

ARTICLE XII

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 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 XIII

The principal office of the Association shall be located at _____, but may be located at such other suitable and convenient place or places as shall be permitted by law and designated by the Directors.

ARTICLE XIV

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.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the By-Laws of OLD OAKS CONDOMINIUM OWNERS ASSOCIATION, INC., a Texas non-profit corporation, as adopted by the initial Board of Directors at its organization meeting on the ____ day of _____, A. D., 1979.

IN WITNESS WHEREOF, I hereunto set my hand and affix the Seal of the Corporation, this the ____ day of _____, A. D., 1979.

Secretary

(1) Reasonable and customary regulations for the use of the General Common Elements will be promulgated hereafter and publicly posted. Owners and all occupants of Units shall, at all times comply with such regulations.

9. 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 or obsolescence as is provided in Section 6.1 of the Condominium Declaration for OLD OAKS CONDOMINIUM.

ARTICLE IX

AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP .

1. By-Laws. After relinquishment of Declarant control of the Association as set forth in Article III, 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 Owners representing at least sixty-six and two-thirds (66-2/3%) percent of the aggregate interest of the undivided Ownership of the General Common Elements. In no event shall the By-Laws be amended to conflict with the Declaration. In the event of a conflict between the two documents, the Declaration shall control.

ARTICLE X

MORTGAGES

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".

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 XI

COMPLIANCE

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.

(d) The Common Area is used for the purpose of affording vehicular and pedestrian movements within the Condominium, for providing access to the Units, for recreational use by the Owners and occupants of Units and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the Common Area shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the Common Area (Common Elements) be used in any manner which causes an increase in the premium rate for hazard and liability insurance coverage. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except dogs, cats or other common household pets as provided in the Declaration.

(e) No resident of the Condominium shall post any advertisements, signs or posters of any kind in or on the Project except as authorized by the Association.

(f) Parking of automobiles shall be in the spaces designated as parking for each Unit; no unattended vehicle shall at any time be left in the alleyways or streets in such manner as to impede the passage of traffic or to impair proper access to parking area. The carport area shall at all times be kept free of unreasonable accumulation of debris or rubbish of any kind.

(g) It is prohibited to hang garments, rugs and/or other materials from the windows or from any of the facades of the Project.

(h) It is prohibited to dust rugs or other materials from the windows, or to clean rugs by beating on the exterior part of the Condominium Units, or to throw any dust, trash or garbage out any windows.

(i) It is prohibited to throw garbage or trash outside the disposal areas provided for such purposes.

(j) No Owner, resident or lessee shall install wiring for electrical or telephone installation, television antennas, machines or air conditioning units or any other devices whatsoever on the exterior of the Project or that protrude through the interior walls, without prior written approval from the Association.

(k) No Owner or other occupant of any Condominium Unit shall make any alteration, modification or improvement to the Common Elements of the Condominium without the written consent of the Association.

7. Right of Entry.

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

(b) An Owner shall permit other Owners, or their representatives, when so required, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

8. Rules and Regulations.

(a) All Owners shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of the General Common Elements in order for all Owners and their guests to achieve maximum utilization of such facilities consonant with the rights of each of the other Owners thereto.

(b) Nothing shall be done in any Unit, nor shall same be occupied or used for any purpose, nor shall any commodity, product or personal property be kept therein or thereon, which shall cause such improvements to be uninsurable against loss by fire or the perils included in an extended coverage endorsement under the rules of the State of Texas Insurance Commission or which might cause or warrant any policy or policies covering said Premises to be canceled or suspended by the insuring company.

(c) Owners and occupants of Units shall at all times exercise extreme care to avoid making or permitting to be made loud or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb Owners, tenants or occupants of Condominium Units of OLD OAKS CONDOMINIUM. No Unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants or other residents of adjoining Units, nor shall any nuisance, or immoral or illegal activity be committed or permitted to occur in or on any Unit or upon any part of the Common Elements of OLD OAKS CONDOMINIUM.

Association upon receipt of its statement for any expenditures incurred by it in repairing or replacing any General or Limited Common Element damaged by his negligence or by the negligence of his tenants or agents.

3. Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's lien filed against other Units and the appurtenant General Common Elements for labor, materials, services or other products incorporated in the Owner's Unit. In the event suit for foreclosure is commenced, then within ninety (90) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one (1) year together with the sum of One Hundred (\$100.00) Dollars. Such sum or securities shall be held by the Association pending final adjudication or settlement of the litigation. Disbursement of such funds or proceeds shall be made to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject Owner, and his failure to pay shall entitle the Association to make such payment; and the amount thereof shall be a debt of the Owner and a lien against his Condominium Unit which may be foreclosed as is provided in Section 5.9 of the Condominium Declaration.

4. General.

(a) Each Owner shall comply strictly with the provisions of the Condominium Declaration for OLD OAKS CONDOMINIUM.

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

5. Use of Units - Internal Changes.

(a) All Units shall be utilized for single family residential purposes only.

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

6. Use of General Common Elements and Limited Common Elements. Each Owner may use General Common Elements and the Limited Common Elements in accordance with the purpose for which they were intended.

suit or proceeding to which he may be made a party by reason of his being or having been a manager 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 manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such manager 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 in this Article VII contained 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 OLD OAKS CONDOMINIUM as a Member or Owner of a Condominium Unit covered thereby.

ARTICLE VIII

OBLIGATIONS OF THE OWNERS

1. Assessments. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to percentage interest in and to the General 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 a 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.

2. Maintenance and Repair.

(a) Every Owner must perform promptly at his own expense all maintenance and repair work within his own apartment Unit.

(b) All the repairs of internal installations of the Unit such as patio planting, water, light, gas power, sewage, telephone, air conditioning, sanitary installations, doors, windows, glass, electrical fixtures and all other accessories, equipment and fixtures belonging to the Unit area shall be at the Owner's expense.

(c) An Owner shall be obligated to promptly reimburse the

directed by the Board.

(d) 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.

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

3. Administrative Management.

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

(b) 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.

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

(d) Act as liaison for the Association in any negotiations or disputes with local, federal or state taxing agencies or regulatory bodies.

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

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

(g) Represent an absentee Owner when requested.

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

ARTICLE VII

INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every manager 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,

responsibilities:

1. Fiscal Management.

(a) 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.

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

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

(d) 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.

(e) 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.

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

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

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

2. Physical Management.

(a) 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.

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

(c) Select, train and supervise competent personnel, as

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 OLD OAKS CONDOMINIUM OWNERS ASSOCIATION, INC.

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

The Secretary shall compile and keep up to date at the principal offices 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 and the garage or parking space 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.

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 VI

MANAGEMENT CONTRACT

The Board of Directors shall contract with a management company, at a rate of compensation agreed upon by the Board of Directors, for the management company to have, without limitations, the following functions, duties and

in like manner and on like notice on the written request of at least two Directors.

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.

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 be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without additional notice.

12. Fidelity Bonds. The Board of Directors may 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 V

OFFICERS

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

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.

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.

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

order to carry out the communal aspect of Condominium Ownership.

4. Election and Term of Office. At the first annual meeting of the Association the term of office of three (3) Directors shall be fixed for one (1) year, the term of office of two (2) Directors shall be fixed at two (2) years, and the term of office of the remaining two (2) 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 seven (7) persons acting as Directors shall hold office until their successors have been elected and hold their first meeting.

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; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

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

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

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

9. Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary on three days notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary

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 the 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 expenditure or outlay required; 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 General 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 and 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, 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

NAME

ADDRESS

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 OLD OAKS CONDOMINIUM directed to be exercised and done by the Owners.

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 this 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 General 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 \$100,000.00 per person, \$300,000.00 per accident and \$50,000.00 property damages. To insure and keep insured 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

Directors or upon a petition signed by a majority of the Owners and presented to the Secretary. 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.

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 certified 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 their residence in their absence. If requested, any Mortgagee of Record or its designee may be entitled to receive similar notice.

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.

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 IV

BOARD OF DIRECTORS

1. Number and Qualification. The affairs of "this Association shall be governed by a Board of Directors composed of seven (7) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

NAME

ADDRESS

2. Voting. Voting shall be based on the number of Units owned. The number of Units in the Project is thirty-two (32), and each Unit Owner or Owners are entitled to one (1) common vote.

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

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 of this Article shall constitute a quorum.

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 IV

ADMINISTRATION

1. Developer Control. Notwithstanding any other provisions herein to the contrary, and in accordance with Paragraph 4.2 of the Condominium Declaration for OLD OAKS CONDOMINIUM, the Declarant, BUILDING CRAFTS, INC., 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. This control shall last no longer than two (2) years from the recordation of the Condominium Declaration for OLD OAKS CONDOMINIUM or when in the sole opinion of the Declarant the Project is viable, self-supporting and operational, or January 1, 1981, whichever occurs first.

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 Project through a Board of Directors.

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. Annual Meetings. Annual meetings shall be held the fourth (4th) Tuesday of _____ each year.

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

BY-LAWS
OF
OLD OAKS CONDOMINIUM
OWNERS ASSOCIATION, INC.

The name of the organization shall be OLD OAKS CONDOMINIUM OWNERS
ASSOCIATION, INC.

ARTICLE I

1. The purpose for which this non-profit Association is formed is to govern the Condominium Property situated in the County of Brazos, State of Texas which Property is described on the attached Exhibit "I", 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. All present or future owners, tenants, future tenants or any other person that 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 will signify that these By-Laws are accepted, ratified and will be complied with.

ARTICLE II

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 OLD OAKS CONDOMINIUM 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 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 is terminated.

*Membership
Card*

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 OWNERS ASSOCIATION, INC.
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BY-LAWS

OF

OLD OAKS CONDOMINIUM

OWNERS ASSOCIATION, INC.

(NON-PROFIT CORPORATION)

464 371
THE STATE OF TEXAS |
COUNTY OF BRAZOS |

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Anthony J. Caporina, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24th day of May, A. D., 1979.



Dennis L. Smith
Notary Public in and for
Brazos County, Texas

STATE OF TEXAS |
COUNTY OF BRAZOS |

I, Frank Boriskie, Clerk of the County Court in and for Brazos County, Texas, do hereby certify that this instrument was FILED on the date and at the time stamped hereon and RECORDED in the volume and page of the DEED Records of said County on the date stamped hereon.

FRANK BORISKIE, COUNTY CLERK
Brazos County, Texas

BY: Merza Gubilia Deputy

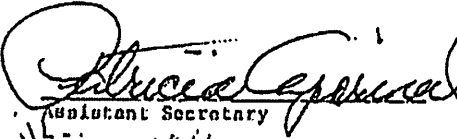
8.6 TEXAS CONDOMINIUM ACT. The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Texas and to all other provisions of law.

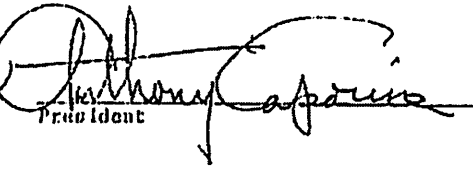
8.7 GENDER. That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

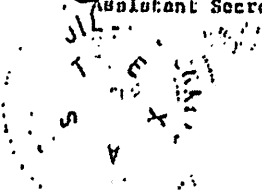
IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed, sealed and delivered by its proper corporate officers and its corporate seal to be affixed, this 24th day of may, 1979.

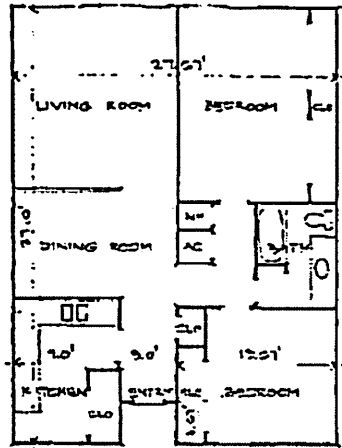
ATTEST

BUILDING CRAFTS, INC.

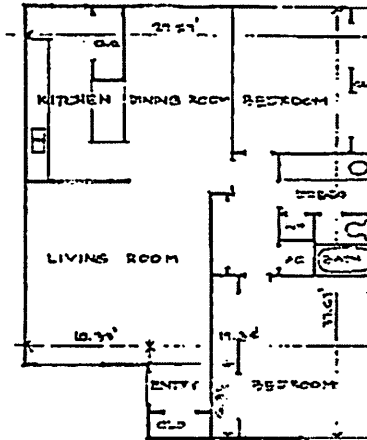

Assistant Secretary


President

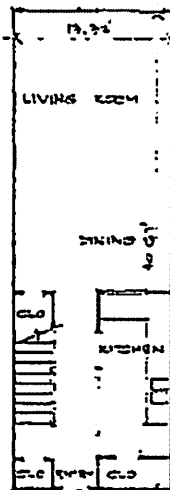




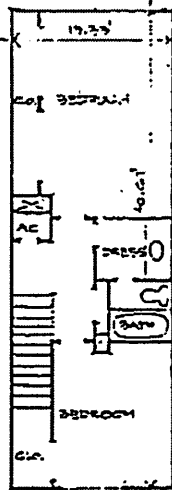
UNIT A



UNIT B

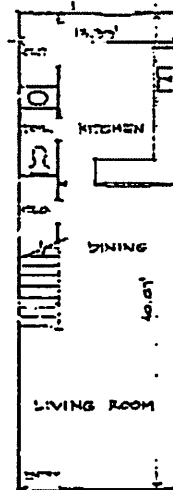


FIRST FLOOR

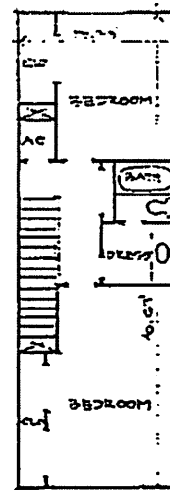


SECOND FLOOR

UNIT C-1



FIRST FLOOR



SECOND FLOOR

UNIT C-2

PERCENTAGE OF INTERESTS

UNIT 1	3.2174125%
UNIT 2	3.2174125%
UNIT 3	3.2174125%
UNIT 4	3.2174125%
UNIT 5	3.2174125%
UNIT 6	3.2174125%
UNIT 7	3.2174125%
UNIT 8	3.2174125%
UNIT 9	3.2174125%
UNIT 10	3.2174125%
UNIT 11	3.2174125%
UNIT 12	3.2174125%
UNIT 13	3.2174125%
UNIT 14	3.2174125%
UNIT 15	3.2174125%
UNIT 16	3.2174125%
UNIT 17	3.2174125%
UNIT 18	3.2174125%
UNIT 19	3.2174125%
UNIT 20	3.2174125%
UNIT 21	3.2174125%
UNIT 22	3.2174125%
UNIT 23	3.2174125%
UNIT 24	3.2174125%
UNIT 25	3.2174125%
UNIT 26	3.2174125%
UNIT 27	3.2174125%
UNIT 28	3.2174125%
UNIT 29	3.2174125%
UNIT 30	3.2174125%
UNIT 31	3.2174125%
UNIT 32	3.2174125%

3 A @ 1005 sq. ft. @ 9.245
3 B @ 1022 sq. ft. @ 9.210
12 C1 @ 1094 sq. ft. @ 14.000
3 C2 @ 1074 sq. ft. @ 9.420
TOTAL 33.77. 11.647

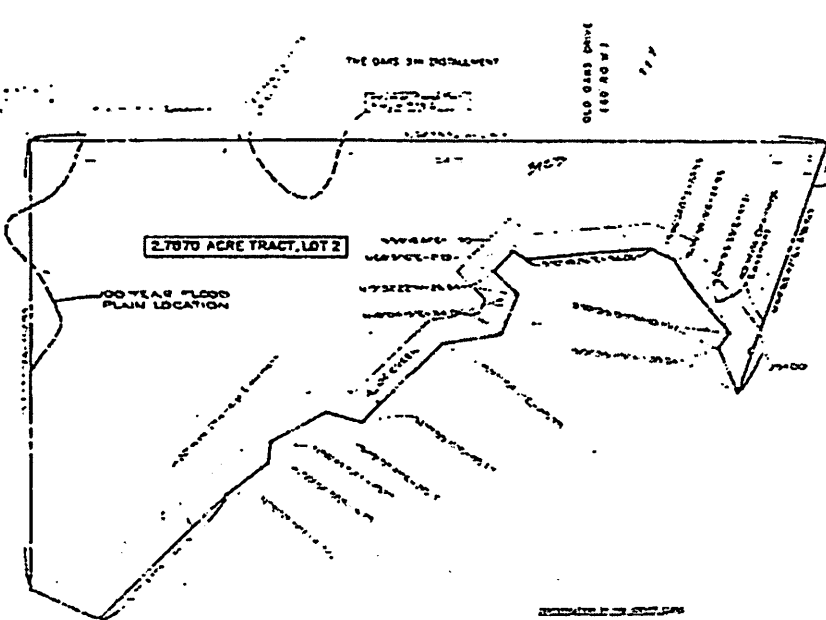
EXHIBIT 3

Name of Plat: Re-Plat of the Oak Village Subdivision Phase I
 File Number: 150618
 File Date: 9-13-78
 Date of Plat: 8-26-78



VICINITY MAP

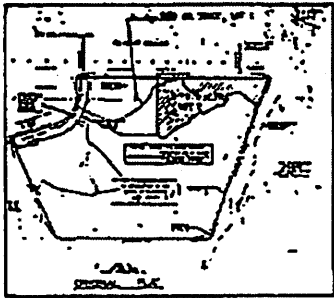
300 ACRES, LOT 1
 68840003
 VOL. 604, P. 79



2.7870 ACRE TRACT, LOT 2

100 YEAR FLOOD PLAIN LOCATION

EXHIBIT 1



BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 1978.

Notary Public in and for the State of Texas

My Comm. Expires _____

STATE OF TEXAS
 COUNTY OF BRYAN

I, _____, Notary Public in and for the State of Texas, do hereby certify that _____, the person whose name is subscribed to the foregoing instrument, is the person whose name is subscribed to the same.

Given under my hand and seal of office this _____ day of _____, 1978.

Notary Public in and for the State of Texas

THE OAK VILLAGE SUBDIVISION PHASE I
 2.7870 ACRE TRACT, LOT 2

Richard Carter League
 Bryan, Texas



Richard Carter League
 8/26/78

RE-PLAT
 for
2.7870 ACRE TRACT, LOT 2
 OUT OF A PORTION OF
THE OAK VILLAGE SUBDIVISION
 PHASE I
 VOLUME 370, PAGE 251
 RICHARD CARTER LEAGUE
 BRYAN, BRYAN COUNTY, TEXAS

Drawn and prepared by
THE OAK VILLAGE PRODUCE CLUB, INC.
 JOHN MACKINON, PRODUCE

Engineered by
SMITH & BISHOP & ASSOCIATES, INC.
 CONSULTING ENGINEERS
 BRYAN, TEXAS

128
 310

consistent with the intended use of the Common Elements by the Condominium Project shall not be deemed a transfer within the meaning of this paragraph.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 AMENDMENT. Subject to the provisions of Paragraph 2.10 hereof, this Declaration shall not be revoked, nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of ninety (90%) percent of the Common Elements, agree to such revocation or amendment by instruments duly recorded, but no amendment shall affect Declarant's right to exercise the duties and functions of the Board of Directors as allowed in Paragraph 4.1 hereof.

8.2 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 his Condominium Unit.

8.3 CHANGE IN DOCUMENTS. 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.

8.4 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 OLD OAKS CONDOMINIUM, 3923 Old Oaks, Bryan, Texas 77801, until such address is changed by a notice of address change duly recorded in the Brazos County Condominium Records.

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

the Association, including, but not limited to any amendment which would change the percentage interest of Unit Owners in the Common Elements.

(c) The effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Project.

7.8 NOTICE OF DAMAGE OR DESTRUCTION. The Association shall furnish the First Mortgagees timely written notice of any substantial damage or destruction of townhouses and of any part of the Common Elements and facilities if such loss exceeds \$10,000.00.

7.9 MANAGEMENT AGREEMENTS. Any management agreement entered into by the Association will be terminable by the Association for cause upon not more than thirty (30) days written notice, and the term of such management agreement will not exceed the period of one (1) year, 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 corporation prior to the effective date of the termination of the old management agreement.

7.10 RIGHT TO PARTITION. No Unit may be partitioned or subdivided by the Owner thereof without the prior written approval of all First Mortgagees.

7.11 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.

7.12 OTHER ACTS BY ASSOCIATION REQUIRING APPROVAL OF FIRST MORTGAGEES OR OWNERS. Unless all of the First Mortgagee (based upon one [1] vote for each first mortgage owned), and Owners (other than the Declarant) of the individual Condominium Units have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the Common Elements except as provided for in Paragraph 2.11 hereof, and

(b) Use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units or as otherwise provided in this Declaration. The granting of easements for public utilities or for other public purposes

forth in Paragraph 6.1(b)(1) through (5) 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. The Association shall notify a First Mortgagee in writing, upon request of such Mortgagee, of any default by the Mortgagor in the performance of such Mortgagor's obligations as set forth in the Declaration which is not cured within thirty (30) days.

7.3 EXAMINATION OF BOOKS. The Association shall permit First Mortgagees to examine the books and records of the Association during normal business hours.

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 Elements 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 of the Association and permit the designation of a representative of such Mortgagee to attend such meetings, one such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.

7.7 APPROVAL FOR AMENDMENTS TO DECLARATION, ETC. The prior written approval of each First Mortgagee shall be required for the following:

(a) Abandonment or termination of OLD OAKS CONDOMINIUM as a Condominium Regime, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(b) Any material amendment to the Declaration or to the By-Laws of

10/1000-303

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

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

(d) 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. 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 Paragraph 6.1(b)(1) through (5) hereof and the remaining portion of such Units, if any, shall become a part of the General Common Elements. Upon the payment of such award for the account of such Owner as provided herein, such Condominium Unit shall no longer be a part of the Condominium Project, and the percentage ownership interest in the General Common Elements appurtenant to each remaining Condominium Unit which shall continue as part of the Condominium Project shall be equitably adjusted to distribute the ownership of the undivided interests in the General Common Elements among the reduced number of Owners. If the entire Condominium Project is taken, or sixty-six and two-thirds (66-2/3%) percent or more of the Condominium Units are taken or damaged by such taking, all damages and awards shall be paid to the accounts of the Owners of Units, as provided herein, in proportion to their percentage ownership interests in the General Common Elements; and this Condominium Regime shall terminate upon such payment. Upon such termination, the Condominium Units and General Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all Owners as tenants-in-common in the percentage ownership interest previously owned by each Owner in the General Common Elements. Any damages or awards provided in this paragraph to be paid to or for the account of any Owner by the Association shall be applied as set

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 is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Association, and such damages or awards shall be applied as provided herein. In the event that an action in eminent domain is brought to condemn a portion of the General Common Elements (together with or apart from any Condominium Unit), the Association, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto; or to convey such Property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking, all damages and awards shall be determined for such taking as a whole and not for each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to the account of each Owner in proportion to his percentage ownership interest in the General Common Elements to be applied or paid as set forth in Paragraph 6.1(b)(1) through (5) 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 General Common Elements so taken or damaged. In the event it is determined that such General 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 on behalf of the Owners. In the event that such eminent domain proceeding results in the taking of or damage to one or more, but less than sixty-six and two-thirds (66-2/3%) percent of the total number of Condominium Units, then the damages and awards for such taking shall be determined for each Condominium Unit and the following shall apply:

(a) The Association shall determine which of the Condominium Units damaged by such taking may be made tenable 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.

that the Common Elements of the Property are obsolete and that the same should be renewed or reconstructed. In such instance, then the expenses thereof shall be payable by all of the Owners as Common Expenses.

(f) The Owner's representing an aggregate ownership interest of one hundred (100%) percent 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 forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's authorized Officers, the entire Premises shall be sold by the Association, as Attorney-in-fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the 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 interest in the Common Elements, and such apportioned proceeds shall be paid into thirty-two (32) 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 one fund to another, for the same purposes and in the same order as is provided in Subparagraph (b)(1) through (5) of Paragraph 6.1.

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

6.3 CONDEMNATION. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence

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

(d) If the Owners representing a total ownership interest of one hundred (100%) percent of the Common Elements adopt a plan for reconstruction, which plan has the approval of one hundred (100%) percent of the First Mortgagees, 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 percentage interest in the Common Elements and shall be due and payable as provided by the terms of such notice thereof. The Association shall have the authority to cause the repair 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 may be enforced and collected as is provided in Paragraph 5.9. In addition thereto, the Association, as Attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such assessment within the time provided. If the assessment is not paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from sale of such Condominium Unit shall be used and disbursed by the Association, as Attorney-in-fact, for the same purposes and in the same order as is provided in Subparagraph (b)(1) through (5) of Paragraph 6.1.

(e) The Owners representing an aggregate ownership interest of sixty-six and two-thirds (66-2/3%) percent of the Common Elements or more, may agree

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 a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided in Article V hereof. In addition thereto, the Association, as Attorney-in-fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency of the assessment within the time provided; and if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as Attorney-in-fact, in the following order:

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

(c) If more than sixty-six and two-thirds (66-2/3%) percent of all of the Common Elements, not including land, are destroyed or damaged, and if the Owners representing the aggregate ownership of one hundred (100%) percent of the Common Elements, do not voluntarily, within one hundred (100) days thereafter, make provision for reconstruction, which plan must have the approval or consent of one hundred (100%) percent of the First Mortgagees, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary, the entire remaining Premises shall be sold by the Association, as Attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the 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 thirty-two (32) separate

ARTICLE VI

DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS

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

Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any Grantee of a deed from the Declarant or from any Owner shall constitute appointment of the Attorney-in-fact herein provided. All of the Owners irrevocably constitute and appoint OLD OAKS CONDOMINIUM OWNERS ASSOCIATION, 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 or obsolescence as hereinafter provided. As Attorney-in-fact, the Association, by its authorized Officers, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instruments with respect to the interest of a Condominium Unit Owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding subparagraphs means restoring the improvement(s) to substantially the same conditions in existence prior to the damage, with each Apartment 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:

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

(b) 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 (66-2/3%) percent 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 common expense made pro rata according to each Owner's percentage interest in and to the Common Elements and shall

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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. 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.

5.11 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.

5.9 LIEN FOR ASSESSMENTS. 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 (10) percent per annum, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances, except only for:

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

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

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

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

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

5.10 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or

So long as Declarant is responsible for the maintenance of a building, as provided herein, Declarant shall not be required to pay the 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. During the Construction 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 Construction Period is terminated. After the Construction Period is terminated, Declarant shall pay the regular Monthly Assessment for each Unit or Units it owns.

5.6 SPECIAL ASSESSMENTS FOR IMPROVEMENTS. In addition to the annual assessments authorized above, the Association may levy in any calendar year a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of improvements upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such Assessment shall be approved by 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.

5.7 COMMENCEMENT OF ASSESSMENTS. The Monthly Assessments provided for herein shall commence as to any Condominium Unit on the first (1st) day of the month following the conveyance of the first (1st) Unit to an Owner other than Declarant, or the first (1st) day of the month following the transfer of the responsibility for maintenance of the building in which said Unit is located to the Association, whichever first occurs. The Board shall fix the amount of the Monthly Assessments against such Unit at least thirty (30) days prior to June 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.

5.8 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.

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 renovations, 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 any 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 Owner from the obligation to pay.

5.4 INITIAL ASSESSMENT AND MAXIMUM MONTHLY ASSESSMENT.

(a) Until June 1st of the year immediately following the conveyance of the first (1st) Condominium Unit to an Owner other than the Declarant, the monthly assessments shall be made according to each Owner's percentage interest in and to the General Common Elements provided in Exhibit "J" attached hereto.

(b) From and after June 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 twenty (120%) percent of the Monthly Assessment allowed for June of the preceding year. If the Board determines that a greater increase of the Monthly Assessment is required to adequately perform the duties and responsibilities of the Association and pay all expenses thereof, then the Board may call a special meeting of the Owners. By the assent of a two-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 twenty (120%) percent formula as above outlined.

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

5.5 OBLIGATION OF DECLARANT FOR ASSESSMENTS AND MAINTENANCE. During the Construction Period, 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 Declarant transfers, in writing, responsibility for said maintenance to the Association, as provided in Paragraph 4.2, whichever first occurs.

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.

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. The assessments shall be made pro rata according to each Owner's percentage interest in and to the Common Elements. 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 \$5.00. Contribution for monthly assessments shall be pro rated if the Ownership of a Condominium Unit commences on a day other than the first (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 Apartment 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, landscaping; caring for the roofs and exterior surfaces of all buildings and carports; garbage pickup; pest control; streets; outdoor lighting; security service for the Property; water and sewer service furnished to the Property by or through the Association; discharge of any liens on the Common Elements; and other charges required by this Condominium Declaration, or other charges that the Association is authorized to incur. In addition, the Association shall determine the establishment of a reserve for repair, maintenance and other charges as specified herein.

5.3 DETERMINATION OF ASSESSMENTS. Notwithstanding Paragraph 5.3,

connected with OLD OAKS CONDOMINIUM 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 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. 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 thirty-two (32).

(c) Quorum. The majority of the Unit Owners as defined in Article I, Paragraph 1.1(p) 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.

4.5 INSURANCE. The Association shall obtain and maintain at all times insurance of the type and kind provided hereinabove, including such other risks, of a similar or dissimilar nature, as are or shall hereafter customarily be covered with respect to other apartment or condominium buildings, fixtures, equipment and personal property, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in blanket policy forms naming the Association and all Mortgagees as the insured. 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 and such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Each Owner irrevocably designates the Owners Association through the Board of Directors as Attorney-in-fact for handling of the proceeds of such insurance, with such Attorney-in-fact administering and distributing such proceeds as is elsewhere provided in this Declaration. Such insurance policy shall also provide that it cannot be canceled by either the insured or the insurance company until after thirty (30) days prior written notice to each First Mortgagee. Said

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 during the Construction Period, or the Association after the Construction Period, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for the purposes, and subject to the conditions, of such agency, authority or utility. No such dedication or transfer after the Construction Period shall be effective unless approved by 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 Brazos 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;

(i) The right of the Association to control the visual attractiveness of the Properties, 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.

4.4 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 Association 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

non-profit association, 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. Declarant may, at his election, during the Construction Period, cause to be formed a Texas non-profit corporation bearing the same name, in which event such non-profit corporation shall adopt the By-Laws of the Association and shall thereafter act and do all things to be done as the Association; according to the By-Laws. 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 DEVELOPER CONTROL. Paragraph 4.1 notwithstanding, the Declarant, 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 will retain control of and over the Association for a maximum period not to exceed two (2) years from the recording of this Condominium Declaration for OLD OAKS CONDOMINIUM or January 1, 1981, or when in the sole opinion of the Declarant, the Project becomes viable, self-supporting and operational, whichever occurs first. 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 one (1) year without majority Association approval upon relinquishment of Declarant control.

4.3 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 to borrow money for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property; provided, however, that the rights of any such Mortgagee in such property

on the Premises may be deemed to be such an act as would impair the structural soundness and integrity of the building. 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 Association or its designated agent. 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. 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 1.1(b), "Unit", an Owner shall not be deemed to own the unfinished surfaces of the perimeter walls, floors, ceilings and roofs surrounding his Apartment Unit, nor shall such Owner be deemed to own the utilities running through his Apartment Unit which are utilized for, or serve, more than one Apartment Unit, except as a tenant-in-common with the Owners. An Owner shall be deemed to own and shall maintain the inner, finished surfaces of the perimeter and interior walls, floors and ceilings, doors, windows and other such elements consisting of paint, wallpaper and other such finishing material.

3.10 LIABILITY FOR NEGLIGENT ACTS. In the event 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 Apartment Unit or the Common Elements, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Apartment Unit is subject, pursuant to Article IV hereof.

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

ARTICLE IV

MANAGEMENT AND ADMINISTRATION

4.1 BY-LAWS. The administration of this Condominium Property shall be governed by the By-Laws of OLD OAKS CONDOMINIUM OWNERS ASSOCIATION, a

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 a 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 Apartment Unit. Each Owner may use the Common Elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners.

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

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

3.7 OWNER MAINTENANCE. An Owner shall maintain and keep in repair the interior of his own Unit, including the fixtures thereof. All fixtures and equipment installed with the Apartment 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 Apartment Unit, shall be maintained and kept in repair by the Owner thereof; and an Owner shall be obliged to promptly repair and replace any broken or cracked glass in windows and doors.

3.8 ALTERATION. An Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. For purposes hereof, the placing of a waterbed anywhere

(n) 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:

(1) 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; or

(2) Prevent Declarant, its successors or assigns, or its or their representatives, from erecting, constructing and maintaining in any Unit, or portion thereof, 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; or

(3) 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.

2.10 RESERVATION OF VARIANCE. Notwithstanding any provision of this Declaration to the contrary, the Declarant reserves unto itself the exclusive right to amend the Condominium Plan and to vary the size, shape, physical lay-out or location of the unsold Units and to correspondingly adjust the sales price of the respective Units remaining unsold. This reservation shall not work to readjust or reallocate any vested interests in the Common Elements appurtenant to any sold Units.

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 or as joint tenants or as tenants-in-common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

3.2 PARTITION. The Common Elements (both General and Limited) shall be owned in common by all of the Owners of the Condominium Units and shall remain

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 patio 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 owns any interest in the Property) or a person designated by Declarant to do so and subsequent thereto by the 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;

(m) With the exception of a First Mortgagee in possession of a Unit following a default in a Mortgage, a foreclosure proceeding or any deed or other arrangement in lieu of foreclosure, no Unit Owner shall be permitted to lease his Unit for hotel or transient purposes. No Unit Owner shall be permitted to lease less than the entire Unit. Every such lease shall be in writing, and a copy of such lease, as and when executed, shall be furnished to the Board. 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;

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provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the buildings or any portion thereof;

(h) 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 or plant waste, metals, bulk material or scrap or 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;

(i) 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. 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.

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

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

(l) 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

Paragraph 2.9, use of the Property by the Unit Owners shall be subject to the following restrictions:

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

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

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

(d) Subject to Declarant's rights under Paragraph 2.9(n)(3) 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;

(e) 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;

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

(g) No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board;

used for residential purposes or such other uses permitted by this Declaration, and for no other purposes. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from:

- (a) Maintaining his personal professional library;
- (b) Keeping his personal business or professional records or accounts;

or

- (c) Handling his personal business or professional telephone calls

or correspondence.

Such uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

That part of the Common Elements separating and located between and exclusively serving two or more adjacent Units used together (including, without limitation, portions of any hallway and any walls) may be altered to afford ingress 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:

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

(b) Such Unit Owner or Owners shall pay in full the expense of restoring such Common Elements to their condition prior to such alteration in the event such Units shall cease to be used together, as aforesaid; and

(c) Such alteration shall not interfere with use and enjoyment of the Common Elements (other than the aforesaid part of the Common Elements separating such adjacent Units), including without limitation, reasonable access and ingress to and egress from the other Units in the hallway affected by such alteration.

The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, the garage, the laundry room, receiving rooms and any other areas designed for specific use shall be used for the purposes approved by the Board. 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.

Without limiting the generality of the foregoing provisions of this

Directors of the Association after the name has been elected. Such regulation 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 OLD OAKS CONDOMINIUM 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 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 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 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. 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 or more adjoining Units used together shall be

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

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) Floor plans and elevation plans of the buildings built, or to be built, thereon showing the location, the building designation, the Unit designation and the linear dimensions of each Unit; and

(d) The elevations of the interior surfaces of the floors and ceilings as established from a datum plane.

2.2 DESIGNATION OF UNITS. The Property is hereby divided into seven (7) separately designated buildings consisting of thirty-two (32) separately designated Units, each identified by number and by building symbol or designation 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 thereof for each Unit being as shown on the attached Exhibit "3".

2.3 LIMITED COMMON ELEMENTS. A portion of the Common Elements is 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 two automobile parking spaces per Unit, balcony areas and patio spaces, which are shown on the Plat. One such parking space shall be allocated and assigned by the Declarant to the respective Condominium Units as indicated on Exhibit "2". 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 offices 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

Elements (including unpaid Special Assessments, Reconstruction Assessments and Capital Improvement 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.

(i) "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.

(j) "Special Assessment" means a charge against a Unit Owner and his Unit, directly attributable to the Unit Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration, plus interest thereon as provided for in this Declaration.

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

(l) "Condominium Owners Association" or "Association" means OLD OAKS CONDOMINIUM OWNERS ASSOCIATION, 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.

(m) "Plat", "Survey Map", "Map" or "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 all of, the improvements, same being herewith filed, consisting of _____ sheets labeled, Exhibit "2" and incorporated herein.

(n) "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 or three (3) years from the date on which the Declarant makes the first transfer of a Condominium Unit to an Owner other than Declarant, whichever occurs first.

(o) "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.

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

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

(1) All foundations, bearing walls and columns, roofs, halls, stairways and entrances and exits;

(2) All yards and gardens, except as otherwise herein provided or stipulated;

(3) All compartments or installations of central services such as power, light, and cold and hot water; and

(4) 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.

(f) "Limited Common Elements" means all Common Elements serving exclusively a single Unit or one or more adjoining Units as an inseparable appurtenance thereto, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit or Units either in this Declaration, on the Plat or by the Board. Limited Common Elements shall include, but shall not be limited to:

(1) Parking Spaces designated as an appurtenance to a Unit;

(2) Balconies or patios serving exclusively a single Unit or one or more adjoining Units; and

(3) "Air handlers", pipes, ducts, electrical wiring and conduits located entirely within a Unit or adjoining Units and serving only such Unit or Units, and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows and entryways and all associated fixtures and structures therein, as lie outside the Unit boundaries.

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

(h) "Common Expenses" means and includes:

(1) All sums 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 an addition to the Common

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

(b) "Unit" shall mean the elements of an individual Condominium Unit which are not owned in common with the Owners of the other condominiums in the Project as shown on the Maps, which are exhibits attached hereto, and each Unit shall include the air space assigned thereto. The boundaries of each such Unit space shall be and are the interior surfaces of the perimeter walls, floors, ceilings, windows, window frames, doors and door frames and trim and the exterior surfaces of balconies and terraces, and the space includes both the portions of the building as 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 apartment 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 the 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 that the term "Unit", as used in this Declaration, shall have the same meaning as the term "Apartment" as used in the Act.

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

CONDOMINIUM DECLARATION
FOR
OLD OAKS CONDOMINIUM

THE STATE OF TEXAS I
COUNTY OF BRAZOS I

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS BUILDING CRAFTS, INC., a Texas corporation, having its principal office at 4343 Carter Creek Parkway, Suite 201, Bryan, Texas, hereinafter called "Declarant", is the Owner of certain real property situated in the County of Brazos, State of Texas, being described more fully on Exhibit "1", 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 seven (7) multifamily buildings and other improvements appurtenant thereto on the property described in said Exhibit "1", which when completed shall consist of thirty-two (32) separately designated condominium units and which will be known as OLD OAKS CONDOMINIUM; 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 apartment units, herein called the "Condominium Regime", in the seven (7) buildings and the co-ownership by the individual and separate Unit owners thereof, as tenants in common, of all of the remaining property, which includes both Limited Common Elements and General Common Elements, as hereinafter defined in Paragraph 1.1 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 "1", 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.

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FOR
OLD OAKS CONDOMINIUM
CONDOMINIUM DECLARATION

FILED
At 11:30 O'clock AM

MAY 24 1979

FRANK L. JONES
County Clerk, Dallas County, Texas
By *[Signature]*

162284

DATE RECORDED 5-25-79 Page

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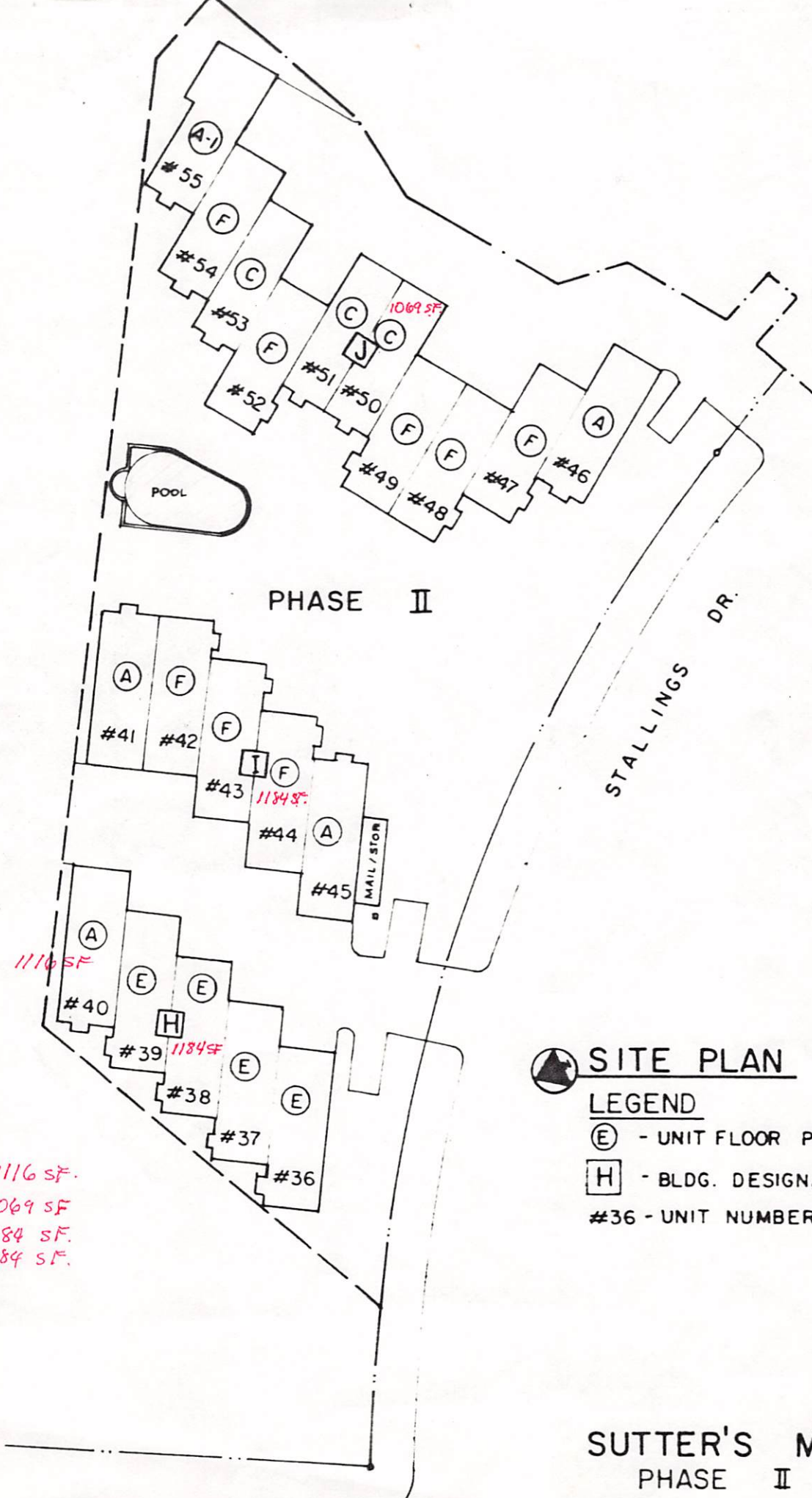
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OLD OAKS CONDOMINIUM DECLARATION

PHASE I

PHASE II

STALLINGS DR.



A - 1116 SF.
 C - 1069 SF
 E - 1184 SF.
 F - 1184 SF.

- SITE PLAN**
- LEGEND**
- (E) - UNIT FLOOR PLAN
 - (H) - BLDG. DESIGNATION
 - #36 - UNIT NUMBER

SUTTER'S MILL
 PHASE II

DOMINIK DR

Notes of Decisions

In general 1
Easements 2

1. In general

A County Clerk may in his discretion use one or more volumes, properly labeled and indexed, to constitute "a well-bound book" to meet the recording requirements of this article when such system provides notice to the public and serves to prevent and suppress frauds. Op. Atty. Gen. 1966, No. C-620.

2. Easements

Easement for ingress and egress to and from apartment complex adjoining condominium project, which was expressly reserved in condominium declaration providing that such easement was to run with

land for benefit of developer, its successor and assigns, inured to benefit of lessees of apartment owner, who purchased property from developer. *Preston Del Norte Villas Ass'n v. Pepper Mill Apartments, Ltd.* (Civ. App. 1978) 579 S.W.2d 267.

Even though developer owned entire tract at time of condominium declaration, in which ingress and egress easement was granted as to part of tract, dominant and servient estates arose at time property was divided and conveyed to different purchasers. *Id.*

Trial court was justified in finding that provision in condominium declaration established an easement for ingress and egress to adjoining property regardless of whether adjoining property became included in the condominium project. *Id.*

Art. 1301b. Forfeiture and acceleration under executory contract for conveyance; notice; avoidance

Section 1. A forfeiture of the interest and the acceleration of the indebtedness of a purchaser in default under an executory contract for conveyance of real property used or to be used as the purchaser's residence may be enforced only after notice of seller's intentions to enforce the forfeiture and acceleration has been given to the purchaser and only after the expiration of the periods provided below:

(a) When the purchaser has paid less than 10% of the purchase price, 15 days from the date notice is given.

(b) When the purchaser has paid 10% but less than 20% of the purchase price, 30 days from the date notice is given.

(c) When the purchaser has paid 20%, or more, of the purchase price, 60 days from the date notice is given.

(d) Notice must be by mail or other writing. If by mail, it must be registered or certified and shall be considered given at the time mailed to his residence or place of business, and notification by other writing shall be considered given at the time delivered to the purchaser at his residence or place of business.

rules and regulations governing a condominium regime established under this Act in order to implement this program; however, local zoning ordinances shall be construed to treat like structures, lots, or parcels in like manner regardless of whether the ownership thereof is divided by sale of condominiums rather than by lease of apartments, offices, stores or industry business.

Conflicting laws

Sec. 24. Whenever the application of the provisions of this Act or the application thereof to any person or circumstance conflict with the application of other statutory provisions, the provisions or applications of this Act shall prevail for the effective carrying out of the purposes of this Act.

Partial invalidity

Sec. 25. If any section, paragraph, sentence, clause, or word of this Act is held to be unconstitutional, the remaining portion of the same, nevertheless shall be valid, and the Legislature hereby declares that the Act would have been enacted without such unconstitutional portion.

Acts 1963, 58th Leg., p. 507, ch. 191, eff. Aug. 23, 1963. Amended by Acts 1979, 66th Leg., p. 2329, ch. 841, § 6(a)(1), eff. Jan. 1, 1982.

Cross References

Appraisal records, listing of unit in condominium under this article in name of owner, see V.T.C.A. Tax Code, § 25.09(a).
 Banks, loans and investments, see art. 342—501 et seq.
 Execution sales under deed of trust, see art. 3810.
 Fire insurance policies, see V.A.T.S. Insurance Code, art. 5.35.
 Homestead exemption, see art. 3839.
 Insurance, interest of mortgagee or trustee, see V.A.T.S. Insurance Code, art. 6.15.
 Landlord and tenant, see art. 5222 et seq.
 Real estate investment trusts, see art. 6138A.
 Registration, see art. 6591 et seq.
 Savings and loan associations, loans and investments, see art. 852a, § 5.01 et seq.

Law Review Commentaries

Apartment ownership in Texas: Cooperatives and condominiums. John Mixon, 11 Houston L.Rev. 226 (1963).
 Condominium and corporation. 11 Houston L.Rev. 454 (1974).

Library References

Condominium \Rightarrow 1 et seq.

C.J.S. Estates §§ 145, 146.

Should it be proper to proceed with the reconstruction, the provisions for such eventuality made in the by-laws shall be observed, or in lieu thereof, the decision of the council of co-owners shall prevail.

Building costs in excess of insurance proceeds

Sec. 21. Where the insurance indemnity is insufficient to cover the cost of reconstruction and reconstruction is required by Section 20, the building costs in excess of the insurance proceeds shall be paid by all the co-owners directly affected by the damage, in proportion to the percentages or fractions assigned to their respective apartments, or as may be provided by said by-laws; and if any one or more of those composing the minority shall refuse to make such payments the majority may proceed with the reconstruction at the expense of all the co-owners benefited thereby, upon proper resolution setting forth the circumstances of the case and the cost of the work.

The provisions of this section may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurs.

**Taxes, assessments and charges; valuation of apartments;
delinquent taxes**

Sec. 22. Taxes, assessments and other charges of this state, or of any political subdivision, or of any special improvement district, or any other taxing or assessing authority shall be assessed against and collected on each individual apartment, which shall include the garage and its percentage or fractional common elements, each of which shall be carried on the tax books as a separate and distinct entity for that purpose, and not on the building or property as a whole. The valuation of the general and limited common elements shall be assessed separately to each owner in accordance with the fraction or percentage of each owner. There shall be no forfeiture or sale of the building or property as a whole for delinquent taxes, assessments or charges. All assessments, suits and sales shall be of individual apartments, including its garage and its percentage or fractional common elements.

Repeal

This section is repealed by Acts 1979, 66th Leg., p. 2329, ch. 841, § 6(a)(1), effective January 1, 1982, § 1 of which enacts the Property Tax Code, constituting Title 1 of the Tax Code.

Planning and zoning commissions; supplemental rules and regulations

Sec. 23. Whenever they deem it proper, the planning and zoning commission of any county or municipality may adopt supplemental

Repeal

This section is repealed by Acts 1979, 66th Leg., p. 2329, ch. 841, § 6(a)(1), effective January 1, 1982, § 1 of which enacts the Property Tax Code, constituting Title 1 of the Tax Code.

Payment of assessments or charges upon sale or conveyance of apartment; preferences

Sec. 18. Upon the sale or conveyance of an apartment, all unpaid assessments against a co-owner for his pro-rata share in the expenses to which Section 15 refers shall first be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

(a) Assessments, liens, and charges in favor of the state and any political subdivision thereof for taxes past due and unpaid on the apartment; and

(b) Amounts due under mortgage instruments duly recorded.

Insurance

Sec. 19. The co-owners may, upon resolution of a majority, or if required or provided for in the declaration or the by-laws, insure the building and the owners thereof against risks of whatsoever character without prejudice to the right of each co-owner to insure his apartment on his own account and for his own benefit. Such insurance may be written in the name of the council of co-owners, or any person designated in the by-laws or declaration, as trustee for each apartment owner and each apartment owner's mortgagee, if any. Each co-owner and his mortgagee, if any, shall be a beneficiary, even though not named, in the percentages or fractions established in the declaration.

Application of insurance proceeds to reconstruction of building

Sec. 20. In case of fire or any other disaster, the insurance indemnity shall, except as provided in the next succeeding paragraph of this section, be applied to reconstruct the building.

Reconstruction shall not be compulsory where it comprises the whole or more than two-thirds ($\frac{2}{3}$) of the building as determined by the council of co-owners. In such case, and unless otherwise unaniously agreed upon by the co-owners, the indemnity shall be delivered pro-rata to the co-owners or their mortgagees, as their interest may appear, entitled to it in accordance with the percentages or fractions set forth in the declaration.

approved and adopted by the sole owner or owners or the council of co-owners. The by-laws may be amended from time to time by the council.

Board of administrators; account of receipts and expenditures; examination; audit

Sec. 14. The administrator, or board of administration, or the person appointed by the by-laws of the regime shall keep or cause to be kept a book with a detailed account of the receipts and expenditures affecting the building and its administration and specifying the maintenance and repair expenses of the common elements and any other expenses incurred by or in behalf of the regime. Both the book and vouchers accrediting the entries made thereon shall be available for examination by all the co-owners at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by an auditor outside of the organization.

Pro-rata contributions of co-owners toward expenses

Sec. 15. All co-owners are bound to contribute pro-rata toward the expense of administration and of maintenance and repairs of the general common elements, and, in the proper case, of the limited common elements of the building, and toward any other expenses lawfully agreed upon by the council of co-owners. No owner shall be exempt from contributing toward such expenses by waiver of the use of enjoyment of the common elements, either general or limited, or by abandonment of the apartment belonging to him.

Actions on behalf of two or more apartment owners

Sec. 16. Without limiting the rights of any apartment owner, action may be brought by the administrator or other person designated by the by-laws or council of co-owners, in either case in the discretion of the council of co-owners, on behalf of two (2) or more of the apartment owners, as their respective interests may appear, with respect to any cause of action relating to the common elements of more than one (1) apartment.

Home exemptions from property taxes

Sec. 17. The laws relating to home exemptions from property taxes shall be applicable to the individual apartments, which shall be entitled to home exemptions in those cases where the owner of a single family dwelling would qualify.

movement of the building and regardless of variances between boundaries shown on the plat and those of the building.

Loans as eligible investments for lending institutions

Sec. 10. Loans on the individual apartments and the undivided interest in the common elements appurtenant thereto are hereby declared to be eligible investments for all banks, savings and loan or building and loan associations, trust companies, life insurance companies and all other lending institutions which will include also administrators, guardians, executors, trustees and other fiduciaries, which are now or may be hereafter authorized to make real estate loans. For the purpose of such investments, an apartment and the undivided interest in the common elements appurtenant thereto shall be deemed a single unit as if it were entirely independent of the other units in the project of which it forms a part. In determining eligibility the existence of any prior lien for taxes, assessments (including but not limited to those for administration, maintenance and repairs) or other similar charges not yet delinquent shall not be considered in determining whether a mortgage or deed of trust upon such security is a first lien. This section shall not change any provision of law, which would otherwise be applicable, specifying limitation on mortgage investments based upon a special fraction or percentage of the value of the mortgaged property.

Regrouping and merger of estates

Sec. 11. All of the co-owners or the sole owner of a building constituted into a condominium regime may waive this regime and request the County Clerk to regroup or merge the records of the filial estates with the principal property, provided, that the filial estates are unencumbered, or, if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors. The undivided interest in the property owned in common which shall appertain to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common elements.

Reconstitution of property into condominium regime

Sec. 12. The merger provided for in Section 11 shall in no way bar the subsequent constitution of the property into another condominium regime whenever so desired and upon observance of the provisions of this Act.

Administration of project; bylaws; council of co-owners

Sec. 13. The administration of every building or buildings constituted into a condominium regime shall be governed by the by-laws

which information will be depicted by a plat showing such garage, carport, or other area appropriately lettered or numbered.

(4) The description of the general common elements less paragraph (1) above.

(5) The description of the limited common elements.

(6) The fractional or percentage interest which each apartment bears to the entire condominium regime, the sum of which shall be one (1) if expressed in fractions and one hundred (100) if expressed in percentages.

(7) Any further provisions, matters, or covenants desired.

(C) The County Clerk shall record such plats and instruments without the necessity of prior approval by any other authority of whatsoever character.

Common elements; partition or division; mortgages

Sec. 8. The common elements, both general and limited, shall remain undivided and shall not be the object of an action for partition or division of the co-ownership so long as suitable for a condominium regime, and, in any event, all mortgages must be paid prior to the bringing of an action for partition or the consent of all mortgagees must be obtained. Any covenant to the contrary shall be void.

Deed to apartment; contents and interpretation

Sec. 9. The deed to each apartment shall describe the apartment in accordance with the plat and the fractional or percentage therein conveyed and the plats provided in Section 7 shall be included by reference. The deeds shall also express all encumbrances against the property conveyed. An individual apartment shall not be conveyed separate from the undivided interest in the common elements and visa versa, and any conveyance of an individual apartment shall be deemed to convey also the undivided interest of the owner in the common elements, both general and limited, appertaining to said apartment without specifically or particularly referring to the same. The boundaries of the apartment granted shall be and are the interior surfaces of the perimeter walls, floors, ceilings and the exterior surfaces of balconies and terraces; and the unit includes both the portions of the building so described and the airspace so encompassed, excepting common elements. In interpreting deeds, mortgages, deeds of trust and other instruments, the existing physical boundaries of the apartment or of an apartment reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be its boundaries regardless of settling, rising, or lateral

clares, through the recordation of a master deed, lease, or declaration, which shall set forth the particulars enumerated by Section 7 their desire to submit their property to the regime established by this Act, there shall be thereby established a condominium regime.

Conveyance and encumbrance of individual apartment

Sec. 4. Once the property is submitted to the condominium regime, an apartment in the project may be individually conveyed and encumbered and may be the subject of ownership, possession or sale and of all types of judicial acts, as if it were entirely independent of the other apartments in the project of which they form a part, and the corresponding individual titles and interests shall be recordable.

Joint or common ownership of apartment

Sec. 5. Any apartment may be jointly or commonly owned by more than one person.

Exclusive ownership of apartment; share in common elements of property

Sec. 6. An apartment owner shall have an exclusive ownership to his apartment and shall have a common right to a share, with other co-owners, in the common elements of the property. Each co-owner may use the elements held in common in accordance with the purpose for which they are intended, as shown on the plat or expressed in the declaration or the by-laws, without hindering or encroaching upon the lawful rights of the other co-owners.

Condominium records; contents of declaration; recordation of instruments

Sec. 7. (A) Every County Clerk shall provide a suitable well-bound book, to be called "Condominium Records" in which will be recorded Master deeds, Master leases, or Declarations.

(B) The declaration provided for in Section 3 shall contain:

(1) The legal description of the land, which description shall be depicted by a plat showing the land involved and the location of each building or proposed building to be located thereon. Each building to be denoted by Letter, viz: A, B, C, etc.

(2) The general description and the number of each apartment, expressing its square footage, location and any other data necessary for its identification, which information will be depicted by a plat of such floor of each building showing also the letter of the building, the number of the floor and the number of the apartment.

(3) The general description of each garage, carport, or any other area to be subject to individual ownership and exclusive control;

(j) "Majority of co-owners" means the apartment owners with fifty-one percent (51%) or more of the votes weighed so as to coincide with percentages or fractions assigned in the declaration.

(k) "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

(l) "General common elements" means and includes:

(1) The land, whether leased or in fee simple, on which the building stands;

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

(3) The basements, flat roofs, yard, and gardens, except as otherwise provided or stipulated;

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

(5) The compartments or installation of central services such as power, light, gas, cold and hot water, refrigeration, central air condition and central heating, reservoirs, water tanks and pumps, swimming pools, and the like;

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

(7) All other elements of the building desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime, and any other elements described in the declaration filed pursuant to Section 7.

(m) "Limited common elements" means and includes those common elements which are agreed upon by all of the co-owners to be reserved for the use of a certain number of apartments to the exclusion of the other apartments, such as special corridors, stairways and elevators, sanitary services common to the apartments of a particular floor, and the like.

(n) "To record" means to record in the office of the County Clerk of the county in which the property is situated in accordance with the provisions of Title 115, Revised Civil Statutes of Texas, 1925, as amended.¹

(o) All pronouns used herein include the singular or plural numbers, as the case may be.

¹ Article 6591 et seq.

Condominium regime; declaration

Sec. 3. When a developer, the sole owner, or the co-owners of a building or buildings or proposed building or buildings expressly de-

Art. 1301a. Condominium Act**Title**

Section 1. This Act shall be known as the "Condominium Act."

Definitions

Sec. 2. As used in the Act unless the context otherwise requires:

(a) "Property" means and includes the land whether leasehold or in fee simple and the building, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto.

(b) "Building" includes the principal structure or structures erected or to be erected upon the land described in the declaration provided for in Section 7 which determines the use to be made of the improved land whether or not such improvement is composed of one (1) or more separate buildings containing one (1) or more floors or stories.

(c) "Condominium Project" means a real estate condominium project; a plan or project whereby four (4) or more apartments, rooms, office spaces, or other units in existing or proposed buildings or structures are offered or proposed to be offered for sale.

(d) "Condominium" means the separate ownership of single units or apartments in a multiple unit structure or structures with common elements.

(e) "Apartment" means an enclosed space consisting of one (1) or more rooms occupying all or part of a floor in a building of one (1) or more floors or stories regardless of whether it be designed for residence, for office, for the operation of any industry business, or for any other type of independent use, provided it has a direct exit to a thoroughfare or to a given common space leading to a thoroughfare.

(f) "Developer" means a person who undertakes to develop a real estate condominium project.

(g) "Master deed" or "Master lease" or "Declaration" means the deed, lease or declaration establishing the property as a condominium regime.

(h) "Co-owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who owns an apartment or apartments within the condominium project.

(i) "Council of co-owners" means all the co-owners as defined in subsection (h) of this section.