

Declarations-CC&Rs

**Bayou Woods Townhome Condominium Association D/B/A
Chatsworth Place**

DECLARATION OF CONDOMINIUM
FOR
BAYOU WOODS TOWNHOMES

THIS DECLARATION, made and entered into by Bayou Woods Limited Partnership, a limited partnership of which Bayou Woods, Inc., a Texas corporation is sole general partner.

WITNESSETH:

WHEREAS, Bayou Woods Limited Partnership, a limited partnership of which Bayou Woods, Inc., a Texas corporation, is sole general partner, is the owner of that certain 4.514315 acre tract of land out of the James Wharton Survey, Abstract No. 871, Harris County, Texas, located in the County of Harris, State of Texas, more particularly described in Schedule I attached hereto and made a part hereof for all purposes.

WHEREAS, said Bayou Woods Limited Partnership intends to and does hereby submit the Parcel, together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in anywise pertaining thereto (hereinafter called the "Property"), to a condominium regime pursuant to Article 1301a of the Revised Civil Statutes of Texas; and

WHEREAS, said Bayou Woods Limited Partnership further desires to establish for its own benefit and for the mutual benefit of all future owners or occupants of the Property or any part thereof, and intends that all future owners, occupants, mortgagees, and any other persons hereafter acquiring any interest in the Property shall hold said interest subject to certain rights, easements and privileges in, over and upon said premises and certain mutually beneficial restrictions and obligations and liens with respect to the proper use, conduct and maintenance thereof, hereinafter set forth, all of which rights, easements, privileges, restrictions, obligations and liens are declared to be in furtherance of a plan to promote and protect the co-operative aspects of residence on the Property and are established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Property;

Now, therefore, said Bayou Woods Limited Partnership, as the owner of the real estate hereinbefore described, and for the purposes above set forth, declares as follows:

1. *Definitions.* As used herein, unless the context otherwise requires:

- (a) "Act" means Article 1301a of the Revised Civil Statutes of Texas.
- (b) "Association" means the Bayou Woods Townhome Condominium Association, a Texas non-profit corporation.
- (c) "Board" means the Board of Directors of the Association.
- (d) "Buildings" shall mean the three (3) buildings located on the Parcel and forming part of the Property and containing Units. The "Buildings" are marked as Buildings M, N and P on Exhibit A hereto.
- (e) "By-Laws" means the By-Laws of the Association, attached hereto as Exhibit C and by this reference made a part hereof, as amended from time to time.

(f) "Common Elements" means all of the Property except for the Units, and, without limiting the generality of the foregoing, shall include those items defined as "general common elements" in the Act, including the following:

(1) The Parcel;

(2) All foundations, bearing walls and columns, roofs, halls, lobbies, stairways, and entrances and exits or communication ways;

(3) All basements, flat roofs, yards, and gardens, except as otherwise herein provided or stipulated;

(4) All compartments or installations of central services such as power, light, gas, cold and hot water, refrigeration, central air conditioning and central heating, reservoirs, water tanks and pumps, and the like;

(5) All garbage incinerators and, in general, all devices or installations existing for common use;

(6) All swimming pools and recreational facilities; and

(7) All other elements of the Buildings desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime established by this Declaration.

(g) "Common expenses" means and includes:

(1) All sums lawfully assessed against the Common Elements by the Managing Agent or Board;

(2) All expenses of administration and management, maintenance, operation, repair or replacement of and additions to the Common Elements;

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

(4) Expenses declared to be common expenses by this Declaration or by the By-Laws.

(h) "Council of Co-Owners" means all of the Unit Owners, which Council of Co-Owners has been incorporated as the Association.

(i) "Declarant" means Bayou Woods Limited Partnership, a limited partnership of which Bayou Woods, Inc., a Texas corporation, is sole general partner, its successors and assigns, provided such successors or assigns are designated in writing by Declarant as a successor or assign of the rights of Declarant set forth herein.

(j) "Declaration" means this instrument, by which the Property is submitted to the provisions of the Act, as hereinafter provided, and such Declaration as amended from time to time.

(k) "Limited Common Elements" means all Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall include, but shall

not be limited to, Parking Spaces and Storage Spaces designated as an appurtenance to a Unit; balconies or patios serving exclusively a single Unit or one or more adjoining Units; "air handlers", pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units; and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows, and entryways, and all associated fixtures and structures therein, as lie outside the Unit boundaries. The patios of the Buildings constituting Limited Common Elements are designated on the Plat by the letter "P" followed by the number of the Unit exclusively served by such patio.

(l) "Majority" or "majority of the Unit Owners" means the owners of more than fifty percent (50%) of the undivided ownership of the Common Elements. Any specific percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire undivided ownership of the Common Elements.

(m) "Mortgage" means a mortgage or deed of trust covering a Unit and the undivided interest in the Common Elements appurtenant thereto.

(n) "Mortgagee" means a beneficiary under a Mortgage.

(o) "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

(p) "Parcel" means the parcel or tract of real estate, described or referred to above in this Declaration, submitted to the provisions of the Act.

(q) "Parking Spaces" means the Limited Common Elements designated as parking spaces and assigned to individual Units as shown on the Plat. The parking space or spaces appurtenant to each Unit is labeled on the Plat by the last two digits of the number of the Unit to which such parking spaces are appurtenant, followed by the letter "P".

(r) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(s) "Plat" means the survey of the Parcel and the floor and elevation plans and drawings of all Units in the Property, attached hereto as Exhibit A and by this reference made a part hereof. The Plat contains a legal description of the Parcel, the location of the Buildings on the Parcel with the Buildings denoted by letter, a description and location for each Unit and each of the Parking Spaces and the Storage Spaces.

(t) "Property" means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Unit Owners.

(u) "Record" or "Recording" refers to the record or recording in the Office of the County Clerk of Harris County, Texas.

(v) "Storage Spaces" means the Limited Common Elements designated as storage spaces and assigned to individual Units as shown on the Plat. The storage space appurtenant to each Unit is labeled on the Plat by the last two digits of the number of the Unit to which appurtenant, followed by the letter "S".

(w) "Unit" means an enclosed space consisting of one or more rooms occupying all or part of a floor or floors in the Buildings, which enclosed space is not owned in common with the Unit Owners of other Units. Each Unit is numbered as shown on the Plat, and the boundaries of each Unit shall be and are the interior surfaces of its perimeter walls, floor, and ceilings and the exterior boundaries of any balconies and terraces constituting a part thereof, and a Unit includes both the portion of the Buildings so described and the air space so encompassed, excepting Common Elements. Any Unit may be jointly or commonly owned by more than one person. It is intended that the term "Unit" as used in this Declaration shall have the same meaning as the term "Apartment" as used in the Act.

(x) "Unit Owner" means the Person or Persons whose estates or interests, individually or collectively, aggregate fee simple ownership of a Unit and of the undivided interest in the Common Elements appurtenant thereto, but shall not include those having an interest in a Unit merely as security for the performance of an obligation. Unless specifically provided otherwise herein, Declarant shall be deemed a Unit Owner so long as it is the legal title holder of any Unit.

2. *Submission of Property to the Act.* Declarant, as the legal title holder in fee simple of the Parcel, expressly intends to, and by recording this Declaration does hereby, submit the Parcel and the Property to the provisions of the Act.

3. *Plat.* The Plat sets forth the descriptions, locations and other data, as required by the Act, with respect to (1) the Parcel and its exterior boundaries, (2) the Buildings, and (3) each Unit.

4. *Units, Parking Spaces and Storage Spaces.* The legal description of each Unit shall consist of the identifying number of such Unit as shown on the Plat. Every deed, lease, mortgage or other instrument shall legally describe a Unit by its identifying number as shown on the Plat and every such description shall be deemed good and sufficient for all purposes, as provided in the Act. Except as provided by the Act, no Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the Plat.

As herein provided, Parking Spaces and Storage Spaces shall be Limited Common Elements limited to the exclusive use of the Unit Owner to which such areas are assigned by the Plat. The Parking Space or Parking Spaces and the Storage Space or Storage Spaces so assigned to any Unit may be specified in the instrument of conveyance conveying the Unit to the initial Unit Owner other than Declarant. Thereafter, such Parking Spaces and Storage Spaces shall be appurtenant to such Unit, and shall be deemed to be transferred with any conveyance of such Unit, unless an instrument specifically indicating the transfer of the appurtenant Parking Space or Storage Space by the Unit Owner thereof to another Unit Owner is duly recorded in the Office of the County Clerk of Harris County, Texas. Notwithstanding the right of exclusive use granted to any Parking Space or Storage Space in connection with the conveyance of a Unit, such areas shall remain Limited Common Elements and shall be maintained by and remain subject to the control of the Association. No Unit Owner shall have any right to transfer the rights to a Parking Space or Storage Space appurtenant to his Unit to any party who is not a Unit Owner, and any such attempted transfer shall be void, and the rights to such Parking Space or Storage Space appurtenant to a Unit and covered by any such unauthorized transfer to any party who is not a Unit Owner shall automatically revert to the Association, whereupon such Parking Space or Storage Space covered by an unauthorized transfer shall cease to be Limited Common Elements appurtenant to such Unit.

✓ 5. *No Partition.* The Common Elements shall remain undivided and shall not be the object of an action for partition or division of the co-ownership thereof so long as suitable for a condominium

regime, and, in any event, all Mortgages must be paid in full prior to bringing an action for partition or the consent of all Mortgagees must be obtained.

6. (a) *Association of Unit Owners and Administration and Operation of the Property.* There has been or will be formed an Association having the name "Bayou Woods Townhome Condominium Association", a Texas non-profit corporation, which Association shall be the governing body for all of the Unit Owners, for the maintenance, repair, replacement, administration and operation of the Property, as provided in the Act, this Declaration and the By-Laws. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the benefit of the Unit Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Unit Owners in accordance with the provisions of this Declaration and the By-Laws. Each Unit Owner shall be a member of the Association so long as he is a Unit Owner. A Unit Owner's membership shall automatically terminate when he ceases to be a Unit Owner. Upon the conveyance or transfer of a Unit Owner's ownership interest to a new Unit Owner, the new Unit Owner shall simultaneously succeed to the former Unit Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be one hundred (100) and shall be divided among the respective Unit Owners in accordance with their respective percentages of ownership interest in the Common Elements as set forth in Exhibit B hereto.

(b) *Management of Property.* The Board shall have the authority to engage the services of an agent (herein sometimes referred to as the "Managing Agent") to maintain, repair, replace, administer and operate the Property, or any part thereof, to the extent deemed advisable by the Board, subject to the provisions of subparagraph (c), below. The Board shall also have authority to contract with any other person, including any condominium association for a condominium regime on property adjoining the Parcel, or engage any such person to provide maintenance, repair, replacement, administrative or operating services, including the supply of heated and pumped domestic water, for the Property, or any part thereof, to the extent and upon such terms as the Board may deem advisable.

The Board shall enter a contract to purchase heated and pumped domestic water from the condominium association established by Declarant with respect to the property adjoining the Parcel to the north upon such terms as the Board deems advisable, and such contract shall continue on an annual basis following the initial term thereof until terminated by mutual agreement of the Board and such other condominium association. Such initial contract shall be ratified and approved by the First Board in the same manner as provided in subparagraph (c) below for the initial Management Agreement.

(c) *Initial Management Contract.* The First Board, appointed as provided herein, shall ratify and approve an initial Management Agreement between the Declarant, on behalf of the Association, and a management corporation, which may be a corporation related to the Declarant, to act as Managing Agent for the Property. If the Managing Agent thereunder is a corporation related to the Declarant, then such initial Management Agreement shall be for a term commencing on the date this Declaration is recorded and terminating five (5) years thereafter, at an annual rate of Five Thousand Five Hundred Dollars (\$5,500.00). The ratification and approval of such initial Management Agreement shall not be subject to the provisions of Article IV, Section 6 of the By-Laws of the Association.

(d) *Apartments for Building Personnel.* The Board shall have authority to lease, purchase and mortgage one or more Units or other residential quarters for a building manager and engineer. All

rental or debt service paid by the Association pursuant to any such lease agreement or Mortgage shall be a common expense.

(e) *Use by Declarant.* During the period of sale by the Declarant of any Units, the Declarant and its agents, employees, contractors and subcontractors, and their respective agents and employees, shall be entitled to access, ingress to and egress from the Buildings and Property as may be required for purposes of said sale of Units. While the Declarant owns any of the Units and until each Unit sold by it is occupied by the purchasers, the Declarant and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office, and may maintain customary signs in connection therewith.

(f) *Non Liability of the Directors, Board, Officers, and Declarant.* Neither the directors, Board or officers of the Association, nor Declarant shall be personally liable to the Unit Owners for any mistake of judgment or for any acts or omissions of any nature whatsoever as such directors, Board, officers, or Declarant, except for any acts or omissions found by a court to constitute gross negligence or fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers, or Declarant, and their respective heirs, executors, administrators, successors and assigns in accordance with the provisions of the By-Laws.

(g) *Board's Determination Binding.* In the event of any dispute or disagreement between any Unit Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, 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 Unit Owners, subject to the right of Unit Owners to seek other remedies provided by law after such determination by the Board.

7. *Ownership of the Common Elements.* Each Unit Owner shall be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by such Unit Owner, as set forth in Exhibit B attached hereto and by this reference made a part hereof. Said ownership interest in the Common Elements shall be an undivided interest, and the Common Elements shall be owned by the Unit Owners as tenants in common in accordance with their respective percentages of ownership. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Common Elements corresponding to said Unit. The undivided percentage of ownership in the Common Elements corresponding to any Unit shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the title to that Unit. The Parking Spaces and Storage Spaces are Limited Common Elements and are not separately owned by the Unit Owner of the Unit to which Parking Spaces and Storage Spaces are appurtenant; however, as provided herein, a Unit Owner may transfer such appurtenant rights to another Unit Owner separate from his Unit.

8. *Use of the Common Elements.* Each Unit Owner shall have the right to use the Common Elements (except the Limited Common Elements and portions of the Property subject to leases made by or assigned to the Board) in common with all other Unit Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Unit Owner. Such right to use the Common Elements shall extend to not only each Unit Owner, but also to his agents, servants, tenants, family members, customers, invitees and licensees. However, each Unit Owner shall have the right to the exclusive use and possession of the Limited Common Elements serving such Unit alone or with adjoining Units. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Act, Declaration, By-Laws and rules and regulations of the Association. In addition, the Association shall have the authority to rent, lease, grant concessions or grant ease-

ments with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. The Association shall have the authority to transfer to any Unit Owner any Parking Spaces and Storage Spaces that revert to the Association under the provisions of Paragraph 4 hereof. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

All parking areas within the Parcel which are not Limited Common Elements shall be part of the Common Elements, and may be allocated and re-allocated, from time to time, to the respective Unit Owners, or made available for use by all Unit Owners, and shall be used by such Unit Owners in such manner and subject to such rules and regulations as the Board may prescribe, and such parking areas within the Parcel which are not Limited Common Elements may be rented or otherwise used in such manner as the Board may prescribe.

9. *Storage Areas.* The Storage Spaces on the Property, outside of the Units, shall be part of the Limited Common Elements and shall be subject to such rules and regulations as the Board may prescribe, and storage areas not assigned to a Unit may be rented or otherwise used in such manner as the Board may prescribe.

10. (a) *Common Expenses.* Each Unit Owner, including the Declarant, shall pay his proportionate share of the common expenses. Except for its responsibilities as a Unit Owner, as provided herein, the Declarant shall not have any responsibility for the maintenance, repair or replacement of any part of the Common Elements after the date this Declaration is recorded. Such proportionate share of the common expenses for each Unit Owner shall be in accordance with his percentage of ownership in the Common Elements. Payment of common expenses, including any prepayment thereof required by contract for sale of a Unit, shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Unit Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non-use or waiver of enjoyment of the Common Elements or Limited Common Elements or by abandonment of his Unit. If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with interest thereon at the maximum rate as may then be permitted under the law of the State of Texas, accruing from and after the date that said common expenses become due and payable, shall constitute a lien on the interest of such Unit Owner in the Property and his Unit.

(b) *Enforcement of Lien.* The Board may bring an action at law against the Unit Owner personally obligated to pay the same, for collection of his unpaid proportionate share of the common expenses, or foreclose the lien against the Unit or Units owned by such Unit Owner, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Unit Owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board or its agents the right and power to bring all actions against such Unit Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Article 3810 of the Revised Civil Statutes of Texas and each such Unit Owner hereby expressly grants to the Board a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Board and shall be for the common benefit of all Unit Owners. The Board shall have the authority to appoint a trustee, and thereafter successor trustees from time to time, to act on behalf of the Board in foreclosing such lien, and such appointment may be made without any formality other than a written appointment of a trustee or successor (substitute) trustee, and the Board may appoint a substitute trustee at any time in its discretion. The Board acting on behalf of the Unit Owners shall have the power to bid upon an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

(c) *Mortgage Protection.* The lien for common expenses payable by a Unit Owner shall be subordinate to the lien of a prior recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date on which the Mortgagee thereunder either takes possession of the Unit encumbered thereby, accepts a conveyance of any interest therein (other than as security) or forecloses its Mortgage. This subparagraph (c) shall not be amended, changed, modified or rescinded without the prior written consent of all Mortgagees of record.

11. *Mortgages.* Each Unit Owner shall have the right, subject to the provisions herein, to make separate Mortgages for his respective Unit together with his respective ownership interest in the Common Elements. No Unit Owner shall have the right or authority to make or create, or cause to be made or created from the date hereof, any Mortgage or other lien on or affecting the Property or any part thereof, except only to the extent of his own Unit and the respective percentage interest in the Common Elements appurtenant thereto and the interest in Parking Spaces and Storage Spaces appurtenant thereto.

12. *Separate Real Estate Taxes.* Taxes, assessments and other charges of any taxing or assessing authority shall be separately assessed to each Unit Owner for his Unit and his corresponding percentage of ownership in the Common Elements, as provided in the Act. In the event that such taxes or assessments for any year are not separately assessed to each Unit Owner, but rather are assessed on the Property as a whole, then each Unit Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Common Elements, and, in said event, such taxes or assessments shall be a common expense. Without limiting the authority of the Board provided for elsewhere herein, the Board shall have the authority to collect from the Unit Owners their proportionate shares of taxes or assessments for any year in which taxes are assessed on the Property as a whole.

13. *Insurance.* The Board shall have the authority to and shall obtain insurance for the Property, exclusive of decorating of the Units or Limited Common Elements by the Unit Owners, against loss or damage by fire, vandalism, malicious mischief and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Insurable replacement costs shall be deemed the cost of restoring the Common Elements, Units or any part thereof to substantially the same condition in which they existed prior to damage or destruction. Such insurance coverage shall be written in the name of, and the proceeds thereof shall be payable to, the Board as the trustee for each of the Unit Owners in direct ratio to said Unit Owner's respective percentage of ownership in the Common Elements, as set forth in this Declaration, and for the holders of Mortgages on his Unit, if any. Such policies of insurance should also contain, if possible, a waiver of subrogation rights by the insurer against individual Unit Owners. The premiums for such insurance shall be a common expense.

The following provisions shall apply with respect to damage by fire or other causes.

(a) If any one of the Buildings is damaged by fire or other casualty and said damage is limited to a single Unit, all insurance proceeds shall be paid to the Unit Owner or one or more Mortgagees of such Unit, as their respective interests may appear, and such Unit Owner or Mortgagees shall use the same to rebuild or repair such Unit substantially in accordance with the original plans and specifications therefor. If such damage extends to two or more Units, or extends to any part of the Common Elements, such insurance proceeds shall be paid to the Board, as Trustee, or to such bank or trust company as may be designated by amendment hereof, to be held in trust for the benefit of the Unit Owners and their Mortgagees as their respective interests

may appear. The Board shall thereupon contract to repair or rebuild the damaged portions of all Units, the Buildings, and the Common Elements substantially in accordance with the original plans and specifications therefor and the funds held in the insurance trust fund shall be used for this purpose. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board shall levy a special assessment on all Unit Owners, in proportion to the percentage interest of each Unit Owner in the Common Elements, to make up any deficiency. If any Unit Owner shall fail to pay the special assessment within thirty (30) days after the levy thereof, the Board shall make up the deficiency by payment from the common expense fund; provided, however, that such Unit Owner shall remain liable for such special assessment.

(b) Notwithstanding the provisions of subparagraph (a) above, reconstruction shall not be compulsory where the whole or more than two-thirds ($\frac{2}{3}$) of the Buildings and Common Elements is destroyed or damaged by fire or other casualty, as determined by the Council of Co-Owners. In such case, and unless otherwise unanimously agreed upon by the Unit Owners, the insurance proceeds shall be delivered to the Unit Owners or their Mortgagees, as their interests may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements; and the Board, as soon as reasonably possible and as agent for the Unit Owners, shall sell the Property, in its then condition, free from the effect of this Declaration, which shall terminate upon such sale, on terms satisfactory to the Board, and the net proceeds of such sale, and all funds held by said insurance trustee, shall thereupon be distributed to the Unit Owners or their Mortgagees, as their interest may appear, in proportion to the percentage interest of each Unit Owner in the Common Elements.

(c) Within sixty (60) days after any such damage occurs, the Managing Agent, or the Board shall, or if they do not, any Unit Owner, the insurer, the insurance trustee or any Mortgagee may, record a sworn declaration stating that such damage has occurred, describing it, identifying the Buildings suffering such damage, the name of any insurer against whom claim is made, and the name of any insurance trustee, reciting that the sworn declaration is recorded pursuant to this paragraph of this Declaration, and that a copy of such sworn declaration has been served pursuant to the provisions of Paragraph 22 hereof on the Unit Owners.

(d) If the Unit Owners should not rebuild pursuant to subparagraph (b) above, and the Board fails to consummate a sale pursuant to said subparagraph (b) within twenty-four (24) months after the destruction or damage occurs, then the Managing Agent, or the Board shall, or if they do not, any Unit Owner or Mortgagee may, record a sworn declaration setting forth such decision and reciting that under the provisions of this Declaration the prohibition against judicial partition provided for in Paragraph 5 hereof has terminated and that judicial partition of the Property may be obtained pursuant to the laws of the State of Texas. Upon final judgment of a court of competent jurisdiction decreeing such partition, this Declaration shall terminate.

The Board shall also have authority to and shall obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Unit Owner, Mortgagee of record, if any, the Association, its officers, directors, Board and employees, the Declarant, and the Managing Agent, if any, from liability in connection with the Common Elements. The premiums for such insurance shall be a common expense. The Board shall retain in safe-keeping any such public liability policy for twenty-three (23) years after the expiration date of the policy.

The Board shall also have authority to and may obtain such insurance as it deems desirable, in such amounts, from such sources and in such forms as it deems desirable, insuring the Property and each member of the Board and officer of the Association, and member of any committee appointed pursuant to the By-Laws of the Association from liability arising from the fact that said person is

or was director or officer of the Association, or a member of such a committee. The premiums for such insurance shall be a common expense.

Each Unit Owner shall be responsible for obtaining his own insurance on the contents of his own Unit and the contents of the Limited Common Elements serving his Unit, as well as his decorating, furnishings and personal property therein, and his personal property stored elsewhere on the Property. In addition, in the event a Unit Owner desires to insure against his personal liability and loss or damage by fire or other hazards above and beyond the extent that his liability, loss or damage is covered by the liability insurance and insurance against loss or damage by fire and such other hazards obtained by the Board for all of the Unit Owners as part of the common expenses, as above provided, said Unit Owner may, at his option and expense, obtain additional insurance.

14. *Maintenance, Repairs and Replacements.* Each Unit Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within his own Unit. Maintenance of, repairs to and replacements within the Common Elements shall be the responsibility of and shall be furnished by the Association. The cost of maintenance of, repairs to and replacements within the Common Elements shall be part of the common expenses, subject to the By-Laws, rules and regulations of the Association. However, at the discretion of the Board, maintenance of, repairs to and replacements within the Limited Common Elements (except for the Limited Common Elements consisting of the Parking Spaces and Storage Spaces) may be assessed in whole or in part to Unit Owners benefited thereby, and, further, at the discretion of the Board, the Board may direct Unit Owners who stand to be benefited by such maintenance of, repairs to and replacement within the Limited Common Elements to arrange for such maintenance, repairs and replacements in the name and for the account of such benefited Unit Owners, pay the cost thereof with their own funds, and procure and deliver to the Board such lien waivers and contractor's and sub-contractor's sworn statements as may be required to protect the Property from all mechanics' or materialmen's lien claims that may arise therefrom.

In addition to the discretionary authority provided herein for maintenance of all or any portion of the Units, the Board shall have the authority to maintain and repair any Unit, if such maintenance or repair is reasonably necessary in the discretion of the Board to protect the Common Elements or preserve the appearance and value of the Property, and the Unit Owner of said Unit has failed or refused to perform said maintenance or repair within a reasonable time after written notice of the necessity of said maintenance or repair delivered by the Board, and the Board shall levy a special assessment against the Unit of such Unit Owner for the cost of said necessary maintenance or repair.

If, due to the act or neglect of a Unit Owner, or his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements or to a Unit or Units owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Unit Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association; however, the provisions of this paragraph are subject to the provisions of Paragraph 13 hereof providing for waiver of subrogation rights with respect to casualty damage insured against under the policies of insurance maintained by the Board.

The authorized representatives of the Association or Board, or the Managing Agent with approval of the Board shall be entitled to reasonable access to the individual Units and Limited Common Elements as may be required in connection with the preservation of any individual Unit or Limited Common Elements in the event of an emergency, or in connection with maintenance of, repairs or replacements within the Common Elements, Limited Common Elements or any equipment, facilities or fixtures affecting or serving other Units, Common Elements and Limited Common Elements or to make any alteration required by any governmental authority.

15. *Alterations, Additions or Improvements.* Except as provided in Paragraph 19 herein, no alteration of any Common Elements, or any additions or improvements thereto, shall be made by any Unit Owner without the prior written approval of the Board. The Board may authorize and charge as common expenses alterations, additions and improvements of the Common Elements as provided in the By-Laws. Any Unit Owner may make alterations, additions or improvements within the Unit of the Unit Owner without the prior written approval of the Board, but such Unit Owner shall be responsible for any damage to other Units, the Common Elements, the Property, or any part thereof, resulting from such alterations, additions or improvements.

16. *Decorating.* Each Unit Owner, at his own expense, shall furnish and be responsible for all decorating within his own Unit and Limited Common Elements serving his Unit, as may be required from time to time, including painting, wall papering, washing, cleaning, panelling, floor covering, draperies, window shades, curtains, lighting and other furnishings and decorating. Each Unit Owner shall be entitled to the exclusive use of the interior surfaces of the perimeter walls, floor and ceilings of his Unit, and any balconies, patios and terraces constituting a part thereof, and such Unit Owner shall maintain said interior surfaces in good condition at his sole expense, as may be required from time to time. Said maintenance and use of interior surfaces shall be subject to the rules and regulations of the Association, but each such Unit Owner shall have the right to decorate such interior surfaces from time to time as he may see fit and at his sole expense. Decorating of the Common Elements (other than interior surfaces within the Units as above provided and other than of Limited Common Elements) and any redecorating of Units, to the extent such redecorating of Units is made necessary by damage to Units caused by maintenance, repair or replacement of the Common Elements by the Association, shall be furnished by the Association as part of the common expenses. All windows forming part of a perimeter wall of a Unit shall be cleaned and washed at the expense of the Unit Owner of that Unit. No Unit Owner shall enclose the balcony or patio or Parking Spaces constituting Limited Common Elements for his Unit or decorate the portions of such balcony or patio or Parking Spaces visible from outside such Unit in any manner which detracts from the appearance of the Buildings, and the determination of the Board on such matters shall be final.

17. *Encroachments.* If any portions of the Common Elements shall actually encroach upon any Unit, or if any Unit shall actually encroach upon any portions of the Common Elements, or if any Unit shall actually encroach upon another Unit, as the Common Elements and Units are shown by the Plat, there shall be deemed to be mutual easements in favor of the owners of the Common Elements and the respective Unit Owners involved, to the extent of such encroachments, so long as the same shall exist.

18. *Transfer of a Unit – First Option to Association.*

A. *Unrestricted Transfers.* Subject to subparagraph B, below, a Unit Owner may, without restriction under this Declaration, sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to his spouse, or to his child, parent, brother, sister, grandchild or descendant or to any one or more of them, or to any trustee of a trust, the sole beneficiary of which is the Unit Owner or his spouse, child, parent, brother, sister, grandchild or descendant or any one or more of them. Notice of any such unrestricted transfer shall be given to the Board within five (5) days following consummation of such transfer.

B. *Limit on Term of Lease.* No Unit, or interest therein, shall be leased by a Unit Owner for a term greater than two (2) years. A copy of every such lease, as and when executed, shall be furnished to the Board. The lessee under every such lease shall be bound by and subject to all of the obligations, under the Declaration and By-Laws, of the Unit Owner making such lease and the lease shall expressly so provide. The Unit Owner making such lease shall not be relieved thereby from any of said obligations. Upon the expiration or termination of such lease,

or in the event of any attempted subleasing thereunder, the provisions below with respect to the Association's right of first option shall again apply to said Unit or interest therein.

C. *Notice to Association of Certain Transfers.* Whenever a Unit Owner shall propose to sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to any person or entity *other than* a person or entity described in subparagraph A, above, said Unit Owner shall give the Association not less than thirty (30) days' prior written notice of the proposed transfer, which notice shall briefly describe the type of transfer proposed by the Unit Owner and shall state the name, address and financial and character references of the proposed transferee. The notice shall also include a copy of the proposed lease, contract for sale or other documents, if any, effecting said transfer.

D. *Association's First Option.*

(a) *If Proposed Transfer is a Sale or Lease.* If a Unit Owner proposes to sell or lease his Unit, or any interest therein, to any person or entity *other than* a person or entity described in subparagraph A, above, for a period of thirty (30) days following the date notice of said proposed transfer is given to the Association, the Association shall have the first right, at its option, to purchase or lease such Unit or interest therein from said Unit Owner (the "transferring party") upon the terms described in said notice.

(b) *If Proposed Transfer is a Gift.* If a Unit Owner proposes to make a gift of his Unit, or any interest therein, to any person or entity *other than* a person or entity described in subparagraph A, above, for a period of thirty (30) days following the date notice of said proposed transfer is given to the Association, the Association shall have the first right, at its option, to purchase such Unit or interest therein. The price to be paid by the Association for said Unit, or interest therein, shall be agreed upon by said Unit Owner (the "transferring party") and the Association, or, if not promptly agreed upon, shall be determined in accordance with the procedure set forth in subparagraph E, below.

(c) *If Proposed Transfer is Upon the Death of a Unit Owner.* If a Unit Owner dies and under applicable law his Unit, or any interest therein, is subject to a probate proceeding, then during a period of six (6) months after appointment of a personal representative of said deceased Unit Owner, the Association shall have the first right, at its option, to purchase said Unit or interest therein either from the devisee thereof named in the deceased Unit Owner's will, if any, or from the appointed personal representative of such deceased Unit Owner who is empowered or authorized to sell the Unit or interest therein (the "transferring party"). However, the foregoing option shall not apply to any such transfer upon the death of a Unit Owner to a person or entity described in subparagraph A above. The price to be paid by the Association for said Unit, or interest therein, shall be agreed upon by the Association and said transferring party, or, if not promptly agreed upon, shall be determined in accordance with the procedure set forth in subparagraph E below.

E. *Determination of Disputed Purchase Price.* If the price to be paid by the Association for a Unit or interest therein, pursuant to subparagraph D(b) and (c), above, is not promptly agreed upon, said price shall be equal to the fair market value of the Unit or interest therein, as determined by an M.A.I. appraiser mutually agreed upon by the transferring party and the Association, or, in the event of no prompt agreement on said appraiser, by a majority decision of three M.A.I. appraisers, one chosen by the transferring party, one chosen by the Association and the third chosen by the two appraisers. The cost of said appraiser or appraisers shall be paid one-half by the transferring party and one-half by the Association as a common expense.

F. *Election Not to Exercise First Option.* The Board shall have authority, on behalf of and in the name of the Association, to elect not to exercise the Association's first option hereunder, and shall promptly give written notice of said election to the transferring party. Upon receipt of notice of a proposed transfer, the Board shall, within ten (10) days thereafter, hold a meeting of directors or poll all directors for the purpose of voting upon whether the Board shall elect not to exercise the Association's first option hereunder. The Association shall be deemed to have elected not to exercise its first option if either (i) the Association notifies the transferring party that it has elected not to exercise its option or (ii) the Association fails to notify the transferring party, before expiration of the applicable option period provided herein, that the Association elects to exercise its option.

If the Association elects not to exercise its first option, in the case of a proposed sale, lease or gift of a Unit or interest therein, the transferring party may proceed to close said proposed transfer any time within forty-five (45) days after said election. Thereafter, said transfer of the Unit, or any interest therein, shall become again subject to the Association's right of first option, as herein provided.

A certificate executed by the President, Vice President, Secretary or other duly authorized officer of the Association, certifying that the Association, by its Board has elected not to exercise its first option, shall be conclusive evidence of such election and of a Unit Owner's compliance with the provisions hereof. Such a certificate shall be furnished to a Unit Owner upon his compliance with the provisions hereof, provided that the Unit Owner requests such certificate from the Association in writing and pays the Association a reasonable fee for said certificate.

G. *Election to Exercise First Option.* The Board shall have authority to recommend to the Unit Owners that the Association elect to exercise its first option hereunder. Upon receipt of notice of a proposed transfer, the Board shall, within ten (10) days thereafter, hold a meeting of directors or poll all directors for the purpose of voting upon whether the Board should make such recommendation. In the event the Board decides not to recommend that the Association elect to exercise its option, then notice of the Board's decision shall be promptly given to the transferring party.

In the event the Board shall decide to recommend to the Unit Owners that the Association elect to exercise its option, the Board shall call and hold a meeting of all the Unit Owners, within the twenty (20) days following its determination to recommend such election, for the purpose of voting upon whether the Association will elect to exercise its option. If Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements, by affirmative vote at such meeting or by written proxy or consent, elect to exercise the Association's option, then the Board shall promptly give written notice of said election to the transferring party.

The Association shall be deemed to have exercised its option hereunder if it tenders the required sum of money to the transferring party within the applicable option period provided herein.

H. *Association's Right to Purchase at a Sale.* The Board shall have the power and authority to bid and purchase, for and on behalf of the Association, any Unit, or interest therein, at a sale pursuant to a Mortgage foreclosure, a foreclosure of any lien for common expenses, or an order or direction of a court, or at any other involuntary sale, upon the consent or approval of Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements. Such consent shall set forth a maximum price which the Board or its duly authorized agent may bid and pay for said Unit or interest therein.

1. *Financing of Purchase by Association.* The Board shall have authority to make such mortgage arrangements and special assessments proportionately among the respective Unit Owners, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase or lease of a Unit, or interest therein, by the Association. However, no such financing arrangement may be secured by an encumbrance on any interest in the Property other than the Unit, or interest therein, to be purchased or leased, and the percentage interest in the Common Elements appurtenant thereto.

J. *Miscellaneous.*

(a) A transfer or lease of a Unit, or interest therein, by or to the Board, the Declarant or the holder of any Mortgage on a Unit which comes into possession of the mortgaged Unit pursuant to remedies provided in such Mortgage or otherwise provided under applicable law, or pursuant to foreclosure of such Mortgage, or pursuant to a deed (or assignment) in lieu of foreclosure of such Mortgage, shall not be subject to the foregoing provisions of this Paragraph 18.

(b) The Association shall hold title to or lease any Unit or interest therein, pursuant to the terms hereof, in the name of the Association, or a nominee thereof delegated by the Board, for the sole benefit of all Unit Owners. The Board shall have the authority at any time to sell, lease or sublease said Unit or interest therein on behalf of the Association upon such terms as the Board shall deem desirable, but in no event shall a Unit or interest therein be sold for less than the amount paid by the Association to purchase said Unit or interest therein unless Unit Owners owning not less than seventy-five percent (75%) of the total ownership of the Common Elements first authorized the sale for such lesser amount.

(c) All notices referred to or required under this Paragraph 18 shall be given in the manner provided in this Declaration for the giving of notices.

(d) The provisions of this Paragraph 18 with respect to the Association's right of first option shall be and remain in full force and effect until the Property as a whole shall be removed from the provisions of the Act, as provided therein, unless the provisions of this Paragraph 18 are sooner rescinded or amended by the Unit Owners.

(e) The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Paragraph 18, for the purpose of implementing and effectuating said provisions.

(f) If any transfer or lease of a Unit or any interest therein is made or attempted without complying with the provisions of this Paragraph 18, such transfer or lease shall be subject to each and all of the rights and options of, and remedies and actions available to, the Association hereunder and otherwise.

(g) In the event of any transfer of a Unit, or any interest therein, the transferee shall be jointly and severally liable with the transferor for all unpaid assessments of the transferor accrued and payable prior to the date of transfer, except as otherwise provided in Paragraphs 10(c) and 20 hereof and Article IV, Section 7 of the By-Laws with respect to the transfer of a Unit to certain Mortgagees.

19. *Use and Occupancy Restrictions.* Subject to the provisions of this Declaration and By-Laws, no part of the Property may be used for purposes other than housing and the related common purposes for which the Property was designed, except that Unit 8988 may be used for commercial

purposes compatible with a first class residential development. Each Unit or any two or more adjoining Units used together shall be used as a residence or such other use permitted by this Declaration, and for no other purpose, except that professional and quasi-professional people may use their residence as an ancillary or secondary facility to an office established elsewhere. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from: (a) maintaining his personal professional library; (b) keeping his personal business or professional records or accounts; or (c) handling his personal business or professional telephone calls or correspondence. Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

That part of the Common Elements separating and located between and exclusively serving two or more adjacent Units used together (including, without limitation, portions of any hallway and any walls) may be altered to afford ingress and egress to and from such Units and to afford privacy to the Occupants of such Units when using such Common Elements, and that part of the Common Elements so altered may be used by the Unit Owner or Owners of such Units as a licensee pursuant to a license agreement with the Association, provided (a) the expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alteration; (b) such Unit Owner or Owners shall pay in full the expense of restoring such Common Elements to their condition prior to such alteration in the event such Units shall cease to be used together, as aforesaid; (c) such alteration shall not interfere with use and enjoyment of the Common Elements (other than the aforesaid part of the Common Elements separating such adjacent Units), including without limitation, reasonable access and ingress to and egress from the other Units in the hallway affected by any such alteration.

The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, any laundry room, party rooms, receiving rooms, storage areas, swimming pool area and other areas designed for a specific use shall be used for the purposes approved by the Board. The use, maintenance and operation of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and shall be subject to any lease, concession or easement, presently in existence or entered into by the Board at some future time, affecting any part or all of said Common Elements.

Without limiting the generality of the foregoing provisions of this Paragraph 19, use of the Property by the Unit Owners shall be subject to the following restrictions:

(a) Nothing shall be stored in the Common Elements without prior consent of the Board except in storage areas or as otherwise herein expressly provided;

(b) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in or on the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which will be in violation of any law;

(c) No waste shall be committed in or on the Common Elements;

(d) Subject to Declarant's rights under Paragraph 6(e) of this Declaration, no sign of any kind shall be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board or the written consent of the Managing Agent acting in accord with the Board's direction;

(e) No noxious or offensive activity shall be carried on in any Unit or on or in the Common Elements nor shall anything be done therein which may be or become an annoyance or nuisance to the other Unit Owners;

(f) Except as expressly provided hereinabove, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board;

(g) No structure of a temporary character, trailer, tent, shack, garage, barn, or other out-buildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Buildings or any portion thereof;

(h) Outdoor drying of clothes shall not be permitted;

(i) Parking of vehicles in driveways and parking areas shall be subject to the rules and regulations of the Board applicable thereto;

(j) Except within individual Units, no planting, transplanting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Property, except as approved by the Board;

(k) Motorcycles, motorbikes, motor scooters or other similar vehicles shall not be operated within the Property except for the purpose of transportation directly from a parking space to a point outside the Property, or from a point outside the Property directly to a parking space.

20. *Remedies.* In the event of any violation of the provisions of the Act, Declaration, By-Laws or rules and regulations of the Board or Association by any Unit Owner (either by his own conduct or by the conduct of any other Occupant of his Unit), the Association, or its successors or assigns, or the Board, or its agent, shall have each and all of the rights and remedies which may be provided for in the Act, Declaration, By-Laws, or said rules and regulations, or which may be available at law or in equity, and may prosecute an action or other proceedings against such defaulting Unit Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Unit Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the maximum lawful rate per annum until paid, shall be charged to and assessed against such defaulting Unit Owner, and shall be added to and deemed part of his respective share of the common expenses, and the Board shall have a lien for all of the same, as well as for non-payment of his respective share of the common expenses, upon the Unit and ownership interest in the Common Elements of such defaulting Unit Owner and upon all of his additions and improvements thereto and upon all of his personal property in his Unit or located elsewhere on the Property; provided, however, that such lien shall be subordinate to the lien of a prior recorded first Mortgage on the interest of such Unit Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said Mortgage owner or holder either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security) or files suit or commences other proceedings to foreclose its Mortgage or causes a receiver to be appointed. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of Mortgages against Units.

In the event of any such default by any Unit Owner, the Board and the manager or Managing Agent, if so authorized by the Board, shall have the authority to correct such default, and to do what-

ever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Unit Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board.

The violation of any restriction or condition or regulation adopted by the Board or the breach of any covenant or provision herein contained, shall give the Board the right, in addition to any other rights provided for in this Declaration, (a) to enter upon the Unit, or any portion of the property upon which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof, and the Board, or its employees or agents, shall not thereby be deemed guilty in any manner of trespass; or (b) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or (c) to take possession of such Unit Owner's interest in the property and to maintain an action for possession of such Unit in the manner provided by law.

21. *Amendment.* The provisions of this Declaration may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission signed and acknowledged by Unit Owners owning not less than eighty per cent (80%) of the total ownership of the Common Elements; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such instrument. The percentage ownership of the Common Elements provided for in this Declaration shall not be amended or modified without the consent of all Unit Owners and of all Mortgagees.

However, if the Act, the Declaration or the By-Laws require the consent or agreement of all Unit Owners or of all Mortgagees for any action specified in the Act or in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Unit Owners or all Mortgagees or both as required by the Act or this Declaration.

Declarant shall have the authority, without the joinder or consent of any other party, to make any amendment of this Declaration necessary to clarify any apparently conflicting provisions hereof and/or to correct any mistakes or errors of a clerical nature resulting from typographical or similar errors.

Any change, modification or rescission, whether accomplished under any one or more of the provisions of the preceding paragraphs, shall be effective upon recording of such instrument in the office of the County Clerk of Harris County, Texas; provided, however, that no provisions in this Declaration may be changed, modified or rescinded so as to conflict with the provisions of the Act.

22. *Notices.* Notices provided for in the Act, Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board, or to any Unit Owner, as the case may be, at the number of his or its Unit, Chatsworth, Houston, Texas 77024 or at such other address as hereinafter provided. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Unit Owners. Any Unit Owner may designate a different address for notices to him by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States mail with postage prepaid, or when delivered in person.

Upon written request to the Board, the holder of any recorded Mortgage encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit is subject to such Mortgage.

23. *Severability.* If any provision of the Declaration or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration or the By-Laws shall be construed as if such invalid part was never included therein.

24. *Perpetuities and Restraints on Alienation.* If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of the President of the United States, Jimmy Carter, and Governor of Texas, Dolph Briscoe.

25. *Rights and Obligations.* Each grantee of the Declarant, by the acceptance of the deed of conveyance from the Declarant, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

IN WITNESS WHEREOF, the said Bayou Woods Limited Partnership has caused its name to be signed to these presents by its duly authorized general partner, Bayou Woods, Inc., a Texas corporation, acting herein through its duly authorized Vice President and its Assistant Secretary, this _____ day of _____, 1978.

BAYOU WOODS LIMITED PARTNERSHIP

By Bayou Woods, Inc. — general partner

By _____
Vice President

ATTEST:

Assistant Secretary

EXHIBIT B

| UNIT # | OWNER % | OPTION I | PAID | OPTION II | MONTHLY | PAID | OPTION III | PAID |
|-----------|---------|---------------|------|--------------|--------------|------|---------------|------|
| 8912 | 4.0022% | 8003.30 | | 3001.65 | 74.70 | | 149.39 | |
| 8914 | 2.1486% | 3222.90 | | 1811.45 | 40.10 | | 80.20 | |
| 8916 | 2.1486% | 3222.90 | ✓ | 1811.45 | 40.10 | | 80.20 | |
| 8918 | 2.1486% | 3222.90 | | 1811.45 | 40.10 | | 80.20 | |
| 8920 | 2.1486% | 3222.90 | | 1811.45 | 40.10 | | 80.20 | |
| 8922 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8924 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8926 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8928 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | ✓ | 92.15 | |
| 8930 | 2.9630% | 4444.50 | | 2222.25 | 55.30 | | 110.60 | |
| 8932 | 2.9630% | 4444.50 | | 2222.25 | 55.30 | | 110.60 | |
| 8934 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8936 | 2.4688% | 3745.20 | | 1872.60 | 46.60 | | 93.20 | |
| 8938 | 2.9911% | 4488.65 | | 2243.33 | 55.83 | | 111.65 | |
| 8940 | 2.9630% | 4444.50 | ✓ | 2222.25 | 55.30 | | 110.60 | |
| 8942 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8944 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8946 | 2.9630% | 4444.50 | | 2222.25 | 55.30 | | 110.60 | |
| 8948 | 2.9630% | 4444.50 | | 2222.25 | 55.30 | | 110.60 | |
| 8950 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8952 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8954 | 2.9630% | 4444.50 | | 2222.25 | 55.30 | | 110.60 | |
| 8956 | 2.9911% | 4488.65 | | 2243.33 | 55.83 | | 111.65 | |
| 8958 | 2.1787% | 3285.05 | | 1832.53 | 40.83 | | 81.25 | |
| 8960 | 2.1486% | 3222.90 | | 1811.45 | 40.10 | | 80.20 | |
| 8962 | 2.1486% | 3222.90 | | 1811.45 | 40.10 | | 80.20 | |
| 8964 | 2.1486% | 3222.90 | | 1811.45 | 40.10 | | 80.20 | |
| 8966 | 2.9630% | 4444.50 | ✓ | 2222.25 | 55.30 | | 110.60 | |
| 8968 | 2.9630% | 4444.50 | | 2222.25 | 55.30 | | 110.60 | |
| 8970 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8972 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8974 | 2.9630% | 4444.50 | | 2222.25 | 55.30 | | 110.60 | |
| 8976 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8978 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | |
| 8980 | 2.4688% | 3703.20 | | 1851.60 | 46.08 | | 92.15 | ✓ |
| 8982 | 2.1486% | 3222.90 | | 1811.45 | 40.10 | | 80.20 | |
| 8984 | 2.1486% | 3222.90 | ✓ | 1811.45 | 40.10 | | 80.20 | |
| 8986 | 4.7745% | 7161.75 | | 3580.88 | 89.11 | | 178.22 | |
| 100.0000% | | \$ 150,000.00 | | \$ 75,000.02 | \$ 89,588.16 | | \$ 179,167.68 | |

99.972%