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HARRIS COUNTY, TEXAS

DECLARATION OF CONDOMINIUM

OF

GESSNER PLACE TOWNHOMES

WHEREAS, MECCA DEVELOPMENT CORPORATION, hereinafter referred to as "Developer", owns certain real property situated in the city of Houston, Harris County, Texas, herein described; and

WHEREAS, said Developer is the sole owner of fee simple title to said property consisting of nine (9) buildings which will contain an aggregate of fifty-eight (58) individual apartment type units, together with other improvements, structures, facilities and appurtenances, which Condominium Project will be known as Gessner Place Townhomes; and

*See pp 2*

WHEREAS, said Developer intends to conform with the provisions of the Texas Condominium Act, Articles 1301b of the Texas Revised Civil Statutes (hereinafter referred to as the "Act"), for the purpose of establishing a condominium regime in respect to the herein described property and improvements thereon; and

WHEREAS, said Developer hereby established by recording this Declaration, together with the By-Laws of Gessner Place Homeowners Association, Inc., a Texas non-profit corporation, attached hereto as Exhibit "A" ("By-Laws") and the condominium plats attached hereto as Exhibit "B" ("condominium plats"), and the Table of Unit Shares attached hereto as Exhibit "C", and the individual legal descriptions for that real property lying beneath each unit attached hereto as Exhibit "D", all of which are hereby incorporated by reference and made a part hereof for all purposes, a plan for the individual ownership of the real property estates consisting of the area or space contained in each of the apartment units in said multi-family project, and the co-ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining real property which is hereinafter defined and referred to herein as the "common areas and facilities"; and

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

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(i) "Unit" shall mean and refer to an enclosed space consisting of one or more rooms occupying all or part of one or more floors in a building in the Condominium Project having direct access to a thoroughfare as such space may be further described and delimited in Paragraph A.1. hereof.

(ii) "Condominium" shall mean and refer to the separate ownership of a Unit, together with an undivided ownership interest in the limited and general common elements as set forth and defined herein.

(iii) "Condominium Project" shall mean and refer to Gessner Place Townhomes as a condominium project established in conformance with the provisions of the Act.

(iv) "Owner" shall mean and refer to a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which is the record owner of fee simple title to one or more Units in the Condominium Project.

(v) "Association" shall mean and refer to the Gessner Place Homeowners Association, Inc., its successors and assigns, a non-profit corporation organized pursuant to the Texas Non-Profit Corporation Act, of which all owners shall be members, which corporation shall administer the operation and management of the Condominium Project.

(vi) "Common Elements" shall mean and refer to both the general and limited common areas and facilities as described in Paragraphs A.2. and D.

NOW, THEREFORE, said Developer, the fee owner of the following described real property, to-wit:

Field notes covering a tract of land containing 3.221 Acres and being Reserve A of Bracburn Valley West, Section One as recorded in Volume 157, Page 1 of the Map Records of Harris County, out of the H.T. & B.R.A. Co. Survey, A-197 and the H.T. & B.R.A. Co. Survey A-1184, Harris County, Texas, and more particularly described by notes and bounds as follows:

BEGINNING at a 5/8 inch iron rod marking the southeast corner of Lot 1, Block 1 of the said Bracburn Valley West, Section One and the southwest corner of the said Reserve A, said corner lying in the north right of way line of Willow Meadow Drive, 80.0 foot right of way:

THENCE N 00° 57' 00" W a distance of 519.07 feet along the east line of the said Block 1 and the west line of the said Reserve A to a 1/2 inch iron rod for corner, said corner lying in the south right of way line of an 80 foot easement to Houston Lighting and Power Co. as recorded in Volume 5021, Page 232 of the Deed Records of Harris County;

THENCE N 89° 09' 00" E a distance of 178.74 feet along the north line of the said Reserve A and the south line of the said H.L. & P. Co. easement, passing at 212.63 feet the intersection of the centerline of a 40 foot pipeline easement granted to Shell Pipe Line Company as recorded in Volume 777, Page 654; Volume 788, Page 628 and Volume 785, Page 564, all Deed Records and Agreement between Shell Pipe Line Corporation as recorded in Volume 7414, Page 312 of the Harris County Deed Records and bearing S 31° 04' 23" E into the said Reserve A, to a 5/8 inch iron rod for corner, said corner lying in the west right of way line of South Gessner Drive, formerly Riceville Road, 80.0 foot right of way;

THENCE S 00° 57' 00" E a distance of 512.00 feet along the west right of way line of the said South Cassner Drive to a 1/2 inch iron rod for corner, said corner marking the northwest intersection of right of way of the said South Cassner Drive with the said Willow Meadow Drive;

THENCE S 44° 09' 00" W a distance of 10.00 feet along the said northwest intersection of right of way of the said Drives to a 1/2 inch iron rod for corner, said corner lying in the north right of way line of the said Willow Meadow Drive;

THENCE S 89° 09' 00" W a distance of 271.67 feet along the north right of way line of the said Willow Meadow Drive to the Place of Beginning.

hereby makes the following Declaration as to divisions, covenants, restrictions, limitations, conditions, and uses to which the above described real property and improvements thereon, consisting of a fifty-eight (58) unit multi-family project and appurtenances, may be put, hereby specifying that said Declaration shall constitute covenants to run with the land and shall be binding on said Developers and its successors and assigns, and all subsequent owners of all or any part of said real property and improvements, together with their grantees, successors, heirs, executors, administrators, devisees or assigns.

A. CREATION OF SEPARATE FREEHOLD ESTATES. Said Developer, in order to establish a plan of Condominium ownership for the above described property and improvements, hereby covenants and agrees that it hereby divides said real property into the following separate freehold estates:

1. Condominium Units. The fifty-eight (58) separately designated and legally described freehold estates consisting of the spaces or Areas, being the area or space contained in the perimeter walls of each of the fifty-eight (58) units in said buildings constructed on said property. Each Unit shall consist of the following portions of the building in which it is located:

- (a) the interior surface of each bearing wall;
- (b) the interior surface of the upper ceiling, including attic space, if any;
- (c) the upper surface of the concrete sub-floor;
- (d) the interior surface (including all glass or glass substitute) of the windows and doors set in bearing walls;
- (e) the air space enclosed within the area described and delimited in (a) and (d) above;

- (f) any and all walls, ceilings, floors, partitions and dividers 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 within such air space); and
- (g) All plumbing, ventilating, lighting, cooking and other fixtures and equipment (exclusive of pipes, ducts, wires, cables or conduits) located wholly or partly within such air space. Each unit shall also consist of the entire air conditioning system, heating system, hot water heating system and any parts thereto which are intended to service the individual unit, whether said systems or parts thereto are completely contained within the unit or affixed outside the unit.

2. Common Areas and Facilities. The freehold estate consisting of the remaining portion of the real property is described and referred to as the "common areas and facilities", which definition includes the building and the property upon which it is located, and specifically includes, but is not limited to, the land, roof, main walls, slab, parking spaces, patios, swimming pool, cabana, community facilities, trees, pavement, pipes, wires, conduits, and ducts, or other public utility lines and also includes the property not included in the Units (except as indicated in A(1)(g) hereof) and tangible personal property required for the maintenance and operation of the Condominium Project, even though purchased by the Association.

B. OWNERSHIP OF COMMON AREAS. For the purpose of this Declaration, the ownership of each Unit shall include the respective undivided interest in the common areas and facilities specified and established below.

Each owner shall have an easement in common with each other owner to use all pipes, wires, ducts, cables, conduits, utility lines, and other common facilities located in any other Unit and serving his Unit.

The percentage value assigned to each Unit in the Condominium Project is set forth as shown on Exhibit "C" attached hereto and shall be determinative of the proportionate share of each respective owner in the proceeds and expenses of administration (including utility assessments for the Common Areas), and the value of such owner's vote at meetings of the Association. The total value of the Condominium Project is one hundred percent (100%).

C. DESIGNATION AND DESCRIPTION OF CONDOMINIUM UNITS. The fifty-eight (58) Unit locations and dimensions are more particularly

described in Exhibit "B", which Condominium Units are hereby established and shall be individually conveyed.

D. LIMITED COMMON AREA. A portion of the common areas and facilities is hereby set aside and allocated for the limited use of the respective units. Said areas shall be known as "limited common areas and facilities" and shall consist of:

1. Parking spaces designated with Unit number(s) corresponding to a Unit number as described on the condominium plat attached hereto as Exhibit "B";

2. Compartments or installations of central services such as power, light, electricity, telephone, gas, plumbing, reservoirs, water tanks and pumps, incinerators, and all singular devices and installations; and

3. Patios designated with a Unit number corresponding to a Unit number as described on the condominium plat attached hereto as Exhibit "B".

E. LEGAL DESCRIPTION OF CONDOMINIUM UNITS. The following shall be an adequate legal description of each Condominium Unit:

Unit Number \_\_\_\_\_ and all appurtenances thereto located in Gessner Place Townhomes, according to the Condominium Declaration for Gessner Place Townhomes and all exhibits thereto recorded in Volume \_\_\_\_\_ Page \_\_\_\_\_ of the Condominium Records of Harris County, Texas.

F. RESPONSIBILITY FOR MAINTENANCE. The responsibility for maintenance of the Condominium Project is divided as follows:

1. Condominium Units: Maintenance, Alterations, and Improvements.

(a) The Association shall maintain, repair and replace as a common expense:

(1) All portions of a Unit (except interior wall surfaces) contributing to the support of the building, which portions shall include but not be limited to, the outside walls of the buildings and all fixtures thereof, perimeter walls, floor slabs, loadbearing walls, attic and roof construction;

(2) All conduits, ducts, plumbing, wiring, and other facilities for the furnishing of utility services which are contained within Units which service part or parts of the property other than the Unit which contained or which are contained in the floor slabs;

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(3) All portions of patios, adjacent to and part of the Units; and

(4) All incidental damage caused to a Unit by maintenance, repair or replacement work shall be promptly repaired as a common expense.

(b) The responsibility of each owner shall be as follows:

(1) To maintain, repair, and replace at his expense all portions of his Unit except the portions of his Unit which are to be maintained, repaired, and replaced by the Association, as a common expense. This includes, without limitation, the heating system, air conditioning system, hot water heating system and all parts thereto, and all glass surfaces. Such shall be done without disturbing the rights of other owners. Further, the electrical utilities expenses for an individual unit shall be borne by the Owner of said Unit.

(2) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building, patio fence, patio or otherwise, without first obtaining approval of the Board of Directors; and

(3) To promptly report to the Association any defect or need for repairs, the responsibility for remedying of which is that of the Association.

(c) Alteration and Improvement. Neither an owner nor the Association shall make any alterations in the portions of a Unit or building which is to be maintained by the Association, or remove any portion thereof, or make any additions, thereto, or do anything which would jeopardize the safety of soundness of a building or impair any easement without first obtaining approval in writing of owners of all other adjacent Units affected thereby, and the written approval of the Board of Directors of the Association. A copy of the plans for all of such work prepared by an architect licensed to practice in this state shall be filed with the Association prior to the start of the work.

## 2. Maintenance of Common Areas and Facilities.

(a) By the Association. The cost of the maintenance and operation of the common areas and facilities, including the replacement thereof, and including the utilities expenses for the common areas, shall be a common expense; also, the water utilities expenses to the individual units shall be borne by the Association as a common expense; and

(b) Alteration and Improvement. There shall be no alteration nor improvement of common areas and facilities without the prior approval in writing of seventy-five percent (75%) of the owners of all of the Units, and which does not interfere with the rights of any owners without their consent; and

(c) Rules and Regulations. No occupier of the property, guest, or employee of the Association shall use the common areas and facilities or any part thereof in any manner contrary to the provisions of the By-Laws.

G. CONDOMINIUM PLAN. Attached hereto and made a part hereof, as Exhibit "A" is a condominium plan. (Association By-Laws)

B. COVENANTS OF DEVELOPER AND OWNERS. Said Developer, its successors and assigns, by this Declaration, and all future owners of the Units by their acceptance of their deeds, covenant and agree as follows:

1. The ~~common~~ areas and facilities shall remain undivided and no owner shall bring any action for partition, it being agreed that this restriction is necessary in order to preserve the rights of the owners with respect to the operation and management of the Condominium Project.

2. Except for the Units used by the Developer as model units, the Units shall be occupied and used by the respective owners only as private residential dwellings for the owner, his family, tenants, and social guests and for no other purpose. No owner shall be permitted to lease his Unit for transient or hotel purposes. No owner may lease less than the entire Unit. Any lease agreement shall provide that it is subject to the provisions of the Declaration and By-Laws and any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing and a copy of the lease shall be filed with the Association.

3. The owner of the respective Units shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, floors and ceilings surrounding his respective Unit, nor shall said owner be deemed to own pipes, wires, conduits or other public utility lines running through said respective Units which are utilized for, or serve more than one Unit or are located in the floor slab, except as tenants in common with the other owners. Said owner, however, shall be deemed to own the walls and partitions which are contained in said owner's respective Unit, and also shall be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors, and ceilings, including plaster, paint, wallpapers, etc.

4. At the sole discretion of Developer, certain unsold units may be used as model units until all such Units

have been sold.

5. The owners of the respective Units agree that if any portion of the common areas and facilities encroach upon the Units, or any Unit encroaches on another Unit or the Common Area, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. In the event the multi-family structures are partially or totally destroyed, and then rebuilt, the owners of the Units agree that minor encroachment of parts of the common areas and facilities due to construction shall be permitted and that valid easement for said encroachment and the maintenance thereof shall exist.

6. An owner shall automatically upon becoming the owner of a Unit or Units, be a member of the Association, and shall remain a member of the Association until such time as his ownership ceases for any reason, at which time his membership in the Association shall automatically cease.

7. The owners covenant and agree that the administration of the Condominium Project shall be in accordance with the provisions of this Declaration and the By-laws of the Association.

8. That each owner, tenant or occupant of a Unit shall comply with the provisions of this Declaration, the By-Laws, Articles of Incorporation, decisions, rules, regulations and resolutions of the Association or its representative, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, rules, regulations, or resolutions of the Association or its representative, as lawfully amended from time to time shall be grounds for an action to recover sums due, for damages or for injunctive relief, or both.

9. That this Declaration or any of the provisions herein amended shall not be revoked unless all of the owners and the mortgagees of all of the mortgages or deed of trust covering the Units unanimously agree to such revocation by duly recorded instruments.



10. That no owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the common areas and facilities or by the abandonment of his Unit.

11. In the event of an emergency or in the event an owner has failed to perform necessary repairs, the Association shall have the right to enter the Unit to handle such emergency or make said necessary repairs.

12. The Condominium Project is subject to, and the purchase and ownership of each Unit shall be subject to the restrictions, covenants, conditions, and easements applicable to or affecting said property and appearing of record in Harris County, Texas, as well as the restrictions, covenants, conditions and easements imposed or established in this Declaration or shown in Exhibits "A", "B", "C" or "D" attached.

I. LIEN FOR UNPAID ASSESSMENT. The Association shall have a lien on each Unit for any unpaid assessments and for interest thereon against the owner thereof, which lien shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessment or enforcement of such lien. Said lien shall be effective from and after the time of recording in the County Clerk's office of Harris County, Texas, a claim of lien stating the description of the Unit, the name of the owner thereof, the amount due and the date when due, and the lien shall continue in effect until all sums secured by the lien shall have been fully paid or satisfied. Such claims of lien shall be signed and verified by an officer of the Association or by the managing agent of the Association. Upon full payment, the party making payment shall be entitled to a recordable satisfaction of lien. Such liens shall be subordinate to the lien of a first mortgage or deed of trust, tax liens or other liens recorded prior to the date of recording the claim of lien. Liens for assessment may be foreclosed in the same manner as foreclosure of a mortgage or deed of trust on real property. The Association

may also sue to recover a money judgment for unpaid assessments without waiving the lien securing the same.

J. MORTGAGEE'S PROVISIONS.

1. Where the mortgagee of a first mortgage or deed of trust of record or other purchaser of a Unit obtains title to the Unit as a result of the foreclosure of the first mortgage or deed of trust, or where a mortgagee of a first mortgage or deed of trust of record obtains title in lieu of foreclosure of the first mortgage or deed of trust, such acquirer of title, its successors and assigns, shall not be liable for the share of the common expenses or assessments by the Association pertaining to such Unit which became due prior to acquisition of title in the manner above provided. Such unpaid share of common expenses or assessments shall be deemed to be a common expense of the Association.

2. The mortgagee of a first mortgage or deed of trust of record of a Unit shall receive written notice from the Association thirty (30) days prior to the effective date of:

(a) Any change or amendment to this Declaration or Exhibits "A", "B", "C" or "D" attached hereto; or

(b) Any change of the professional manager of the Condominium Project, if any.

3. The mortgagee of a first mortgage or deed of trust on a Unit shall receive written notice from the Association of any default by the mortgagor in the performance of the mortgagor's obligation under this Declaration or Exhibit "A", "B", "C" or "D" attached hereto which is not cured within thirty (30) days.

4. The mortgagee of a first mortgage or deed of trust which comes into possession of a Unit pursuant to remedies provided in the mortgage or foreclosure of the mortgage or deed in lieu of foreclosure shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the Unit, including but not limited to, restriction on the posting of signs pertaining to sale or rental of the Unit.

5. Unless all of the first mortgages (based upon one vote for each mortgage owned), and all of the owners (other than the Developer) of the Units have given their prior written approval the Association shall not be entitled to:

(a) Change the pro rata interest or obligations of any Unit for (i) the purpose of levying assessments or changes or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of ownership of each Unit in the common areas and facilities;

(b) Partition or subdivide any Unit or the Common Elements of the Condominium Project or annex additional lands.

(c) By act of omission, seek to abandon, partition, subdivide, encumber, sell or transfer the common areas and facilities. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common areas and facilities by the Condominium Project shall not be deemed a transfer within the meaning of this clause;

(d) Use hazard insurance proceeds for losses to any Condominium property (whether to Units or to common areas and facilities) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or common areas and facilities of the Condominium Project; or

(e) Amend this Condominium Declaration to limit or eliminate any of the mortgagee's provisions.

6. Where a first mortgage or deed of trust held by a bank, savings and loan association, mortgage banker, insurance company, real estate investment trust, union pension fund, national mortgage association or agency of the federal or state government by some circumstance fails to be a first mortgage or deed of trust, but it is evident that it was intended to be a first mortgage or deed of trust, it shall nevertheless for the purposes of the Declaration be declared to be a first mortgage or deed of trust.

7. Any Unit mortgagee of the classes described in Section 6 of this Section 3, shall be entitled, upon request, to:

(a) Inspect the books and records of the Condominium Project during normal business hours;

(b) Receive an annual audited financial statement of the Condominium Project within ninety (90) days following the end of any fiscal year;

(c) Written notice of all meetings of the Association and be permitted to designate a representative to attend such meetings; and

(d) Written notice from the Association of any default in this performance by the owner mortgagor of any obligation under this Declaration and Exhibits "A", "B", "C" or "D" attached hereto which is not cured within sixty (60) days.

8. In the event of substantial damage or destruction of any Unit or the Common Elements, the Association shall notify the first mortgagee of said Unit in writing within thirty (30) days of the occurrence and the estimated amount of damages.

9. In the event any Unit or portion thereof or any part of the Common Elements is made the subject matter of any condemnation or eminent domain proceedings or is otherwise sought to be acquired by a condemning authority, the Association shall notify the first mortgagee of said Unit in writing of the pendency of the proceedings within thirty (30) days of the proceedings or proposed acquisition.

10. Any agreement for professional management of the Condominium Project, or any other contract for providing for services by the Developer, must provide for termination on ninety (90) days' written notice by either party and a maximum contract term of three (3) years.

11. Association dues, charges or assessments shall include an adequate reserve fund for maintenance, repairs and replacement of those common areas and facilities that must be replaced on a periodic basis, and shall be payable in regular installments rather than by special assessments.

12. All taxes, assessments and charges which become liens prior to the first mortgage under federal, state, county and municipal law shall relate only to the individual Units and not to the Condominium Project as a whole.

13. No provision of this Declaration or Exhibits "A", "B", "C" or "D" attached hereto gives an owner, or any party, priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of a distribution to owners of insurance proceeds or condemnation awards for

losses to or a taking of Units and/or common areas and facilities.

14. The Association shall give written notice to all first mortgagees of any loss to or taking of, the common areas and facilities of the Condominium Project if such loss or taking exceeds TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00), or damage to a condominium Unit exceed ONE THOUSAND DOLLARS (\$1,000.00).

K. GRANTEE'S LIABILITY FOR ASSESSMENT. In a voluntary conveyance of a Unit, the Grantee of the Unit shall be jointly and severally liable with the Developer for all unpaid assessments by the Association against the latter for his share of the common expenses up to the time of the grant of conveyance, without prejudice to the Grantee's right to recover from Developer the amounts paid by the Grantee therefor. However, any such Grantee shall be entitled to a statement from the Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the Developer due the Association and such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments made by the Association against the Developer in excess of the amount therein set forth.

L. VALIDITY OF ASSOCIATION ACTS. All agreements and determinations lawfully made by the Association in accordance with the voting percentage established in the Act, as amended, this Declaration or in the By-Laws, shall be deemed to be binding on all owners of Units, their successors and assigns.

M. INSURANCE. The Board of Directors of the Association shall obtain and continue in effect blanket property insurance in form and amount satisfactory to mortgagees holding first mortgages or deeds of trust covering Units. The insurance other than title insurance which shall be carried upon the Units shall be governed by the following provisions:

1. Authority to Purchase. All blanket insurance policies shall be purchased by the Association for the

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benefit of the Association and the owners and their mortgagees as their interests may appear, and provision shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of Units. Owners may obtain additional insurance coverage at their own expense, and shall deposit a copy of such insurance policy with the Association.

2. Coverage.

(a) Hazard Insurance. The building and improvements upon the land, all walls and fixtures located within the boundaries of all Units (including additions or improvements made by owners, and all personal property included in the common areas and facilities shall be insured in an amount equal to the full replacement value, excluding foundation and excavation costs, as determined annually by the Board of Directors of the Association. Such coverage shall afford protection, if customarily available, against:

(1) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, debris removal, cost of demolition, vandalism and malicious mischief. Water damage insurance shall be written on Texas special coverage endorsement No. 222. This will provide coverage for broken water pipes and/or backup and air conditioning equipment with a \$250.00 deductible per building per occurrence;

(2) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location, and use as the Condominium buildings;

(3) waiver of the insurance company's right to subrogation against the owners, their agents, employees, or tenants and maintenance personnel, or other employees of the Association;

(4) additional property coverage as may be added by the Association when the insurance carrier is notified;

(5) a demolition endorsement or its equivalent;

(6) coverage shall not be prejudiced by:

(i) any act or neglect of the owners when such act or neglect is not within the control of the Association;

(ii) by failure of the Association to comply with regard to any portion of the premises over which the Association has no control; and

(7) Coverage may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to the first mortgagees named in the policy.

(b) A comprehensive policy of public liability covering all common areas and facilities in the Condominium Project which would preclude the company from denying the claim for an owner because of the negligent acts of the Association or other owners, with limits not less than \$1,000.00 covering all claims for personal injury and or property damage if available, arising out of a single occurrence, such coverage to include protection against water damage, liability for non-owned and hired automobiles and such other risks as are customarily covered with respect to condominiums of similar construction, location and use.

(c) Workman's Compensation coverage shall be maintained in amounts and coverages necessary to meet the requirements of law.

(d) The Association shall maintain adequate fidelity coverage to protect against dishonest acts on the part of officers, directors, trustees and employees of such Association and all others who handle, or are responsible for handling funds of the Association. Such fidelity bonds shall meet the following requirements:

(1) all such fidelity bonds shall name the Association as an obligee;

(2) such fidelity bonds shall be written in an amount equal to at least one hundred fifty percent (150%) of the estimated annual operating expenses of the Condominium Project, including reserves;

(3) such fidelity bonds shall contain waivers of any defense bond upon the exclusion of persons who serve without compensation from any definition of "employee" or similar expression; and

(4) such bonds shall provide that they may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty (30) days' prior written notice to the first mortgagees.

(e) Such other insurance as is approved by the Board of Directors of the Association from time to time shall be maintained. Nothing in this Declaration shall prohibit the Association from purchasing insurance in excess of the requirements of this section.

3. Expense of Insurance. All insurance policies purchased by the Association shall be paid by the Association as a common expense.

4. Insurance Trustee. All insurance policies purchased by the Association shall be for the benefit of the Association

and the owners and their mortgagees as their interest may appear and shall provide that if the insurance proceeds covering property losses are in excess of \$5,000.00, then such proceeds shall be paid to a federally insured institution having offices in Harris County, Texas, and possessing trust powers as may be approved by the Board of Directors of the Association, which trustee is herein referred to as the "Insurance Trustee".

The Insurance Trustee shall not be liable for payment of premiums nor for the renewal of the sufficiency of policies nor for the failure to collect any insurance proceeds. The duty of the Insurance Trustee shall be to receive such proceeds as are paid and hold the same in trust for the purposes elsewhere stated herein and for the benefit of the owners and their mortgagees in the following shares, but which shares need not be set forth on the records of the Insurance Trustee.

(a) Condominium Unit Owners. Proceeds on account of damage to common areas and facilities, shall be held for each owner, with each owner's share being the same as his interest in the common areas and facilities. In the event of damage to one or more Units, proceeds shall be held for the owner of each such Unit.

(b) Mortgagees. In the event a mortgagee holds a mortgage or deed of trust covering a Unit, the share of the owner shall be held jointly for the owner and the mortgagee as their interest may appear.

5. Distribution of Proceeds. Proceeds of insurance policies received by the Insurance Trustee shall be distributed to or for the benefit of the beneficial owners in the following manner:

(a) Expenses of the Trust. All expenses of the Insurance Trustee shall be first paid or provision made therefor.

(b) Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the beneficial owners, according to their interest in the common areas and facilities. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.



(c) Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed to the beneficial owners, remittance to owners and their mortgagees being payable jointly to them. This is a covenant for the benefit of any mortgagee of a Unit and may be enforced by such mortgagee.

(d) Certificate. In making distribution to owners and their mortgagees, the Insurance Trustee may rely upon a certificate of the Association as to the names of the owners and their respective shares of the distribution.

6. Association as Agent. The Association is hereby irrevocably appointed agent for each owner of a mortgage, deed of trust, or other lien upon a Unit and for each owner of any other interest in the property to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

7. Payment of Premium. Insurance premiums for each type of insurance coverage shall be a common expense, and collections for such premium payments shall be held in a separate escrow account for each type of insurance involved in a federally insured institution and used solely for the payment of the particular insurance as such premiums become due.

8. Determination to Reconstruct or Repair. If any part of the property shall be damaged by casualty, whether or not it shall be reconstructed or repaired shall be determined in the following manner:

(a) Common Areas and Facilities. If damage is to the common areas and facilities, the damaged property shall be reconstructed or repaired unless it is determined in the manner elsewhere provided that the Condominium shall be terminated.

(b) Building.

(1) Partial Destruction. If the damage is to one or more of the buildings, and if any Unit in any of the buildings is found by the Board of Directors to be tenable, the damaged property shall be reconstructed or repaired within sixty (60) days after the casualty unless it is determined by agreement in the manner elsewhere provided that the Condominium shall be terminated.

(2) Total Destruction. If the damage is to one or more of the buildings, and if none of the units in the buildings are found by the Board of

Directors of the Association to be tenable, then the damaged Condominium will be terminated without agreement as elsewhere provided, unless within sixty (60) days after the casualty, owners who own seventy-five percent (75%) of the undivided interest agree in writing to such reconstruction or repair.

(c) Certificate. The Insurance Trustee may rely upon a certificate of the Association made by its president and secretary to determine whether or not the damaged property is to be reconstructed or repaired.

9. Plans and Specifications. Any reconstruction or repair must be substantially in accordance with the building plans and specifications; or if not, then according to plans and specifications approved by the Board of Directors of the Association.

10. Responsibility. If the damage is only to those parts of one or more Units for which the responsibility of maintenance and repair is that of the owner, then the individual owner shall be responsible for reconstruction and repair after casualty. All damages to the common area and facilities shall be the responsibility of the Association for reconstruction and repair after casualty.

11. Estimate of Costs. Immediately after a determination to rebuild or repair damage to the property, the Association shall obtain reliable and detailed estimates of the costs to rebuild or repair.

12. Assessments. If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of costs thereof are insufficient, assessments shall be made against all owners in sufficient amounts to provide funds for the payment of such costs. Such assessments on account of damage to common areas and facilities or one or more of the Units shall be in proportion to each owner's interest in the common areas and facilities.

13. Construction Funds. The funds for payment of costs of reconstruction and repair after casualty, which

shall consist of proceeds of insurance held by the Insurance Trustee, or by the Association in the case of insurance proceeds of \$5,000.00 or less, and funds collected by the Association from assessments against owners, shall be disbursed in payment of such costs in the following manner:

(a) Association. If the total of assessments made by the Association in order to provide funds for payment of costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the sums paid upon such assessments shall be deposited by the Association with the Insurance Trustee. In all other cases the Association shall hold the sums paid upon such assessments and disburse the same in payment of the costs of reconstruction and repair.

(b) Insurance Trustee. The proceeds of insurance collected on account of a casualty and the sums deposited with the Insurance Trustee by the Association from collections of assessments against owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner:

(1) Association. Lesser Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is less than \$5,000.00, then the construction fund shall be disbursed in payment of such costs by the Association, provided however, that upon request to the Insurance Trustee by a mortgagee which is a beneficiary of an insurance policy the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided for the reconstruction and repair of major damage.

(2) Association. Major Damage. If the amount of the estimated costs of reconstruction and repair which is the responsibility of the Association is more than \$5,000.00, then the construction fund shall be disbursed in payment of such costs in the manner required by the Association, and approved in writing by the mortgagee who holds the majority of mortgages on mortgaged Units.

(3) Surplus. If there is a surplus balance in a construction fund after payment of all costs of the reconstruction and repair for which the fund is established, such balance shall be distributed to the beneficial owners of the funds as shown in Section M.5. hereof.

N. DEVELOPER'S COVENANT. As long as said Developer, its successors and assigns, owns one or more of the Units established and described herein, said Developer, its successors and assigns shall be subject to the provisions of this Declaration and Exhibits "A", "B", "C" or "D" attached hereto, and said Developer covenants to take no action which would adversely affect the rights of the

Association with respect to assurances against latent defects in the property or other rights assigned to the Association, the members of such Association and their successors in interest, as their interest may appear, by reason of the establishment of the Condominium Project.

O. ASSESSMENT FOR REAL ESTATE TAXES. Real estate taxes are to be separately taxed on each Unit as provided in the Act. In the event that for any one year (including the year this Declaration is recorded) in which real estate taxes or any other special tax assessments are not separately assessed and taxed to each Unit, but are assessed and taxed on the property as a whole, then each owner shall pay his proportionate share thereof in accordance with his interest in the property as a part of his regular monthly maintenance assessment.

P. DEVELOPER'S RIGHTS. Notwithstanding any other provision of this Declaration to the contrary, until the Developer has sold all of the Units in the Condominium Project, neither the owners, the Association nor the use of the property shall interfere with the completion of any contemplated improvements and the sale of the Units. The Developer may make such use of the unsold Units, and common areas and facilities as may facilitate sales, including, but not limited to maintenance of a sales office, the showing of the Units, and the display of signs.

Q. NON-WAIVER. The failure of the Association or any owner to enforce any covenant, restriction or other provision of the Act, this Declaration or Exhibits "A", "B", "C" or "D" attached hereto shall not constitute a waiver of the right to do so thereafter.

R. AMENDMENTS. This Declaration may be amended in the following manner:

1. Notice. Notice of the subject matter of a proposed amendment shall be included in the notice of any regular or special meeting called or convened in accordance with the By-Laws. If no meeting is required, copies of the amendments shall be given to each owner prior to the recording of such amendment.

2. Resolution. A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the members of the Association. Directors and members not present at the meetings considering the amendment may express their approval in writing.

3. Approval. An amendment to the Declaration shall require the approval of not less than three (3) Directors, seventy-five percent (75%) of the owners (other than the Developer) and seventy-five percent (75%) of the record holders of mortgages or deed of trust upon the Units (based upon one vote for each mortgage owned); provided, however, only a simple majority shall be required to the extent set forth in the Act, and provided further, that unanimity shall be required to the extent set forth in the Act. Notwithstanding the generality of the foregoing, and notwithstanding anything else in this Declaration to the contrary, Developer may amend this Declaration in order to: (i) correct survey or other errors made herein prior to the first annual meeting of the Association; and, (ii) change the percentages of value assigned to and the dimensions of Units owned by Developer so long as such changes do not affect the owner's Utility Share, Percentage Owned and Voting Percentage assigned to other Units in the Condominium Project not owned by Developer; and (iii) conform with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any similar duly constituted governmental authority, with respect to Condominium documentation, each by written instrument to such effect executed by Developer only and duly recorded in the Condominium Records of Harris County, Texas.

4. Agreements. In the alternative, an amendment may be made by an agreement signed and acknowledged by all of the owners in the manner required for the execution of a deed, and such deed amendment shall be effective when recorded in the County Clerk's office of Harris County, Texas.

5. Proviso.

(a) It is provided, however, that no amendment shall discriminate against any owners unless the owner so affected shall consent; and no amendment shall change any Unit nor the share in the Common Elements appurtenant to it, nor increase the owner's share of the common expenses, unless the owner of the Unit concerned and all record owners of mortgages thereon shall join in the execution of the amendment. Neither shall an amendment of this Declaration make any change in the section entitled "Insurance" nor in the section entitled "Reconstruction or Repair after Casualty" unless the record owners of all mortgages upon Units in the Condominium shall join in the execution of the amendment.

(b) Provided, also that the mortgagee holding the majority of mortgages on mortgaged Units shall be given thirty (30) days' prior written notice of the effective date of any amendment, unless such notice is waived in writing by the mortgagee before or after the date of such amendment.

6. Execution and Recording. A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the officers of the Association with formalities of a deed. The amendments shall be effective when such certificate and copy of the amendment are recorded in the Condominium Records of Harris County, Texas.

7. TERMINATION. The Condominium may be terminated in the following manner in addition to the manner provided by the Act:

1. Destruction. In the event it is determined as provided in Paragraph M.8. (b) (2), that the buildings shall not be reconstructed because of total or more than two-thirds (2/3rds) destruction, the Declaration will be terminated without agreement.

2. Agreement. The Condominium may be terminated at any time by the approval in writing of all of the owners (other than the Developer), and by all of the record holders of first mortgages or deeds of trust upon the Units (based upon one vote for each mortgage owned).

3. Certificate. The termination of the Condominium shall be evidenced by a certificate setting forth the facts affecting the termination signed by all of the owners and consented to by all of the holders of first mortgages or

deeds of trust affecting any of the Units. The termination shall be effective upon being recorded in the Condominium Records of Harris County, Texas.

4. Shares of Owners After Termination. After termination of the Condominium the owners shall own the property and all assets of the Association as tenants in common in undivided shares and their respective mortgages and liens shall have mortgages and liens upon the respective undivided shares of the owners. Such undivided shares of the owners shall be the same as the interest each owner held prior to the termination.

T. SEVERABILITY. Any part of this Declaration held to be inoperative shall be severable and is to be severed, and such inoperative part shall not affect the remaining portions of this Declaration. The remaining parts shall continue in full force and effect as if the severed part had never been included herein.

U. INDIVIDUAL LEGALS. The individual legal descriptions for that real property lying beneath each unit in the Condominium Project (Numbers 1-58, respectively) are shown on Exhibit "D" attached hereto. The real property described is in no way intended to be a part of this individual unit, but is instead intended to be a part of the limited commons.

IN WITNESS WHEREOF, the Developer by its corporate officers, has executed this Declaration this 18th day of November 1977.

MECCA DEVELOPMENT CORPORATION

By [Signature]  
E. Mitchell Smith, Jr., President

ATTEST:

[Signature]  
Secretary

GIBRALTAR SAVINGS (Lienholder)

By [Signature]  
President

[Signature]  
Asst. Secretary

THE STATE OF TEXAS §  
                                  §  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared E. MITCHELL SMITH, JR., President of MECCA DEVELOPMENT CORPORATION, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of MECCA DEVELOPMENT CORPORATION.

GIVEN under my hand and seal of office this 18<sup>th</sup> day of November, 1977.

*Joseph G. McClain*  
Notary Public in and for  
Harris County, T E X A S

THE STATE OF TEXAS §  
                                  §  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared W. Leroy Land, the Vice President of GIBRALTAR SAVINGS, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN under my hand and seal of office this 19<sup>th</sup> day of November, 1977.

*Joseph G. McClain*  
Notary Public in and for  
Harris County, T E X A S





CONSENT OF MORTGAGEE

The undersigned, GIBRALTAR SAVINGS ASSOCIATION being the owner and holder of an existing mortgage and liens upon and against the land and property described as the real property in the foregoing Declaration as such mortgagee and lienholder does hereby consent to said Declaration and Exhibits "A", "B", "C" or "D" attached hereto, and to the recording of same for submission of said property to the provisions and condominium regime of the Texas Condominium Act.

This consent shall not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part thereof, but the undersigned agrees that its said mortgages and liens shall hereafter be upon and against each and all of the individual condominium units and all appurtenances thereto, and all of the undivided shares and interests in the Common Elements of the property described in the Declaration of said condominium regime established by said Declaration.

SIGNED this 18th day of December, 1977.

W. Lee Pines  
VICE PRESIDENT FOR GIBRALTAR SAVINGS ASSOCIATION

THE STATE OF TEXAS 5  
COUNTY OF HARRIS 5

BEFORE ME, the undersigned authority, on this day personally appeared W. Lee Pines, the Vice President of Gibraltar Savings Association, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of December, 1977.

J. W. W. W. W.  
Notary Public in and for Harris County, Texas



GESSNER-PLA  
A CONDOMIN  
CONDOMIN  
HARRIS CO

BY-LAWS  
OF  
GESSNER PLACE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Unit Ownership. The project located in the City of Houston, County of Harris, State of Texas, known as Gessner Place Townhomes is submitted subject to the provisions of the Texas Condominium Act.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium Project. (The term "Condominium Project" as used herein shall include the land.)

Section 3. Personal Application. All present or future owners, tenants, future tenants, or their employees or any other person that might use the facilities of the Condominium Project in any manner, are subject to the regulations set forth in these By-Laws.

The mere acquisition or rental of any of the condominium units (hereinafter referred to as "Units") of the project or the mere act of occupancy of any of said Units will signify that these By-Laws are accepted, ratified, and will be complied with, and the terms of these By-Laws and the Declaration of Condominium shall be incorporated by reference into any Lease or Rental Agreement of any of the Units for purposes of determining of a default thereunder.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

Section 1. Voting. Voting shall be on a percentage basis and the percentage of the vote to which the owner is entitled is the percentage assigned to the Unit or Units in the Condominium Declaration.

Section 2. Majority of Owners. As used in these By-Laws, the term "majority of owners" shall mean those owners holding fifty-one per cent (51%) or more of the votes in accordance with the percentages assigned in the Condominium Declaration.

Section 3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of owners" as defined in Section 2. of this Article shall constitute a quorum.

Section 4. Proxies. Votes may be cast in person or by proxy. Proxies MUST be filed with the Secretary of Gessner Place Homeowners Association, Inc. (hereinafter referred to as the "Association") before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

Section 1. Association Responsibilities. The owners of the Units will be members of the Association which will have the

EXHIBIT "A"

ICE TOWNHOMES  
CONDOMINIUM PROJECT  
RECORDS

HUNTSVILLE, TEXAS

responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments and arranging for the management of the Condominium Project pursuant to an agreement, containing provisions relating to the duties, obligations, removal and compensation of the management agent, if any. Except as otherwise provided, decisions and resolutions of the Association shall require approval by a majority of Owners.

**Section 2. Place of Meeting.** Meetings of the Association shall be held at a suitable place convenient to the Owners as may be designated by the Board of Directors.

**Section 3. Annual Meeting.** The first annual meeting of the Association shall be held within either thirty (30) days after title to at least 80% of the units of Cassner Place Townhomes have been conveyed to bona fide purchasers of such units or July 15, 1978, whichever occurs first. Thereafter, the annual meetings of the Association shall be held on the second Tuesday of January of each succeeding year, which date is not a legal holiday. At such meetings there shall be elected by ballot of the Owners a Board of Directors in accordance with the requirements of Section 4 of Article IV of these By-Laws. However, notwithstanding anything herein contained to the contrary, the first election of the Board of Directors by the Owners shall not take place until eighteen (18) months after the filing of the Condominium Declaration or until thirty (30) days after at least 80% of the units have been sold to bona fide purchasers, whichever comes first. The Owners may also transact such other business of the Association as may properly come before them.

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

**Section 5. Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least five (5) but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

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

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

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of minutes of preceding meeting;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of inspectors of election;
- (g) Election of Directors;
- (h) Unfinished business;
- (i) New Business

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Number and Qualifications. The affairs of the Association shall be governed by a Board of Directors (herein referred to as Board of Directors), composed of five (5) persons, all of whom must be owners of Units in the Condominium Project, except that until such time as a Board of Directors shall be elected according to the provisions of Article III, Section 3. contained in the By-Laws, the affairs of the Corporation shall be governed by an Interim Board of Directors who need not be owners of Units, composed of the following three (3) persons:

E. Mitchell Smith, Jr. - President  
Graydon Dunlap - Vice President and Asst. Secretary  
William Nelson - Secretary

The Interim Board of Directors shall have the same powers and duties enumerated in these By-Laws for the elected Board of Directors. The Grantor, Mecca Development Corporation, a Texas corporation, shall have the authority to appoint the Interim Board of Directors, fill vacancies in such Interim Board of Directors, and to remove at will (with or without cause) the Interim Board of Directors until the first annual meeting.

Section 2. Other Duties. In addition to duties imposed by the Declaration, these By-Laws or by resolutions of the Association, the Board of Directors shall be responsible for the following:

(a) Care, upkeep, and surveillance of the Condominium Project and the common areas and facilities and the limited common areas and facilities.

(b) Collection of monthly assessments from the owners, and maintaining an adequate reserve for replacement funds;

(c) Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium Project, the common areas and facilities and the limited common areas and facilities;

(d) Designating by resolution the person or persons authorized to act on behalf of the Association in the maintenance, repair and replacement of the common areas and facilities;

(e) To make and amend reasonable rules and regulations concerning the use of the Condominium Project.

Section 3. Management Agent. The Board of Directors may, but shall not be required to, employ for the Association a management agent at a compensation established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 2. of this Article.

Section 4. Election and Term of Office. At the first annual meeting of the Association, a Board of Directors shall be elected as follows:

(a) Nomination. Nomination for election to the Board of Directors shall be made from the floor at the annual meeting.

(b) Election. Election to the Board of Directors shall be secret written ballot. At such election the members or their proxies may cast in respect to each vacancy as many votes as they are entitled to exercise under the provisions of the Condominium Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

At the first annual meeting of the Association, the term of office of two Directors shall be fixed for three (3) years. The term of office of two more Directors shall be fixed at two (2) years and the term of office of the one (1) remaining Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successors shall be elected to serve a term of two (2) years. The Directors shall hold office for the respective terms and until their successors have been duly elected and hold their first meeting.

**Section 5. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of 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.

**Section 6. Removal of Directors.** At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Owners and a successor may then and there be elected to fill the vacancy thus created. Any Directors whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

**Section 7. Organization Meeting.** The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

**Section 8. Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

**Section 9. Special Meetings.** Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

**Section 10. Waiver of Notice.** Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him at the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**Section 11. Board of Director's Quorum.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association including the management agent and its employees, handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

Section 13. Compensation of Directors and Officers. The Board of Directors and Officers shall receive such reasonable compensation, if any, as shall be approved by the majority of the owners. Otherwise, they shall serve without compensation, but shall be entitled to be reimbursed for actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

Section 14. Committees. The Board of Directors, may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to the standing committees, such as:

(a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

(b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Condominium Project, and shall perform such other functions as the Board, in its discretion, determines;

(c) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interest of the Association; and

(d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting. The Treasurer shall be an ex officio member of the Committee.

It shall be the duty of each committee to receive complaints on any matter involving Association functions, duties and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director, officer or management agent of the Association as is further concerned with the matter presented.

#### ARTICLE V

##### OFFICERS

Section 1. Designation. The principal officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Directors. The offices of Treasurer and Secretary may be filled by the same person.

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

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

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

**Section 5. Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board of Directors.

**Section 6. Secretary.** The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

**Section 7. Treasurer.** The Treasurer shall have the responsibility for Association funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuables in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

#### ARTICLE VI

##### OBLIGATIONS OF THE OWNERS

**Section 1. Assessments.** All owners are obligated to pay monthly assessments imposed by the Association to meet all of the Condominium Project's common expenses, as determined by the Board of Directors, which may include without limitation a liability insurance policy premium and any insurance premium for a policy to cover repair and reconstruction work in case of hurricane, fire, earthquake or other hazard; other insurance, adequate reserve for replacement fund, maintenance, management, utilities and other expenses necessary, incidental or convenient to the Condominium Project. The assessments shall be made prorata according to the size of the unit owner, as stipulated in the Declaration.

##### **Section 2. Maintenance and Repair.**

(a) Every Owner must perform promptly all maintenance and repair work within his own Unit, which if omitted would affect the property in its entirety or in a part belonging to other Owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

(b) All the repairs of internal installation of the Unit, such as water, light, gas, power, sewage, telephone, furnace, air conditioning system, hot water heating system, heating system, sanitary installations, doors, windows, lamps, and all other accessories belonging to the Unit shall be at the Owner's expense.

(c) An Owner shall timely reimburse the Association for any expenditure incurred in repairing or replacing any common area and facility damaged through his fault.

**Section 3. Use of Condominium Units - Internal Changes.**

(a) All Units shall be utilized for residential purposes only;

(b) An Owner shall not make structural modifications or alterations in his Unit or installations located therein without previously notifying the Association in writing, through the management agent, or through the President or the Board of Directors. The Association shall have the obligation to answer within thirty (30) days and the failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

**Section 4. Use of Common Areas and Facilities and Limited Common Areas and Facilities.** An Owner shall not place or cause to be placed in the stairways, stair landings, or other Condominium Project areas and facilities of a similar nature both common and limited, any furniture, packages or objects of any kind. Such areas shall be used for no other purpose than for normal transit through them.

**Section 5. Right of Entry.**

(a) An Owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association in case of any emergency originating in or threatening his Unit, whether the Owner is present at the time or not;

(b) An Owner shall grant the right to the Association or its representatives, when so required, to enter his Unit for the purpose of performing installations, alterations, or repairs to the mechanical or electrical services, provided that requests for entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

**Section 6. Rules and Regulations.** The Administrative Rules and Regulations are established for the mutual benefit, enjoyment and comfort of Owners and to further the successful operation of the Owners, their lessees and guests, as defined in the Declarations. Owners are responsible for the observance of these Rules and Regulations by the members of their household, their lessees and their guests.

1. Occupancy. A Unit shall not be permanently occupied by more than one (1) family nor more than two (2) persons in a one (1) bedroom unit, nor more than four (4) persons in a two (2) bedroom Unit.

2. Exterior Installations. Owners shall not install antennas or other external equipment, modifications, decorations, signs, lighting, landscaping or otherwise that affect uniformity or aesthetics of the building.

3. Negligence. An Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his negligent act or by that of any member of his family or his or their guests, employees, agents or lessees, but only to the extent such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates caused by misuse or abandonment of a Unit or its appurtenances.



4. Attorney's Fees. Any proceeding by the Association arising because of an alleged failure of an Owner to comply with the terms of the Declaration, By-Laws, or these Regulations, and as such documents are amended, shall entitle the Association to receive reasonable attorney's fees and court costs as may be awarded by the court.

5. Pets. No animals, livestock or poultry of any kind shall be raised, bred, or kept in any Unit, except that reasonable numbers, consistent with a residence, of dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes. The following rules, in addition to any others hereafter made by the Association, shall apply to the keeping of pets.

(a) No pets shall be allowed in the common areas or facilities unless on a leash held by the pet's owner or his agent;

(b) No dog, cat, bird or other pet shall be kept by an Owner which pet makes such noise or disturbances by barking or otherwise which unreasonably disturbs other Unit Owners;

(c) No animals shall be allowed in the swimming pool or in the immediate area thereof;

(d) Each Owner shall immediately clean up and properly dispose of any messes or droppings left by his pet on any part of the common areas and facilities or the limited common areas and facilities;

(e) The Association shall have the power to enforce these provisions by levying fines and assessments for violation thereof. It is agreed that this provision is for mutual benefit of all Owners.

6. Keys. A passkey must be furnished by the Owner to an officer of the Association or the management agent. If the lock is changed, a new passkey must be furnished.

7. Door Lock. Replacement and additional locks may not be installed until one of the Officers of the Association or the management agent has been furnished with a key to all such locks so that entry to any Unit may be made during an emergency.

8. Fire Hazard. No items which may create a fire hazard shall be kept or used in any Unit or the common areas and facilities or the limited common areas and facilities.

9. Litter. All litter in the common areas and facilities shall be placed in trash dumps. All users of the common areas and facilities will clean up whatever common areas and facilities they use.

10. Guests. Residents shall be strictly responsible for the instruction of their guests as to the provisions of these Rules and Regulations.

The foregoing administrative rules and regulations may be withdrawn or modified by affirmative vote of a majority of the Owners at a regular or special meeting. Additional administrative rules

and regulations may be promulgated by the affirmative vote of a majority of the Owners at a regular meeting or a special meeting. Such administrative rules and regulations shall not take effect until thirty (30) days after adoption.

ARTICLE VII

AMENDMENTS TO BY-LAWS

Section 1. By-Laws. These By-Laws may be amended by the Association in a duly constituted meeting for such purpose and no amendment shall take effect unless approved by a majority of the Owners.



EXHIBIT "C"

UNIT NO.	UNIT TYPE	TOTAL SQ. FT.	PERCENT OWNERSHIP COMMON ELEMENT	VOTES PER UNIT
<b>Bldg. A.</b>				
1	Dr	1213.85	1.8060	1.8060
2	B	1113.82	1.6572	1.6572
3	Cr	1167.11	1.7365	1.7365
4	D	1213.85	1.8060	1.8060
5	E	1132.66	1.6852	1.6852
6	B	1113.82	1.6572	1.6572
7	Dr	1213.85	1.8060	1.8060
8	C	1167.11	1.7365	1.7365
<b>Bldg. B.</b>				
9	Br	1116.08	1.6606	1.6606
10	C	1167.11	1.7365	1.7365
11	Dr	1213.85	1.8060	1.8060
12	Er	1132.66	1.6852	1.6852
<b>Bldg. C.</b>				
13	E	1132.66	1.6852	1.6852
14	Ar	1007.06	1.4984	1.4984
15	A	1007.06	1.4984	1.4984
16	F	1140.17	1.6964	1.6964
<b>Bldg. D.</b>				
17	Fr	1180.44	1.7563	1.7563
18	B	1113.82	1.6572	1.6572
19	Dr	1213.85	1.8060	1.8060
20	C	1167.11	1.7365	1.7365
21	E	1132.66	1.6852	1.6852
22	B	1113.82	1.6572	1.6572
23	Cr	1167.11	1.7365	1.7365
24	D	1213.85	1.8060	1.8060
<b>Bldg. E.</b>				
25	Dr	1213.85	1.8060	1.8060
26	B	1113.82	1.6572	1.6572
27	Cr	1167.11	1.7365	1.7365
28	D	1213.85	1.8060	1.8060
29	E	1132.66	1.6852	1.6852
30	B	1113.82	1.6572	1.6572
31	Dr	1213.85	1.8060	1.8060
32	C	1167.11	1.7365	1.7365
<b>Bldg. F.</b>				
33	Ar	1023.40	1.5227	1.5227
34	A	1023.40	1.5227	1.5227
35	Ar	1023.40	1.5227	1.5227
36	A	1023.40	1.5227	1.5227
<b>Bldg. G.</b>				
37	Dr	1213.85	1.8060	1.8060
38	C	1167.11	1.7365	1.7365
39	B	1113.82	1.6572	1.6572
40	F	1140.17	1.6964	1.6964
<b>Bldg. H.</b>				
41	Fr	1180.44	1.7563	1.7563
42	B	1113.82	1.6572	1.6572
43	Dr	1213.85	1.8060	1.8060
44	C	1167.11	1.7365	1.7365
45	E	1132.66	1.6852	1.6852
46	B	1113.82	1.6572	1.6572
47	Cr	1167.11	1.7365	1.7365
48	D	1213.85	1.8060	1.8060

UNIT NO. UNIT TYPE TOTAL SQ. FT. PERCENT OWNERSHIP COMMON ELEMENT VOTES PER UNIT

UNIT NO.	UNIT TYPE	TOTAL SQ. FT.	PERCENT OWNERSHIP COMMON ELEMENT	VOTES PER UNIT
Buildg. I				
49	L	1446.68	2.1524	2.1524
50	L	1446.68	2.1524	2.1524
51	H	1172.06	1.7439	1.7439
52	Hc	1172.06	1.7439	1.7439
53	G	1176.65	1.7507	1.7507
54	Gr	1176.65	1.7507	1.7507
55	H	1172.06	1.7439	1.7439
56	Hc	1172.06	1.7439	1.7439
57	C	1176.65	1.7507	1.7507
58	Gr	1176.65	1.7507	1.7507