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CONDOMINIUM DECLARATION

FOR

ST. LOUIS COURT OFFICE CONDOMINIUM,
A CONDOMINIUM PROJECT IN THE CITY OF
BEAUMONT, JEFFERSON COUNTY, TEXAS

THE STATE OF TEXAS §
COUNTY OF JEFFERSON § KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, GUSEMAN HOMES, INC., a Texas corporation domiciled in Jefferson County, Texas, herein referred to as the "Declarant", is the record owner of a certain lot, tract or parcel of real property (together with one single-story office building and other improvements constructed and located thereon) situated in the City of Beaumont, County of Jefferson, State of Texas, being described as follows, to-wit:

All of Lot Number One (1) of ST. LOUIS COURT, a Sub-division in the City of Beaumont, Jefferson County, Texas, according to the map or plat thereof recorded in Volume 14, Page 185 of the Map Records of Jefferson County, Texas;

which property is described and depicted on the Map or Plat thereof marked Exhibit "A", which by this reference is made a part hereof; and

WHEREAS, Declarant, as Developer, desires to establish a Condominium Regime under the Texas Condominium Act known and to be known as "ST. LOUIS COURT OFFICE CONDOMINIUM, a Condominium Project in the City of Beaumont, Jefferson County, Texas"; and

WHEREAS, Declarant has constructed (or caused to be constructed) on the hereinabove described real property one (1) single-story office building and other improvements appurtenant thereto, as more fully shown and depicted on said Exhibit "A", which office building consists of four (4) separately designated office condominium units; 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 four (4) office suites or units in the one (1) building and the ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining property, which is hereinafter defined and referred to as the "general common elements":

NOW, THEREFORE, Declarant does, by recording this Declaration and the Bylaws attached hereto as Exhibit "B" and the Map or Plat referred to herein as Exhibit "A", establish and declare ST. LOUIS COURT OFFICE CONDOMINIUM as a Condominium Project under the Texas Condominium Act, and does hereby declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land, shall be a burden on and benefit to Declarant, and Declarant's successors and assigns, and any persons acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

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

- (a) "Office Suite" or "Office Unit", hereinafter referred to as "office suite", "office unit" or "suite", means

an enclosed space, consisting of one (1) or more rooms in the hereinafter referenced office building in the Condominium Project, and that has a direct exit to a thoroughfare or to a common space or common area that leads to a thoroughfare, as such space is further and more fully described in Section 4 hereof. Office suites are shown and numbered upon the hereinafter referenced Map with successive Arabic numbers, commencing with the number one hundred one (101) and continuing through and including the number one hundred four (104). It is intended that the term "office suite", "office unit", or "suite" as used in this Declaration shall have the same meaning as the term "apartment" as used in the Texas Condominium Act.

- (b) "Office Building" or "Building" means the single office building constructed upon the land described above herein and shown upon the hereinafter referenced Map.
- (c) "Condominium Unit" means one (1) individual office suite or office unit, together with its appurtenant undivided interest in the general common elements.
- (d) "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof, who or which owns one (1) or more condominium units in the Condominium Project.
- (e) "Majority of Unit Owners" means the office unit owners with fifty-one percent (51%) or more of the votes weighted so as to coincide with percentage ownership interests assigned in this Declaration to the respective condominium units.
- (f) "General Common Elements" means and includes the land described above herein and the office building and other improvements thereon, except the office suites (as defined herein), and shall include, without limitation, the following:
 - (1) The foundations, bearing walls and columns, common dividing walls between two (2) or more office suites, attic, floors and ceilings, thoroughfares (such as porches, hallways and walkways), roof, and all other parts of the office building not included within an office suite;
 - (2) The grounds, yards, gardens and parking areas located within the Condominium Project;
 - (3) The compartments or installations making up the central services (i.e., serving more than a single office suite), such as water, power, sanitary sewer and telephone;
 - (4) All other structures, facilities and equipment (including, without limitation, security lights) located on the land necessary or convenient to the existence, maintenance, safety and use of the land and building, or normally in common use (excluding, however, any equipment or facilities constituting part of an office suit, as hereinafter provided); and
 - (5) All repairs, replacements or additions of or to any of the above.
- (g) "Condominium" shall mean and refer to the separate ownership of an office unit, together with an undivided ownership interest in the general common elements of the Condominium Project.

- (h) "Land" shall mean and refer to the lot, tract or parcel of real property described above herein and on the Map referred to herein as Exhibit "A".
- (i) "Entire Premises" or "Property" means and includes the land, the building, all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto.
- (j) "Common Expenses" mean and include:
- (1) All sums lawfully assessed against the unit owners by the Board of Managers;
 - (2) Expenses of administration and management, and expenses of maintenance, repair or replacement of the general common elements;
 - (3) Expenses agreed upon as common expenses by the owners; and
 - (4) Expenses declared common expenses by provisions of this Declaration and by the Bylaws.
- (k) "Association of Unit Owners" or "Association" means a Texas non-profit association, its successors and assigns, which shall govern the administration of this Condominium Project, and the members of which shall be all of the owners of the condominium units. The terms "Association of Unit Owners" or "Association" shall have the same meaning as the term "Council of Owners" as used in the Texas Condominium Act.
- (l) "Bylaws" means and refers to the Bylaws attached hereto as Exhibit "B", by which the affairs of the Association are governed.
- (m) "Map" or "Plat" means and refers to the engineering survey of the land, locating thereon the office building and all other improvements, the floor plan of the office building and office suites, and any other drawings or diagrammatic plan depicting the office building and other improvements, consisting of one (1) sheet labeled as Exhibit "A", filed herewith, and incorporated herein by reference.
- (n) "Assessments" means the assessments made and levied against each owner and his condominium unit for the common expenses incurred in the management and operation of the Condominium Project and the Condominium Regime and for repair, maintenance and operation of the general common elements (including reserves for replacements), in accordance with the provisions of this Declaration and the Bylaws of the Association.
- (o) "Special Assessments" means any assessments over and above the normal common charge or assessment necessary for the preservation, management and administration of the Condominium Regime or for extraordinary repairs, replacements, reconstruction of the general common elements.
- (p) "Texas Condominium Act" or "Condominium Act" shall mean and refer to the Condominium Act of the State of Texas, Title 7, Chapter 81, of the Texas Property Code, together with any and all amendments thereof or thereto.
- (q) "Mortgage", "Deed of Trust" or "Trust Deed" means a pledge of a security interest in or the creation of a lien upon a condominium unit given to a creditor to

secure repayment of a loan made to the condominium unit owner (or made to another, but secured by such condominium unit).

- (r) "Mortgagee" means the beneficiary of, or secured party in, a mortgage on a condominium unit.
- (s) "PUD Association" shall mean and refer the COURT OF ST. LOUIS PROPERTY OWNERS ASSOCIATION, a Texas non-profit corporation formed and existing to provide for the ownership, improvement, maintenance, operation, preservation, regulation and control of the "common area" of ST. LOUIS COURT, a Subdivision in the City of Beaumont, Jefferson County, Texas (of which subdivision this Condominium Project is a part), and to provide for certain exterior maintenance and architectural control of the lots in said subdivision, all as more fully provided in the hereinafter referenced PUD Declaration.
- (t) "PUD Declaration" shall mean and refer to the recorded DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF ST. LOUIS COURT, A SUBDIVISION IN THE CITY OF BEAUMONT, JEFFERSON COUNTY, TEXAS, under and pursuant to which such subdivision was made and constituted a "planned unit development", consisting of the "lots" and the "common area" (as such terms are defined in the PUD Declaration), and by which PUD Declaration certain easements, covenants, conditions, restrictions and limitations were imposed upon the "lots" and "common area" of such subdivision (including the Entire Property of this Condominium Project).

2. The Map referred to herein as Exhibit "A" 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 Map consists of and sets forth (i) the legal description of the surface of the land; (ii) the linear measurements and locations, with reference to the exterior boundaries of the land, of the building and all other improvements on said land; and (iii) floor plans of the building showing the location, the building designation, the office suite designation and the dimensions and square-footage of each office suite or unit.

3. The real property is hereby divided in the following separate fee simple estates:

- (a) Four (4) fee simple estates consisting of four (4) separately designated office suites, each such office suite identified by suite number on the Map, the building being designated Building "A" and the office suites being designated as Office Suites 101, 102, 103 and 104, respectively, the square footage, dimensions, locations and boundaries of each being detailed on the Map referred to herein as Exhibit "A".
- (b) The remaining portion of the entire premises, referred to as the "general common elements", which shall be held in common by the owners, the interest of each therein being hereinafter set forth and each undivided interest being appurtenant to one (1) of the four (4) office units.
- (c) The undivided percentage ownership interest in the general common elements of the Condominium Project allocated and appurtenant to each office unit is as follows:

<u>Suite Number</u>	<u>Square Footage</u>	<u>Percentage Interest</u>
Suite 101	3,983 sq. ft.	54.60%

Suite 102	1,486 sq. ft.	20.40%
Suite 103	1,124 sq. ft.	15.50%
Suite 104	714 sq. ft.	9.60%

- (d) The percentage ownership interest assigned to each office unit above is based upon the approximate square-footage of each office unit in relation to the total square-footage of all the office units in the Condominium Project. The percentage ownership interest assigned to each office unit shall be determinative of the proportionate share of the owner(s) of each office unit in the proceeds and (generally, but not necessarily exactly) common expenses of the Condominium Project and the weight to be given each owner's vote at meetings of the Association. The total of such percentage ownership interests is one hundred percent (100%).

4. Each office unit shall consist of the following portions of the office building:

- (a) The interior surface of each perimeter wall;
- (b) The interior surface of the perimeter ceiling;
- (c) The upper surface of the concrete sub-floor;
- (d) The interior surface (including all glass or glass substitute) of the windows and doors set in bearing walls;
- (e) The air space enclosed within the area described and delineated in subsections "a" through "d" above;
- (f) Any and all walls, partitions and dividers wholly within such air space and all wall and floor coverings; and
- (g) All plumbing, heating, ventilating, air conditioning, lighting and other fixtures and equipment located wholly or partly within such air space (including any external air conditioning compressor, condensing unit or other component).

5. Each office suite and its undivided interest in and to the general common elements appurtenant thereto shall be inseparable and may be conveyed, leased or encumbered only as a condominium unit.

6. Every deed, lease, mortgage, trust deed or other instrument may legally describe a condominium unit by its identifying suite or unit number and building symbol or designation as shown on the Map, followed by the words "ST. LOUIS COURT OFFICE CONDOMINIUM, a Condominium Project in the City of Beaumont, Jefferson County, Texas", and by reference to the recorded Declaration, Bylaws and Map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the specified unit, together with the undivided interest in the general common elements appertaining to said unit.

7. Declarant shall give written notice to the assessor-collector of the respective taxing jurisdictions of the creation of condominium ownership of this property, as is provided by law, so that each office unit and its percentage ownership interest in the general common elements shall be deemed a separate parcel and subject to separate assessment and taxation.

8. A condominium unit may be held and owned by more than one person as joint tenants, or as tenants-in-common, or in any

real property tenancy relationship recognized under the laws of the State of Texas.

9. The general common elements shall be owned in common by all of the owners of the office units and shall remain undivided, and no owner shall bring any action for partition or division of the general common elements. Nothing herein contained shall preclude a waiver or termination of the Condominium Regime upon the authorization of all the owners of the office units and all mortgagees in whose behalf encumbrances are recorded against units in the Condominium Project, as provided in the Texas Condominium Act. Also, 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. All mortgagees of a condominium unit must be paid prior to any partition thereof, or the consent of all such mortgagees to such partition must be obtained.

10. Each owner shall be entitled to exclusive ownership and possession of his office suite. Each owner may use the general common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners, subject to such restrictions, regulations and limitations as shall be imposed by this Declaration or the annexed Bylaws, as same may be duly amended from time to time, and subject to the easements, covenants, conditions, restrictions and limitations of the PUD Declaration and the Bylaws of the PUD Association. In all regards and respects, the easements, covenants, conditions, restrictions and limitations of the PUD Declaration and the Bylaws of the PUD Association shall govern and control over and supersede the provisions of this Declaration; and each and every unit in this Condominium Project (and the owner or owners of each and every such unit) shall be subject to all of the easements, covenants, conditions, restrictions and limitations of the PUD Declaration and the Bylaws of the PUD Association to the same extent, and with the same effect, as if such easements, covenants, conditions, restrictions and limitations were incorporated into and made a part of this Declaration.

11. The office suites are intended and shall be used only for purposes permitted within the zoning district in which the Condominium Project is located. However, even if permitted by the zoning ordinances of the City of Beaumont for the zoning district in which the Condominium Project is located, no office suite shall be used, in whole or in part, for residential purposes. An office suite shall be used and occupied only by the owner thereof, his heirs or personal representatives, or by the owner's tenant, his heirs or personal representatives. No owner shall lease less than his entire office unit. Any lease agreement must provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration and the Bylaws attached hereto, and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases must be in writing and shall be for a term of not less than six (6) months. Other than the foregoing and the provisions of Section 27 hereof, there is no restriction on the right of any owner to lease his office unit.

12. If any portion of the general common elements encroaches upon an office unit or units as a result of construction, reconstruction, repair, shifting, settlement, movement or any other cause, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of an office unit or units encroaches upon any portion of the general common elements for any of the above causes, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachment(s) and easement(s) shall not be considered or determined to be encumbrances either on the general common elements or the office units.

13. Subsequent to the completion of the improvements described on the Map, no labor performed or materials furnished and incorporated in an office unit with the consent or at the request of the owner thereof, or his tenant, agent, contractor or subcontractor, shall be the basis for filing of a lien against the general common elements owned in common with the 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 office unit of any other owner, or against the general common elements, for construction performed or for labor, materials, services or other products incorporated in the owner's office unit.

14. The administration of this condominium property shall be governed by the Bylaws of ST. LOUIS COURT CONDOMINIUM OWNERS ASSOCIATION, a Texas non-profit association, herein referred to as the "Association". A copy of such Bylaws is attached hereto as Exhibit "B" and is incorporated herein by reference; and same shall be deemed adopted by Declarant as sole owner of the property herein described, and all owners shall be bound thereby, Declarant may, at Declarant's election, or the owners may, by unanimous written consent or agreement filed for record in the office of the County Clerk of Jefferson County, Texas, cause to be formed a Texas non-profit corporation bearing the same name or such different name as Declarant or the owners may choose, in which event such non-profit corporation shall be composed of owners of condominium units as herein set out, and such non-profit corporation shall thereafter act and do things to be done by the Association; and the said non-profit corporation, if formed, shall be bound by, adopt and observe as its Bylaws the said Bylaws hereto attached. "Association" as here used shall refer to the member owners as a group, both before and after incorporation. In the event of incorporation, a certified copy of the Articles of Incorporation of such non-profit corporation shall be filed for record in the office of the County Clerk of Jefferson County, Texas. An owner of a condominium unit, upon becoming an owner, shall be a member of the Association and shall remain a member for the period of his ownership. The affairs of the Association shall be governed by a Board of Managers, as provided in the Bylaws. If incorporated, the affairs of the Association shall be governed by a Board of Directors; and the term "Board of Managers" shall, after incorporation, be deemed to mean and refer to the Board of Directors of such non-profit corporation. The initial Board of Managers shall be appointed by Declarant, and such appointees shall serve for the term specified in said Bylaws.

15. The owners shall have the irrevocable right, to be exercised by the Board of Managers of the Association, to have access to each office suite from time to time during reasonable hours as may be necessary to (a) maintain, repair or replace any of the general common elements therein or accessible therefrom, (b) make emergency repairs therein (or other non-emergency repairs therein which the owner has failed to perform) necessary to prevent damage to the general common elements or to another office unit or units, (c) abate a nuisance or dangers, or an unauthorized, prohibited or unlawful activity conducted or maintained in an office suite, (d) protect the property rights and welfare of the other owners, or (e) enforce the provisions of this Declaration and the Bylaws of the the Association. Except in the event of an emergency, the right of entry shall be exercised only in the presence of the owner or other authorized occupant of the office suite which is entered. In all events such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the lawful and authorized use and enjoyment of such office unit by the owner or other authorized occupant thereof. Any damage done to the property of the owner or authorized occupant of the office suite by reason of the exercise of such right of entry shall be repaired at the expense of the Association, and such expense shall be deemed a common expense.

16. An owner shall maintain and keep in repair the interior of his office unit, including the fixtures, equipment and systems therein, and all exterior doors, windows and plate glass. An owner shall also maintain all electric lines, wiring, conduits or systems and the heating and air conditioning system and equipment serving his office unit (whether located within or without the unit). An owner shall also maintain the plumbing serving his office unit. Maintenance of utility lines serving more than one (1) office unit (to the extent that same are not maintained by the City of Beaumont or a public utility company) shall be performed by the Association, and the expense of such maintenance shall be a "common expense".

17. 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. No owner shall in any way alter, modify, add to or otherwise perform any work whatsoever upon any of the general common elements, save with written consent of the Board of Managers first obtained. Conversely, the Association may not alter or destroy an office unit without the consent of all the owners affected thereby and the mortgagees of all affected owners.

18. An owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, slab floor and ceiling surrounding his office unit, nor shall such owner be deemed to own the utilities running through his office unit, except as a tenant-in-common. An owner, however, shall be deemed to own and shall maintain the inner decorated and/or finished surfaces of the perimeter walls, floors and ceilings, including such elements as paint, wall paper or other coverings, floor covering, carpeting and other such finishing materials.

19. Each owner shall comply strictly with the provisions of this Declaration (including the provisions of the PUD Declaration and Bylaws of the PUD Association, together with such rules and regulations relating to the "common area" of the subdivision as shall be adopted by the PUD Association pursuant to the said PUD Declaration and/or Bylaws), the Association's Bylaws and the rules, regulations, 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 injunctive relief or both, maintainable by the Board of Managers on behalf of the owners or, in a proper case, by an aggrieved owner.

20. After this Declaration is recorded with the County Clerk, it may not be amended except at a meeting of the members of the Association at which the amendment is approved by the holders of at least sixty-seven percent (67%) of the percentage ownership interests in the Condominium Project, and no amendment of this Declaration shall alter or abolish (destroy) a unit without the consent of all affected owners and the affected owners' first mortgagees. Furthermore, no amendment hereof changing the percentage ownership interests or purporting to affect the validity or priority of any first mortgage of any unit or units shall be effective unless and until approved in writing by all mortgagees holding recorded first mortgagees upon the units in the Condominium Project. This Declaration shall not be revoked, nor the Condominium Regime waived, except upon the unanimous written consent or agreement of the owners of all office units and all mortgagees holding recorded first mortgages upon the units in the Condominium Project, except as otherwise expressly authorized herein and by the Texas Condominium Act. Any action to amend this Declaration, or to waive or terminate the Condominium Regime, shall be evidenced by written instrument duly recorded in the office of the County Clerk of Jefferson County, Texas.

21.

- (a) As stated above herein, the costs of maintenance, repair and replacement of the general common elements (except where otherwise specifically provided herein) shall be "common expenses" of the Association to be assessed upon and against the office units as provided in this Declaration and/or in the Bylaws. Additionally, all costs of administering the affairs of the Association, premiums for insurance upon the Condominium Project (except to the extent otherwise provided herein), and all other costs and expenses declared herein or in the Bylaws, or agreed by the owners to be common expenses, shall likewise be "common expenses" of the Association to be assessed upon and against the office units in this Condominium Project as provided herein and/or in the Bylaws.
- (b) The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Managers of the Association shall from time to time determine is to be paid by all of the owners, including Declarant during such time as Declarant remains an owner, to provide for the payment of the estimated "common expenses" (which may or may not, at the election of the Board of Managers, include contingency or reserve funds for capital repairs or replacements). The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification or a release of the owners from the obligation to pay.
- (c) In addition to the other "common expenses" enumerated or referred to above herein, all assessments imposed upon the land described herein by the PUD Association (whether regular annual assessments, special assessments for capital improvements, or additional lot assessments) pursuant to the PUD Declaration and/or Bylaws of the PUD Association shall constitute "common expenses" of this Association.
- (d) The Board of Managers shall obtain and continue in effect insurance against loss by fire and other casualties normally insured against under broad-form fire and extended coverage insurance, covering all insurable general common elements (excluding any furniture, fixtures, decorations, equipment or other personal property installed or placed therein by office unit owners) in an amount satisfactory to a majority of unit owners and to the mortgagees holding first mortgages on the office units, but for not less than one hundred percent (100%) of the full replacement cost thereof (exclusive of land, foundations, excavations and other items normally excluded from insurance coverage), and issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in "master" or "blanket" policy form naming the Board of Managers, as Trustee for the office unit owners, or naming the Association, as insured or insureds, which policy or policies shall identify the interest of each condominium unit owner and which shall provide for a standard, non-contributory mortgagee clause in favor of each first mortgagee. It shall also provide that it cannot be cancelled by either the insured or the insurance company until after thirty (30) days' prior written notice has been given to each first mortgagee. Said Board of Managers shall, upon request of any first mortgagee, furnish a certified copy of such blanket policy and the separate certificate identifying the interest of the mortgagor. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular owner guilty

of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under such policy, as to the interests of all other insured owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect. Determination of maximum replacement cost of all condominium units and other improvements (for insurance purposes) shall be made annually by the Board of Managers (with or without appraisals). Any miscalculation or erroneous calculation or determination by the Board of Managers of such maximum replacement cost shall not make or render the Board of Managers or the Association liable to any unit owner or mortgagee; and the failure of the Board of Managers to have an appraisal made for the purpose of determining such maximum replacement cost shall not constitute evidence of any negligence or bad faith on the part of the Board of Managers.

- (e) The Board of Managers shall also obtain and continue in force and effect for the protection of the Association insurance against liability for personal injury and death and for damage to property arising from accidents occurring within or on the general common elements of the Condominium Project. Such liability coverage shall be in such amounts as shall be determined, from time to time, by the Board of Managers, but shall have a minimum single limit of not less than Three Hundred Thousand Dollars (\$300,000.00). The premiums for such insurance shall be a "common expense" of the Association.
- (f) Owners shall not be prohibited from carrying other insurance for their own benefit at their own expense, provided that such policies contain waivers of subrogation and further provide that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any office unit owner's insurance. Each unit owner shall carry and maintain in effect on his office unit liability coverage against bodily injury and property damage in a minimum single limit of Three Hundred Thousand Dollars (\$300,000.00), and each such policy shall name the Association as an additional insured. Upon the request of the Board of Managers, each unit owner shall furnish to the Board of Managers a certificate or other evidence of such required liability coverage of such unit owner. Each unit owner is cautioned to carry and maintain his own fire and extended coverage insurance upon the contents of his office suite or unit and the constituent parts or elements thereof which are not part of the general common elements (such as wall and floor coverings, electrical and air conditioning and heating equipment, appliances, decorations, partition or dividing walls, cabinets and the like), which are not covered by the "master" or "blanket" policy maintained by the Association.

22.

- (a) All of the owners shall be obligated to pay the estimated assessments imposed by the Board of Managers of the Association to meet common expenses. Except for the fire and extended coverage insurance premiums for

the coverage required to be maintained by the Association under Section 21, the assessments shall be prorated basically according to each office unit's percentage ownership interest in the general common elements, but not necessarily in such exact proportion if the Board of Managers deems such apportionment unfair or inequitable. The premiums for the fire and extended coverage insurance on the general common elements shall be apportioned among the office units based on the proportions that the coverage carried on each office unit bears to the total coverage carried on all office units. Although a "common expense", the premiums for the fire and extended insurance may, at the election of the Board of Managers, be excluded from the assessments levied or imposed by the Board of Managers, and, in such event, the apportioned premiums shall be paid directly by the respective office unit owners. Assessments for the estimated common expenses shall be due monthly in advance on or before the fifth (5th) 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 Ten Dollars (\$10.00), and any assessment not paid when due shall bear interest at the rate of fifteen percent (15%) per annum from the due date until paid. The Board of Managers shall prepare and deliver, or mail, regularly at least annually to each owner an itemized statement showing the various estimated or actual expenses for which the assessments are made. A first mortgagee of any unit, at its request to the Association or Board of Managers thereof, shall be entitled to written notice from the Association of any default in the performance of its mortgagor's obligations hereunder or under the Bylaws which is not cured within thirty (30) days.

- (b) Property taxes are not a part of the common expenses. Ad valorem taxes, assessments and other charges of the City, County, State and other political entities, or any special district thereof, shall be separately assessed, and each condominium unit owner shall pay, at his own expense, all tax assessments against his office unit, as well as against his office equipment and other personal property.
- (c) Each office unit owner shall pay for his own utilities which are separately metered (or otherwise apportioned) to his office unit. Utility charges which are not separately metered or apportioned shall be part of the common expenses and shall be paid by the Association from the common expense fund.
- (d) Contribution for monthly assessments shall be prorated if the ownership of a condominium unit commences on a day other than on the first day of the month.

23. No owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the general common elements, or by abandonment of his office suite or unit.

24.

- (a) All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit, including interest thereon at fifteen percent (15%) per annum, shall constitute a lien on such unit superior and prior to all other liens and encumbrances, except only for:
 - (1) Tax and special assessment liens in favor of the State of Texas, any political subdivision thereof,

and any special improvement district or other taxing or assessing authority;

- (2) All sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrances, and including additional advances made thereon prior to the arising of such assessment lien; and
 - (3) All assessments imposed by the PUD Association upon the land of this Condominium Project.
- (b) To evidence such lien, the Board of Managers 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 a notice shall be signed by one of the Board of Managers or the President of the Association and may be recorded in the office of the County Clerk of Jefferson County, Texas. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment.
 - (c) Such lien may be enforced by foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage (with power of sale) on real property upon the recording of a notice of claim thereof. In any such foreclosure, the owner shall be required to pay the costs and expenses of such proceedings, including a trustee's fee equal to five percent (5%) of the gross sales proceeds, 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 and the Association shall be entitled to receive 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 on the on the condominium unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.
 - (d) 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 assessments shall be maintainable without foreclosing or waiving the lien securing same.
 - (e) Any mortgagee 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.
 - (f) Each owner, by acceptance of a deed to a condominium unit, expressly vests in the Association or its agents the right and power to bring all actions against such defaulting owner personally for collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for foreclosure or enforcement of such liens, including nonjudicial foreclosure pursuant to Subtitle B, Chapter 51 of the Texas Property Code, and any amendments thereof or thereto; and such owner hereby expressly grants to said Association an express contractual lien upon his condominium unit with a power of sale (to be exercised by any trustee, or substitute or successor trustee, designated or appointed by the Board of Managers of the Association at any time or from time to time) in connection with said lien.

- (g) Each mortgagee holding a first mortgage or first lien on a unit who comes into possession of the unit by virtue of foreclosure of the mortgage or lien, or who takes a deed or assignment in lieu of foreclosure, or any purchaser at a first mortgage or first lien foreclosure sale, will take the unit free of any claims for unpaid assessments and Association charges against the unit which accrue prior to the time such mortgagee or foreclosure purchaser comes into possession (i.e., acquires legal title) of the unit, except for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such unpaid assessments or charges among all of the units in the Condominium Project, including the unit so acquired by the mortgagee or foreclosure purchaser.

25.

- (a) Upon the written request of any owner or any mortgagee or prospective mortgagee of a condominium unit, the Association, by its Board of Managers, shall issue a written statement setting forth the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums (if collected by assessment), 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 became due prior to the date of such written request shall be subordinate to the lien of the person requesting such statement. A reasonable charge, not to exceed Five Dollars (\$5.00), may be charged by the Association for each such certificate issued by it.
- (b) Excepting a first sale by Declarant, upon the sale of any unit, the grantee of a unit shall be jointly and severally liable with the 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 the grantor the amounts paid by the grantee therefor. However, upon written request, any such prospective grantee shall be entitled to a statement from the Board of Managers 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 that the assessment becomes due, credit for advanced payments or for prepaid items, including but not limited to insurance premiums (if collected by assessment), which 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, then such grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessments against the subject unit which accrued or became due prior to the date of such written request. A reasonable charge, as provided in Par. (a) above, may be imposed for issuance of such certificate.
- (c) Upon the sale or conveyance of an office unit, all assessments against an owner for his pro rata share of the common expenses, as herein described and levied, shall first be paid out of the sales price or by the purchaser, in preference over any other debts or charges of whatever nature except the following:

- (1) Tax and special assessment liens in favor of the State of Texas, any political subdivision thereof, and any special improvement district or other taxing or assessing authority, for taxes then due and owing;
- (2) All sums owing and unpaid on a first mortgage or first deed of trust of record; and
- (3) All assessments unpaid and owing to the PUD Association upon the land of the Condominium Project.

26. Any owner shall have the right from time to time to mortgage or encumber his condominium unit by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable State law. The owner of a condominium unit may create a second mortgage on his condominium unit upon the following conditions:

- (a) That any such second mortgage shall always be subordinate to (i) all of the terms, conditions, covenants, restrictions, uses and limitations of this Declaration and the attached Bylaws (including the PUD Declaration and the Bylaws of the PUD Association), (ii) the assessment lien provided for in this Declaration and/or the attached Bylaws, and (iii) the assessment lien created or provided for in the PUD Declaration and/or Bylaws of the PUD Association;
- (b) That the mortgagee under any second mortgage shall release, for the purpose of restoration of any improvements in the Condominium Project, all of his right, title and interest in and to the proceeds under all insurance policies upon said mortgaged unit effected and placed upon the mortgaged unit by the Association, and in and to any award or compensation paid for a total or partial taking by eminent domain. Such release shall be furnished forthwith by a second mortgagee upon written request to the Association or the holder of the first mortgage.

27.

- (a) In the event that any owner of a condominium unit shall wish to sell or lease his unit and shall have received a bona fide written offer (an "Offer") therefor from a prospective purchaser or prospective tenant (the term "tenant", as used in this Declaration and the Bylaws, shall mean and refer to a lessee under a written lease or proposed written lease), such owner shall give written notice of such Offer to the Board of Managers, which shall be deemed notice to all of the other owners. Such written notice (the "Notice") shall state with particularity all of the terms and considerations of said Offer; and, if such Offer is for the purchase of the condominium unit, such Notice shall be accompanied by a true and correct copy of the executed contract of sale and purchase (the "Contract") covering the condominium unit. Upon receipt of the written notice from the offering owner, the Board of Managers shall (i) note upon the Notice the date upon which same was received by the Board of Managers (the "Date of Receipt"), and (ii) deliver or transmit to each of the other owners a copy of the Notice (and accompanying Contract, in the case of a proposed sale of the unit). For a period of thirty (30) days from the Date of Receipt in the case of a proposed sale, and for a period of fifteen (15) days from the Date of Receipt in the case of a proposed lease, the other owners, or any one (1) or more thereof, shall have the right to

purchase or lease (as the case may be) the offered condominium unit upon terms identical with those contained in the Notice (and accompanying Contract, in the case of a proposed sale of the unit).

- (b) In order to exercise the right to purchase an offered unit, the owner or owners electing to purchase shall give written notice to the Board of Managers within the aforementioned thirty (30) day period; and in order to exercise the right to lease an offered unit, the owner or owners electing to lease shall give written notice to the Board of Managers within the aforementioned fifteen (15) day period; and the Board of Manager shall, then, give notice to the owner of the offered unit setting forth the names of the owners electing to purchase or lease, as the case may be, the offered unit.
- (c) The electing owner or owners shall then be bound and obligated to purchase or lease, as the case may be, the offered condominium unit in strict accordance with the terms and provisions of the Notice (and the accompanying Contract, if a sale); and the offering owner shall be obligated to sell or lease, as the case may be, the offered unit to such electing owner or owners in strict accordance with the terms and provisions of the said Notice (and Contract, if a sale). If more than one (1) owner shall make such election, then such electing owners shall be jointly and severally obligated to purchase or lease, as the case may be, such offered unit. Further, if more than one (1) owner elects to purchase or lease, as the case may be, and such electing owners cannot agree between or among themselves as to the undivided interests in which they shall purchase or lease such unit, then each of such electing owners shall be entitled and obligated to purchase or lease, as the case may be, the offered unit undivided interests determined by dividing the percentage ownership interest of each electing owner by the combined percentage ownership interests of all electing owners. If there is only one (1) electing owner, he shall, upon the closing of the purchase or lease of the offered unit, pay the purchase price or lease rental to the owner of the offered unit in accordance with the Notice (and accompanying Contract, if a sale). If there is more than one (1) electing owner, each such electing owner shall, upon the closing of the purchase or lease of the offered unit, pay his "proportional share" (which shall be in accordance with his undivided interest in the unit being purchased or leased) of the purchase price or lease rental for the offered unit. At the closing of the sale or lease, and upon payment of the purchase price or advance rental (if any), the owner of the offered unit shall make a conveyance or lease thereof in accordance with said Notice (and accompanying Contract, if a sale) to the owner or owners who shall have purchased or leased, as the case may be, such offered unit.
- (d) If none of the other owners elect to purchase or lease, as the case may be, the offered condominium unit in the manner and within the time prescribed above, the offering owner shall thereafter be free to sell or lease, as the case may be, the offered unit to the purchaser or tenant identified in the Notice (and accompanying Contract, if a sale) on the exact terms and conditions set out in such Notice (and Contract); provided, however, that if the sale or lease, as the case may be, as to which the other owners have declined or failed to exercise their respective right of first refusal is not then closed and consummated within sixty

(60) days from the expiration of the said thirty (30) day period in the case of a sale, or fifteen (15) day period in the case of a lease, the offering owner shall not then close the purchase or lease with the prospective purchaser or tenant without again giving the required Notice (and accompanying Contract, if a sale) to the Board of Managers and allowing the other owners the specified period(s) of time to exercise their respective rights of refusal to purchase or lease, as the case may be, as provided above herein. The failure or refusal of the other owners to exercise the right of first refusal to purchase or lease, as the case may be, shall not constitute or be deemed to be a waiver of such right to purchase or lease upon any subsequent offering of such unit.

- (e) In the event any owner shall attempt to sell or lease his condominium unit without affording the other owners the right of first refusal herein provided, such attempted or purported sale or lease shall be wholly null and void and shall confer upon the intended purchaser or tenant no title or interest whatsoever in the offered condominium unit. Possession of an office unit by a person other than the record owner, his heirs or personal representatives, or the tenant of an owner under a written lease made in accordance with the provisions of this Declaration, continuing for a period of more than ten (10) days shall be deemed, for the purposes of this Section 27, to constitute a leasing or subleasing of the condominium unit, whether or not any consideration has been paid therefor; and in such event, the Board of Managers may require the removal of such occupants, it being hereby agreed that the Board of Managers may take possession of the office unit upon demand therefor from such occupants, with or without notice to the record owner thereof; and in the event of failure to surrender such possession, the Board of Managers may institute its action for forcible entry and detainer for possession of the office unit and have and retain such possession until the record owner thereof retakes possession of the office unit. During any time when the Board of Managers shall have possession of the office unit hereunder, the record owner, and all persons in the premises with the permission or invitation of the record owner, shall be deemed to have waived any claim for damages to person or property in or on the office unit.
- (f) The subleasing of a condominium unit shall be subject to the same limitations and restrictions as are applicable to the leasing thereof. The liability of the record owner under these covenants shall continue, notwithstanding the fact that he may have leased his office unit as provided herein.
- (g) In no case shall the right of first refusal reserved herein affect the right of an owner to subject his interest in his condominium unit to a deed of trust, mortgage or other security instrument.
- (h) Notwithstanding anything herein to the contrary, the owner(s) of a condominium unit shall be entitled to lease such unit, free of the right of first refusal herein provided, to a corporation, partnership, joint venture or legal entity solely owned by said owner(s), both at the inception of such lease and during the full term thereof. Any change of ownership in such tenant corporation, partnership, joint venture or other entity shall end the exemption of such condominium unit and shall necessitate the offer of lease of such unit to the other owners in accordance with the provisions of

this Section 27 (as if such condominium unit were offered for lease to some outside third party).

- (i) The provisions of this Section 27 shall not apply to any first sale by Declarant at any time hereafter made.
- (j) The transfer of a deceased joint tenant's interest in a condominium unit to the surviving joint tenant or the transfer of a decedent's interest to a devisee by will or his heirs at law under the intestacy laws shall not be subject to the provisions of Section 27.
- (k) If the owner of a condominium unit can establish to the satisfaction of the Board of Managers that a proposed transfer is not a sale or lease of such unit, then such transfer shall not be subject to the provisions of this Section 27.
- (l) Upon or at any time after the receipt of written notice from the offering owner of a proposed sale or lease of his condominium unit, the other owners may waive by written instrument their respective rights of first refusal as to the then proposed sale or lease; provided, that such waiver shall be limited only to that proposed sale or lease of the offered unit and shall not be deemed a continuing waiver or a waiver as to any other or subsequent offering of such unit for sale or lease.
- (m) Unless sooner terminated or modified by written termination or modification of this Declaration, the terms and provisions of this Section 27 shall remain in effect for the period of the lives of the now living children of RICHARD L. GUSEMAN or LARRY C. ROUGEAU, whichever of such children shall live the longest, plus twenty-one (21) years.

28. In the event of any default on the part of any owner under any first mortgage which entitles the holder thereof to foreclose same, any sale under such foreclosure, or the delivery of a deed to the first mortgagee in lieu of such foreclosure, shall be made free and clear of the provisions of Section 27, but the purchaser at the foreclosure sale (or grantee under such deed in lieu of foreclosure) of such condominium unit shall thereupon and thereafter be subject to the provisions of this Declaration (including Section 27) and the Bylaws of the Association. If the purchaser following such foreclosure sale (or grantee under a deed given in lieu of such foreclosure) shall be the then holder of the first mortgage, or its nominee, then said holder or nominee may thereafter sell and convey said condominium unit free and clear of the provisions of Section 27, but its grantee shall thereupon and thereafter be subject to all of the provisions thereof.

29. Upon the written request of any prospective transferor, purchaser, tenant or an existing or prospective mortgagee of any condominium unit, the Board of Managers of the Association shall, within fifteen (15) days of receipt of such written request (or where a longer period of time is specified, within the specified time), issue a written and acknowledged certificate in recordable form, evidencing that:

- (a) With respect to a proposed sale or lease under Section 27, that proper notice was given by the offering owner and that none of the other owners exercised his option to purchase or lease, as the case may be, the offered unit;
- (b) With respect to a deed to a first mortgagee (or its nominee) in lieu of foreclosure, and a deed from such first mortgagee (or its nominee), pursuant to Section

28, that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of Section 27; or

- (c) With respect to any contemplated transfer which is not in fact a sale or lease, that the transfer is not or will not be subject to the provisions of Section 27.

The Association shall be entitled to impose a reasonable fee for the issuance of any such certificate, not to exceed Twenty-five Dollars (\$25.00).

30.

- (a) This Declaration hereby makes mandatory the irrevocable appointment by each owner of the Association as his attorney-in-fact to deal with the property upon its damage, destruction or condemnation.
- (b) 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. Each of the owners irrevocably constitutes and appoints the Association his true and lawful attorney in his name, place and stead, for the purpose of dealing with the property upon its damage, destruction or condemnation as is hereafter provided. As attorney-in-fact, the Association, by its President and Secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a condominium unit owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the building as used in the succeeding Sections means restoring the building to substantially the same condition in which same existed prior to the damage, destruction or condemnation, with each unit and the general common elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance or award for taking by condemnation collected shall be made available to the Association for the purpose of repair, restoration or replacements, unless the owners and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

31.

- (a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the building, shall be applied by the Association, as attorney-in-fact, to such repair or reconstruction, and the building shall be promptly repaired and reconstructed, except as hereinafter provided in Pars. "c" or "d" of this Section 31.
- (b) If the building is damaged, but not to the extent that more than two-thirds (2/3rds) thereof requires reconstruction (as determined by the Board of Managers), and the insurance proceeds are insufficient to pay for such repairs or reconstruct, 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 unit's percentage interest in the general common elements and shall be due and payable within thirty (30) days after written

notice or demand therefor is given by the Association to each unit owner. The Association shall have the authority to cause the repair or restoration of the building 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 Section 24. 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 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; and the Association shall proceed to sell such unit as attorney-in-fact for such defaulting unit owner. 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 the balance owing on any first mortgage on such unit;
 - (2) For payment of taxes and special assessment liens in favor of the State of Texas or any political subdivision thereof, special improvement district, or any other taxing or assessing entity;
 - (3) For payment of unpaid assessments owing on said unit, including (i) any assessment owing to the PUD Association, and (ii) the deficiency assessment for reconstruction;
 - (4) For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
 - (5) The balance remaining, if any, shall be paid to the condominium unit owner.
- (c) If the building is damaged to the extent that more than two-thirds ($2/3$ rds) thereof requires reconstruction (as determined by the Board of Managers), the Association may elect not to reconstruct the same. Unless all owners and first mortgagees unanimously agree to a plan for the reconstruction of the building, within one hundred twenty (120) days after the occurrence of such damage or destruction, the Association shall (i) forthwith record in the office of the County Clerk of Jefferson County, Texas, a notice setting forth the fact that such building is not to be repaired or reconstructed, and (ii) collect the insurance proceeds payable by reason of such damage or destruction. Upon the recording of such notice, executed by the Association's President and Secretary, the remaining 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 Map and the Bylaws. The insurance settlement proceeds collected by the Association 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 as many separate accounts as there are units covered by this Declaration, each such account representing one of the condominium units. Each such account shall be in the name of the Association, and shall be further identified by the number of office suite and the name of the owner. There shall be added to each such account, the

apportioned amount of the proceeds derived from the sale of the Entire Property, which 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 subparagraphs (b) (1) through (5) of this Section.

- (d) If, however, the building is damaged to the extent that more than two-thirds (2/3rds) thereof requires reconstruction (as determined by the Association Board of Managers), and, within one hundred twenty (120) days after the occurrence of the damage or destruction, the Association adopts a plan for the reconstruction of the building, which plan has the unanimous approval of all owners and all first mortgagees, then all of the owners shall be bound by the terms and other 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 general common elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice or demand therefor is given to all unit owners. The Association shall have the authority to cause the repair or restoration of the building (where authorized hereunder), using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the deficiency assessment on his unit. 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 Section 24. 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 assessment within the time provided; and if not so paid, the Association shall cause to be recorded in the office of the County Clerk of Jefferson County, Texas, a notice that the condominium unit of the delinquent owner shall be sold by the Association and the Association shall proceed with the sale of such unit. The proceeds derived from the sale of such condominium unit shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in subparagraphs (b) (1) through (5) of this Section.
- (e) Timely notice of substantial damage to or destruction of any unit or any part of the general common elements shall be given by the Board of Managers to every institutional lender holding a first mortgage on any condominium unit in the Condominium Project; and in no event shall any provision of this Declaration, the Bylaws or any other document establishing this Condominium Project entitle the owner of a unit or any other party to priority over any first mortgagee with respect to the distribution to such unit (or to the owner thereof) of any insurance proceeds, with the exception of the Association using (or having the right to use) such insurance proceeds for repair, restoration or reconstruction under the terms of this Declaration.

32.

- (a) If all or any part of the general common elements is taken, injured or destroyed by eminent domain, each unit owner shall be entitled to participate, through the Board of Managers, in the proceedings incident thereto. However, any damages shall be for the taking, injury or destruction as a whole, and shall be

collected by the Board of Managers. If the owners representing an aggregate ownership of two-thirds (2/3rds), or more, duly and promptly approve repair and restoration of the general common elements, the Board of Managers shall contract for such repair and restoration, and shall disburse the proceeds of the award in appropriate progress payments to contractors engaged in such repair and restoration. If the proceeds of the award are insufficient to defray the entire expense of repair and restoration, the excess of such expense over such proceeds shall be treated as a common expense, and same shall be collectible in the same manner as provided herein for collection of deficiency assessments in the case of damage or destruction by fire or other casualty. In the event that the owners representing an aggregate ownership interest of two-thirds (2/3rds), or more, do not duly and promptly approve the repair and restoration of the common elements, the net proceeds shall be divided by the Board of Managers among all unit owners and their mortgagees in proportion to the respective ownership interests of the unit owners, paying out of the share of each unit owner in the order set forth in subparagraphs (b) (1) through (5) of Section 31.

- (b) If all or any part of any unit or units, other than the undivided interest or interests in the general common elements appurtenant thereto, shall be taken, injured or destroyed by eminent domain, each unit owner so affected shall be entitled to participate directly in the proceedings incident thereto. Any damages shall be payable directly to such unit owner or owners and their mortgagees as provided by law or as provided by the terms of any mortgage or deed of trust creating a lien upon such unit.
- (c) If any condominium unit or portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then any mortgagee holding a recorded first mortgage or deed of trust on a unit will be entitled to timely written notice of any such proceeding or proposed acquisition, and in no event shall any provision of any document establishing the project entitle the owner of a unit or any other party to priority over such mortgagee with respect to the distribution to such unit owner the proceeds of any award or settlement.

33. By execution and recordation of this Declaration, the Declarant transfers and conveys to the Association all items of personal property located (or to be located) on the Entire Premises and furnished by Declarant, which property is intended for the common use and enjoyment of the condominium unit owners and occupants. No owner shall have any other interest and right thereto, except as a member of the Association, and all such right and interest shall absolutely terminate upon the owner's termination of ownership of his condominium unit.

34. All notices, demands or other notices (collectively referred to herein as "notices") required or intended to be served upon an owner shall be either personally delivered to such owner (or left with someone of legal age at such owner's residence or place of business) or sent by first class or certified United States Mail, postage prepaid, addressed in the name of such owner in care of the office suite number and building address of such owner, if such owner is occupying such office suite; otherwise, any such notice shall be sent to an owner at his last known mailing address, as same appears upon the records of the Association. Where there shall be more than one (1) owner of an office unit (such as where a unit is owned by co-tenants or

joint-tenants), notice delivered or sent to any one (1) of such owners shall constitute notice to all of such owners. All notices required or intended to be served upon the Board of Managers of the Association, or the Association, shall be sent by first class or certified United States Mail, postage prepaid, addressed to the Association at 7060 Phelan Boulevard, Suite 102, Beaumont, Texas 77706, until such address is changed by a notice of address change duly given by the Board of Managers to all owners. If delivery of notice is made by mail, such notice shall be deemed given, if properly addressed and with full postage prepaid, effective as of the earlier of (a) actual receipt by the addressee thereof, or (b) three (3) business days after deposit with the United States Postal Service.

35. Any institutional lender holding a recorded first mortgage or deed of trust creating a first mortgage or first lien on any unit in the Condominium Project will, upon request, be entitled to:

- (a) Inspect the books and records of the Association during normal business hours;
- (b) Receive an annual financial statement of the project Association within ninety (90) days following any fiscal year of the Condominium Project; and
- (c) Receive written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

36. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance shall 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.

37. The provisions of this Declaration shall be in addition and supplemental to the Texas Condominium Act and to all other provisions of law.

38. Whenever used herein, unless the context shall otherwise provide or require, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. Furthermore, where used herein with respect to a corporation, partnership, trust or other legal entity, the term "heirs" shall be deemed to mean "successors".

39. It is expressly agreed, and each and every purchaser of an office unit, his heirs, personal representatives, assigns and successors, hereby agree, that the square-footage, size and dimensions of each office unit as set out and shown in this Declaration or in the Map attached as Exhibit "A" hereto, are approximate and are shown for descriptive purposes only, and that the Declarant does not warrant, represent or guarantee that any office unit actually contains the area, square-footage or dimensions thereof shown by the Map. Each purchaser and owner of an office unit or interest therein, has had full opportunity and is under a duty to inspect and examine the office unit purchased by him prior to his purchase thereof, and agrees that the office unit is purchased as actually and physically existing. Each purchaser of an office unit hereby expressly waives any claim or demand which he may have against the Declarant, or any other person whomsoever, on account of any difference, shortage or discrepancy between the office unit as actually and physically existing and as it is shown on the Map. It is specifically agreed that in interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the office unit or of any office unit reconstructed in substantial accordance with the original plans thereof shall be conclusively

deemed to be the boundaries, regardless of settling, arising or lateral movement of the building and regardless of variances between the boundaries shown on the Map and those of the building.

40. FIRST CITY NATIONAL BANK OF BEAUMONT (herein referred to as "Lienholder"), being the holder of a lien or liens upon the Entire Property, joins in the execution hereof, at the request of and as an accommodation to Declarant, and for the purpose of (a) evidencing its consent to the declaration by Declarant of the herein described property as a Condominium Project in accordance with this Declaration and the Map referred to herein as Exhibit "A", and (b) subordinating its lien or liens to the provisions, covenants, conditions, restrictions and limitations contained in this Declaration and/or the annexed Bylaws. It is, however, specifically stipulated that by the execution hereof, Lienholder does not (c) subordinate its recorded first mortgage upon the Entire Property to the assessment lien provided in the Declaration and/or Bylaws, or (d) bind itself, its successors or assigns, to any of the affirmative duties, covenants or obligations of Declarant or any warranties, whether express or implied, of Declarant; and Lienholder expressly disaffirms and disclaims the assumption by Lienholder of any of the duties, covenants or obligations of Declarant and expressly states that Lienholder makes no warranties, representations or guaranties of any kind, nor is Lienholder bound by any warranties or guaranties (whether express or implied) or representations on the part of Declarant, or Declarant's agents, representatives, successors or assigns.

EXECUTED this the 14th day of November, 1984.

DECLARANT:

GUSEMAN HOMES, INC.

By: Richard L. Guseman
RICHARD L. GUSEMAN, President

ATTEST

By: Margie D. Milover
Margie Milover, Secretary

LIENHOLDER:

FIRST CITY NATIONAL BANK OF
BEAUMONT

By: Michael D. Tanous
Michael D. Tanous, Vice President
(Name and Title)

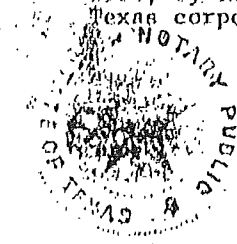
ATTEST

By: Janis Boyd Hudson
Janis Boyd Hudson, Assistant Cashier

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

This instrument was acknowledged before me on Nov. 14, 1984, by RICHARD L. GUSEMAN, President of GUSEMAN HOMES, INC., a Texas corporation, on behalf of said corporation.



JULIE D. HOFFMANN, Notary Public,
For the State of Texas
My Commission Expires 11/13/88

Julie D. Hoffmann
Notary Public, State of Texas

(Printed or Typed Name)

My Commission Expires: _____

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

This instrument was acknowledged before me on November 19, 1984, by Michael D. Tarnous, Vice President of FIRST CITY NATIONAL BANK OF BEAUMONT, a national banking corporation, on behalf of said bank.

Rita J. Rupert
Notary Public, State of Texas
Rita J. Rupert
(Print or Typed Name)
My Commission Expires 3-25-86

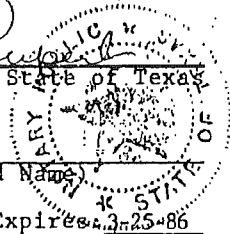


EXHIBIT "B"

BYLAWS

OF

ST. LOUIS COURT CONDOMINIUM OWNERS ASSOCIATION

ARTICLE I.

OBJECT

(Plan of Office Ownership)

1. The purpose for which this non-profit Association is formed is to govern the condominium property situated in the City of Beaumont, Jefferson County, Texas, which property is described and depicted on the Map referred to as Exhibit "A" in the annexed and foregoing Declaration (the "Declaration"), which Declaration and Map are by this reference made a part hereof, and which property has been submitted to the provisions of the Texas Condominium Act.

2. All present or future owners, present or 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 Bylaws. The mere acquisition or leasing of any of the condominium units (hereinafter referred to as "units") of the Condominium Project or the mere act of occupancy of any of said units will signify that these Bylaws are accepted and ratified and will be complied with.

ARTICLE II.

MEMBERSHIP, VOTING, MAJORITY OF OWNERS,
QUORUM, PROXIES

1. Membership. Any person on becoming an owner of a condominium unit shall automatically become a member of this Association and be subject to its Bylaws. 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 connected with, the Condominium Regime established by the Declaration during the period of such ownership and membership in this Association, or impair the rights or remedies which the Board of Managers 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 Managers may, if it so elects, issue one (1) membership card to the owner(s) of a condominium unit. Such membership card shall be surrendered to the Secretary whenever ownership of the condominium unit designated thereon shall terminate.

2. Voting. Voting shall be based upon the percentage ownership interest in the common elements attributable to each condominium unit. Each condominium unit shall constitute a single voting unit, and the owner(s) thereof shall be entitled to cast but a single vote therefor, which vote, however, shall be of that unit's respective percentage ownership interest (as set forth in the Declaration). Voting of fractional interests is, therefore, prohibited, and cumulative voting is likewise prohibited.

3. Majority of Unit Owners. As used in these Bylaws, the term "majority of unit owners" means the unit owners with fifty-one percent (51%) or more of the votes weighted so as to coincide with percentage ownership interests assigned in the Declaration to the respective units.

4. Quorum. Except as otherwise provided in these Bylaws, 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 may be filed with the Secretary before the appointed time of each meeting.

6. Mortgagees. The holder of any recorded first mortgage shall be entitled, upon written request, to written notice of all regular or special meetings of the Association and to have a representative attend such meetings.

ARTICLE III. ADMINISTRATION

1. Association Responsibilities. The owners of the units will constitute the ST. LOUIS COURT CONDOMINIUM OWNERS ASSOCIATION, hereinafter referred to as "Association", which Association will have the responsibility of administering the Condominium Project through a Board of Managers.

2. Place of Meeting. Meetings of the Association shall be held at such place as the Board of Managers determine.

3. Annual Meetings. The first annual meeting of the Association shall be held on or before one (1) year after the date hereof. Thereafter, the annual meetings of the Association for each succeeding year shall be held on the third Monday of the month in which these Bylaws are signed. At such meetings, there shall be elected by ballot of the owners a Board of Managers in accordance with the requirements of Paragraph 5 of Article IV of these Bylaws. The owners may also transact other business of the Association as may properly come before them.

4. 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 Managers, 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 two-thirds (2/3rds) of the owners present, either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each owner of record, and to each first mortgagee which shall have requested notice of such meetings, at least five (5), but not more than twenty (20) days, prior to such meeting. The mailing of a notice in the manner provided in this Paragraph shall be considered notice served.

6. Adjourned Meeting. If any meeting of owners cannot be held because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not more than seventy-two (72) hours from the time the original meeting was called.

7. Order of Business. The order of business at all annual 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 Managers;

- (g) Unfinished business; and
- (h) New business.

ARTICLE IV
BOARD OF MANAGERS

1. Number and Qualification. The Affairs of this Association shall be governed by a Board of Managers composed of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until the first annual meeting of the owners, or until their successors are elected, to-wit: GAYLE VILLERE, LARRY C. ROUGEAU and RICHARD L. GUSEMAN. Except for the initial Board of Managers, all members of the Board of Managers shall be owners of office units.

2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class office condominium project. The Board of Managers may do all such acts and things as are not by these Bylaws or by the Declaration directed to be exercised and done by the owners.

3. Express Powers and Duties. The Board of Managers shall be empowered and shall have the duties as follows:

- (a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Declaration submitting the property to the provisions of the Texas Condominium Act.
- (b) To establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of this Condominium Project, including, without limitation, rules and regulations relating to the alteration, addition to or construction of improvements on or in the common elements, with the right to amend same from time to time. 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 common elements and all items of common personal property used in the enjoyment of the Entire Premises.
- (d) To insure and keep insured all of the insurable general common elements as provided in the Declaration. Further, to obtain and maintain comprehensive liability insurance covering the Entire Premises in such amounts as shall be determined by the Board of Managers, but with a single minimum limit of Three Hundred Thousand Dollars (\$300,000.00) for bodily injury and property damage, and such other types and kinds of insurance as the Board of Managers may determine or as a majority of unit owners may direct.
- (e) To fix, determine, levy and collect the monthly prorated assessments in accordance with the Declaration. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expense, or because of emergencies, as more fully provided in the Declaration.
- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these Bylaws.
- (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 and to execute all such instruments evidencing such indebtedness which shall be the several obligation of all of the owners in the same proportion as their percentage ownership interests in the general common elements.
- (i) 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 Managers.
- (j) 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 to cause an annual audit of the books and accounts by an auditor not associated with the Condominium Regime.
- (k) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement; and to furnish to any first mortgagee, which shall have requested same in writing, an annual financial statement of the Association within ninety (90) days following the end of the fiscal year of the Association.
- (l) To meet at least once each quarter.
- (m) To employ the personnel necessary for the maintenance and operation of the general common elements or to enter into such contracts for the maintenance and operation thereof as are within the scope of their authority. Any management agreement entered into by the Board of Managers shall be terminable by the Association, with or without cause, upon thirty (30) days' written notice, and the term of any such agreement shall not exceed one (1) year, but may be subject to renewal for successive one (1) year periods.
- (n) In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of condominium ownership.

4. Discretionary Powers. The Board of Managers, in its sole discretion, may exercise any or all of the following discretionary powers:

- (a) To establish, make and enforce compliance with reasonable rules and regulations for the use of the general common elements of the Condominium Project.
- (b) To enter into a contract of sale of any unit which the Association is authorized to sell pursuant to the provisions of the Declaration, or, where authorized by the Declaration, for the sale of the Entire Property, all upon such terms and consideration as the Board of Managers shall determine; and to sell such unit or Entire Property in accordance therewith.

5. Election and Term of Office. At the first annual meeting of the Association and at each annual meeting thereafter there shall be elected three (3) persons to serve as a Board of Managers. The term of each member of the Board of Managers shall be one (1) year, or until his successor is elected.

6. Vacancies. Vacancies on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum, and each person so elected shall be a Manager until a

successor is elected at the next annual meeting of the Association.

7. Removal of Managers. At any regular or special meeting duly called, any one (1) or more of the Managers may be removed with or without cause by a majority vote of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of the newly elected Board of Managers shall be held within fifteen (15) days of election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

9. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

10. Special Meeting. Special meetings of the Board of Managers may be called by the President on three (3) days' notice to each Manager, given personally, or 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 Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Managers.

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

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

13. Fidelity Bonds. The Board of Managers may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

14. Liability of Board of Managers. Members of the Board of Managers (and officers of the Association) shall not be liable to the unit owners for mistakes in judgment, for negligence, or otherwise, except only for their willful misconduct or bad faith. No member of the Board of Managers (or officer) shall be personally liable with respect to any contract made by the Board of Managers (or officer) on behalf of the Association, and the owners shall indemnify the Board of Managers (and officers) and each member thereof against all contractual liability arising out

of contracts made by the Board of Managers (or officers) on behalf of the Association. However, such indemnification shall not extend to any contract made in bad faith or contrary to the provisions of the Declaration, these Bylaws or the Texas Condominium Act, as same shall be amended from time to time. The liability of each unit owner arising out of any contract made by the Board of Managers (or officers) or out of the aforesaid indemnification of the members of the Board of Managers (and officers) shall be the proportion of total liability that such unit owner's interest in the common elements bears to the interests of all unit owners in the common elements. Every Agreement or contract made by the Board of Managers (or officers) or by any designated representative or manager employed by the Board of Managers on behalf of the Association shall provide that the members of the Board of Managers (and officers) are acting only as agents of the unit owners, and shall have no personal liability thereunder except as unit owners, and shall further provide that each unit owner's liability thereunder is limited to the proportion of total liability that his interest in the common elements bears to the interest of all unit owners in the common elements.

15. Compensation. No member of the Board of Manager shall receive any compensation from the Association for acting as such. Nothing herein contained shall preclude any member of the Board of Managers from serving the Association in any other capacity (such as maintenance contractor, attorney, accountant or the like) and receiving compensation therefor.

16. Acts by Majority. Any action to be taken or document to be executed by the Board of Managers shall be effective if taken or executed by a majority of such Board, provided that such action or the execution of such document shall have been authorized by appropriate Board vote or agreement, as herein required.

ARTICLE V. OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Managers. Any two (2) or more offices may be held by the same persons, except that the offices of President and Secretary shall not be held by the same person.

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

3. Removal of Officers. Upon the affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, 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 the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of the President an association, including, but not limited to, the power to appoint committees among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. Vice President. The Vice President shall act in the place of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board of Managers.

6. Secretary. The Secretary shall keep all of the minutes of all meetings of the Board of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Manager may direct; and he shall, in general, perform all the duties incident to the office of Secretary. The Secretary shall compile and keep at the principal office of the Association a complete and up-to-date list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the office suite owned by such member and the ownership percentage allocated to such office unit by the Declaration. 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. The Secretary shall also maintain a list of mortgagees of the units, reflecting therein the name and address of each mortgagee and the unit or units mortgaged to such mortgagee.

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

ARTICLE VI. OBLIGATIONS OF THE OWNERS

1. Assessments. All unit owners, upon completion of the purchase thereof, or occupancy by such owner or his tenant, whichever occurs first, shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be made basically pro rata according to percentage ownership interests 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 special meeting of members, within the meaning of these Bylaws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Maintenance and Repair.

- (a) Each owner must perform promptly at his own expense all maintenance and repair work within his own office unit, which if omitted would affect the Project in its entirety, or a part belonging to other owners.
- (b) Each owner shall, at his sole cost and expense, perform such repairs, maintenance and replacements as required by the Declaration.
- (c) Damage to a unit's exterior doors and windows shall be repaired by and at the expense of the owner, provided, however, if such damage or loss is covered by the "master" or "blanket" insurance maintained by the Association, such owner shall be entitled to reimbursement to the extent of the insurance payment.
- (d) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by the Association in repairing or replacing any general common elements damaged by such owner's negligence or by the negligence of members of such owner's tenants, agents, employees, visitors, clients, customers or invitees, or which the unit owner, although obligated to maintain and repair, has failed to maintain, repair or replace.

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 office units or the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's office unit. In the event suit for foreclosure is commenced, then within ten (10) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim, plus ten percent (10%) interest thereon for one (1) year, together with the sum of One Hundred Dollars (\$100,00). Such sum or securities shall be held by the Association pending final adjustment or settlement of the claim or litigation. Disbursements 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 24 of the Declaration.

4. General.

- (a) Each owner shall comply strictly with the provisions of the foregoing Declaration.
- (b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Project covered by the foregoing Declaration was built.

5. Use of Units - Internal Changes.

- (a) All units shall be utilized only for the purposes permitted in Section 11 of the Declaration.
- (b) An owner shall not make structural modifications or alterations to his unit or installations located therein, without previously notifying the Association in writing through the President or Secretary of the Board of Managers of the proposed modifications or alterations and obtaining the Association's approval thereof. The Association shall have the obligation to approve or disapprove the proposed modifications or alterations within ten (10) days after such notice, and failure to do so within the stipulated time shall mean there is no objection to the proposed modifications or alterations.

6. Use of General Common Elements. Each owner may use the general common elements in accordance with the purpose for which they were intended, without hindering or encroaching upon the lawful rights of the other owners, subject to the provisions of the Declaration and these Bylaws and to such rules and regulations as may be adopted by the Board of Managers from time to time.

7. Right of Entry.

- (a) An owner shall grant the right of entry to the Board of Managers, or to any person authorized by the Board of Managers, 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 extending to or serving other unit or units, 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, so that all owners and their tenants, employees, customers, clients and invitees shall achieve maximum utilization of such facilities consonant with the rights of each of the other owners thereto.
- (b) Nothing shall be done in any office 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 cancelled or suspended by the issuing Company.
- (c) Owners and occupants shall at all times exercise extreme care to avoid making or permitting to be made loud or objectionable noises, and in using or permitting to be used any instruments or devices in such manner as may disturb or tend to disturb owners, tenants or other occupants of condominium units in the Condominium Regime established by the foregoing Declaration. No unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of owners or other occupants 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 the Condominium Regime established by the foregoing Declaration.
- (d) No signs shall be installed or placed at any location on the condominium property except as may be approved by the Board of Managers as to size, location, design and manner of attachment or installation.
- (e) No owner or tenant shall install wiring for electrical or telephone installation, television antenna, machines or air conditioning units or any other devices whatsoever on the exterior of the building or that protrude through the walls or out of the windows, or on the roof of the building, save as are expressly in writing previously approved by the Association.
- (f) No owner or tenant of any condominium unit shall make any alteration or improvement to the common elements of the Condominium Project or remove any planting, structure, furnishings or other equipment therefrom except with the written consent of the Association.

9. Damage, Destruction or Condemnation. Each owner, upon becoming an owner of a condominium unit, is deemed to have granted 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 damage, destruction or condemnation as is provided in the foregoing Condominium Declaration.

ARTICLE VII.
AMENDMENTS TO PLAN OF UNIT OWNERSHIP

1. Bylaws. These Bylaws 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-seven percent (67%) of the undivided ownership interests in the general common elements.

ARTICLE VIII. MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the President or Secretary of the Board of Managers, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

2. Notice of Default. A first mortgagee of any unit, at its request to the Association, or to the Board of Managers thereof, shall be entitled to written notification from the Association of any default by the mortgagor of such unit in the performance of such mortgagor's obligation under the condominium documents which is not cured within thirty (30) days.

3. Examination of Books and Records. A first mortgagee shall have the right to examine the books and records of the Association during normal business hours.

4. Notice of Loss or Taking. The Association shall give the holder of any recorded first mortgage notice in writing of any substantial loss of or damage to the common elements of the Condominium Project or any proposed or threatened taking of any part thereof by condemnation or eminent domain.

ARTICLE IX. COMPLIANCE

These Bylaws are set forth to comply with the requirements of the Texas Condominium Act. If any of these Bylaws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply. Furthermore, in the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control.

ARTICLE X. NON-PROFIT ASSOCIATION

This Association is not organized for profit. No owner or members of the Board of Managers 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 distributed to, or inure to the benefit of, any member of the Board of Managers, except as otherwise expressly authorized herein or by the Declaration.

ARTICLE XI. REGISTERED OFFICE

The registered office and the principal office for the transaction of business of this Association shall be, until changed in writing, 7060 Phelan Boulevard, Suite 102, Beaumont, Texas 77706, and the registered agent shall be RICHARD L. GUSEMAN, at said same address.

ARTICLE XII.

The persons who shall be authorized to execute any and all instruments of conveyance or encumbrance, including promissory notes, for and on behalf of the Association shall be the President or Vice President and Secretary of the Association.

IN WITNESS WHEREOF, the undersigned have hereunto subscribed their names at Beaumont, Texas, this the 19th day of November, 1984.

BOARD OF MANAGERS:

Gayle Villere
GAYLE VILLERE

Larry C. Rougeau
LARRY C. ROUGEAU

Richard L. Guseman
RICHARD L. GUSEMAN

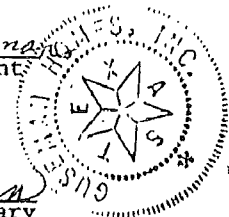
DECLARANT:

GUSEMAN HOMES, INC.

By: *Richard L. Guseman*
RICHARD L. GUSEMAN, President

ATTEST

By: *Francie Williams*
Assistant, Secretary



THE STATE OF TEXAS §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on Nov. 19, 1984, by GAYLE VILLERE.



Lillie B. Huffman
Notary Public, State of Texas

(Printed or Typed Name)

LILLIE B. HUFFMAN, Notary Public,
For the State of Texas
My Commission Expires: 11/13/88 My Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on Nov. 19, 1984, by LARRY C. ROUGEAU.



Lillie B. Huffman
Notary Public, State of Texas

(Printed or Typed Name)

LILLIE B. HUFFMAN, Notary Public,
For the State of Texas
My Commission Expires: 11/13/88 My Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on Nov. 19,
1984, by RICHARD L. GUSEMAN.

Lillie B. Huffman
Notary Public, State of Texas

(Printed or Typed Name)

LILLIE B. HUFFMAN, Notary Public,
For the State of Texas,
My Commission Expires 11/3/88

My Commission Expires: _____



THE STATE OF TEXAS §
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on Nov. 19,
1984, by RICHARD L. GUSEMAN, President of GUSEMAN HOMES, INC., a
Texas corporation, on behalf of said corporation.

Lillie B. Huffman
Notary Public, State of Texas

(Printed or Typed Name)

LILLIE B. HUFFMAN, Notary Public,
For the State of Texas,
My Commission Expires 11/3/88

My Commission Expires: _____



Clerk's Note: Map recorded in Volume 2, Page 229 of the Condominium
Records of Jefferson County, Texas.

FILED FOR RECORD
R. L. Thomas
COUNTY CLERK
JEFFERSON COUNTY, TEXAS
Nov 19 1 38 PM '84