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HARRIS COUNTY, TEXAS

CONDOMINIUM DECLARATION

FOR

PLAZA PLACE

Harris County, Texas

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FOR THE DECLARATION OF  
PLAZA PLACE

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CONDOMINIUM DECLARATION

FOR

PLAZA PLACE

THE STATE OF TEXAS       §  
COUNTY OF HARRIS       §

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS CONCORD PROPERTIES ASSOCIATES, a Texas joint venture, having its principal office at 2425 Holly Hall, Houston, Texas 77054, hereinafter called "Declarant", is the Owner of certain real property situated in the County of Harris, State of Texas, being described more fully on Exhibit "A", which by this reference is made a part hereof; and

WHEREAS, Declarant desires to establish a Condominium Regime under the Condominium Act of the State of Texas, Article 1301a, Revised Civil Statutes of Texas, herein called the "Act"; and

WHEREAS, Declarant has prepared plans for the construction of a cluster of three (3) multifamily Buildings and other improvements appurtenant thereto on the Property described in said Exhibit "A", which when completed shall consist of fifty-four (54) separately designated Condominium Units and which will be known as PLAZA PLACE; and

WHEREAS, Declarant does hereby establish a plan for the individual ownership in fee simple of estates consisting of the area or space contained in each of the Units, herein called the "Condominium Regime", in the three (3) Buildings and the co-ownership by the individual and separate Unit Owners thereof, as tenants in common, of all the remaining property, which includes both Limited Common Elements and General Common Elements, as hereinafter defined in Paragraph 1.1 hereof, and which are hereinafter collectively referred to as the "Common Elements" or "Common Areas".

NOW, THEREFORE, Declarant does hereby submit the real property described on the attached Exhibit "A", and all improvements thereon, to the provisions of the Act and the Condominium Regime, and does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and to any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I

DEFINITIONS AND TERMS

1.1 DEFINITIONS OF TERMS. As used in this agreement, the following terms shall have the following meanings unless the context shall expressly provide otherwise:

a. "Board" or "Board of Directors" shall refer to the Board of Directors of PLAZA PLACE OWNERS ASSOCIATION, INC.

b. "Common Assessment" means the charge against each Unit Owner and his Unit, representing a portion of the total costs to the Association of maintaining, improving, repairing, replacing, managing and operating the Property, which are to be paid uniformly and equally by each Unit Owner of the Association, as provided herein. This shall also include charges assessed against each Unit Owner to maintain a reserve for replacement fund and to cover costs incurred by the Association to participate in any condemnation suit, as provided in Paragraph 6.3 hereof.

c. "Common Elements" means and includes all of the Property described in Exhibit "A", and all of the improvements thereto and thereon located, excepting all Units. Common Elements shall consist of the General Common Elements and the Limited Common Elements.

d. "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 addition to the Common Elements (including unpaid special assessments);

(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.

e. "Completed Unit" means a completely finished Unit, including, but not limited to, the installation of all appliances and utilities, rendering it ready for occupancy by an Owner other than the Declarant.

f. "Condominium Owners Association" or "Association" means PLAZA PLACE OWNERS ASSOCIATION, INC., a Texas non-profit

corporation, the By-Laws of which shall govern the administration of this Condominium Property and the membership of which shall be composed of all the Owners of the Condominium Units according to such By-Laws.

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

h. "Construction Period" means that period of time during which Declarant is developing the Premises and selling the Condominium Units, which time period shall extend from the date hereof until such time as the Declarant transfers title to all of the Condominium Units, including all Units annexed to this Condominium Regime pursuant to the provisions of Paragraph 2.10 hereof.

i. "Declarant" shall mean CONCORD PROPERTIES ASSOCIATES, a Texas joint venture, or its successors or assigns, who is developing the Property as a condominium.

j. "Declaration" shall mean this Condominium Declaration instrument as the same may be amended pursuant to Paragraph 2.10 hereof.

k. "General Common Elements" means a part of the Common Elements and includes:

(1) The real property described in Exhibit "A" attached hereto;

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

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

(4) All premises for the lodging of janitors or persons in charge of the Buildings, except as otherwise herein provided or stipulated;

(5) 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, fountain,

Jacuzzi, swimming pool, clubhouse, guardhouse, and the like;

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

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

l. "Lienholder" and "First Mortgagee" shall mean the holder of a first mortgage lien on any Unit in the Condominium Project.

m. "Limited Common Elements" means and includes those Common Elements which are reserved for the exclusive use of an individual Owner of a Unit or a certain number of individual Owners of Units, for the exclusive use of those Owners, which may include:

(1) "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, entryways, and all associated fixtures and structures therein, as lie outside the Unit boundaries;

(2) Garages designated as an appurtenance to a Unit;  
and

(3) Balcony or patio structures serving exclusively a single Unit or one (1) or more adjoining Units.

(4) Stairwells from the garages to the Units.

n. "Majority of Unit Owners" means those Owners with fifty-one percent (51%) of the votes entitled to be cast.

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

p. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, who owns, of record, title to one (1) or more Condominium Units.

q. "Plat", "Survey Map", "Map" and "Plans" mean or include the engineering survey of the land, locating thereon all of the improvements, the floor and elevation plans and any other drawing or



diagrammatic plan depicting a part of, or a of, the improvements, same being herewith filed, consisting of 6 sheets, labeled Exhibit "B" and incorporated herein. It is expressly agreed and each and every Purchaser of a Unit, his heirs, executors, administrators, assigns and grantees hereby agree that the square footage, size and dimensions of each Unit as set out or shown in this Declaration or in the survey Plats attached as exhibits hereto are approximate and are shown for descriptive purposes only. The Developer does not warrant, guarantee or represent that any Unit actually contains the area, square footage or dimensions shown by the Plat thereof. Each Purchaser and Owner of a Unit or interest therein agrees that the Unit has been or will be purchased as actually and physically existing at the time such purchase is closed. Each Purchaser of a Unit expressly waives any claim or demand which he may have against the Developer or any person whomsoever on account of any difference, shortage or discrepancy between the Unit as actually and physically existing and as it is shown on the respective Plat thereof which are attached as exhibits hereto. It is specifically agreed that in interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Unit shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the Building and regardless of variances between boundaries as shown on the Plat and those of the Buildings

r. "Premises", "Project", or "Property" means and includes the land, the Buildings and all improvements and structures thereon and all rights, easements and appurtenances belonging thereto.

s. "Special Assessments". In addition to the common assessments described above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of deferring, in whole or in part:

- (1) The cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; or

(2) The expenses of any other contingencies or unbudgeted costs; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in the Common Elements owned by each. The Association, after due notice and hearing, shall also have the authority to establish and fix a special assessment upon any Unit to secure the liability of the Owner of such Unit to the Association for any breach by such Owner of any of the provisions of this Declaration, which breach shall require an expenditure by the Association for repair or remedy. Special assessments may be billed or collected on a monthly basis. The above mentioned liability of any Owner is to be established as set forth in this Declaration.

t. "Unit" shall mean the elements of an individual Condominium Unit which are not owned in common with the Owners of the other Condominium Units in the Project as shown on the Maps, which are exhibits attached hereto, and each Unit shall include the air space assigned thereto. The boundaries of each such Unit shall be and are the interior surfaces of the perimeter wall, floors, ceilings, window frames, doors, door frames and trim, and the exterior surfaces of balconies and patios; and the space includes both the portions of the Building so described and the air space so encompassed, excepting the Common Elements. In interpreting deeds, mortgages, deeds of trust and other instruments, the existing physical boundaries of the Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries, regardless of settling, rising or lateral movement of the Building and regardless of variances between boundaries shown on the Plat and those of the Building. The individual ownership of each Unit space herein defined shall further include the interior construction, partitions, appliances, fixtures and improvements which are intended to exclusively serve such Unit space, such as interior room walls, floor coverings or finish,

closets, cabinets, shelving, individual bathroom and kitchen fixtures, plumbing and appliances, individual lighting and electrical fixtures and other separate items or chattels belonging exclusively to such Unit, any of which may be removed, replaced, disposed of or otherwise treated without affecting any other Unit space or ownership, use or enjoyment thereof. None of the land in this Project on which any Unit space or porch space is located shall be separately owned, as all land in this Project shall constitute part of the "Common Elements" of the Property as herein defined, and shall be owned in common by the Owners of the Units in this Condominium Project. It is intended the term "Unit", as used in this Declaration, shall have the same meaning as the term "Apartment" as used in the Act.

## ARTICLE II

### CONDOMINIUM UNIT DESIGNATIONS AND DESCRIPTIONS

2.1 RECORDATION OF PLAT. The Plat shall be filed for record simultaneously with the recording of this Declaration as a part hereof, and prior to the first conveyance of any Condominium Unit. Such Plat consists of and sets forth:

- a. The legal description of the surface of the land;
- b. The linear measurements and location, with reference to the exterior boundaries of the land, of the Buildings and all other improvements constructed, or to be constructed, on said land by Declarant;
- c. The exterior boundaries and number of each Unit, expressing its square footage, and any other data necessary for its identification, which information will be depicted by a Plat of such floor of each Building showing the letter of the Building, the number of the floor and the number of the Unit; and
- d. The location of the Limited Common Elements.

2.2 DESIGNATION OF UNITS. The Property is hereby divided into fifty-four (54) separately designated Units contained within the three (3) Buildings. Each Unit is identified by number and each Building is identified by letter on the Map. The remaining portion of the Premises, referred to as the Common Elements, shall be owned in common by the Owners. The Owners of each Unit shall own an undivided interest in said Common Elements, the

percentage or fraction thereof for each Unit being as shown on the attached Exhibit "C".

2.3 LIMITED COMMON ELEMENTS. Portions of the Common Elements are set aside and reserved for the exclusive use of the individual Owners, such areas being Limited Common Elements. The Limited Common Elements reserved for the exclusive use of the individual Owners are the garages, stairwells from the garages to the Units and patio and balcony structures. Such spaces and structures are allocated and assigned by the Declarant to the respective Units, as indicated on the Plat. Such Limited Common Elements shall be used in connection with the particular Unit, to the exclusion of the use thereof by the other Owners, except by invitation.

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

2.5 INSEPARABLE UNITS. Each Unit and its corresponding pro-rata interest in and to the Common Elements appurtenant thereto shall be inseparable and may not be conveyed, leased or encumbered separately, and shall at all times remain indivisible.

2.6 DESCRIPTIONS. Every deed, lease, mortgage, trust deed or other instrument may legally describe a Condominium Unit by its identifying Building letter and Unit number, as shown on the Map, followed by the words PLAZA PLACE and by reference to this recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the Common Elements.

2.7 ENCROACHMENTS. If any portion of the Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion or portions of a Unit or Units encroach upon the Common Elements, a

valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. A valid easement also exists to that portion of the General Common Elements and of the Limited Common Elements occupied by any part of an Owner's Unit ~~not~~ contained within the physical boundaries of such Unit, including, but not limited to, space occupied by heating and air conditioning equipment, utility lines and similar equipment which serves only one (1) Unit. For title or other purposes, such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or the individual Units.

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

2.9 USE AND OCCUPANCY RESTRICTIONS.

a. 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. Each Unit or any two (2) or more adjoining Units used together shall be used for residential purposes or such other uses permitted by this Declaration, and for no other purposes. The garages shall be used exclusively for the parking of vehicles, as allowed herein, and no garage shall be enclosed, divided, partitioned or otherwise structurally altered. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from:

- (1) Maintaining his personal professional library;
- (2) Keeping his personal business or professional records or accounts; or
- (3) Handling his personal business or professional telephone calls or correspondence, which uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

b. That part of the Common Elements separating and located between and exclusively serving two (2) or more adjacent Units used together (including, without limitation, portions of any hallway and any walls) may be altered with written consent of the Board, as

provided in Paragraph 3.8 herein, to afford ingress to and egress 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:

(1) The expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alterations;

(2) 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; and

(3) 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 such alteration.

c. 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, receiving rooms, guardhouse, clubhouse, fountain, jacuzzi, swimming pool, and any other areas designed for specific use shall be used for the purposes approved by the Board.

d. The use, maintenance and operations of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and may be subject to lease, concession or easement, presently in existence or entered into by the Board at some future time. Until the end of the Construction Period, as defined in Paragraph 1.1h, Declarant shall have exclusive use of the clubhouse for its Sales Office.

e. Without limiting the generality of the foregoing provisions of this Paragraph 2.9, use of the Property by the Unit Owners shall be subject to the following restrictions:

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

(2) 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 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;

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

(4) Subject to Declarant's rights under Paragraph 2.9e(14)(d) of this Declaration, no sign of any kind shall be displayed to the public view on or from any Unit or 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;

(5) No noxious or offensive activity shall be carried on, in or upon the Common Elements, nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any other Unit Owner. No loud noises or noxious odors shall be permitted on the Property, and the Board shall have the right to determine in accordance with the By-Laws if any such noise, odor or activity constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably interfere with television or radio reception of any Unit Owner in the Property, shall be located, used or placed on any portion of the Property or

exposed to the view of other Unit Owners without the prior written approval of the Board

(6) 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;

(7) No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuildings 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;

(8) No rubbish, trash or garbage or other waste material shall be kept or permitted upon any Unit or the Common Elements, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its Occupants. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles designed in such a manner that no fire hazard is created. No clothing or household fabrics shall be hung, dried or aired in such a way in the Property as to be visible to other Property and no lumber, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Property, except within an enclosed structure or if appropriately screened from view;

(9) No Unit Owner shall park, store or keep any vehicle, except wholly within the parking space designated therefor, and any inoperable vehicle shall not be stored in a parking space or within the Common Elements in general. No Unit Owner shall park, store or keep within or adjoining the Property any large commercial-type



vehicle (dump truck, cement-mixer truck, oil or gas truck, delivery truck and any other vehicle equipment, mobile or otherwise, deemed to be a nuisance by the Board), or any recreational vehicle (camper unit, motor home, truck, trailer, boat, mobile home or other similar vehicle deemed to be a nuisance by the Board). No Unit Owner shall conduct major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of the Common Elements. Parking spaces shall be used for parking purposes only;

(10) 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;

(11) 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;

(12) No animals, livestock, reptiles, or poultry of any kind shall be raised, bred or kept in any Unit or the Common Elements. Dogs, cats, fish, birds and other household pets may be kept in Units subject to rules and regulations adopted by the Association, provided they are not kept, bred or maintained for commercial purposes or in unreasonable quantities. As used in this Declaration, "unreasonable quantities" shall ordinarily mean more than two (2) pets per household; provided, however, the Association may determine a reasonable number in any instance to be more or less, and the Association may limit the size and weight of any household pets allowed. The Association, acting through the Board, shall have the right to prohibit maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to any other Unit Owner. Animals belonging to Unit Owners, Occupants or their licensees, tenants or invitees within the Property must be kept either within an enclosure, an

enclosed pet or on a leash being held by a person capable of controlling the animal. The enclosure must be so maintained that the animal cannot escape therefrom and shall be subject to the approval of the Board. Should any animal belonging to a Unit Owner be found unattended out of the enclosure and not being held on a leash by a person capable of controlling the animal, such animal may be removed by Declarant (for so long as it has control over the Association) or a person designated by Declarant to do so, and subsequent thereto by the Association or its Managing Agent, to a pound under the jurisdiction of the local municipality in which the Property is situated and subject to the laws and rules governing said pound, or to a comparable animal shelter. Furthermore, any Unit Owner shall be absolutely liable to each and all remaining Unit Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Property by a Unit Owner or members of his family, his tenants or his guests; and it shall be the absolute duty and responsibility of each such Unit Owner to clean up after such animals which have used any portion of the Common Elements

(13) No Unit Owner shall be permitted to lease his Unit for hotel or transient purposes, which, for purposes of this paragraph is defined as a period less than thirty (30) days. No Unit Owner shall be permitted to lease less than the entire Unit. Every such lease shall be in writing. Every such lease shall provide that the lessee 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 failure to do so shall be a default thereunder. The Unit Owner making such lease shall not be relieved thereby from any of said obligations; and

(14) In order that Declarant may establish the Property as a fully occupied Condominium, no Unit Owner nor the Association shall do anything to interfere with,

and nothing in the Declaration shall be understood or construed to:

(a) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from doing in any Unit owned by them whatever they determine to be necessary or advisable in connection with the completion of any work thereon;

(b) Prevent Declarant, its successors or assigns, or its or their representatives, from erecting, constructing and maintaining on the Common Elements or any Unit owned or controlled by Declarant, its successors or assigns, or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing any work and establishing the Property as a Condominium and disposing of the same by sale, lease or otherwise;

(c) Prevent Declarant, its successors or assigns, or its or their representatives, from maintaining a Sales Office and maintaining and showing model Units to aid in the marketing of the Units during the Construction Period; or

(d) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from maintaining such sign or signs for marketing of Units in the Property.

(15) No drapes, blinds, curtains, or other window coverings shall be used which is visible from the outside of the Unit except window coverings which are white, beige, or a similar color approved by the Board of Directors.

#### 2.10 RESERVATION OF RIGHT OF MERGER AND ANNEXATION.

a. For a period of five (5) years from the date of recordation of this Declaration, the Declarant reserves the right, authority and power to annex tracts out of the adjoining land

described in attached Exhibit "D" for the purpose of establishing, annexing and merging additional Condominium Regimes. It is contemplated that Declarant will annex approximately one hundred thirty-five (135) additional Units to the Project, but nothing contained herein shall restrict Declarant to this number of Units or obligate Declarant to annex this number of Units. The Regimes may be created simultaneously or staggered and shall conform in basic respects to the general restrictions, limitations and benefits contained in this Declaration. The intended improvements in the future annexation tracts must be substantially completed prior to annexation. Upon the recordation of Condominium Declaration Supplements or Declarations of Annexation and Merger in compliance with Paragraph 2.10, this Declaration shall further apply to and affect all of the Property described in this Declaration and the Property described in such Declaration Supplements or Declarations of Annexation and Merger, and shall also bind all Owners of any part of the subsequent Regimes with the same effect as if the Regimes were originally subject to and described in this Declaration. Thereafter, the powers and responsibilities of the Board and Association shall be coextensive with regard to all Property included within the expanded Condominium and the Board and Association shall, pursuant to the provisions of this Declaration, constitute the Board and Association for the entire Condominium, as expanded. The rights, obligations and duties of each Owner shall be the same and identical to the rights, obligations and duties of the Owners prior to recordation of such Declaration Supplements or Declarations of Annexation and Merger, except as each Owner's percentage or fraction of ownership interest may be modified as herein provided.

b. The Association shall continue to maintain one (1) Common Expense Fund for the collection and disbursement of monies as required and permitted hereby for the maintenance, repair, replacement and operation of the expanded Condominium and in all respects and meanings, the Condominium, as expanded, shall be deemed to be a single Condominium Project for the purposes of and in accordance with the provisions of this Declaration and the Act.

c. Any annexation and merger shall entail Buildings, amenities and Units of comparable design, size and quality and shall be accomplished by the filing of appropriate Declaration Supplements or Condominium Declarations of Annexation and Merger. Said documents shall be recorded in the Condominium Records of Harris County, Texas, which will, inter alia:

(1) Be executed by only the Declarant or its successors or assigns;

(2) Contain a legal description of the land to be annexed to the Condominium;

(3) Contain a sufficient description of the Units built or to be built on the annexed land;

(4) Contain a reallocation of percentage or fraction of ownership interest in the Common Areas (as expanded by annexation) among all Units in the Condominium. Such reallocation will be calculated by determining the square footage of the individual Units in proportion to the new total square footage of all the Units; and

(5) Any other information required by law or necessary to effectuate the intent of this Article.

d. This Declaration, including, but not limited to this Paragraph 2.10, does not presently create any interest in or with respect to the Property shown as Exhibit "D" which may be annexed, and this Declaration shall not affect in any manner all or any part of such Property unless and until a Supplemental Declaration or Declaration of Annexation and Merger is filed thereto in accordance with this Paragraph 2.10.

e. Notwithstanding any other provision of this Declaration to the contrary, the Declarant shall obtain the approval of the Veterans Administration for any annexation or merger should Declarant elect to get the approval of the Veterans Administration for the Project, however, failure to obtain the approval of the Veterans Administration shall not render any Supplemental Declaration or Declaration of Annexation and Merger void or otherwise affect the legal standing of the annexed Property.

### ARTICLE III

#### RIGHTS AND OBLIGATIONS OF OWNERSHIP

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

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

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

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

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

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

3. OWNER MAINTENANCE. An Owner shall obtain and keep in repair the interior and patio and/or balcony space of his own Unit, including the fixtures thereof. All fixtures and equipment installed with the Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit, including those "utilities", shall be maintained and kept in repair by the Owner thereof; and an Owner shall be obliged to promptly repair and replace any broken or cracked glass in windows and doors. An Owner shall be totally responsible for his own heating and cooling system. The maintenance and repair of one stairwell area between the garages and the Units shall be the joint obligation of the Owners who share each stairwell area.

3.8 ALTERATION. An Owner shall do no act nor any work that will impair the structural soundness and integrity of the Building or impair any easement or hereditament. No Owner shall in any way alter, modify, add to or otherwise perform any work whatever upon any of the Common Elements, Limited or General, without the prior written consent and approval in writing by the Board of Directors. Any such alteration or modification shall be in harmony with the external design and location of the surrounding structures and topography, and shall not be considered until submission to the Association of complete plans and specifications showing the nature, kind, shape, size, materials, color and location for all proposed work. The Board shall have the obligation to answer within thirty (30) days after receipt of notice of the proposed alterations. Failure to so answer within the stipulated time shall mean that there is no objection to the proposed alteration or modification. During the Construction Period, Declarant shall have the sole right to approve or reject any plans and specifications submitted for consideration by an Owner.

3.9 RESTRICTION OF OWNERSHIP. As a restriction of the ownership provisions set forth in Paragraph 1.1t, "Unit", an Owner shall not be deemed to own the unfinished surfaces of the perimeter walls, floors ceilings and roofs surrounding his Unit, nor shall such Owner be deemed to own the utilities running through his Unit which are utilized for, or serve, more than one (1) Unit, except as a tenant in common with the other Owners. An Owner shall be deemed to own and shall maintain the inner, finished surfaces of the perimeter and interior walls, floors and ceilings, doors, windows and other such elements consisting of paint, wallpaper and other such finishing material.

3.10 LIABILITY FOR NEGLIGENT ACTS. In the event the need for maintenance or repair is caused through the willful or negligent act of an Owner, his

family, guests or invitees and is not covered or paid for by insurance either on such Unit or the Common Elements, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Unit is subject, pursuant to Article IV hereof.

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

#### ARTICLE IV

##### MANAGEMENT AND ADMINISTRATION

4.1 BY-LAWS. The administration of this Condominium Property shall be governed by the By-Laws of PLAZA PLACE OWNERS ASSOCIATION, INC., a non-profit corporation, referred to herein as the "Association". An Owner of a Condominium Unit, upon becoming an Owner, shall be a Member of the Association and shall remain a Member for the period of his ownership. The Association shall be managed by a Board of Directors, duly appointed or elected, pursuant to the terms and conditions of the By-Laws. In addition, the Association shall enter into a management agreement upon the terms and conditions established in the By-Laws, and said management agreement shall be consistent with this Declaration.

4.2 DECLARANT CONTROL. Paragraph 4.1 notwithstanding, and for the benefit and protection of the Unit Owners and any First Mortgagees of record for the sole purpose of insuring a complete and orderly buildout as well as a timely sellout of the Condominium Project, including any annexations as provided in Paragraph 2.10, the Declarant will retain control of and over the Association for a maximum period not to exceed January 1, 1986, or upon the sale of seventy-five percent (75%) of the Units, including any annexations, or when in the sole opinion of the Declarant, the Project becomes viable, self-supporting and operational, whichever occurs first (1st). It is expressly understood, the Declarant will not use said control for any advantage over the Unit Owners by way of retention of any residual rights or interests in the Association or through the creation of any management



agreement with a term longer than three (3) years without majority Association approval upon relinquishment of Declarant control. Should Declarant elect not to annex any of the adjoining tracts, then its control shall extend no longer than three (3) years from the recordation of this Condominium Declaration. In no event shall control extend beyond January 1, 1986, if all proposed phases are annexed and incorporated hereinto by merger. At the end of the Declarant Control Period, the Declarant, through the Board of Directors, shall call the first (1st) annual meeting of the Association.

4.3 TEMPORARY MANAGING AGENT. During the period of administration of this Condominium Regime by Declarant, the Declarant may employ or designate a temporary manager or managing agent, who shall have and possess all of the rights, powers, authority, functions and duties as may be specified in the contract of employment or as may be delegated by Declarant to him, except for the right to effect improvements or repairs. The Declarant may pay such temporary manager or managing agent such compensation as it may deem reasonable for the services to be rendered, which compensation shall constitute a part of the Common Expenses of this Condominium Regime and shall be paid out of the Association budget.

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

a. The right of the Association to publish rules and regulations governing use of the Common Areas and the improvements and facilities located thereon, and to establish and enforce penalties for infractions thereof;

b. The right of the Association to charge reasonable fees for the use of facilities within the Common Area, if such facilities are not used by all Members equally;

c. The right of the Association, subsequent to the Declarant Control Period, to borrow money and mortgage the Common Area and improvements for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property; providing, however, that the rights of any such Mortgagee in such property shall be subordinate to the rights of the Owners hereunder, and in no event shall any such Mortgagee have the right to terminate the Condominium Regime established by this Declaration;

d. The right and duty of the Association to suspend the voting rights and the right to the use of the recreational facilities by an Owner for any period during which any assessment against the Owner's Condominium Unit remains unpaid;

e. The right of Declarant or the Association after the Declarant Control Period to dedicate or transfer all or any part of the Common Area for utility easements to any public agency, authority or utility for the purposes, and subject to the conditions, of such agency, authority or utility. No such dedication or transfer shall be effective unless approved by all First Mortgagees and two-thirds (2/3) vote of the quorum of Owners present at a meeting of the Association specifically called for the purpose of approving any such dedication or transfer, and unless an instrument signed by the Board of Directors reflecting such vote of the Owners agreeing to such dedication or transfer and First Mortgagee approval has been duly recorded in the Condominium Records of Harris County, Texas;

f. The right of the Association to adopt, implement and maintain a private security system for the Premises consistent with applicable laws;

g. The right of the Association to establish rules and regulations governing traffic within the Common Area, and to establish sanctions for any violation or violations of such rules and regulations;

h. The right of the Association to regulate noise within the Premises, including, without limitation, the right of the Association to require mufflers on engines and to prohibit the use of devices producing excessive noise; and

i. The right of the Association to control the visual attractiveness of the property, including, without limitation, the right to require Owners to eliminate objects which are visible from the Common Area and which, in the Association's judgment, detract from the visual attractiveness of the Property.

#### 4.5 MEMBERSHIP, VOTING, QUORUM, PROXIES.

a. Membership. Any person on becoming an Owner of a Condominium Unit shall automatically become a Member of the Association. Such membership shall terminate without any formal

termination action whenever such person ceases to own a Condominium Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with PLAZA PLACE during the period of such ownership and membership of the Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one (1) membership card to the Owner(s) of a Condominium Unit. Such membership card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon shall terminate.

b. Voting. Unit ownership shall entitle the Owner(s) to cast one (1) vote per Unit in the affairs of the Association, which vote will be weighted to equal the proportionate share of ownership of the Unit Owner in the Common Elements. Voting shall not be split among more than one (1) Unit Owner. The present number of votes that can be cast by the Unit Owners is fifty-four (54). Should additional property be annexed in accordance with Paragraph 2.10 hereof, the total number of votes shall be increased accordingly, and the weighted average adjusted to total one hundred percent (100%).

c. Quorum. The majority of the Unit Owners as defined in Article I shall constitute a quorum.

d. Proxies. Votes may be cast in person or by proxy. Proxies may be filed with the Secretary before the appointed time of each meeting.

#### 4.6 INSURANCE.

a. The Association shall obtain and maintain at all times insurance of the type and kind provided hereinafter, including such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to any Condominium Buildings, fixtures, equipment and personal property, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Texas. The

insurance shall be carried in blanket policy form naming the Association and all Mortgagees as the insured. In addition, each policy or policies shall identify the interest of each Condominium Unit Owner and shall provide for a standard, noncontributory mortgage clause in favor of each First Mortgagee. Further, the policy shall insure against loss or damage by fire, vandalism, malicious mischief or 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. Each Owner irrevocably designates the Owners Association, as Attorney In Fact, to administer and distribute such proceeds as is elsewhere provided in this Declaration. Such insurance policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after thirty (30) days prior written notice to each First Mortgagee. The Board of Directors shall, upon request of any First Mortgagee, furnish a certified copy of each blanket policy and a separate certificate identifying the interest of the Mortgagor.

b. The Association shall keep a comprehensive policy or policies of public liability insurance covering the Common Elements of the Project and such policy or policies shall include a "Severability of Interest Endorsement" or equivalent coverage which will preclude the insurer from denying the claim of a Unit Owner because of negligent acts by the Association, its Board of Directors or a Unit Owner. Such policy or policies shall be in amounts of not less than One Hundred Thousand Dollars (\$100,000.00) per person, Three Hundred Thousand Dollars (\$300,000.00) per accident and Fifty Thousand Dollars (\$50,000.00) property damage, plus an umbrella policy for not less than One Million Dollars (\$1,000,000.00) for all claims for personal injury, including death, and/or property damage arising out of a single occurrence; and the policy shall include water damage liability, liability for non-owned and hired automobiles, liability for property of others and such other coverage as is customarily deemed necessary with respect to projects similar in nature.

c. The Association shall keep a policy or policies of (i) liability insurance insuring the Board of Directors, officers and employees of the Association against any claims, losses, liabilities, damages or causes of action arising out of, or in connection with, or resulting from any act done or omission to act by any such person or entities, (ii) workmen's compensation as required under the laws of the State of Texas, and (iii) such other insurance as deemed reasonable and necessary in order to protect the Project, the Unit Owners and the Association.

d. The Association shall be responsible for obtaining insurance upon the Units, including all fixtures, installations or additions thereto contained within the unfinished interior surfaces of the perimeter walls, floors and ceilings of such Unit, as initially installed or replacements thereof. The Association shall not be responsible for procurement or maintenance of any insurance covering the liability of any Unit Owner not caused by or connected with the Association's operation or maintenance of the Project. Each Unit Owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and casualty and public liability insurance coverage within each Unit are specifically made the responsibility of each Unit Owner, and each Unit Owner must furnish a copy of his insurance policy to the Association.

e. Any insurance obtained by the Association or a Unit Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Unit Owners, Association or their respective servants, agents or guests.

#### ARTICLE V

##### MAINTENANCE ASSESSMENTS

5.1 ASSESSMENTS FOR COMMON EXPENSES. All Owners shall be obligated to pay the estimated assessments imposed by the Association to meet the Common Expenses. Assessments for the estimated Common Expenses shall be due monthly in advance on or before the first (1st) day of each month. Failure to pay by the fifteenth (15th) day of each month shall require the imposition and assessment of a late charge of Five Dollars (\$5.00). Contribution for monthly

assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the 1st (1st) day of a month.

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

5.3 DETERMINATION OF ASSESSMENTS. The assessments shall be determined by the Board of Directors based upon the cash requirements necessary to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Elements. This determination may include, among other items, taxes, governmental assessments, landscaping and grounds care, Common Area lighting, repairs and renovation, garbage collections, wages, water charges, legal and accounting fees, management costs and fees, expenses and liabilities incurred by the Association under or by reason of this Declaration, expenses incurred in the operation and maintenance of recreation and administrative facilities, payment of any deficit remaining from a previous period and the creation of a reserve contingency fund. The omission or failure of the Board to fix the assessment for any month shall not

be deemed a waiver, modification or a release of the Owners from the obligation to pay.

5.4 INITIAL ASSESSMENT AND MAXIMUM MONTHLY ASSESSMENT.

a. The monthly assessments shall be made according to each Owner's proportionate or percentage interest in and to the Common Elements provided in Exhibit "C" attached hereto.

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

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

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

5.6 COMMENCEMENT OF ASSESSMENTS. The monthly assessments provided for herein shall be due on the first (1st) day of the month. The assessments shall be prorated if the ownership of a Unit commences on a day other than the first (1st) day of the month. The Board shall fix the amount of the monthly

assessments against such Unit at least thirty (30) days prior to January 1st of each year; provided, however, that the Board shall have a right to adjust the monthly assessments, as long as any such adjustment does not exceed the maximum permitted hereunder, with thirty (30) days' written notice given to each Owner. Written notice of the monthly assessment adjustment shall be sent to every Owner subject thereto. The due date shall be established by the Board, and unless otherwise provided or unless otherwise agreed by the Association, the Board shall collect the assessments monthly in accordance with Paragraph 5.1 hereof.

5.7 NO EXEMPTION. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his Unit.

5.8 LIEN FOR ASSESSMENTS.

a. All sums assessed but unpaid by a Unit Owner for its share of Common Expenses chargeable to its respective Condominium Unit, including interest thereon at ten percent (10%) per annum, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances, except only for:

(1) All taxes and special assessments levied by governmental and taxing authorities; and

(2) All liens securing sums due or to become due under any duly recorded mortgage vendor's lien or deed of trust.

b. To evidence such lien the Association may, but shall not be required to, prepare written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such notice shall be signed by one (1) of the Board of Directors and may be recorded in the Office of the Clerk and Recorder of Harris County, Texas. Such lien for the Common Expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association. Any such foreclosure sale is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust, as set forth in Article 3810 of the Revised Civil Statutes of the State of Texas, or in any manner permitted by law. Each Owner, by accepting a deed to his



Unit expressly grants to the Association power of sale, as set forth in said Article 3810, in connection with the assessment lien. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay to the Association a reasonable rental for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect same. The Association shall have the power to bid in the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

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

d. In addition, to the extent permitted by law, Declarant reserves and assigns to the Association, without recourse, a vendor's lien against each Unit to secure payment of a common assessment or special assessment which is levied pursuant to the terms hereof. Said liens may be enforced by appropriate judicial proceedings and the expenses incurred in connection therewith, including, but not limited to, interest, costs and reasonable attorney's fees, shall be chargeable to the Owner in default. Such lien shall be subordinated and inferior to those liens listed in Subparagraphs 5.8a(1) and (2)

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

5.9 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded mortgage or mortgages granted or created by the Owner of any Condominium Unit to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Unit. Sale or transfer of any Unit shall not affect the assessment lien; provided, however, that the sale or transfer of any Condominium Unit pursuant to a foreclosure, a deed in lieu of foreclosure,

assignment in lieu of foreclosure under such purchase money or improvement mortgages or deeds of trust shall extinguish the lien of such assessments as to payments thereof coming due prior to such sale or transfer, except for claims for its pro-rata share of such assessments resulting from a reallocation among all Units, which reallocation, if necessary, will require a readjustment of the common assessment as provided in Paragraph 5.4b. No sale or transfer shall relieve such Condominium Unit, or the Owners thereof, from liability for any assessments thereafter becoming due or from the lien thereof.

5.10 STATEMENT OF ASSESSMENTS. Upon the written request of any Owner or any encumbrancer or prospective encumbrancer of a Condominium Unit, the Association, by its Board of Directors, shall issue a written statement setting forth the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessments, the date of such assessment and the due date, credit for advance payments or for prepaid items, including, but not limited to, insurance premiums, which shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid assessments which become due prior to the date of making of such request shall be subordinate to the lien of the person requesting such statement.

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

11 OBLIGATION OF DECLARANT FOR ASSESSMENTS AND MAINTENANCE. During the Declarant Control Period, as provided in Paragraph 4.2 hereof, the Declarant shall be responsible for the difference between the cost of maintenance and assessments received from the Unit Owners of each Building until all Units in said Building have been completed, as defined herein, or until the estimated operating expenses are accurately determined, or until Declarant transfers responsibility for said maintenance to the Association, as provided in Paragraph 4.2 hereof, whichever first (1st) occurs. So long as Declarant is responsible for the maintenance of a Building, as provided herein, Declarant shall not be limited to the regular monthly assessment for any Units owned by Declarant in said Building. With respect to the Buildings which Declarant is responsible for maintaining, as provided herein, said maintenance shall be at the level of maintenance established in accordance with Paragraph 5.3 hereof. During the Declarant Control Period, Declarant shall provide any additional funds necessary to pay actual cash outlays required to fund current operating expenses of the Association. Declarant shall not be obligated to fund any reserve accounts until after the Declarant Control Period is terminated. After the Declarant Control Period is terminated, Declarant shall pay the regular monthly assessment for each Unit or Units it owns. In no event shall Declarant's liability for assessments be less than required by the Act.

#### ARTICLE VI

##### DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS

###### 6.1 DESTRUCTION OR OBSOLESCENCE.

a. This Declaration hereby makes mandatory the irrevocable appointment of an Attorney In Fact to deal with the Property upon its destruction, obsolescence or condemnation. Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any Grantee of a deed from the Declarant or from any Owner shall constitute appointment of the Attorney In Fact herein provided. All of the Owners irrevocably constitute and appoint PLAZA PLACE OWNERS ASSOCIATION, INC., or its successor non-profit corporation, if same be hereafter organized, their true and lawful Attorney in their name, place and stead, for the purpose of dealing with the Property upon its destruction, obsolescence or condemnation, as hereinafter provided. As Attorney In Fact, the Association, by its authorized officers shall have full

and complete authority, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a Condominium Unit Owner which is necessary and appropriate to exercise the powers herein granted.

b. Repair and reconstruction of the improvement(s), as used in the succeeding subparagraphs, means restoring the improvement(s) to substantially the same condition in existence prior to the damage, with each Unit and Common Elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be made available to the Association for the purpose of repair, restoration or replacements, unless all of the Owners and all of the First Mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter:

(1) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as Attorney In Fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed.

(2) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than sixty-six and two-thirds percent (66-2/3%) of all the Common Elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as Attorney In Fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Such deficiency assessment shall be a special assessment made pro rata according to each Owner's proportionate interest in and to the Common Elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be debt of each Owner and a lien on his Condominium Unit and

may be enforced and collected as is provided in Article V hereof. The lien provided for herein shall be subordinate to any prior recorded first mortgage lien, as provided in Paragraph 5.9 of this Declaration. Should the Association choose to foreclose said lien, as provided in Article V, the proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as Attorney In Fact, in the following order:

(a) For payment of taxes and special assessment liens in favor of any governmental assessing entity;

(b) For payment of the balance of the lien of any first mortgage;

(c) For payment of unpaid Common Expenses;

(d) For payment of junior liens and encumbrances in the order and extent of their priority; and

(e) The balance remaining, if any, shall be paid to the Condominium Unit Owner.

(3) If more than sixty-six and two-thirds percent (66-2/3%) of all of the Common Elements, not including land, are destroyed or damaged, and if the Owners representing the aggregate ownership of one hundred percent (100%) of the Common Elements, do not voluntarily, within one hundred (100) days thereafter, make provision for reconstruction, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary, the entire remaining Premises shall be sold by the Association, as Attorney In Fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Plat and the By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Unit Owner's interest (as such interests appear on the policy or policies), and such divided proceeds shall be paid into fifty-four (54) separate

accounts, plus any annexed Units, each such account representing one (1) of the Condominium Units in the total Project. Each such account shall be in the name of the Association, and shall be further identified by the number of the Unit and the name of the Owner. From each separate account, the Association, as Attorney In Fact, shall use and disburse the total amount (of each) of such accounts, without contribution from any one (1) account to another, toward the full payment of the lien of any first mortgage against the Condominium Unit represented by such separate account. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire Property. Such apportionment shall be based upon each Condominium Unit Owner's proportionate interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution from one (1) account to another, by the Association, as Attorney In Fact, for the same purposes and in the same order as is provided in Subparagraphs b(2)(a) through (e) of Paragraph 6.1 hereof. Any decision to terminate the condominium status as herein provided must have the approval of First Mortgagees holding mortgages on Units which have at least fifty-one percent (51%) of the votes of the Association.

(4) If the Owners representing a total ownership interest of one hundred percent (100%) of the Common Elements adopt a plan for reconstruction, then all of the Owners shall be bound by the terms and provisions of such plan. Any assessment made in connection with such plan shall be a Common Expense and made pro rata according to each Owner's proportionate interest in the Common Elements and shall be due and payable as provided by the terms of the plan. The Association shall have the authority to cause the repair and restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and

be enforced and collected as is provided in Paragraph 5.8 hereof, but will be subordinate to any prior recorded first mortgage lien, as provided in Paragraph 5.9 hereof. Should the Association foreclose said assessment lien, as provided in said Paragraph 5.8, the proceeds derived from sale of such Condominium Unit shall be used and disbursed by the Association, as Attorney In Fact, for the same purposes and in the same order as is provided in Subparagraphs b(2)(a) through (e) of Paragraph 6.1 hereof.

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

(6) Any restoration, reconstruction or repair of the Project shall be performed substantially in accordance with this Declaration and the original Plans and specifications, unless other action is approved by the holders of mortgages on Units which have at least fifty-one percent (51%) of the votes of the Association.

(7) The Owners representing an aggregate ownership interest of one hundred percent (100%) of the Common Elements and all holders of first mortgages may agree that the Common Elements of the Property are obsolete and that the same should be sold. In such instance, the Association shall record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's authorized officers, the entire Premises shall be sold by the Association, as Attorney In Fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Plat and the By-Laws. The sales proceeds shall be apportioned between the Owners and First Mortgagees as their interests may appear on the basis of each Owner's percentage or fraction of interest in the Common Elements, and such apportioned proceeds

shall be paid into fifty-four (54) separate accounts, plus any annexed Units, each such account representing one (1) Condominium Unit. Each such account shall be in the name of the Association, and shall be further identified by the number of the Unit and the name of the Owner. From each separate account, the Association, as Attorney In Fact, shall use and disburse the total amount of each of such funds, without contribution from (1) fund to another, for the same purposes and in the same order as is provided in Subparagraphs b(2)(a) through (e) of Paragraph 6.1 hereof.

6.2 JUDICIAL PARTITION. There shall be no judicial partition of the Common Elements, nor shall Declarant or any person acquiring any interest in the Project or any part thereof seek any such judicial partition, until the happening of the conditions set forth in Paragraph 6.1 hereof in the case of damage or destruction or unless the Property has been removed from the provisions of the Texas Condominium Act; provided, however, that if any Condominium Unit shall be owned by two (2) or more co-tenants, as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition between such co-tenants, but such partition shall not affect any other Condominium Unit.

6.3 CONDEMNATION.

a. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association, as Attorney In Fact, and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all First Mortgagees known to the Association to have an interest in any Condominium Unit. The expense of participation in such proceedings by the Association shall be borne by the Common Fund. The Association, as Attorney In Fact, is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association, as Attorney In Fact, and



such damages or awards shall be applied as provided herein. In the event that an action in eminent domain is brought to condemn a portion of the Common Elements (together with or apart from any Condominium Unit), the Association, as Attorney In Fact, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto, or to convey such Property to the condemning authority in lieu of such condemnation proceeding.

b. With respect to any such taking, all damages and awards shall be determined for the taking of the individual Units and for the taking of the Common Elements and for each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner for the loss of the individual Unit plus an amount in proportion to his percentage or fractional ownership interest in the Common Elements to be applied or paid as set forth in Subparagraphs 6.1b(2)(a) through (e) hereof, unless restoration takes place as herein provided. The Association, if it deems advisable, may call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore, as far as possible, the Common Elements so taken or damaged. In the event it is determined that such Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the Map attached hereto shall be duly amended by instrument executed by the Association, as Attorney In Fact, on behalf of the Owners. In the event that such eminent domain proceeding results in the taking of or damage to one (1) or more, but less than sixty-six and two-thirds percent (66-2/3%) of the total number of Condominium Units, then the damages and awards for such taking shall be determined for each Condominium Unit and the following shall apply:

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

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

(3) In the event that the Association determines that it is not reasonably practicable to operate the undamaged Condominium Units and the damaged Units which can be made tenantable, then the Condominium Project shall be deemed to be regrouped and merged into a single estate owned jointly in undivided interest by all Owners, as tenants in common, in the proportionate ownership interest previously owned by each Owner in the Common Elements. Any decision to terminate the condominium status of the Project must have the approval of First Mortgagees holding the mortgages on Units which have at least fifty-one percent (51%) of the votes in the Association.

(4) In the event that the Association determines it will be reasonably practicable to operate the undamaged Condominium Units and the damaged Units which can be made tenantable as a Condominium Unit, then the damages and awards made with respect to each Unit which has been determined to be capable of being made tenantable shall be applied to repair and to reconstruct such Condominium Unit so that it is made tenantable. The restoration shall be performed in accordance with this Declaration and the original Plans and specifications, unless other action is approved by holders of mortgages on Units which have at least fifty-one percent (51%) of the votes in the Association. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against those Condominium Units which are tenantable. With respect to those Units which may not be tenantable, the award made shall be paid as set forth in Subparagraphs 6.1b(2)(a) through (e) hereof; and the remaining portion of such Units, if any, shall become part of the Common Elements. Upon the payment of such award

for the account of such Owner as provided herein, such Condominium Unit shall no longer be a part of the Condominium Project, and the proportionate ownership interest in the Common Elements appurtenant to each remaining Condominium Unit which shall continue as part of the Condominium Project shall be equitably adjusted to distribute the ownership of the undivided interest in the Common Elements among the reduced number of Owners based upon the square footage of the individual remaining Units in proportion to the total square footage of all the remaining Units. If sixty-six and two-thirds percent (66-2/3%) or more of the Condominium Units are taken or damaged by such taking, all damages and awards shall be paid to the accounts of the Owners of Units, as provided herein; and this Condominium Regime shall terminate upon such payment. Upon such termination, the Condominium Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all Owners as tenants in common in the proportionate ownership interest previously owned by each Owner in the Common Elements. The Owners representing an aggregate ownership interest of sixty-seven percent (67%) of the Common Elements and holders of first mortgages on Units which have at least fifty-one percent (51%) of the votes on Units subject to first mortgages may agree that the Property should be sold. In such instance, the Association shall record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's authorized officers, the entire Premises shall be sold by the Association, as Attorney in Fact, for all of the Owners, free and clear of the provisions contained in the Declaration, the Plat and the By-Laws. The sales proceeds shall be apportioned between the Owners and First Mortgagees as their interests may appear on the basis of each Owner's proportionate ownership interest in the regrouped estate. Any damages, awards, or sales proceeds provided in this paragraph to be paid to or for

the account of any Owner by the Association shall be applied as set forth in Subparagraphs 6.1b(2)(a) through (e) hereof.

## ARTICLE VII

### PROTECTION OF MORTGAGEE

7.1 NOTICE TO ASSOCIATION. An Owner who mortgages his Unit shall notify the Association, giving the name and address of his Mortgagee. Each Mortgagee shall be permitted to notify the Association of the fact that such Mortgagee holds a deed of trust or mortgage on a Condominium Unit. The Board shall maintain such information in a book entitled "Mortgagees of Condominium Units".

7.2 NOTICE OF DEFAULT; LAPSE IN INSURANCE. The Association shall notify a First Mortgagee in writing, upon written request of such Mortgagee identifying the name and address of the Mortgagee and the Unit number, of any default by the Mortgagor in the performance of such Mortgagor's obligations, as set forth in this Declaration, which is not cured within sixty (60) days. The Association, upon written request, shall notify a First Mortgagee of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

7.3 EXAMINATION OF BOOKS. The Association shall permit First Mortgagees and the Veterans Administration to examine the books and records of the Association upon request.

7.4 RESERVE FUND. The Association shall establish adequate reserve funds for replacement of Common Element components and fund the same by regular monthly payments rather than by extraordinary special assessments. In addition, there shall be established a working capital fund for the initial operation of the Condominium Project equal to at least two (2) months' estimated Common Assessments charge for each Unit, said deposit to be collected at closing of Unit sale.

7.5 ANNUAL AUDITS. The Association shall furnish each First Mortgagee an annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association.

7.6 NOTICE OF MEETINGS. The Association shall furnish each First Mortgagee upon request of such Mortgagee, prior written notice of all meetings the Association and permit the designation of a representative of such Mortgagee to attend such meetings, one (1) such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.

7 - NOTICE OF DAMAGE OR DESTRUCTION. The Association shall furnish the First Mortgagees timely written notice of any substantial damage or destruction of any Unit on which the First Mortgagee holds the mortgage if such loss exceeds One Thousand Dollars (\$1,000.00) and of any part of the Common Elements if such loss exceeds Ten Thousand Dollars (\$10,000.00).

7.8 MANAGEMENT AGREEMENTS. Any management agreement and/or service contract entered into by the Association will be terminable by the Association without cause and without payment of a termination fee upon ninety (90) days' or less written notice, and the term of such management agreement will not exceed the period of three (3) years, renewable by agreement of the parties to such agreement for successive one (1)-year periods. In the event of the termination of the management agreement, as provided herein, the Association shall enter into a new management agreement with a new management agent prior to the effective date of the termination of old management agreement. Any decision to establish self-management by the Owners Association shall require the prior consent of Owners of Units to which at least sixty-seven percent (67%) of the votes are allocated and the approval of first mortgage holders holding mortgages on Units which have at least fifty-one percent (51%) of the votes of the Association.

7.9 TAXES, ASSESSMENTS AND CHARGES. All taxes, assessments and charges which may become liens prior to the First Mortgage under local law shall relate only to the individual Condominium Units and not to the Condominium Project as a whole.

## ARTICLE VIII

### MISCELLANEOUS PROVISIONS

#### 8.1 AMENDMENTS TO DECLARATION; APPROVAL OF OWNERS AND MORTGAGEES.

a. The consent of the Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of First Mortgagees holding mortgages on Units which have at least fifty-one percent (51%) of the votes of Units subject to mortgages, shall be required to add or amend any material provisions to this Declaration or to the By-Laws which establish, provide for, govern or regulate any of the following:

(1) Voting;

(2) Assessments, assessment liens or subordination

of such liens:

- (3) Reserves for maintenance, repair and replacement of the Common Elements;
- (4) Insurance or fidelity bonds;
- (5) Rights to use of the Common Areas;
- (6) Responsibility for maintenance and repair of the Units and Common Elements;
- (7) Expansion of the Project;
- (8) Boundaries of any Unit;
- (9) Convertibility of Units into Common Elements, or Common Elements into Units;
- (10) Leasing of Units;
- (11) Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his Unit;
- (12) Any provisions which are for the express benefit of first mortgage holders, insurers, or guarantors of first mortgages.

b. The consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated and the approval of First Mortgagees holding mortgages on Units which have at least sixty-seven percent (67%) of the votes of Units subject to Mortgages, shall be required to:

- (1) terminate or abandon the condominium status of the Project by act or omission;
- (2) partition or subdivide any Unit. In addition to the approval of the Owner any mortgage holder, if any, must be obtained;
- (3) by act or omission, seek to abandon, partition, subdivide, encumber, or transfer the Common Elements, other than the granting of easements for public utilities or other public uses;
- (4) use hazard insurance proceeds for losses to any condominium property for other than the repair, replacement or reconstruction of such property, except as provided by statute in the case of substantial loss, and as provided in Paragraph 6.1b(3).

c. Any amendment which would change the percentage or fraction of interest of the Unit Owners in the Common Elements, except as provided in Paragraph 2.10 herein, will require the consent of Owners of one hundred percent (100%) of the votes allocated in the Association and the approval of First Mortgagees holding mortgages on Units which have at least fifty-one percent (51%) of the votes of Units subject to mortgages.

d. Any First Mortgagee who receives a written request to approve additions or amendments to the Declaration or By-Laws, and who does not deliver or post to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request.

e. Unless otherwise provided in this Paragraph 8.1 or elsewhere in this Declaration, any of the provisions herein may be amended by the consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, but no amendment shall affect the rights given to the Declarant, herein, without the consent of the Declarant.

8.2 CORRECTION OF ERROR. Declarant reserves, and shall have the continuing right, until the end of the Construction Period, without the consent of the other Owners or any Mortgagee to amend this Declaration or the laws for the purpose of resolving or clarifying any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or omissions herein, or to comply with the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration or Federal Housing Administration, provided that no such amendment shall change the stated number of Units or proportionate ownership interest in the Common Elements attributable thereto, except as provided in Paragraph 2.10 hereof.

8.3 OWNERSHIP OF COMMON PERSONAL PROPERTY. Upon termination of the Construction Period, as defined herein, Declarant shall execute and deliver a bill of sale to the Association transferring all items of personal property located on the Premises, furnished by Declarant, and intended for the common use and enjoyment of the Condominium Unit Owners and occupants. No Owner shall have any other interest and right thereto, and all such right and interest shall absolutely terminate upon the Owner's termination of possession of the Condominium Unit.

8.4 CHANGE IN DOCUMENTS Upon written request, the holder of any mortgage covering any of the Condominium Units shall be entitled to written notification from the Association thirty (30) days prior to the effective date of any change in the Condominium documents.

8.5 NOTICE. All notices, demands or other notices intended to be served upon an Owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such Owner in care of the Unit number and Building address of such Owner. All notices, demands or other notices intended to be served upon the Board of Directors of the Association or the Association, shall be sent by ordinary or certified mail, postage prepaid, to 2425 Bolly Hall, Houston, Texas 77054, until such address is changed by a notice of address change duly recorded in the Harris County Condominium Records.

8.6 CONFLICT BETWEEN DECLARATION AND BY-LAWS. Whenever the application of the provisions of this Declaration conflict with the application of any provision of the By-Laws adopted by the Association, the provisions or application of this Declaration shall prevail.

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

8.8 OMISSIONS. In the event of the omission from this Declaration of any word, sentence, clause, provision or stipulation which shall be necessary for the accomplishment of the intent and purposes hereof, or any part hereof, then such omitted matter shall be supplied by inference and/or by reference to the Act.

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

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



IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed  
delivered by its joint venturer this 10th day of February;

CONCORD PROPERTIES ASSOCIATES

By: VICEROY DEVELOPMENTS, INC.  
Joint Venturer

By: Anthony Heller (President)  
ANTHONY HELLER - PRESIDENT

By: MCW DEVELOPMENT  
& CONSTRUCTION CO., INC.  
Joint Venturer

By: Mark Weinberg  
MARK WEINBERG - PRESIDENT

STATE OF TEXAS §  
COUNTY OF HARRIS §

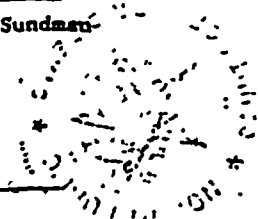
BEFORE ME, the undersigned, a Notary Public in and for said County and  
, on this day personally appeared Anthony Heller & Mark Weinberg  
to me to be the persons whose names are subscribed to the foregoing  
instrument and acknowledged to me that the same was executed for the purposes  
of consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10 day of \_\_\_\_\_  
February, A.D., 1982.

Polly Sundman  
Notary Public in and for Polly Sundman  
Harris County, Texas

My Commission expires:

1-10-84



THE STATE OF TEXAS §

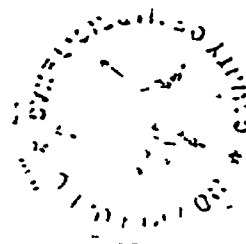
COUNTY OF HARRIS §

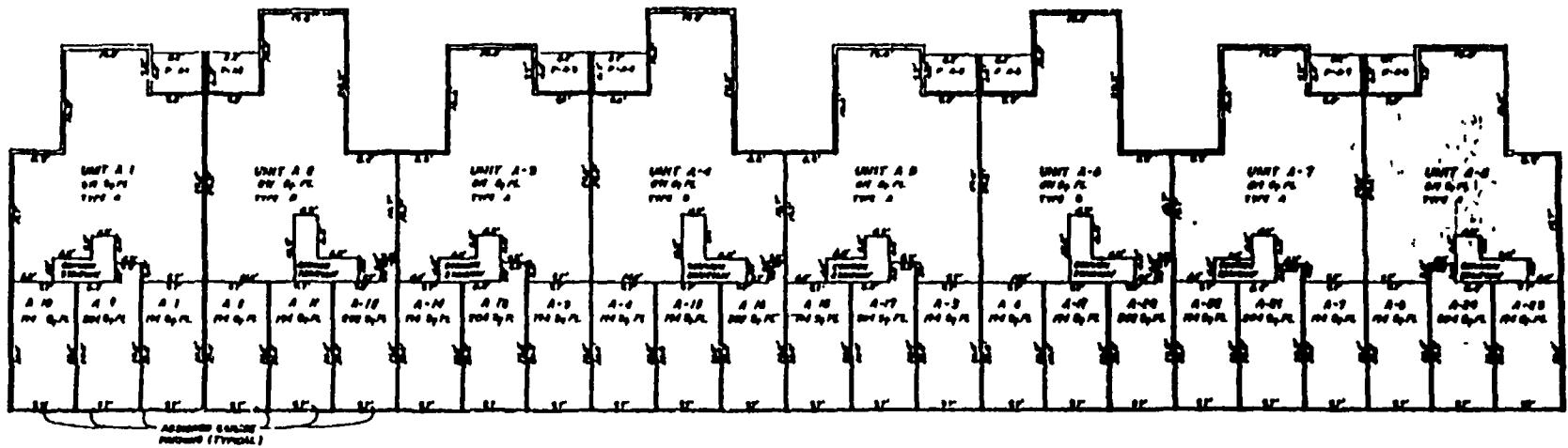
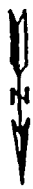
BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Anthony Heller & Marc Weinberg known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that the same was executed for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10 day of \_\_\_\_\_  
February, A.D., 1982

Polly Sundman  
Notary Public in and for Polly Sundman  
Harris County, Texas

My Commission expires:  
1-10-84





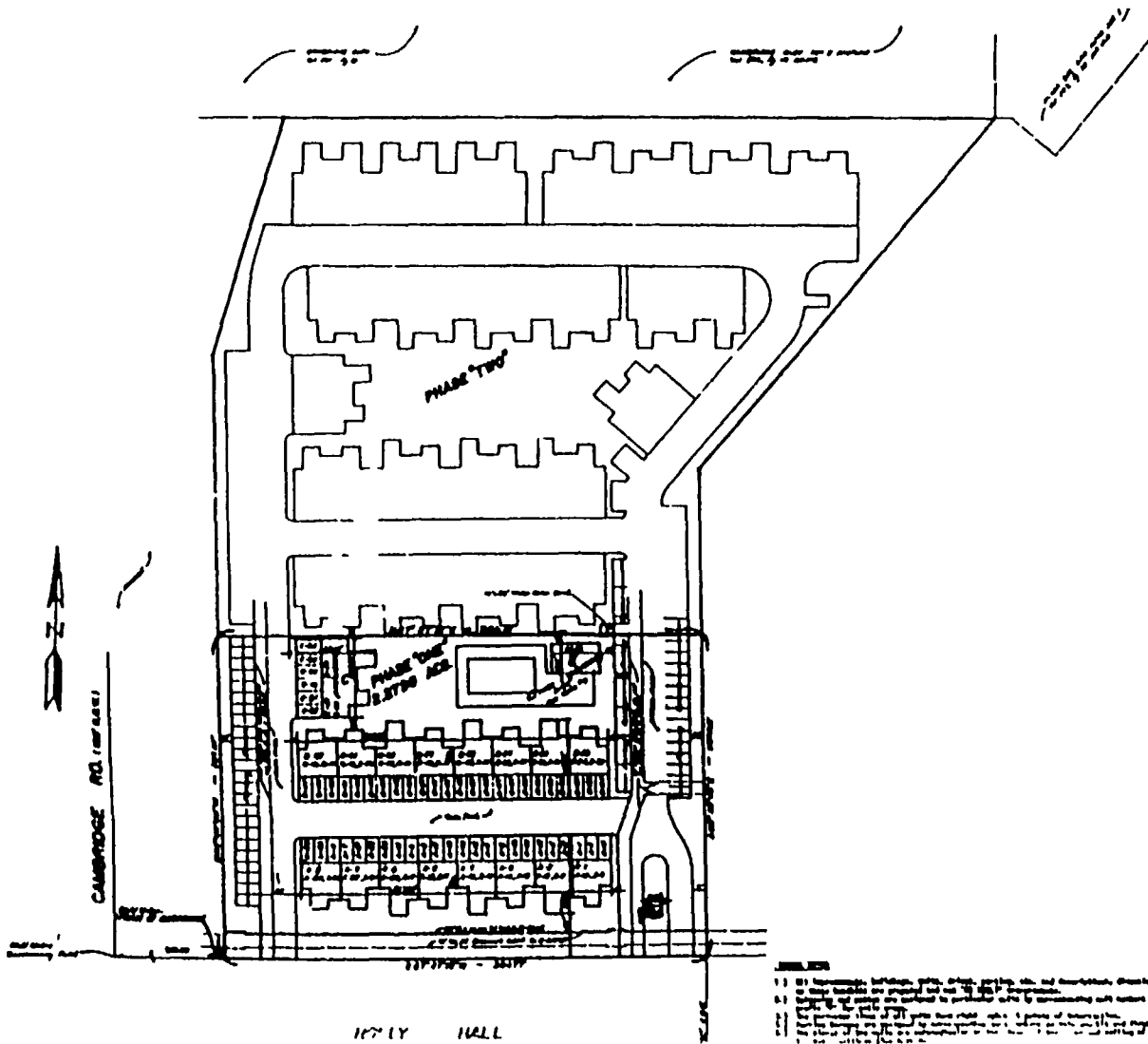
FIRST FLOOR

**RECORDER'S MEMORANDUM:**

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

See page 10 for introduction  
EXHIBIT B-2

EXHIBIT B-2  
BLUE COPY A



**NOTE**

1. This plan is a preliminary plan and is subject to change without notice. It is not to be used for construction purposes.

2. The owner of this property is the Houston Area Council of the Boy Scouts of America, Inc. (HACBSA).

3. The HACBSA is a 501(c)(3) organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

4. The HACBSA is a charitable organization and is exempt from state income tax under Section 170(b)(1)(D) of the Internal Revenue Code.

5. The HACBSA is a non-profit organization and does not have a purpose of financial gain.

**PLAZA PLACE - PHASE ONE**

A CONDOMINIUM PROJECT CONTAINING  
 2.1798 ACRES OUT OF THE P.W. 100SE  
 SURVEY, A-648, AS RECORDED IN  
 VOL. 302, PR. 13, H.C.M.R. CITY OF  
 HOUSTON, HARRIS COUNTY, TEXAS

SCALE: 1" = 40'      DATE: OCT, 1988

**LEGEND**

1. All dimensions, including offsets, shall be as shown on this plan, unless otherwise indicated.

2. All dimensions are given in feet and inches.

3. All dimensions are rounded to the nearest inch.

4. All dimensions are given to the center of the line.

5. All dimensions are given to the outside of the line.

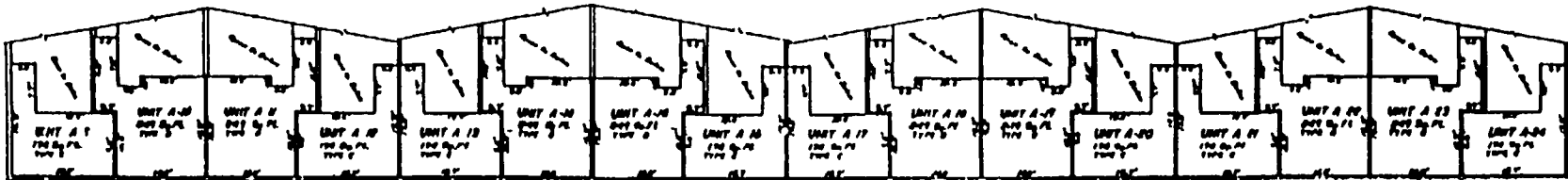
6. All dimensions are given to the inside of the line.

7. All dimensions are given to the center of the hole.

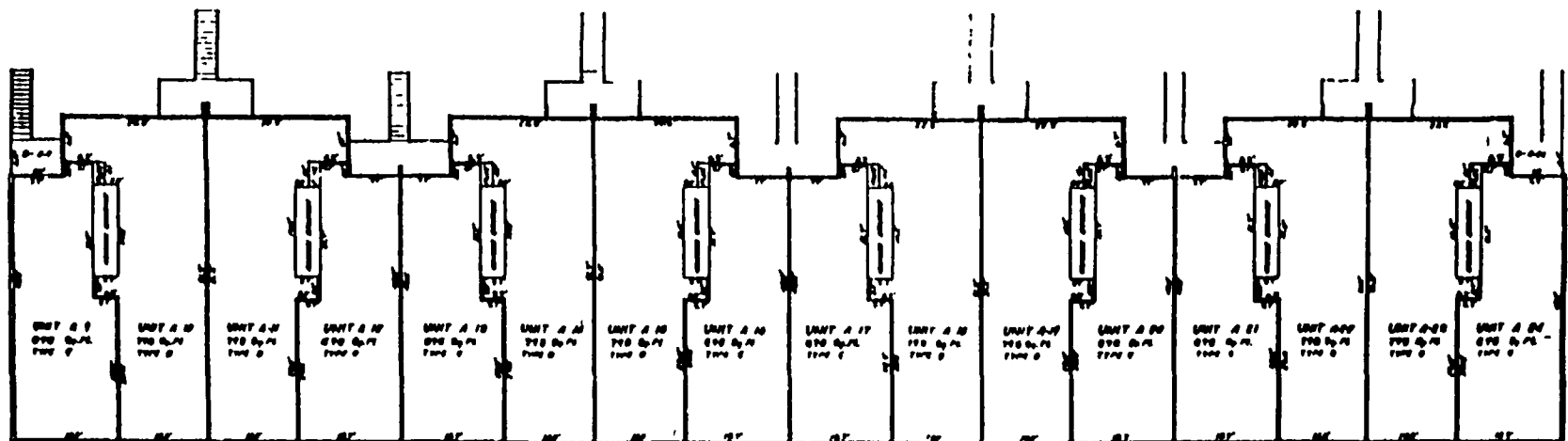
8. All dimensions are given to the outside of the hole.

9. All dimensions are given to the inside of the hole.

10. All dimensions are given to the center of the hole.

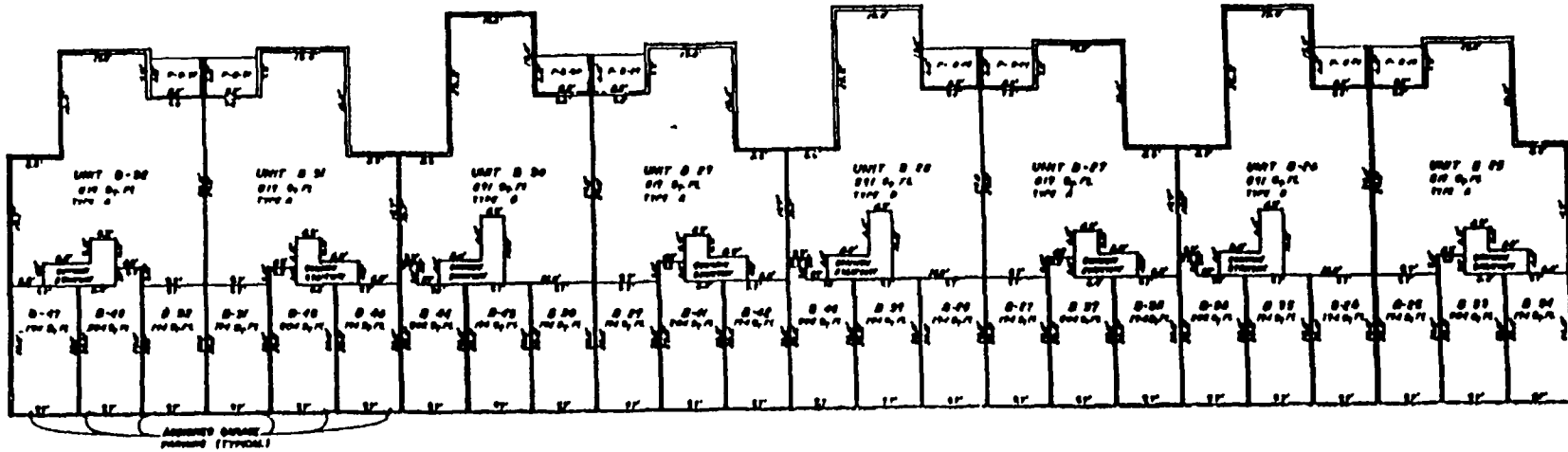


THIRD FLOOR



SECOND FLOOR

Scale: 1/8" = 1'-0"

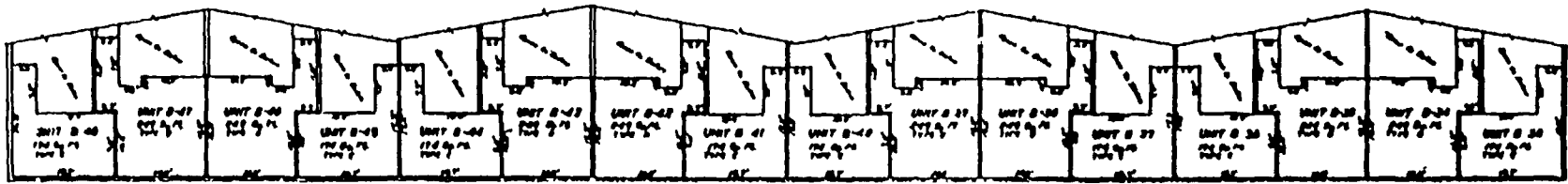
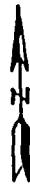


FIRST FLOOR

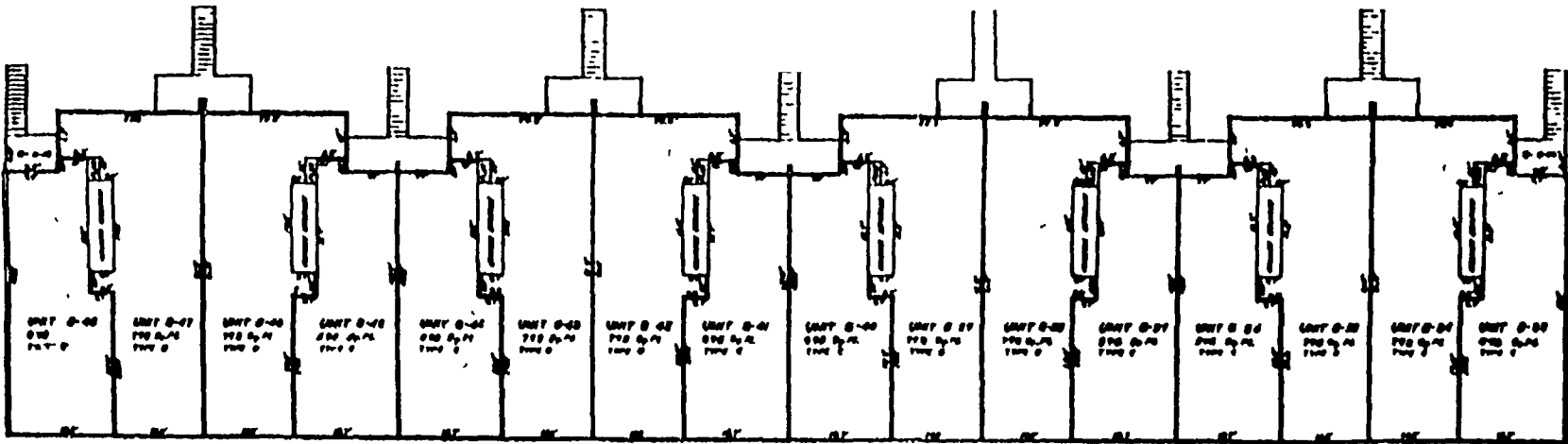
Scale: 1/8" = 1'-0"

1/8" DRAWINGS MAY NOT BE DRAWN EXACTLY TO SCALE

PLAZA PLACE PHASE ONE	
EXHIBIT B-4	
UNIT B	
DATE: 11/17/77	SCALE: 1/8" = 1'-0"
BY: [Signature]	CHK: [Signature]
APP: [Signature]	DATE: 11/17/77



LOFT SPACE



SECOND FLOOR



PLAZA PAGE

EXHIBIT "A"



## CLARK SURVEYING COMPANY, INC.

10000 OLD KATY RD., SUITE 180 — HOUSTON, TEXAS 77065 — 713/461-1400

June 29, 1981

### PHASE 1 FIELD NOTES

Description of a 2.2798 acre (99,307 square feet) tract of land out of tract B as conveyed from Hermann Hospital Estate to Shell Oil Company as recorded in Volume 8016, Page 5 of the Deed Records of Harris County, Texas, and being in the P. W. Rose Survey, A-645, and being more fully described as follows (all bearings are referenced to City of Houston monumentation):

COMMENCING at a point marking the intersection of the North right-of-way line of Holly Hall Road (120 feet wide) and the East right-of-way line of Cambridge Road (120 feet wide);

THENCE, N 87° 27' 12" E, along the North right-of-way line of said Holly Hall Road, 315.00 feet to a 5/8 inch iron rod found for the POINT OF BEGINNING;

THENCE, N 02° 47' 56" W, 257.59 feet to a point for the Northwest corner of the herein described tract;

THENCE, N 87° 27' 12" E, 386.10 feet to a point for the Northeast corner of the herein described tract;

THENCE, S 02° 32' 48" E, 257.58 feet to a 5/8 inch rod round in the North right-of-way line of said Holly Hall Road for the Southeast corner of the herein described tract;

THENCE, S 87° 27' 12" W, along the North right-of-way line of said Holly Hall Road 384.96 feet to the PLACE OF BEGINNING and containing 2.2798 acres (99,307 square feet) of land.

This description is based on the standard land survey made by Pat L. Presley, Registered Professional Surveyor, March 23, 1981.

  
Pat L. Presley  
Registered Public Surveyor No. 1629



Miller Engs./81-03-044



PLAZA PLACE  
CONDOMINIUM  
A CONDOMINIUM  
CONDOMINIUM  
HARRIS COUNTY  
VOL. 123

EXHIBIT "D"



**CLARK SURVEYING COMPANY, INC.**

10000 OLD KATY RD., SUITE 180 — HOUSTON, TEXAS 77055 — 713/461-1400

June 29, 1981

PHASE 2  
FIELD NOTES

description of a 4.2357 acre (184,508 square feet) of land of tract B as conveyed from Hermann Hospital Estate to Shell Oil Company as recorded in Volume 8016, Page 8, of Deed Records of Harris County, Texas and being in the Rose survey, Abstract No. 645, and being more fully described as follows (all bearings are referenced to City of Houston monumentation)

COMMENCING at a point marking the intersection of the North right-of-way line of Holly Hall Road (120 feet wide) and the East right-of-way of Cambridge Road (120 feet wide);

THENCE,  $\# 87^{\circ} 27' 12''$  E, along the North right-of-way line of said Holly Hall road, 315.00 feet to a point;

THENCE,  $N 02^{\circ} 47' 56''$  W, 257.59 feet to a point for the POINT OF BEGINNING;

THENCE,  $N 02^{\circ} 47' 56''$  W, 223.89 feet to a 5/8 inch iron rod found for an angle point;

THENCE,  $N 14^{\circ} 51' 41''$  E, 192.31 feet to a 5/8 inch iron rod found for the Northwest corner of the herein described tract;

THENCE,  $N 87^{\circ} 27' 12''$  E, 563.47 feet to a 5/8 inch iron rod found for the Northeast corner of the herein described tract;

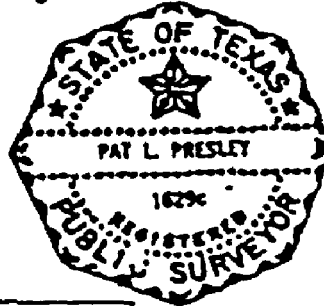
THENCE,  $S 37^{\circ} 48' 17''$  W, 361.28 feet to a 5/8 inch iron rod found for an angle point;


Page 2 of 4.2357 acres

THENCE S 02° 32' 48" E, 132.07 feet to a point for the Southeast corner of the herein described tract;

THENCE S 87° 27' 12" W, 386.10 feet to the POINT OF BEGINNING and containing 4.2357 acres (184,508 square feet of land.

This description is based on the standard land survey made by Pat L. Presley, Registered Public Surveyor, March 23, 1981.



  
Pat L. Presley

Registered Public Surveyor No. 1629

Miller Engineer  
81-03-044

EXHIBIT "C"  
PLAZA PLACE  
PERCENTAGE OF OWNERSHIP INTEREST

<u>Unit Number</u>	<u>Unit Type</u>	<u>Z Interest</u>
A-1	A	1.696705
A-2	B	1.851293
A-3	A	1.696705
A-4	B	1.851293
A-5	A	1.696705
A-6	B	1.851293
A-7	A	1.696705
A-8	A	1.696705
A-9	C	1.570394
A-10	D	2.228339
A-11	D	2.228339
A-12	C	1.570394
A-13	C	1.570394
A-14	D	2.228339
A-15	D	2.228339
A-16	C	1.570394
A-17	C	1.570394
A-18	D	2.228339
A-19	D	2.228339
A-20	C	1.570394
A-21	C	1.570394
A-22	D	2.228339
A-23	D	2.228339
A-24	C	1.570394
B-25	A	1.696705
B-26	B	1.851293
B-27	A	1.696705
B-28	B	1.851293
B-29	A	1.696705
B-30	B	1.851293
B-31	A	1.696705
B-32	A	1.696705
B-33	C	1.570394
B-34	D	2.228339
B-35	D	2.228339
B-36	C	1.570394
B-37	C	1.570394
B-38	D	2.228339
B-39	D	2.228339
B-40	C	1.570394
B-41	C	1.570394
B-42	D	2.228339
B-43	D	2.228339
B-44	C	1.570394
B-45	C	1.570394
B-46	D	2.228339
B-47	D	2.228339
B-48	C	1.570394
B-49	A	1.696705
B-50	B	1.851293
B-51	C	1.570394
B-52	D	2.228339
B-53	D	2.228339
B-54	C	1.570394

**RECORDER'S MEMORANDUM:**

At the time of recording, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts, additions and omissions are indicated by \_\_\_\_\_

S160158 RECEIVED OCT 2 1 1996

0709b318/7-333-100

SECRETARY'S CERTIFICATE OF ADOPTION OF RESOLUTION BY BOARD OF DIRECTORS OF PLAZA PLACE OWNERS ASSOCIATION, INC.

I, Steve Garland, certify that

I am the duly qualified and acting Secretary of Plaza Place Owners Association, Inc , a duly organized and existing non-profit Texas corporation

The following is a true copy of a resolution duly adopted by the Board of Directors of Plaza Place Owners Association, Inc. at a meeting that was legally held on July 25, 1996, and entered in the Minutes of the Meeting which are contained in the Minute Book of the Corporation

RESOLVED that the Board of Directors of Plaza Place Owners Association, Inc appoints Richard E Bartley as Trustee for the purpose of foreclosing units in Plaza Place

The above resolution is in conformity with the Articles of Incorporation, Bylaws of the Corporation, and the Texas Uniform Condominium Act §82 1.13(d), and has never been modified or repealed, and is in full force and effect.

Dated 9/16/96

[Handwritten signature of Steve Garland]

Steve Garland, Secretary

FILED FOR RECORD 8:00 AM

THE STATE OF TEXAS §
COUNTY OF HARRIS §

OCT 11 1996

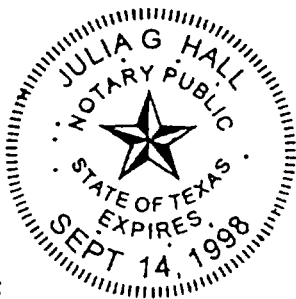
[Handwritten signature of Beverly B. Fairman]

County Clerk, Harris County, Texas

This instrument was acknowledged before me on the 16th day of SEPTEMBER 1996 by Steve Garland, Secretary of Plaza Place Owners Association, Inc , a non-profit Texas corporation, on behalf of said corporation

[Handwritten signature of Julia G. Hall]
Notary Public in and for The State of Texas

JULIA G HALL
Printed Name of Notary Public



My Commission Expires SEPT 14, 1998

RETURN TO: Bartley & Spears, P.C. 14811 St. Mary's Lane, Suite 270 Houston, TX 77079

RECORDED... ALL BLANKS... OCT 16 1996

101763277-333-100

**BARTLEY & SPEARS, P.C.**

Attorneys at Law  
14811 St Mary's Lane, Suite 270  
Houston, Texas 77079  
(713) 531-0501  
FAX (713) 493-1539

Richard E Bartley

October 17, 1996

RECEIVED OCT 21 1996

Plaza Place Owners Association, Inc  
c/o Prime Site, Inc  
Attention Ms Kelly Hartfiel  
8955 Katy Freeway, Suite 301  
Houston, Texas 77042-1627

Re Secretary's Certificate of Adoption of Resolution by Board of Directors

Dear Kelly

Enclosed is the original Secretary's Certificate of Adoption of Resolution by Board of Directors of Plaza Place Owners Association, Inc which has been recorded in the Real Property Records of Harris County, Texas Please place this document in the Corporate Minute Book of the Association as part of its permanent records With kindest regards, I remain

Yours very truly,

BARTLEY & SPEARS, P C



Richard E Bartley

REB/ba

Enclosure Secretary's Certificate

CERTIFICATE OF RESOLUTION  
OF  
PLAZA PLACE OWNERS ASSOCIATION, INC

---

The undersigned, being the duly elected, qualified and acting Secretary of Plaza Place Owners Association, Inc , a Texas non-profit corporation, and the keeper of the minutes and records of said corporation, does hereby certify that the following is a true and correct copy of a resolution of this corporation as adopted by the Board of Directors at a duly called meeting held on ~~March~~ <sup>MAY 9</sup>, 1996

WHEREAS, there is a need to develop orderly procedures for the billing and collection of maintenance fees, special assessments and special charges,

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors, on behalf of the members of the Association, duly adopts the following assessment procedures

I     ROUTINE COLLECTIONS

A All monthly installments of annual assessments shall be due and payable in advance on the first day of the month ("Due Date"), all special assessments shall be due and payable on the first day of the next month following delivery to the owner of notice of such special assessment, or such other dates as elected by the owner and approved by the Board of Directors if an extended payment period is provided as an alternative (also the "Due Date")

B All documents, correspondence, and notices relating to the charges shall be mailed to the address which appears on the books of the Association or to such other address as is designated in writing by an owner

C Non-receipt of an invoice shall in no way relieve the owner of the obligation to pay the amount due by the Due Date

II    REMEDIES FOR NON-PAYMENT OF ASSESSMENTS

A If payment of the total assessment due and owing, including all charges and late fees, is not received by the managing agent on the Due Date, the account shall be delinquent

B If an owner defaults in paying the sum assessed against his/her unit fifteen (15) days after the Due Date, or defaults in remitting full payment on the balance due, the owner shall be charged a late charge of \$5 00 on any unpaid balance

C A "Late Notice" shall be sent by the managing agent every month to owners who owe assessments or other charges

D An Association Demand Letter (the "Association Demand Letter"), shall be sent by the managing agent in the second month of delinquency to owners who have not paid all assessments in full, requiring payment in full within ten days of the date of the notice

E If any owner shall fail to pay the full amount due within the ten days specified in the Association Demand Letter pursuant to Section II(D) above, the matter shall be forwarded to legal counsel or a designated collection agent in the third month of delinquency. A letter from legal counsel, or a designated collection agent, shall be mailed to the owner by first class mail and

certified mail, return receipt requested, with all related attorney and collection costs added to the owner's account. In addition to filing for non-judicial foreclosure in the third month of delinquency (to allow for foreclosure in the fifth month of delinquency if any owner shall fail to pay in full), the Association's legal counsel may file civil action suit(s) to recover the amounts owed the Association, and legal counsel is authorized to take such other actions as may be reasonably necessary to collect any monies due for delinquent assessments.

F Pursuant to the authority provided by Section 82.113 of the Texas Property Code (Texas Uniform Condominium Act), the Association adopts and shall pursue a policy of collection of delinquent accounts by non-judicial foreclosure. Further in accordance with Section 82.113 of the Texas Property Code (Texas Uniform Condominium Act), the Association may appoint its attorney as its agent to conduct foreclosure sales under the Association's statutory power of sale and instructs its attorney to collect delinquent assessments pursuant to this Resolution by non-judicial foreclosure under authority of Section 82.113 of the Texas Property Code (Texas Uniform Condominium Act). Foreclosure shall be conducted in accordance with the provisions of Article 51.002 Texas Property code or any revision or amendment therefor.

G Effective January 1, 1996 owners whose monthly assessments have not been received by the managing agent for the Association by the due date of each month or who have not paid their delinquent balance in full by the due date of each month will, on the first day of business after the due date of each month, be charged \$5.00 for every computer-generated statement of account, sent monthly by the managing agent to owners delinquent more than \$50.00, \$10.00 for every demand letter mailed the managing agent and \$15.00 for the managing agent's referring a delinquent owner to the attorney and for follow-up correspondence. These collection fees are due the Managing Agent, not the Association.

H Pursuant to the authority granted to the Association in the Declaration, if an owner's default in paying an installment of any assessment levied against his/her Unit continues beyond the Due Date, the Board of Directors, at its option, may accelerate the remainder of the assessment installments and declare them due and payable in full.

I All costs incurred by the Association as a result of any violation of the Declaration, Bylaws, Rules and Regulations or Resolution of the Board of Directors of the Association, by an owner, his/her family, employees, agents or licensees, shall be specially assessed against such owner. Such costs include, without limitation, legal or administrative expenses (regardless of whether suits or liens are filed) resulting from an owner's failure to pay assessments when due or from other default referred to in this Resolution.

J The Board of Directors may grant waiver of any provision herein upon petition in writing by an owner demonstrating a personal hardship and, in such case, also establishing a written, Board-approved extended payment plan to bring the owner's account current. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Board of Directors granting the relief and the conditions of the relief. In addition, the Board of Directors is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Board of Directors shall determine appropriate under the circumstances.

K The Board of Directors hereby authorizes the managing agent to waive the imposition of late fees on payments or collection fees received by the managing agent, if, in the judgement of the managing agent, the delinquent owner has owned the unit for less than three (3) months at the time of the delinquency and/or the managing agent determines the delinquency was the result of a misunderstanding of the correct procedures relative to payment of the assessment. Further, such a waiver may be granted only once to any owner.

L Payments received from an owner will be credited in the following categorical order of priority In each category, payments will be first applied to the oldest amount due

1 Charges for legal fees, court costs and other costs of collection, including Prime Site's collection fee, all other charges incurred by the Association as a result of any violation by an owner, his/her family, employees, agents or licensees, of the Declaration, Bylaws, Rules and Regulations, or Resolutions

2 All accrued interest and late charges, as applicable

3 Special assessments,

4 The monthly assessment for a unit

### III PARTIAL PAYMENTS

In the event that an owner attempts to make a payment of less than all monies due and owing the Association (the "Partial Payment") to the managing agent after the collection letter has been sent by legal counsel or the designated collection agent pursuant to Section II(E) above, the Partial Payment will be forwarded to legal counsel or the designated collection agent and held by legal counsel or the designated collection agent, or for determination whether to cash the check and apply the funds as a partial payment or to return the check to the owner If the action taken is to apply the funds as partial payment, legal counsel or the designated collection agent will send a letter by first class mail to the affected owner advising the owner that the funds have been applied as a partial payment until the owner becomes current, the owner would still be considered to be delinquent as to all monies due the Association, and that the actions taken were not deemed to be a waiver of the Board of Directors' right to take action against the owner either to collect a balance due or to foreclose on the unit

### IV RETURNED CHECKS

A A unit owner will be charged a \$15 00 fee for any check returned unpaid by the bank A notice of the returned check and the \$15 00 fee will be sent to the unit owner by the managing agent If the returned check results in the payment of the monthly installment after the 30th day of the month, interest in the amount of eight percent (8%) per annum will also be assessed to the unit owner's account

B If two or more of a unit owner's checks are returned unpaid by the bank within any (fiscal) year, the Board of Directors may require that all of the unit owner's future payments, for a period of one year, be made by certified check or money order

TO CERTIFY WHICH, witness my hand this the 9<sup>TH</sup> day of <sup>MAY</sup>~~March~~ 1996

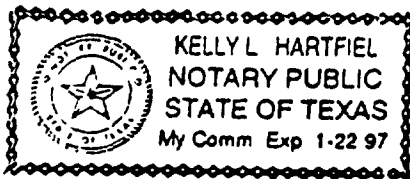
  
Steve Garland, Secretary



STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS       §

Before me, the undersigned authority, on this day personally appeared Steve Garland, Secretary of Plaza Place Owners Association, Inc, 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, and in the capacity therein expressed

GIVEN UNDER MY HAND AND SEAL of office on this 9<sup>TH</sup> day of <sup>MAY</sup>~~March~~, 1996



Kelly L Hartfiel  
Notary Public, State of Texas  
KELLY L HARTFIEL  
Typed/Printed Name of Notary  
My Commission Expires 1/22/97

**CERTIFICATE OF RESOLUTION  
OF  
PLAZA PLACE OWNERS ASSOCIATION, INC**

**Procedures Relative to Insurance Deductible  
And Claim Administration**

The undersigned, being the duly elected, qualified and acting Secretary of Plaza Place Owners Association, Inc , a Texas non-profit corporation, and the keeper of the minutes and records of said corporation, does hereby certify that the following is a true and correct copy of a resolution of this corporation as adopted by the Board of Directors at a duly called meeting held on ~~March 25,~~ 1996

WHEREAS, the Board of Directors has authorized the procurement of insurance policies protecting the buildings and common elements of the Property, and

WHEREAS, the Board of Directors, having considered all relevant factors, and based on its business judgment, has agreed to a \$2,500 deductible, and a \$10,000 deductible if a loss is caused by a ballcock which had not been replaced within three years of the failure, and

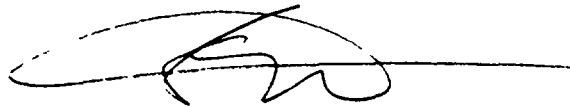
WHEREAS the Board of Directors is of the opinion that it is necessary to adopt and enforce an equitable policy in regard to the liability for payment of the deductible and the administration of insurance claims,

NOW THEREFORE BE IT RESOLVED that the following policy be and is hereby adopted by the Board of Directors on behalf of the members of the Association

- 1 In the event the loss or damage covered by the Association's insurance policy is caused by the negligence of a condominium owner, the condominium owner's tenants, invitees or guests, such condominium owner shall be liable for the full amount of any deductible on the Association's insurance policy
- 2 In the event that
  - (i) The loss originates or is caused by the condominium owner, the condominium owner's tenants, invitees or guests, or from unknown causes within the condominium without any negligence being attributable, or
  - (ii) The cause of the loss cannot be determined and is only related to the condominium owner's condominium or the limited common elements assigned to the condominium owner's condominium,the condominium owner shall be liable for the full \$2,500 or \$10,000 deductible, respectively, on the Association's policy
- 3 In the event more than one condominium is involved in any insured loss, and the cause of the damage cannot be attributable to any one condominium or resident, the deductible will be proportionately distributed among all condominiums owners who have experienced the loss
- 4 In the event a condominium owner or resident is insured for any loss to the condominium or to the property, the Association shall be entitled to require the condominium owner and/or resident to claim any loss under such owner/resident's policy of insurance

- 5 All owners and tenants shall obtain personal general liability and content insurance policies Said coverage shall remain in effect for as long as the owner is a member of the association and as long as the tenant resides in the condominium
- 6 Owners must file all claims with the association's managing agent, not with the association's insurance agent The managing agent will not refer the claim to the association's insurance agent until the owner provides proof that the claim exceeds the respective \$2,500 or \$10,000 deductible
- 7 Only licensed contractors shall be authorized to perform reconstruction or repair work necessitated by insurance claims All work must be permitted as required by local ordinance
- 8 The association shall disburse insurance claim proceeds directly to the licensed contractor(s) performing the repair or renovation work Owners performing repairs must submit all required permits and licenses along with original receipts in order to receive reimbursement for work performed
- 9 Owners and tenants shall comply with all insurance risk management programs promulgated by the association, including timely replacement of ballcocks and flappers

TO CERTIFY WHICH WITNESS our hands on this <sup>MAY 8</sup> ~~9TH~~ day of ~~March~~, 1996

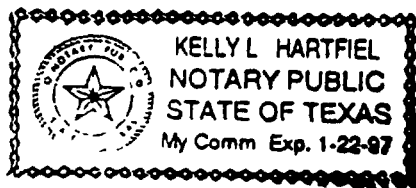


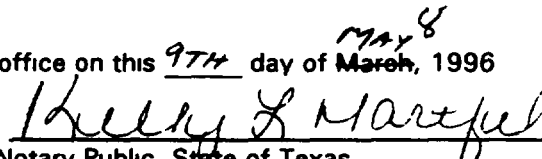
Steve Garland, Secretary

STATE OF TEXAS           §  
   §  
 COUNTY OF HARRIS       §

Before me, the undersigned authority, on this day personally appeared Steve Garland, Secretary of Plaza Place Owners Association, Inc , 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, and in the capacity therein expressed

GIVEN UNDER MY HAND AND SEAL of office on this <sup>MAY 8</sup> ~~9TH~~ day of ~~March~~, 1996



  
 Notary Public, State of Texas  
KELLY L HARTFIEL  
 Typed/Printed Name of Notary  
 My Commission Expires 1/22/97

AMENDMENT TO CONDOMINIUM DECLARATION  
FOR  
PLAZA PLACE

STATE OF TEXAS           §  
                                  §           KNOW ALL MEN BY THESE PRESENTS  
COUNTY OF HARRIS       §

WHEREAS, that certain Condominium Declaration For PLAZA PLACE, PHASE I was filed for record on February 12, 1982, in Volume 123, Page 1, and under Harris County Clerk's File No H332285 of the Condominium Records of Harris County, Texas;

WHEREAS, that certain Supplemental Declaration Of Merger And Annexation For PLAZA PLACE, PHASE II was filed for record on November 9, 1982, in Volume 129, Page 57, and under Harris County Clerk's File No H690857 of the Condominium Records of Harris County, Texas, which Supplemental Declaration Of Merger And Annexation subjected all property in said PLAZA PLACE, PHASE II to all of the easements, covenants, conditions, restrictions, charges and all other applicable provisions of the Condominium Declaration For PLAZA PLACE, PHASE I,

WHEREAS, that certain Supplemental Declaration Of Merger And Annexation For PLAZA PLACE, PHASE III was filed for record on August 25, 1983, in Volume 139, Page 8, and under Harris County Clerk's File No. J107884 of the Condominium Records of Harris County, Texas, which Supplemental Declaration Of Merger And Annexation subjected all property in said PLAZA PLACE, PHASE III to all of the easements, covenants, conditions, restrictions, charges and all other applicable provisions of the Condominium Declaration For PLAZA PLACE, PHASE I,

WHEREAS, Article VIII, Section 8.1 (e) of the Condominium Declaration For PLAZA PLACE (hereinafter referred to as the "Declaration"), provides that "unless otherwise provided in this Paragraph 8.1 or elsewhere in this Declaration, any of the provisions herein may be amended by the consent of Owners of Units to which at least sixty-seven percent (67%) of the votes in the Association are allocated, but no amendment shall affect the rights given to the Declarant, herein, without the consent of the Declarant "; and

WHEREAS, it is the desire of the undersigned Owners of Units to which at least sixty-seven percent (67%) of the votes in the Plaza Place Owners Association, Inc are allocated, to amend and restate certain restrictions, covenants, conditions, stipulations and reservations upon and against such property

NOW, THEREFORE, the aforementioned Owners of Units of not less than sixty-seven percent (67%) of the votes in the PLAZA PLACE OWNERS ASSOCIATION, INC , hereby adopt, establish and impose upon PLAZA PLACE, PHASE I, PLAZA PLACE, PHASE II and PLAZA PLACE, PHASE III, and declare the following reservations, easements, restrictions, covenants and conditions applicable thereto, which reservations, easements, restrictions, covenants and conditions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest therein, or any part thereof, and shall inure to the benefit of each owner thereof.

NOW, THEREFORE, the following restrictions shall apply to all Units, Owners of Units and occupants thereof and are hereby amended as follows

Article VII, 7 8 of the Condominium Declaration, titled "MANAGEMENT AGREEMENTS", is amended and restated, as follows:

"Any management agreement and/or service contract entered into by the Association will be terminable by the Association without cause and without payment of a

termination fee upon ninety (90) days' or less written notice, and the terms of such management agreement will not exceed the period of three (3) years, renewable by agreement of the parties to such agreement for successive one (1) year periods. In the event of the termination of the management agreement, as provided herein, the Association shall enter into a new management agreement with a new management agent prior to the effective date of the termination of the old management agreement. Any decision to establish self-management by the Owners Association shall require the prior consent of Owners of Units to which at least ninety percent (90%) of the votes are allocated and the approval of first mortgage holders holding mortgages on Units which have at least sixty-seven percent (67%) of the votes of the Association. The term "self-management", as used herein, shall refer to management assumed by the Board of Directors, or by any individual, partnership, corporation or other entity with interest, proxy or control of at least twenty percent (20%) of the ownership interest in the Project."

Article VII, Section 7.1 of the By-Laws, titled "MANAGEMENT COMPANY", is amended by adding a subsection "(d)", titled "Criteria", as follows:

"d Criteria

The Board of Directors shall set standards or criteria by which any management company shall be evaluated, which shall include, but not necessarily be limited to the following:

- (1) Any management company selected by the Board of Directors of the Association shall employ individual(s) whom have worked as professional property managers of multiple condominium projects, simultaneously, for a minimum of three (3) years. The primary manager supervising Plaza Place must have or be actively pursuing the national professional designation of "Professional Certified Association Manager", offered through the Community Associations Institute, or other professional designations which may be required by the Board of Directors, and shall attend continuing education classes or seminars in association property management on a regular basis.
- (2) The Board of Directors of the Association shall set minimum standards of insurance to be carried, secured and paid for by the management company selected by the Board of Directors to manage the Project, including, but not limited to general liability insurance, errors and omissions insurance, fidelity bonds and worker's compensation insurance (in addition to any other requirements under this Declaration).
- (3) Any management company selected by the Board of Directors to manage the Project shall, at its own expense, belong to the Houston Chapter of the Community Associations Institute, and/or any other professional organizations the Board of Directors may from time to time designate.
- (4) Plaza Place shall not constitute more than twenty-five percent (25%) of the total units managed by the management company selected by the Board of Directors."

EXECUTED by the undersigned Owners of Units of not less than sixty-seven percent (67%) of the allocated votes in the PLAZA PLACE OWNERS ASSOCIATION, INC., in multiple counterparts, each of which is and shall be construed as an original, being one and the same document for all purposes, to be effective as of the date recorded in the Condominium Records of Harris County, Texas. For the purpose of recording this instrument, all signature pages may be attached to one (1) counterpart.

\_\_\_\_\_  
Unit Number

\_\_\_\_\_  
Allocated Ownership  
Interest

\_\_\_\_\_  
(Signature of Owner)

\_\_\_\_\_  
(Signature of Owner)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

THE STATE OF TEXAS §  
                                  §  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally  
appeared \_\_\_\_\_,  
purported owner(s) of property located in the PLAZA PLACE  
condominium, known to me to be the person whose name is  
subscribed to the foregoing instrument, and acknowledged to me  
that he/she/they executed this instrument for the purposes and  
considerations therein expressed, and if said person is acting on  
behalf of a business organization, in the capacity therein stated  
and as the act of said organization

(SEAL)

\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
My Commission Expires: \_\_\_\_\_

\*\*\*\*\*

\_\_\_\_\_  
Unit Number

\_\_\_\_\_  
Allocated Ownership  
Interest

\_\_\_\_\_  
(Signature of Owner)

\_\_\_\_\_  
(Signature of Owner)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

THE STATE OF TEXAS §  
                                  §  
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally  
appeared \_\_\_\_\_,  
purported owner(s) of property located in PLAZA PLACE, known to  
me to be the person whose name is subscribed to the foregoing  
instrument, and acknowledged to me that he/she/they executed this  
instrument for the purposes and considerations therein expressed,  
and if said person is acting on behalf of a business  
organization, in the capacity therein stated and as the act of  
said organization

(SEAL)

\_\_\_\_\_  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS  
My Commission Expires \_\_\_\_\_

## RULES AND REGULATIONS OF PLAZA PLACE CONDOMINIUM ASSOCIATION, INC

1. All Occupants shall conduct themselves in a manner appropriate for a condominium style of living, and considering the close proximity of the units and the common use of the properties and limited common elements. Without limiting the foregoing, no Occupant shall permit or make loud, disturbing or objectionable noises, whether through the use of a radio, stereo, television, musical instrument or other device.
2. No common sidewalks, driveways, entrances, stairway leading from the garage or to the front door or other types of passageways shall be obstructed by any Occupant or used by any Occupant for any other purpose than ingress and egress. In particular, no sidewalks, driveways, entrances, hallways or passageways shall be used for recreational purposes or as play areas. The use of motorcycles, motorbikes, motor scooters, bicycles, skate boards, and roller skates on sidewalks, entrances, hallways, or other types of passageways is expressly prohibited.
3. All garbage and trash must be placed in a container and then placed in an approved disposal unit in a common trash receptacle. No garbage or trash shall be placed, stored, discarded or kept by a door or other area outside of a unit, in a patio/balcony area or outside of an approved trash receptacle. No garbage shall be thrown on stairways or in lobby areas.
4. No vehicle of any kind shall be parked in a manner that obstructs an entrance, exit, fire lane or impedes ingress to or egress from the development or garage. There will be no parking in a fire zone. No inoperable vehicle or vehicle which may not be legally operated on a public street shall be parked on the property. Recreational vehicles, utility trailers or boats shall not be parked, kept or stored without the prior written approval of the Board of Directors. Any vehicle parked within the development in violation of this rule shall be towed at the Occupant's expense.
5. No animals (including cats) shall be permitted on the common grounds or patios or balconies, unless on a leash. (The Owner of each animal shall be responsible for immediately removing from all common areas within the property any excrement of his pet.)

6. No Occupant shall permit his pet in or around the pool area or in the courtyards No Occupant shall permit his animal to make loud noises or to otherwise become a nuisance or annoyance to other residents.
- 7 All draperies, curtains, blinds, shades or proper window treatments which are visible from the exterior of any unit must fit the window and shall be white or off-white. No foil, sheets or reflective coverings may be placed over doors or windows of any Unit.
- 8 No occupant shall display, hang, store, or use any clothing, sheets, blankets, towels, rugs, laundry or other articles outside his unit or in any manner in which they may be visible from the outside.
- 9 No occupant shall place, keep or store any personal property of any kind within or upon any common element without written approval from the Board of Directors. Failure to submit an Application for a change to the exterior of a unit may result in legal action.
- 10 No occupant shall place or affix any decorative or other type of item upon the exterior of any building or any general or limited common element or alter in any way the exterior of any building or general or limited common element without the prior written consent of the Board of Directors of the Association. In particular, no wiring, air conditioning equipment, antennae, machinery or equipment of any kind shall be installed, placed or affixed on the exterior of any building or upon any other general or limited common element without prior written consent of the Board of Directors of the Association. Any items left on the Common Grounds without prior Board Approval shall be deemed abandoned and discarded as litter
- 11 All patios and balconies shall be maintained in a neat and attractive condition No Occupant shall modify or alter the exterior appearance of a patio or balcony without prior written consent of the Board of Directors of the Association
- 12 Children must be properly supervised by an adult at all times both for safety reasons as well as to ensure compliance with both the Declaration and By-Laws and these rules and regulations Toys shall be removed from Common Elements or limited Common Elements when not in use by the Child owning same Any unattended toys left in or on the Common Elements or Limited Common Elements shall be deemed abandoned and discarded as litter
- 13 Each Occupant shall be responsible for the conduct of his tenants and their guests and shall pay to the Association all costs incurred as a result



of any damage to the common elements or personal property owned by the Association. This rule includes tampering with or damage to any element of the fire alarm or fire extinguisher system or access gates.

14. Minor vehicular repairs are allowed on the property. Such repairs must be completed within 24 hours.
15. Occasional Car washing is allowed on the property. No owner or tenant may operate a business or profit from washing cars. Washing of cars by non-owners or non-residents is strictly prohibited.
16. All Unit Owners are responsible for assuring that the Occupants and guests of their Units comply with the provisions of the Declaration, the By-Laws and the Rules and Regulations of the Association.
17. THE ASSOCIATION DOES NOT EMPLOY LIFEGUARDS OR OTHER PERSONNEL TO SUPERVISE THE POOL AREA. All persons who use the swimming pool do so at their own risk and agree to abide by all additional rules which may be adopted by the Board of Directors of the Association and posted at the swimming pool. Children under 12 years of age will not be allowed in the pool area without proper adult supervision. No Occupant shall engage in or permit any loud, disruptive or unsafe conduct. Any Occupant who violates this paragraph or any rules posted at the swimming pool may be removed from the pool area at the direction of the Board of Directors or its authorized representative. The Board of Directors of the Association may suspend the pool privileges or assess fines for any person who repeatedly abuses the rules relating to the use of the swimming pool. The Association, Board of Directors, Managing Agents and their respective agents or employees shall not be responsible or liable for any damage or injury to persons or property resulting from use of the pool facilities.
18. No signs of any kind may be attached to buildings or in windows.
19. The tennis courts may be used only by Occupants and their guests for recreational tennis purposes during the posted hours. All other uses are prohibited, including the use of the tennis court to give lessons for pay.
20. No business where money, goods or services are exchanged or rendered may be conducted from a Plaza Place unit, clubhouse or common area.
21. Garage Doors must remain closed unless the resident is entering or exiting the Garage.
22. No pets may be stored in the garage or on the patio/balcony area when resident is away from the complex.

- 23 A copy of each lease must be submitted to the Management Company before the tenant occupies the unit. Gate Card and transmitters will not be issued until a copy of the lease is received.
- 24 Transmitters will be confiscated from any tenant or guest who misuses the transmitters for exiting the property at the Resident Only gate.
- 25 In accordance with Houston City Code, no Barbecue pits or other cooking devices (whether electrical, gas, or charcoal), no flame lighting devices and no other type of device which may create a fire hazard as determined by the sole reasonable discretion of the Board of Directors shall ever be placed or maintained anywhere upon the project, including within any condominium Unit or in or upon any patio or balcony. Barbecuing is only permitted in the designated area. The Barbecue Area is located to the west of the tennis courts.
- 26 In the event of a fire, the owner of the unit where the fire originated is responsible for paying the deductible.
- 27 Return Check Charge. In order to defray additional administrative costs resulting from the return of checks and drafts delivered to the Association in payment of any monetary obligation to the Association due to non-sufficient funds, the closing of an account or any other reason resulting in dishonor, there is hereby imposed a TWENTY-FIVE DOLLAR (\$25.00) service charge as to each and every such instrument so dishonored which shall be due and payable immediately upon dishonor without necessity for demand, notice of any kind or presentment for payment.
- 28 Upon determining that a violation of the Declaration, the By-Laws or the Rules and Regulations of the Association has occurred, the Board of Directors of the Association shall mail or deliver to the Unit Owner and Occupant of the Unit, if any, written notice which i) describes the violation and states the amount of the proposed fine, ii) states that not later than the 30th day after the date of the notice, the Unit Owner may request a hearing before the Board to contest the fine, and iii) allows the Unit Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Unit Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months. Not later than the 30th date after the date a fine has been levied against a Unit Owner, the Association shall give notice of the levied fine to the Unit Owner. Any fine levied against a Unit Owner, pursuant to this Paragraph 15 shall become part of the assessments for which a Unit Owner is responsible for payment, which said assessments are secured by a continuing lien in favor of the Association as provided in Section 82.113 of the Texas Uniform

Condominium Act.

- 29 As provided in the Declaration, in the event of any violation of the provisions of the Declaration, By-Laws or Rules and Regulations of the Association by a Unit Owner or Occupant of a Unit Owner's Unit, the Association shall have all the rights and remedies provided for in the Declaration, By-Laws, or Rules and Regulations or which may be available at law or in equity. In addition, the Association, through its Board of Directors, shall also have the authority to impose fines upon Unit Owner for violation of the provisions of the Declaration, By-Laws, or Rules and Regulations of the Association by Unit Owners, or the Occupants and guests of the Unit Owner's Units.
- 30 These Rules and Regulations were adopted at the March 22, 1994 meeting of the Board of Directors of Plaza Place Condominiums to be immediately effective and supersede all previous Rules and Regulations and any amendments thereto. The terms used in these Rules and Regulations shall have the same meaning as those in "Condominium Declaration Plaza Place Condominiums ", filed of record in the Condominium Records of Harris County, Texas )(the "Declaration") The Rules and Regulations are in addition to the Declaration, and are in no way intended to conflict with same Any conflicts between these Rules and Regulations and the Declaration will be controlled by the Declaration.

## Exhibit #1

### Schedule of Fines for Violation of Rules and Regulations of Plaza Place Condominiums Fines may be issued per incident

Rule #1	-	\$50 00
Rule #2	-	\$100.00
Rule #3	-	\$100.00
Rule #4	-	\$100 00 - plus towing charges
Rule #5	-	\$200.00
Rule #6	-	\$200 00
Rule #7	-	\$25.00
Rule #8	-	\$25.00
Rule #9	-	\$50 00
Rule #10	-	\$50 00
Rule #11	-	\$50 00
Rule #12	-	\$25.00
Rule #13	-	\$25 00 - plus the cost of repair of damaged item
Rule #14	-	\$100.00
Rule #16	-	\$25 00
Rule #17	-	\$25 00
Rule #18	-	\$25 00
Rule #19	-	\$25 00
Rule #20	-	\$200 00
Rule #21	-	\$50 00
Rule #22	-	\$50 00
Rule #23	-	\$200 00
Rule #24	-	\$200 00 - plus confiscation of transmitter
Rule #25	-	\$200 00
Rule #26	-	\$200 00 - plus insurance deductible
Rule #27	-	\$25 00 - return check fee



# The State of Texas

## SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, HEREBY CERTIFIES that the attached is a true and correct copy of the following described instruments on file in this office:

PLAZA PLACE OWNERS ASSOCIATION, INC.

ARTICLES OF INCORPORATION

JANUARY 29, 1982



*IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, this*

15 day of MARCH, A D 19 85

Secretary of State

ARTICLES OF INCORPORATION

OF

PLAZA PLACE OWNERS ASSOCIATION, INC.

(A Texas Non-Profit Corporation)

FILED  
In the Office of the  
Secretary of State of Texas

JAN 29 1982

CLERK OF THE  
OFFICE OF THE SECRETARY OF STATE

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation (hereinafter called the "Corporation") under the Texas Non-Profit Corporation Act (hereinafter called the "Act") do hereby adopt the following Articles of Incorporation for such Corporation.

ARTICLE I

NAME

The name of the Corporation is PLAZA PLACE OWNERS ASSOCIATION, INC.

ARTICLE II

NON-PROFIT CORPORATION

The Corporation is a non-profit corporation.

ARTICLE III

DURATION

The period of the duration of the Corporation is perpetual.

ARTICLE IV

PURPOSES AND POWERS

1. The Corporation does not contemplate pecuniary gain or profit to the Members thereof, and its specific and primary purpose is to provide for the preservation and maintenance of a Condominium Project, as provided in the Condominium Declaration of PLAZA PLACE (hereinafter referred to as the "Declaration"), located in Harris County, Texas.

2. The general purposes and powers are

a. To promote the common good, health, safety and general welfare of the residents within the Property,

b. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation arising from the Declaration applicable to the Property, as amended from time to time, and recorded or to be recorded in the Office of Public

Records of Real Property in the Office of the County Clerk of Harris County, Texas, the Declaration being incorporated herein by reference for all purposes,

c. To enforce applicable provisions of the Declaration, By-Laws, any rules and regulations of the Corporation and any other instrument for the management and control of the Property,

d. To fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration, to contract for and pay all expenses in connection with the maintenance, gardening, utilities, materials, supplies and services relating to the Common Elements (as defined in the Declaration) and facilities; to employ personnel reasonably necessary for administration and control of the Common Elements, including lawyers and accountants where appropriate, and to pay all office and other expenses incident to the conduct of the business of the Corporation, including all licenses, taxes and special assessments which are or would become a lien on any portion of the Property,

e. To have and to exercise any and all powers, rights and privileges, including delegation of powers as permitted by law, which the Corporation under the Act may now or hereafter have or exercise;

f. To acquire (by purchase, grant or otherwise), annex and merge, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation,

g. To borrow money, mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred in accordance with the Declaration limitations, and

h. To act in the capacity of principal, agent, joint venturer, partner or otherwise.

The foregoing statement of purposes shall be construed as a statement both of purposes and of powers, and the purposes and powers in each clause shall not be limited or restricted by reference to or interference from the terms or provisions of any other clause, but shall be broadly construed as independent purposes and powers. Notwithstanding any of the above statements

of purposes and powers, the Corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Corporation.

ARTICLE V

REGISTERED OFFICE AND REGISTERED AGENT

The street address of the initial registered office of the Corporation is 2425 Holly Hall, Houston, Texas, 77054, and the name of its initial registered agent at such address is Mark Weinberg.

ARTICLE VI

INITIAL BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the Corporation is three (3), and the names and addresses of the persons are

<u>NAME</u>	<u>ADDRESS</u>
Mark Weinberg	2425 Holly Hall Houston, Texas 77054
Anthony Heller	2425 Holly Hall Houston, Texas 77054
John T. DeSpain	13201 Northwest Freeway Houston, Texas 77040

At the first annual meeting of the Members of the Association, or any annual meeting thereafter, or special meeting of the Association called for that purpose, the number of Directors may be increased to seven (7).

ARTICLE VII

INCORPORATORS

The name and street address of each incorporator is.

<u>NAME</u>	<u>ADDRESS</u>
Mark Weinberg	2425 Holly Hall Houston, Texas 77054
Anthony Heller	2425 Holly Hall Houston, Texas 77054
John T. DeSpain	13201 Northwest Freeway Houston, Texas 77040

ARTICLE VIII

MEMBERSHIP

The authorized number of and qualifications for membership in the Corporation along with the appurtenant voting rights and other privileges due



Unit Owners in the Condominium Project shall be as set out in the Declaration. Every person or entity who is a record Owner of a fee or undivided fee interest in any Unit which is subject to the Declaration, including contract sellers, shall be a Member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Unit which is subject to assessment by the Corporation.

ARTICLE IX

DISSOLUTION

The Corporation may be dissolved in accordance with the limitations set out in the Declaration. The Corporation is one which does not contemplate pecuniary gain or profit to the Members thereof, and it is organized solely for non-profit purposes. In the event of liquidation, dissolution or winding up of the Corporation, whether voluntarily or involuntarily, the Directors shall dispose of the Property and assets of the Corporation in such manner as they, in the exercise of their discretion (as set out in the Declaration), deem appropriate, provided, however, that such disposition shall be exclusively in the furtherance of the object and purposes for which the Corporation is formed, and shall not accrue to the benefit of any Director of the Corporation or any individual having a personal or private interest in the affairs of the Corporation or any organization which engages in any activity in which the Corporation is precluded from engaging.

IN WITNESS WHEREOF, we have hereunto set our hands this 26 day of January, 1982, A.D.

Mark Weinberg  
Mark Weinberg

Anthony Heller  
Anthony Heller

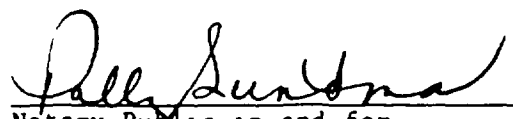
John T. DeSpain  
John T. DeSpain

THE STATE OF TEXAS §

COUNTY OF HARRIS §

I, the undersigned authority, a Notary Public in and for said County and State, do hereby certify that on this 26 day of January, 1982, A.D., personally appeared before me Mark Weinberg, Anthony Heller and John T. DeSpain, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as Incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the date and year above written.

  
\_\_\_\_\_  
Notary Public in and for  
Harris County, Texas

**BY-LAWS**

**OF**

**PLAZA PLACE OWNERS ASSOCIATION, INC.**

**(A Texas Non-Profit Corporation)**

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**PLAZA PLACE OWNERS ASSOCIATION**  
**(A Texas Non-Profit Corporation)**

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BY-LAWS  
OF  
PLAZA PLACE OWNERS ASSOCIATION, INC.  
(A Texas Non-Profit Corporation)

ARTICLE I

NAME

1.1 NAME. The name of the organization shall be PLAZA PLACE OWNERS ASSOCIATION, INC., hereinafter called "Association".

ARTICLE II

PURPOSE AND OWNER OBLIGATION

2.1 PURPOSE. The purpose for which this non-profit Association is formed is to govern the Condominium Property situated in the County of Harris, State of Texas, which Property is described on the attached Exhibit "A", which by this reference is made a part hereof, and which Property has been submitted to a Regime according to the provisions of the Condominium Act of the State of Texas.

2.2 OWNER OBLIGATION. All present or future owners, tenants, future tenants or any other person who might use the facilities of the 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 shall signify that these By-Laws are accepted, ratified and will be strictly followed.

ARTICLE III

DEFINITIONS AND TERMS

3.1 MEMBERSHIP. Any person on becoming an Owner of a Condominium Unit shall automatically become a Member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action, whenever such person ceases to own a Condominium Unit. Such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with PLAZA PLACE during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the

Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one (1) Membership Card per Unit to the Owner(s) of a Condominium Unit. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon is terminated.

3.2 VOTING. Unit ownership shall entitle the Owner(s) to cast one (1) vote per Unit in the affairs of the Association, which vote will be weighted to equal the proportionate share of ownership of the Unit Owner in the Common Elements. Voting shall not be split among more than one (1) Unit Owner. The present number of votes that can be cast by the Unit Owners is fifty-four (54). The combined weighted votes calculated in accordance with Exhibit "C" to the Condominium Declaration for PLAZA PLACE shall equal one hundred percent (100%). Should additional property be annexed in accordance with Paragraph 2. of the Declaration, the total number of votes shall be increased accordingly, and the weighted average adjusted to total one hundred percent (100%).

3.3 MAJORITY OF UNIT OWNERS. As used in these By-Laws the term "majority of Unit Owners" shall mean those Owners with fifty-one percent (51%) of the votes entitled to be cast.

3.4 QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Unit Owners" as defined in Paragraph 3.3 of this Article shall constitute a quorum.

3.5 PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

#### ARTICLE IV

##### ADMINISTRATION

4.1 DECLARANT CONTROL. Notwithstanding any provision herein to the contrary, and in accordance with Paragraphs 4.2 and 4.3 of the Condominium Declaration for PLAZA PLACE, the Declarant, CONCORD PROPERTIES ASSOCIATES, shall retain control over management of the affairs of the Association. This retention of control shall be for the benefit of the Unit Owners and any First Mortgagees of record and for the purpose of insuring both a complete and orderly buildout and a timely sellout of the Project Units, including any



sale of seventy-five percent (75%) of the units, including subsequent annexations, or when in the sole opinion of the Declarant the Project is viable, self-supporting and operational.

4.2 ASSOCIATION RESPONSIBILITIES. The Owners of the Units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the Condominium Project through a Board of Directors.

4.3 PLACE OF MEETINGS. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.

4.4 ANNUAL MEETINGS. Annual meetings shall be held the fourth (4th) Tuesday of January each year. The first (1st) annual meeting shall be called by Declarant after the end of the Declarant Control Period.

4.5 SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Owners present, either in person or by proxy.

4.6 NOTICE OF MEETINGS. The Secretary shall mail notices of annual and special meetings to each Member of the Association, directed to his last known post office address, as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than ten (10) days nor more than twenty (20) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any Mortgagee of record or its designee may be entitled to receive similar notice.

4.7 ADJOURNED MEETING. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in

Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one (1) Membership Card per Unit to the Owner(s) of a Condominium Unit. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon is terminated.

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#### ARTICLE IV

##### ADMINISTRATION

4.1 DECLARANT CONTROL. Notwithstanding any provision herein to the contrary, and in accordance with Paragraphs 4.2 and 4.3 of the Condominium Declaration for PLAZA PLACE, the Declarant, CONCORD PROPERTIES ASSOCIATES, shall retain control over management of the affairs of the Association. This retention of control shall be for the benefit of the Unit Owners and any First Mortgagees of record and for the purpose of insuring both a complete and orderly buildout and a timely sellout of the Project Units, including any

sale of seventy-five percent (75%) of the units, including subsequent annexations, or when in the sole opinion of the Declarant the Project is viable, self-supporting and operational.

4.2 ASSOCIATION RESPONSIBILITIES. The Owners of the Units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the Condominium Project through a Board of Directors.

4.3 PLACE OF MEETINGS. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.

4.4 ANNUAL MEETINGS. Annual meetings shall be held the fourth (4th) Tuesday of January each year. The first (1st) annual meeting shall be called by Declarant after the end of the Declarant Control Period.

4.5 SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Owners present, either in person or by proxy.

4.6 NOTICE OF MEETINGS. The Secretary shall mail notices of annual and special meetings to each Member of the Association, directed to his last known post office address, as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than ten (10) days nor more than twenty (20) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any Mortgagee of record or its designee may be entitled to receive similar notice.

4.7 ADJOURNED MEETING. 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 from time to time until a quorum is attained.

4.8 ORDER OF BUSINESS. The order of business at all meetings of the Owners of Units 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 Directors.
- g. Unfinished business.
- h. New business.

#### ARTICLE V

##### BOARD OF DIRECTORS

5.1 NUMBER AND QUALIFICATION. The affairs of this Association shall be governed by a Board of Directors composed initially of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

<u>NAME</u>	<u>ADDRESS</u>
Mark Weinberg	2425 Holly Hall Houston, Texas 77054
Anthony Heller	2425 Holly Hall Houston, Texas 77054
John T. DeSpain	13201 Northwest Freeway Houston, Texas 77040

At the first (1st) annual meeting of the Members of the Association, or any annual meeting thereafter, or special meeting of the Association called for that purpose, the number of Directors may be increased to seven (7).

5.2 POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a residential Condominium Project. The Board of Directors may do all such acts and things that are not by these By-Laws or by the Condominium Declaration for PLAZA PLACE directed to be exercised and done by the Owners.

5.3 OTHER POWERS AND DUTIES. The Board of Directors shall have the following duties:

a. To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration.

b. To establish, make and enforce compliance with rules necessary for the orderly operation, use and occupancy of the Condominium Project. (A copy of such rules and regulations shall be delivered or mailed to each Member promptly upon the adoption thereof.)

c. To keep in good order, condition and repair all of the General and Limited Common Elements and all items of personal property used in the enjoyment of the entire Premises.

d. To insure and keep insured all of the insurable Common Elements of the Property in an amount equal to their maximum replacement value, as provided in the Declaration. Further, to obtain and maintain comprehensive liability insurance covering the entire Premises in amounts not less than One Hundred Thousand Dollars (\$100,000.00) per person, Three Hundred Thousand Dollars (\$300,000.00) per accident and Fifty Thousand Dollars (\$50,000.00) per property damages, plus a One Million Dollar (\$1,000,000.00) umbrella policy. To insure and keep all the fixtures, equipment and personal property acquired by the Association for the benefit of the Association, the Owners of the Condominium Units and their First Mortgagees.

e. To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the Owners; and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, and additional capital expenses. All monthly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.

f. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these By-Laws.

g. To protect and defend the entire Premises from loss and damage by suit or otherwise.

h. To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners in the same proportion as their interest in the Common Elements.

i. To enter into contracts within the scope of their duties and power.

j. To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board of Directors.

k. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners and any First Mortgagee of a Unit or the Veterans Administration, and to cause a complete audit of the books and accounts by a competent accountant, once each year. The Association shall cause to be prepared and delivered annually to each Owner an audited statement showing all receipts, expenses or disbursements since the last such statement. Such audited financial statements shall be available to any First Mortgagee of a Unit, on request, within ninety (90) days following the fiscal year end of the Project.

l. To meet at least once each quarter.

m. To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.

n. In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of Condominium ownership.

5.4 ELECTION AND TERM OF OFFICE. At the first (1st) annual meeting of the Association the term of office of three (3) of the Directors shall be fixed for one (1) year, the term of office of two (2) of the Directors shall be fixed at two (2) years, and the term of office of the remaining two (2) of the Directors shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The persons acting as Directors

shall hold office until their successors have been elected and hold their first (1st) meeting.

5.5 VACANCIES. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director so elected shall serve out the remaining term of his predecessor.

5.6 REMOVAL OF DIRECTORS. At any regular or special meeting duly called, any one (1) 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 Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

5.7 ORGANIZATION MEETING. The first (1st) 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.

5.8 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 four (4) 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, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.9 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days' personal notice to each Director by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

5.10 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 of

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.

5.11 BOARD OF DIRECTOR'S QUORUM. At all meetings of the Board of Directors, a majority of 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 is 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 additional notice.

5.12 FIDELITY BONDS. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

## ARTICLE VI

### OFFICERS

6.1 DESIGNATION. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors.

6.2 ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

6.3 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 may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

6.4 PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of both the Association and the Board of Directors. He shall have all 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 to



assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of the PLAZA PLACE OWNERS ASSOCIATION, INC.

6.5 VICE PRESIDENT. The Vice President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

6.6 SECRETARY.

a. 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 the Secretary.

b. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name, the number of Members living in the Unit and the parking space or garage and storage space assigned for use in connection with such Unit. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6.7 TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors, including authority to: sign all checks and promissory notes of the Association; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board of Directors.

ARTICLE VII

MANAGEMENT CONTRACT

7.1 MANAGEMENT COMPANY. The Board of Directors may enter into a management agreement with a management company at a rate of compensation agreed upon by the Board of Directors. In accordance with the Declaration and these By-Laws, the management company shall have, but shall not be limited to, the following functions, duties and responsibilities:

a. Fiscal Management.

(1) Prepare annual operating budget detailed to reflect expected operation for each month. This budget is established to show expected recurring receipts and operating disbursements. It is further used for comparison with actual monthly income and expenditures.

(2) Prepare five (5)-year sinking fund reserve budget projection for capital expenditures on items recurring only periodically, i.e., painting, 'etc., for Common Elements.

(3) Prepare monthly operating and cash position statements and statements concerning sinking fund reserve accounts.

(4) Analyze and compare operating receipts and disbursements against the Board-approved budget. Where a significant variation is shown (10% above or below the budgeted amount), prepare explanations of variations from budgeted figures. Suggest corrective recommendations, if applicable.

(5) Collect maintenance fees and special assessments; deposit them in checking, savings or other income producing accounts on behalf of the Board and maintain comprehensive records thereof. Establish individual checking and sinking fund reserve accounts, as directed by the Board.

(6) Mail notices of delinquency to any Owner in arrears, and exert reasonable effort to collect delinquent

(7) Examine all exp invoices for accuracy and pay all bills in accordance with the terms of the property management agreement.

(8) Prepare year-end statement of operations for Owners.

b. Physical Management.

(1) Assume full responsibility for maintenance and control of Common Area improvements and equipment. Maintain the Property in constant repair to reflect Owner pride and to insure high property values in accordance with the provisions of the operating budget, as approved by the Board of Directors.

(2) Enter into contracts and supervise services for lawn care, refuse hauling, pump maintenance, etc., as approved operating budgets.

(3) Select, train and supervise competent personnel, as directed by the Board.

(4) Compile, assemble and analyze data; and prepare specifications and call for bids for major improvement projects. Analyze and compare bids, issue contracts and coordinate the work; maintain close and constant inspection to insure that work is performed according to specifications.

(5) Perform any other projects with diligence and economy in the Board's best interests.

c. Administrative Management.

(1) Inspect contractual services for satisfactory performance. Prepare any necessary compliance letters to Vendors.

(2) Obtain and analyze bids for insurance coverage specified in By-Laws, recommend modifications or additional coverages. Prepare claims when required and follow up on payment; act as Board's representative in negotiating settlement.

(3) Exercise close liaison and supervision over all personnel to insure proper operational maintenance and to promote good Management-Resident-Owner relationships.

17/ 66 as reason for the Association in any negotiations or disputes with local, federal or state taxing agencies or regulatory bodies.

(5) Exercise close supervision over hours and working conditions of employed personnel to insure compliance with Wage and Hour and Workman's Compensation Laws.

(6) Assist in resolving individual Owner's problems as they pertain to the Association, Common Elements and governing rules and regulations.

(7) Represent an absentee Owner when requested.

(8) Administer the Condominium Project in such a way as to promote a pleasant and harmonious relationship within the complex for all Owners, Residents and Tenants alike.

#### ARTICLE VIII

##### INDEMNIFICATION OF OFFICERS AND DIRECTORS

8.1 INDEMNIFICATION. The Association shall indemnify every Director or officer, his heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in this Article VIII shall be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed

or liabilities incurred by him under and by virtue of the Condominium Declaration for PLAZA PLACE as a Member or Owner of a Condominium Unit covered thereby.

#### ARTICLE IX

##### OBLIGATIONS OF THE OWNERS

9.1 ASSESSMENTS. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. The assessments shall be made pro rata according to the proportionate share of the Unit Owner in and to the Common Elements and shall be due monthly in advance. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these By-Laws, only if he is current in the assessments made or levied against him and the Condominium Unit owned by him.

##### 9.2 GENERAL.

a. Each Owner shall comply strictly with the provisions of the Condominium Declaration for PLAZA PLACE.

b. Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Project was built.

9.3 USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS. Each Owner may use the General Common Elements and the Limited Common Elements in accordance with the purposes for which they were intended.

9.4 DESTRUCTION OR OBSOLESCENCE. Each Owner shall, if necessary, execute a power of attorney in favor of the Association, irrevocably appointing the Association his Attorney In Fact to deal with the Owner's Condominium Unit upon its destruction, obsolescence or condemnation, as is provided in Paragraph 6.1 of the Condominium Declaration.

#### ARTICLE X

##### AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP

##### 10.1 BY-LAWS.

a. After relinquishment of Declarant control of the Association, as set forth in Article IV, these By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by

(66-2/3X) of the aggregate interest of the undivided Ownership of the Common Elements, except for those amendments provided for in Article VIII of the Declaration, which shall require the approval of Owners and Mortgagees as provided therein. In no event shall the By-Laws be amended to conflict with the Declaration. In the event of a conflict between the two (2) documents, the Declaration shall control.

b. Until relinquishment of Declarant control of the Association, these By-Laws may be unilaterally amended by the Declarant to correct any clerical or typographical error or omission, or to change any provision to meet the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration or Federal Housing Administration.

#### ARTICLE XI

##### MORTGAGES

11.1 NOTICE TO ASSOCIATION. An Owner who mortgages his Unit shall notify the Association through the President of the Association giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Condominium Units".

11.2 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a Mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

#### ARTICLE XII

##### COMPLIANCE

12.1 LEGAL REQUIREMENTS. These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

#### ARTICLE XIII

##### NON-PROFIT ASSOCIATION

13.1 NON-PROFIT PURPOSE. This Association is not organized for profit. No Unit Owner, Member of the Board of Directors or person from whom the

Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as a salary or as compensation to, or distributed to or inure to the benefit of any Member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association and (2) that any Member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

#### ARTICLE XIV

##### PRINCIPAL OFFICE

14.1 ADDRESS. The principal office of the Association shall be located at 2425 Holly Hall, Houston, Texas, 77057, but may be located at such other suitable and convenient place as shall be permitted by law and designated by the Directors.

#### ARTICLE XV

##### EXECUTION OF INSTRUMENTS

15.1 AUTHORIZED AGENTS. The persons who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary of the Association.

#### ARTICLE XVI

##### CORPORATE SEAL

16.1 CORPORATE SEAL. The Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association.

#### ARTICLE XVII

##### DEFINITIONS OF TERMS

17.1 DEFINITIONS OF TERMS. The terms used in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as

set forth in the Declaration for PLAZA PLACE, as the same may be amended from time to time, recorded in the office of the County Clerk of Harris County, Texas.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the By-Laws of PLAZA PLACE OWNERS ASSOCIATION, INC., a Texas non-profit corporation, as adopted by the initial Board of Directors at its organization meeting on the 10<sup>th</sup> day of FEBRUARY, A. D., 1982

IN WITNESS WHEREOF, I hereunto set my hand and affix the Seal of the Corporation, this the 10<sup>th</sup> day of February, A.D., 1982

John T. DeSpain  
Secretary  
JOHN T. DeSPAIN





EXHIBIT "A"



**CLARK SURVEYING COMPANY, INC**

10000 OLD KATY RD., SUITE 180 - HOUSTON, TEXAS 77055 - 713/481-1400

June 29, 1981

**PHASE I  
FIELD NOTES**

Description of a 2.2798 acre (99,307 square feet) tract land out of tract 8 as conveyed from Hermann Hospital E to Smeil Oil Company as recorded in Volume 3016, Page 3 of the Deed Records of Harris County, Texas, and being the P. W. Rose Survey, A-645, and being more fully desc as follows (all bearings are referenced to City of Houston monumentation):

COMMENCING at a point marking the intersection of North right-of-way line of Holly Hall Road (120 feet wide) and the East right-of-way line of Cambridge Road (120 feet wide);

THENCE, N 87° 27' 12" E, along the North right-of-line of said Holly Hall Road, 315.00 feet to a 5/8 inch iron rod found for the POINT OF BEGINNING,

THENCE, N 02° 47' 56" W, 257.59 feet to a point for the Northwest corner of the herein described tract

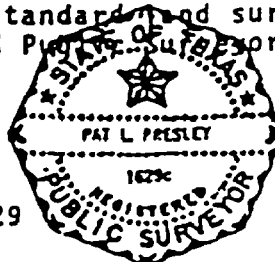
THENCE, N 87° 27' 12" E, 336.10 feet to a point for the Northeast corner of the herein described tract

THENCE, S 02° 32' 48" E, 257.58 feet to a 5/8 inch rod round in the North right-of-way line of said Holly Hall Road for the Southeast corner of the herein described tract;

THENCE, S 87° 27' 12" W, along the North right-of-line of said Holly Hall Road 384.96 feet to the POINT OF BEGINNING and containing 2.2798 acres (99,307 square feet) of land.

This description is based on the standard and survey made by Pat L. Presley, Registered Public Surveyor March 23, 1981.

  
Pat L. Presley  
Registered Public Surveyor No. 1629



Miller Engs.

**EXHIBIT "C"**  
**PLAZA PLACE**  
**PERCENTAGE OF OWNERSHIP INTEREST**

<u>Unit Number</u>	<u>Unit Type</u>	<u>% Interest</u>
A-1	A	1.696705
A-2	B	1.851293
A-3	A	1.696705
A-4	B	1.851293
A-5	A	1.696705
A-6	B	1.851293
A-7	A	1.696705
A-8	A	1.696705
A-9	C	1.570394
A-10	D	2.228339
A-11	D	2.228339
A-12	C	1.570394
A-13	C	1.570394
A-14	D	2.228339
A-15	D	2.228339
A-16	C	1.570394
A-17	C	1.570394
A-18	D	2.228339
A-19	D	2.228339
A-20	C	1.570394
A-21	C	1.570394
A-22	D	2.228339
A-23	D	2.228339
A-24	C	1.570394
B-25	A	1.696705
B-26	B	1.851293
B-27	A	1.696705
B-28	B	1.851293
B-29	A	1.696705
B-30	B	1.851293
B-31	A	1.696705
B-32	A	1.696705
B-33	C	1.570394
B-34	D	2.228339
B-35	D	2.228339
B-36	C	1.570394
B-37	C	1.570394
B-38	D	2.228339
B-39	D	2.228339
B-40	C	1.570394
B-41	C	1.570394
B-42	D	2.228339
B-43	D	2.228339
B-44	C	1.570394
B-45	C	1.570394
B-46	D	2.228339
B-47	D	2.228339
B-48	C	1.570394
B-49	A	1.696705
B-50	B	1.851293
B-51	C	1.570394
B-52	D	2.228339
B-53	D	2.228339
B-54	C	1.570394

-044

**RECORDERS MEMORANDUM:**  
 At the time of recording, this instrument was found to be inadequate for the best photographic

STATE OF TEXAS  
COUNTY OF HARRIS

County clerk that this instrument was FILED BY  
[illegible] on the date and at the time specified  
above by and was duly RECORDED, in the OFFICE  
of the County Clerk of Harris County, Texas on

FEB 17 1982



*Quirk L. [illegible]*  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

## **RULES AND REGULATIONS OF PLAZA PLACE CONDOMINIUM ASSOCIATION, INC.**

1. All Occupants shall conduct themselves in a manner appropriate for a condominium style of living, and considering the close proximity of the units and the common use of the properties and limited common elements. Without limiting the foregoing, no Occupant shall permit or make loud, disturbing or objectionable noises, whether through the use of a radio, stereo, television, musical instrument or other device.
2. No common sidewalks, driveways, entrances, stairway leading from the garage or to the front door or other types of passageways shall be obstructed by any Occupant or used by any Occupant for any other purpose than ingress and egress. In particular, no sidewalks, driveways, entrances, hallways or passageways shall be used for recreational purposes or as play areas. The use of motorcycles, motorbikes, motor scooters, bicycles, skate boards, and roller skates on sidewalks, entrances, hallways, or other types of passageways is expressly prohibited.
3. All garbage and trash must be placed in a container and then placed in an approved disposal unit in a common trash receptacle. No garbage or trash shall be placed, stored, discarded or kept by a door or other area outside of a unit, in a patio/balcony area or outside of an approved trash receptacle. No garbage shall be thrown on stairways or in lobby areas.
4. No vehicle of any kind shall be parked in a manner that obstructs an entrance, exit, fire lane or impedes ingress to or egress from the development or garage. There will be no parking in a fire zone. No inoperable vehicle or vehicle which may not be legally operated on a public street shall be parked on the property. Recreational vehicles, utility trailers or boats shall not be parked, kept or stored without the prior written approval of the Board of Directors. Any vehicle parked within the development in violation of this rule shall be towed at the Occupant's expense.
5. No animals (including cats) shall be permitted on the common grounds or patios or balconies, unless on a leash. (The Owner of each animal shall be responsible for immediately removing from all common areas within the property any excrement of his pet.)

6. No Occupant shall permit his pet in or around the pool area or in the courtyards. No Occupant shall permit his animal to make loud noises or to otherwise become a nuisance or annoyance to other residents.
7. All draperies, curtains, blinds, shades or proper window treatments which are visible from the exterior of any unit must fit the window and shall be white or off-white. No foil, sheets or reflective coverings may be placed over doors or windows of any Unit.
8. No occupant shall display, hang, store, or use any clothing, sheets, blankets, towels, rugs, laundry or other articles outside his unit or in any manner in which they may be visible from the outside.
9. No occupant shall place, keep or store any personal property of any kind within or upon any common element without written approval from the Board of Directors. Failure to submit an Application for a change to the exterior of a unit may result in legal action.
10. No occupant shall place or affix any decorative or other type of item upon the exterior of any building or any general or limited common element or alter in any way the exterior of any building or general or limited common element without the prior written consent of the Board of Directors of the Association. In particular, no wiring, air conditioning equipment, antennae, machinery or equipment of any kind shall be installed, placed or affixed on the exterior of any building or upon any other general or limited common element without prior written consent of the Board of Directors of the Association. Any items left on the Common Grounds without prior Board Approval shall be deemed abandoned and discarded as litter.
11. All patios and balconies shall be maintained in a neat and attractive condition. No Occupant shall modify or alter the exterior appearance of a patio or balcony without prior written consent of the Board of Directors of the Association.
12. Children must be properly supervised by an adult at all times both for safety reasons as well as to ensure compliance with both the Declaration and By-Laws and these rules and regulations. Toys shall be removed from Common Elements or limited Common Elements when not in use by the Child owning same. Any unattended toys left in or on the Common Elements or Limited Common Elements shall be deemed abandoned and discarded as litter.
13. Each Occupant shall be responsible for the conduct of his tenants and their guests and shall pay to the Association all costs incurred as a result

of any damage to the common elements or personal property owned by the Association. This rule includes tampering with or damage to any element of the fire alarm or fire extinguisher system or access gates.

14. **Minor vehicular repairs are allowed on the property. Such repairs must be completed within 24 hours.**
15. **Occasional Car washing is allowed on the property. No owner or tenant may operate a business or profit from washing cars. Washing of cars by non-owners or non-residents is strictly prohibited.**
16. **All Unit Owners are responsible for assuring that the Occupants and guests of their Units comply with the provisions of the Declaration, the By-Laws and the Rules and Regulations of the Association.**
17. **THE ASSOCIATION DOES NOT EMPLOY LIFEGUARDS OR OTHER PERSONNEL TO SUPERVISE THE POOL AREA. All persons who use the swimming pool do so at their own risk and agree to abide by all additional rules which may be adopted by the Board of Directors of the Association and posted at the swimming pool. Children under 12 years of age will not be allowed in the pool area without proper adult supervision. No Occupant shall engage in or permit any loud, disruptive or unsafe conduct. Any Occupant who violates this paragraph or any rules posted at the swimming pool may be removed from the pool area at the direction of the Board of Directors or its authorized representative. The Board of Directors of the Association may suspend the pool privileges or assess fines for any person who repeatedly abuses the rules relating to the use of the swimming pool. The Association, Board of Directors, Managing Agents and their respective agents or employees shall not be responsible or liable for any damage or injury to persons or property resulting from use of the pool facilities.**
18. **No signs of any kind may be attached to buildings or in windows.**
19. **The tennis courts may be used only by Occupants and their guests for recreational tennis purposes during the posted hours. All other uses are prohibited, including the use of the tennis court to give lessons for pay.**
20. **No business where money, goods or services are exchanged or rendered may be conducted from a Plaza Place unit, clubhouse or common area.**
21. **Garage Doors must remain closed unless the resident is entering or exiting the Garage.**
22. **No pets may be stored in the garage or on the patio/balcony area when resident is away from the complex**

23. A copy of each lease must be submitted to the Management Company before the tenant occupies the unit. Gate Card and transmitters will not be issued until a copy of the lease is received.
24. Transmitters will be confiscated from any tenant or guest who misuses the transmitters for exiting the property at the Resident Only gate.
25. In accordance with Houston City Code, no Barbecue pits or other cooking devices (whether electrical, gas, or charcoal), no flame lighting devices and no other type of device which may create a fire hazard as determined by the sole reasonable discretion of the Board of Directors shall ever be placed or maintained anywhere upon the project, including within any condominium Unit or in or upon any patio or balcony. Barbecuing is only permitted in the designated area. The Barbecue Area is located to the west of the tennis courts.
26. In the event of a fire, the owner of the unit where the fire originated is responsible for paying the deductible.
27. Return Check Charge. In order to defray additional administrative costs resulting from the return of checks and drafts delivered to the Association in payment of any monetary obligation to the Association due to non-sufficient funds, the closing of an account or any other reason resulting in dishonor, there is hereby imposed a TWENTY-FIVE DOLLAR (\$25.00) service charge as to each and every such instrument so dishonored which shall be due and payable immediately upon dishonor without necessity for demand, notice of any kind or presentment for payment
28. Upon determining that a violation of the Declaration, the By-Laws or the Rules and Regulations of the Association has occurred, the Board of Directors of the Association shall mail or deliver to the Unit Owner and Occupant of the Unit, if any, written notice which: i) describes the violation and states the amount of the proposed fine; ii) states that not later than the 30th day after the date of the notice, the Unit Owner may request a hearing before the Board to contest the fine; and iii) allows the Unit Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Unit Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months. Not later than the 30th date after the date a fine has been levied against a Unit Owner, the Association shall give notice of the levied fine to the Unit Owner. Any fine levied against a Unit Owner, pursuant to this Paragraph 15 shall become part of the assessments for which a Unit Owner is responsible for payment, which said assessments are secured by a continuing lien in favor of the Association as provided in Section 82.113 of the Texas Uniform

**Condominium Act.**

29. As provided in the Declaration, in the event of any violation of the provisions of the Declaration, By-Laws or Rules and Regulations of the Association by a Unit Owner or Occupant of a Unit Owner's Unit, the Association shall have all the rights and remedies provided for in the Declaration, By-Laws, or Rules and Regulations or which may be available at law or in equity. In addition, the Association, through its Board of Directors, shall also have the authority to impose fines upon Unit Owner for violation of the provisions of the Declaration, By-Laws, or Rules and Regulations of the Association by Unit Owners, or the Occupants and guests of the Unit Owner's Units.
  
30. These Rules and Regulations were adopted at the March 22, 1994 meeting of the Board of Directors of Plaza Place Condominiums to be immediately effective and supersede all previous Rules and Regulations and any amendments thereto. The terms used in these Rules and Regulations shall have the same meaning as those in "Condominium Declaration Plaza Place Condominiums ", filed of record in the Condominium Records of Harris County, Texas )(the "Declaration") The Rules and Regulations are in addition to the Declaration, and are in no way intended to conflict with same. Any conflicts between these Rules and Regulations and the Declaration will be controlled by the Declaration.



## Exhibit #1

### Schedule of Fines for Violation of Rules and Regulations of Plaza Place Condominiums Fines may be issued per incident

Rule #1	-	\$50.00
Rule #2	-	\$100.00
Rule #3	-	\$100.00
Rule #4	-	\$100.00 - plus towing charges
Rule #5	-	\$200 00
Rule #6	-	\$200.00
Rule #7	-	\$25.00
Rule #8	-	\$25.00
Rule #9	-	\$50.00
Rule #10	-	\$50 00
Rule #11	-	\$50.00
Rule #12	-	\$25.00
Rule #13	-	\$25 00 - plus the cost of repair of damaged item
Rule #14	-	\$100.00
Rule #16	-	\$25 00
Rule #17	-	\$25.00
Rule #18	-	\$25.00
Rule #19	-	\$25 00
Rule #20	-	\$200.00
Rule #21	-	\$50 00
Rule #22	-	\$50 00
Rule #23	-	\$200 00
Rule #24	-	\$200 00 - plus confiscation of transmitter
Rule #25	-	\$200 00
Rule #26	-	\$200 00 - plus insurance deductible
Rule #27	-	\$25 00 - return check fee