



**SECOND AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM**

FOR

Playa Vista Conroe, A Condominium

FINAL

DECLARATION - TABLE OF CONTENTS

1.	Definitions.....	3
A.	“Act”	3
B.	“Additional Building(s)”.....	3
C.	“Assessment”	3
D.	“Association”	3
E.	“Balcony”	3
F.	“Board” or “Board of Directors”	3
G.	“Boat Slip”	3
H.	“Book of Mortgages”	3
I.	“Building(s)”	3
J.	“Bylaws”	4
K.	“Casualty”	4
L.	“Certificate”	4
M.	“Common Elements”	4
N.	“Common Element Costs”	4
O.	“Common Expenses”	4
P.	“Common Expense Fund”	4
Q.	“Condominium”	4
R.	“Condominium Documents”	4
S.	“Condominium Information Statement”	4
T.	“Condominium Plan”	4
U.	“Condominium Unit”	4
V.	“Declaration”	5
W.	“Deed”	5
X.	“Declarant”	5
Y.	“Development Rights”	5
Z.	“Director”	5
AA.	“Effective Date”	5
BB.	“Eligible Mortgagee”	5
CC.	“Existing Unit Owners”	5
DD.	“First Mortgage”	5
EE.	“First Mortgagee”	5
FF.	“Garage”	5
GG.	“General Common Elements”	5
HH.	“Land”	6
II.	“Limited Common Elements”	6
KK.	“Managing Agent”	6
LL.	“Master Policy”	6
MM.	“Mortgagee”	6
NN.	“Original Declarant”	6
OO.	“Owner”	6
PP.	“Parking Spaces”	6
QQ.	“The Playa Vista Conroe”	6
RR.	“Percentage of Common Interest Ownership”	6

SS.	“Person”	6
TT.	“President”	7
UU.	“Regular Assessments”	7
VV.	“Rules and Regulations”	7
WW.	“Secretary”	7
XX.	“Special Assessments”	7
YY.	“Special Declarant Rights”	7
ZZ.	“Termination Agreement”	7
AAA.	“Unit”	7
BBB.	“Unit Costs”	7
2.	The Condominium	7
A.	Units	7
B.	Development Rights	8
3.	Common Elements	8
A.	General Common Elements	8
B.	Limited Common Elements	9
C.	Use of the General Common Elements	9
D.	Use of Limited Common Elements	10
E.	Transfer of Interest in General Common Elements	10
4.	Maintenance Responsibilities	11
A.	Owner’s Responsibilities	11
B.	General Common Elements	11
C.	Utilities	12
5.	Easements and Licenses	12
A.	For Owners	12
B.	For Utilities	13
C.	For the Declarant and the Association	13
D.	For Encroachments	13
6.	Units	14
A.	Designation and Measurement of Units	14
B.	Description of Units	14
C.	Approximate Measurements	14
D.	Boundaries of Units	15
E.	Percentage of Common Interest Ownership	15
F.	Limited Common Elements	157
7.	Association Management	21
A.	Members	21
B.	Transfer of Membership	21
C.	Votes	21
D.	Who Can Vote	21

8.	Association Administration and Management.....	21
A.	Books and Records	21
B.	Mortgagee Access to Books and Records.....	22
C.	Association Records.....	22
D.	Association Costs and Expenses.....	22
E.	Bylaws.....	22
F.	Administration by Association/Managing Agent	22
G.	Board of Directors.....	24
H.	Declarant Control of the Association.....	24
I.	Termination of Contracts and Leases of Declarant.....	25
J.	Management Certificate.....	25
K.	Resale Certificate.....	25
9.	Meetings of Owners.....	26
A.	First Meeting.....	26
B.	Annual Meetings.....	26
10.	Directors.....	26
A.	Number of Directors	26
B.	Terms of Directors	26
C.	Election Officers	27
D.	Indemnity of Board	27
E.	Authority of Officer	27
11.	Assessments	27
A.	Regular Quarterly Assessments for Common Expenses	27
B.	Common Expenses, Assessments	27
C.	Reserves for Assessments	27
D.	Special Assessments	28
E.	Garage Assessments and Boat Slip Assessments	28
F.	Unit-Specific Assessments.....	28
G.	Assessments as Capital Contributions	29
H.	Computation and Apportionment of Assessments.....	29
I.	Declarant's Payment of Assessments	29
J.	Default for Failure to Pay Assessments	30
K.	Additional Remedies.....	31
L.	No Exemptions from Liability for Common Expenses	31
M.	Statement of Assessments.....	31
N.	Common Expense Fund.....	32
O.	Failure to Provide Notice of Regular Assessments.....	32
P.	Notice to Owners	32
12.	Obligations of Owners and Owner Action.....	32
13.	Insurance	33
A.	Owner's Insurance	33
B.	Association's Insurance	33

14.	Termination of Condominium; Reconstruction or Repair; Condemnation	36
A.	Termination of Condominium.....	36
B.	Damage or Destruction	37
C.	Obsolescence.....	39
D.	Condemnation.....	39
E.	Notice to First Mortgagees.....	41
15.	Restrictions on Use	41
A.	Permitted Uses or Units	41
B.	Alterations, Additions and Improvements	42
C.	Leases.....	43
D.	Offensive Activities	43
E.	Signage.....	43
F.	Pets/Animals.....	44
G.	Storage/Refuse/Obstructions.....	44
H.	Maintenance.....	44
I.	Compliance with Laws	45
J.	No Right of First Refusal.....	45
K.	Vehicles; Parking Spaces.....	45
L.	Fireworks	45
M.	Business and Sales Office.....	45
N.	Garbage, Trash and Rubbish.....	45
16.	Sale and Ownership	46
A.	Condominium	46
B.	Deed/Description or Unit.....	46
C.	Capacity or Owners.....	46
17.	Uniform Applicability of Condominium Documents	46
18.	Mortgages and Mortgagee Protections	46
A.	Book or Mortgages.....	46
B.	Notices to Mortgagees.....	46
C.	Effect on Mortgagees.....	47
D.	Subordination Agreements.....	47
E.	Binding on Mortgagees.....	47
F.	Financial Statements.....	47
G.	Reserve Requirements.....	47
19.	Boundaries	48
20.	Amendments and Modifications	48
A.	Amendments.....	48
B.	Notice or Meeting at Which Amendment May Be Adopted.....	49
C.	Subdivision of Units.....	49
D.	Approval by Mortgagees of Amendments.....	49
E.	Amendments by Declarant.....	49

21.	Taxation	51
22.	Remedies.....	51
23.	Miscellaneous	51
A.	Effect of Acceptance or Recordation of a Deed.	51
B.	Severability, Interpretation.	51
C.	No Waiver.....	52
D.	Separation of Estates.....	52
E.	No Gift or Dedication.	52
F.	Mechanic’s and Materialmen’s Liens.	52
G.	Security.	52
H.	Exhibits.	53
I.	Notices	53
J.	Omissions.....	53
K.	Captions and Exhibits.	53
L.	Use of Number and Gender.	53
M.	Conflicting or Inconsistent Provisions.....	53
N.	Governing Law.	53

**SECOND AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
FOR**

Playa Vista Conroe, A Condominium

This Second Amended and Restated Declaration of Condominium (this "Declaration") is made December 8, 2012 by Bronze Queen Management Company, LLC ("Declarant" or "Developer") and Existing Unit Owners (defined below), pursuant to and in accordance with the provisions of the Texas Uniform Condominium Act, as now existing or hereafter amended, the same being Chapter 82 of the Property Code, Vernon's Texas Code Ann. (the "Act"), for the purpose of submitting the hereinafter described real property and the improvements located or to be located thereon to a condominium regime.

WITNESSETH:

WHEREAS, A Condominium Declaration for PLAYA VISTA CONROE, a condominium dated January 16, 2008, was filed on February 5, 2008 under Clerk's File Number 2008-010688 in the Official Public Records of Real Property of Montgomery County, Texas ("Original Declaration") and a First Amendment to Declaration of Condominium dated January 26, 2009 was filed on February 27, 2009 under Clerk's File Number 2009-015884 in the Official Public Records of Real Property of Montgomery County, Texas ("First Amendment");

WHEREAS, Declarant acquired the Land and all the improvements located thereon, save and except for the Units owned by the Existing Unit Owners, by virtue of a Substitute Trustee's Deed recorded under Clerk's File No. 2011-078833 in the Official Public Records of Montgomery County, Texas, as corrected by that certain Corrected Substitute Trustee's Deed recorded under Clerk's File No. 2011-113822 in the Official Public Records of Real Property of Montgomery County, Texas;

WHEREAS, the Declarant has succeeded to the Special Declarant Rights of MRI Playa Vista, LP, ("the Original Declarant");

WHEREAS, Declarant and the Existing Unit Owners are the owners of Units at Playa Vista Conroe, a Condominium established according to the Declaration, as amended by the First Amendment (collectively, "Playa Vista Conroe, A Condominium," or the "Condominium"), situated in the County of Montgomery, State of Texas, on a tract of land containing 10.440 acres that is more particularly described by metes and bounds on Exhibit "B," which Condominium contains certain Buildings (defined below) and other improvements more particularly described in the Condominium Plan;

WHEREAS, Declarant and the Existing Unit Owners desire by recording this Second Amended and Restated Declaration to confirm establishment of a condominium under the provisions of the Act with respect to the Condominium;

WHEREAS, the Original Declarant had on November 14, 2007 caused to be incorporated a Texas nonprofit corporation known as Playa Vista Conroe, A Condominium Association (the "Association");

WHEREAS, amendments to the Declaration as embodied in this Second Amended and Restated Declaration of Condominium were adopted according to the provisions of Section 82.067 of the Act;

WHEREAS, Declarant and the Existing Unit Owners desire to record this Second Amended and Restated Declaration of Condominium to correct minor typographical errors and grammar errors, clarify ambiguities in the Original Declaration as amended by the First Amendment, and conform the Original Declaration as amended by the First Amendment to the requirements of the Act;

NOW, THEREFORE, Declarant and the Existing Unit Owners do upon the recording hereof establish the Playa Vista Conroe as a condominium and do declare that Playa Vista Conroe, A Condominium shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manners utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration, all of which shall be deemed to run perpetually with all or any portion of the Condominium unless terminated as provided herein and shall be a burden and a benefit to, and binding on, Declarant and any persons or entities acquiring or owning any interest in the Condominium, and their respective heirs, devisees, legal and personal representatives, successors and assigns. In furtherance of the establishment of the Condominium, it is provided as follows:

1. Definitions

Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the following meanings:

- A. *“Act”* shall have the meaning ascribed thereto in the introductory paragraph of this Declaration.
- B. *“Additional Building(s)”* is a Building that may, in Declarant’s sole discretion, be constructed on the Land that will contain Units. The Additional Building(s) (if any) may be constructed in one or more phases.
- C. *“Assessment”* means a share of the funds required for the payment of Common Expenses that from time to time are assessed against any Owner, including Regular Assessments and Special Assessments.
- D. *“Association”* shall mean Playa Vista Conroe, A Condominium Association, a nonprofit corporation organized pursuant to the Texas Non-Profit Corporation Act, its successors and assigns, of which all Owners shall be members, which corporation shall be the governing and administrative body for all Owners for the protection, preservation, upkeep, maintenance, repair, operation and replacement of the Common Elements, and the government, operation and administration of the Condominium and the Condominium hereby established.
- E. *“Balcony”* means any balcony or terrace attached or contiguous to the Building and appurtenant to a Unit.
- F. *“Board”* or *“Board of Directors”* means the Board of Directors of the Association, as established in the Certificate and the Bylaws.
- G. *“Boat Slip”* means an assigned area for docking a boat located at the marina of the Condominium that is a Limited Common Element.
- H. *“Book of Mortgages”* shall have the meaning set forth in Paragraph 18.A. hereof.
- I. *“Building(s)”* is the improvements that have been constructed on the Land in which Units are ready for occupancy by Owners as residences. For avoidance of doubt, the Units in a Building shall be deemed to be ready for occupancy upon the earlier to occur of: (i) the issuance of a Certificate of Occupancy for any Unit in such Building; or (ii) the conveyance of a Unit in such Building by the Declarant to an Owner (other than the Declarant). At the time of the adoption of this Declaration, three Buildings are depicted on the Condominium Plan. Declarant has the right, but not the obligation, to construct Additional Building(s) in one or more phases. Each Additional Building that may be hereafter constructed may contain one or more Units. The total number of Units constructed and that may be constructed is subject to a maximum of one hundred fifty (150) Units in the Condominium.

- J. "Bylaws" means the Bylaws of the Association attached hereto as Exhibit "A" and incorporated herein by reference for all purposes, which shall govern the administration of the Association, as such Bylaws may be from time to time hereafter lawfully amended.
- K. "Casualty" means a fire, storm, earthquake, flood, natural disaster or other occurrence of any kind or nature, which causes damage or destruction to any part of the Condominium.
- L. "Certificate" means the Certificate of Formation of the Association and all amendments thereto.
- M. "Common Elements" means all of the General Common Elements and all of the Limited Common Elements as described in Paragraph 3 hereof (i.e., the Condominium exclusive of the Units).
- N. "Common Element Costs" shall have the meaning ascribed thereto in Paragraph 14.B.(2)(a) hereof.
- O. "Common Expenses" shall have the meaning ascribed thereto in Paragraph 11.B hereof .
- P. "Common Expense Fund" shall mean the fund into which Regular Assessments for Common Expenses, Boat Slip Assessments, Garage Assessments and Unit—Specific Assessments are collected, and out of which Common Expenses are paid.
- Q. "Condominium" shall mean the Playa Vista Conroe Condominium as a condominium established in conformance with the provisions of the Act, including the Land, and improvements, buildings, structures, facilities, fixtures and equipment constructed, placed or erected thereon, and all easements, rights, hereditaments and appurtenances thereto in any wise belonging or appertaining thereto, subject to the reservations herein contained.
- R. "Condominium Documents" means (i) this Declaration; (ii) the Certificate; (iii) the Bylaws; (iv) the Rules and Regulations; and (v) the Condominium Plan.
- S. "Condominium Information Statement" shall mean the Condominium Information Statement for the Playa Vista Conroe, a Condominium required by the Act.
- T. "Condominium Plan" means the plans and/or plats of the Condominium attached hereto as Exhibit "B," comprised of the following parts:
- (i) Part I: a legal description of the Land;
 - (ii) Part II: a plat of the Condominium as defined in the Act; and
 - (iii) Part III: plans of the Condominium as defined in the Act.
- U. "Condominium Unit" means a Unit together with the undivided share of or ownership interest in the Common Elements appurtenant thereto which interest in General Common Elements corresponds to its Percentage of Common Interest Ownership as more particularly

IN WITNESS WHEREOF, Playa Vista Conroe, A Condominium Association has caused this Second Amended and Restated Declaration of Condominium to be executed effective as of the day and year first written above.

PLAYA VISTA CONROE, A CONDOMINIUM
ASSOCIATION

By: _____

Printed Name: Josh Peterson

Its: President

THE STATE OF TEXAS

COUNTY OF Montgomery, Texas

BEFORE ME, the undersigned authority on this day personally appeared JOSH PETERSON, the President of Playa Vista Conroe, A Condominium Association, a Texas non-profit corporation, in his capacity as President of such non-profit corporation, known to me to be the person whose name is subscribed to the foregoing Second Amended and Restated Declaration of Condominium, and acknowledged to me that he executed the same on behalf of the Association.

SWORN TO AND SUBSCRIBED on this 31st day of March 2013.



Helen Marie Payne
Notary Public in and for the State of Texas

AFTER RECORDING PLEASE RETURN TO:

BRONZE QUEEN MANAGEMENT COMPANY, LLC
615 N. WABASH
CHICAGO, ILLINOIS 60611

Exhibit "A"

BYLAWS OF

**Playa Vista Conroe, A Condominium Association
(A Texas Non-Profit Corporation)**

**ARTICLE I
NAME; DEFINITION**

Section 1.01. Name. The name of this corporation shall be Playa Vista Conroe, A Condominium Association (hereinafter called the "Association").

Section 1.02. Definitions. All capitalized terms used herein shall have the meanings ascribed to such terms in the Declaration as defined in the instrument to which these Bylaws are attached.

**ARTICLE II
OFFICES**

Section 2.01. Registered Office. The registered office of the Association shall be as designated with the Secretary of State of the State of Texas, as it may be changed from time to time.

Section 2.02. Other Offices. The Association may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Association may require.

**ARTICLE III
PURPOSES**

Section 3.01. Purposes. The purpose or purposes for which the Association is organized are: primarily to provide an organization consisting of the owners of the real estate subdivision and property known as the Playa Vista Conroe, A Condominium (the "Condominium"), as such condominium is more particularly described in the Declaration of Condominium for Playa Vista Conroe, A Condominium filed in the Official Public Records of Real Property of Montgomery County, Texas at Clerk's File No. 2008-010688 as subsequently amended by the First Amendment to Declaration of Condominium filed in the Official Public Records of Real Property of Montgomery County, Texas at Clerk's File No. 2009-015884, and as modified and amended by the Second Amended and Restated Declaration of Condominium for Playa Vista Conroe, A Condominium (the "Declaration"), as may be subsequently modified and amended, and otherwise generally:

- (1) To promote the health, safety and welfare of the owners of the Condominium;

- (2) to exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in these Bylaws and created under and through the Declaration;
- (3) to fix, levy, collect and enforce payment of any charges or assessments *as* set forth in the Bylaws and in the Declaration;
- (4) to pay all expenses incidental to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- (5) to borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- (6) to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Non-Profit Corporation Act (or any successor statute) by law may now or hereafter have or exercise; and
- (7) to exercise all of the powers and privileges and perform all of the duties and obligations of the Association as set forth in the Declaration.

Section 3.02. Parties. All present or future Owners, tenants, future Residents, or any other person who might use in any manner the Condominium or any portion thereof are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of all or any portion of a Unit or the mere act of occupancy of all or any portion of the Unit will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

ARTICLE IV MEMBERSHIP

Section 4.01. Membership. Each and every Owner shall automatically become, and must remain, a Member in Good Standing of the Association (as defined in Section 4.02) during such Owner's period of ownership of such Unit or portion thereof. Such membership shall be appurtenant to each Unit, or portion thereof, and may not be severed from or held separately therefrom. The membership of a person or entity in the Association shall terminate automatically whenever such person or entity ceases to be an Owner, except that such termination shall not release or relieve any such person or entity from any liability or obligation incurred under or in any way connected with the Association or the Declaration during the period of ownership, nor impair any rights or remedies which the Association or any other Owner has with regard to such former Owner.

Section 4.02. Member in Good Standing. A Member of the Association shall at all times remain a Member in Good Standing of the Association. A Member shall not be in "Good Standing" if such person or entity is (i) in violation of these By Laws, the Declaration or any rule, regulation or resolution promulgated by the Board; or (ii) delinquent in the full, complete

and timely payment of any Regular Assessment, Special Assessment, Garage Assessment, Boat Slip Assessment and/or Unit-Specific Assessment or any other fee, charge or fine which is levied, payable or collectable under the terms of these By Laws, the Declaration or any rule or regulation promulgated by the Board.

The Board shall have sole responsibility and authority for determining the Good Standing status of any Member at any time, and shall make such determination with respect to all Members prior to a vote being taken by the Association on any matter. Any Member not conforming with the provisions of this Section shall be declared by the Board to be not a Member in Good Standing and shall be disqualified from voting on matters before the Association until such time as Member in Good Standing status is attained and so declared by the Board.

Section 4.03. Voting Rights in the Association. Only Members in Good Standing shall be entitled to vote, and voting membership shall be decreased by the number of Members who are not Members in Good Standing to determine the votes entitled to be cast for the purpose of establishing a quorum, such determination of the total number of Members in Good Standing to be as of the date of which a vote is taken.

Each Unit shall be entitled to a vote that is weighted to correspond to the Percentage of Common Interest Ownership assigned to that Unit in Section 6.E of the Declaration on each matter with respect to which the Members are entitled to vote pursuant to these Bylaws or Declaration; provided, however, that in no case shall a vote that is greater than the Unit's Percentage of Common Interest Ownership be cast with respect to any Unit. If for any Unit there is more than one Owner, the vote for such Unit shall be exercised by the Owners, among themselves, as they may determine and advise the Association in writing prior to the meeting at which the vote is to be cast. In the absence of such agreement or advice, the vote for such Unit shall be suspended if more than one Member seeks to exercise it.

Section 4.04. Cumulative Voting. At all meetings of the Association voting shall not be cumulative.

Section 4.05. Majority. As used in these Bylaws the term a "Majority" shall mean fifty-one percent (51%) of the votes eligible to be cast. Except where otherwise specifically provided herein, in the Certificate of Formation or under applicable law, any action of the Members shall be deemed approved and adopted if Members holding a majority of the votes eligible to be cast vote for such action at a duly called meeting of the Members at which a quorum is present.

Section 4.06. Quorum. Members in Good Standing holding twenty-five percent (25%) or more of the votes (weighted according to Common Interest Ownership) shall constitute a quorum for voting on matters brought before the Association at meetings of Members called by the Board. The Members in Good Standing present at a duly organized meeting may continue to transact business until adjournment.

Section 4.07. Proxies. Each Member entitled to vote at a meeting of Members or to express consent or dissent to action in writing without a meeting, may authorize another person or persons to act for him by proxy. Proxies for use at any meeting of Members shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, prior to or at the time of such meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting who shall also decide all questions with respect to the validity of such proxies, the qualification of voters, and the acceptance or rejection of votes. However, no proxy shall be valid for a period greater than eleven (11) months.

ARTICLE V ASSOCIATION RESPONSIBILITIES AND MEETINGS OF MEMBERS

Section 5.01. Association Responsibilities. The Members shall constitute the Association which will have all the powers and duties of administering and enforcing the covenants, conditions and restrictions including, without limitation, all those set forth in these Bylaws, the Declaration and any rule, regulation or resolution promulgated by the Board, through a Board of Directors. In the event of any dispute or disagreement between any Members relating to the Property, or any questions of interpretation or application of the provisions of these Bylaws, the Declaration or rule, regulation or resolution promulgated by the Board, such dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all such Members, subject to the right of Members to seek other remedies provided by law after work determination by the Board.

Section 5.02. Place of Meeting. Meetings of the Association shall be held at such suitable place, convenient to the Members, as the Board may determine.

Section 5.03. Annual Meetings. There shall be an annual meeting of the Members of the Association to be held on such specific date and at such reasonable place and time as may be designated by written notice of the Board or by written notice signed by Owners having one-fifth (1/5th) of the total votes outstanding (weighted according to Common Interest Ownership), delivered or mailed not less than twenty-one (21) days prior to the date fixed for said meeting, to all Members if given by the Board and to all other Members if given by said Members. At such meetings, there shall be elected by ballot of the Members a Board of Directors. The Members may also transact such other business of the Association as may properly come before them.

Section 5.04. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by Members in Good Standing holding at least thirty percent (30%) of the votes (weighted according to Common Interest Ownership) and having been presented to the Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting. Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the President of such resolution or petition.

Section 5.05. Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail or hand deliver a notice to each Member at the address set forth for such Member in the Association's records of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Member entitled to vote at such meeting, at least fifteen (15) days prior to such meeting for a special meeting, and at least twenty-one (21) days prior to such meeting for an annual meeting. The mailing or hand delivery of a notice in the manner provided in this paragraph shall be considered notice served.

Section 5.06. Order of Business. The order of business at all meetings of the Members shall be as follow

- (a) roll call and certifying proxies;
- (b) proof of notice of meeting or waiver of notice;
- (c) reading and disposal of unapproved minutes;
- (d) reports of officers;
- (e) reports of committees;
- (f) election of directors;
- (g) unfinished business;
- (b) new business; and
- (i) adjournment.

Section 5.07. Meeting Procedures. Notwithstanding the foregoing, the Board may adopt and promulgate such other and further procedures as it may deem appropriate to carry out fairly the spirit and intention of these Bylaws without undue cost, expense or inconvenience. The Board is authorized to employ its notice and voting procedures whatever devices and procedures become available from time to time as the result of technological advances and improvements in communication.

ARTICLE VI BOARD OF DIRECTORS

Section 6.01. Number and Qualification. The affairs of this Association shall be governed by a Board of Directors consisting of at least three (3) individuals who need not be Members. The terms for the initial directors of the Association shall be staggered so that the term of one director will expire at the second annual meeting of the Association, the term of a second director will expire at the third annual meeting of the Association and the term of the third director will expire at the fourth annual meeting of the Association. Except for the terms of the initial Directors as set forth in the immediately foregoing sentence, each Director shall serve a term of two (2) years.

The powers of the Association shall be exercised by or under the authority of, and the business and affairs of the Association shall be managed under the direction of, the Board of Directors.

Each Director shall hold office for the term for which he or she is elected and thereafter until his or her successor shall have been elected and qualified, or until his or her earlier death, resignation or removal.

Section 6.02. Powers and Duties. The powers and duties of the Board of Directors shall include the rights, powers and authorization granted to the Association in the Declaration.

Section 6.03. No Waiver of Rights. The omission or failure of the Association, the Board or any Member to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Declaration, the Bylaws or the rules and regulations adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors shall have the right to enforce the same thereafter.

Section 6.04. Quorum; Required Vote/or Director Action. Unless otherwise required by law or provided in the Certificate of Formation or these Bylaws, a Majority of the total number of Directors fixed by, or in the manner provided in, the Certificate of Formation or these Bylaws shall constitute a quorum for the transaction of business of the Board of Directors and the act of a Majority of the Directors present at a meeting of which a quorum is present shall be the act of the Board of Directors.

Section 6.05. Meetings; Order of Business. Meetings of the Board of Directors may be held at such place or places as shall be determined from time to time by resolution of the Board of Directors. At all meetings of the Board of Directors business shall be transacted in such order as shall from time to time be determined by the resolution of the Board of Directors.

Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 6.06. Vacancies. Vacancies in the Board of Directors caused by death, resignation or disqualification, i.e., by any reason other than the removal of a Director by a vote of the Association, shall be filled by vote of the Majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association held for such purpose.

Any person becoming a director due to a vacancy shall be of the same class of director as the person creating such vacancy and such new director shall serve for the remainder of the term of the director creating such vacancy.

Section 6.07. Annual Meetings. The annual meeting of the Board of Directors shall be held at a time and place designated by the resolution of the Board of Directors.

Section 6.08. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required.

Section 6.09. Special Meetings. Special meetings of the Board of Directors may be called by the President or, on the written request of any two Directors, by the Secretary, in each case on at least twenty-four (24) hours personal, written, telegraphic, cable or wireless notice to each Director. Such notice, or any waiver thereof pursuant to Section 10.3 hereof, need not state the purpose or purposes of such meeting, except as may otherwise be required by law or provided for by the Certificate of Formation or these Bylaws.

Section 6.10. Compensation. Directors, as such, shall not receive any salary or compensation for their services as Directors; provided that nothing contained herein shall be construed to preclude any Director from receiving compensation which is not excessive for personal services (rendered in other than a "Director" capacity) which are reasonable and necessary in carrying out the Association's purposes.

Section 6.11. Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 6.12. Action by Written Consent or Telephone Conference. Any action permitted or required by the Texas Non-Profit Corporation Act, as may be amended from time to time (the "TNPCA"), the Certificate of Formation or these Bylaws to be taken at a meeting of the Board of Directors or any committee designated by the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by all the members of the Board of Directors or committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting and may be stated as such in any document or instrument filed with the Secretary of State, and the execution of such consent shall constitute attendance or presence in person at a meeting of the Board of Directors or any such committee, as the case may be. Subject to the requirements of the TNPCA, the Certificate of Formation or these Bylaws for notice of meetings, unless otherwise restricted by the Certificate of Formation, members of the Board of Directors, or members of any committee designated by the Board of Directors, may participate in and hold a meeting of the Board of Directors or any committee of Directors, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 6.13. Proxies. A Director may vote in person or by proxy executed in writing by the Director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

ARTICLE VII COMMITTEES

Section 7.01. Designation; Powers. The Board of Directors, by resolution adopted by a Majority of the Board of Directors, may designate from among its members one or more committees, each of which shall be comprised of one or more of its members, and may designate one or more of its members as alternate members of any committee, who may, subject to any limitations imposed by the Board of Directors, replace absent or disqualified members at any meeting of that committee. Any such committee, to the extent provided in such resolution or in the Certificate of Formation or Bylaws shall have and may exercise all of the authority of the Board of Directors, subject to the limitations set forth in the TNPCA or below.

No committee of the Board of Directors shall have the authority of the Board of Directors in reference to:

- (1) amending the Certificate of Formation;
- (2) amending, altering or repealing the Bylaws of the Association or adopting new Bylaws of the Association;
- (3) filling vacancies in the Board of Directors;
- (4) filling vacancies in or designating alternate members of any such committee;
- (5) filling any directorship to be filled by reason of an increase in the number of Directors;
- (6) electing or removing officers of the Association or members or alternate members of any such committee;
- (7) fixing the compensation of any member or alternate members of such committee; or
- (8) altering or repealing any resolution of the Board of Directors that by its terms provides that it shall not be amendable or repealable.

Section 7.02. Procedure; Meetings; Quorum. Any committee designated pursuant to Section 7.01 of this Article shall choose its own chairperson and secretary, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by such rules, or by resolution of such committee or of the Board of Directors. At

every meeting of any such committee, the presence of a Majority of all the members thereof shall constitute a quorum, and the affirmative vote of a Majority of the members present shall be necessary for the adoption by it of any resolution.

Section 7.03. Dissolution. The Board of Directors may dissolve any committee at any time, unless otherwise provided in the Certificate of Formation or these Bylaws.

ARTICLE VIII OFFICERS

Section 8.01. Number, Titles and Term of Office. The officers of the Association shall be a President, a Treasurer and a Secretary and such other officers as the Board of Directors may from time to time elect or appoint, including, without limitation, one or more Vice Presidents (anyone or more of whom may be designated Executive Vice President or Senior Vice President), one or more Assistant Treasurers and one or more Assistant Secretaries. Each officer shall hold office until his or her successor shall be duly elected and shall qualify or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, except the same person may not hold the offices of President and Secretary at the same time.

Section 8.02. Salaries. Officers may not receive salaries for their services. An officer, however, may serve the Association in any other capacity and receive compensation for those services. Any compensation that the Association pays to an officer will be reasonable and commensurate with the services performed, after being approved by the Board.

Section 8.03. Removal. Any officer or agent or member of a committee elected or appointed by the Board of Directors may be removed, either with or without cause, by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 8.04. Vacancies. Any vacancy occurring in any office of the Association may be filled by the Board of Directors.

Section 8.05. Powers and Duties of the President. The President shall be the chief executive officer of the Association unless the Board of Directors designates another officer as chief executive officer. Subject to the control of the Board of Directors, the President shall have general executive charge, management and control of the properties, business and operations of the Association with all such powers as may be reasonably incident to such responsibilities; he or she may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Association; he or she is authorized to prepare, execute, certify and record amendments to the Declaration on behalf of the Association and he or she shall have such other powers and duties as designated in accordance with these Bylaws and as from time to time may be assigned to him or her by the Board of Directors.

Section 8.06. Vice Presidents. The Vice President(s), if any, shall perform such duties and have such powers as the Board of Directors may from time to time prescribe. In addition, in the absence of the President, or in the event of his/her inability or refusal to act, (i) a Vice President

designated by the Board of Directors or (ii) in the absence of such designation, the Vice President who is present and who is senior in terms of time as a Vice President of the Association, shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President; provided that he or she shall not preside at meetings of the Board of Directors unless he or she is a Director.

Section 8.07. Treasurer. The Treasurer, if any, shall have responsibility for the custody of all the funds and securities of the Association, and he or she shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him or her by the Board of Directors. He or she shall perform all acts incident to the position of Treasurer subject to the control of the chief executive officer and the Board of Directors; and the Treasurer shall, if required by the Board of Directors, give such bond for the faithful discharge of his or her duties in such form as the Board of Directors may require.

Section 8.08. Assistant Treasurers. Each Assistant Treasurer, if any, shall have the usual powers and duties pertaining to his or her office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him or her by the chief executive officer or the Board of Directors or the Treasurer. The Assistant Treasurers shall exercise the powers of the Treasurer during that officer's absence or inability or refusal to act.

Section 8.09. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; he or she shall attend to the giving and serving of all notices; he or she may in the name of the Association affix the seal (if any) of the Association to all contracts of the Association and attest thereto; he or she may sign with the other appointed officers all certificates for shares of capital stock of the Association; he or she shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of any Director upon application at the office of the Association during business hours; he or she shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him or her by the chief executive officer or the Board of Directors; and he or she shall in general perform all duties incident to the office of Secretary, subject to the control of the chief executive officer and the Board of Directors.

Section 8.10. Assistant Secretaries. Each Assistant Secretary, if any, shall have the usual powers and duties pertaining to his or her office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him or her by the chief executive officer or the Board of Directors or the Secretary. The Assistant Secretaries shall exercise the powers of the Secretary during that officer's absence or inability or refusal to act.

ARTICLE IX INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 9.01. Right to Indemnification. Subject to the limitations and conditions as provided in this Article IX, each person who was or is made a party or is threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding,

whether civil, criminal, administrative, arbitrative or investigative (hereinafter a "proceeding"), or any appeal in such a proceeding or any inquiry or investigation that could lead to such a proceeding, by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a Director or officer of the Association or while a Director or officer of the Association is or was serving at the request of the Association as a Director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise shall be indemnified by the Association to the fullest extent permitted by the TNPCA, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Association to provide broader indemnification rights than said law permitted the Association to provide prior to such amendment) against judgments, penalties (including excise and similar taxes and punitive damages), fines, settlements and reasonable expenses (including, without limitation, attorneys' fees) actually incurred by such person in connection with such proceeding, and indemnification under this Article IX shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder. TO THE FULLEST EXTENT PERMITTED BY THE TNPCA AND OTHER APPLICABLE LAW, THE INDEMNITY REQUIRED HEREUNDER SHALL APPLY TO ACTS AND OMISSIONS INVOLVING THE ACTIVE, PASSIVE, SOLE OR CONCURRENT NEGLIGENCE OF THE PARTIES TO BE INDEMNIFIED. The rights granted pursuant to this Article IX shall be deemed contract rights, and no amendment, modification or repeal of this Article IX shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment, modification or repeal. It is expressly acknowledged that the indemnification provided in this Article IX could involve indemnification for negligence or under theories of strict liability.

Section 9.02. Advance Payment. The right to indemnification conferred in this Article IX shall include the right to be paid or reimbursed by the Association the reasonable expenses incurred by a person of the type entitled to be indemnified under Section 9.01 who was, is or is threatened to be made a named defendant or respondent in a proceeding in advance of the final disposition of the proceeding and without any determination as to the person's ultimate entitlement to indemnification; provided, however, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Association of a written affirmation by such person of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under this Article IX and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such indemnified person is not entitled to be indemnified under this Article IX or otherwise.

Section 9.03. Indemnification of Employees and Agent. The Association, by adoption of a resolution of the Board of Directors, may indemnify and advance expenses to an employee or agent of the Association to the same extent and subject to the same conditions under which it may indemnify and advance expenses to Directors and officers under this Article IX; and, the Association may indemnify and advance expenses to persons who are not or were not Directors, officers, employees or agents of the Association but who are or were serving at the request of the Association as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or

similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise against any liability asserted against him or her and incurred by him or her in such a capacity or arising out of his or her status as such a person to the same extent that it may indemnify and advance expenses to Directors under this Article IX.

Section 9.04. Appearance as a Witness. Notwithstanding any other provision of this Article IX, the Association shall pay or reimburse expenses incurred by a Director or officer in connection with his or her appearance as a witness or other participation in a proceeding at a time when he or she is not a named defendant or respondent in the proceeding.

Section 9.05. Nonexclusivity of Rights. The right to indemnification and the advancement and payment of expenses conferred in this Article IX shall not be exclusive of any other right which a Director or officer or other person indemnified pursuant to this Article IX may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Formation of the Association or these Bylaws, agreement, or otherwise.

Section 9.06. Insurance. At the discretion of the Board of Directors, the Association may purchase and maintain insurance, at its expense, to protect itself and any person who is or was serving as a Director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, proprietorship, employee benefit plan, trust or other enterprise against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under this Article IX.

Section 9.07. Savings Clause. If this Article IX or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Association shall nevertheless indemnify and hold harmless each Director, officer or any other person indemnified pursuant to this Article IX as to costs, charges and expenses (including attorney's fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article IX that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 10.01. Fiscal Year. The fiscal year of the Association shall be such as established from time to time by the Board of Directors.

Section 10.02. Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Association. The Secretary shall have charge of the seal (if any). If and when so directed by the Board of Directors, duplicates of the seal may be kept and used by the Treasurer, if any, or by any Assistant Secretary or Assistant Treasurer.

Section 10.03. Notice and Waiver of Notice. Whenever any notice is required to be given by law, the Certificate of Formation or these Bylaws, except with respect to notices of special meetings of Directors (with respect to which the provisions of Section 6.09 apply), said notice shall be deemed to be sufficient if given (a) by telecopy, (b) by deposit of same in a post office box in a sealed prepaid wrapper addressed to the person entitled thereto at his or her address as it appears on the records of the Association or (c) by personal delivery, and such notice shall be deemed to have been given on the day of such transmission, mailing or personal delivery, as the case maybe.

Whenever notice is required to be given by law, the Certificate of Formation or these Bylaws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice.

Section 10.04. Decisions without Meeting. Any decision required or permitted to be made at a meeting of the Members, or the Board of Directors or any committee of the Association may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all the persons entitled to vote on the matter. The original signed consents will be placed in the Association minute book and kept with the corporate records.

Furthermore, if the Certificate of Formation authorize action with less than unanimous consent, action may be taken without a meeting when there are signed written consents by the number of Members, Directors, or committee members whose votes would be necessary to take action at a meeting at which all such persons entitled to vote were present and voted. Each written consent must be signed and bear the date of signature of the person signing it. A telegram, telex, cablegram, or similar transmission by a member, director, or committee member, or a photographic, facsimile, or similar reproduction of a signed writing, will be treated as an original being signed by the member, director, or committee member. Notwithstanding the foregoing, no action may be taken with less than unanimous consent without a meeting, unless all Members, Directors or committee members, as the case may be, who are entitled to vote on such matter, are notified in writing at least five (5) days prior to such action being taken.

Consents must be delivered to the Association. A consent signed by fewer than all Members, Directors, or committee members is not effective to take the intended action unless the required number of consents are delivered to the Association within sixty (60) days after the date that the earliest dated consent was delivered to the Association. Delivery must be made by hand, or by certified or registered mail, return receipt requested. The delivery may be made to the Association's registered office, registered agent, principal place of business, transfer agent, registrar, exchange agent, or an officer or agent having custody of books in which the relevant proceedings are recorded.

The Association will give prompt notice of the action taken to persons who do not sign consents. If the action taken requires documents to be filed with the Secretary of State, the filed documents will indicate that these written consent procedures were followed to authorize the action and filing.

Section 10.05. Resignations. Any Director, member of a committee or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or if no time be specified, of the time of its receipt by the President or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 10.06. Facsimile Signatures. In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Association may be used whenever and as authorized by the Board of Directors.

Section 10.07. Books and Records. The Association shall keep books and records of account and shall keep minutes of the proceedings of its Board of Directors and each committee of its Board of Directors. The Association shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of the original issuance of shares issued (if any) by the Association and a record of each transfer of those shares that have been presented to the Association for registration of transfer. Any books, records, and minutes may be in written form in any other form capable of being converted into written form within a reasonable time.

Section 10.08. Notice of Lien or Suit. Upon the Association's request, an Owner shall notify the Association of every lien or encumbrance upon his Unit or subdivided portion thereon, other than for taxes and assessments, and notice of every writ or other proceeding which may affect the title to his Unit or subdivided portion thereon (if permitted), and such notice shall be given within five (5) days after the Owner has knowledge thereof.

Section 10.09. Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's liens filed against other portions of the Property for labor, materials, services or other products incorporated in the Owner's Unit

ARTICLE XI AMENDMENTS

Section 11.01. Amendments. These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted only by a Majority vote of the Owners in Good Standing of the Association, which Majority vote shall be determined according to Common Interest Ownership (not a Majority of any quorum of Members). Notwithstanding anything to the contrary contained herein, the notice of any meeting at which these Bylaws are altered, amended, or repealed, or at which new bylaws are adopted, will include the text of the proposed Bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions. In addition, notwithstanding the foregoing, any technical or other amendment necessary to correct typographical errors may be effected by the Board of Directors without the need for a meeting or vote of the Members.

**ARTICLE XII
EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND
DESIGNATION OF VOTING REPRESENTATIVE**

Section 12.01. Proof of Ownership. Any person, on becoming an Owner, shall furnish to the Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest or ownership in a Unit, which copy shall remain in the files of the Association.

Section 12.02. Registration with the Association. Each Owner shall provide to the Association, and thereafter revise and update, the following information: (a) the full name and address of the Owners; (b) the business address and telephone numbers of the Owners; (c) the description and license plate number of each automobile owned or used by the Owner and brought within the Condominium; (d) the names, address and telephone numbers of other individuals who can be contacted (in the event that Owners cannot be located) in the case of an emergency; and (e) the names and method of contacting each Resident that is not an Owner.

**ARTICLE XIII
CONFLICTING OR INVALID PROVISIONS**

Section 13.01. Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article of these Bylaws be in conflict with the provisions of the Texas Non-Profit Corporation Act or any other Texas law, such Act or law shall control; and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as it possible and is reasonable, shall be valid and operative.

Adopted by the Board of Directors effective 5-8, 2013



Carmen Jordan, Secretary

Schedule A to By-Laws
Rules and Regulations

DEFINITIONS

The following terms shall have the following respective meanings (unless the context otherwise clearly indicates or prohibits such meaning):

- A. **Association.** "Association" shall mean Playa Vista Conroe, A Condominium.
- B. **Board.** "Board" shall mean the Board of Directors of the Association.
- C. **General Common Elements.** "General Common Elements" shall have the same meaning as in Section 3.A of the Declaration.
- D. **Declarant.** Declarant shall mean "Bronze Queen Management Company, LLC", a Texas limited liability company, its successors and assigns.
- E. **Declaration.** "Declaration" shall mean and refer to the Second Amended and restated Declaration of Condominium for Playa Vista Conroe, A Condominium.
- F. **Garage.** "Garage" shall mean and refer to a Garage as defined in the Declaration.
- G. **Owner.** An "Owner" shall mean and refer to each and every person or entity, including the Declarant who or which is a record owner of a fee or undivided fee interest in any Unit; however, the word "Owner" shall not include a person or entity who holds a bona fide lien or interest in a Unit as security for the performance of any obligation including, without limitation, any purchase money loan.
- H. **Unit.** A "Unit" shall mean and refer to a Unit as defined in the Declaration.
- I. **Resident.** A "Resident" shall mean and refer to (i) each Owner residing in his or her Unit; (ii) each person residing in a Unit who is a bona fide lessee of the Owner of such Unit; and (iii) each person lawfully domiciled in a Unit other than an Owner or a bona fide lessee.

A. COMPLIANCE

- A-1. ***Compliance.*** Each Owner and occupant shall comply with the provisions of the Declaration and these Rules and Regulations. Each Owner additionally shall be responsible for compliance with the Declaration and the Rules and Regulations by the occupants of Owner's Unit, and Owner's families, invitees, tenants, agents, employees, or contractors. Use of "Owner" or "Resident" in the Rules and Regulations shall be deemed to include and apply to the Owner of a Unit and to all persons for whom the owner is responsible.

- A-2. *Waiver.* Certain circumstances may warrant waiver or variance of the Rules and Regulations, an Owner must make written application to the Board for such waiver or variance. If the Board deems the waiver or variance warranted, then the Board may condition its approval, which must be in writing to be effective.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. *Safety.* Each Resident 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 at the Condominium to whom the Resident has a duty of care, control, or custody.
- B-2. *Damage.* Each Owner is responsible for any loss or damage to Owner's Unit, other Units, the personal property of other Residents of their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible. Each Owner shall close all exterior windows and doors when necessary to avoid possible damage from storms or the elements. All damage to the Condominium caused by construction or repair activities within an Owner's Unit, or by the moving of any article therefrom or by the carrying of any article thereto, shall be paid for by the Owner responsible for such construction or repair activities or the presence of such article.
- B-3. *Residents Must Insure.* Each Resident is solely responsible for insuring his, her, or its' personal property in the Unit, including Owner's furnishings, automobile, and personal property. Personal property placed in or on the Condominium shall be solely at the risk of the owner of such personal property. Each Resident is also solely responsible for such Resident's liability third parties for occurrences within the Resident's Unit.
- B-4. *Risk Management.* No Resident 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.* An Owner shall promptly reimburse any other Owners for any expenses incurred by such Owners in enforcing the Rules and Regulations against the Owner, his, her, or its Unit, or persons for whom the Owner is responsible.
- B-6. *Reimbursement for Damage.* An Owner shall promptly reimburse the other Owners for the cost of damage to the Condominium caused by the negligent or willful conduct of the Owner of the persons for whom the Owner is responsible.

C. OCCUPANCY STANDARDS

- C-1. *Numbers.* A Unit may be occupied by no more than two (2) persons per bedroom, unless higher occupancy is mandated by applicable law.

- C-2. *Occupancy Defined.* Occupancy of a Unit for purposes of these Rules and Regulations shall mean occupancy of at least 30 continuous days or 60 noncontinuous days in any 12 month period.
- C-4. *Leases or Rentals.* All tenants shall observe all of the terms and provisions of Rules and Regulations, and each lease shall contain a provision that the lease shall automatically be terminated upon tenant's violation of these Rules and Regulations.

D. GENERAL USE AND MAINTENANCE OF UNIT

- D-1. *Residential Use.* Each Unit must be used solely for residential use, and may not be used for business, professional, commercial or manufacturing purposes. This restriction shall not prohibit a Resident from using his or her Unit for a limited business purpose, provided that: (i) such use is incidental to the Unit's primary Residential use; (ii) such use conforms to all applicable laws and ordinances; and (iii) there is no external evidence of such use. In no event shall such limited business use unreasonably interfere with the quiet enjoyment of the other Owners of their Units or involve the sale of goods or merchandise.

In addition, consultation with clients or customers at or in a Unit shall not be permitted. Notwithstanding the foregoing, the use of a Unit for the maintenance of a personal or professional library; for the keeping of personal business or professional records of accounts; or for the handling of personal business or professional telephone calls or correspondence shall not be deemed to be a violation of these provisions.

- D-2. *Annoyance.* No Unit may be used in any way that: (i) may reasonably be considered annoying to occupants of neighboring Units; (ii) may be calculated to reduce the desirability of the Condominium as a residential community; (iii) may endanger the health or safety of other Residents; or (iv) may violate law or any provision of the Declaration or the Rules and Regulations.
- D-3. *Maintenance.* Each Owner, at his, her, or its sole cost and expense, shall maintain the interior in a clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, cable, television, plumbing, power or other utility systems throughout the Condominium and each Owner shall be responsible for his, her, or its negligence or misuse of any of the Common Elements or his, her, or its own facilities resulting in damage to the Common Elements or to the exterior of any of the Units.
- D-4. *Patio/Balcony/Terrace.* Each Resident shall keep his, her, or its Unit and patio, balcony, or terrace in a good state or cleanliness, taking care that the cleaning of his or her patio, balcony, or terrace does not annoy or inconvenience other Residents. No plants shall be watered on a balcony or terrace such that water overflows onto any other Unit's patio, balcony, terrace, or the exterior surface of the Condominium. No animal shall be fed on or from any balcony or terrace. Each Owner shall be responsible and liable for any item which falls or is thrown from such Owner's patio, balcony, or terrace by any person for

whom the Owner is responsible. A patio/balcony/terrace may not be enclosed or used for storage purposes.

- D-5 *Glass.* Each Owner, at his, her, or its sole cost and expense, shall promptly repair and replace any broken or cracked glass in his, her, or its Unit's windows and doors.
- D-6 *Air Conditioning Equipment.* Each Owner, at his, her, or its own cost and expense, shall maintain, repair, and replace the heating and cooling equipment/system serving his, her, or its Unit, including the outside compressor.
- D-7 *Combustibles.* No Owner shall use or permit to be brought into or stored in the Condominium (including within a Unit) any flammable oils or fluids such as gasoline (other than inside the sealed gas tank of a vehicle in the Unit's Garage), kerosene, naphtha, benzene, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the prior written consent of the other Owners.
- D-8 *Barbeque Grills.* The use of outdoor grills is subject to the following restrictions: (i) open fires must be supervised at all times; (ii) gas tanks must be properly used and maintained; (iii) no flames may be higher than the cooking surface; and (iv) a grill may not be used near combustible materials; provided, however, that any such usage must be in full compliance and accord with the Montgomery County fire code.
- D-9 *Report Malfunctions.* A Resident shall immediately report to adjacent Owners his or her discovery of any leak, break, or malfunction in any portion of his or her Unit or the adjacent Limited Common Elements for which the other Owners have a maintenance responsibility. The failure to report promptly a problem may be deemed negligence by the Resident, who may be liable for any additional damage caused by the delay.
- D-10 *Boat Slips:* Owners of boat slips are permitted to hang personal watercraft (e.g. jet ski, wave runner, etc.) on the back of their respective boat slips, provided that the equipment matches the standards, strict uniformity, make, and model with current lifts. The watercraft must hang over water at all times, and not rest on any portion of the dock. For the exclusive use of personal watercraft only, the back of the slip (limited to the commensurate width of the respective Owner's slip) shall be considered that Owner's property to maintain along with the slip itself. Boat slip owners may install covers/canopies for their slip. All such boat slip covers must be English Brown in color from John Boyle and Company or Equal. The Board reserves the right to enforce these standards for any party that installs non-conforming equipment, lifts, canopies or covers.

E. GENERAL USE AND MAINTENANCE OF COMMON AREAS

- E-1. *Intended Use.* Every area and facility in the Condominium may be used only for its intended and obvious use. For example, walkways, sidewalks and driveways are to be used exclusively for purposes of access, not for social congregation or recreation except with the consent of the other Owners. The Common Elements shall not be used for storage of supplies, personal property, garbage or refuse of any kind, (except for the

Storage Spaces which are Limited Common Elements) nor shall the Common Elements or Balconies be used in any way for the drying, shaking or airing of clothing or other items. No Owner shall do any act or place any object in his, her, or its Unit which would create a structural hazard or endanger the structure of the Unit or adjacent Units.

- E-2. *Grounds.* Residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the General Common Elements. The following are expressly prohibited: digging, planting, pruning, and climbing.
- E-3. *Abandoned Items.* No item or object of any type shall be stored, placed or maintained anywhere on the Common Elements.

F. COMMUNITY ETIQUETTE

- F-1. *Courtesy.* Each Resident shall endeavor to use his or her Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.
- F-2. *Annoyance.* No unlawful, noxious or offensive activity shall be conducted or carried on in any Unit, or upon the Common Elements or anywhere else in the Unit, nor shall anything be done therein or thereon which may be or become an annoyance or a nuisance to other Owners or the neighborhood or cause unreasonable noise or disturbance to others, or which shall interfere in any manner with any Owner's quiet enjoyment of his, her, or its Unit.
- F-3. *Noise and Odors.* Each Resident 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 Residents of other Units. The use of discharge of firearms, firecrackers or fireworks is expressly prohibited within or from the Unit or the Common Elements.
- F-4. *Reception Interference.* Each Resident shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, cable or electronic reception of any other Unit.
- F-5. *Compliance with Law.* Residents may not use the Unit for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of Montgomery County, Texas. A Resident who violates this provision shall hold the other Owners and Residents harmless from all fines, penalties, costs and prosecutions for the Resident's violation or noncompliance.

G. ARCHITECTURAL CONTROL

- G-1. *Alterations, Additions and Improvements.* No alterations of any portion of the Common Elements or additions or improvements thereon or of any portion of the Unit visible from the exterior of the Unit shall be made by any Owner without the prior written approval of the Board of Directors or the Association. Further, any alterations within a residence that

includes electrical or plumbing modifications and/or wall changes must be submitted in writing for approval by the Declarant or other Owners as the case may be. No Owner shall make any structural modification to his, her, or its Unit, Garage, Boat Slip, or Storage Space. At no time will construction of a permanent nature covering an exterior window or a portion of a window be allowed. Unit Owners shall be responsible for any and all glass breakage.

G-2. *Prohibited Acts.* No person may:

- a. Post or inscribe signs, notices, or advertisements on the Common Elements or in a Unit if visible from outside his Unit, including "For Sale" or "For Lease" signs (except for professionally prepared broker's "For Sale" signs) except to the extent that federal or Texas law expressly mandates that particular signage is permissible.
- b. Place or hang an object in, on, from, or above any window, balcony, terrace, or patio that detracts from the appearance of the Unit, including any poster, banner or flag except to the extent that federal or Texas law expressly mandates that particular flags or particular religious objects are permissible.
- c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding, bicycles, grilles or other similar items from windows, doors, balconies, patios, or fences.
- 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, without the prior written consent of the Board.
- e. Place decorations on exterior walls, windows, or doors, or on the general Common Areas.

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

- a. Any window treatment, including drapes, blinds, shades, or shutters, must be clear or white or off-white when viewed from outside the Unit;
- b. Aluminum foil and reflective window treatments, and cardboard or other solid materials are expressly prohibited; and
- c. Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn or, damaged.

G-4. *Board Approval.* To obtain the Board's written consent for a modification, an Owner must submit to the Board 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. The Board' failure to respond to the Owner's written request within 30 days after it receives such request shall be construed as no objection to the proposed changes.

- G-5. *Construction and Contractor Rules.* Outside contractors are at the Condominium at the invitation of the respective Unit Owner. Contractors are required to abide by the following rules and regulations so that Owners and other Residents are not unduly disturbed by work-related activities.

HOURS. Working hours are Monday-Friday, 8:30 am-4:30 pm. Contractors may arrive on the property no earlier than 8:00 am to prepare for work and must have cleaned up and have departed the premises no later than 5:00 pm.

DAMAGES. Contractors are responsible and liable for any damage to the Common Areas and will be required to restore the damaged areas to their original condition.

NOXIOUS ODORS. The use of paints, chemicals or solvents that cause noxious or unpleasant odors to enter or other units is prohibited.

TRASH. All trash and debris is to be completely removed from the property by the contractor. Dumpsters and trash containers present on the property are NOT to be used for construction trash.

APPLIANCES. Unit appliances are not to be used by contractors for any reason. Kitchen sinks, bathtubs, toilets, etc. are not to be used for washing painting equipment or disposal of any construction materials.

INSURANCE. All contractors performing work in the Condominium must obtain and have in full force and effect the following insurance:

	<u>Insurance Provided by Contractor</u>	<u>Minimum Limits</u>
A.	Coverage of Liability	
	1. Worker's Compensation and Occupational Diseases Employer's Liability	Statutory Limits
	2. Contractors' Comprehensive General Liability Insurance including Contractors' Protective Liability, Completed Operations Liability and Broad Form Contractual Liability) Statutory Limits	\$500,000
	a. Comprehensive General Liability	

- | | | |
|-----|-------------------------------|--|
| (1) | Bodily Injury | \$500,000 each occurrence
\$500,000 aggregate |
| (2) | Broad Form
Property Damage | \$100,000 each occurrence
\$100,000 aggregate |
| (3) | Personal Injury | \$500,000 aggregate |

b. Comprehensive Automobile Liability Insurance to include nonowner, hired or rented vehicles as well as owned vehicles:

- | | | |
|-----|-----------------|--|
| (1) | Bodily Injury | \$250,000 each person
\$500,000 each occurrence |
| (2) | Property Damage | \$100,000 each occurrence |

- B. If Owner is not named as an additional insured, Contractor shall obtain and deliver to Owner a waiver of subrogation by the carrier of the insurance referred to above for any claims whatsoever that it may have in connection therewith against Owner.
- C. Each policy of insurance required to be purchased and maintained by Contractor and each certificate of insurance required to be furnished by said contractor shall provide that the insurance provided or evidenced thereby shall not be changed or canceled except upon 30 days' written notice to Owner.

Should an Owner contemplate major repair or additions requiring approval from the Board a contractor must furnish insurance as evidenced above. A copy of this Certificate of Insurance must be delivered to the Board prior to commencement of work and the Association shall be named as additional insureds.

For minor repairs or additions, such as carpet laying, fixture hanging, light painting, floor polishing, etc., it is understood that small contractors may not carry extensive insurance coverage. In this instance, the Unit Owner may furnish the Board with evidence of personal liability coverage of at least \$1,000,000 of General Liability. This insurance policy is readily obtainable, very inexpensive, and permits the insured to hire small contractors. It is understood that the Resident assumes all responsibility for such employees, including any damages to the Common Areas caused by workers in the Unit Owner's employ.

H. VEHICLE RESTRICTIONS

- H-1. *Permitted Vehicles.* For purposes of this Declaration, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. All vehicles must be parked in a Unit's closed garage or parking space, and no vehicles may be parked in the Common Elements. Boats, trailers, campers, motor homes,

recreational vehicles, commercial vehicles, trucks (other than standardized pick-up trucks which may be parked in a Garage with the door closed) and bikes shall only be parked within the Condominium in a Garage or the interior of a Unit (but not on a Unit's balcony), No noisy or smoky vehicles may be operated at the Condominium. No motorcycles without mufflers shall be permitted in the Condominium.

- H-2. *Repairs.* Washing, repairs, restoration, or maintenance of vehicles is prohibited, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle out of the Condominium to a repair facility.
- H-3. *Garage Use.* No Garage shall be converted for living, recreational or business purposes, nor shall anything be stored in any garage other than a permitted vehicle. Garage doors must be kept shut at all times except when being used for the ingress or egress of the permitted vehicle. All Garage doors must be equipped with working automatic garage door openers with remote controls in each permitted vehicle.
- H-4. *Guest Vehicle Parking.* Guests for any Owner or Resident shall be allowed to park in guest parking spaces, and these parking spaces shall be available to bona-fide guests (but not to construction workers) on a first-come, first-served basis.
- H-5. *No Obstruction.* No vehicle may be parked in a manner that interferes with ready access to any entrance to or exit from the Condominium or any Unit. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard at the Condominium.
- H-6. *Nuisances.* Each vehicle shall be muffled and shall be maintained and operated to minimize noise, odor, and oil or other fluids emissions in the Common Elements. No Resident shall cause or permit the blowing of a horn of any vehicle in which such Resident or his or her guest or family shall be occupants while in the Common Elements. No vehicle may be kept on the Condominium if the other Owners deem to be unsightly, inoperable, inappropriate, or otherwise in violation of the Rules and Regulations.

I. TRASH DISPOSAL

- I-1. *General Duty.* Residents shall not litter Common Elements, shall endeavor to keep the Condominium clean, and shall dispose of all refuse in receptacles. No garbage, trash, rubbish, waste, or waste bins or receptacles therefore shall be permitted to remain on any portion of the Common Elements, exception those days specifically scheduled for collection thereof and in areas specifically designated therefore. All garbage, trash, rubbish, and other waste shall be kept only in sanitary containers.

Initially, each Resident shall put all trash into a container. Each Resident shall place such container in front of the Units for pickup each trash day.

- I-2. *Hazards.* Resident may not 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 barbeque grills or fireplaces, a Resident shall ensure that the debris is thoroughly cold.
- I-3. *Excess Trash.* Residents shall arrange privately for removal of discarded furnishings or any unusually large volume of debris. Owner and Owner's contractors, subcontractors, agents, employees and other parties involved in any construction to or on such Owner's Unit shall confirm that any and all refuse, waste, trash, garbage, rubbish, remains, scraps and other materials and supplies which are brought onto the Unit by such parties, or any of them, is removed, at such Owner's expense.

J. PETS

- J-1. *Subject to Rules.* A Resident may not keep or permit on the Unit a pet or animal of any kind, at any time, except as permitted by these Rules and Regulations.
- J-2. *Permitted Pets.* A Resident may keep up to two (2) small domestic animals such as birds, fish, dogs and cats within a Unit. All animals kept within the Unit shall be registered with the Association in such manner as it shall require, may not be kept or bred for any commercial purpose and shall have the care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary condition. Permitted house pets also include specially trained animals that serve as physical aids to handicapped Residents, regardless of the animal's size or type.
- J-3. *Prohibited Animals.* No Resident may keep a dangerous or exotic animal, pit bull terrier, trained attack dog, vicious dog, or any other animal deemed by the other Owners to be a potential threat to the well-being of people or other animals. No animal or house pet may be kept, bred, or maintained for a commercial purpose.
- J-4. *Indoors/Outdoors.* A permitted pet must be maintained inside the Unit or on the ground floor patio. No pet shall be allowed, kept or fed on or from a balcony, or terrace. No pet is allowed on General Common Elements unless carried or leashed. No pet may be leashed to any stationary object on the General Common Elements.
- J-5. *Disturbance.* Pets shall be kept in a manner that does not disturb another Resident's rest or peaceful enjoyment of his or her Unit or the General Common Elements. No pet shall be permitted to bark, howl whine, screech, or make other loud noises for extended or repeated periods of time.
- J-6. *Damage.* Each Resident is responsible for any property damage, injury, or disturbance his or her pet may cause or inflict. Each Resident shall compensate any person injured by his or her pet. Any Resident who keeps a pet at the Condominium shall be deemed to have indemnified and agreed to hold harmless the other Owners and Residents, from 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 at the Condominium.

- J-7. *Pooper Scooper.* No Resident may permit his or her pet to relieve itself on the Common Elements. Each Resident is responsible for the removal of his or her pet's wastes from the Common Elements.
- J-8. *Removal.* If after (i) three (3) violations of this provision, (ii) ten (10) days' prior written notice to the Owner of such animal, if such Owner can be located, and (iii) an opportunity for such Owner to have a hearing before the other Owners, such animal is found to be in violation of this Section, the Owner of such animal shall remove the animal from the Condominium, failing which such animal may be taken from such Owner and given to the Society for the Prevention of Cruelty to Animals of Harris County, Texas or the Montgomery County Animal Service Center. If such Owner cannot be located such animal may be given to the Society for the Prevention of Cruelty to Animals of Harris County, Texas or the Montgomery County Animal Service Center.

K. MISCELLANEOUS

- K-1. *Security.* The Association and Declarant may, but shall not be obligated to, maintain or support certain activities within or around the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. The Association and Declarant, their directors, 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 Owner, Resident, guest, and invitee to the Condominium assumes all risk for loss or damage to his, her, or its property on the Unit. The Declarant 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.
- K-2. *Mailing Address.* An Owner who receives mail at any address other than the address of his, her, or its Unit shall be responsible for maintaining with the other Owners his, her, or its 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 Owners by the other Owners shall be sent to an Owner's most recent address as shown on the records of the other Owners. If an Owner fails to provide a forwarding address, the address of that Owner's Unit shall be deemed effective for purposes of delivery. Any notice required or permitted to be given hereunder to any Owner shall be deemed to have been properly delivered and received when deposited in the United States mail, postage prepaid, addressed to the last known address of the person who appears as Owner of a Unit at the time of such mailing or may be given by personal delivery.
- K-4. *Amendment.* The Association acting through its Board may amend these Rules and Regulations.

- K-4. *Properties Subject to these Rules and Regulations.* All of the property described in the Condominium Plat or Plan, including all Units therein, are expressly made subject to the Bylaws and these Rules and Regulations. Additional property may become subject to the Bylaws and the Rules and Regulations to the extent such property becomes subject to the Declaration.
- K-5. *Conflict With Zoning and Other Laws.* In the event, any restriction, covenant or condition contained herein conflicts with or differs from any zoning, building or development ordinance, or any other applicable law, that may from time to time be in existence, the more restrictive of the two shall apply.
- K-6. *Enforcement.* The Rules and Regulations may be enforced by any Owners. Enforcement of these Rules and Regulations may be by a proceeding by law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of a new lien created by the Declaration or the Rules and Regulation; but failure any Owner to enforce any conveyance, restriction or provision herein contained shall in no event be deemed a waiver of the right to do so thereafter. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorneys' fees from the non-prevailing party.
- K-7. *Validity And Severability.* Violation of or failure to comply with the Rules and Regulations shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may be then existing on any Unit. Invalidation of any provision of the Rules and Regulations or any portion thereof by a judgment or court order shall not affect any of the other provisions or conveyances herein contained, which shall remain in full force and effect.

EXHIBIT "B"

Being 10.440 acres of land situated in the Abraham Pevehouse Survey, A-423, Montgomery County, Texas, and being recorded as 10.465 acres of land under County Clerk's File No. 2007-134118 of the Real Property Records of Montgomery County, Texas, said 10.440 acres of land being more particularly described by metes and bounds as follows with bearings referenced to Texas Central State Plane Coordinates:

BEGINNING at a 5/8 inch iron rod with survey cap (Moyer 5656), found (Northing: 10154353.51001; Easting: 3783554.63371) in the north line of F.M. 1097, right-of-way width varies, for the southeast corner of a certain 2.326 acres of land as described in deed recorded under County Clerk's File No. 9468036 of the Real Property Records of Montgomery County, Texas, same being the southwest corner and **POINT OF BEGINNING** of the herein described tract;

THENCE North 01 degrees 30 minutes 25 seconds West, along the east boundary line of the said 2.326 acres of land and the southwesterly boundary line of the herein described tract, passing at 14.34 feet a 5/8 inch iron rod with survey cap (Moyer) found for reference, continuing in all a distance of 189.59 feet to a 5/8 inch iron rod with survey cap (Moyer) found (Northing: 10154543.03704; Easting: 3783549.64808) for a southwesterly corner of the herein described tract;

THENCE North 88 degrees 29 minutes 35 seconds East, along a southwesterly boundary line of the herein described tract, a distance of 90.00 feet to a 5/8 inch iron rod with survey cap found for an interior southwesterly corner of the herein described tract;

THENCE North 01 degrees 30 minutes 25 seconds West, along an interior southwesterly boundary line of the herein described tract, a distance of 168.00 feet to a 5/8 inch iron rod with survey cap (Moyer) found for an interior southwesterly corner of the herein described tract;

THENCE South 88 degrees 29 minutes 35 seconds West, along a southwesterly boundary line of the herein described tract, a distance of 90.00 feet to a 5/8 inch iron rod with survey cap found in the east boundary line of the said 2.326 acres of land for a westerly corner of the herein described tract;

THENCE North 01 degrees 30 minutes 25 seconds West, along the east boundary line of the said 2.326 acres of land and a westerly boundary line of the herein described tract, a distance of 99.38 feet to a 5/8 inch iron rod with survey cap found for an interior westerly corner of the herein described tract;

THENCE South 88 degrees 29 minutes 35 seconds West, severing the said 2.326 acres of land along a westerly boundary line of the herein described tract, a distance of 61.80 feet to a 5/8 inch iron rod with survey cap (Moyer) found (Northing: 10154800.70614; Easting: 3783481.05139) in the easterly line of Bridgeview Lane, an approximate existing prescriptive right 80 foot wide right-of-way, and the westerly boundary line of the said 2.326 acres of land for the most westerly corner of the herein described tract;

THENCE North 20 degrees 39 minutes 46 seconds East, along the easterly line of said Bridgeview Lane and the westerly boundary line of the said 2.326 acres of land and the westerly boundary line of the herein described tract, a distance of 156.62 feet to a point in concrete drive for an angle point;

THENCE North 27 degrees 01 minutes 59 seconds East, continuing along the southeasterly line of said Bridgeview Lane and the westerly boundary line of the herein described tract, a distance of 5.64 feet to a 5/8 inch iron rod with survey cap (Moyer) found for an angle point of the herein described tract;

THENCE continuing along the southerly line of said Bridgeview Lane and the northerly boundary line of the herein described tract, the following bearings and distances:

1. North 33 deg. 57 min. 21 sec. East, a distance of 155.58 feet to a 5/8 inch iron rod with survey cap (Moyer) found for an angle point;
2. North 47 deg. 34 min. 53 sec. East, a distance of 93.00 feet to a 5/8 inch iron rod with survey cap (Moyer) found for an angle point;

EXHIBIT B
PART I

3. North 57 deg. 30 min. 51 sec. East, a distance of 92.99 feet to a 5/8 inch iron rod with survey cap (Moyer) found for an angle point;
4. North 67 deg. 37 min. 19 sec. East, a distance of 93.83 feet to a 5/8 inch iron rod with survey cap (Moyer) found for an angle point;
5. North 75 deg. 11 min. 17 sec. East, a distance of 96.27 feet to a 5/8 inch iron rod with survey cap (Moyer) found for an angle point;
6. North 78 deg. 18 min. 30 sec. East, a distance of 198.57 feet to a 5/8 inch iron rod with survey cap found for an angle point;
7. North 79 deg. 09 min. 30 sec. East, a distance of 175.66 feet to a 1/2 inch iron rod found (Northing: 10155327.61717; Easting: 3781319.68786) for the northwest corner of a certain 0.135 acre tract of land as described in deed recorded under County Clerk's File No. 2002-095219 of the Real Property Records of Montgomery County, Texas, and the northeast corner of the herein described tract;

THENCE South 01 degree 48 minutes 36 seconds East, along the west boundary line of the said 0.135 acre tract of land and the northeast boundary line of the herein described tract, a distance of 61.62 feet to a 5/8 inch iron rod with survey cap (Moyer) found for the southwest corner of the said 0.135 acre tract of land and the southerly northeast corner of the herein described tract;

THENCE in a southerly direction along the east boundary line of the herein described tract, the following courses and distances:

1. South 70 deg. 49 min. 01 sec. West, a distance of 68.63 feet to a 5/8 inch iron rod with survey cap (Moyer) set for an angle point;
2. South 46 deg. 15 min. 51 sec. West, a distance of 237.92 feet to a 5/8 inch iron rod with survey cap (Moyer) set for an angle point;
3. South 56 deg. 36 min. 35 sec. West, a distance of 21.64 feet to a 5/8 inch iron rod with survey cap set for an angle point;
4. South 33 deg. 28 min. 35 sec. West, a distance of 104.10 feet to a 5/8 inch iron rod with survey cap (Moyer) set for an angle point;
5. South 00 deg. 52 min. 25 sec. East, a distance of 27.91 feet to an angle point;
6. South 11 deg. 26 min. 19 sec. West, a distance of 83.31 feet to a 5/8 inch iron rod with survey cap (Moyer) set for an angle point;
7. South 14 deg. 10 min. 04 sec. East, a distance of 97.83 feet to a 5/8 inch iron rod with survey cap set for an angle point;
8. South 48 deg. 26 min. 40 sec. East, a distance of 142.19 feet to a 5/8 inch iron rod with survey cap set for an angle point;
9. South 36 deg. 03 min. 25 sec. East, a distance of 68.86 feet to a 5/8 inch iron rod with survey cap set for an angle point;
10. South 12 deg. 21 min. 35 sec. West, a distance of 61.10 feet to a 5/8 inch iron rod with survey cap set for an angle point;
11. South 26 deg. 16 min. 35 sec. West, a distance of 236.30 feet to point in the north line of aforesaid F.M. 1097 for the southeast corner of the herein described tract;

THENCE North 88 degrees 52 minutes 58 seconds West, along the north line of said F.M. 1097 and the south boundary line of the herein described tract, a distance of 186.93 feet to a TX DOT monument with aluminum disc found for an angle point from which a 5/8 inch iron rod with survey cap (Moyer) found for reference bears South 14 degrees 08 minutes 28 seconds East, a distance of 3.35 feet;

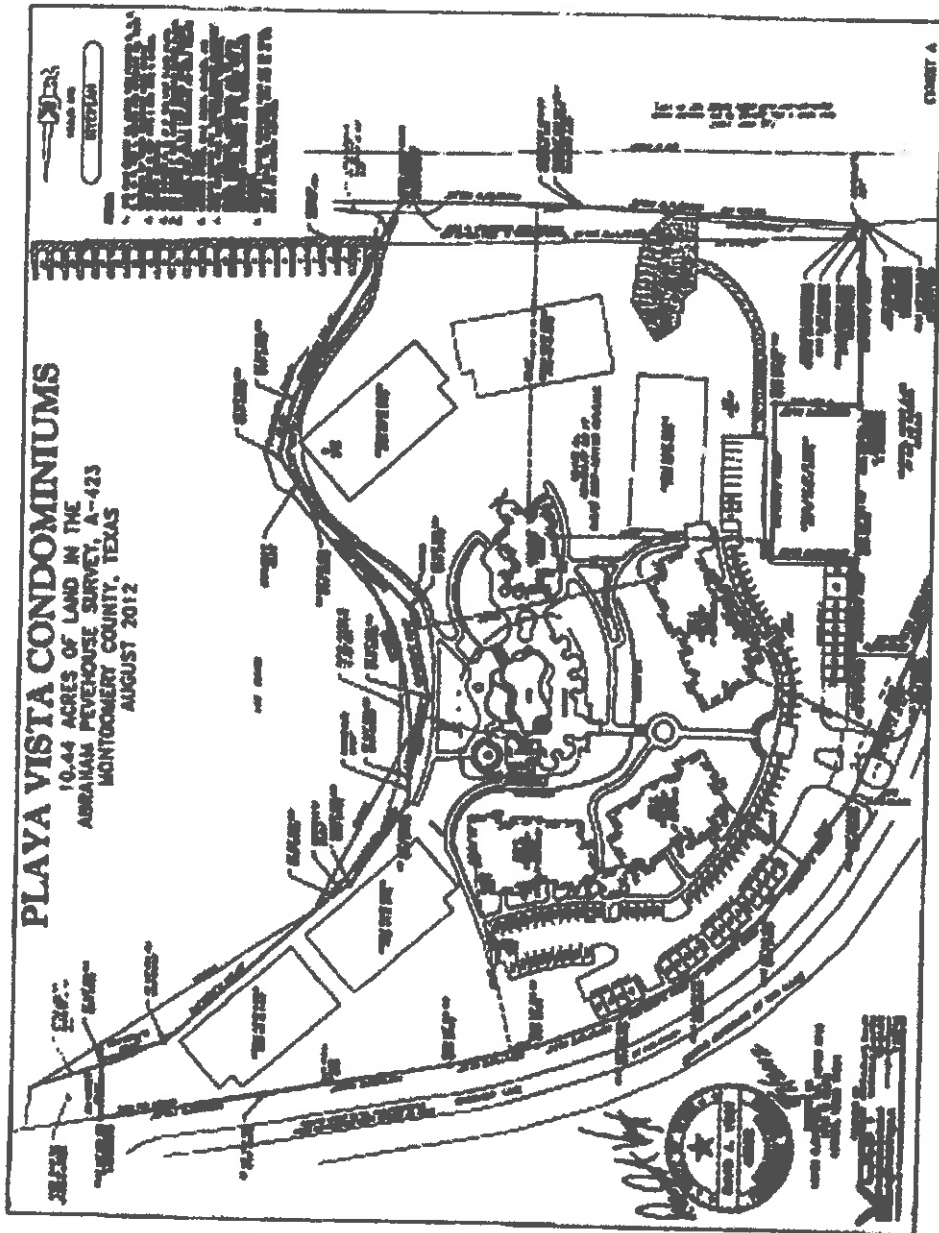
THENCE North 88 degrees 59 minutes 11 seconds West, continuing along the north line of said F.M. 1097 and the south boundary line of the herein described tract, a distance of 300.73 feet to a TX DOT monument with aluminum disc found for an angle point from which a concrete monument found for reference bears South 34 degrees 38 minutes 18 seconds East, a distance of 2.08 feet;

THENCE South 82 degrees 59 minutes 38 seconds West, continuing along the north line of said F.M. 1097 and the south boundary line of the herein described tract, a distance of 3.94 feet to the BEGINNING and containing 10.440 acres of land.

Job No. 12054

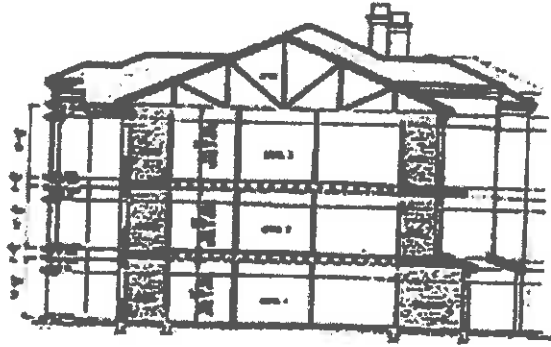


Exhibit B

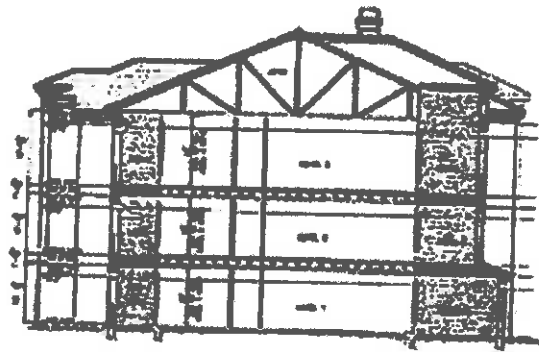


**EXHIBIT B
 PART II & III**

Exhibit B



TYPE I



TYPE II

TYPICAL BUILDING SECTIONS
SCALE: 1" = 20' @ 1/2011



DAVID A. VEIT
LICENSED PROFESSIONAL ENGINEER
STATE OF TEXAS
NO. 12345
EXPIRES 12/31/2011

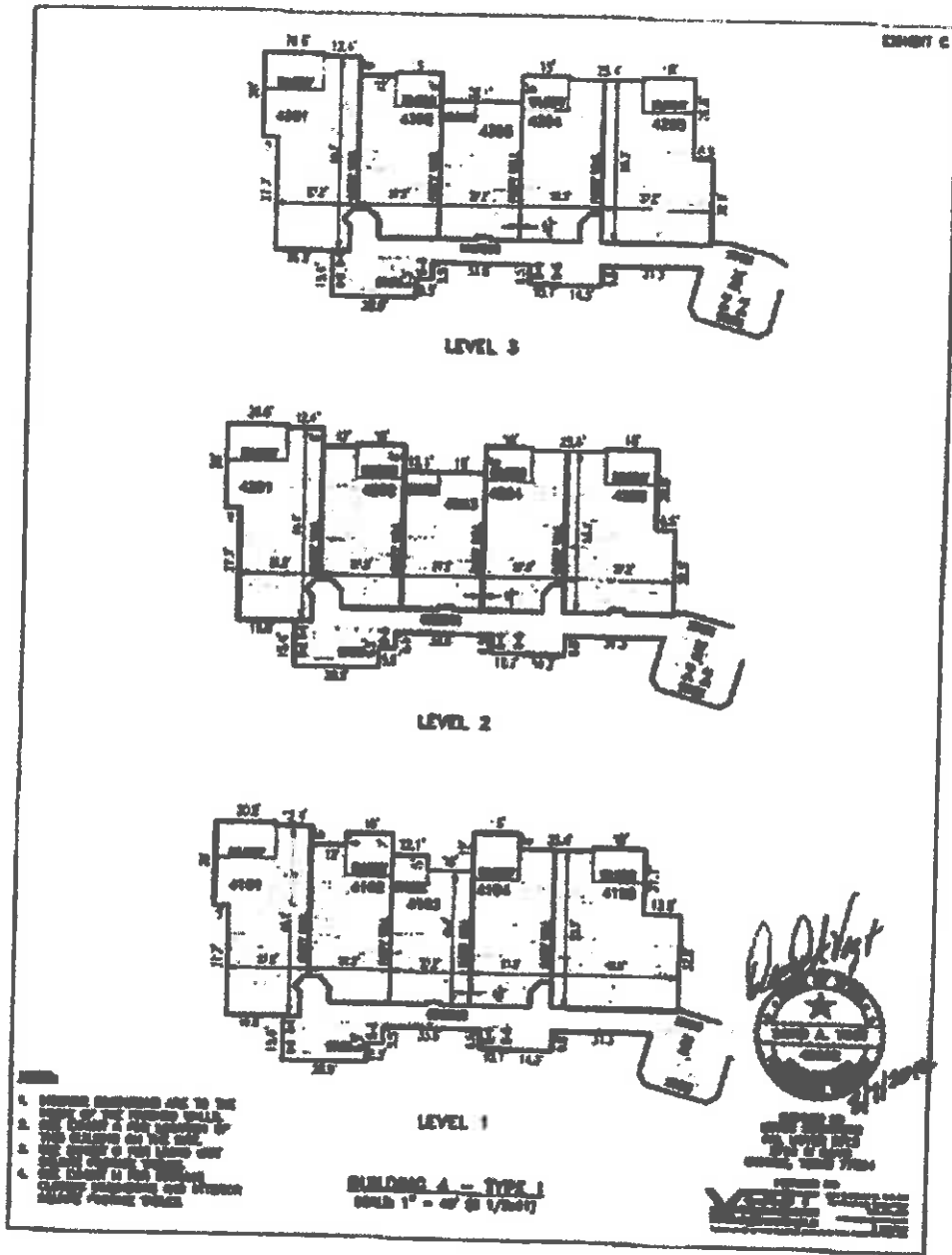


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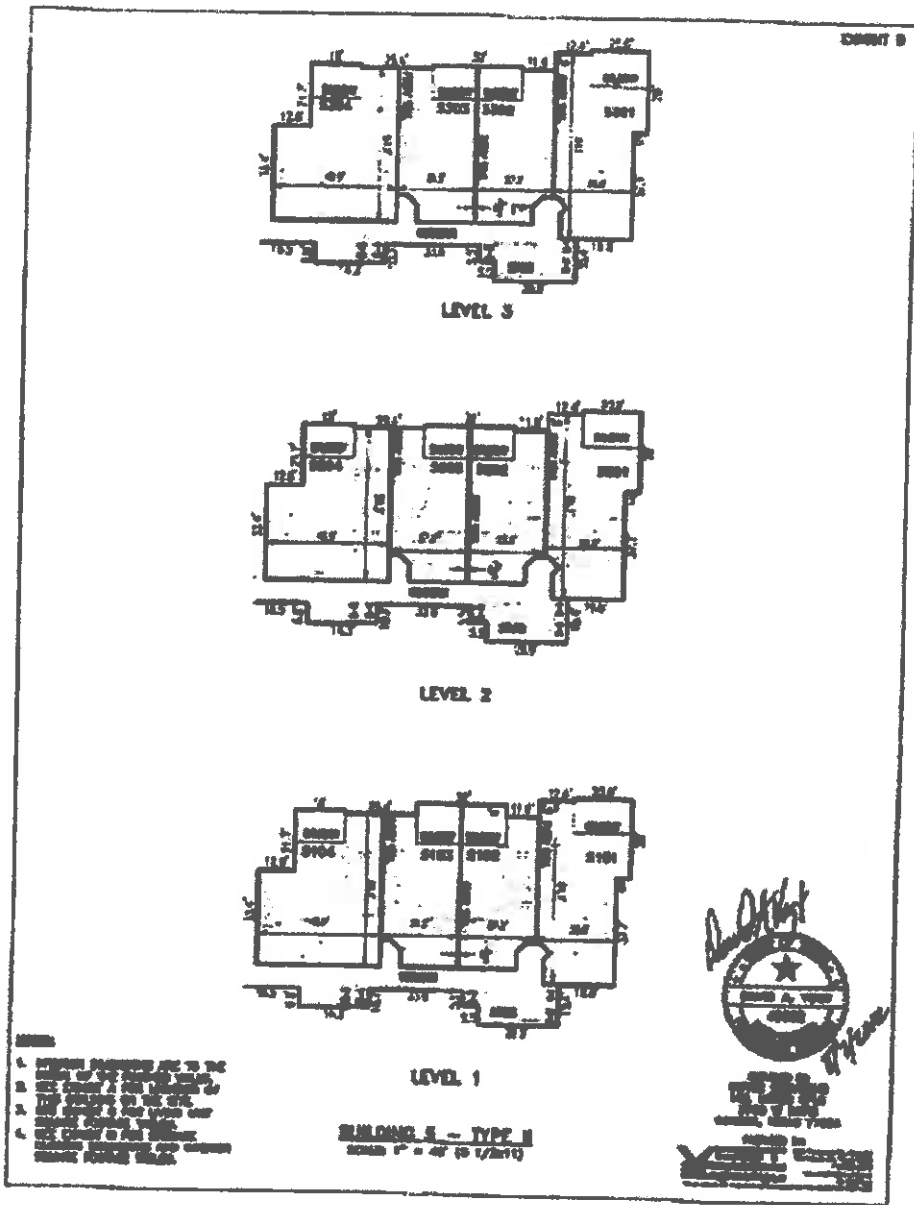
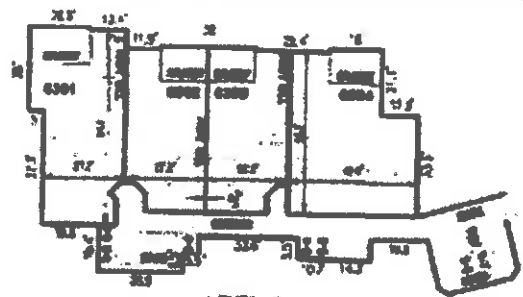
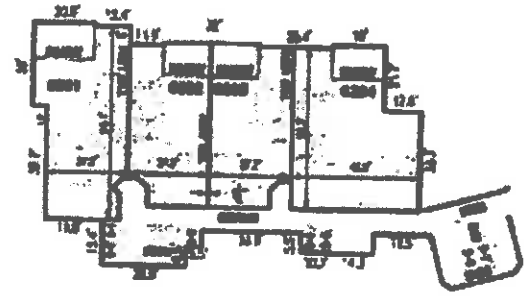


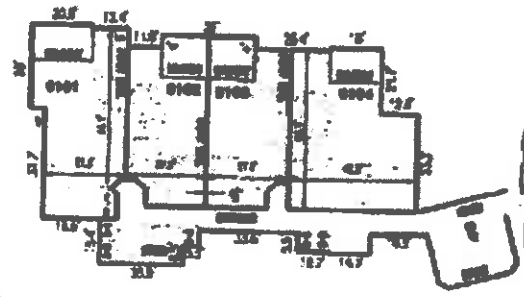
Exhibit B



LEVEL 3



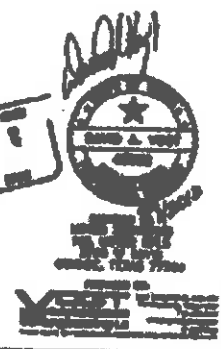
LEVEL 2

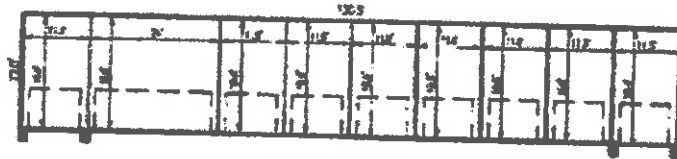


LEVEL 1

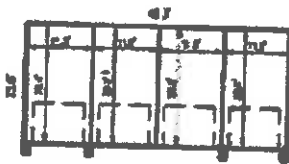
1. ALL ROOMS SHOWN ARE TO BE USED AS OFFICES.
2. THE NUMBER OF OFFICES IN EACH ROOM IS SHOWN IN THE ROOM NUMBER.
3. THE NUMBER OF OFFICES IN EACH ROOM IS SHOWN IN THE ROOM NUMBER.
4. THE NUMBER OF OFFICES IN EACH ROOM IS SHOWN IN THE ROOM NUMBER.

BUILDING 6 - TYPE 2
 ROOM 1" = 0' (1/8")

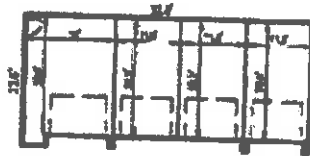




GARAGE BUILDING 1
(UNITS 32-40)



GARAGE BUILDING 2, 3 & 4
(UNITS 41-52)



GARAGE BUILDING 5
(UNITS 53-56)

- NOTES:
1. ALL DIMENSIONS ARE TO THE CENTER LINE UNLESS OTHERWISE NOTED.
 2. THE LOCATION OF ALL DOORS IS AS SHOWN ON THE PLAN.
 3. THE LOCATION OF ALL WINDOWS IS AS SHOWN ON THE PLAN.

GARAGE BUILDINGS
SCALE 1" = 20' @ 1/2" = 11'



PLAYA VISTA CONDOMINIUM LIVING UNITS
 SQUARE FOOTAGE (SF) TABLE

CONT 8

BUILDING 4

UNIT #	UNIT #	UNIT #	BALCONY SF	TOTAL SF
A	4101	1700.0	20.0	1720.0
B	4102	1700.0	20.0	1720.0
D	4103	1700.0	20.0	1720.0
E	4104	1700.0	20.0	1720.0
F	4105	1914.7	20.0	1934.7
A	4201	1700.0	20.0	1720.0
C	4202	1700.0	20.0	1720.0
D	4203	1700.0	20.0	1720.0
E	4204	1700.0	20.0	1720.0
F	4205	1914.7	20.0	1934.7
A	4301	1700.0	20.0	1720.0
C	4302	1700.0	20.0	1720.0
D	4303	1700.0	20.0	1720.0
E	4304	1700.0	20.0	1720.0
F	4305	1914.7	20.0	1934.7
A	4401	1700.0	20.0	1720.0
C	4402	1700.0	20.0	1720.0
D	4403	1700.0	20.0	1720.0
E	4404	1700.0	20.0	1720.0
F	4405	1914.7	20.0	1934.7

1951.8

BUILDING 5

UNIT #	UNIT #	UNIT #	BALCONY SF	TOTAL SF
A	5101	1700.0	20.0	1720.0
B	5102	1700.0	20.0	1720.0
D	5103	1700.0	20.0	1720.0
E	5104	1700.0	20.0	1720.0
F	5105	1914.7	20.0	1934.7
A	5201	1700.0	20.0	1720.0
C	5202	1700.0	20.0	1720.0
D	5203	1700.0	20.0	1720.0
E	5204	1700.0	20.0	1720.0
F	5205	1914.7	20.0	1934.7
A	5301	1700.0	20.0	1720.0
C	5302	1700.0	20.0	1720.0
D	5303	1700.0	20.0	1720.0
E	5304	1700.0	20.0	1720.0
F	5305	1914.7	20.0	1934.7

BUILDING 6

UNIT #	UNIT #	UNIT #	BALCONY SF	TOTAL SF
A	6101	1700.0	20.0	1720.0
B	6102	1700.0	20.0	1720.0
D	6103	1700.0	20.0	1720.0
E	6104	1700.0	20.0	1720.0
F	6105	1914.7	20.0	1934.7
A	6201	1700.0	20.0	1720.0
C	6202	1700.0	20.0	1720.0
D	6203	1700.0	20.0	1720.0
E	6204	1700.0	20.0	1720.0
F	6205	1914.7	20.0	1934.7
A	6301	1700.0	20.0	1720.0
C	6302	1700.0	20.0	1720.0
D	6303	1700.0	20.0	1720.0
E	6304	1700.0	20.0	1720.0
F	6305	1914.7	20.0	1934.7



Exhibit B

PLAYA VISTA CONDOMINIUMS STORAGE CLOSETS
DIMENSION & SQUARE FOOTAGE (SF) TABLE

CONT. 2

BUILDING 4 & 6				
LEVEL	UNITS	LENGTH (FT)	WIDTH (FT)	INTERIOR SF
1	1-1	8.0	6.2	50.0
	1-2	8.0	7.3	58.4
	1-3	8.0	6.2	50.0
	1-4	8.0	6.2	50.0
2	2-1	8.0	6.2	50.0
	2-2	8.0	7.3	58.4
	2-3	8.0	6.2	50.0
	2-4	8.0	6.2	50.0
	2-5	8.0	6.1	48.8
3	3-1	8.0	6.2	50.0
	3-2	8.0	6.2	50.0
	3-3	8.0	6.2	50.0
	3-4	8.0	6.2	50.0
	3-5	8.0	6.1	48.8

BUILDING 5				
LEVEL	UNITS	LENGTH (FT)	WIDTH (FT)	INTERIOR SF
1	1-1	8.0	6.2	50.0
	1-2	8.0	7.3	58.4
	1-3	8.0	6.2	50.0
	1-4	8.0	6.2	50.0
2	2-1	8.0	6.2	50.0
	2-2	8.0	7.3	58.4
	2-3	8.0	6.2	50.0
	2-4	8.0	6.2	50.0
3	3-1	8.0	6.2	50.0
	3-2	8.0	6.2	50.0
	3-3	8.0	6.2	50.0
	3-4	8.0	6.2	50.0

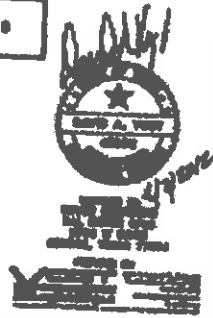


Exhibit B

**PLAYA VISTA CONDOMINIUMS GARAGES BUILDINGS
DIMENSION & INTERIOR SQ. FT. TABLES**

DRW 2

GARAGE BUILDING 1

UNITS	WIDTH (FT)	DEPTH (FT)	INTERIOR SQ	NET AREA
31	11.3	20.4	230.9	237.63
32	11.3	20.2	228.3	235.03
33	11.8	20.2	238.4	245.16
34	11.3	20.4	230.9	237.63
35	11.3	20.4	230.9	237.63
36	11.3	20.4	230.9	237.63
37	11.8	20.2	238.4	245.16
38	11.3	20.4	230.9	237.63
39	11.3	20.4	230.9	237.63
40	11.3	20.4	230.9	237.63

GARAGE BUILDING 2

UNITS	WIDTH (FT)	DEPTH (FT)	INTERIOR SQ	NET AREA
41	11.3	20.4	230.9	237.63
42	11.8	20.2	238.4	245.16
43	11.3	20.4	230.9	237.63
44	11.3	20.4	230.9	237.63

GARAGE BUILDING 3

UNITS	WIDTH (FT)	DEPTH (FT)	INTERIOR SQ	NET AREA
45	11.3	20.4	230.9	237.63
46	11.8	20.2	238.4	245.16
47	11.3	20.4	230.9	237.63
48	11.3	20.4	230.9	237.63

GARAGE BUILDING 4

UNITS	WIDTH (FT)	DEPTH (FT)	INTERIOR SQ	NET AREA
49	11.3	20.4	230.9	237.63
50	11.8	20.2	238.4	245.16
51	11.3	20.4	230.9	237.63
52	11.3	20.4	230.9	237.63

GARAGE BUILDING 5

UNITS	WIDTH (FT)	DEPTH (FT)	INTERIOR SQ	NET AREA
53	11.8	20.2	238.4	245.16
54	11.8	20.2	238.4	245.16
55	11.3	20.4	230.9	237.63
56	11.3	20.4	230.9	237.63

David A. Vest

 DAVID A. VEST
 ENGINEER
 STATE OF CALIFORNIA
 LICENSE NO. 41792
 REGISTERED PROFESSIONAL ENGINEER
 CIVIL ENGINEERING
 1982

Exhibit B

EXHIBIT "C"

Terms, conditions, stipulations and restrictions as set forth in Order by the Texas Water Quality Board, and San Jacinto River authority, recorded in Volume 741, Page 445, of the Deed Records of Montgomery County, Texas.

Terms, conditions and stipulations, as set forth in instrument recorded under Volume 657, Page 850 and Volume 657, Page 861, of the Deed Records of Montgomery County, Texas.

Easement granted to Gulf States Utilities Company by instrument recorded in Volume 996, Page 129 of the Deed Records of Montgomery County, Texas.

Sanitary Control Easement, recorded under Montgomery County Clerk's file No. 8105802.

An undivided 1/2 of all oil, gas and other minerals, the royalties, bonuses, rentals and all the rights in connection with same as set forth in instrument recorded in Volume 128, Page 121 of the Deed Records of Montgomery County, Texas.

An undivided 1/4th of all oil, gas and other minerals, the royalties, bonuses, rentals and all the rights in connection with same as set forth in instrument recorded in Volume 128, Page 409 of the Deed Records of Montgomery County, Texas.

An undivided 1/2 of all oil, gas and other minerals, the royalties, bonuses, rentals and all the rights in connection with same as set forth in instrument recorded in Volume 200, Page 528 of the Deed Records of Montgomery County, Texas.

FILED FOR RECORD

05/15/2013 10:56AM



COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

RECORDER'S MEMORANDUM:

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

STATE OF TEXAS

COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in file number sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Montgomery County, Texas.

05/15/2013



County Clerk
Montgomery County, Texas

described in Paragraph 6.E. hereof, together with the rights of that Unit in any Limited Common Elements appurtenant to that Unit as more particularly described in Paragraph 6.F. hereof, whether exclusively or in conjunction with one or more of the Units.

V. "*Declaration*" means this Second Amended and Restated Declaration of Condominium.

W. "*Deed*" means each Deed by which Units are conveyed by Declarant to Owners other than Declarant.

X. "*Declarant*" means Bronze Queen Management Company, LLC, its successors and assigns (insofar as any rights [including the exercise of any or all Development rights as more particularly described in Paragraph 2.B. hereof] or obligations of Declarant are expressly assigned by it in whole, in part or by operation of law), including, but not limited to, a person, firm, corporation, limited liability company, partnership, association, trust or other legal entity, or any combination thereof, who or which acquires all or substantially all of the Units then owned by Declarant, together with its rights hereunder, by conveyance or assignment from Declarant, or by judicial or nonjudicial foreclosure, for the purpose of selling such Units to the public.

Y. "*Development Rights*" shall have the same meaning as in Act § 82.003.

Z. "*Director*" means a member of the Board.

AA. "*Effective Date*" means the date that this Declaration is recorded in the Official Public Records of Real Property of Montgomery County, Texas.

BB. "*Eligible Mortgagee*" means a Mortgagee holding a first lien mortgage on a Unit that has submitted a written request to the Association that the Association notify it on any proposed action requiring the consent of a specified percentage of Eligible Mortgagees.

CC. "*Existing Unit Owners*" shall refer to the owners of the Units at the Condominium (other than the Declarant) at the time the Special Meeting of the Association was held to consider the adoption of this Declaration.

DD. "*First Mortgage*" shall mean a security interest on a Condominium Unit, which has priority over all other Security Interests on the Condominium Unit.

EE. "*First Mortgagee*" shall mean and refer to any person named as a mortgagee or beneficiary under any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

FF. "*Garage*" shall mean a reserved parking enclosure located at the Condominium which is a Limited Common Element.

GG. "*General Common Elements*" shall mean the undivided interests of all Owners in the Land and all buildings and other improvements, including the clubhouse and swimming pool, thereon except the Units and Limited Common Elements, and shall include, without limiting the

generality of the foregoing, all of these items described or referenced in Paragraph 3 hereof.

HH. "Land" shall mean 10.440 Acres in Montgomery, Montgomery County, Texas, which is more particularly described by metes and bounds on Exhibit B.

II. "Limited Common Elements" shall mean those Common Elements which are either limited to and reserved for the exclusive use of one Owner, or limited to and reserved for the common use of one or more, but fewer than all, of the Owners, and shall include, but not be limited to, all of those items described or referenced in Paragraph 3 hereof.

JJ. "Majority of Unit Owners" means the Owner or Owners of Units whose aggregate undivided Percentages of Common Interest Ownership in the Common Elements is in excess of fifty percent (50%).

KK. "Managing Agent" shall mean any professional manager (whether a person or firm) who contracts with the Board to manage the Condominium for an agreed compensation.

LL. "Master Policy" means the master insurance policy maintained by the Association pursuant to Paragraph 13 hereof.

MM. "Mortgagee" means a bank, savings and loan association, insurance company, mortgage company, real estate investment trust, recognized institutional-type lender or its loan correspondent, agency of the United States government, person, corporation, limited liability company, partnership, association, trust corporation or other legal entity (including, without limitation, Declarant) which owns, holds, is the beneficiary of or collateral assignee of the beneficiary of a mortgage or deed of trust encumbering a Condominium Unit.

NN. "Original Declarant" means MRI Playa Vista, L.P.

OO. "Owner" means a person or persons (or their estate(s), firm, corporation, limited liability company, partnership, association, trust or other legal entity, or any combination thereof) who or which jointly or collectively own aggregate fee simple title to one (1) or more Units, including, without limitation, Declarant, but does not include a person or entity having an interest in a Unit solely as security for an obligation.

PP. "Parking Spaces" shall mean a parking space located at the Condominium that is a Limited Common Element.

QQ. "The Playa Vista Conroe" shall mean the Condominium.

RR. "Percentage of Common Interest Ownership" means the percentage of common interest ownership assigned to each Unit pursuant to Paragraph 6.E. hereof.

SS. "Person" means a natural individual, corporation, limited liability company, partnership, trustee, association, personal representative or other legal entity capable of holding title to real estate.

TT. "President" means the President of the Board.

UU. "Regular Assessments" means Assessments which are described in Paragraph 11.A. hereof.

VV. "Rules and Regulations" means the Rules and Regulations of the Association, the initial version of which are attached to the Bylaws as Schedule "A," as from time to time amended by the Board in accordance with the provisions of this Declaration and the Bylaws, concerning the use by Owners of the Common Elements and the administration of the Condominium.

WW. "Secretary" means the Secretary of the Board.

XX. "Special Assessments" means Assessments other than those described in Paragraphs 11.A., 11.E. and 11.F. hereof.

YY. "Special Declarant Rights" shall have the same meaning as in Act § 82.003 (22).

ZZ. "Termination Agreement" shall mean an agreement of Owners to terminate the Condominium pursuant to Paragraph 14 hereof and the requirements of the Act.

AAA. "Unit" means one of the separate and individual units of space into which any of the areas of the Buildings are divided for individual and separate use and ownership, as provided for in the Act and described in this Declaration and the Condominium Plan attached hereto, including the air space encompassed by the boundaries of the Units, and interior surfaces contained within the demising walls, closed doors and closed windows of the Unit and the structural floor and ceiling of such Unit as shown on the Condominium Plan, also including all fixtures and improvements therein contained, but not any of the structural components of any of the Buildings, and certain other construction and elements thereof or therein which are to be individually and separately owned, as hereinafter defined, described and established in this Declaration, encompassing an enclosed air space and appurtenant Balcony (if any) and one (1) or more rooms occupying all or part of one (1) or more floors in the Building and having direct access to a hallway or other thoroughfare, as such space may be further described and delineated in the Condominium Plan.

BBB. "Unit Costs" shall have the meaning ascribed thereto in Paragraph 14.B. hereof.

2. The Condominium

A. *Units.* The individual Units, more particularly described in Paragraph 6 hereof, are to be used only for the purposes permitted in Paragraph 15 hereof. Each Owner shall own title in fee simple to his, her, or its Unit and shall have the exclusive right to the use and occupancy of his, her, or its Unit, subject to the provisions of this Declaration. There shall be appurtenant to each Unit:

(1) An undivided share of the General Common Elements corresponding to the Unit's Percentage of Common Interest Ownership and the exclusive right to use such Limited Common Elements as are appurtenant to such Unit; and

(2) **Membership of the Owner in the Association.**

B. Development Rights. Subject to the provisions of Paragraph 6, the Declarant reserves the right to (i) create Units, Common Elements, or Limited Common Elements within the Condominium; and (ii) combine or subdivide Units or convert Units into Common Elements. By way of example, the Declarant may, in its sole discretion, construct Additional Buildings which will contain Units. The Declarant's right to create Units, Common Elements, or Limited Common Elements shall run for a period of up to twenty (20) years after the Effective Date of this Declaration. Declarant shall have the right, in its sole discretion, to relinquish its right to create Units (including through the construction of Additional Buildings), Common Elements or Limited Common Elements within the Condominium. Declarant may evidence its Relinquishment of such Development Rights by executing a Relinquishment of Development Rights document and recording such Relinquishment of Development Rights document in the Official Public Records of Real Property of Montgomery County, Texas. Development Rights may be exercised by the Declarant at different times. The Declarant's exercise of its Development Rights on one portion of the Land does not indicate that the Declarant must exercise its Development Rights in the remainder of the Land.

3. Common Elements

The Common Elements of the Condominium are as follows:

A. General Common Elements. The General Common Elements consist of:

- (1) The Land, including all drives, driveways, sidewalks, outside walkways, security facilities, landscaping and parking areas;
- (2) The foundations, main, common and bearing walls, girders, slabs, beams and columns (including any windows and doors therein), exterior walls to interior of studs, structural and supporting parts of the Building, roofs, ceilings, floors, halls, lobbies, mailroom, mechanical rooms, areas used for storage of maintenance and janitorial equipment and materials, thoroughfares such as stairways, entrances, elevators, exits or communications ways, storage areas, service easements and any other portion of the Building not included within any Unit or designated hereby as a Limited Common Element;
- (3) The clubhouse;
- (4) The swimming pool;
- (5) The elevators and elevator shafts, utilities and, in general, all devices or installations existing for common use by the Owners;
- (6) Parking spaces, which are designated with the words "Loading Area" or "Service Parking" if any, on the Condominium Plan;

(7) The premises, facilities and tangible personal property, if any, used for the common storage, maintenance, operation or repair of the Condominium;

(8) The fire protection system and security system, and components relating thereto;

(9) To the extent that they serve more than one Unit, cable receivers, other telephone, cable, video and fiber optic facilities and all equipment appurtenant thereto (if any);

(10) The components or installation of equipment and materials comprising central services such as electrical power, water, refrigeration, air conditioning and heating equipment or components, reservoirs, waste collection, water tanks and pumps, and all similar devices and installations to the extent or which they serve more than one Unit;

(11) All other elements necessary to the existence, upkeep and safety of the Condominium including any portion of the Building and the Land not specifically a Unit, appurtenant to a Unit or a Limited Common Element;

(12) All other structures, facilities and equipment owned by the Association and located in the Condominium; and

(13) All replacements and additions to any of the foregoing.

B. Limited Common Elements. The Limited Common Elements, being those Common Elements which are hereby designated as reserved for the use by specified Owners to the exclusion of others, consist of the following:

(1) If any air handlers, pipes, ducts, electrical wiring, communication equipment, conduits, chutes, flues, ducts, wires, plumbing fixtures, bearing walls, bearing columns or other fixtures is partially within and partially outside the designated boundaries of a Unit, then the portion serving only that Unit is a Limited Common Element allocated solely to that Unit, and the portion serving more than one Unit or the Common Elements is a part of the General Common Elements;

(2) Parking Spaces, Boat Slips, and Garages designated by number on the Condominium Plan and assigned as an appurtenance to a Unit in Paragraph 6.E. or in a deed from Declarant or Original Declarant to an Owner recorded in the Official Public Records of Real Property of Montgomery County, Texas;

(3) Storage Spaces, if any, assigned as an appurtenance to a Unit in Paragraph 6.F. or in a deed from Declarant or Original Declarant to an Owner recorded in the Official Public Records of Real Property of Montgomery County, Texas;

(4) A Garage or Boat Slip may be reallocated by amendment to this Declaration, executed by the Owners whose use of such Garage or Boat Slip is or may be directly affected by the reallocation. The Owners executing the amendment shall deliver it to the Association, which shall record it at the expense of the reallocating Owners.

C. Use of the General Common Elements. Each Owner shall have the right and non-exclusive easement to use and enjoy the General Common Elements, in common with all other Owners, for the purposes for which they are intended and as may be required for the purposes of access and ingress and egress to and the use and occupancy and enjoyment of the respective Units owned by such Owners without hindering or encroaching upon the lawful rights of other Owners; provided, however, that the Association may temporarily suspend an Owner's rights under the easement granted herein, other than for ingress and egress, for the failure to pay Assessments or to abide by the Rules and Regulations for use of the General Common Elements. Such right to use and enjoy the General Common Elements shall extend to each Owner, the members of his and/or her immediate family, the tenants or other lawful occupants of each Unit and their guests, visitors, invitees or permittees, and all such other persons as may be invited or permitted by the Board or its representative to use or enjoy the General Common Elements or any part thereof. Such right to use the General Common Elements shall be subject to and governed by the provisions of the Act and the Condominium Documents. The General Common Elements are not subject to partition and any purported conveyance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the General Common Elements without the Unit to which such interest is allocated is void. Each Owner shall be deemed to have an easement in the interest of all other Owners in the General Common Elements for the installation, maintenance, repair or replacement of all individually owned fixtures, equipment and appliances which are in any way affixed to, supported by or located in any space or structure constituting part of the General Common Elements, and the cost of such installation, maintenance, repair or replacement shall be borne by such Owner. The costs and expenses for the maintenance, repair, upkeep, operation and replacement of the General Common Elements shall be a Common Expense of all Owners in proportion to their respective Percentages of Common Interest Ownership.

D. Use of Limited Common Elements. Parking Spaces, Garages, Boat Slips and Storage Spaces, shall be Limited Common Elements for the exclusive use of the Owner of the Unit to which they are appurtenant pursuant to this Declaration (or any amendment of this Declaration). Deeds from the Declarant that convey Units that are unsold as of the Effective Date will specify the Garages, Boat Slips, Parking Spaces, and Storage Spaces (if any) being conveyed to the Owner of the Unit. Any conveyance or encumbrances of a Unit shall be deemed to convey or encumber such Unit and all appurtenances thereto that are set forth in the Declaration or in any Deed from the Original Declarant or Declarant to an Owner without specifically or particularly referring to any such appurtenances. Parking spaces, if any, designated as guest parking spaces or service parking on the Condominium Plan shall be under the control of the Board which shall promulgate rules and regulations for the use thereof. Until all of the Units have been conveyed by Declarant, Declarant expressly reserves the right at any time, and from time to time, to prohibit the use of any Parking Spaces or Storage Spaces appurtenant to unsold Units, to rent the same and to retain any rental received therefor.

E. Transfer of Interest in General Common Elements. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the General Common Elements will be void unless the Unit to which that interest is allocated is also transferred.

4. Maintenance Responsibilities

A. Owner's Responsibilities.

(1) Each Owner shall bear the cost of maintenance, repair and replacement of the following items within such Owner's Unit or exclusively serving such Unit; interior surfaces of all perimeter walls; interior surfaces of all structural or load bearing interior walls; interior surfaces of all ceilings and floors (including carpeting, tile, wallpaper, paint or other covering); nonstructural or non-load-bearing interior walls; heating, cooling and ventilation systems; garbage disposals, ranges, refrigerators, dishwashers and any and all other appliances of any nature whatsoever; interior and exterior doors and hardware; interior glass surfaces, window panes, mullions and light bulbs; plumbing and other fixtures of any nature whatsoever; "built-in" features; any decorative features; and any furniture and furnishings. All of the exteriors of the doors and all glass in windows and doors will remain in conformity with the original installation. In particular, the Owner shall have performed (i) the inspections recommended in any maintenance manuals or written warranties (if any) for the property that were given to the Owner upon purchase of his, her, or its Unit for which the Owner is responsible for maintenance, and (ii) all necessary maintenance when recommended as a result of these inspections. **THE OWNER HEREBY WAIVES ALL CLAIMS IT MIGHT OTHERWISE HAVE AGAINST THE ASSOCIATION, THE DECLARANT, ITS CONTRACTOR AND SUBCONTRACTORS, AND DESIGN CONSULTANTS AND SUBCONSULTANTS WITH RESPECT TO THE PROPERTY IF (A) SUCH INSPECTIONS ARE NOT TIMELY PERFORMED, OR (B) MAINTENANCE IS RECOMMENDED DUE TO THE INSPECTIONS AND THE RECOMMENDATIONS FOR MAINTENANCE ARE NOT IMPLEMENTED.** Should an Owner fail to maintain or repair its Unit or any portion of the Limited Common Elements appurtenant to such Unit, the Board may effectuate same and assess the Owner for the cost thereof.

(2) Within thirty (30) days after the date of acquiring an interest in a Unit, the Owner shall provide the Association with: (a) the Owner's mailing address, telephone number and driver's license number, if any; (b) the name and address of the holder of any lien against the Unit and any loan number; (c) the name and telephone number of any Person occupying the Unit other than the Owner or Owners; and (d) the name, address and telephone number of any Person managing the Unit as agent for the Owner. An Owner shall notify the Association within thirty (30) days after the Owner has notice of a change of any of the information set forth in (a) through (d) above, and shall provide that information on request by the Association from time to time.

B. General Common Elements. The General Common Elements shall be maintained in good condition by the Association, subject to reasonable wear and tear and Casualty. The costs and expense for the upkeep and maintenance of the General Common Elements shall be a Common Expense of the Owners, and shall be included in the Assessments for the usual and ordinary costs and expenses for the maintenance, repair, upkeep and operation of the General Common Elements, and each Owner shall pay his, her, or its pro-rata share thereof. In

particular, the Association shall have performed the inspections recommended in any maintenance manual provided to the Association for the property for which the Association is responsible for maintenance, and all necessary maintenance when recommended as a result of these inspections. The Association shall indemnify, defend and hold harmless Declarant, its contractor and subcontractors, and design consultants and subconsultants with respect to all claims made concerning the property as to which such inspections as recommended in any maintenance manual provided to the Association are not timely performed, or as to which maintenance is recommended in such manual(s) if the recommendations for maintenance are not implemented.

C. *Utilities.* Each Owner shall bear the cost of any utility service for his, her, or its Unit, which is individually metered and billed directly by the utility company furnishing such service to such Owner. Telephone, electricity, water and cable television shall be made available to each Unit and shall be individually metered. Except to the extent such costs are borne by each Owner as set forth in the preceding sentences, the cost of water and electricity for the General Common Elements, trash removal and any other utility service shall be a Common Expense. With the exception of common ownership with other Owners, no Owner shall be deemed to own the utilities, which run through his, her, or its Unit and serve one or more other Units.

5. *Easements and Licenses*

In addition to the easements and licenses recited in Exhibit "C" hereto, the ownership of each Condominium Unit shall be subject to the easements and licenses, which are described in this Paragraph 5.

A. *For Owners.* Each Owner shall have the following easements to, through and over the General Common Elements to the extent necessary for such Owner's maintenance responsibilities:

(1) to paint, remove and replace any finish on the interior surface of any General Common Element within his, her, or its Unit;

(2) to install, repair, maintain, remove and/or replace any plumbing, heating, cooling, lighting, cooking or other fixture or equipment which is a part of his, her, or its Unit or which would become a part thereof when installed in any bearing wall, floor, ceiling or roof; provided, however, that such installation, repair, maintenance, removal and/or replacement shall not impair the structural integrity of the Building, nor shall it adversely affect any adjacent Unit nor shall it alter the external appearance of the Building, nor shall it be visible from the outside of the Building, nor shall it be performed on the roof of the Condominium without the written permission of the Association; and

(3) to drive and remove nails, screws, bolts and the like into and from bearing walls, floors, ceiling and roof; provided, however, that such action shall not impair the structural integrity of the Building, nor shall it adversely affect any adjacent Unit, nor shall it alter the exterior appearance of the Building, nor shall it be performed on the roof of the Condominium without the written permission of the Association.

An Owner has an unrestricted right of ingress and egress to his, her, or its Unit. Such right of ingress and egress is perpetual and passes with the transfer of ownership of the Unit.

B. For Utilities. Municipalities and authorized public utilities (or private companies) furnishing services, lines, pipes, wires, conduits, facilities and equipment to the Condominium for common use such as water, electricity, gas, cable television or similar services, and/or telephone shall have access to the Common Elements and each Unit as may be necessary or desirable for the installation, repair, maintenance, removal and/or replacement of such services, and any costs incurred in opening and repairing any wall of the Condominium to install, repair, maintain, remove or replace such authorized services (except as otherwise provided herein) shall be a Common Expense. However, installed utility lines, public or private, shall be considered to be located in a valid easement and may remain in the installed location and be repaired and/or replaced in such location.

C. For the Declarant and the Association. The Declarant and the Association (and their duly authorized representatives and agents) shall have a reasonable right of entry upon any Unit to (i) make emergency repairs, (ii) enforce the terms of the Condominium Documents, (iii) protect the property rights and welfare of other Owners, (iv) do other work reasonably necessary for the proper maintenance or operation of the Condominium, (v) perform any of the duties and obligations of Declarant and the Association which are set forth in the Condominium Documents, (vi) prevent or terminate waste of water purchased by the Association as a Common Expense, and (vii) perform maintenance and repairs of the Unit that, if not performed, may result in increased damage by water to components of the Condominium that the Association maintains. Except in the event of an emergency, or in the event the Board or its agents are unable to contact any Owner or occupant of a Unit after reasonable effort, such right of entry shall be exercised only in the presence of the Owner or other occupant of the Unit entered. Such right of entry shall be exercised in a manner as to avoid unreasonable interference with the possession, use or enjoyment of the Unit and shall, whenever reasonably possible, be preceded by reasonable notice to the Owner or occupant thereof. In the event any damage is caused by such entry such damage shall be a Common Expense. The Association shall have duplicate keys sufficient to permit access to all sprinklered areas within each Unit if such exist. The Association shall have the right to grant permits, licenses and easements on, over, under and across the both General Common Elements and Limited Common Elements for utility, access and other purposes reasonably necessary or useful for the proper maintenance, enjoyment and operation of the Condominium.

D. For Encroachments. If any portion of the Common Elements shall be situated or encroach upon any Unit, or if any Unit shall actually encroach upon any portion of the Common Elements, as the Units and Common Elements actually and physically exist, or as shown by the Condominium Plan, then there shall be deemed to be mutual valid easements for such encroachments and for the maintenance of same so long as such encroachments exist; provided, however, such easement or easements shall not relieve an Owner of liability in case of the Owner's willful misconduct or failure to adhere to the Condominium Plan. In the event the Building or other structure is totally or partially damaged or destroyed and then repaired, restored or rebuilt, the Owners agree that all encroachments of or upon the Common Elements due to repair or reconstruction shall be permitted and that a valid easement for such encroachments and maintenance thereof shall exist.

6. Units

A. *Designation and Measurement of Units.* On the Condominium Plan, the Units located in the Building are numbered by Unit number as set forth below. In determining dimensions and areas for purposes of establishing the Percentage of Common Interest Ownership assigned to each Unit, each enclosed space in a Unit is measured from: (i) the center line of each Unit's demising walls; (ii) the outside surfaces of interior hallway demising walls; (iii) the outside surfaces of exterior bearing walls (including all glass and glass substitutes), (iv) the interior surface of all other walls; (v) the interior surfaces of finished, unpainted floors and ceilings; but (vi) excluding all General Common Elements and all Limited Common Elements appurtenant to such Unit except the Balcony appurtenant to such Unit and those Common Elements which consist of chutes, flues, ducts, wires, conduits, bearing walls, bearing columns, or any other fixture to the extent located within the designated boundaries of a Unit determined as set forth above. For the avoidance of doubt, the measurement of a Unit includes the Balcony appurtenant to such Unit.

B. *Description of Units.* Each Unit shall consist of the following portions of the Building: (i) the interior surface of each Unit's perimeter walls; (ii) the interior surface of the ceiling; (iii) the upper surface of the concrete floor of each Unit; (iv) the interior surface (including all glass or glass substitutes) of the windows and doors set in each Unit's perimeter walls; (v) the interior surface of each Balcony appurtenant to a Unit; (vi) any and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and other materials constituting part of the interior surfaces of (i) through (v) above; (vii) the air space enclosed within the area described and delimited in (i) through (v) above; (viii) any and all walls, ceilings, floors, partitions, dividers, fixtures and improvements wholly within such air space (but excluding any pipes, ducts, wires, cables, conduits, bearing beams or supports contained within such walls, ceilings, floors, partitions and dividers, or between chase walls or within such air space as per Paragraph 3.A. hereof); and (ix) all plumbing, heating, ventilating, air conditioning, lighting, cooking and other fixtures and equipment wholly within a Unit and serving only such Unit (exclusive of pipes, ducts, wires, cables or conduits located within such air space as per Paragraph 3.B hereof).

C. *Approximate Measurements.* It is expressly stipulated, and each and every Owner, his, her, or its heirs, devisees, legal and personal representatives, and successors and assigns accepting title to a Condominium Unit subject to this Declaration acknowledge that the square footage, size and linear dimensions of each Unit (as shown on the Condominium Plan), and each area constituting any part of the Common Elements as set out and shown in this Declaration or the plans and documents attached hereto, are approximate and are shown for descriptive purposes only and do not necessarily reflect or represent the precise percentage of square footage of any specific portion of the Condominium, and that Declarant does not warrant, represent or guarantee that any Unit actually contains the square footage, size and linear dimensions and elevation reflected thereon or herein. Each Owner further acknowledges that he or she shall have had full opportunity and is under a duty to inspect and examine his, her, or its Unit prior to the purchase thereof and agrees that the Unit is purchased as actually and physically existing, and

expressly waives any claim or demand of any kind which he, she, or it may have against Declarant or any person whomsoever by reason of any difference, shortage or discrepancy between such Owner's Unit as actually and physically existing and as reflected on the Condominium Plan.

D. Boundaries of Units. In interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Units or of any Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be the boundaries, regardless of settling, rising, or lateral movement of the Building, and regardless of variances between the boundaries shown on the Condominium Plan and those of the Building.

E. Percentage of Common Interest Ownership. The Percentage of Common Interest Ownership assigned to each Unit is set forth below in the column labeled "Percentage of Common Interest Ownership" and, subject to Paragraph 6.C., is based on the square footage in each Unit in a Building calculated pursuant to Paragraph 6.A. above relative to the square footage of all Units in all the Buildings and shall be determinative of the weight assigned to such Owner's vote at meetings of the Association and the proportionate share of each respective Owner in: (i) the General Common Elements, (ii) the proceeds of the Condominium distributable pursuant to Paragraph 14 hereof, and (iii) the Regular Assessments and Special Assessment. The total of the Percentages of Common Interest Ownership assigned to all Units in the Condominium is (subject to minor variation due to rounding) one hundred percent (100%).

[Charts depicting Phases 1 through 8 have been deleted.]

BUILDING 4			
Unit Number	Floor	Total Sq. Ft.	Percentage of Common Interest Ownership
4101	First	1951.8	2.92
4201	Second	1951.8	2.92
4301	Third	1951.8	2.92
4102	First	1504.6	2.25
4202	Second	1461.7	2.18
4302	Third	1461.7	2.18
4103	First	1412.4	2.11
4203	Second	1354.0	2.02
4303	Third	1354.0	2.02
4104	First	1504.6	2.25
4204	Second	1461.7	2.18
4304	Third	1461.7	2.18
4105	First	2124.1	3.17
4205	Second/Third	3830.8	5.72

BUILDING 5			
Unit Number	Floor	Total Sq. Ft.	Percentage of Common Interest Ownership
5101	First	1951.8	2.92
5201	Second	1951.8	2.92
5301	Third	1951.8	2.92
5102	First	1504.6	2.25
5202	Second	1461.7	2.18
5302	Third	1461.7	2.18
5103	First	1504.6	2.25
5203	Second	1461.7	2.18
5303	Third	1461.7	2.18
5104	First	2124.1	3.17
5204	Second	2124.1	3.17
5304	Third	2124.1	3.17

BUILDING 6			
Unit Number	Floor	Total Sq. Ft.	Percentage of Common Interest Ownership
6101	First	1951.8	2.92
6201	Second	1951.8	2.92
6301	Third	1951.8	2.92
6102	First	1504.6	2.25
6202	Second	1461.7	2.18
6302	Third	1461.7	2.18
6103	First	1504.6	2.25
6203	Second	1461.7	2.18
6303	Third	1461.7	2.18
6104	First	2124.1	3.17
6204	Second	2124.1	3.17
6304	Third	2124.1	3.17

Each Percentage of Common Interest Ownership in the Common Elements so allocated to each Unit pursuant to the foregoing paragraphs and charts was assigned by Declarant to the designated Unit solely for purposes of this Declaration and, to the extent Declarant elects to construct any Additional Building(s), the percentage of Common Interest Ownership of each Unit shall be adjusted so as to reflect the square footage of such Unit relative to the square footage of all Units including those located in any Additional Building(s) added by Declarant in subsequent phases

of the development of the Condominium. The ownership interests in the Common Elements shall be undivided interests and the Common Elements shall remain undivided and shall not be the object of an action for partition or division of the ownership, so long as such ownership interests are suitable in the context of a condominium save and except for the right of one Owner to convey a Garage or Boat Slip to another Owner; and, in any event, all Mortgagees must be paid prior to the bringing of an action for partition, or the consent of all Mortgagees to such action must be obtained. The percentage of the Common Elements allocated to each Unit shall not be separated from such Unit or separately sold, conveyed, encumbered or otherwise separately disposed of, and each interest in the General Common Elements shall follow the respective Unit to which it is allocated, and shall be deemed to be conveyed and/or encumbered with its respective Unit to which it is allocated even though the description in the instrument of conveyance or encumbrance shall refer only to the Unit.

F. Limited Common Elements. As of the Effective Date of this Declaration, various Garages, Boat Slips, Parking Spaces and Storage Spaces had been purchased by Owners (other than Declarant) as appurtenances to their respective Units, as delineated in the charts below. As of the Effective Date of this Declaration, Declarant still owns various Garages, Boat Slips, Parking Spaces and Storage Spaces as delineated in the charts below. In addition, Declarant may, but is not obligated to, construct additional Garages, Boat Slips, Parking Spaces, and Additional Buildings that may contain additional Storage Spaces. After the Effective Date of this Declaration, an Owner including the Declarant may convey any Garage(s) and/or Boat Slip(s) to any other Owner(s) as an appurtenance to their respective Unit(s). Upon such conveyance of a Garage and/or Boat Slip, the selling Owner and the purchasing Owner will reallocate the Garage(s) and/or Boat Slip(s) by an amendment to the Declaration as permitted under Section 82.058 of the Act.

EXISTING GARAGE OWNERSHIP	
Garage Number	Unit to Which Garage is an Appurtenance
32	Unit 4105
33 (Double Garage)	Unit 4102
34	Unit 4103
35	Unit 4203
36	Unit 4104
37	Unit 4101
38	Unit 4301
39	Unit 4304
40	Unit 4303
41	Unit 4204
42	Unit 4302
43	Declarant's Unsold Units
44	Unit 6301
45	Unit 4103
46	Declarant's Unsold Units
47	Declarant's Unsold Units

48	Declarant's Unsold Units
49	Declarant's Unsold Units
50	Declarant's Unsold Units
51	Declarant's Unsold Units
52	Declarant's Unsold Units
53	Unit 6201
54	Unit 6201
55	Declarant's Unsold Units
56	Declarant's Unsold Units

EXISTING BOAT SLIPS	
Boat Slip Number	Unit to Which Boat Slip is an Appurtenance
1	Service Slip for Passenger Drop Off
2	Declarant's Unsold Units
3	Declarant's Unsold Units
4	Declarant's Unsold Units
5	Unit 4301
6	Unit 4103
7	Unit 4203
8	Unit 4104
9	Unit 4303
10	Unit 4101
11	Unit 4102
12	Unit 4304
13	Unit 6201
14	Unit 4204
15	Unit 4302
16	Unit 4105
17	Declarant's Unsold Units
18	Declarant's Unsold Units
19	Declarant's Unsold Units
20	Declarant's Unsold Units
21	Declarant's Unsold Units
22	Declarant's Unsold Units

EXISTING PARKING SPACES	
Parking Space Number	Unit to Which Parking Space is an Appurtenance
72	Declarant's Unsold Units
73	Unit 4105

74	Unit 4304
75	Declarant's Unsold Units
76	Unit 4303
77	Unit 4204
78	Unit 4203
79	Unit 4104
80	Unit 4103
81	Declarant's Unsold Units
82	Unit 4301
83	Unit 4102
84	Unit 4102
85	Unit 4101
86	Unit 4302
87-115	Declarant's Unsold Units
116	Unit 6201
117-119	Declarant's Unsold Units
120	Unit 6301
121-122	Declarant's Unsold Units
123	Unit 6101
124	Unit 6101
125-134	Declarant's Unsold Units

EXISTING STORAGE SPACES	
Storage Space Number	Unit to Which Storage Space is an Appurtenance
Building Four, Level One	
1	Unit 4101
2	Unit 4102
3	Unit 4103
4	Unit 4104
5	Unit 4105
Building Four, Level Two	
1	Unit 4201
2	Declarant's Unsold Units
3	Unit 4203
4	Unit 4204
5	Declarant's Unsold Units
6	Unit 4204
7	Declarant's Unsold Units
Building Four, Level Three	
1	Unit 4301

2	Unit 4302
3	Unit 4303
4	Unit 4304
5	Declarant's Unsold Units
6	Declarant's Unsold Units
7	Declarant's Unsold Units
Building Five, Level One	
1	Declarant's Unsold Units
2	Declarant's Unsold Units
3	Declarant's Unsold Units
4	Declarant's Unsold Units
Building Five, Level Two	
1	Declarant's Unsold Units
2	Declarant's Unsold Units
3	Declarant's Unsold Units
4	Declarant's Unsold Units
5	Declarant's Unsold Units
Building Five, Level Three	
1	Declarant's Unsold Units
2	Declarant's Unsold Units
3	Declarant's Unsold Units
4	Declarant's Unsold Units
5	Declarant's Unsold Units
Building Six, Level One	
1	Unit 6101
2	Declarant's Unsold Units
3	Declarant's Unsold Units
4	Declarant's Unsold Units
5	Declarant's Unsold Units
Building Six, Level Two	
1	Unit 6201
2	Declarant's Unsold Units
3	Declarant's Unsold Units
4	Declarant's Unsold Units
5	Declarant's Unsold Units
6	Declarant's Unsold Units
7	Declarant's Unsold Units
Building Six, Level Three	
1	Unit 6301
2	Declarant's Unsold Units

3	Declarant's Unsold Units
4	Declarant's Unsold Units
5	Declarant's Unsold Units
6	Declarant's Unsold Units
7	Declarant's Unsold Units

7. Association Management

Membership in the Association and voting by Owners shall be in accordance with Bylaws of the Association and the following provisions:

A. Members. Upon becoming an Owner, each Owner shall automatically become a member of the Association and shall remain a member thereof until such time as his, her, or its ownership ceases for any reason, at which time his, her, or its membership in the Association shall also automatically cease, and no other person or entity shall be entitled to membership in the Association, except as expressly provided herein or in the Bylaws. No Owner shall be required to pay any consideration whatsoever solely for his, her, or its membership in the Association.

B. Transfer of Membership. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his, her, or its Unit. Upon any transfer of ownership of any Unit, the new Owner acquiring or succeeding to such ownership interest shall likewise automatically succeed to such membership in the Association.

C. Votes. Except as otherwise provided herein or in the Bylaws, each Owner shall be entitled to a vote, the value of which shall equal the total of the Percentages of Common Interest Ownership assigned to the Units owned by such Owner as set forth in this Declaration; provided, however, that any Owner who has been given notice by the Board or by the President that he, she, or it is in violation of the Condominium Documents, whether by virtue of delinquency in payment of Assessments or otherwise, shall not be entitled to vote at any meeting of the Association (unless otherwise required by the Act) until such default has been cured.

D. Who Can Vote. No Owner, other than Declarant and those who purchased from Declarant or the Original Declarant, shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Condominium Unit to the Association (and written proxy if voting by proxy). The vote of each Owner may only be cast by such Owner or by a written proxy given by such Owner to his, her, or its duly authorized representative. Declarant or its representative may exercise all the votes allocated to the unsold Units while same are owned by Declarant.

8. Association Administration and Management

A. Books and Records. The Association or Managing Agent shall keep or cause to be kept detailed books and records showing all expenditures and receipts of the administration of the Condominium which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Owners. Such books and records shall be open for inspection by Owners during reasonable working hours

on weekdays and the Board shall arrange annually for either an audit or a review of such books and records by qualified independent auditors in accordance with generally accepted accounting principles within ninety (90) days after the end of any fiscal year of the Condominium, or as soon thereafter as practicable. Unless the Board shall determine otherwise, the fiscal year of the Association shall be the calendar year. The cost of such audit or review shall be an expense of the administration of the Condominium, and copies of any such audit or review shall be made available to all Owners.

B. Mortgagee Access to Books and Records. A Mortgagee shall, upon written request to the Association, be entitled to: (i) inspect the Condominium Documents and the books and records of the Condominium, (ii) receive, free of charge, an annual financial statement of the Condominium, as soon as the same is available to the Owners, (iii) written notice of all meetings of the Association, and (iv) be permitted to designate a representative to attend all meetings of the Association.

C. Association Records. In addition to the financial records described in Paragraph 8.A., the Association or Managing Agent shall keep or cause to be kept: (i) the plans and specifications used to construct and/or renovate the Condominium; (ii) the Condominium Information Statement and any amendments thereto; (iii) the name and address of each Owner; (iv) voting records, proxies and correspondence relating to amendments to the Declaration; and (v) minutes of meetings of the Association and the Board of Directors. All financial and other records of the Association shall be available at its principal office during normal business hours and with reasonable notice for examination and any proper purpose by an Owner and/or the Owner's authorized agent.

D. Association Costs and Expenses. All costs incurred by the Association, including, but not limited to, any costs (including attorneys' fees) incurred in satisfaction of any liability arising herein, caused by or in connection with the Association's operation, maintenance or use of the Condominium, shall be an Association expense. All sums received by the Association, including, but not limited to, all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association, shall be the receipts of the Association.

E. Bylaws. The governance and administration of the Condominium shall be in accordance with the Bylaws which have been initially adopted by Declarant as sole Owner of the Condominium, and which are attached hereto as Exhibit "A." The Bylaws may be amended by Declarant as hereafter provided and from time to time by the Association in accordance with the provisions thereof.

F. Administration by Association/Managing Agent. The affairs of the Condominium shall be administered by the Association. Unless otherwise expressly stated in this Declaration or the Bylaws, the Association, acting through its Board of Directors, may:

- (1) adopt and amend the Bylaws;
- (2) adopt and amend budgets for revenues, expenditures, and reserves, and collect Assessments from Owners;

- (3) borrow money, but not in excess of \$25,000;
- (4) hire and terminate Managing Agents and other employees, agents, and independent contractors, provided that any agreement for professional management of the Condominium, or any other contract providing for services of the Declarant, may not exceed three (3) years and must provide for termination by either party without cause and without payment of a termination fee on ninety (90) days or less prior written notice;
- (5) institute, defend, intervene in, settle, or compromise litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Condominium;
- (6) make contracts and incur liabilities relating to the operation of the Condominium;
- (7) regulate the use, maintenance, repair, replacement, modification, and appearance of the Condominium;
- (8) adopt and amend rules regulating the use, occupancy, leasing or sale, maintenance, repair, modification, and appearance of Units and Common Elements, to the extent the regulated actions affect Common Elements or other Units;
- (9) cause additional improvements to be made as a part of the Common Elements;
- (10) acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, except Common Elements;
- (11) acquire, lease, encumber, exchange, sell, or convey a Unit;
- (12) grant easements, leases, licenses, and concessions through or over the Common Elements;
- (13) impose and receive payments, fees, or charges for the use, rental, or operation of the Common Elements and for services provided to Owners;
- (14) impose interest and late charges for late payments of assessments, returned check charges, and, if notice and an opportunity to be heard are given, reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations;
- (15) adopt and amend rules regulating the collection of delinquent Assessments and the application of payments;
- (16) adopt and amend rules regulating the termination of utility service to a Unit, the Owner of which is delinquent in the payment of an Assessment that is used, in whole or in part, to pay the cost of that utility;
- (17) impose reasonable charges for preparing, recording, or copying declaration documents, resale certificates, or statements of unpaid Assessments;

(18) enter a Unit for bona fide emergency purposes when in its opinion conditions present an imminent risk of harm or damage to the Common Elements, another Unit, or the occupants;

(19) assign its right to future income, including the right to receive Regular Assessments, but only to the extent this Declaration so provides;

(20) suspend the voting privileges of or the use of certain Common Elements by an Owner delinquent for more than thirty (30) days in the payment of Assessments;

(21) purchase insurance and fidelity bonds it considers appropriate or necessary;

(22) exercise any other powers conferred by this Declaration, the Certificate or Bylaws;

(23) exercise any other powers that may be exercised in the State of Texas by a corporation of the same type as the Association;

(24) exercise any other powers necessary and proper for the government and operation of the Association; and

(25) Any of the duties, powers and functions of the Board may be delegated to the Managing Agent.

G. Board of Directors. The affairs of the Association shall be managed by a Board of Directors. Such members of the Board of Directors shall serve without payor compensation (except as provided in the Bylaws), for such term as specified in the Bylaws.

H. Declarant Control of the Association. There shall be a period of Declarant control of the Association during which the Declarant, or persons designated by the Declarant, may appoint and remove the officers and members of the Board of Directors. The period of Declarant control terminates not later than the earlier to occur of the following: (i) the 120th day after conveyance of seventy-five percent (75%) of the Units that may be created to Owners other than the Declarant; or (ii) the 120th day after the conveyance of seventy-five percent (75%) of the Units upon which construction commenced within five (5) years after the Effective Date. Not later than the 120th day after conveyance of 50 percent (50%) of the Units that may be created to Owners other than Declarant, one-third of the members of the Board must be elected by Owners other than the Declarant. For avoidance of doubt, the Declarant retains the right to construct Additional Buildings for a period of twenty (20) years after the Effective Date notwithstanding any earlier transfer of Declarant control of the Association. Not later than the termination of the period of Declarant control, the Owners shall elect a Board of Directors of at least three (3) members (which may include the Declarant's authorized representative. The Board of Directors shall elect the officers of the Association before the 31st day after the date the period of Declarant control terminates. The persons elected shall take office on election.

I. *Termination of Contracts and Leases of Declarant.* The Association may terminate, without penalty, contracts or leases between the Association and the Declarant or an affiliate of Declarant if: (i) the contract or lease is entered into by the Association when the Association is controlled by the Declarant; (ii) the Association terminates the contract or lease before the first anniversary of the date a Board of Directors elected by the Owners takes office; and (iii) the Association gives at least ninety (90) days' notice of its intent to terminate the contract or lease to the other party.

J. *Management Certificate.* The Association shall record in the Office of the County Clerk of Montgomery County, Texas, a certificate, signed and acknowledged by an officer of the Association, stating: (i) the name of the Condominium, (ii) the name of the Association, (iii) the location of the Condominium, (iv) the recording date of this Declaration, and (v) the mailing address of the Association, or the name and mailing address of the Managing Agent. The Association shall record an updated management certificate within thirty (30) days after the date the Association has notice of a change in any of the information set forth in (i) through (v) above as set forth in the recorded management certificate.

K. *Resale Certificate.* In connection with the sale of any Unit (other than a sale by Declarant), the Association shall furnish to the selling Owner or the Owner's agent, within ten (10) days after the date of receiving a written request from the Owner, a resale certificate containing the following information: (i) the current operating budget of the Association; (ii) any right of first refusal or other restraint contained in the Declaration that restricts the right to transfer a Unit; (iii) the amount of the periodic Regular Assessments and the unpaid Regular Assessments or Special Assessments currently due and payable by the selling Owner; (iv) other unpaid fees or amounts payable to the Association by the selling Owner; (v) capital expenditures, if any, approved by the Association for the next twelve (12) months; (vi) the amount of reserves, if any, for capital expenditures and of portions of those reserves designated by the Association for a specified project; (vii) any unsatisfied judgments against the Association; (viii) the nature of any pending suits against the Association; (ix) whether the Board of Directors has knowledge that any alterations or improvements to the Unit or the Limited Common Elements assigned to that Unit violate the Declaration, the Bylaws or the Rules and Regulations; (x) whether the Board of Directors has received notice from a governmental authority concerning violations of health or building codes with respect to the Unit, the Limited Common elements assigned to that Unit, or any other portion of the Condominium; (xi) the remaining term of any leasehold estate that affects the Condominium and the provisions governing an extension or renewal of the lease; (xii) the name, mailing address, and telephone number of the Managing Agent, if any; and (xiii) such other information as the Association may deem appropriate. The Association shall not be liable to a selling Owner or such Owner's prospective purchaser for delay or failure to furnish a resale certificate, and an officer or agent of the Association is not liable for a delay or failure to furnish a resale certificate unless the officer or agent willfully refuses to furnish the resale certificate or is grossly negligent in not furnishing the resale certificate. In the event that a properly executed resale certificate incorrectly states the total of delinquent sums owed by the selling Owner to the Association, without affecting the rights of the association against the seller, the purchaser shall not be liable for payment of additional delinquencies that are unpaid on the date the resale certificate is prepared and that exceed the total sum stated in the resale certificate; provided, however, in no event shall a resale certificate affect: (i) the Association's right to recover debts or

claims that arise or become due after the date the certificate is prepared; or (ii) the Association's lien on a Unit securing payment of future Assessments.

9. Meetings of Owners

A. First Meeting. The first meeting of Owners shall be held not later than one hundred twenty (120) days following the earlier to occur of the following: (1) the conveyance by Declarant of more than seventy-five percent (75%) of the Units that may be created to Owners other than the Declarant; or (ii) the conveyance by Declarant of more than seventy-five percent (75%) of the Units upon which construction commenced within five (5) years after the Effective Date. Until the first meeting of Owners, the affairs of the Association shall be managed by the first Board named in the Certificate or their successors, and during such period it shall have the right to exclusively represent, act as and constitute the Board of Directors, and shall have the right to exclusively exercise and perform all of the rights, powers, authority, functions and duties herein or in the Act or Bylaws given to the Association or the Board.

B. Annual Meetings. Following the first meeting of Owners, there shall be an annual meeting of Owners at which the Board, or a portion thereof, shall be elected, and other meetings as provided for herein or in the Bylaws. Special meetings of Owners shall be called by the President, a majority of the Directors or any individual Owner or collection of Owners having twenty percent (20%) of the Percentages of Common Interest Ownership entitled to be cast at such special meeting. Notice of time, place and subject matter of all meetings shall be given to each Owner or to the individual representative designated by such Owner.

10. Directors

A. Number of Directors. The number of Directors shall be as set forth in the Bylaws. Any expansion or subsequent contraction [to not less than three (3)] of the number of Directors shall be effected by an amendment to the Bylaws. The Directors of the initial Board of Directors must not be an Owner (including any replacement Directors selected by Declarant prior to the first meeting of Owners). Notwithstanding anything stated herein or in the Bylaws, such Board and any replacement Directors selected by Declarant may remain or be reelected as Directors following the first meeting of Owners. Notwithstanding anything contained herein to the contrary, this Paragraph 10 may not be amended without the prior written consent of Declarant, until the earlier to occur of: (i) one hundred twenty (120) days following the conveyance by Declarant of more than seventy-five percent (75%) of the Units that may be created to Owners other than the Declarant, or (ii) one hundred twenty (120) days following the conveyance by Declarant of seventy five percent (75%) of the Units upon which construction commenced within five (5) years after the Effective Date.

B. Terms of Directors. At the first meeting of Owners as defined in Paragraph 9.A, one (1) Director shall be elected for a term of three (3) years, one (1) Director shall be elected for a term of two (2) years and one (1) Director shall be elected for a term of one (1) year. Thereafter, at the annual meeting of Owners, the Owners shall elect a Director to fill the position of the Director whose term has expired at the time of the annual meeting. Such Director shall serve for a term of years as set forth in the Bylaws.

C. *Election Officers.* The officers of the Association shall be elected by the Board.

D. *Indemnity of Board.* The Association shall indemnify each member of the Board and each of its officers against expenses and liabilities (including the cost and expenses of defending against any such alleged liability) as and to the extent set forth in the Bylaws. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which a Director, officer, or employee may be entitled by law or under any Bylaw, agreement, vote of members or otherwise.

E. *Authority of Officers.* The Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association whether or not a Director or such officer is interested in the transaction (as and to the extent set forth in the Bylaws). Such authority may be general or confined to specific instances. All checks, drafts or 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 agent of the Association and in such manner as shall, from time to time, be determined by resolution of the Board. 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 select.

11. *Assessments*

A. *Regular Quarterly Assessments for Common Expenses.* There shall be quarterly assessments (the "Regular Assessments") of each Owner for payments to the Common Expense Fund. Both Regular Assessments and Special Assessments shall be computed based on the individual Owner's Percentage of Common Interest Ownership. The Regular Assessments shall commence as to each Owner on the date of delivery of a Deed to the Condominium Unit together with Garage Assessments (if applicable to that Owner) and Boat Slip Assessments (if applicable to that Owner) from Declarant (or the Original Declarant) to the purchaser thereof, and Regular Assessments shall be due on the first (1st) day of each subsequent calendar quarter thereafter, without notice.

B. *Common Expenses, Assessments.* Each Owner shall be bound and obligated and agrees to pay, as assessments during his, her, or its tenure of ownership, (i) his, her, or its pro-rata part and share of the utilities and the expenses of administration, maintenance, repair, upkeep, protection, replacement, and operation of the Common Elements, (ii) assessments made by the Board of Directors and/or the Association, and (iii) any other expenses lawfully agreed to by the Association or the Board, as authorized by the Act, this Declaration or the Bylaws, all of which expenses are included in the term "Common Expenses." The Board of Directors shall be responsible for levying and collecting Special Assessments and Regular Assessments for the Common Expenses. The Board of Directors shall be responsible for levying and collecting Garage Assessments and Boat Slip Assessments for the maintenance and repair of the Garages and the Boat Slips.

C. *Reserves for Assessments.* The Board shall establish an annual budget in advance for each fiscal year and such budget shall project all Common Expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, together with a reasonable allowance for contingencies and reserves. Such

reserves shall include, without limitation, an adequate reserve fund for the maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis, and shall be payable in regular installments fixed by the Board rather than by Special Assessments. The Assessments for each year shall be established by the adoption of an annual budget by the Board. Copies of the budget shall be delivered to each Owner, although the delivery of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future Assessments. Should the Board at any time determine, in the sole discretion of the Board, that the Assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium in any fiscal year (including a deficiency resulting from the nonpayment of Assessments by certain Owners) or in the event of a casualty loss, then the Board shall have the authority at any time and from time to time to levy an additional Assessment in an amount it shall deem to be necessary for that purpose. Upon purchasing a Unit, the Owner will deliver to the Association an amount equal to one third (1/3) of the then current quarterly Regular Assessment, which will be added to the replacement reserve.

D. Special Assessments. Special Assessments may be made by the Board at any time, and from time to time, to meet other needs or requirements of the Association and the Condominium including, but not limited to, Special Assessments for costs of capital improvements. Special Assessments shall be computed based on the individual Owner's Percentage of Common Interest Ownership. However, except for repair or replacement following casualty, as contemplated in Paragraph 14.B.(4), as to which no Owner approval shall be necessary, any Special Assessment(s) made during any calendar year against a Unit equal to or greater than the product of Twenty-Five Thousand Dollars (\$25,000.00) multiplied by that Unit's Percentage of Common Interest Ownership, shall not be levied without the prior approval of either said Owner or the Majority of Unit Owners. Notice of Special Assessments shall be sent by the Association to each Owner. The due date of any Special Assessments shall be the due date specified by the Association in such notice; provided, however, that such due date shall in no event be less than thirty (30) days subsequent to such notice.

E. Garage Assessments and Boat Slip Assessments. In addition to Regular and Special Assessments as hereinabove provided for, there shall be a separate quarterly assessment of each Owner of a Garage ("Garage Assessment") and a separate quarterly assessment of each Owner of a Boat Slip ("Boat Slip Assessment"). The Garage Assessments shall be equal, on a per Garage basis, and not computed based on an individual Garage Owner's Percentage of Common Interest Ownership, except that any Double Garages (including any Double Garages shown in the Existing Garage Ownership in chart Paragraph 6.E.) shall pay two Garage Assessments. The Boat Slip Assessment shall be equal on a per Boat Slip basis, and not computed based on an individual Boat Slip Owner's Percentage of Common Interest Ownership. The quarterly Garage Assessment and Boat Slip Assessment shall be payable in conjunction with the Regular Assessment pursuant to Paragraph 11.A.

F. Unit—Specific Assessments. The Association may, at any time, and from time to time, determine, levy and collect assessments against any one or more, but fewer than all, of the Units, for any matters of maintenance of repair, replacement or improvement reasonably applicable only to such Units (or Limited Common Elements appurtenant exclusively to such Units) and not all the Units ("Unit—Specific Assessments"). Such Unit—Specific Assessments may be levied against individual Units to pay or reimburse the Association for any costs, expenses, fees, and

other charges, incurred or reasonably anticipated to be incurred by the Association, for maintenance, repair, replacement and improvement, or any other purpose, of or with respect to the Unit against which such Unit—Specific Assessment is levied which are not applicable to all the Units. The amounts determined, levied and assessed pursuant to this paragraph shall be due and payable as determined by the Association provided that written notice setting forth the amount of such Unit—Specific Assessment for each Unit and the due date(s) for payment thereof shall be given to the Owners of the affected Units not less than thirty (30) days prior to the due date. All Unit—Specific Assessments shall be considered Special Assessments for purposes of the other provisions of this Declaration besides this Paragraph 11.0.

G. Assessments as Capital Contributions. Assessments levied by the Association against each Owner pursuant to this Paragraph 11 which are expended on capital expenditures, or which are set aside as a reserve for future repairs of improvements within the Condominium (whether or not such repairs or improvements would otherwise be considered capital in nature pursuant to Section 263 of the Internal Revenue Code of 1986, as amended, the "Code"), shall be treated as capital contributions by such Owner to the Association and shall be shown on the books of the Association as such. The Association may elect to be governed by the provisions of Section 528 of the Code for a taxable year by filing Form 1120-H (U.S. Income Tax Return for Home Owners Association) if such election would allow the Association to reduce its federal income tax liability or related expense for such taxable year. The provisions of this Paragraph 11.G. may be amended by a majority of the Board if in the sole discretion of the Board, such action is necessary to conform to any change in the Code, or any Treasury regulation or ruling promulgated thereunder. Notwithstanding anything contained in this Declaration to the contrary, any amendment to this Paragraph 11G. duly authorized by the Board shall not require the consent of any Owner or Mortgagee.

H. Computation and Apportionment of Assessments. Except as otherwise provided in this Declaration, all Assessments (except for Garage Assessments, Unit—Specific Assessments and Boat Slip Assessments) levied against Owners to cover expenses of the Association and the Condominium shall be computed and apportioned among and paid by Owners in accordance with the Percentage of Common Interest Ownership assigned to such Owner's Unit without increase or decrease for the existence of any rights with respect to the use, existence or lack of existence of Limited Common Elements appurtenant to such Unit. The amount of Common Expenses assessed against each Unit shall be the debt and obligation of the Owner of said Unit at the time the Assessment is made, and the subsequent transfer of his, her, or its ownership of said Unit shall not terminate the outstanding obligation. Assessments shall be due and payable at such times, as the Association shall determine, commencing (as to Owners other than Declarant) on the date of delivery of a Deed to a Condominium Unit from Declarant (or Original Declarant) to the purchaser thereof. After the initial period set forth in Paragraph 11.0, Declarant shall bear all Assessments levied against Units owned by Declarant in accordance with the aggregate Percentage of Common Interest Ownership assigned thereto.

I. Declarant's Payment of Assessments. The Declarant shall pay: the Regular Assessments and Special Assessments on all Units owned by the Declarant, Boat Slip Assessments on any Boat Slips owned by Declarant, Garage Assessments on any Garages owned by Declarant, and any Unit-Specific Assessments made against particular Units owned by Declarant.

J. Default for Failure to Pay Assessments. An Owner shall be in default for failure to pay a Regular Assessment, a Garage Assessment, a Boat Slip Assessment, a Unit—Specific Assessment and/or a Special Assessment if the same, or any part thereof, is not paid to the Association in full on or before ten (10) days after the due date for such payment, and such Owner shall be subject to a late fee as determined by the Board. Regular Assessments and Special Assessments in default shall bear interest at the lesser of the maximum lawful rate or the rate of eighteen percent (18%) per annum from the date due until paid. Each Owner shall be, and remain, personally liable for the payment of all Regular Assessments, Garage Assessments, Boat Slip Assessments, Unit—Specific Assessments, and Special Assessments which may be levied against such Owner by the Association in accordance with the Condominium Documents, and any unpaid Regular Assessments, Garage Assessment, Boat Slip Assessment, Unit—Specific Assessment and Special Assessments, together with late fees and accrued interest thereon, owed with respect to a Condominium Unit may, at the option of the Association, be collected out of the sale proceeds of such Condominium Unit in accordance with the Act. No successor in title to a Unit shall be deemed to have assumed personal liability for any obligation to pay Regular Assessments, Garage Assessments, Boat Slip Assessments, Unit—Specific Assessments and/or Special Assessments which were due and owing at the time of conveyance to such successor unless such successor agreed to assume such obligation, but this shall not affect or impair the validity of the lien hereinafter provided for. In addition, to the extent permitted by law, Declarant hereby grants to the Association, without recourse, a lien against each Condominium Unit in accordance with Section 51.002, Property Code, Vernon's Texas Code Ann., as the same may be amended from time to time, to secure the payment of any Regular Assessment, Garage Assessment, Boat Slip Assessment, Unit—Specific Assessment and/or Special Assessment, or any other amount which may be levied hereunder, which lien may be enforced by power of sale as provided in such Section 51.002, and the expenses incurred in connection therewith, including late fees, interest, costs and attorneys' fees, shall be chargeable to the Owner in default. In no event shall the Association foreclose a lien securing the payment of Assessments consisting solely of fines. Each Owner, by acceptance of the Deed to his, her, or its Condominium Unit, agrees that the Association and its designated agents have the authority, right and power to enforce the above-described liens for Assessments by all legal methods available for the enforcement of liens, including nonjudicial foreclosure pursuant to Section 51.002 of the Texas Property Code, as amended. Such liens shall be subordinate, secondary and inferior to: (i) assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes that are due and unpaid on such Condominium Unit; (ii) any First Mortgage filed for record prior to the date payment of such Assessment for Common Expenses became due and payable provided they become due and payable prior to the date the holder of the First Mortgage acquires title to the Condominium Unit; and (iii) all liens securing any loan (including loans made by Declarant) made to a purchaser for any part of the purchase price of any Unit when such Unit is purchased from Declarant. The Board or Managing Agent may, but shall not be obligated to, elect to prepare and execute a notice of assessment (a "Notice of Assessment") which sets forth the amount of the unpaid indebtedness, the name of the Owner, and a description of the Condominium Unit, and may record the Notice of Assessment in the Official Public Records of Real Property of Montgomery County, Texas. Notice of an unpaid Regular Assessment, Garage Assessment, Boat Slip Assessment, Unit-Specific Assessment, Special Assessment or any other amount and such lien in favor of the Association, may, but need not necessarily, be recorded in the Official Public Records of Real Property of Montgomery County, Texas. Recordation of this

Declaration shall be deemed constructive notice of the inception and creation of the lien described above. The lien for Common Expenses herein provided for may be enforced by the Association by foreclosure of and on the Condominium Unit owned by the defaulting Owner, without prejudice and subject to the aforesaid prior and superior liens, in the same manner as nonjudicial foreclosures under mortgages on real property located in the State of Texas; provided, however, at any time prior to the foreclosure sale, the Owner of the Condominium Unit to be sold at such foreclosure sale may avoid foreclosure by paying all amounts due to the Association. No foreclosure suit or sale thereunder shall affect or impair any of the prior liens above mentioned. The Board of Directors or any person authorized by it, acting on behalf of the Association, shall have power to bid on the Condominium Unit being foreclosed at the foreclosure sale, and to acquire, hold, lease, mortgage or convey the same on behalf of the Association; provided, however, the Owner of the Condominium Unit purchased by the Association at the foreclosure sale may redeem the Condominium Unit within ninety (90) days after the date of the foreclosure sale in accordance with Section 82.113(g) of the Act. All funds realized from any foreclosure sale shall be applied first to the costs and expenses of filing and prosecuting the foreclosure, including all trustee's and attorneys' fees, and then towards payment of the indebtedness, and the remainder, if any, shall be paid over to the Owner or Owners as their interest may appear. In the event the proceeds realized from the foreclosure sale, applied as aforesaid, shall be insufficient to payoff and discharge the whole amount of the assessments sued on, then the purchaser acquiring title to such Condominium Unit at such foreclosure sale, whoever he, she or it may be, other than the Owner sued, shall not be liable for the deficiency, but such deficiency shall be deemed a Common Expense, collectible from all Owners, including the purchaser at the foreclosure sale, on a pro-rata basis as in the case of other Common Expenses. The defaulting Owner shall remain personally liable to the other Owners paying such deficiency, and the Association may pursue recovery of such deficiencies from the defaulting Owner.

K. Additional Remedies. The Association may, in addition to its rights under Paragraph 11.J above and the Act, enforce collection of delinquent Assessments by suit at law for a money judgment, and the expenses incurred in collecting unpaid Assessments, including interest, costs and attorneys' fees shall be chargeable to the Owner in default. The Board may resolve that an Owner in default shall not be entitled to vote at any meeting of the Association so long as such default is in existence, unless otherwise provided in the Act.

L. No Exemptions from Liability for Common Expenses. No Owner may be exempt from liability for his, her, or its contribution toward the Common Expenses of the Association and the Condominium by waiver of the use or enjoyment of any of the Common Elements or any part thereof, by reason of any grievance against the Association, Original Declarant, Declarant, or any other Owner, or by the abandonment of such Owner's Condominium Unit or his, her, or its interest therein.

M. Statement of Assessments. The Association or its representative shall, upon payment to the Association of a reasonable fee as set by the Board from time to time, furnish to any prospective purchaser or Mortgagee of any Unit, at the written request of the Owner, a written statement as to the amount of the Regular Assessments for Common Expense, Garage Assessments, Boat Slip Assessments, Unit-Specific Assessments, and/or Special Assessments which have become due and are unpaid up to a given date with respect to the Unit to be sold or

mortgaged; and, in the case of a sale, the purchaser shall not be liable nor shall the Unit purchased be liable or subject to any lien for any unpaid assessment which has become due and is not shown on such statement for the period of time covered thereby; however, the selling Owner shall remain liable for same and in case of his, her, or its failure or refusal to pay, then the same shall be collectible from all other Owners on a pro-rata basis in proportion to their Percentage of Common Interest Ownership, and they shall have recourse against the selling Owner; but in the event of a Mortgagee, then the unpaid assessments not shown on the statement for the period of time covered thereby shall remain the obligation of the Owner mortgaging his, her, or its Unit, but the assessment liens securing same as provided for in this Declaration shall be and remain inferior and secondary to the mortgage and liens held by the Mortgagee to whom or for whose information the statement was furnished.

N. Common Expense Fund. The Common Expense Fund shall be based upon the aggregate sum which the Board shall from time to time determine is to be paid by all of the Owners (including Declarant) to defray estimated Common Expenses.

O. Failure to Provide Notice of Regular Assessments. In the event of a failure of the Board to issue the annual notice setting forth the amount of the Regular Assessments, the Regular Assessments then in effect shall continue until the Board issues a new notice of Regular Assessments, and said failure shall not be deemed a waiver of any of the provisions of this Paragraph 11 nor shall it operate to release any Owner from his, her, or its obligations to pay the assessments provided for hereunder.

P. Notice to Owners. Notwithstanding anything to the contrary contained in this Declaration, before the Association may charge an Owner for property damage for which such Owner is liable, or levy a fine for violation of this Declaration, the Bylaws or Rules and Regulations, the Association shall give such Owner a written notice that:

(1) describes the violation or property damage and states the amount of the proposed fine or damage charge;

(2) states that not later than the 30th day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or damage charge;

(3) allows the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding year;

(4) the above-described notice may be given by the Association delivering a copy of the notice to an occupant of the Unit. In addition, the Association shall give notice of a levied fine or damage charge to the Owner within thirty (30) days after the date of levy.

12. *Obligations of Owners and Owner Action*

Without limiting the obligations of an Owner, each Owner shall: (i) pay all Assessments, late fees, interest, and other charges properly levied by the Association against the Owner or the Owner's Unit, and shall pay all Regular Assessments without demand by the Association; (ii)

comply with this Declaration, the Bylaws, the Rules and Regulations, and any amendments thereto; (iii) pay for damage to the Condominium caused by the negligence or willful misconduct of the Owner, an occupant of the Owner's Unit, or the Owner's or occupant's family, guests, employees, contractors, agents or invitees; and (iv) be liable to the Association for violations of the Declaration, the Bylaws, the Rules and Regulations, and any amendments thereto, by the Owner, an occupant of the Owner's Unit, or the Owner's or occupant's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorneys' fees, whether or not suit is filed. Without limiting the other legal rights of any Owner or the Association, legal action may be brought by the Association, in its sole discretion, on behalf of two (2) or more Owners as their respective interests may appear with respect to any cause of action relating to the Common Elements appurtenant to more than one Condominium Unit. All costs incurred by the Association as a result of such legal action shall be borne in their entirety by the Association.

13. Insurance

A. *Owner's Insurance.* Each Owner shall be responsible, at his, her, or its cost and expense, for his, her, or its own personal insurance on the contents of his, her, or its Unit and his, her, or its additions and improvements thereto, and his, her, or its decorations and furnishings and personal property therein to the extent not covered by the insurance obtained by the Association, as well as his, her, or its personal liability to the extent not covered by the liability insurance for all of the Owners which may be obtained by the Association as a Common Expense.

B. *Association's Insurance.* The Association shall purchase and maintain policies of insurance and fidelity bond coverage in accordance with the requirements of the Act and the requirements of the Federal Home Loan Mortgage Corporation, as they may be amended from time to time. To the extent not inconsistent with the foregoing, the Association shall obtain and continuously keep in effect, to the extent reasonably available, the Master Policy of fire and extended coverage, vandalism, malicious mischief and liability insurance, and, if required by law or deemed necessary or desirable by the Board, worker's compensation insurance, with respect to the Condominium and the Association's administration thereof in accordance with the following provisions:

(1) Parties Covered. The Master Policy shall be purchased by the Association for the benefit of the Association, Managing Agent (if any), and each and every Owner and their respective Mortgagees, as their interests may appear (subject to the provisions of the Condominium Documents and the Act), the cost of which shall be a Common Expense, and provision shall be made for the issuance of appropriate mortgagee endorsements to Mortgagees.

(2) Coverage.

(i) To the extent such insurance is reasonably available, the Building and all Common Elements shall be insured against fire, vandalism and malicious mischief, and other perils covered by a standard extended coverage endorsement (with appropriate endorsement to cover fixtures, installations or additions comprising a part of the Building within the unfinished and finished interior surfaces of the perimeter walls, floors and ceilings of individual Units initially installed (originally constructed finishes and surface), or replacements thereof, in

accordance with the original plans and specifications for the Condominium, specifically referring to and including the interior walls of each Unit and originally constructed finishes and surfaces), in an amount equal to the replacement cost thereof, excluding the costs of excavations, foundations and footings, as determined annually by the Board. The Board may obtain an appraisal in determining insurable value and the cost thereof shall be an expense of the Association. The Association may, in its sole discretion, elect to carry insurance to cover such other perils as from time to time shall be customarily covered with respect to buildings and improvements similar in construction, location and use.

(ii) The Association shall also maintain, to the extent reasonably available, commercial general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and shall contain, if available, cross-liability endorsements or appropriate provisions for the benefit of Owners, individually and as a group, Directors, and Managing Agent (if any) insuring each insured against liability to each other insured.

(iii) If the property insurance and/or the liability insurance described above are not reasonably available, the Association shall cause notice of that fact to be delivered or mailed to all Owners and Mortgagees.

(iv) The property and liability insurance policies obtained by the Association shall provide that: (a) each Owner is an insured Person under the policy with respect to liability arising out of such Owner's Percentage of Common Interest Ownership or membership in the Association; (b) the insurer waives its right to subrogation under the policy against an Owner or the Association; (c) no action or omission of an Owner, unless within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; (d) if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy shall provide the primary insurance; and (e) the insurer issuing the policy may not cancel or refuse to renew the policy less than thirty (30) days after written notice of the proposed cancellation or non-renewal has been mailed to the Association.

(v) The Association shall also carry, if available, fidelity coverage against dishonest acts on the part of Directors, Owners, the Managing Agent (if any), security officers, and any other person (including volunteers, with an appropriate endorsement if required) handling funds belonging to or administered by the Association. Such fidelity coverage shall be for not less than \$100,000.

(3) Premiums. All premiums upon insurance purchased by the Association shall be included in the Association's budget in accordance with Paragraph 11.C. hereof, except that the amount of increase over such premiums occasioned by the use, misuse, occupancy or abandonment of a Unit or the Common Elements by an Owner shall be assessed only against such Owner.

(4) Proceeds of Insurance. Proceeds of all insurance policies owned by the Association shall be payable to the Association, shall be deposited by the Association in a federally insured bank, shall be held in a separate account and shall be distributed to the Association, Owners and their Mortgagees (subject to the provisions of the Condominium Documents and the Act) as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium shall be required as provided in Paragraph 14 hereof, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction under this Declaration shall be administered by the Association and shall be applied to such repair or reconstruction, save and except for any claims the Association may have against any Owner for payment of the deductible on any insurance claim.

(5) Appointment of Attorney-in-Fact. Each Owner, by acceptance of a deed or other instrument of conveyance from Declarant, Original Declarant, or from any Owner or grantor resulting in ownership of a Condominium Unit, shall be deemed to appoint the Association as his, her, or its true and lawful attorney-in-fact (which shall be deemed to be an irrevocable power of attorney coupled with an interest and not voidable due to the incapacity or disability of an Owner) to act in connection with all matters concerning the maintenance of the Master Policy and the destruction, repair or obsolescence of the Condominium, in whole or in part. Without limiting the generality of the foregoing, the Association, by and through its President or Vice President, shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefore, to collect proceeds, to institute and prosecute litigation or arbitration, to pay all costs associated with its activities as Common Expenses (to the extent the proceeds received from such insurance are not adequate to pay such costs), to administer the distribution of such proceeds in connection with any reconstruction or repair, to distribute any remaining proceeds to Owners and their Mortgagees (subject to the provisions of the Condominium Documents and the Act) as their interests may appear, to execute releases of liability, and to execute all documents and to do all things on behalf of the Owners and the Condominium as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Association in regard to such matters (other than exercising any voting rights in determining whether to repair or reconstruct). The Association shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Unit (except to the extent available by endorsement as herein provided) or covering the liability of any Owner for occurrences not caused by or connected with the Association's operation, maintenance or use of the Condominium.

(6) Priority as to Proceeds. Notwithstanding anything contained herein to the contrary, no provision contained herein or in the Condominium Documents shall give an Owner or any other party priority over any Mortgagee with respect to the distribution of proceeds of insurance to which such Owner or other party would not otherwise be entitled.

(7) Waiver of Subrogation. The Association and the Owners shall use their best efforts to see that all insurance carried by an Owner or the Association shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against Owners or the Association and the respective tenants, servants, agents, and guests of Owners or the Association, as the case may be, and the Association and the Owners, by their acceptance or recordation of a Deed, hereby waive any and all claims and rights of subrogation against each

other to the extent of any damage or injury for which insurance is required to be maintained under this Declaration.

14. Termination of Condominium; Reconstruction or Repair; Condemnation

A. Termination of Condominium.

The Condominium shall continue indefinitely unless and until it is terminated as provided in this Declaration or by agreement of the Owners holding at least eighty percent (80%) of the votes in the Association and First Mortgagees holding eighty percent (80%) of the First Mortgages (based on one vote for each First Mortgage held). The agreement of the Owners or First Mortgagees to terminate (and, if the Condominium is to be sold, the terms of sale) must be evidenced by their execution of a Termination Agreement (or a ratification thereof) in the same manner as a deed, by the requisite number of Owners and First Mortgagees. The Termination Agreement and all ratification thereof must be recorded in the Official Public Records of Real Property of Montgomery County and is effective only upon recordation. After the recording of the Termination Agreement, the Condominium may be sold, and the Association, on behalf of the Owners, may contract for such sale, on the terms set forth in the Termination Agreement. The Association has all power necessary and appropriate to effect the sale and until the sale has concluded and the proceeds have been distributed, the Association continues in existence with all the powers it had before termination. Proceeds of the sale must be distributed to the Owners and lienholders as their interest may appear, in accordance the provisions set forth below: Unless otherwise specified in the Termination Agreement, until title to the Real Property has been transferred pursuant to a sale, each Owner and its successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the Unit. During the period of that occupancy, each Owner and the Owner's successors in interest remain liable for all assessments and other obligations imposed upon the Owners by the Act or this Declaration. Following termination of the Condominium, the proceeds of any sale of real estate, together with any insurance proceeds (if the termination occurs in connection with a damage or destruction) and the assets of the Association are held by the Association as trustee for the Owners and the holders of the liens on the Condominium Units as their interest may appear. If the real property constituting the Condominium is not to be sold following termination, on termination title to the real property vests in the Owners as tenants in common in proportion to their respective interests, and liens on the Units shift accordingly. While the tenancy in common exists, an Owner and the Owner's successors in interest have an exclusive right to occupy the portion of the Condominium that formerly constituted the Owner's Unit.

(1) The respective interests of the Owners are as follows:

(i) except as provided in subparagraph (ii) immediately below, the respective interests of the Owners are the fair market values of their Units, interest in the General Common Elements, and any Limited Common Elements before termination, as determined by one or more independent appraisers selected by the Association. The decision of the independent appraisers shall be distributed to the Owners and becomes final unless disapproved within thirty (30) days after distribution by Owners holding at least twenty-five percent (25%) of the total votes in the Association. The proportion of any Owner's interest to that of all

Owners is determined by dividing the fair market value of that Owner's Condominium Unit and Common Element Interest by the fair market value of all Condominium Units and Common Elements;

(ii) if any Unit or any Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the proportionate interest of each Owner shall be their Percentage of Common Interest Ownership immediately before termination.

(2) The proceeds available for distribution to the holders of interests in the Condominium Units after a termination shall be allocated to each Condominium Unit in accordance with its proportionate interest as provided above and each Condominium Unit's share of such proceeds shall be deposited into a separate account identified by the Condominium Unit designation and the name of the Owner and First Mortgagee thereof. From each separate account, the Association, as attorney-in-fact, shall forthwith use and disburse the total amount of such account, without contribution from one account to another, toward payment of the liens encumbering the Condominium Unit represented by such separate account, in the following order: (a) for the payment of taxes and special assessment liens in favor of any assessing entity; (b) for the payment of any Association common expense assessments which take priority over the lien of a First Mortgage; (c) for the payment of the lien of any First Mortgage; (d) for the payment of unpaid Association common expense assessments, other assessments, charges and fees, and all cost, expenses and fees incurred by the Association, including customary expenses of sale; (e) for payment of junior liens and encumbrances in the order of and to the extent of their priority; and (f) the balance remaining, if any, shall be paid to the Owner(s) of the Condominium Unit.

By agreement of the Owners holding at least eight percent (80%) of the votes in the Association and First Mortgagees holding eighty percent (80%) of the First Mortgages (based on one vote for each First Mortgage held), the Owners and First Mortgagees may rescind a Termination Agreement and reinstate the Declaration in effect immediately before the election to terminate. The rescission agreement must be in writing, executed by the Owners who desire to rescind, and recorded in Montgomery County.

B. Damage or Destruction.

(1) Repair and Reconstruction. "Repair and Reconstruction" of the improvements, as used in the succeeding subparagraphs, means restoring the improvement(s) to substantially the same condition in which they existed prior to their damage or destruction, with each Condominium Unit and the General and Limited Common Elements having substantially the same vertical and horizontal boundaries as before, and all improvements being reconstructed or repaired in substantial conformance with the Building's original architectural plan and scheme, to the extent then reasonably and economically feasible. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, reconstruction, restoration, or replacement, in accordance with the provisions hereinafter set forth:

(a) Any loss covered by the property insurance policy maintained by the Association must be adjusted with the Association, and the insurance proceeds will be paid to the

Association or an insurance trustee designated for such purpose and not to the holder of any Security Interest. The insurance trustee or the Association shall hold such insurance proceeds in trust for the Owners and lienholders as their interest may appear. Subject to the provisions of subparagraph (b) immediately below, the proceeds must be disbursed first to the repair or restoration of the damaged property, and the Association. Owners and lienholders shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated in accordance with Paragraph 14.A., in either of which events the surplus shall be distributed as provided in Paragraph 14.A.(2). The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submission of claims, and such other matters of claims adjustment. The Association shall have full authority, right and power as attorney-in-fact to cause the repair and reconstruction of the improvements. Assessments for Common Expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

(b) Any portion of the Building for which insurance is required under this Declaration must be repaired or replaced promptly by the Association unless (a) the Condominium is terminated in accordance with Paragraph 14.A., in which case the provisions of that Paragraph apply or (b) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety.

(2) Estimates. As soon as possible after the occurrence of a casualty which causes damage to any part of the Condominium for which the Association has insurance coverage, the Association shall obtain reliable and detailed cost estimates of the following:

(a) The cost of restoring all damage caused by the casualty to the Common Elements (collectively, the "Common Element Costs"); and

(b) The cost of restoring that part of the damage caused by the Casualty to each Unit which is or would be covered by insurance held by the Association, without regard to the policy limits of such insurance (collectively, the "Unit Costs").

(3) Adding Assessments. If the insurance proceeds are insufficient to repair and reconstruct the improvements, 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 a Special Assessment. Such Special Assessment (to be known as an "Allocation Assessment") shall be assessed against all Condominium Units in accordance with Paragraph 11.0. hereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of the improvements, using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the aforesaid Allocation Assessment. Notwithstanding the foregoing, the Association shall have authority to assess negligent Unit Owners causing any loss all deductibles paid by the Association and any amount by which the insurance proceeds are insufficient to pay the costs of repair and reconstruction, as further set forth in the second sentence of Paragraph 14.B.(4).

(4) Owner's Responsibilities. Each Owner shall be responsible for the reconstruction, repair or replacement of the interior of his, her, or its Unit, including, but not

limited to, furniture, furnishings, floor coverings, wall coverings, window shades, draperies, interior walls, decorative light fixtures, all appliances located therein, and other items of personal property within the Unit. Each Owner shall also be responsible for the costs not otherwise covered by insurance carried by such Owner or the Association for any reconstruction, repair or replacement of any portion of the Condominium necessitated by his, her, or its negligence or misuse, or the negligence or misuse by his, her, or its family, tenants, guests, agents, servants, employees or contractors, as determined by the Board, in its sole discretion (whether or not any Assessment is made against other Owners initially to cover such costs). In the event damage to all or any part of the interior of an Owner's Unit is covered by insurance held by the Association for the benefit of such Owner, then such Owner shall, subject to the provisions above, begin reconstruction or repair of such damage upon receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association and such Unit's First Mortgagee to supervise, approve or disapprove such reconstruction or repair during the course thereof. In the event damage to all or any part of the interior of any Owner's Unit is not covered by insurance held by the Association for the benefit of such Owner, then such Owner shall, subject to the provisions above, begin reconstruction or repair of his Unit within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof.

C. Obsolescence. Owners holding at least sixty-seven percent (67%) of the votes in the Association) and First Mortgagees holding sixty-seven percent (67%) of the First Mortgages (based on one vote for each First Mortgage held) may agree that the Common Elements are obsolete and adopt a plan for the renewal and reconstruction thereof. If a plan for renewal or reconstruction is adopted, notice of such plan shall be recorded in Official Public Records of Real Property of Montgomery County, Texas, and the expenses of renewal and reconstruction shall be payable by all of the Owners as a Common Expense, whether or not they have previously consented to the plan of renewal and reconstruction. The aforesaid Common Expense assessment for the renewal and reconstruction of the Common Elements shall be a debt of each Owner and a lien on its Condominium Unit, and may be enforced and collected as provided in Paragraph 11 hereof.

D. Condemnation. If at any time during the continuance of condominium ownership pursuant to this Declaration, all or any part of the Condominium shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Paragraph 14.0. shall apply:

(1) All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award," shall be payable to the Association.

(2) In the event that the entire Condominium is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners by the Board the same as if there had been a termination of the Condominium under Paragraph 14.A.; provided, however, that if a standard different from the value of the Condominium as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the extent it is relevant and applicable. The Association shall, as soon as practicable, determine the share

of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed, as soon as practicable, in the same manner as provided in Paragraph 14.A. hereof.

(3) Subject to the rights of First Mortgagees provided in this Declaration, in the event that less than the entire Condominium is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award, to be determined in accordance with this Paragraph 14.D.(3): As soon as practicable, the Association shall reasonably, and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners, as follows: (a) the total amount allocated to taking of or injury to the Common Elements (less any portion used for restoration or repair of the remaining Common Elements) shall be apportioned among the Owners in accordance with the Common Interest Ownership assigned to each Unit (but the portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition); (b) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned and which in the sole judgment of the Association were damaged; (c) the respective amounts allocated to the taking of or damage to a particular Unit, and to the improvements an Owner has made within his Condominium Unit, shall be apportioned to the particular Unit involved; and (d) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances, or as determined by the judicial decree. Notwithstanding anything to the contrary contained in this Declaration except the preceding sentence, the allocation of the Condemnation Award to each affected Unit shall be based on the comparative values of the affected Units as they existed immediately prior to the condemnation, using such evidence of the appraised values as is then available, including, but not limited to, recent MAI appraisals of the affected property or comparable property. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award, the Association shall employ such allocation to the extent it is relevant and applicable. Apportioned proceeds shall be disbursed, as soon as practicable, in the same manner as provided in Paragraph 14.B. hereof.

(4) Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Paragraph 14.B. hereof.

(5) If a Unit is acquired by eminent domain or part of a Unit is acquired by eminent domain leaving the Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the Declaration, the Owner(s) thereof shall automatically cease to be a member(s) of the Association, shall cease to hold any right, title or interest in the remaining Common Elements, and shall execute any and all documents necessary to accomplish the same and the award will include compensation to the Owner for that Unit and its undivided interest in the Common Elements whether or not any Common Elements are acquired. The Condemnation Award as to each such completely taken Condominium Unit shall be paid into a separate account and disbursed, as soon as practicable, to the Owner of such Condominium Unit and its First Mortgagee in the same manner as provided in Paragraph 14.A. hereof. Upon acquisition, unless the decree otherwise provides, that Unit's undivided interest in the Common Elements shall be

reallocated to the remaining Units in proportion to the respective Common Elements of those Units before the taking. Any remnant of a Unit remaining after a part of a Unit is taken pursuant to this subparagraph (5) is thereafter a Common Element.

(6) Except as provided in subparagraph (5) above, if part of a Unit is acquired by eminent domain, the award must compensate the Owner for the reduction in value of the Unit and its undivided interest in the Common Elements whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, the Unit's interest in the Common Elements shall be reduced and determined by dividing the square footage of the remainder of the Unit by the total square footage of all Units in the Condominium after the taking, but the Unit's vote and share of assessments for Common Expenses shall remain the same. The reallocation of Common Elements pursuant to this Paragraph shall be confirmed by an Amendment to this Declaration prepared, executed and recorded by the Association.

E. Notice to First Mortgagees. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, any First Mortgagee shall be entitled to timely written notice of any such damage or destruction at the address appearing in the Book of Mortgages, and no provision hereof shall entitle an Owner or any other party to the priority granted to such First Mortgagee with respect to the distribution of any insurance proceeds attributable thereto. In the event any Unit or portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceedings or is otherwise sought to be acquired by a condemning authority, any First Mortgagee shall be entitled to timely written notice of any such proceeding or proposed acquisition at the address appearing in the Book of Mortgages, and no provision hereof shall entitle an Owner or any other party to the priority granted to such First Mortgagee with respect to the distribution of the proceeds of any award or settlement attributable thereto.

15. Restrictions on Use

The Board may and is authorized to, from time to time, institute, invoke, amend, and terminate nondiscriminatory Rules and Regulations which the Board may deem necessary or convenient to insure compliance with the general guidelines of this Declaration. In that regard, the following restrictions, covenants and conditions are placed upon each Unit in the Condominium as a general plan or scheme of restrictions for the benefit of each Unit.

A. Permitted Uses or Units.

(1) After the initial sale or transfer by Declarant or Original Declarant, the primary use of each Unit shall be single-family residence purposes, with occupancy not to exceed two (2) adult persons per bedroom, unless higher occupancy is mandated by public agencies that enforce compliance with the familial status protection of the Fair Housing Act; provided, however, the Owner, Owners or tenants of a Unit may use such Unit for a limited business purpose consistent with the Rules and Regulations. Notwithstanding anything contained to the contrary in this Paragraph 15.A., the use of a Unit for the maintenance of a personal or professional library; for the keeping of personal, business or professional record of accounts; or for the handling of personal business or professional telephone calls or correspondence shall not be deemed to be a violation of these provisions.

(2) Notwithstanding the generality of the foregoing, so long as Declarant owns any of the Units which are for sale, Declarant and its employees, representatives and agents may maintain business, leasing and/or sales offices, sales models and other sales facilities within the Condominium as Declarant shall deem appropriate. In addition, Declarant or its nominees may temporarily use the Common Elements and unsold Units to facilitate the construction of the Buildings or Common Elements.

B. Alterations, Additions and Improvements. No alterations of any portion of the Common Elements or additions or improvements thereon shall be made by any Owner without the prior written approval of the Board of Directors or the Association. No Owner shall make any structural modification or substantial improvement to or alteration of or to his, her, or its Unit, except in a manner authorized in writing by the Board or the Association. In that respect, to the extent deemed necessary by the Board, all payment and performance bonds required by the Association or Declarant, names of all contractors, subcontractors and other parties which will be involved therewith, plans, specifications, mechanical and engineering drawings and renderings for any proposed structural modification or substantial alteration, improvement to or modification of a Unit must be submitted, no less than thirty (30) days prior to the date of commencement of such work, by such Owner to the Board for review and approval. The Board may impose such specifications and requirements as it may reasonably deem necessary in connection therewith, and has the right to approve or deny any of such alterations, additions, modifications or improvements, or the contractors, subcontractors or other personnel performing same, so that, among other reasons, the quality, integrity and safety of the Condominium can be promoted and in order to insure that the alterations, additions, improvements and modifications (i) are consistent and compatible with the existing Building and (ii) do not encourage or involve a violation of the Condominium Documents. In addition, the Board shall cause the Association to notify the applicable Owner that all alterations, additions, improvements and modifications shall be subject to any and all applicable governmental requirements. In the event any Owner constructs or causes to be constructed any alteration, addition, improvement or other modification to his, her, or its Unit which encroaches on any Common Element or any other Unit, the Board may require such Owner, at his, her, or its sole cost and expense, to remove such encroachment and to restore and repair any damage caused by same or attributable thereto. No approval by the Board of any such alterations, additions, modifications or improvements, or the plans, specifications, mechanical and engineering drawings and renderings, or the contractors, subcontractors or other personnel performing same, will be or constitute any representation or warranty by the Board as to the adequacy or sufficiency thereof, or of the compliance of same with any applicable laws, codes or ordinances. All alterations, additions, modifications or improvements must be performed in a prompt, diligent and professional manner, must comply with the plans, specifications, mechanical and engineering drawings and renderings submitted to the Board (with any requisite changes, additions, modifications or alterations thereto (which may be imposed by the Board), and must comply with all applicable codes, ordinances, laws and regulations applicable thereto.

No Owner shall erect antennae, aerials, awnings or other exterior attachments, or place any reflective material in the windows of a Unit or on the Balcony thereof. Except as expressly provided herein, no Unit shall be altered, remodeled, subdivided or converted into more than one dwelling unit. All draperies, blinds or shutters installed in a Unit shall be subject to the Rules

and Regulations. No Owner shall install colored lights or light fixtures presenting the same effect, which are visible from outside the Building. No Owner shall make any alteration or modification involving plumbing, electricity and fire protection systems, and/or heating, ventilating, air conditioning Systems, or the mechanical or structural systems within such Owner's Unit or the Common Elements, without first ensuring that any proposed alteration or modification complies with all applicable governmental requirements, submitting plans and specifications therefore and the name, address and telephone number of any contractor to the Association and securing the prior written approval of the Association. Such prior written approval is required to insure that the alterations or modifications: (i) are consistent and compatible with the existing Building, and (ii) do not encourage or involve a violation of the Condominium Documents. No Owner shall enclose or make any alteration or modification of any nature whatsoever to such Owner's Balcony, which shall alter the external appearance of the Balcony. The furnishings on each Balcony shall be subject to the approval of the Association so as to insure a uniform appearance of the Building. No objects or things shall be stored on a Balcony and no item shall be placed temporarily on or hung from a Balcony, which shall impair the uniform appearance of the Building. No outside clothes or drying lines shall be installed or permitted to be installed from a Balcony or the Common Elements. No Owner may alter the floor assembly, which is designed to mitigate sound transmission, without approval of the Board and, in the Board's sole discretion, certification by a qualified engineer that such alternative floor system has equal or greater sound transmission mitigation properties (as measured by the STC Rating of the alternative floor system). Any wood, tile or other hard surface flooring within a Unit shall have such sub-flooring as the Association may require to insure that such wood, tile or other hard surface flooring shall not create a nuisance or disturbance to other Owners.

C. Leases. An Owner (including Declarant) may lease his, her, or its Unit for any of the purposes permitted in Paragraph 15.A. No Owner shall lease less than such Owner's entire Unit. Any such lease must be in writing and shall be subject in all respects to the provisions of the Condominium Documents, as they may be amended from time to time, and all instruments affecting title to the Land. Any failure by a tenant to comply with the terms of any such documents shall constitute a default under such lease enforceable by the Association as the intended third-party beneficiary of the same. No lease shall be for a term of less than one (1) year.

D. Offensive Activities. No unlawful, noxious or offensive activity shall be conducted or carried on in any Unit, or upon the Common Elements or anywhere else in the Condominium, nor shall anything be done therein or thereon which may be or become an annoyance or a nuisance to other Owners or the neighborhood or cause unreasonable noise or disturbance to others, or which shall interfere in any manner with any Owner's quiet enjoyment of his, her, or its Unit. No Owner shall do or permit anything to be done or keep anything or permit anything to be kept in his, her, or its Unit or on the Common Elements that would increase the rate of or invalidate the coverage afforded by insurance on the Condominium. No Owner shall store any environmentally hazardous, dangerous, explosive or inflammable liquids or other like materials either in his, her, or its Unit or upon the Common Elements.

E. Signage. No signs (except as may be expressly permitted by applicable law) or other advertising devices which are visible from the exterior of any Unit or upon the Common Elements shall be displayed on any portion of the Condominium or any portion of any Unit,

including "For Sale" signs, except signs erected by the Association identifying all or a portion of the Condominium or providing information to Owners or their invitees; provided, however, that nothing contained herein shall be deemed to prohibit or restrict in any manner the right of Declarant to construct and maintain such promotional signs and other sales aids on any portion of the Condominium (other than Units which have been sold) which, in the reasonable judgment of Declarant are necessary or helpful for its sales program.

F. Pets/Animals. An Owner may keep domestic animals such as birds, fish, dogs and cats within a Unit as provided in the Bylaws. All animals shall be registered with the Association in such manner as it shall require and shall have the care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary condition. Any Owner who causes any animal to be brought or kept upon the premises of the Condominium shall always keep such animal on a leash (if not within such Owner's Unit), and shall indemnify and hold the Association harmless from and against any loss, damage, cost or liability which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission. The Association may levy a fine, not to exceed One Hundred and No/100 Dollars (\$100.00) per occurrence or per day (as the case may be), for violations of this provision. Notwithstanding the generality of the foregoing, if after (i) three (3) violations of this provision, and/or violations of the Rules concerning pets (ii) ten (10) days' prior written notice to the Owner of such animal, if such Owner can be located, and (iii) an opportunity for such Owner to have a hearing before the Board, such animal is found to be in violation of this Paragraph 15.F. The Owner of such animal shall give such animal to whomever such Owner desires (not within the Condominium), failing which such animal may be taken from such Owner and given to the Montgomery County Animal Service Center. If such Owner cannot be located, such animal may be given to the Montgomery County Animal Service Center. Should the Board elect to disallow all keeping of pets or any type of pets in any Unit or elect to further restrict or expand the rights and obligations set forth herein regarding pets, it may do so by enacting Rules outlining such changes and conditions.

G. Storage/Refuse/Obstructions. The Common Elements shall not be used for storage of supplies, personal property, garbage or refuse of any kind (except common garbage receptacles, Storage Spaces which are Limited Common Elements, storage buildings or other similar structures which may from time to time be placed upon the Common Elements at the discretion of the Declarant or the Board). Stairs, entrances, hallways, sidewalks, drives and parking areas shall not be obstructed in any way nor shall unauthorized persons or animals play therein or thereon or use such areas for other than their intended purposes. In general, no activities shall be conducted nor conditions maintained by any Owner either in his, her, or its Unit or upon the Common Elements, which detracts from the uniform appearance of the Condominium.

H. Maintenance. Each Owner shall maintain his, her, or its Unit and any Limited Common Elements appurtenant thereto in a clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, cable, television, plumbing, power or other utility systems throughout the Condominium and each Owner shall be responsible for his, her, or its negligence or misuse of any of the Common Elements or his, her, or its own facilities resulting in damage to the Common Elements.

- I. Compliance with Laws.* Each Owner shall promptly and fully comply with all applicable laws, rules, ordinances, statutes, regulations, or requirements or any governmental agency or authority with respect to the occupancy and use of his, her, or its Unit.
- J. No Right of First Refusal.* Any Owner (including Declarant) may sell, transfer or otherwise convey such Owner's Condominium Unit free from, and such sale, transfer or other conveyance shall not be subject to, any right of first refusal or any similar restriction in favor of the Association.
- K. Vehicles; Parking Spaces.* Vehicles not in operating condition shall not be parked, repaired or stored (on blocks or otherwise) upon the Condominium. Boats, trailers, campers, motor homes, recreational vehicles, commercial vehicles, trucks (other than standard size pick-up trucks), and the like shall not be parked on the Condominium. Parking for guests of any Owner or Unit occupant shall not be within the Condominium unless said Owner or occupant notifies Association of such temporary use within the parking space(s) designated for such Unit.
- L. Fireworks.* The use or discharge of firearms, firecrackers or fireworks is expressly prohibited within or from the Condominium.
- M. Business and Sales Office.* None of the restrictions contained in this Paragraph 15 shall apply to the, management, sales and/or leasing office or offices, sales and/or leasing model Units, or signs or billboards (advertising sales/leasing of Units), if any, of Declarant during the sales and/or leasing period of the Condominium (it being understood that Declarant may maintain a sales/leasing office in the Condominium and one or more sales/leasing model Units in the Condominium during such period and the number, size, location and relocation of such offices and models shall be entirely within the discretion of Declarant) or of the Association in furtherance of its power and purposes set forth herein and in the Condominium Documents, as the same may be amended from time to time, including, without limitation, the power of the Association to own a Unit for the use and enjoyment of a resident manager of the Condominium.
- N. Garbage, Trash and Rubbish.* All garbage, trash, rubbish and other waste shall be regularly removed from the Condominium and shall not be allowed to accumulate thereon. No garbage, trash, rubbish, waste, or waste bins or receptacles therefore shall be permitted to remain on any portion of the Common Elements, except on those days specifically scheduled for collection thereof and in areas specifically designated therefore. All garbage, trash, rubbish and other waste shall be kept only in sanitary containers. Notwithstanding anything to the contrary contained in this Declaration, Owner and Owner's contractors, subcontractors, agents, employees and other parties involved in any construction to or on such Owner's Unit shall confirm that any and all refuse, waste, trash, garbage, rubbish, remains, scraps, and other materials and supplies which are brought onto the Condominium by such parties, or any of them, is removed, at such Owner's expense, at such times, manners and locations as may be required by the Association or the Managing Agent (if any).

16. Sale and Ownership

A. Condominium. The elements of each Condominium Unit shall be inseparable, and may be sold, assigned, leased, devised or encumbered only as a single Condominium, except that an Owner can convey a Boat Slip or Garage Space to another Owner.

B. Deed/Description or Unit. Every deed, lease, mortgage, deed of trust, will or other instrument may legally describe a Condominium Unit by its identifying Unit number followed by the words "the Playa Vista Conroe Condominium," and reference to the volume and beginning page number of the Official Public Records of Real Property of Montgomery County, Texas, in which this Declaration is recorded. A Garage, Boat Slip, Storage Space and/or Parking Space conveyed as an appurtenance to a Unit may be identified by the number of the Garage, Boat Slip, Storage Space and/or Parking Space shown on the Condominium Plan. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit but also the Common Elements appurtenant thereto. The initial Deeds conveying each Condominium Unit to each Owner may contain reservations, restrictions, exceptions and exclusions which Declarant deems to be consistent with and in the best interests of all Owners (including Declarant) and the Association.

C. Capacity or Owners. A Condominium Unit may be held and owned by more than one person in any real property relationship recognized under the laws of the State of Texas.

17. Uniform Applicability of Condominium Documents

In general, each Owner shall be subject to all the rights and duties assigned to Owners in general under the terms of the Condominium Documents. To the extent there are unsold Units owned by Declarant, Declarant shall enjoy the same rights and assume the same duties as any other Owner would as they relate to each individual unsold Unit. So long as Declarant owns one or more Units, Declarant shall be subject to the provisions of the Condominium Documents.

18. Mortgages and Mortgage Protections

A. Book or Mortgages. Any Owner who mortgages his, her, or its interest in a Condominium Unit shall, within ten (10) days after the execution of such mortgage, give notice to the Association in writing of the name and address of his, her, or its Mortgagee and of any eligible insurer, guarantor, or collateral assignee of his, her, or its Mortgagee, and the amount secured by the mortgage, and the Association shall maintain such information in a book (the "Book of Mortgages") entitled "Mortgages of Condominium Units." The Book of Mortgages shall be separately maintained by the Association or by a person designated by the Association. Each Owner shall, in the same manner, notify the Association as to the release or discharge of any such mortgage.

B. Notices to Mortgagees. The Association shall, at the written request of any Mortgagee, insurer, guarantor, or collateral assignee of a Mortgagee appearing in the Book of Mortgages, notify such Mortgagee, insurer, guarantor, or collateral assignee of a Mortgagee of: (i) any unpaid assessments due from the Owner of such Condominium Unit to the Association, (ii) the name of each company insuring the Condominium under the Master Policy and the amounts of

the coverages thereunder, and of any lapse, cancellation or material modification thereof, (iii) any monetary default by an Owner, (iv) the Association's intent to foreclose its lien in accordance with Paragraph 11.H., (v) any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders, and (vi) any casualty to, or taking of, either a material portion of the Condominium or the Condominium Unit securing its loan.

C. Effect on Mortgagees. Any First Mortgagee, upon foreclosure of its lien on a Condominium Unit, or upon acceptance of a deed in lieu of foreclosure thereon, shall not be required to pay any unpaid assessments owing thereon which accrue after the date of recordation of its First Mortgage and prior to the acquisition of title to such Condominium Unit by any such First Mortgagee, but shall be liable for such unpaid assessments accruing from and after the date that such First Mortgagee or its assignee acquires title to such Condominium Unit. Any assessment lien created or claimed hereunder as to any Condominium Unit shall be subject and subordinate to the rights of any holder of any duly recorded First Mortgage upon such Condominium Unit made in good faith and of value as to assessments due and payable after the date of recordation of such mortgage and prior to the date such First Mortgagee acquires title to such Condominium Unit. Except as expressly set forth herein, no lien created under the provisions of this Declaration shall in any way defeat, invalidate or impair the rights of any First Mortgagee under any such duly recorded First Mortgage unless such First Mortgagee thereunder shall expressly subordinate its interest, in writing, to such lien.

D. Subordination Agreements. Notwithstanding anything contained in this Declaration to the contrary, the Association may, upon the affirmative vote of Owners entitled to vote and holding in the aggregate more than fifty percent (50%) of the Percentages of Common Interest Ownership assigned to all Units, execute a subordination agreement or agreements to extend the benefits of the two preceding paragraphs to mortgages, deeds of trust and Mortgagees not otherwise entitled thereto.

E. Binding on Mortgagees. No breach of any provision of this Declaration shall impair or invalidate the lien of any duly recorded mortgage or deed of trust made in good faith and for value encumbering one (1) or more Condominium Units; provided, however, that all the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, right-of-way, liens, charges and equitable servitudes contained in this Declaration shall be binding upon and effective against any person who acquires title to or any beneficial interest in any Condominium Unit by way of foreclosure or otherwise.

F. Financial Statements. To the extent the Association does not have an audited financial statement or a reviewed financial statement; any First Mortgagee shall have the right to have an audited financial statement or a reviewed financial statement prepared at its own expense.

G. Reserve Requirements. The Association shall establish a reserve fund to meet unforeseen expenditures or to purchase any additional equipment or services. The reserve fund shall not be used to defray the Declarant's expenses or construction costs, nor shall the reserve fund be used to fund any Regular Assessment, Garage Assessment, Boat Slip Assessment, Unit—Specific Assessment and/or Special Assessment owned by the Declarant.

19. Boundaries

In the event that any portion of a Unit or a Common Element changes boundaries and thereby encroaches upon another Unit or Common Element due to the shifting, settling or moving of the Building(s), such changed boundaries shall be deemed to constitute the boundaries of the Units and the Common Elements so affected.

20. Amendments and Modifications

A. Amendments. No purported amendment of any Condominium Document or any action or inaction of the Association shall:

(1) vacate, waive, revoke, abandon or terminate (other than by fire or other casualty, a taking of all Units by condemnation, or a termination of the Condominium under Paragraph 14) the Condominium or the Declaration;

(2) be deemed to have changed the Percentage of Common Interest Ownership assigned to any Unit, except as provided in Paragraphs 6, 14 or 20 hereof, or the dimensions or boundaries of any Unit (including, without limitation, any change resulting from subdivision or partition), except pursuant to Paragraph 19 hereof; or

(3) be deemed to have changed or amended any material provision of the Condominium Documents (with the express exception of the provisions of the Bylaws which may be amended in accordance therewith or unless such change or amendment is done pursuant to Paragraphs 20.B or 20.D) including, but not limited to, voting rights, Assessments, reserves, insurance or fidelity bonds, rights to use of or interests in, or sale or transfer (apart from the Units to which they relate), abandonment, partition, subdivision or encumbrance of the Common Elements (the granting by the Association of easements for public utilities or other public purposes consistent with the intended use of the Common Elements not being deemed a transfer within the meaning of the foregoing), responsibility for the maintenance and repair of the Condominium, expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, convertibility of Units into Common Elements or vice versa, leasing of Units, imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey such Owner's Condominium Unit, or any other provision which is for the express benefit of any Mortgagee, insurer or guarantor of any first mortgage or deed of trust secured by a lien on any Condominium Unit, including, without limitation, provisions concerning the disposition of insurance proceeds and condemnation awards;

(4) unless: (a) as to item (2) above, all Owners or Eligible Mortgagees (if any) vote pursuant to Paragraph 6.E, above, for such action at a meeting of the Association duly called and reflected in an instrument to such effect duly recorded in the Official Public Records of Real Property of Montgomery County, Texas; or (b) as to items (1) and (3) above, Owners holding in the aggregate at least sixty-seven percent (67%) of the Percentages of Common Interest Ownership assigned to all Units (other than those owned by Declarant) and Eligible Mortgagees which represent at least sixty-seven percent (67%) of the votes of Units that are subject to mortgages held by Eligible Mortgagees (if any) vote or otherwise agree to such action at a

meeting of the Association duly called and reflected in an instrument to such effect duly recorded in the Official Public Records of Real Property of Montgomery County, Texas; provided, however, unanimity of each Owner and each Eligible Mortgagee shall be required to the extent set forth in the Act and that no amendment shall discriminate against any Owner or against any Unit or against any group or class of Owners or Units without the prior written consent of such Owners, nor shall any amendment make any change in the provisions herein, relating to insurance and/or repair or reconstruction in the event of casualty or damage without the prior written consent of all Eligible Mortgagees secured by a lien upon one (1) or more of the Units affected. In addition, the Limited Common Elements and the provisions of this Declaration relating to the right to use the Limited Common Elements may not be altered without the consent of each affected Owner and the Eligible Mortgagee, if any, holding a mortgage lien on such Unit.

B. Notice or Meeting at Which Amendment May Be Adopted. Neither the Association nor the Board shall meet to adopt an amendment or other change to the Declaration, Certificate of Formation, Bylaws, or Rules and Regulations of the Association unless the Association or Board has given to each Owner a document showing the specific amendment or other change that would be made to the Declaration, Certificate, Bylaws or Rules and Regulations. The notice of amendment or change shall be given to each Unit Owner not more than twenty (20) days or less than ten (10) days preceding the date of the meeting. The notice shall be considered to have been given to the Unit Owner on the date the information was personally delivered to the Unit Owner, as shown by a receipt signed by the Unit Owner, or on the date shown by postmark on the information after it is deposited in the U.S. mail with a proper address and postage paid.

C. Subdivision of Units. Except as provided in Paragraph 20.0 hereof, no Unit shall be subdivided or partitioned unless: (i) the Owner of such Unit; (ii) the Eligible Mortgagee, if any, holding a mortgage lien on such Unit; and (iii) the Association agrees to such subdivision by an instrument to such effect duly recorded in the Official Public Records of Real Property of Montgomery County, Texas. In the event of a subdivision pursuant to this Paragraph 20.C, the Owner so dividing a Unit shall bear all costs and expenses of amending this Declaration to reflect the same. The Association may not subdivide or partition any Unit unless it otherwise has a legal right to subdivide or partition said Unit and the Association has received the approval of Owners holding at least sixty-seven percent (67%) of the Common Interest Ownership assigned to all Units) and that of First Mortgagees holding sixty-seven percent (67%) of the First Mortgages (based on one vote for each First Mortgage held).

D. Approval by Mortgagees of Amendments. Any Mortgagee who receives by certified or registered mail, with a "return receipt" requested, a written request to approve an amendment, modification or supplement hereto, and who does not deliver or post to the Association a negative response within thirty (30) days thereafter, shall, to the extent permitted by the Act, be deemed to have approved such request.

E. Amendments by Declarant. Notwithstanding the generality of the foregoing, and notwithstanding anything in this Declaration to the contrary, Declarant expressly retains the right and shall at all times have the right, to the extent permitted by the Act, to amend this Declaration without the consent or approval of any other person in order to:

- (1) correct surveyor or other errors made herein prior to the first meeting of Owners;
- (2) change the Percentage of Common Interest Ownership assigned to, and the dimensions of, Units owned by Declarant so long as such changes do not affect the Percentage of Common Interest Ownership assigned to, or the dimensions of, the Units not owned by Declarant;
- (3) make this Declaration comply with the mandatory provisions of the Act, if it be deficient in any such respect, or, as long as Declarant owns any Unit which has not been occupied, conform this Declaration to the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Housing Administration or the Veterans Administration, with respect to condominium documentation; and
- (4) change the assignment and allocation of Parking Spaces, Boat Slips, Garages and/or Storage Spaces which are assigned to Units owned by Declarant or to Units being sold by the Declarant;
- (5) each by written instrument to such effect executed by Declarant, only and duly recorded in the Official Public Property of Real Records of Montgomery County, Texas.
- (6) The right of Declarant to change the Percentage of Common Interest Ownership assigned to, and the dimensions of, Units owned by Declarant shall include, without limitation, the following rights: (a) to physically combine the space within one (1) Unit with the space within one (1) or more laterally or vertically adjoining Units; (b) to combine a part of the space within one (1) or more laterally or vertically adjoining Units; (c) to combine a part of the space within one (1) Unit with part of the space within one (1) or more laterally or vertically adjoining Units; (d) to divide into separate Units the space of one (1) or more Units; and (e) to modify or remodel one (1) or more Units into larger or smaller Units, or any combination thereof. In any such event, Declarant may construct, alter, relocate or remove any walls or floors or do any other work, which may be necessary to complete such combination, division, modification or remodeling. Such combined, divided, modified and remodeled Units shall be subject to the terms and provisions of this Declaration, and the total of the Percentages of Common Interest Ownership assigned to all Units as they may be adjusted by Declarant as provided above, shall continue to equal one hundred percent (100%).
- (7) The right of the Declarant to change the Percentage of Common Interest Ownership assigned to the various Units in the event that the Declarant constructs Additional Building(s) as provided in Paragraph 6. The total of the Percentages of Common Interest Ownership assigned to all Units as they may be adjusted by Declarant after the construction of any Additional Building shall continue to equal one hundred percent (100%).
- (8) Declarant expressly retains the right to make such amendments without permission of the Association or any other person or entity, whether said amendment or amendments occur before or after the Association takes over administration of the Condominium. Each Owner, by acceptance of a deed covering his, her, or its Unit, authorizes and empowers Declarant, as such Owner's agent and attorney-in-fact for said purposes only, to execute, deliver and record any such amendment or amendments either in the name of Declarant,

or in the name and as the act of such Owner and all other Owners, and this power and authorization shall be irrevocable.

21. Taxation

Each Unit at the Condominium is assessed individually in regard to the payment of property taxes by the Montgomery County Appraisal according to applicable Texas statutes.

22. Remedies

In the event any default is made by any Owner under the Act, this Declaration, the Bylaws, or the Rules or Regulations, the Board or the Association or their representative shall have all of the rights and remedies which may be provided by the Act, this Declaration, or the Bylaws, or which may be available at law or in equity, and may prosecute any action or other proceeding against any defaulting Owner and/or Owners for enforcement of any lien or to enforce compliance with the matter with respect to which default has been made, by injunctive relief or otherwise, or for the collection of any sums, debts, or damages in default or arising from any default. The Board or its authorized representative shall be further empowered and authorized to correct and cure any matter in default and to do whatever may be necessary for such purpose. All expenses incurred in connection with any such action or proceeding shall be a part of the Common Expenses of this Condominium and collectible from each Owner as in the case of other Common Expenses.

23. Miscellaneous

A. Effect of Acceptance or Recordation of a Deed. The acceptance or recordation of a Deed to a Condominium Unit or the entering into occupancy of a Unit shall constitute an agreement by the Owner and his, her, or its tenants, servants, visitors or occupants that: (i) this Declaration and the Condominium Documents, as they may be amended from time to time, and all items affecting title to the Land are accepted, agreed to and ratified by the Association and each such Owner, tenant, visitor, servant or occupant, and their respective heirs, executors, administrators, successors, legal representatives, assigns, purchasers, grantees, mortgagees and all others having or claiming an interest in any Unit, and all of such provisions shall be deemed to be covenants running with the land to bind any person having at any time any interest or estate in such Condominium Unit, as though such provisions were cited and stipulated in each and every Deed to a Condominium Unit, and (ii) violations of the terms of the Condominium Documents by any such person shall be deemed to be a substantial violation of the duties of the Owner.

B. Severability, Interpretation. If any provision of this Declaration or the Bylaws, or any, sentence, paragraph, clause, phrase or word, or the application thereof in any circumstance shall be invalid or unenforceable, the validity or enforceability of the remainder of the Condominium Documents and the application of any such provisions, , sentence, paragraph, clause, phrase, or word in any other circumstance shall not be affected thereby. If anything in the Condominium Documents shall be susceptible to two or more interpretations, then the interpretation which shall most nearly be in accord with the intent of the Act, and the general purposes and intent of the Condominium Documents, shall govern.

- C. *No Waiver.* No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
- D. *Separation of Estates.* The separate and common estates created by this Declaration shall continue until this Declaration is terminated in the manner and to the extent as is provided herein.
- E. *No Gift or Dedication.* Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Land or the Building to the public or for any public use.
- F. *Mechanic's and Materialmen's Liens.* No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of an Owner or his, her, its agent or his, her, its contractor or subcontractor shall be the basis for the filing of a lien against the Condominium or the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold harmless the Condominium and each of the other Owners from and against any loss, cost or expense in connection with construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request.
- G. *Security.* THE ASSOCIATION SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE ASSOCIATION BE HELD LIABLE FOR ANY LOSS OR DAMAGES BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. THE ASSOCIATION DOES NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. THE ASSOCIATION IS NOT AN INSURER AND EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND ACKNOWLEDGES THAT THE ASSOCIATION HAS MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS THE ASSOCIATION, ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

H. Exhibits. All exhibits, attachments, annexed instruments and addenda referred to herein, if any, shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

I. Notices. Unless otherwise stated herein, notices to the Board or the Association provided for in the Act, this Declaration or the Bylaws shall be in writing and shall be addressed to the Board or the Association at the address of the Board, the Association or their respective representatives which may be established from time to time and of which the Owners shall be notified. Notice to the Owners may be sent to the mailing address of their respective Units or to such other address, which any Owner may in writing designate, by notice thereof to the Board, the Association or their respective representatives.

(2) Any notice which is required to be sent, given or delivered pursuant to the terms of this Declaration, the Bylaws or the Rules and Regulations shall be deemed sent, given and delivered on the earlier of (i) the date actually received; or (ii) three (3) business days after deposit for delivery by the U.S. Postal Service, postage prepaid, certified or registered mail, return receipt requested mailed in accordance with this Paragraph 23.1; or (iii) the date personally delivered, or as shown by a receipt signed by the recipient.

J. Omissions. In the event of the omission from the Condominium Documents of any word, sentence, clause, provision or stipulation which shall be necessary for the accomplishment of the intent and purposes hereof or any part hereof, then such omitted matter shall be applied by inference and/or by reference to the Act.

K. Captions and Exhibits. Captions used in the various articles and paragraphs of this Declaration are for convenience only and they are not intended to modify or affect the meaning of any of the substantive provisions hereof.

L. Use of Number and Gender. Wherever used herein and unless the content shall otherwise provide, the singular number shall include the plural, the plural number shall include the singular and the use of any gender shall include all genders.

M. Conflicting or Inconsistent Provisions. If at any time, a provision of the Rules and Regulations or Bylaws, as then existing, conflicts with or is inconsistent with the provisions of this Declaration, the provisions of this Declaration shall control. If at any time, a provision of the Rules and Regulations conflicts with or is inconsistent with the provisions of the Bylaws, the provision of the Bylaws shall control.

N. Governing Law. THE CONDOMINIUM DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS. VENUE FOR ANY ACTION BROUGHT IN CONNECTION WITH THE CONDOMINIUM SHALL BE IN MONTGOMERY COUNTY, TEXAS.