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HARRIS COUNTY, TEXAS

CONDOMINIUM DECLARATION FOR
WOODCHASE VILLAGE CONDOMINIUMS

THE STATE OF TEXAS:

KNOW: ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS :

DEC-19-78 11530 of 800000 200.00

THAT WHEREAS, HARRIS DEVELOPMENT CORPORATION, TRUSTEE, hereinafter called "Declarant", is the Owner of real property situated in the County of Harris, State of Texas, being described more fully on Exhibit "A", which by this reference is made a part hereof;

WHEREAS, Declarant, as developer desires to establish a condominium regime under the Condominium Act of the State of Texas, (Acts 1963, 58th Leg. P. 507, Ch. 191) herein called the "Act"; and

WHEREAS, Declarant has executed plans for the construction of 7 buildings and other improvements appurtenant thereto on the property described in said Exhibit "A", which when completed shall consist of 128 separately designated condominium units; and

WHEREAS, Declarant does hereby establish a plan for individual ownership in fee simple of estates, consisting of the area or space contained in each of the apartment units as hereinafter defined, and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining property, which includes both limited common elements and general common elements, as hereinafter defined in Paragraph 1.2 hereof, and which are hereinafter collectively referred to as the "Common Elements" or "Common Areas".

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

ARTICLE I - GENERAL TERMS

1.1 TERMS DEFINED ABOVE. As used in this agreement, the term "Declarant", "Act" and "Common Elements" or "Common Areas" shall have the meaning respectively indicated in the opening paragraphs hereof.

1.2 CERTAIN DEFINITIONS. As used in this agreement, the following terms shall have the following meanings unless the context shall expressly provided otherwise:

(a) "Declaration" shall mean this Condominium Declaration instrument as the same may be amended pursuant to the Article hereof entitled "Amendment".

(b) "Apartment" or "Apartment Unit" shall mean the elements of a condominium unit which are not owned in common with the Owners of the other condominiums in the project as shown on the maps, which are exhibits attached hereto and each "Apartment" Unit shall include the apartment space assigned to each "Apartment Unit". The boundaries of each such apartment unit shall be and are the interior surfaces of the perimeter walls, floors and ceilings, windows, and window frames, door and door frames, and trims, and the space includes both the portions of the building so described and the air space so encompassed, excepting the Common Elements. The individual ownership of each apartment space herein defined shall further include the interior construction, partitions, appliances, fixtures and improvements which are intended to exclusively serve such apartment space, such as interior room walls, floor covering or finish, closets, cabinets, shelving, individual bathroom.

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and kitchen fixtures, plumbing and appliances, individual lighting and electrical fixtures, and other separate items or chattels belonging exclusively to such apartment unit which may be removed, replaced, disposed of or otherwise treated without affecting any other apartment space or the ownership, use or enjoyment hereof. None of the land in this project on which any Apartment Unit space or porch space is located shall be separately owned, as all land in this project shall constitute part of the "General Common Elements" of the property as hereinafter defined, and shall be owned in common by the Owners of the Apartment Units in this condominium project.

(c) "Condominium Unit" shall mean an individual Apartment Unit together with the interest in the Common Elements (General or Limited) appurtenant to such Apartment Unit.

(d) "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns of Record, title to one or more Condominium Units.

(e) "General Common Elements" means and includes:

(1) The land on which the buildings are located;

(2) The foundations, columns, girders, beams, supports, main walls, bearing walls, roofs, stairways and entrances and exists or communications ways;

(3) The yards, gardens, general parking areas (as not being included in the limited common elements, as hereinafter defined), fences, walks, service easements, storage spaces, streets, recreation areas and office;

(4) The installations consisting of the equipment and materials making up central services such as power, light, gas and the like;

(5) All other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use;

(6) Carport parking spaces not yet designated with an apartment number and described on the condominium map attached hereto as unassigned parking spaces; provided, however, Declarant expressly reserves the right at any time and from time to time to assign any unassigned carport parking space to any owner, and provided further, coincidental with the permanent assignment of any unassigned carport parking space, the condominium map attached hereto shall be amended without the consent of any other owner for the purpose of designating any such carport parking space with a number corresponding to the apartment number, and thereafter such carport parking space shall be a limited common element appurtenant to such apartment.

(f) "Limited Common Elements" means and includes the common elements which are reserved for the exclusive use of an individual Owner of a Condominium Unit, which include assigned covered or uncovered parking areas, patio and balcony areas indicated on the maps, as appurtenant Limited Common Elements to a specific Apartment Unit. Each Apartment Unit shall have at least one parking space assigned to it.

(g) "Premises" or "Property" means and includes the land, the buildings, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.

(h) "Common Expenses" means and includes:

(1) All sums assessed against the Common Elements by the Board of Directors of the Association pursuant to Paragraph 5.1 hereof and other provisions hereof.

(2) Expenses of administration and management, maintenance, repair and replacement of the Common Elements;

(3) Expenses agreed upon as common expenses by the Owners; and

(4) Expenses declared common expenses by provisions of this Declaration and by the By-Laws of the Association.

(i) "Condominium Owners Association" or "Association" means a Texas nonprofit corporation, the By-Laws of which shall govern the administration of this condominium property, the membership of which shall be composed of all of the Owners of the Condominium Units according to such By-Laws.

(j) "Condominium Map" means the map attached hereto as Exhibit "A" and as a part hereof. Such map consists of and sets forth (1) the legal description of the surface of the land; (2) the linear measurements and location, with reference to the exterior boundaries of the land, of the buildings and all other improvements built to or to be built on said land by Declarant; (3) floor plans and elevations, plans of the building built or to be built thereon showing the location, the building designation, the townhome designation and the linear dimensions of each townhome and the limited common elements; (4) the elevations of the unfinished interior surfaces of the floors and ceilings as established from a datum plane.

Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas.

(k) "Construction Period" means that period of time during which Declarant is developing the premises, including the property to be annexed, and selling the Condominium Units, which time period shall extend from the date hereof until such time as the Declarant sells (closes) ninety percent (90%) of the Condominium Units, including the property to be annexed, or four (4) years from the date on which the Declarant makes the first transfer of a Condominium Unit to an Owner other than Declarant, whichever occurs first.

(l) "Completed Unit" means a unit is completely finished, including but not limited to the installation of all appliances and utilities, so that the Unit is ready for transfer and occupancy by an Owner other than Declarant.

ARTICLE II

CONDOMINIUM UNIT DESIGNATIONS AND DESCRIPTIONS

2.1 RECORDATION OF MAPS. The Survey Map attached hereto as Exhibit "A" consists of and sets forth (1) the legal description of the surface of the land; (2) the linear measurements and location, with reference to the exterior boundaries of the land, of the buildings and all other improvements constructed, or to be constructed, on said land by Declarant; (3) floor plans and elevation plans of the buildings built, or to be built, thereon showing the location, the building designation, the Apartment Unit designation and the linear dimensions of each Apartment Unit; and (4) the elevations of the interior surfaces of the floors and ceilings as established from a datum plane.

2.2 DESIGNATION OF APARTMENT UNITS. Subject to the right of Declarant to annex additional property, the property is hereby divided into separately designated Condominium Units consisting of:

(a) 128 fee simple estates consisting of 128 separately designated apartments, each such townhome identified by number and by building symbol or designation on the map.

(b) The remaining portion of the entire premises is referred to as the general common elements, which shall be held in common by the owners, each such interest being as reflected on Exhibit "C" hereto. Such interest shall change as additional property is annexed in accordance with Article 2.10 hereof.

2.3 LIMITED COMMON ELEMENTS. A portion of the Common Elements are set aside and reserved for the exclusive use of the individual Owners, such areas being Limited Common Elements and more particularly described on Exhibit "A" hereto. The Limited Common Elements reserved for the exclusive use of the individual Owners are the automobile parking spaces, balcony areas, and patio spaces, which are shown on the Map, and all balconies that are part of each Apartment. Such spaces are allocated and assigned by the Declarant to the respective Condominium Units as indicated on the Condominium Map, the patio or balcony assigned to each Apartment Unit being designated by the Apartment Unit number preceded by the prefix "P", and in like manner the carport spaces assigned to each Apartment Unit being designated by the Apartment Unit number assigned in Exhibit "C". Such Limited Common Elements shall be used in connection with the particular unit, to the exclusion of the use thereof by the other owners except by invitation.

2.4 REGULATION OF COMMON AREAS. Portions of the Common Areas are intended as recreation areas, and are improved with swimming pools, office and other facilities. Reasonable regulations governing the use of such facilities by Owners and by their guests and invitees shall be promulgated by the Declarant, or by the Board of Directors of the Association after the same has been elected. Such regulation shall be permanently posted in said recreational areas, and all Owners shall be furnished with a copy thereof. Each Owner shall be required to strictly comply with said Rules and Regulations, and shall be responsible to the Board of Directors for the compliance therewith by the members of their respective families, relatives, guests or invitees, both minor and adult.

2.5 INSEPARABLE UNITS. Each Apartment Unit and its prorata interest in and to the Common Elements appurtenant thereto shall be inseparable and may be conveyed, leased or encumbered only as a Condominium Unit.

2.6 DESCRIPTIONS. Every deed, lease, mortgage, trust deed or other instrument may legally describe a Condominium Unit by its identifying Apartment Number or designation as shown on the map, followed by the words WOODCHASE VILLAGE CONDOMINIUMS and by reference to this recorded declaration and map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise effect the Common Elements.

2.7 ENCROACHMENTS. If any portion of the Common Elements encroaches upon an Apartment Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion or portions of an Apartment Unit or Units encroaches upon the Common Elements, a valid easement for the encroachment and for the maintenance of same so long as it stands, shall and does exist. A valid easement also exists to that portion of the Common Elements and Limited Common Elements that is occupied by any part of an Owner's apartment that is not contained within the physical boundaries of such apartment, including but not limited to space occupied by heating and air conditioning equipment, utility lines, and similar equipment which serves only one apartment. For title or other purposes, such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or the Apartment Units.

2.8 GOVERNMENTAL ASSESSMENT. Declarant shall give written notice to the Assessor's Office of the creation of condominium ownership of this property, as is provided by law, so that each Unit and its percentage of undivided interest in the Common Elements shall be deemed a separate parcel and subject to separate assessment and taxation.

2.9 USE RESTRICTIONS. The ownership interest of each Owner in his respective Condominium Unit and the estate therein, shall be subject to the terms, conditions and provisions hereof:

(a) The Condominium Units shall be used only for single family residential purposes, as private residence and not for transient or hotel purposes, and no professional, business or commercial use shall be made of the same, or any portion thereof; provided, however, that Declarant may use any of the Property as sales offices and/or furnished models and for display advertising signs and construction purposes at the premises during the construction period and for such time thereafter as is required for Declarant to sell all of the Condominium Units. No Owner or resident shall use a Condominium Unit in such a manner so as to endanger the health or disturb the reasonable enjoyment of any other Owner or resident.

The parking spaces assigned or unassigned on the project to each Apartment Unit shall be used for the parking of operative vehicles only. Such parking area shall not be used for a storage area for parts, machinery, inoperative cars, or anything judged to be a nuisance by the Association or its appointed representative(s).

No drilling, digging, quarrying, or mining operation of any sort shall be permitted on the Premises.

(b) No structure of a temporary character, trailer, basement, tent, shack, garden, barn, or other out buildings shall be used on the Premises at any time; provided, however, that Declarant may erect temporary structures for use in connection with the construction renovation, and sale of the Condominium Units.

(c) No advertising signs (except "For Sale" of not more than five square feet per unit), billboards, unsightly objects, or nuisances shall be erected, displaced, or permitted to remain on the Premises.

(d) The foregoing covenants of this Paragraph 2.9 shall not apply to the activities of the Association or its appointed representatives. Declarant may maintain, during the Construction Period in or upon such portions of the Apartment Units or the Common Elements, as Declarant determines, such facilities as in its sole discretion may be necessary or convenient, including, but without limitation, offices, storage areas, model units and signs.

(e) No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except dogs, cats or other common household pets (and being that of reasonable number per apartment unit) may be kept provided that it is not kept, bred, or maintained for any commercial purposes. All permitted household pets shall be kept inside the Apartment Unit at all times, except that pets may be taken to areas designated by the Association (or Declarant during the Construction Period) if such pets are and remain leashed at all times when outside the Apartment Unit.

(f) All rubbish, trash, or garbage from a Condominium Unit shall be kept in the areas designated for such purposes by the Association, and shall be regularly removed from the Premises and shall not be allowed to accumulate thereon.

(g) Outdoor drying of clothes shall not be permitted.

(h) Without prior written authorization of the Association, no television or radio antennas of any sort shall be placed, allowed, or maintained on any portion of the exterior of the improvements located on the property, or any structure situated upon the property.

(i) No vehicle shall be parked in driveways. For a period not to exceed fortyeight (48) hours guests and invitees of Owners may park their vehicles in the surface parking areas within the Common Areas provided for such purpose. Such surface parking areas are not intended for use for parking or storing boats, trailers, camping units, parts, machinery, inoperative or unlicensed cars, or anything judged to be a nuisance by the Association or its appointed representative(s), and the Association may insure the proper use of said areas in such legal manner as deems necessary.

(j) Except in the individual patio and/or balcony areas appurtenant to an Apartment Unit, as designated on the plans of such unit, no planting, transplanting or gardening shall be done, and no fences, hedges or walks shall be erected or maintained upon the premises, except as installed in accordance with the initial renovation of the building or as approved by Declarant during the Construction Period or the Association after said Construction Period.

(k) All floors and floor coverings installed in the second story Units shall be approved by Association for adequate sound control, prior to installation.

(l) An owner may lease his condominium unit subject to the terms and conditions of this Declaration provided said lease is in writing and specifically made subject to said terms and conditions and that said lease is for a term of at least six (6) months. Furthermore, no owner shall be permitted to lease his unit for transient or hotel purposes. No owner may lease less than the entire Unit. Any lease agreement shall provide that any failure by the Lessee to comply with the terms of the Declaration and By-Laws shall be a default under the lease.

2.10 ANNEXATION. Declarant hereby declares that it contemplates that at a future time or times, the Property may (but shall not be required to) be expanded by adding thereto additional real property described on Exhibit D attached hereto. Said real property may contain a contemplated additional 212 condominium units, although the exact number may vary due to design or planning changes which may hereafter occur. Such additional property, designated Phase 2, on Exhibit E attached hereto, may be annexed in whole or in part from time to time, and at more than one time, in order that such additional property becomes a part of the Property described and defined in this Declaration, which annexation and addition may be accomplished within four (4) years from the date of recordation of this Declaration, without the assent of the Association or its members or their mortgagees. The provisions of this Article shall become effective upon, but not before the recording in the office of the County Clerk of Harris County, Texas, within four (4) years from the date of recordation of this Declaration, a certificate signed and acknowledged by Declarant, which certificate describes the real property which then constitutes the Property, refers to this Declaration, and declares that it is desired and intended that the provisions of this Article shall become effective, and, therefore, that this Declaration shall apply to and affect the property described in the certificate. The certificate so recorded shall also specify the number of condominium units which are being added and annexed to the Property by reason of the recordation of the certificate. Declarant may cause to be recorded as many separate certificates as may be desired by Declarant, from time to time. Declarant further reserves the right, at any time and from time to time, without requesting or receiving the assent or consent of the then owners or their mortgagees of any portion of the real property with which this Declaration is concerned, to resubdivide, amend the subdivision map, modify, alter or otherwise change the legal or other status or configuration of the property to be annexed, to grant easements, and otherwise to take such actions as may be deemed necessary by Declarant to satisfactorily expand the Property. Each owner of a condominium unit in the Property by accepting title to a condominium unit, appoints Declarant as his attorney-in-fact for the purpose of effecting the foregoing; and the power herein granted to Declarant shall be and is a power coupled with an interest. Upon the recordation of such certificate(s) in compliance with the provisions of this Article, this Declaration shall further apply to and affect all of the real property described above and all of the property described in any such certificate(s) and the Property, all of the condominium units in the Property (as so expanded and annexed), and their then future owners, with the same effect as if the Property described in the certificate(s) were originally subject to the provisions of this Declaration. Thereupon, the powers and responsibilities of the Board of Directors created and established pursuant to the provisions of the By-Laws shall be co-extensive with regard to all property included within the project (as expanded), and the Board of Directors shall, pursuant to the provisions of this Declaration, constitute the Board of Directors for the Property (as expanded), and the rights and obligations of all the condominium unit owners of the condominium units in the Property shall be the same and identical to the rights and obligations of the condominium unit owners prior to the recordation of the certificate(s). The Board of Directors shall thereupon continue to maintain one maintenance fund for the collection and disbursement of monies as required and permitted hereby for the Property and in all respects and meanings, the Property (as expanded) shall be deemed to be a single condominium Property for the annexation of additional property by the recordation of one or more such certificates, within the time and in accordance with the provisions of this Article the ownership of the General Common Elements and facilities shall automatically become, as to each condominium unit, a percentage interest equivalent to the number of square feet within each condominium unit divided by

the total number of square feet within all condominium units in the Property after the annexation(s) is completed; PROVIDED, HOWEVER, any property and units thereon so annexed to this Condominium Regime shall be of comparable size, value, design, interior and exterior appearance and structure in order to preserve the appearance and value of the Condominium Regime, and provided further that while the percentage interest of ownership of each owner of a Condominium Unit in the General Common Elements will decrease numerically by virtue of such annexation that such percentage interest of ownership of each owner of a Condominium Unit in the General Common Elements subsequent to such annexation(s) shall be of comparable value to that which existed prior to such annexation(s). Provided however the minimum interest of each of the Units shall never be less than the interest reflected on Exhibit E hereto.

ARTICLE III

RIGHTS AND OBLIGATIONS OF OWNERSHIP

3.1 OWNERSHIP. A Condominium Unit may be held and owned by any person, firm, corporation or other entity and by more than one person as joint tenants or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

3.2 PARTITION. The Common Elements (both General and Limited) shall be owned in common by all of the Owners of the Condominium Units and shall remain undivided, and no Owner shall bring any action for Partition or division of the Common Elements other than that as specifically provided for hereinafter at Paragraph 6.2, "Judicial Partition". Nothing contained herein shall be construed as a limitation of the right of partition of a Condominium Unit between the owners thereof, but such partition shall not effect any other Condominium Unit. Provided however partition in kind is prohibited.

3.3 EXCLUSIVENESS OF OWNERSHIP. Each Owner shall be entitled to exclusive ownership and possession of his apartment. Each Owner may use the Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners.

3.4 SINGLE FAMILY RESIDENTIAL DWELLING. Each Condominium Unit shall be occupied and used or leased by the Owner only as and for a single family residential dwelling for the Owner, his family, his social guests, or his tenants.

3.5 MECHANIC'S AND MATERIALMAN'S LIENS. No labor performed or materials furnished and incorporated in an Apartment Unit, notwithstanding the consent or at the request of the Owner thereof or his agent or his contractor or subcontractor, shall be the basis for filing of a lien against the Common Elements owned by such other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liabilities arising from the claim of any lien against the Apartment Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Apartment Unit at such Owner's request.

3.6 RIGHT OF ENTRY. The Association shall have the irrevocable right, to be exercised by the Managing Agent or Board of Managers of the Association, to have access to each Apartment Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Apartment Unit or Units.

3.7 OWNER MAINTENANCE. An Owner shall maintain and keep in repair, the interior of his own Apartment Unit, including the fixtures thereof. All fixtures and equipment installed within the Apartment Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are herewith referred to as "utilities") enter the Apartment Unit shall be maintained and kept in repair by the Owner thereof; and an Owner shall be obliged to promptly repair and replace any broken or cracked glass in windows and doors.

3.8 ALTERATION. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. For the purposes hereof, the placing of a waterbed anywhere on the Premises shall be deemed to be such an act as would impair the structural soundness and integrity of the building. No Owner shall in any wise alter, modify, add to, or otherwise perform any work whatever upon any of the Common Elements, (Limited or General), save with the written consent or approval in writing by the Board of Directors or its designated agent (an architectural committee composed of three or more owners) as in harmony with external design and location in relation to surrounding structures and topography, which approval shall not be considered until submission to the Board of Directors or its designated committee of complete plans and specifications showing the nature, kind, shape, size, materials, color and location of the same for the proposed work. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Approval, once given, shall be irrevocable. During the Construction Period, Declarant shall have the sole right to approve or reject any plans and specifications submitted for consideration by an Owner.

3.9 RESTRICTION OF OWNERSHIP. As a restriction of the ownership provisions set forth at 1.2(b), "Apartment Unit", hereinbefore, an Owner shall not be deemed to own the unfinished surfaces of the perimeter walls, floors, ceilings and roofs surrounding his Apartment Unit, nor shall such Owner be deemed to own the utilities running through his Apartment Unit which are utilized for, or serve more than, one Apartment Unit, except as a tenant-in-common with the Owners. An Owner shall be deemed to own and shall maintain the inner, finished surfaces of the perimeter and interior walls, floors and ceilings, doors, windows, and other such elements consisting of paint, wallpaper, and other such finishing material.

3.10 LIABILITY FOR NEGLIGENT ACTS. In the event that the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, or guests, or invitees, and is not covered or paid for by insurance on such Apartment Unit, or the Common Elements, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Apartment Unit is subject, pursuant to Article IV hereof.

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

ARTICLE IV

MANAGEMENT AND ADMINISTRATION

4.1 The administration of this condominium property shall be governed by the By-Laws of WOODCHASE VILLAGE OWNERS ASSOCIATION, INC., a non-profit association, hereinafter referred to as the "Association". A copy of the By-Laws is hereto attached, marked Exhibit "B", and incorporated herein, and shall be

deemed adopted by Declarant as sole owner of the property, and all Owners shall be bound thereby. An Owner of a Condominium Unit, upon becoming an Owner, shall be a member of the Association and shall remain a member for the period of his ownership. Declarant may, at his election, during the Construction Period, cause to be formed a Texas nonprofit corporation bearing the same name, in which event such nonprofit corporation shall adopt the By-Laws of the Association and shall thereafter act and do all things to be done by "Association". The Association shall be managed by a Board of Directors, duly appointed or elected, pursuant to the terms and conditions of the By--Laws, and by the Managing Agent of the Association as chosen by the Board of Directors, pursuant to the By-Laws. However, until the end of the Construction Period, the rights, duties and functions of the Board of Directors shall, at Declarant's option, be exercised by Declarant, and said rights, duties and functions shall be assignable for said period of time.

4.2 SPECIFIC POWER TO RESTRICT USE AND ENJOYMENT. Every Owner and the Declarant shall have a beneficial interest of use and enjoyment in the Common Elements subject to the following limitations, restrictions and provisions:

- (a) The right of the Association to publish rules and regulations governing use of the Common Areas and the improvements and facilities located thereon, and to establish and enforce penalties for infractions thereof;
- (b) The right of the Association to charge reasonable admission, rental and other fees to Owners or guests, for the use of any facilities situated upon the Common Area; without limiting the generality of the foregoing;
- (c) The right of the Association to charge reasonable fees for the use of facilities within the Common Area if such facilities are not used by all members equally;
- (d) The right of the Association to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property; provided, however, that the rights of any such Mortgagee in such properties shall be subordinate to the rights of the Owners hereunder and in no event shall any such Mortgagee have the right to terminate the Condominium Regime established by this Declaration;
- (e) The right and duty of the Association to suspend the voting rights and the right to use of the recreational facilities by an Owner for any period during which any assessment against the Owner's Condominium Unit remains unpaid; and for a period not to exceed thirty (30) days from an infraction of its published Rules and Regulations; and to assess late charges;
- (f) The right of Declarant during the Construction Period, or the Association after the Construction Period to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for the purposes and subject to the conditions of such agency, authority, or utility. No such dedication or transfer after the Construction Period shall be effective unless approved by two-thirds vote of the quorum of Owners, present at a meeting of the Association, specifically called for the purpose of approving any such dedication or transfer, and unless an instrument signed by the Board of Directors reflecting such vote of the Owners, agreeing to such dedication, or transfer, has been duly recorded in the Condominium Records of Harris County, Texas;
- (g) The right of the Association to adopt, implement and maintain a private security system for the premises consistent with applicable laws;
- (h) The right of the Association to establish rules and regulations governing traffic within the Common Area, and to establish sanctions for any violation or violations of such rules and regulations;

- (i) The right of the Association to regulate noise within the Premises, including, without limitation the right of the Association to require mufflers on engines and to prohibit the use of devices producing excessive noise;
- (j) The right of the Association to control the visual attractiveness of the properties, including without limitation, the right of the Association to require Owners to eliminate objects which are visible from the Common Area and which, in the Association's judgment, detract from the visual attractiveness of the Property.
- (k) No owner shall allow more than three (3) permanent residents in one bedroom unit; four (4) permanent residents in a two bedroom unit; five (5) permanent residents in a three bedroom unit. A permanent resident for purposes of this section is defined as an individual occupying the premises in excess of one week.

4.3 MANAGEMENT AGREEMENTS. Each Owner of a Condominium hereby agrees to be bound by the terms and conditions of all management agreements entered into by the Association. A copy of all such agreements shall be available to each owner. Any and all management agreements entered into by the Association shall provide that said management agreement may be cancelled within thirty (30) days written notice when authorized by majority vote of the Board of Directors. In no event shall such management agreement be cancelled prior to the negotiation by the Association or its Board of Directors of a new management agreement which will become operative immediately upon the cancellation of the preceding management agreement. It shall be the duty of the Association or its Board of Directors to effect a new management prior to the expiration of any prior management contract. Any and all management agreements shall be for a term not to exceed one year and shall be made with a professional and responsible party or parties with proven management skills and experience managing a project of this type. The Members of the Association may terminate the professional management of the Property and assume self-management by the Association upon majority approval by Members entitled to cast a majority of the votes of the Association. In such event, notice of such action shall be given all lienholders prior to the effective date of termination.

4.4 INSURANCE. The Managing Agent or Board of Directors shall obtain and maintain at all times insurance of the type and kind provided hereinabove and including for such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other apartment or condominium buildings, fixtures, equipment and personal property, similar in construction design and use, issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in blanket policy forms naming the Association and all mortgagees as the insured, which policy or policies shall identify the interest of each Condominium Unit Owner and which shall provide for a standard, noncontributory mortgage clause in favor of each first mortgagee. Each Owner irrevocably designates the current Board of Directors of the Association as attorney-in-fact for handling of the proceeds of such insurance, with such attorney-in-fact administering and distributing such proceeds as is elsewhere provided in this Declaration. Such insurance policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after thirty (30) days prior written notice to each first mortgagee. Said Managing Agent or Board of Directors shall, upon request of any first mortgagee, furnish a certified copy of each blanket policy and the separate certificate identifying the interest of the mortgagor.

ARTICLE V

MAINTENANCE ASSESSMENT

5.1 ASSESSMENTS. All Owners shall be obligated to pay the estimated assessments imposed by the Board of Directors of the Association to meet the Common Expenses. The assessments shall be made pro rata according to each Owner's percentage interest in and to the Common Elements as reflected on Exhibit "C" hereto. Assessments for the estimated Common Expenses shall be due monthly in advance on or before the fifth day of each month. Failure to pay by the fifteenth day of each month shall require the imposition and assessment of a late charge of \$25.00.

Contribution for monthly assessments shall be pro rated if the ownership of a Condominium Unit commences on a day other than on the first day of a month.

5.2 PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety, welfare and recreation of the residents in the Property and in particular for the improvements, maintenance and preservation of the Property, services, and facilities devoted to said purposes and related to the use and enjoyment of the Common Elements, and of the Apartment Units situated upon the Property. Such uses may include, but are not limited to, the cost of the Association of the following: All insurance, repair, replacement and maintenance of the Common Elements; fire, extended coverage, vandalism, malicious mischief, and liability insurance for the Condominium Units; management costs, taxes, legal and accounting fees as may from time to time be authorized by the Association; construction of other facilities; maintenance of easements upon, constituting a part of, appurtenant to or for the benefit of the Property; mowing grass, caring for the grounds, landscaping, caring for the swimming pools, and equipment, roofs and exterior surfaces of all Buildings, and carports, garbage pickup; pest control, streets; outdoor lighting; security service for the Property; water and sewer service furnished to the Property by or through the Association; discharge of any liens on the Common Elements; and other charges required by this Condominium Declaration, or other charges that the Association is authorized to incur which the Association shall determine the establishment and maintenance of a reserve for repair, maintenance, and other charges as specified herein.

5.3 DETERMINATION OF ASSESSMENTS. The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Directors of the Association shall from time to time determine is to be paid by all of the Owners, to provide for the payment of all estimated expenses resulting from or connected with the maintenance and operation of the Common Elements, which sum may include, among other things, cost of management, taxes, assessments, fire insurance with extended coverage and vandalism and malicious mischief with endorsements attached, issued in the amount of the maximum replacement value of all of the Condominium Units, casualty and public liability and other insurance premiums, landscaping and care of grounds, common lighting, repairs and renovations, garbage collections, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Managing Agent or Board of Directors under or by reason of this Declaration, expenses incurred in the operation and maintenance of recreation and administration facilities, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency of other reserve or surplus funds as well as other costs and expenses relating to the Common Elements. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification, or a release of the Owners from the obligation to pay. However, such assessments shall not exceed the maximum monthly assessment as hereinafter provided in Paragraph 5.4.

5.4 INITIAL ASSESSMENT AND MAXIMUM MONTHLY ASSESSMENT.

(a) Until January 1st of the year immediately following the conveyance of the first Condominium Unit to an Owner other than the Declarant, the maximum annual assessment shall be Eight Hundred Forty and no/100 (\$840.00) Dollars per Condominium Unit.

(b) From and after January 1st of the year immediately following the conveyance of the first Condominium Unit to an Owner, other than the Declarant, the Board of Directors may set the Monthly Assessment for the next succeeding twelve (12) month period at an amount which shall not exceed one hundred ten percent (110%) of the Monthly Assessment allowed for December of the preceding year. The assessment for January, 1979 shall be limited to 110% of \$840.00. If the Board determines that a greater increase of the Monthly Assessment is required to adequately perform the duties and responsibilities of the Association and pay all expenses thereof, then the Board may call a special meeting of the Owners. By the assent of a two-third (2/3) vote of the quorum of Owners, present at such meeting, the monthly assessment may be set at whatever level such Owners approve. The new assessment shall become the basis for future annual increases, using the one hundred ten (110%) percent formula as above outlined.

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(c) The Board of Directors shall have authority to lower the monthly assessment, if it deems feasible.

(d) A late charge shall be paid equal to \$25.00 if the maintenance fee is received after the 15th day following the 1st day of the month when due.

5.5 OBLIGATION OF DECLARANT FOR ASSESSMENTS. The Declarant shall be obligated to pay One Hundred (100%) percent of the Monthly Assessment for each completed Condominium Unit owned by Declarant. During the Construction Period, Declarant shall provide any additional funds required to pay actual cash outlays required to fund current operating expenses of the Association.

5.6 SPECIAL ASSESSMENTS FOR IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy in any calendar year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair, or replacement of improvements upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall be approved by two-thirds (2/3) of the aggregate of the quorum of Owners voting in person or by proxy at a meeting duly called for this purpose.

5.7 COMMENCEMENT OF ASSESSMENTS. The monthly assessments provided for herein shall commence as to all Condominium Units on the first day of the month following the conveyance of the first unit to an Owner. The Board of Directors shall fix the amount of the monthly assessment against each unit at least thirty (30) days prior to January 1 of each year, provided, however, that the Board of Directors shall have a right to adjust the monthly assessment, as long as any such adjustment does not exceed the maximum permitted hereunder, with thirty (30) days written notice given to each Owner. Written notice of the monthly assessment shall be sent to every Owner subject thereto. The due date shall be established by the Board of Directors and, unless otherwise provided or unless otherwise agreed by the Board, the Board shall collect the assessments monthly from the Owner of each Condominium Unit.

5.8 LIEN FOR ASSESSMENTS. All sums assessed but unpaid for the share of Common Expenses chargeable to any Condominium Unit, including interest thereon at ten percent per annum, shall constitute a lien on such unit superior (prior) to all other liens and encumbrances, except only for:

(a) All taxes and special assessments levied by governmental and taxing authorities, and

(b) All liens securing sums due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the time such pro rata share of costs, charges, expenses and/or assessments become due.

To evidence such lien the Board of Directors or Managing Agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium Unit, and a description of the Condominium Unit. Such a notice shall be signed by one of the Board of Directors or by the Managing Agent and may be recorded in the office of the Clerk and Recorder of Harris County, Texas. Such lien for the Common Expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay to the Association a reasonable rental for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid in the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

The amount of the Common Expenses assessed against each Condominium Unit shall also be a debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any encumbrancer holding a lien on a Condominium Unit may pay any unpaid Common Expense payable with respect to such unit, and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance.

5.9 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages granted or created by the Owner of any Condominium Unit to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such unit. Sale or transfer of any Unit shall not affect the assessment lien; provided, however, that the sale or transfer of any Condominium Unit pursuant to a foreclosure under such purchase money or improvement mortgages or deeds of trust, or deed in lieu of foreclosure, shall extinguish the lien of such assessments as to payments thereof coming due prior to such sale or transfer. No sale or transfer shall relieve such Condominium Unit, or the Owners thereof, from liability for any assessments thereafter becoming due or from the lien thereof.

5.10 STATEMENT OF ASSESSMENTS. Upon the written request of any Owner or any encumbrancer or prospective encumbrancer of a Condominium Unit, the Association, by its Managing Agent or Board of Directors, shall issue a written statement setting forth the unpaid assessments, if any, with respect to the Subject Unit, the amount of the current monthly assessments and the date such assessment becomes due, credit for advance payments or for prepaid items, including but not limited to, insurance premiums, which shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten days, all unpaid assessments which become due prior to the date of making of such request shall be subordinate to the lien of the person requesting such statement.

The Purchaser, Donee, or other transferee of a Unit, by deed or other writing (herein called "Grantee"), shall be jointly and severally liable with the transferee of such unit (herein called "Grantor"), for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from Grantor the amounts paid by the Grantee. The Grantee shall be entitled to a statement from the Managing Agent or Board of Directors, setting forth the amount of the unpaid assessment, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums, which shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten days of such request, then such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the subject Condominium Unit accruing prior to such ten (10) day period.

ARTICLE VI

DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS

6.1 DESTRUCTION OR OBSOLESCENCE. This Declaration hereby makes mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its destruction or obsolescence.

Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any Grantee of a deed from the Declarant or from any Owner shall constitute appointment of the attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint WOODCHASE VILLAGE OWNERS ASSOCIATION, INC. or its successor non-profit corporation, if same be herewith organized, their true and lawful attorney in their

name, place, and stead, for the purpose of dealing with the Property upon its destruction or obsolescence as in hereafter provided. As attorney-in-fact, the Association, by its authorized Officer, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a Condominium Unit Owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same conditions in which it existed prior to the damage, with each Apartment Unit and the Common Elements having the same vertical and horizontal boundaries as before. The Proceeds of any insurance collected shall be made available to the association for the purpose of repair, restoration, or replacements unless 90% of the Owners and 90% of the first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed. In the event of substantial damage to or destruction of any unit or any part of the common elements, the institutional holder of any first mortgage on a unit will be entitled to notice of such damage or destruction.

(b) If the insurance proceeds are insufficient to repair and reconstruct the improvements, and if such damage is not more than fifty percent of all of the Common Elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Such deficiency assessment shall be a common expense made pro rata according to each Owner's percentage interest in and to the Common Elements and shall be due and payable within thirty days after written notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a Lien on his Condominium Unit and may be enforced and collected as is provided in Article V hereof. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency of the assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived by the Association, as attorney-in-fact, shall be distributed in the following order:

- (1) For payment of the balance of the lien of any first mortgage;
- (2) For payment of taxes and special assessments liens in favor of any assessing entity;
- (3) For payment of unpaid Common Expenses;
- (4) For payment of junior liens and encumbrances in the order of any to the extent of their priority; and
- (5) The balance remaining; if any, shall be paid to the Condominium Unit Owner.

(c) If more than fifty percent of all of the Common Elements, not including land, are destroyed or damaged, and if the Owners representing the aggregate ownership of sixty/six and two/thirds percent (66 2/3%) of the Common Elements or more, do not voluntarily, within one hundred days thereafter, make provision for reconstruction, which plan must have the approval or consent of 90% of the first mortgagees, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary, the entire remaining Premises shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Plans and the By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Apartment Owner's interest (as such interests appear on the policy or policies), and such divided proceeds shall be paid into each owners separate account, each such account representing one of the Condominium Units. Each such account shall be in the name of the Association, and shall be further identified by the number of the Apartment Unit and the name of the Owner. From each separate account,

the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from any account to another, toward the full payment of the lien of any first mortgage against the Condominium Unit represented by such separate account. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each Condominium Unit Owner's percentage interest in the General Common Elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (5) of this heading, "6.1 DESTRUCTION OR OBSOLESCENCE."

(d) If the Owners representing an aggregate ownership interest of sixty-six and two-thirds percent (66 2/3%) of the Common Elements or more, adopt a plan for reconstruction, which plan has the approval of 90% of the first mortgagees, then all of the Owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a Common Expense and made pro rata according to each Owner's percentage interest in the Common Elements and shall be due and payable as provided by the terms of such notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided in paragraph "5.8 LIENS FOR ASSESSMENTS." herein. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from sale of such Condominium Unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (5) of this heading, paragraph "6.1 DESTRUCTION OR OBSOLESCENCE".

(e) The Owners representing an aggregate ownership interest of Sixty-six and two-thirds percent (66-2/3%) of the Common Elements or more, may agree that the Common Elements of the property are obsolete and that the same should be renewed or reconstructed. In such instance, then the expense thereof shall be payable by all of the Owners as Common Expenses.

(f) The Owner's representing an aggregate ownership interest of eighty per cent (80%) of the Common Elements, or more, may agree that the Common Elements of the Property are obsolete and that the same should be sold. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's authorized Officers, the entire premises shall be sold by the Association, as attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Plans and the By-Laws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the Common Elements, and such apportioned proceeds shall be paid into each owners separate accounts, each such accounts representing one Condominium Unit. Each such account shall be in the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount of each of such funds, without contribution from one fund to another, for the same purposes and in the same order as is provided in subparagraph (b) (1) through (5) of this Article.

6.2 JUDICIAL PARTITION. There shall be no judicial partition of the project or any part thereof, nor shall Declarant or any person acquiring any interest in the project or any part thereof seek any such judicial partition, until the happening of the conditions set forth in Paragraph 6.1 hereof in the case of damage or destruction or unless the property has been removed from the provisions of the Texas Condominium Act; provided, however, that if any Condominium Unit shall be owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition as between such co-tenants. But such partition shall not affect any other Condominium Unit.

6.3 CONDEMNATION. If all or any part of the Property is taken or

threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary) the Association and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceeding to all Owners and to all first mortgagees known to the Association to have an interest in any condominium unit. The expense of participation in such proceedings by the Association shall be borne by the Common Fund. The Association is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association, and such damages or awards shall be applied as provided herein. In the event that an action in eminent domain is brought to condemn a portion of the general common elements (together with or a part from any condominium unit), the Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto; or to convey such property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not for each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to each Owner in proportion to his percentage ownership interest in the general common elements. The Association may, if it deems advisable, call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible the general common elements. In the event that such eminent domain proceeding results in the taking of or damage to one or more, but less than two-thirds (2/3) of the total number of condominium units, then the damages and awards for such taking shall be determined for each condominium unit and the following shall apply:

(a) The Association shall determine which of the condominium units damaged by such taking may be made tenantable for the purposes set forth in this Declaration, taking into account the nature of this Condominium Project and the reduced size of each condominium unit so damaged.

(b) The Association shall determine whether it is reasonably practicable to operate the remaining condominium units of the Project, including those damaged units which may be made tenantable, as a condominium in the manner provided in this Declaration.

(c) In the event that the Association determines that it is not reasonably practicable to operate the undamaged condominium units and the damaged units which can be made tenantable then the Condominium Project shall be deemed to be regrouped and merged in to a single estate owned jointly in undivided interest by all Owners, as tenants-in-common, in the percentage ownership interest previously owned by each Owner in the general common elements.

(d) In the event that the Association determines that it will be reasonably practicable to operate the undamaged condominium units and the damaged units which can be made tenantable as a condominium unit, then the damages and awards made with respect to each unit which has been determined to be capable of being made tenantable shall be applied to repair and reconstruct such condominium unit so that it is made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owners of those condominium units which are tenantable. With respect to those units which may not be tenantable, the award made with respect to such unit shall be paid as set forth in Paragraph 6.1 (b) (1) through (5) hereof and the remaining portion of such units, if any, shall become a part of the general common elements and repair and use of the general common elements and repair and use of such units shall be determined by the Association. Upon the payment of such award for the account of such Owner as provided herein, such condominium unit shall no longer be a part of the Condominium Project and the percentage ownership interests in the general common elements appurtenant to each remaining condominium unit which shall continue

as part of the Condominium Project shall be equitably adjusted to distribute the ownership of the undivided interests in the general common elements among the reduced number of Owners. If the entire Condominium Project is taken, or two-thirds (2/3) or more of the condominium units are taken or damaged by such taking, all damages and awards shall be paid to the accounts of the Owners of units, as provided herein, in proportion to their percentage ownership interests in the general common elements and this Condominium Regime shall terminate upon such payment. Upon such termination, the condominium units and general common elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all Owners as tenants-in-common in the percentage ownership interest previously owned by each Owner in the general common elements. Any damages or awards provided in this paragraph to be paid to or for the account of any Owner by the Association shall be applied as set forth in Paragraph 6.1 (b) (1) through (5) hereof.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.1 AMENDMENT. Subject to the provisions of Paragraph 2.10 and 7.2 hereof, this Declaration shall not be revoked, nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of ninety (90%) percent of the Common Elements, agree to such revocation or amendment by instrument duly recorded, but no amendment shall effect Declarant's right to exercise the duties and functions of the Board of Directors as allowed by Paragraph 4.1 hereof or alter or amend the rights given to Declarant in Paragraph 2.10 hereof. Notwithstanding anything herein to the contrary during the construction period, Declarant may with the written consent of any institutional mortgagee of any Condominium Unit (but without the consent of the Owner) amend this Declaration, Map, By-Laws, and other Exhibits attached hereto in order to correct errors and omissions.

7.2 CHANGE IN DOCUMENTS. The holder of any mortgage covering any of the Condominium Units shall be entitled to a written notification from the Association thirty (30) days prior to the effective date of any material change in the Condominium Declaration or By-Laws in which to approve any such change. Any such material change shall not be effective until approved by a majority of the institutional holders of first lien mortgages. A majority of institutional lienholders is defined for purposes of this Declaration and the By-Laws attached hereto as meaning the holders of a majority in number of mortgages held by all lienholders and not a majority by numerical number of lienholder companies.

7.3 NOTICE. All notices, demands or other notices intended to be served upon an Owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such Owner in care of the apartment number and building address of such Owner. All notices, demands or other notices intended to be served upon the Managing Agent or the Board of Directors of the Association or the Association, shall be sent by ordinary or certified mail, postage prepaid, to Houston, Texas, until such address is changed by a notice of address change duly recorded in the Harris County Condominium Records. Any holder of a first lien mortgage shall be entitled, upon request, to demand that it be given written notice of all meetings of the Owners Association and be permitted to designate a representative to attend all such meetings.

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

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

7.6 GENDER. That whenever used herein, unless the context shall have otherwise provided, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

7.7 TAXES. Ad valorem taxes, assessments and other charges of the City, County, State or other political entities, or any special district thereof, shall be separately assessed, and each condominium unit owner shall pay, at his own personal expense, all tax assessments against his apartment. Such taxes are

not part of the common expenses. However, taxes on personal property owned by the Association as part of the common elements shall be paid by the Association as a common expense.

IN WITNESS WHEREOF, Declarant by its corporate officers, has duly executed this Declaration this 13 day of DECEMBER, 1978.

HARRIS DEVELOPMENT CORPORATION, TRUSTEE

ATTEST:

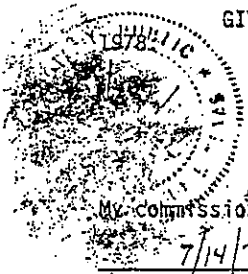
[Signature]
Larry White

BY [Signature]
Harris B. Lieberman

THE STATE OF TEXAS :
COUNTY OF HARRIS :

BEFORE ME, the undersigned authority, on this day personally appeared, Harris B. Lieberman, President of HARRIS DEVELOPMENT CORPORATION, a corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 13 day of December



[Signature]
Notary Public in and for
Harris County, Texas
NAME KAREN CUSHMAN

RETURN TO:
CAPITAL TITLE CO., S. W. BRANCH
3120 S. W. FWY., SUITE 618
HOUSTON, TEXAS 77098

GF # Special 167