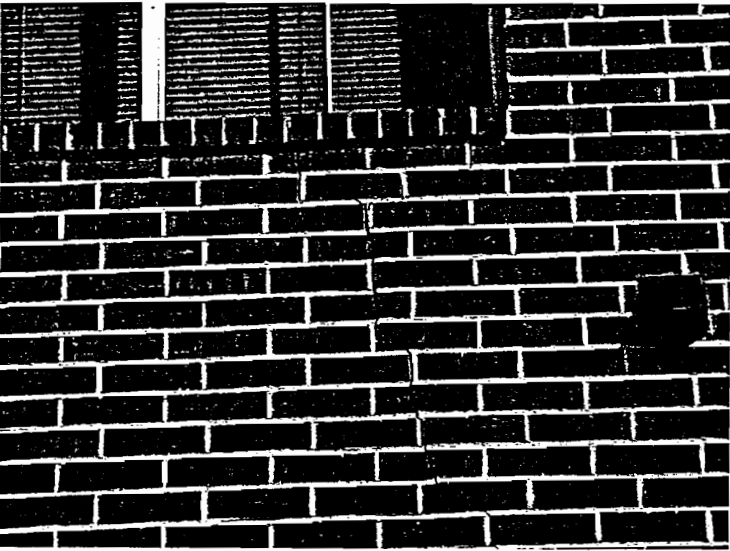
38. View looking east at the south elevation of Building 4. The shadowing paint is also visible at this building.



39. View of the replaced section of concrete pavement to the south of Building 4.



40. View of the brick veneer cracking on the south elevation of Building 5 from the top down to the 3rd and 2nd floor windows.



41. View of the continuation of the crack shown in Photo No. 40 below the 2nd floor window.



42. View at the south elevation of Building 5 showing a depressed section of concrete sidewalk that should be replaced. This area is next to a handicapped-accessible parking space.



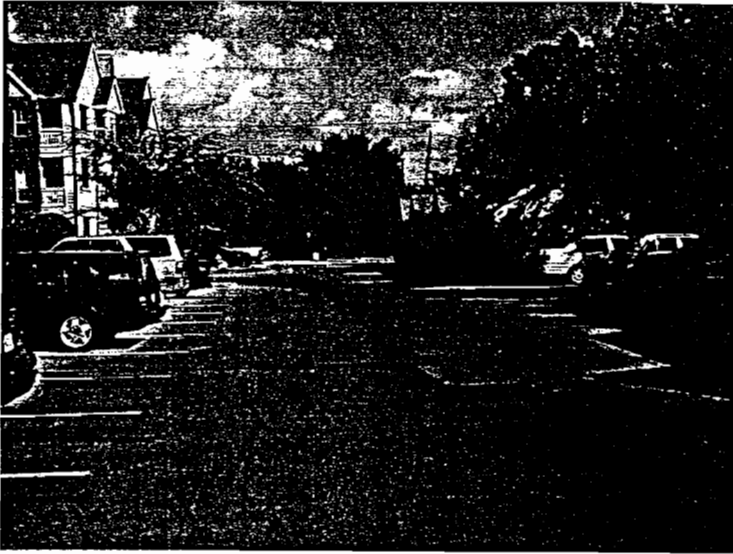
43. View of brick veneer cracking on the north elevation of Building 5. These cracks appear to have been filled in with a silicone sealant.



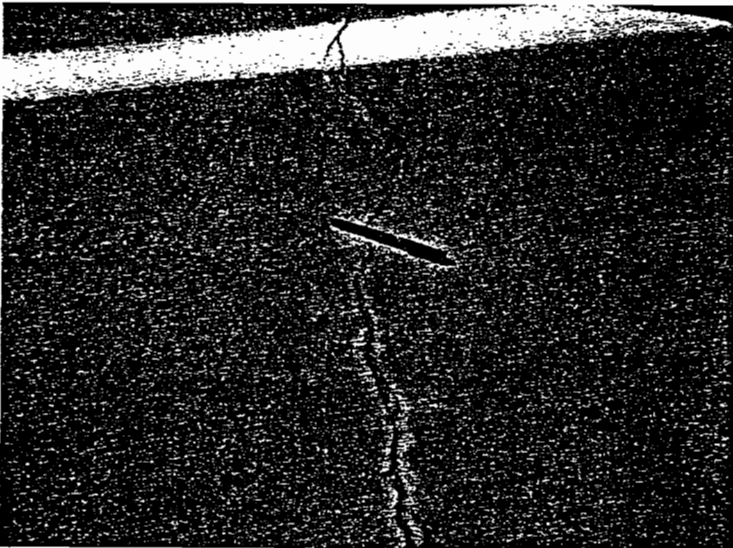
44. View of blemished wood trim on the southwest corner of Building 7.



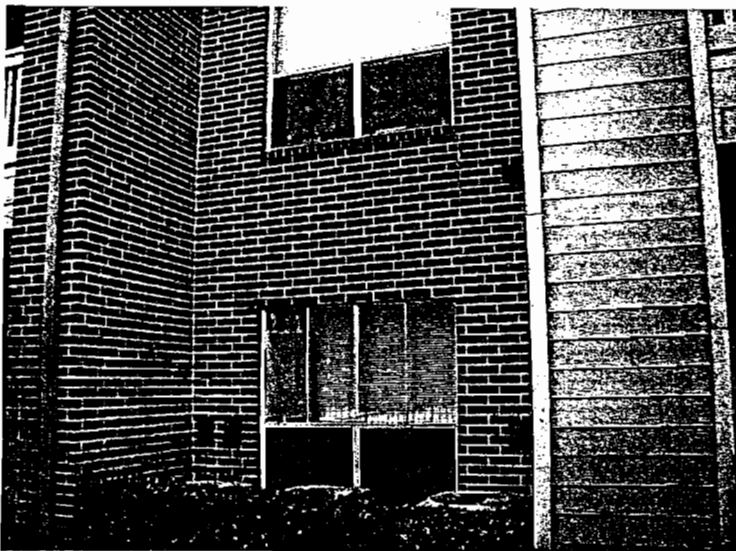
45. View looking south at the courtyard area between Buildings 6 and 7. Building 5 is in the background.



46. View looking north along the east access road. One area has been patched.



47. View of the typical cracks found intermittently throughout the concrete pavement. It appears that these cracks have been filled.



48. View of a section on the north elevation of Building 8 where cracking in the brick veneer was noted.



49. View of the cracking in the corner of the area shown in Photo No. 48. The window frame also appears to be slightly offset.



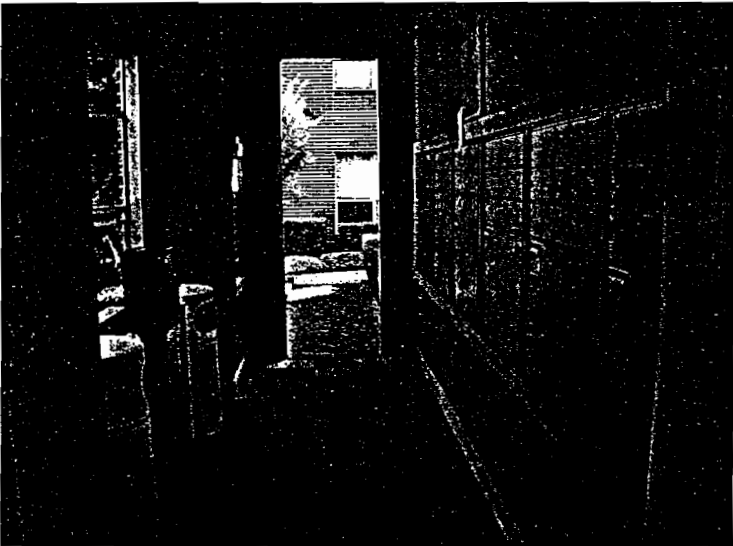
50. View of additional cracking on the west elevation of Building 8.



51. View looking south at the front (north) elevation of the clubhouse.



52. View of the van-accessible parking space next to the clubhouse.



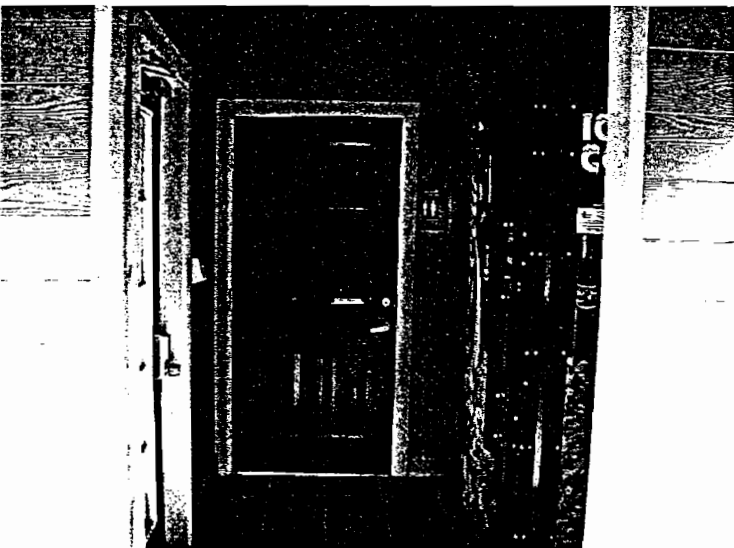
53. View of the mailroom area at the north elevation of the clubhouse.



54. View looking east at the pool area.



55. View looking north at the south clubhouse elevation.



56. View of the vending and pool restroom area at the southeast corner of the clubhouse. The exercise room door is to the left.



57. View inside the pool unisex restroom.



58. View of the clubhouse main room area.



59. View looking at the clubhouse main entrance, with exit and emergency lights.



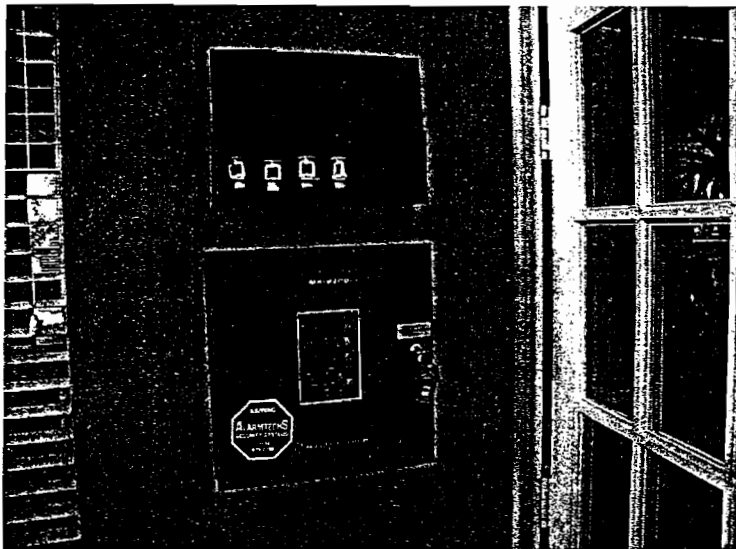
60. View inside the clubhouse kitchen area.



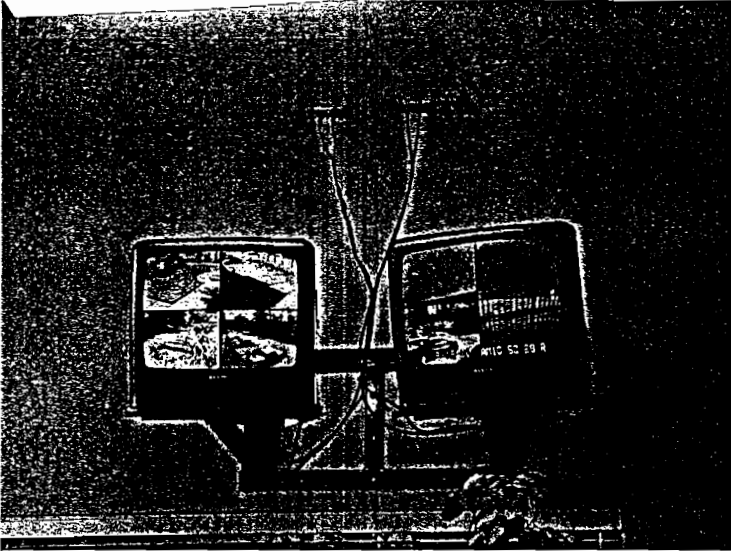
61. View inside the clubhouse unisex restroom.



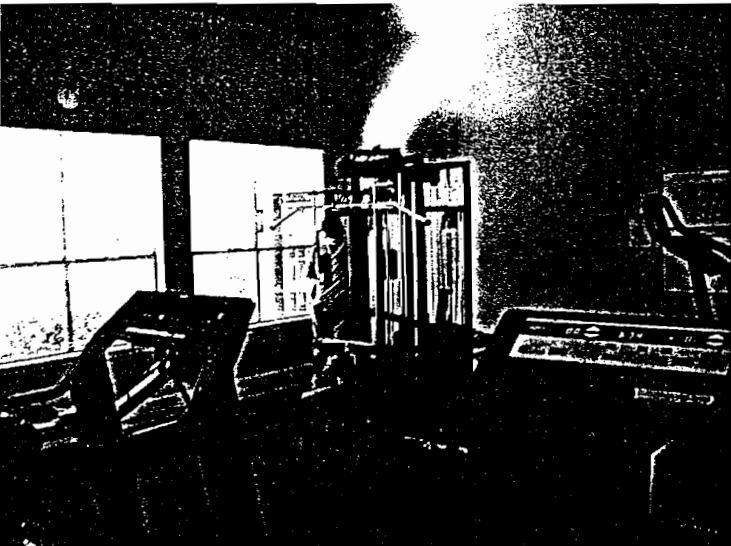
62. View of the clubhouse office area.



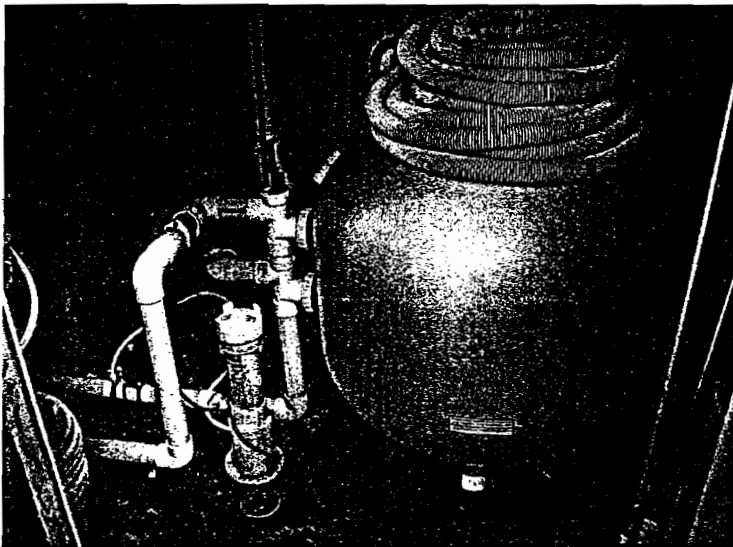
63. View of the main fire alarm control panel inside the clubhouse office.



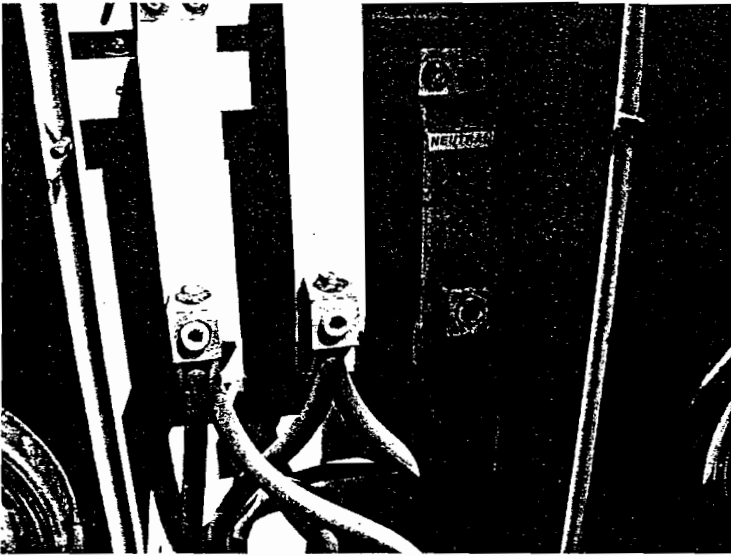
64. View of the two televisions in the clubhouse offices. The televisions monitor the eight outside cameras.



65. View inside the exercise room in the clubhouse.



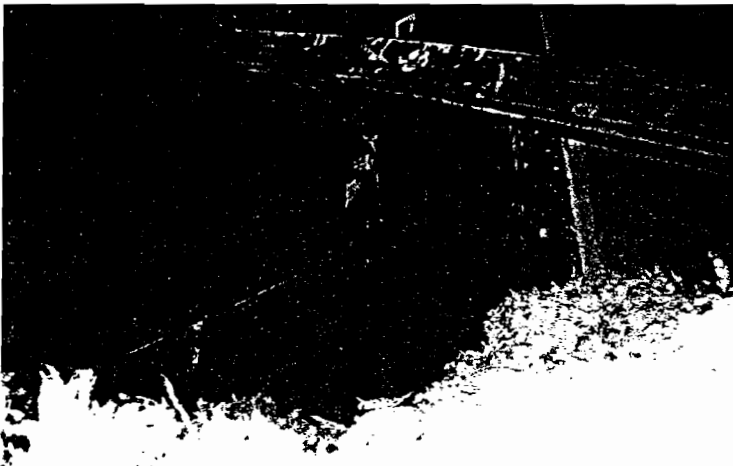
66. View of the pool equipment room.



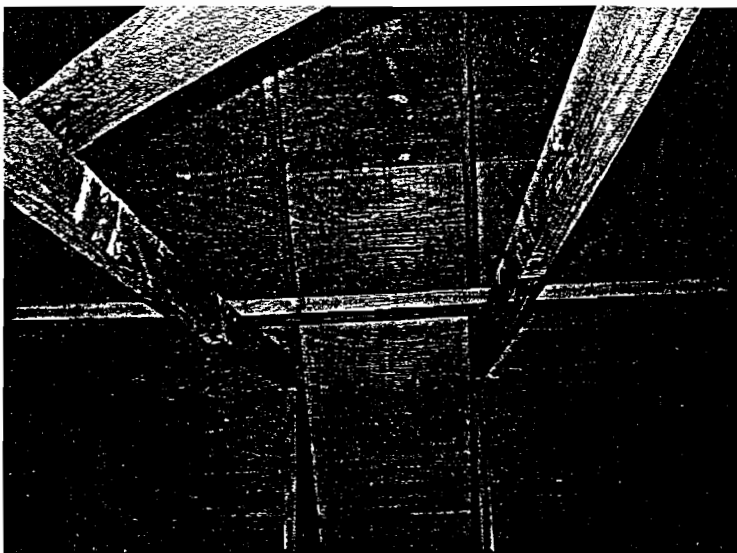
67. View inside one of the electric meter panels on the east elevation of Building 2. Aluminum wiring was noted.



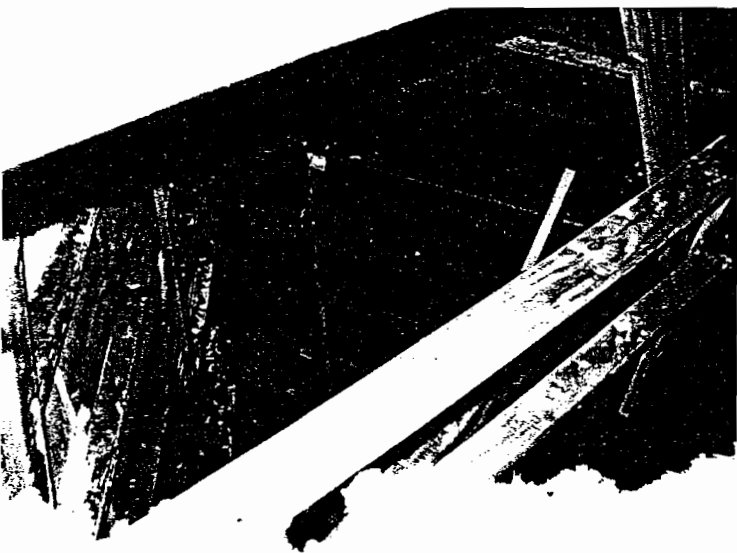
68. View inside the electrical panel in Unit 4305 where aluminum feeder wiring and copper branch wiring were noted.



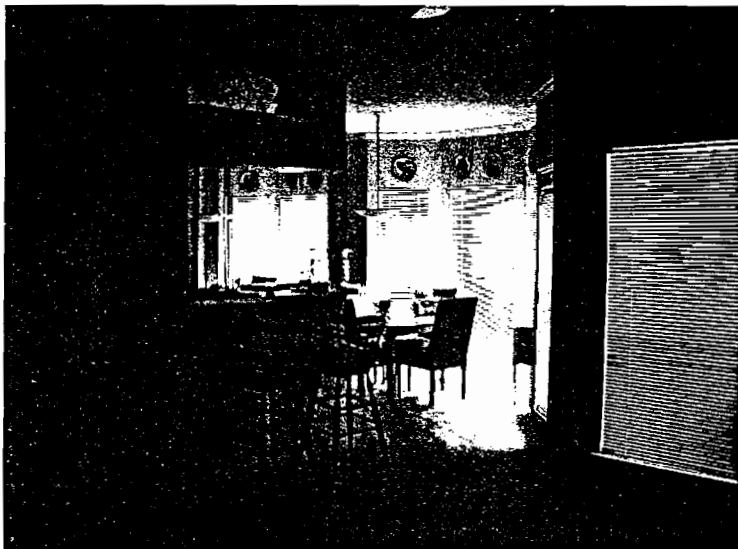
69. View of one of the draftstops above Unit 4305. Also note the blown insulation.



70. View of the typical interior roof structure.



71. View of typical roof venting.



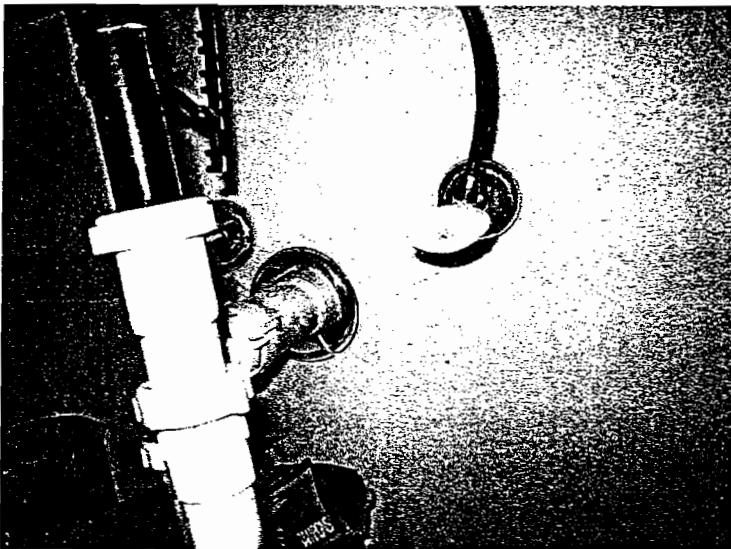
72. View from the living room to the dining room in Unit 1102 showing typical unit finishes.



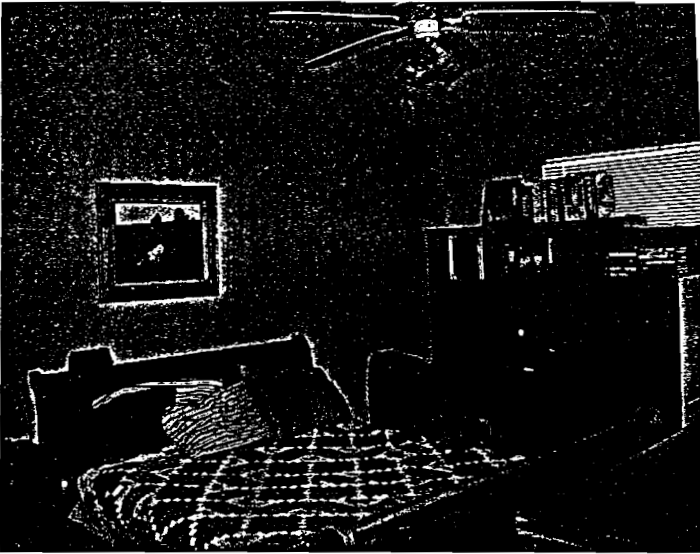
73. View of the kitchen area in Unit 1102 (a "C" unit). All appliances are electric.



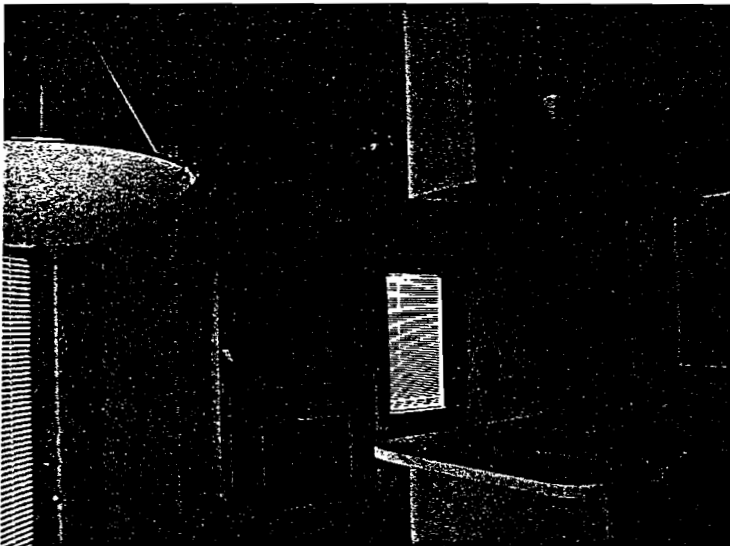
74. View of the Unit 1102 bathroom. All units have garden tubs.



75. View of the undersink bathroom plumbing, consisting of copper piping for water and PVC for waste.



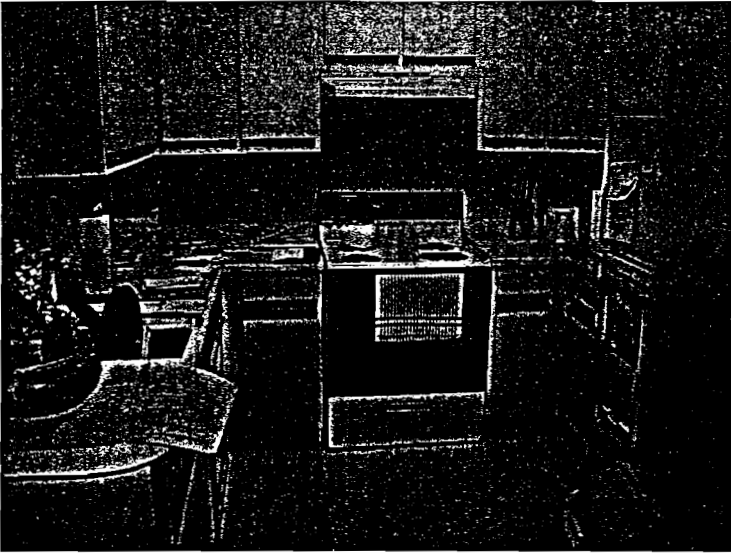
76. View in Unit 1102 showing a typical bedroom. All bedrooms have ceiling fans/lights.



77. View of Unit 2303, with a fireplace and vaulted ceiling.



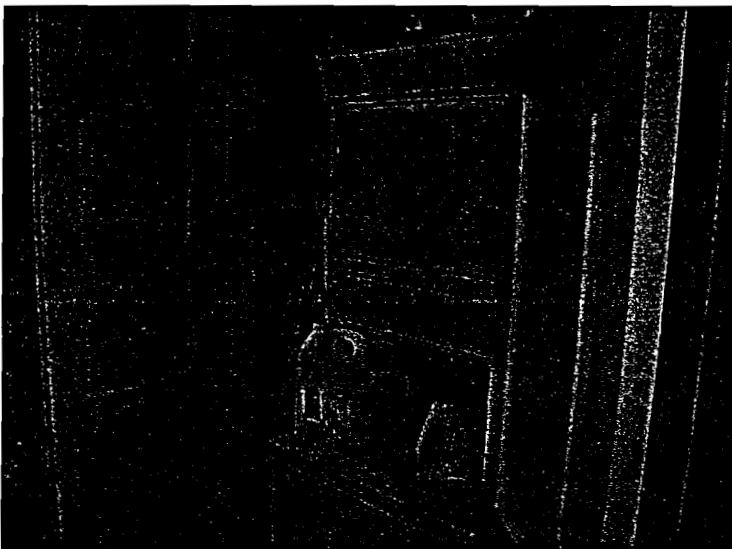
78. View of a typical upper floor balcony.



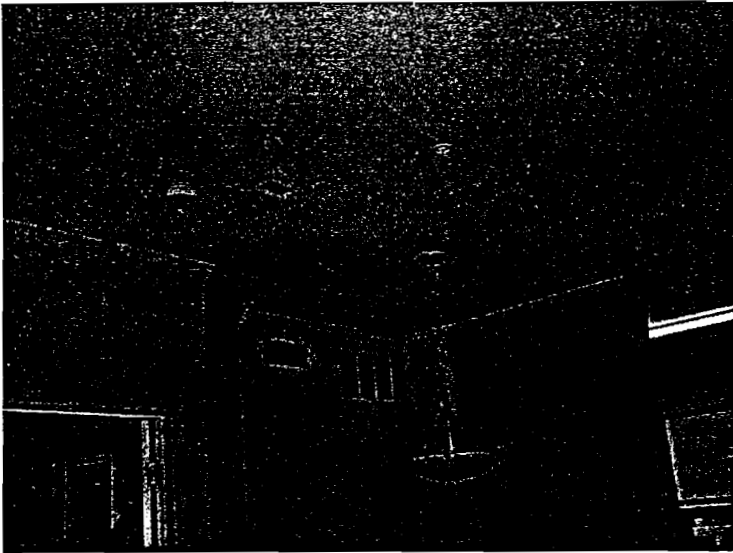
79. View of the U-shaped kitchen in Unit 2302.



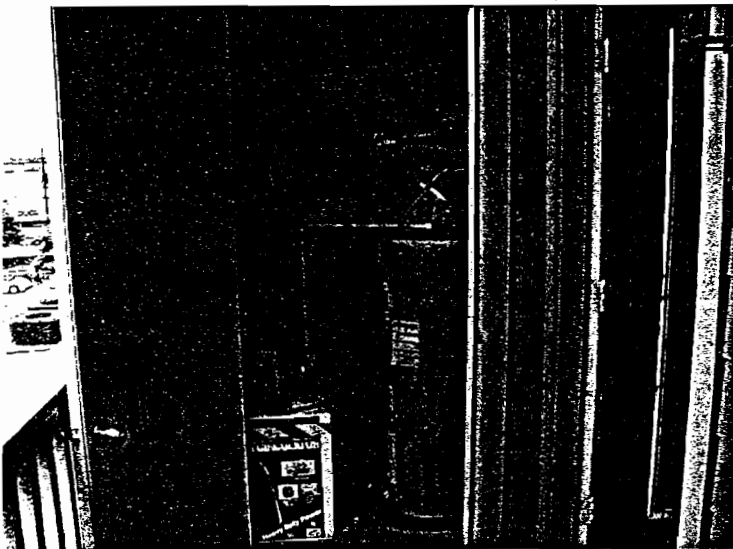
80. View of the bathroom in Unit 2302, with the walk-in closet in the background. The tub is to the right.



81. View of the full-size stackable washer and dryer in Unit 2302.



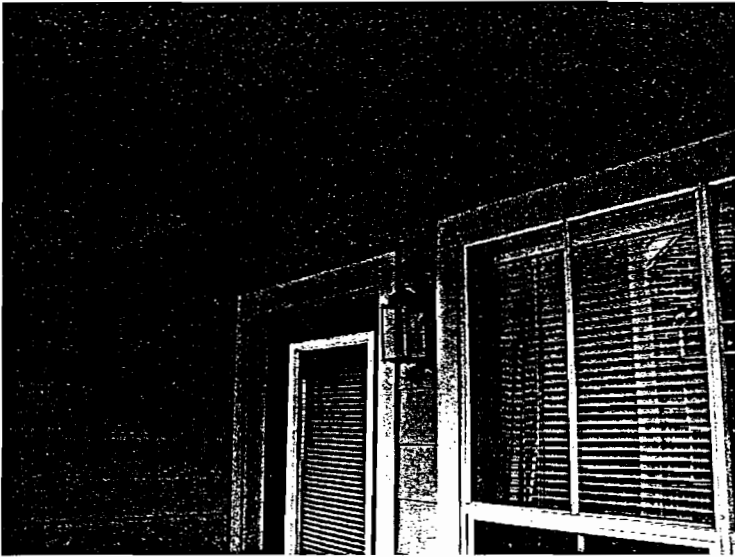
82. View of the typical dining room area light fixture, smoke alarm, speaker for the unit alarm system, exposed sprinkler head, air intake grille, and diffuser grille.



83. View of the typical 40-gallon water heater located in the outside storage area of Unit 2302.



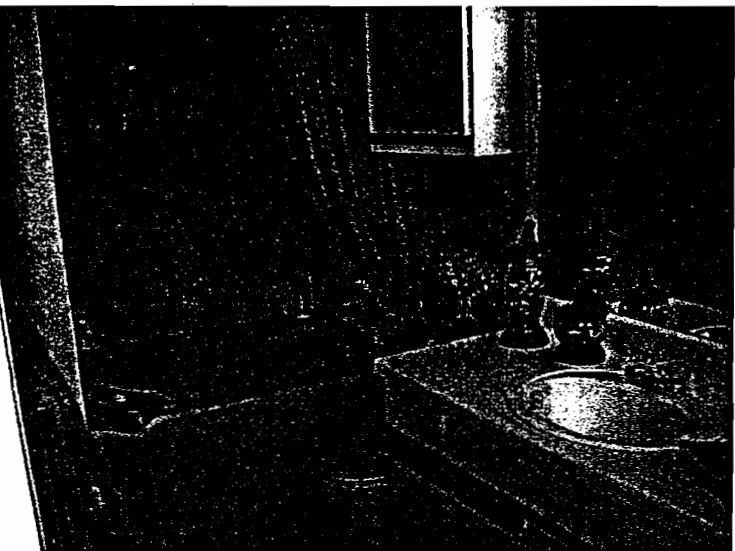
84. View of the entrance area and kitchen in Unit 2309 (a "B" unit).



85. View of a typical door and light to the balcony/patio area.



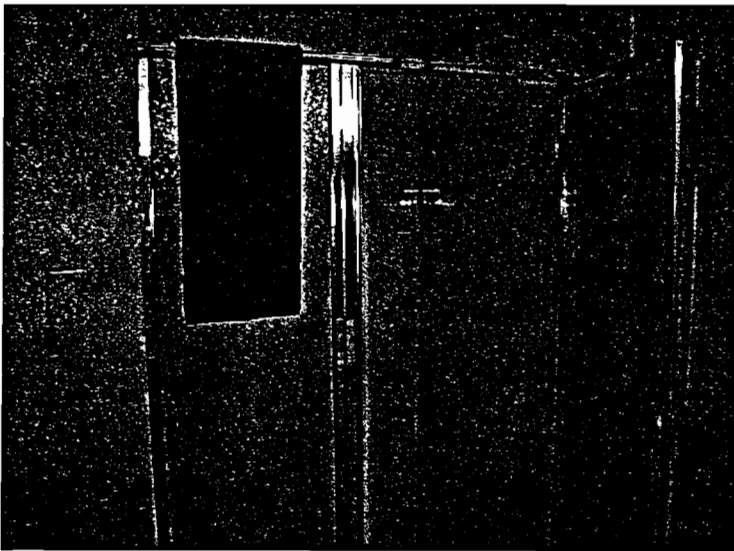
86. View inside Unit 3302, a model unit, showing the side-by-side washer and dryer units.



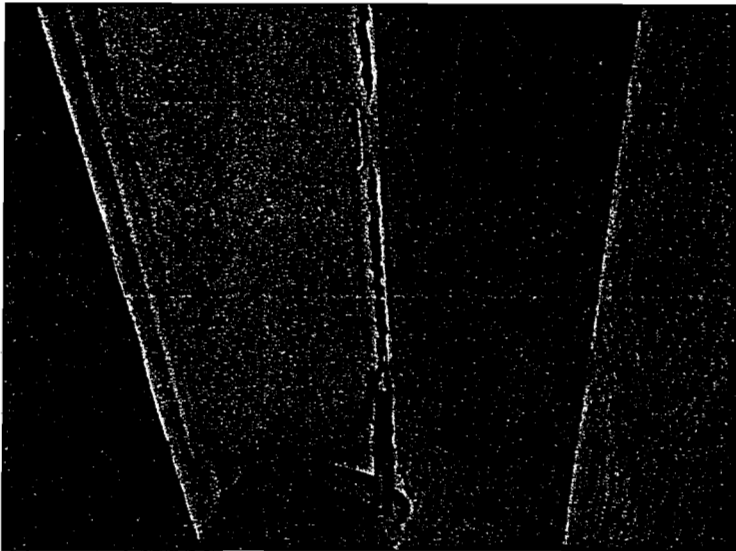
87. View of one of the bathrooms in Unit 3302.



88. View of the other bathroom in Unit 3302, with an L-shaped countertop.



89. View of the shower in the bathroom shown in Photo No. 88.



90. View of cracked caulking between the wood door frame and wood trim at Unit 6205.