



covenants to run with the land and shall be binding on Developer, their heirs and assigns, and grantees and subsequent owners of all or any part of said project.

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

a. "Act" means the Condominium Act of the State of Texas, as now existing, the same being Art. 1301a, T.R.C.S., Acts 1963, 58th Legislature.

b. "Declaration" means this instrument and the By-laws and all exhibits attached hereto by which the project property is submitted to the provisions of the Act, and such Declaration as from time to time lawfully amended.

c. "By-laws" means the By-laws of Balcones Towers Condominium, Inc., a Texas Non-Profit corporation, set out in Exhibit "A" of this Declaration which shall govern the administration of the condominium regime hereby established in accordance with the provisions and requirements of the Act, and such By-laws as from time to time hereafter lawfully amended.

d. "Project land" means the land itself, excluding the improvements thereon, legally described on said Appendix "A" attached hereto.

e. "Project property" means all the project land and improvements, buildings, structures, facilities, fixtures and equipment constructed, placed or erected therein or thereon, and all easements, rights, hereditaments and appurtenances thereto in anywise belonging or appertaining, submitted to the provisions of the Act, subject to the reservations herein contained.

f. "Unit" means one of the separate and individual condominium apartment homes into which the apartment house situated on the project land is divided for individual and separate use and ownership as provided for in said Act and described in this Declaration and the plats attached hereto and includes the space encompassed by the boundaries of the units and certain construction and elements thereof or thereon which are to be individually and separately owned, as hereinafter defined, described and established in this Declaration.

g. "Common elements" means the general common elements consisting

of all portions of the project property, except the individual units which are to be individually and separately owned.

h. "Ownership Unit" means an estate of property comprised of a unit and the undivided percentage of ownership interest in the common elements conveyed with or allocated to such home.

i. "Ownership Unit Owner" and similar expressions means the person or persons whose estates or interests individually, jointly or collectively, aggregate fee simple absolute ownership of an Ownership Unit.

j. "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real estate.

k. "Majority of unit owners" means the owner or owners of Ownership Units whose aggregate undivided percentage of ownership interest in the common elements is fifty-one per cent (51%) or more.

2. Submission of Project Property to the Act - Subject to reservations herein contained, the Developer as owner in fee simple of the project property, in order to establish a plan of condominium ownership in respect thereto hereby submits the project property to the condominium regime established by the Condominium Act of the State of Texas and the provisions thereof, expressly intending and declaring through the recordation of this Declaration its desire to submit certain project property to the condominium regime established by said Act.

3. Project Land - The project land, submitted to the provisions of the Act, is the tract of land legally described on said Appendix "A" attached hereto and made part hereof, which plat shows the location, boundaries and dimensions of the project land and the location of the existing and proposed Units.

4. The Buildings - The buildings presently located on the project land and constituting a part of the project property, submitted to the provisions of the Act, are generally described as sixteen (16) apartment houses containing a total of forty-six (46) Units, the buildings being constructed of wood frame, masonry veneer construction on concrete slabs.

The boundaries of each existing Unit are shown and depicted on Appendix "B" and are and shall be the interior face of stud to interior face of stud, floors and ceiling, and each Unit includes both the portions of the building so described and the air space so encompassed, excepting common elements. The individual ownership of each Unit shall also include the following items, except such items deemed to be part of the building as a whole or the common elements, to-wit: The interior non-bearing and non-supporting walls, partitions, cabinets, shelves, closets, interior and exterior doors, glass in windows and doors, the finished perimeter walls, floors and ceilings, including carpeting or other floor covering or finish and wall paper or other wall covering or finish, the individual lighting and electrical fixtures and appliances, the individual kitchen and bathroom fixtures, equipment, plumbing and appliances, such as, but not limited to, cooking ranges, range hoods, refrigerators, sinks, dishwashers, garbage disposals, ovens, water closets, lavatories, shower stalls, bath tubs, medicine cabinets and similar fixtures and equipment, and the individual air conditioning and heating units and systems, all of which items aforesaid being designed and intended solely for the benefit of and to exclusively serve the particular Unit in or to which the same are located or attached, and are not designed or intended for the benefit, use, support, service or enjoyment of any other Unit or the Common elements or any part thereof.

The identifying number, location, size, square footage, dimensions and other descriptive data of each unit are shown and depicted on the plats attached hereto as Appendix "A" and Appendix "B" and all such information and descriptive data shown on such plats are incorporated herein by reference thereto.

5. **Utility Easements** - Valid easements shall exist in each unit and in each portion of the Common elements for the benefit of each Ownership Unit Owner, the municipality and each authorized utility company, for the installation, maintenance, repair, removal or replacement of any and all authorized utility lines, pipes, wires, conduits, facilities and equipment serving the Project Property as a whole or any

individual Unit or appurtenances thereto or any part of the Common elements, and the ownership of each Unit and interest in the common elements shall be subject to such easements.

6. Common Elements - The general common elements, also simply referred to as "Common elements" shall consist of all the "Project property" as herein defined and described, except the individual Units, excepting the Manager's unit, and such common elements shall include all the project land as hereinabove defined and described, the compartments for installation of central services, the foundations, bearing walls and columns, all exterior walls to interior of studs, roofs, structural and supporting part of all buildings, the outside walks and driveways and all structures, fixtures, equipment and appliances, water heaters, swimming pool and fences which are designed and intended for the common and mutual use and benefit of the units and the space occupied by the same. Reference is hereby further made to the Act for further definition of the "General Common Elements", and all reference in this Declaration to the "Common elements" shall also include the "General Common Elements", as herein and in said Act defined.

7. Ownership of the Common Elements - Each Ownership Unit Owner shall also be entitled to the percentage of ownership in the Common Elements allocated to the respective Unit owned by him. Each Unit in Balcones Towers Condominium is hereby allocated the following percentages of ownership in the common elements:

| <u>Building</u> | <u>Unit No.</u>     | <u>Undivided Ownership Percentage</u> |
|-----------------|---------------------|---------------------------------------|
| C               | 106 & 206           | 1.47%                                 |
| G               | 110 & 210           | 1.47%                                 |
| M               | 122 & 222           | 1.47%                                 |
| P               | 126 & 226           | 1.47%                                 |
| J               | 117, 118, 217 & 218 | 2.17%                                 |
| A               | 101 & 102           | 2.22%                                 |
| B               | 105                 | 2.22%                                 |
| F               | 100                 | 2.22%                                 |
| H               | 111                 | 2.22%                                 |
| I               | 114 & 115           | 2.22%                                 |
| J               | 116                 | 2.22%                                 |
| K               | 119 & 120           | 2.22%                                 |
| B               | 103, 104, 203 & 204 | 2.17%                                 |
| H               | 112, 113, 212 & 213 | 2.17%                                 |
| O               | 124, 125, 224 & 225 | 2.17%                                 |
| D               | 107, 207 & 307      | 2.61%                                 |
| E               | 108, 208 & 308      | 2.61%                                 |
| L               | 121, 221 & 321      | 2.61%                                 |
| N               | 123, 223 & 323      | 2.61%                                 |

The percentage of ownership interest in the Common elements so allocated to the respective Units are based on relative values arbitrarily assigned by the Developer to each home solely for this purpose, and such values do not necessarily reflect or represent the selling price or actual value of any Unit, and regardless of the price for which any home may be sold or resold or the actual value of any home, and regardless of any other matter, such percentage of ownership in the Common elements allocated to each Unit shall remain fixed and constant and the same cannot be changed except by the written consent of each and every owner and mortgagee of a Unit in this Condominium Project, duly executed, acknowledged and filed for record as a partial amendment to this Declaration. Said ownership interest in the Common Elements shall be undivided interests and the Common elements shall be owned by Ownership Unit Owners, as tenants in common in accordance with their respective percentages of ownership. The Common elements shall remain undivided and shall not be the object of an action for partition or division of the co-ownership so long as suitable for condominium regime, and in any event, all mortgages must be paid prior to the bringing of an action for partition, or the consent of all mortgagees to such action must be obtained. Any covenant to the contrary shall be void. The percentage of the common elements allocated to each Unit shall not be separated therefrom or separately sold, conveyed, encumbered or otherwise separately disposed of, and each interest in the Common elements shall follow the respective Unit to which it is allocated, and shall be deemed to be conveyed encumbered with its respective Unit to which it is allocated even though the description in the instrument of conveyance or encumbrance shall refer only to the Unit.

8: Use of the Common Elements - Each Ownership Unit Owner shall have the right to use and enjoy the Common elements, in common with all other Ownership Unit Owners, for the purposes for which they are intended and as may be required for the purposes of access and ingress and egress to and the use and occupancy and enjoyment of the respective Units owned by such Ownership Unit Owners without hindering or encroaching upon the lawful rights of other co-owners.

Such right to use and enjoy the Common elements, shall extend to each Ownership Unit Owner, the members of his family, the tenants or other lawful occupants of each Unit and their guests, visitors, invitees, or permittees, and all such other persons as may be invited or permitted by the Board of Administration of this condominium regime or its representative to use or enjoy the Common elements or any part thereof. Such right to use the common elements, shall be subject to and governed by the provisions of the "Act", this Declaration, the By-Laws attached hereto, and the rules and regulations hereafter lawfully made or adopted by the Board of Administration or the Council of Co-owners of this condominium regime. Each Ownership Unit Owner shall be deemed to have an easement in the interest of all other Ownership Unit Owners in the Common Elements for the installation, maintenance, repair or replacement of all individually owned fixtures, equipment and appliances which are in any way affixed to, supported by or located in any space or structure constituting part of the Common elements. The cost and expense for the maintenance, repair, upkeep, operation and replacement of the Common elements and of the recreational facilities, shall be a common expense of all Ownership Unit Owners in proportion to their respective undivided interests in the Common elements.

9. Windows and Doors - Notwithstanding anything else in this Declaration which may be or appear to be to the contrary, the glass in all windows or doors of each Unit and all exterior and interior doors of each unit shall be deemed to be part of the Unit and individually owned and shall be repaired or replaced at the separate cost and expense of each individual unit owner, and not as a common expense. All of the exterior of the doors and all glass in windows and doors will remain in conformity with the original installation.

10. Council of Co-Owners - Each Ownership Unit Owner shall automatically be a member of Condominium Association, Inc. and its "Council of Co-Owners" (hereinafter referred to as the "Council") which shall be the governing and administrative body for all Ownership Unit Owners for the protection, preservation, upkeep,

maintenance, repair, operation and replacement of the common elements, and the government, operation and administration of the project property and the condominium regime hereby established, and shall remain a member thereof until such time as his ownership ceases for any reason, at which time his membership in the Council shall also automatically cease. Upon any transfer of ownership of any Ownership Unit, the new owner acquiring or succeeding to such ownership interest shall likewise automatically succeed to such membership in the Council.

11. Representation for Voting - The aggregate number of votes for all members of the Council shall be forty-six (46), with one vote allocated each Unit and to be exercised by the owner of that Unit. In the event an Ownership Unit is jointly owned by two or more persons, one person shall exercise the voting right for both, by agreement between the two persons. The Developer or its representative may exercise all the votes allocated to the unsold property while owned by Developer.

12. Board of Administration - The affairs of the Council shall be managed by a Board of Administration. At or as soon as convenient after the organizational meeting of the Council, the Council shall elect the first Board of Administration which shall consist of not less than three (3) members, all of whom shall serve without pay or compensation for such term as specified in the By-laws of this condominium regime. Such Board of Administration (hereinafter referred to as the "Board") shall be specified in this Declaration, or in said By-laws as may be delegated to it from time to time by the Council.

13. By-laws - The government and administration of the condominium regime hereby established shall be in accordance with the By-laws which have been initially adopted by Developer as sole owner of the project property, and which are appended hereto and identified as Exhibit "A". The By-laws may be amended by



the Developer as hereafter provided and from time to time by the Council in accordance with the provisions thereof.

14. Administration by Developer - Until such time as Developer has sold and conveyed thirty-seven (37) Units or the expiration of thirty-six (36) months from the date this Declaration is filed for record, whichever occurs first, the Developer shall have the right to act as the sole Administrator for the government and administration of this condominium regime, and during such period it shall have the right to exclusively represent, act as and constitute the Council of Co-owners and the Board of Administration, and shall have the right to exclusively exercise and perform all of the rights, powers, authority, functions and duties herein or in said Act or By-laws given to the Council or the Board.

15. Temporary Managing Agent - During the period of administration of this condominium regime by Developer (or Temporary Administrator, as above provided) the Developer may employ or designate a Temporary Manager or Managing Agent, who shall have and possess all of the rights, powers, authority, functions and duties as may be specified in the contract of employment or as may be delegated by Developer to him. The Developer may pay such Temporary Manager or Managing Agent such compensation as it may deem reasonable for the services to be rendered, which compensation shall constitute a part of the common expenses of this condominium regime and shall be paid out of the "Maintenance Fund" hereinafter provided for.

16. Common Expenses, Assessments - Each Ownership Unit Owner

shall be bound and obligated and agrees to pay, as assessments therefor are made during his tenure of ownership, his prorata part and share of the utilities and expenses of administration, maintenance, repair, upkeep, protection, replacement, and operation of the Common Elements, assessments made by Balcones Towers Condominium, Inc. and of any other expenses lawfully agreed to by the Council of Co-Owners or the Board of Administration as authorized by the Act, this Declaration or by the By-laws appended hereto, all of which expenses herein mentioned are in this Declaration referred to as the "common expenses". The pro-rata part and share of the common expenses which shall be assessed against each Ownership Unit Owner, and which each Ownership Unit Owner agrees to pay, shall be in the same ratio and in proportion to his percentage ownership interest in the common elements as set out in Paragraph 7 above. Assessments for common expenses and payments thereof shall be made as determined and provided for in the By-laws appended hereto, and as from time to time amended. No owner of any Unit or interest therein shall be exempt from paying or contributing his prorata part and share of the common expenses by waiver of the use of enjoyment of the common elements or any part thereof or by abandonment of the Unit or his interest therein. The amount of common expenses assessed against each Unit shall be the debt and obligation of the Ownership Unit Owner at the time the assessment is made the subsequent transfer of his Ownership shall not terminate the outstanding obligation. Assessments for common expenses shall be on a monthly basis and shall become due and payable monthly. All sums collected for common expenses shall constitute and be known as the "Maintenance Fund" of this condominium regime.

17. Liens to Secure Assessments - The assessments above described shall be made against the then Ownership Unit Owner personally of each and also against the Ownership Unit itself; and in the event any unit owner shall fail or refuse

to pay his prorata share and part of the common expenses as the same shall become due and payable, then all such assessments which have become due and payable and which have not been paid shall constitute and be secured by a valid lien on such unit for the benefit of all other Ownership Unit Owners. No lien shall exist against any Ownership Unit for assessments which have not yet become due and payable. Such liens shall be prior to all other liens, except that such assessment liens shall be subordinate, secondary and inferior to (1) all liens for taxes or special assessments levied by the county and state governments or any political subdivision or special district thereof, (2) all liens securing amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the date payment for such assessment for common expenses became due and payable and (3) all liens securing any loan made to a purchaser for any part of the purchase price of any Unit when such Unit is purchased from the Developer.

Such lien for common expenses herein provided for may be foreclosed, without prejudice and subject to the aforesaid prior and superior liens, by suit by the Board of Administration or any authorized officer or member thereof, acting in behalf of all Ownership Unit Owners in like manner as mortgages on real property. No foreclosure suit or sale thereunder shall affect or impair any of the prior liens above mentioned. The Board of Administration or any person authorized by it, acting in behalf of all Ownership Unit Owners, shall have power to bid on the Ownership Unit foreclosed on at the foreclosure sale, and to acquire, hold, lease, mortgage or convey the same in behalf of all Ownership Unit Owners. All funds realized from any foreclosure sale shall be applied first to the cost and expense of filing and prosecuting suit, including all costs of court and a reasonable amount for attorney's fees, and then towards payment of the indebtedness sued on, and the remainder, if any, shall be paid over to the defendant or defendants in the suit as their interest may appear. In the event the proceeds realized from the foreclosure sale, applied as aforesaid, shall be insufficient to pay off and discharge the whole amount of the assessments

sued on, then the purchaser acquiring title to such Ownership Unit at such foreclosure sale, whoever he may be, other than the Ownership Unit Owner sued, shall not be liable for the deficiency, but such deficiency shall be deemed a common expense, collectible from all Ownership Unit Owners, including the purchaser at the foreclosure sale, on a prorata basis as in the case of other common expenses. The defaulting Ownership Unit Owner sued shall remain personally liable to the Ownership Unit Owners paying such deficiency.

18. **Statement of Assessments** - The Board of Administration or its representative shall furnish to any prospective purchaser or mortgagee of any Unit, at the request of the owner, a written statement as to the amount of the assessments for common expense which have become due and are unpaid up to a given date in respect to the Unit to be sold or mortgaged; and in the case of a sale the purchaser shall not be liable nor shall the Ownership Unit purchased be liable or subject to any lien for any unpaid assessment which has become due and is not shown on such statement for the period of time covered thereby, however, the selling owner shall remain liable for same and in case of his failure or refusal to pay then the same shall be collectible from all other Ownership Unit Owners on a prorata basis in proportion to their ownership interest in the common elements, and they shall have recourse against the selling owner; but in the event of a mortgage then the unpaid assessments not shown on said statement for the period of time covered thereby shall remain the obligation of the Ownership Unit Owner mortgaging his Ownership Unit, but the assessment liens securing same as provided for in this Declaration shall be and remain inferior and secondary to the mortgage and liens held by the mortgagee to whom or for whose information said statement was furnished.

19. **Utilities** - Utilities such as electricity for light and power and water and gas (but not telephone) which are intended to serve each Unit are on common meters. All such utilities as well as utilities which are designed and intended to serve the common elements or any portion thereof shall be a common expense of all Ownership

Unit Owners and each Ownership Unit Owner shall pay his prorata share thereof, in the ratio of his ownership interest in the common elements, as in the case of other common expenses.

20. Property Insurance - The Board of Administration shall obtain and continuously keep in effect blanket property insurance to insure the buildings, structures and Units in or on the project property, against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions. The insured shall be the Council of Co-owners as Trustee for all Ownership Unit Owners. The cost of such insurance shall be deemed a common expense and shall be paid by the Ownership Unit Owners in the same ratio of the ownership interest in the common elements. In the event of destruction of the project property by any hazard covered by such insurance and the proceeds are insufficient to restore the property to the condition that it was in prior to the destruction then the Board of Administration shall pay for any deficiency in regard to the common elements and the same shall be paid, as assessed, by the Ownership Unit Owners as a common expense. Any deficiency in regard to the property owned by the Ownership Unit Owner or Owners shall be paid by such affected Ownership Unit Owner or Owners. Upon the initial purchase of a unit, the Ownership Unit Owner shall pay to the Council the first year on his share of the premium and one month. Thereafter, the monthly sum shall be a common expense.

21. Public Liability and Other Insurance - The Board of Administration or its representative shall also have the authority to obtain comprehensive public liability insurance, in such limits as it shall deem desirable, and workmen's compensation insurance and any other liability insurance as it may deem desirable, insuring each Ownership Unit Owner and the Council of Co-owners, Board of Administration, and managing agent (temporary or permanent) from and against liability in connection with the common elements, to the extent such insurance may be obtained, and all costs, charges and premiums for all such insurance shall be deemed as a common expense of same as in the case of the common expenses as provided for in this Declaration.

22. Individual Insurance - Each Ownership Unit Owner shall be responsible at his own personal cost and expense, for his own personal insurance on the contents of his own Unit and his additions and improvements thereto, and his decorations and furnishings and personal property therein and his personal property stored elsewhere on the project property, as well as his personal liability to the extent not covered by the liability insurance for all of the Ownership Unit Owners which may be obtained as common expense.

23. Easements for Encroachments - If any portion of the common elements shall be situated or encroach upon any Unit, or if any Unit shall actually encroach upon any portion of the common elements, as the units and common elements actually and physically exist, or as shown by the plat attached hereto, then there shall be deemed to be mutual valid easements for such encroachments and for the maintenance of same so long as such encroachments exist. In the event any building or other structure is totally or partially damaged or destroyed and then repaired, restored or rebuilt, the unit owners agree that all encroachments of or upon the common elements and facilities due to repair or reconstruction shall be permitted and that a valid easement for such encroachments and maintenance thereof shall exist.

24. Alterations, Additions and Improvements - No alterations of any portion of the common elements or additions or improvements thereon shall be made by any unit owner without the prior written approval of the Board of Administration or Council of Co-owners. No Ownership Unit Owner shall make any structural modification or substantial alteration of his Unit or the installations located therein, except in a manner authorized by the Board of Council in writing.

25. Maintenance, Repairs and Replacements - Each Ownership Unit Owner shall furnish and be responsible for, at his own expense, all of the maintenance, repairs and replacements within his own Unit, except as to the common elements located therein. Specifically, but without limitation, each Ownership Unit Owner at

his own expense, shall maintain, repair or replace any surface within interior stud to interior stud of his Unit and all interior partitions or room walls, all exterior and interior doors, all glass in windows or doors, his patio area, his fences, his own cooking range, oven, refrigerator, sink, garbage disposal and all other individual kitchen appliances, his individual lighting equipment, and fixtures, all interior bathroom fixtures, appliances and plumbing and all elements and contents of his unit, which are individually and privately owned and do not constitute any part of the common elements.

In connection with the responsibility of each Ownership Unit Owner to maintain the exterior doors and glass, in the event such owner fails to discharge such maintenance responsibility, the Board of Administration, after written notice to such Ownership Unit Owner, may perform any such maintenance deemed necessary and assess the cost of same against the Ownership Unit in the manner herein provided for assessments. Each Ownership Unit Owner shall first obtain the permission of the Board of Administration in the event he desires to make a change to the surface of any exterior door. Likewise, should such Ownership Unit Owner fail to properly maintain his rear yard and any fences located therein, the Board of Administration may, after written notice to such Ownership Unit Owner, perform such maintenance and assess the cost of same against the Ownership Unit in the manner herein provided for assessments. All portions of the common elements shall be maintained, repaired or replaced by the Board of Administration or its representative as a common expense of all unit owners except rear yards. All workmen and other persons authorized by the Board of Administration or the Council of Co-owners or their representative shall be entitled to reasonable access at reasonable times to the individual units as may be required from time to time in connection with the maintenance, repair or replacement of or to the common elements or any equipment, facilities, or fixtures affecting or

serving other units or the common elements. In the event and to the extent that equipment, facilities and fixtures within one unit shall be connected to similar equipment, facilities and fixtures serving another unit or the common elements, then reciprocal easements for the maintenance for same shall exist.

26. **Decorating** - Each unit owner shall furnish and be responsible for, at his own cost and expense, all of the decorating within his own Unit, including painting and wallpapering, washing, cleaning, paneling, floor covering, draperies, wall covering, window shades, curtains, and all other furnishings and interior decorations. Each unit owner shall also keep clean at his own expense the interior and exterior surfaces of all plate glass or window panes.

27. **Use and Access by Developer** - Until Developer has completed all construction work and has sold and conveyed all units, the Developer and its workmen, agents, servants or employees shall have free and unobstructed use of and access to all of the project property as may be required for the completion of construction and to facilitate the sale of unsold units

28. **Taxes** - Taxes, assessments and other charges of the City, County, State or any other political entities or any special district thereof on the Project Property (including common elements and individual units) shall be paid by the Board of Administration and shall be assessed to the unit owners in the same ratio as their ownership in the common elements. Said amounts shall be a common expense and collected monthly as other assessments.

29. **Legal Description of Units** - The legal description of any Unit may consist of the identifying number of the Unit (including the building in which it is located) and the Project Property. All such descriptions or references to any Unit shall be deemed to also include the undivided percentage of ownership interest in the common elements belonging to such Unit, whether expressly mentioned or not.

30. **Inspection-Waiver** - Each purchaser of a Unit has full opportunity and shall be under a duty to inspect and examine the Unit to be purchased by him prior to his consummation of the purchase thereof, and agrees that the Unit is purchased



as actually and physically existing. It is expressly agreed that each and every purchaser of a Unit agrees for himself, his heirs, executors, administrators, and assigns, that the square footage, size and dimensions of each Unit, and each area constituting any part of the common elements as set out and shown in this Declaration or the plat attached hereto are based upon relative percentages and square footages which have been arbitrarily assigned and agreed upon solely for this purpose and do not necessarily reflect or represent the precise percentage of square footages of any specific portion of the project property, and that the Developer does not warrant, guarantee or represent any Unit or any area constituting any part of the common elements contains precisely the area, square footage or dimensions shown by the plat thereof; and each purchaser of a Unit, for himself, his heirs, executors, administrators, and assigns, expressly waives any claim or demand of any kind or nature which he could possibly have against Developer or any person whomsoever on account of any difference of shortage or discrepancy between the size, square footage, or dimensions actually and physically existing and the size, square footage and dimensions shown on the plat attached hereto. It is specifically agreed that in interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever, or in connection with any matter, the existing physical boundaries of any Unit or of any Unit reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movements of the building, and regardless of variances between boundaries as shown on the plat and the actual boundaries of the building.

31. Restrictions - The following restrictions, covenants and conditions are placed upon each Unit in this condominium project as a general plan or scheme of restrictions for the benefit of each Unit, to-wit:

- a. Each Unit shall be used and occupied by the owner or his lessee for residential or office purposes only and for no other purpose or purposes.
- b. No Unit shall be altered, remodeled, subdivided or converted into more than one dwelling unit.

c. No trash, garbage, or debris shall be placed on any part of the common elements, except in the receptacles or areas designated for disposal of same.

d. No signs or posters of any kind shall be placed on any part of the common elements or on any individual Unit except as authorized by the Board or Council, its successors and assigns.

e. No unlawful, immoral, noxious or offensive activities shall be carried on or permitted in any unit or elsewhere on the project property nor shall anything be done therein or thereon which shall constitute a nuisance or cause unreasonable noise or disturbance to others.

f. No animals of any kind, other than small household pets, shall be housed or kept in or about the project property, including individual Units. Any house pets which are allowed outside must be kept on a leash or in fenced enclosure at all times.

g. No exterior television or radio antennae shall be installed.

h. No outside clothes or drying lines shall be installed or permitted to be installed in the common elements.

i. No fences shall be erected unless approved by the Board of Administration. No Ownership Unit Owner shall ever be allowed to enclose, even with an approved fence, any area other than the patio area of his Unit. No other obstructions of any type shall be allowed in the Common elements unless erected by the Board of Administration.

j. The use or discharge of firearms, firecrackers, or fireworks is expressly prohibited with the Project Property.

32. Amendments - Except as hereinafter provided in this paragraph, the provisions of this Declaration shall not be changed, or amended, without the written consent of sixty-five per cent (65%) of the Ownership Unit Owners who in aggregate represent one hundred per cent (100%) ownership of the common elements, and each such amendment shall be filed for record in the same manner as this Declaration. No amendment shall affect or impair the rights of any mortgagee unless such mortgagee

in writing consents to the same; provided the Developer hereby reserves and shall at all times have the right to amend this Declaration without the consent or approval of any other person, other than the mortgagee of any property owned by it; for the purpose of correcting any typographical or other error in this Declaration or to make this Declaration comply with the mandatory provisions of the Act, if it be deficient in any such respect.

33. Remedies - In the event any default is made by any Ownership Unit Owner under the Act, this Declaration or By-laws appended hereto, or rules or regulations of the Board or of the Council, the Board or the Council, or their representative, shall have all of the rights and remedies which may be provided by the Act, this Declaration or the By-laws or which may be available at law or in equity, and may prosecute any action or other proceeding against any defaulting Ownership Unit Owner and/or Owners for enforcement of any lien or to enforce compliance with the matter in respect to which default has been made, by injunctive relief or otherwise, or for the collection of any sums or debts or damages in default or arising from any default. All expenses incurred in connection with any such action or proceeding shall be part of the common expenses of this condominium regime and collectible from each Ownership Unit Owner as in the case of other common expenses. The Board of Administration or its authorized representative shall be further empowered and authorized to correct and cure any matter in default and to do whatever may be necessary for such purpose, and all expenses.

34. Sale, Right of First Refusal - If the Ownership Unit Owner, other than the Developer, shall desire at any time to sell his Unit to any person, except as hereinbelow stated, and receives an offer for the purchase which he would be willing to accept, such Ownership Unit Owner shall not sell his Unit without first giving the Board of Administration or its representative written notice of the proposed sale, which notice shall be sent by U. S. Certified or Registered Mail, return receipt requested, and shall state the name, address, occupation and place of employment

of the proposed purchaser, and the price, terms and conditions of the proposed sale; and during a period of thirty (30) days next following the receipt of such notice by the Board or its representative, the Council of Co-owners shall have the right of first refusal to purchase the unit for the same price and upon the same terms and conditions as set out in such notice. If said Ownership Unit Owner is not notified within said thirty (30) day period that the Council of Co-owners has elected to exercise its rights of first refusal, or if within such thirty (30) day period the Ownership Unit Owner is notified that said Council has elected not to exercise its right of first refusal, then the Ownership Unit Owner may proceed to sell his Unit to the person and on the terms and conditions named and set out in said notice.

Unless the Board has elected not to purchase such unit within ten (10) days from the date of receipt of any such notice above provided for, it shall call a special meeting of the Council for the purpose of voting upon its right of first refusal, which meeting shall be held within twenty-five (25) days from the date of receipt of such notice by the Board or its representative, and if the Ownership Unit Owners who in aggregate own not less than sixty-five per cent (65%) of the total ownership interest in the common elements, by affirmative vote at such meeting elect to exercise such right of first refusal, then the Board or such other person as the Council may authorize shall promptly give written notice of such election to the Ownership Unit Owner desiring to sell. In such event, the Board shall have all authority to execute all instruments and do everything necessary to close the transaction in the name of the Board as Trustee for all Ownership Unit Owners, and to make such assessments for payment of the purchase as may be required, and each Ownership Unit Owner shall be obligated to pay his prorata part of such assessments in proportion to his percentage of ownership interest in the common elements, as in the case of other common expenses. The Board shall have the authority at all times thereafter as Trustee for all Ownership Unit Owners, to sell for such price and on such terms and conditions as it may deem proper or as shall be applied among all Ownership Unit Owners in

proportion to their respective ownership interest in the common elements.

Provided and except, however, that none of the foregoing provisions shall apply to any sale made by or to the Developer or to any sale made by unit owner to his or her spouse, or to any persons related by blood or marriage to such unit owner or to his or her spouse, or to any foreclosure sale made by Trustee under the provisions of any deed of trust or any foreclosure sale made pursuant to a court decree, order of judgment, or to any sale made by any mortgagee after becoming the owner of any Unit by purchase at any foreclosure sale.

35. Rights and Obligations - The rights and obligations of the respective Ownership Unit Owners under this Declaration and the By-laws, as may be amended, shall be deemed to be covenants running with the land, so long as the project property remains subject to the provisions of the Act, and shall inure to the benefit of and be binding on each and all of the respective Ownership Unit Owners and their respective heirs, executors, administrators, successors, legal representatives, assigns, purchasers, lessees, grantees, mortgagees, and all others having or claiming an interest in any Unit, subject to the provisions of the Act, this Declaration and the By-laws. Upon acceptance or recordation of any deed to a Ownership Unit, the owner thereof shall be deemed to have accepted and agreed to and shall be bound and subject to each and all of the provisions of the Act and this Declaration and the By-laws.

36. Notices - Notices provided for in the Act or this Declaration or By-Laws shall be in writing and shall be addressed to the Board or the Council at the address of the Board or its representative which may be established from time to time, and of which the Ownership Unit Owners shall be notified. Notice to the Ownership Unit Owners may be sent to the mailing address of their respective units, or to such other address which any Ownership Unit Owner may in writing designate by notice thereof to the Board or its representative.

37. Severability, Interpretation - If any provision of this Declaration or the By-laws or any section, sentence, paragraph, clause, phrase or word, or

the application thereof in any circumstance shall be invalid or unenforceable, the validity or enforceability of the remainder of this Declaration or By-laws and the application of any such provision, section, sentence, paragraph, clause, phrase, or word in any other circumstance shall not be affected thereby. If anything in this Declaration or the By-laws shall be susceptible to two or more interpretations, then the interpretation which shall most nearly be in accord with the intent of the Act, and the general purposes and intent of this Declaration and the By-laws shall govern.

38. Maintenance of Landscaping Areas in Common Elements - The cost and expense for the upkeep and maintenance of the landscaping in the common elements including the cost and expense of maintaining, cutting and caring for grass, plants, and shrubbery (not to include patios and garden areas) and also the cost of lighting of the recreation areas and all other expenses incidental to the upkeep, maintenance and/or operation of such areas shall be a common expense of the owners of the units in this condominium project, and shall be included in the assessments for the usual and ordinary cost and expenses for the maintenance, repair, upkeep and operation of the common elements of this condominium regime, and each Ownership Unit Owner shall pay his prorata share thereof as in the case of the other common expenses.

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

40. Perpetuities - If any provision of this Declaration or the By-laws would otherwise violate the rule against perpetuities or any other rule, statute or law imposing time limits, then notwithstanding anything herein to the contrary, such provision shall be deemed to remain in effect only until the death of the last survivor of the now living children of the late Robert F. Kennedy, former United States Senator from New York, plus twenty-one (21) years thereafter.

1-02-8853

41. Reservation - In the event the Developer, its successors, administrators, executors or assigns shall at any time or from time to time hereafter decide to develop any other land now owned or hereafter acquired by it in the vicinity of the condominium regime hereby established, then Developer reserves and shall have the right to use the expression "Balcones Towers Condominium" or any variation thereof, as a part of the name of such other condominium project or projects.

EXECUTED this the 16<sup>th</sup> day of September, A.D. 1974.

David B. Barrow, Jr.  
David B. Barrow, Jr.

ORIGINAL DEED

Charles F. Stahl  
Charles F. Stahl

THE STATE OF TEXAS I  
COUNTY OF TRAVIS I

The undersigned, The Austin National Bank of Austin, Texas, being the owner and holder of the lien of a deed of trust recorded in Volume 3740, Page 643 of the Deed of Trust Records of Travis County, Texas, which said deed of trust constitutes a first lien on Lot One (1), Block "A", Northwest Hills, Section Eleven (11), Phase One (1), a subdivision in the City of Austin, Travis County, Texas, according to the map or plat thereof as recorded in Plat Book 40, Page 37 of the Travis County Plat Records, as well as being the owner and holder of the obligation secured by said deed of trust, the same being a promissory note in the original principal sum of Five Hundred Thousand Dollars (\$500,000.00) and originally payable to the order of Southland Life Insurance Company, for a valuable consideration to it paid by the aforementioned "Developer", has consented and by these presents does hereby consent to the creation of said condominium regime and does hereby join in the execution of this condominium declaration and the creation of such regime, as mortgagee.

Executed this the 18th day of September, A.D. 1974.

THE AUSTIN NATIONAL BANK

ATTEST:

By: Charles F. Stahl  
Asst. Cashier

By: F. R. Miller  
F. R. Miller, Vice-President

(CORPORATE SEAL)

1-02-8854

THE STATE OF TEXAS I  
COUNTY OF TRAVIS I

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16<sup>th</sup> day of September, A.D. 1974.

NOTARY SEAL  
PHIL MOCKFORD  
NOTARY PUBLIC, TRAVIS COUNTY

[Signature]  
Notary Public in and for Travis County,  
Texas

THE STATE OF TEXAS I  
COUNTY OF TRAVIS I

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16<sup>th</sup> day of September, A.D. 1974.

NOTARY SEAL  
PHIL MOCKFORD  
NOTARY PUBLIC, TRAVIS COUNTY

[Signature]  
Notary Public in and for Travis County,  
Texas

THE STATE OF TEXAS I  
COUNTY OF TRAVIS I

BEFORE ME, the undersigned authority, on this day personally appeared F. R. Miller, Vice-President of The Austin National Bank, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same as the act of the said corporation, and for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of September, 1974.

NOTARY SEAL

[Signature]  
Notary Public in and for Travis  
County, Texas

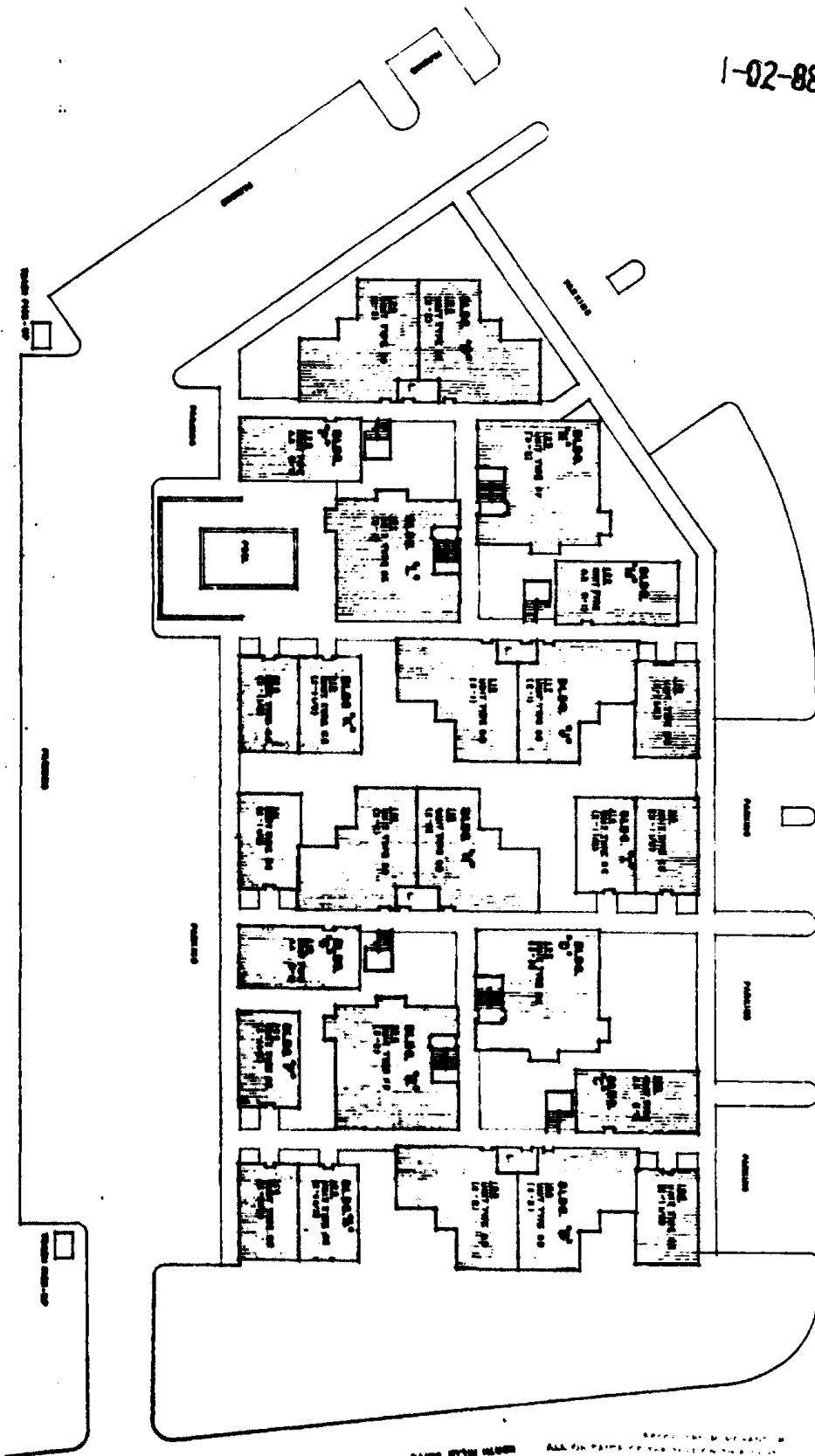




1-02-8856

BALCONY TERRACE APARTMENTS

1ST FLOOR PLAN



BASED UPON RECORD

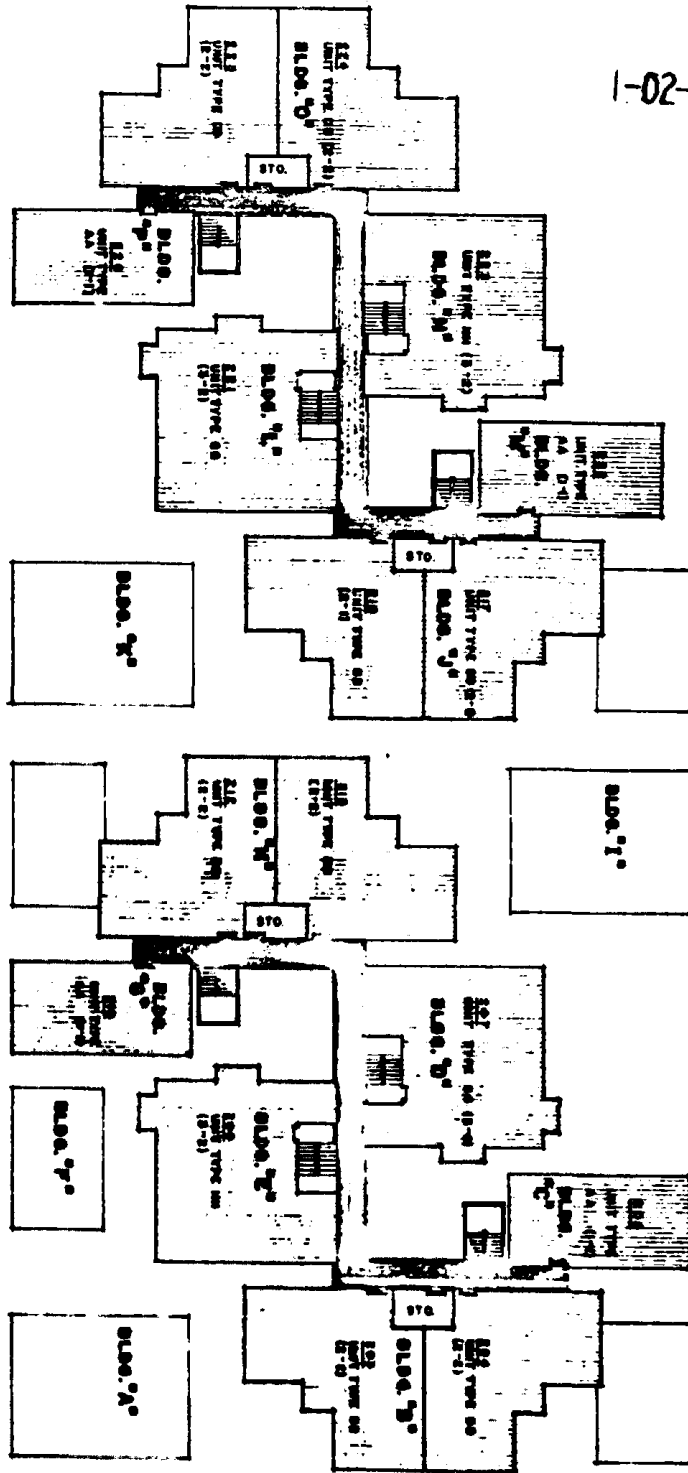
APPROXIMATE SQUARE FOOTAGE IS ALL ON BASIS OF THE RECORDS AND IS NOT GUARANTEED FOR ANY PURPOSE.

APPENDIX "B" - Page 1

4 26

1-02-8857

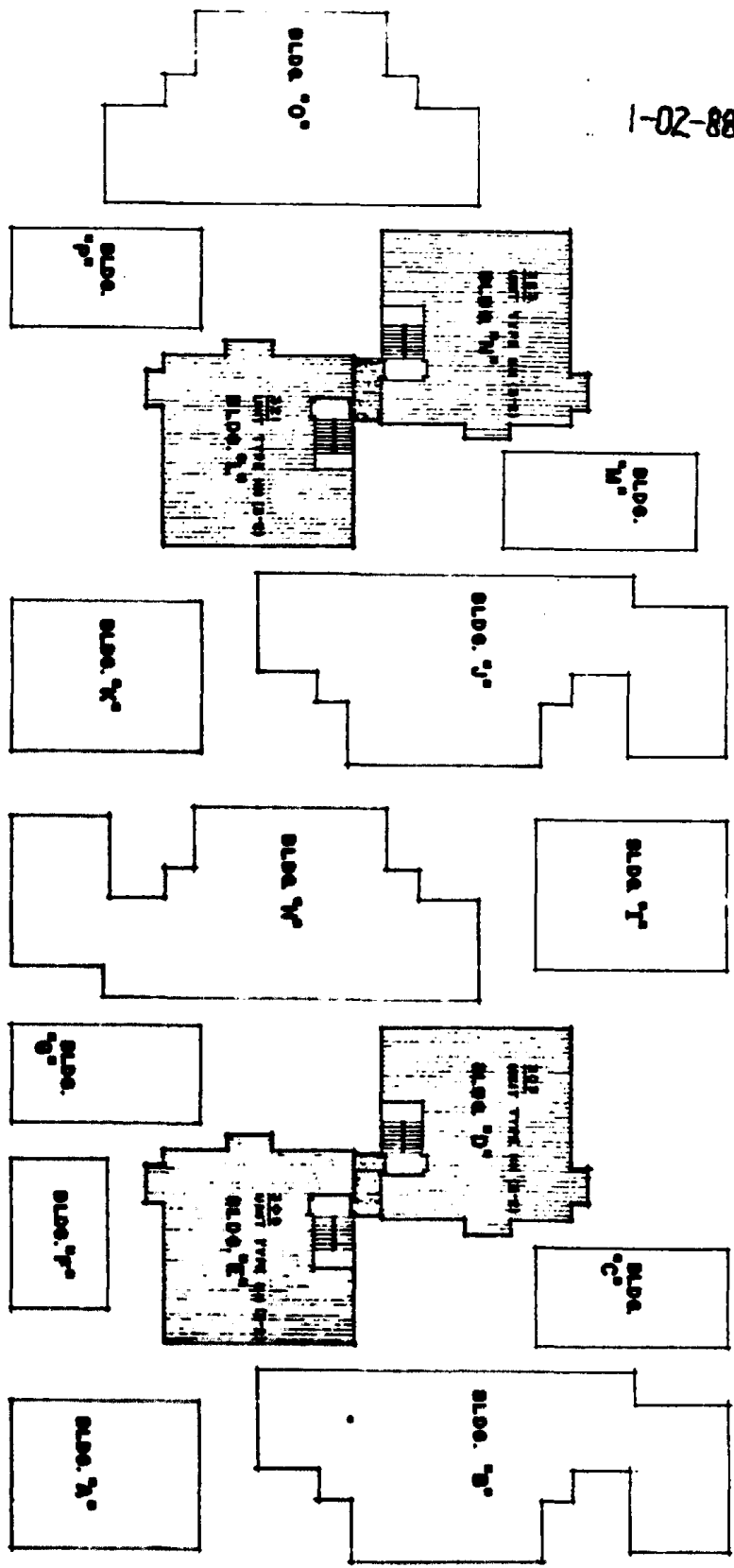
2ND FLOOR PLAN  
BALCONES TOWERS APARTMENTS



NOT TO SCALE  
 ALL DIMENSIONS ARE IN FEET AND INCHES  
 ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED

1-02-8858

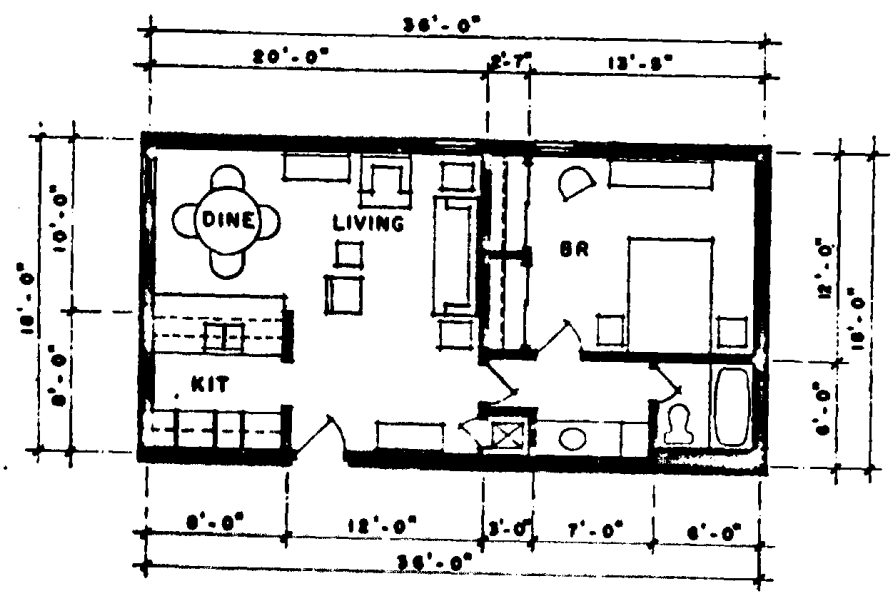
**3RD FLOOR PLAN  
BALCONES TOWERS APARTMENTS**



APPROXIMATE AREA SHOWN IN  
 ALL CASES PERMITTED BY THE  
 WASHINGTON FIELD OFFICE OF THE FEDERAL BUREAU OF INVESTIGATION

1-02-8859

# TYPICAL UNIT TYPE AA



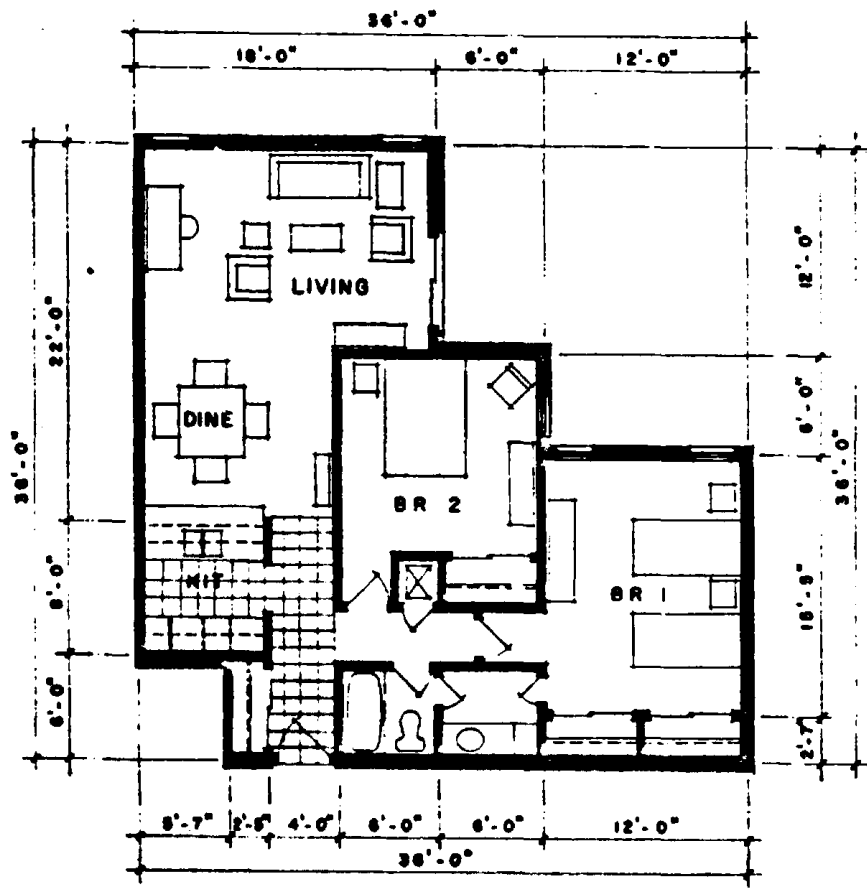
| BLDG. | UNIT NOS. |
|-------|-----------|
| C     | 106 & 206 |
| G     | 110 & 210 |
| M     | 122 & 222 |
| P     | 126 & 226 |

**1 BEDROOM 1 BATH**  
**626 SF**

NOT TO SCALE  
ALL DIMENSIONS ARE APPROXIMATE  
BASED ON THE LATEST REVISIONS  
AND SHOULD BE VERIFIED BY INSPECTION

1-02-8860

# TYPICAL UNIT TYPE BB



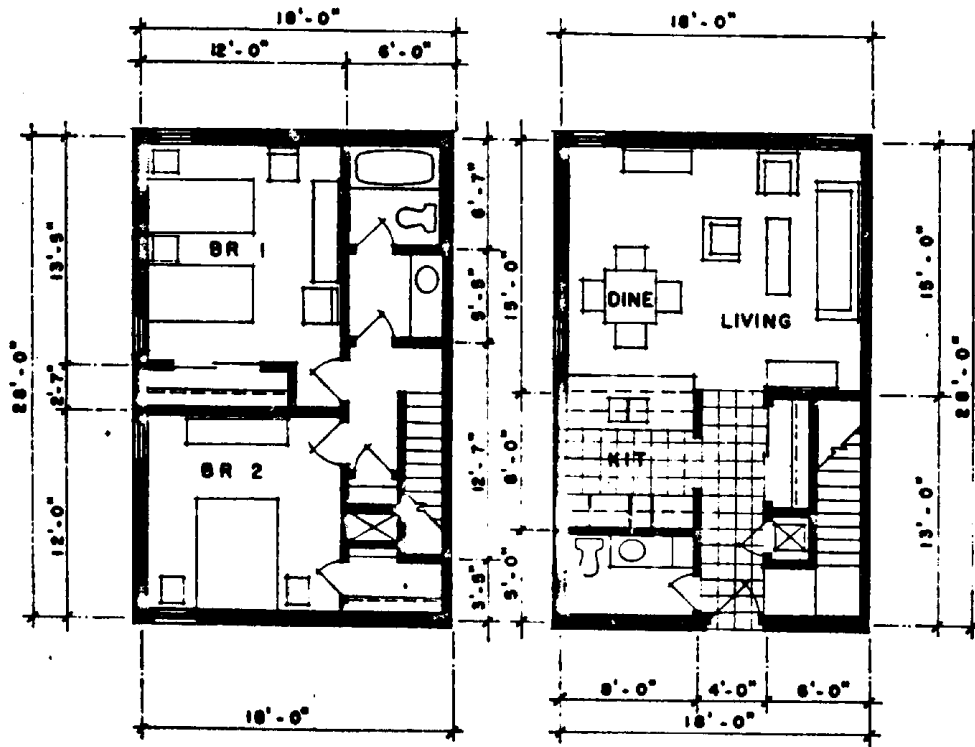
BLDG. UNIT NOS.  
 J 117, 118, 217 & 218

**2 BEDROOM 1 BATH**  
**912 SF**

Supplemental notes apply  
 ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE  
 WAS NOT L...

4 30

# TYPICAL UNIT TYPE CC



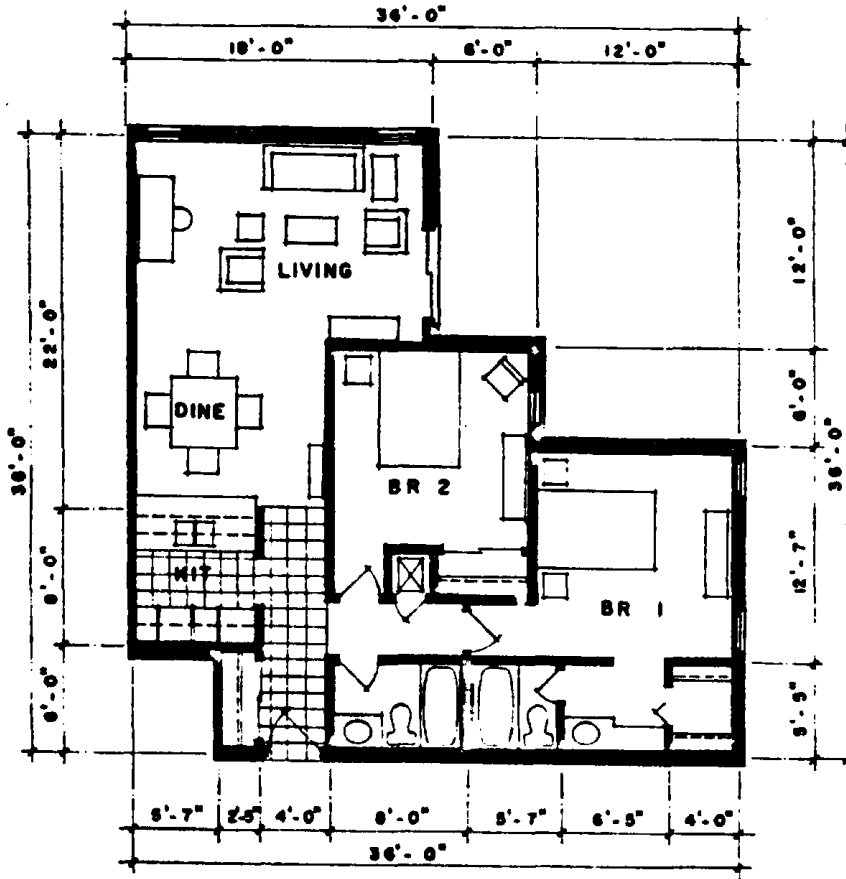
| BLDG. | UNIT NOS. |
|-------|-----------|
| A     | 101 & 102 |
| B     | 105       |
| F     | 109       |
| H     | 111       |
| I     | 114 & 115 |
| J     | 116       |
| K     | 119 & 120 |

**2 BEDROOM 1 1/2 BATH**  
**964 SF**

APPROXIMATE DIMENSIONS IN  
 ALL CASES PART OF THE TOTAL UNIT AREA IS  
 TAKEN UP BY THE COMMON AREA OF THE BUILDING BY ADMINISTRATION

1-02-8862

# TYPICAL UNIT TYPE DD



| BLDG. | UNIT NOS.           |
|-------|---------------------|
| B     | 103, 104, 203 & 204 |
| H     | 112, 113, 212 & 213 |
| O     | 124, 125, 224 & 225 |

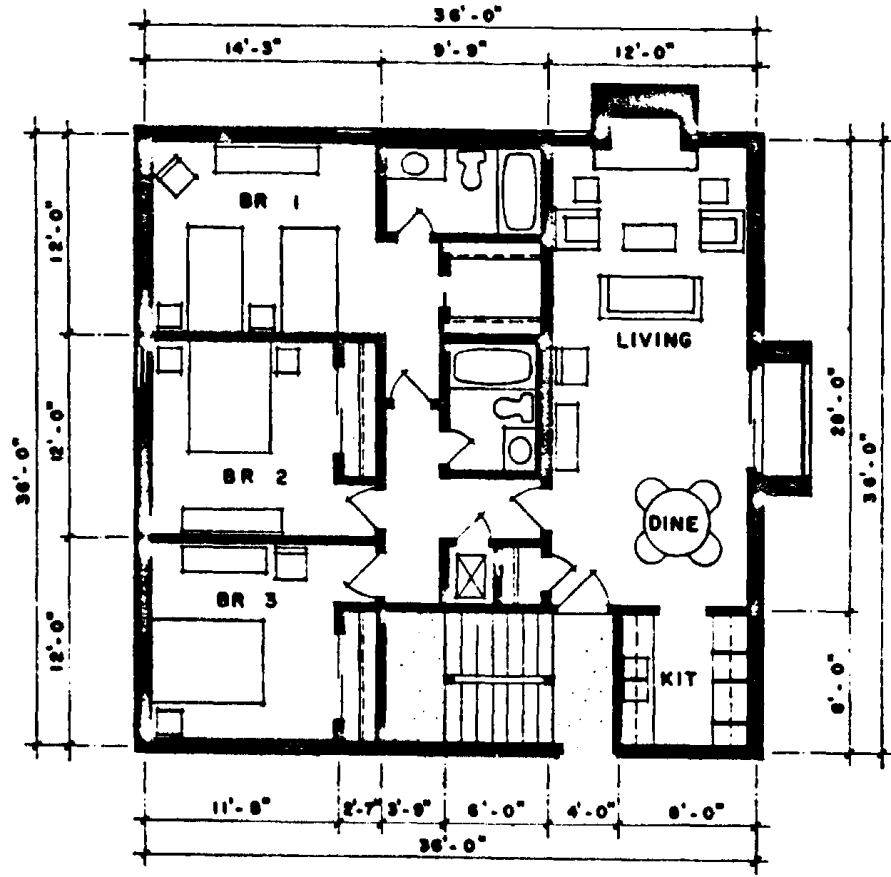
**2 BEDROOM      2 BATH**  
**912 SF**

SEE THE DESIGN IN ALL THE PARTS OF THE UNIT FOR THE BEST RESULTS. FOR THE BEST RESULTS, SEE THE DESIGN IN ALL THE PARTS OF THE UNIT FOR THE BEST RESULTS.

**4      32**



# TYPICAL UNIT TYPE EE



BLDG. UNIT NOS.

|   |     |
|---|-----|
| D | 107 |
| L | 121 |

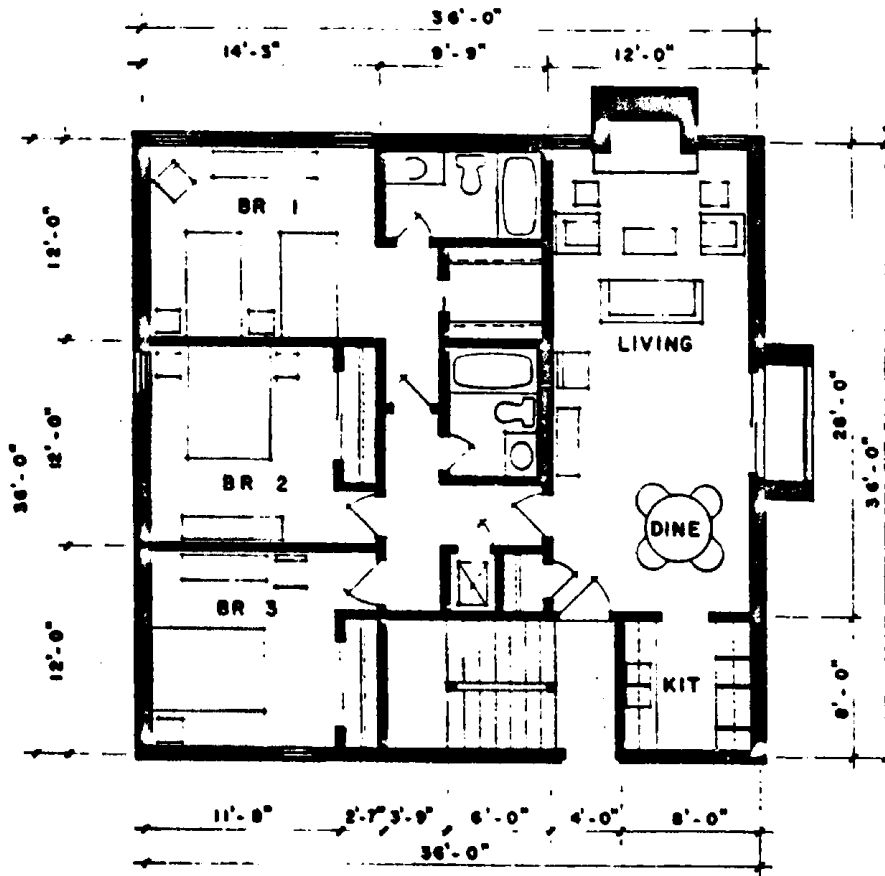
**3 BEDROOM    2 BATH**  
**1242 SF**

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CHANGE WITHOUT NOTICE. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.

4    33

1-02-8864

# TYPICAL UNIT TYPE FF



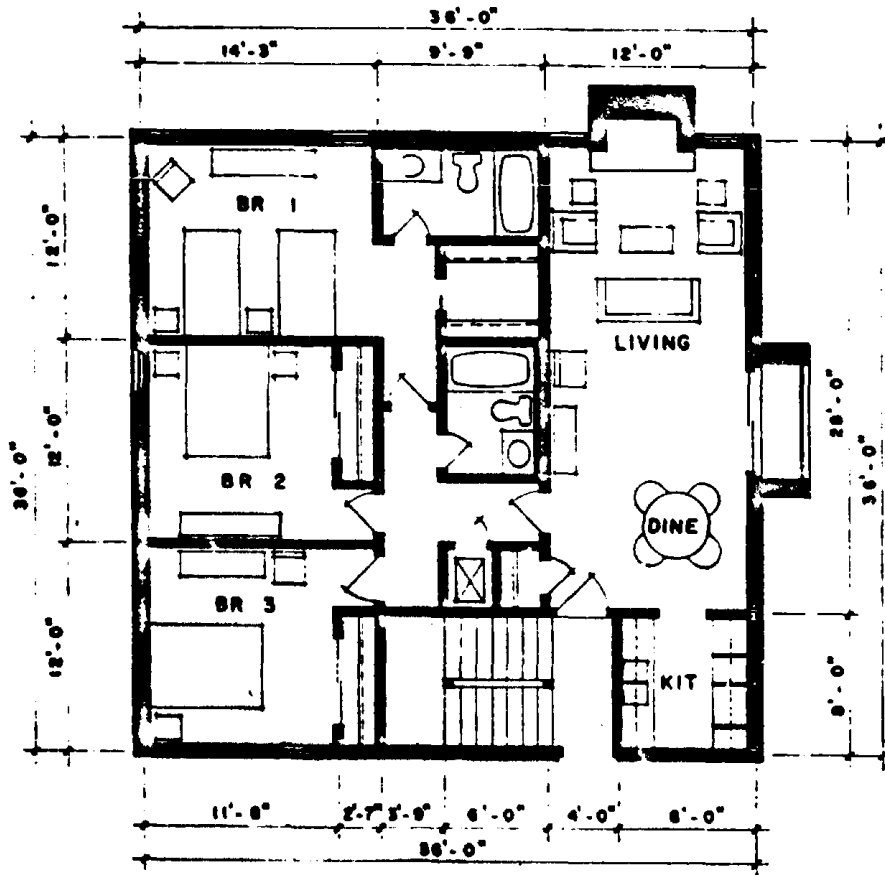
BLDG. UNIT NOS.  
E 108  
N 123

**3 BEDROOM 2 BATH**  
1247 SF

4 34

1-02-8865

# TYPICAL UNIT, TYPE GG



BLDG. UNIT NOS.

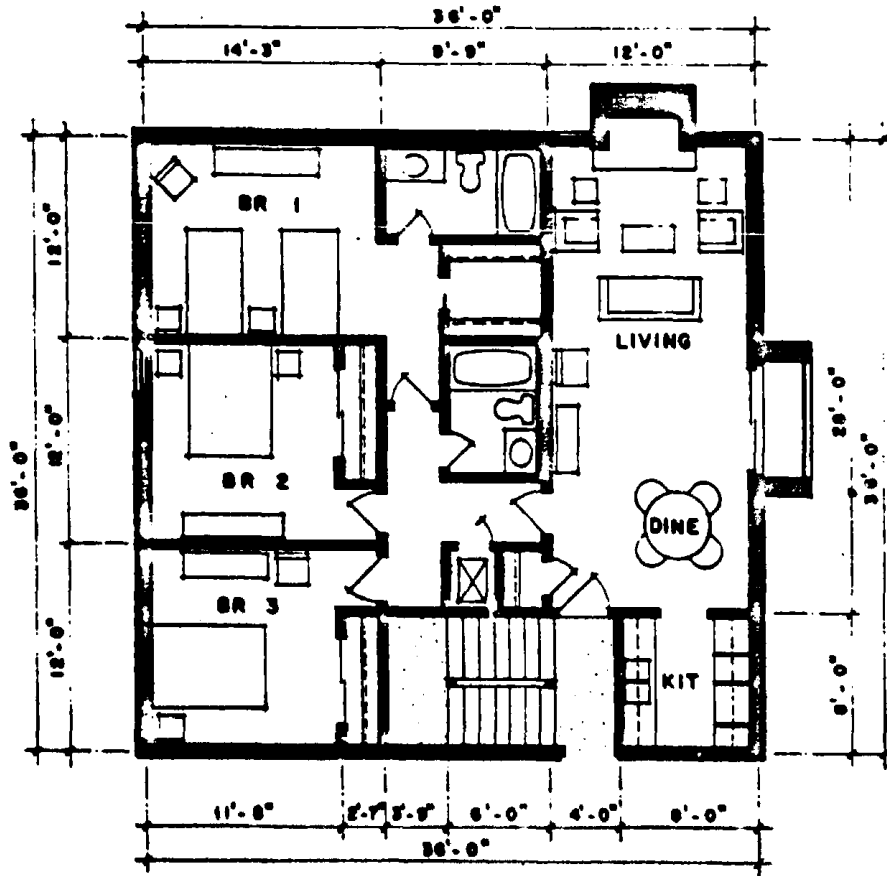
|   |     |
|---|-----|
| D | 207 |
| L | 221 |

**3 BEDROOM      2 BATH**  
**1253 SF**

THIS FLOOR PLAN IS A GENERAL REPRESENTATION OF THE UNIT AND IS NOT TO BE USED FOR CONTRACTUAL PURPOSES. THE ARCHITECT ASSUMES NO LIABILITY FOR UNDESIRABLE INTERFERENCES.

4      35

1-02-8866  
**TYPICAL UNIT TYPE HH**



| BLDG. | UNIT NOS. |
|-------|-----------|
| D     | 307       |
| E     | 308 & 308 |
| L     | 321       |
| N     | 322 & 323 |

**3 BEDROOM 2 BATH**  
**1265 SF**

DISCLAIMER: THIS DOCUMENT IS A PRELIMINARY DESIGN AND SHOULD NOT BE USED FOR CONSTRUCTION WITHOUT THE APPROVAL OF THE ARCHITECT.

EXHIBIT "A"  
BY-LAWS OF BALCONES TOWERS CONDOMINIUM

1-02-8867

David B. Barrow, Jr. and Charles F. Stahl, (hereinafter called Developer), being the sole owner in fee simple of the project land and project property submitted to the provisions of the Condominium Act of the State of Texas, by the recordation of the Declaration to which these By-Laws are attached, as such sole owner does hereby adopt the following By-Laws which shall govern the administration of such condominium regime as provided for and in compliance with said Act.

ARTICLE I - Name

This condominium project and regime shall be known and designated as "Balcones Towers Condominium".

ARTICLE II - Definitions

The definitions set out in the foregoing Declaration are adopted for the purposes of these By-Laws.

ARTICLE III - Administrative Body

1. Council of Co-Owners. Each owner of a condominium unit in this condominium project and regime shall automatically be a member of Balcones Towers Condominium, Inc. which membership is collectively designated the "Council of Co-Owners" (hereinafter called the "Council") and shall remain a member thereof until such time as his ownership ceases for any reason. Upon any transfer of ownership of any condominium unit, howsoever accomplished, the new owner acquiring or succeeding to such ownership interest shall likewise automatically succeed to such membership in the Council. The Council shall be the governing and administrative body for all unit owners for the protection, preservation, upkeep, maintenance, repair and replacement of the Common Elements and the government, operation and administration of this Condominium regime. In case of corporate or partnership ownership, one person shall be designated as "owner" by the corporation or partnership to be a member of the Council and speak for the corporation or partnership.

2. Organizational and Annual Meetings. As soon as practical after Developer has sold and conveyed thirty-seven (37) units or the expiration of thirty-six (36) months from the date the Declaration is filed for record, whichever shall first occur, the Developer shall give each unit owner written notice of the date, time and place of a meeting to organize the Council of Co-Owners. Thereafter, annual meetings of the Council shall be held on such dates and at such times and places as the Board of Administration or its representative shall annually determine in the absence of a date, time and place as the Council may decide upon at any meeting. At any annual meeting, the Council may transact any business which may be properly brought before the meeting.

3. Special Meetings. Special meetings of the Council may be called by the President or a majority of the members of the Board of Administration or by unit owners representing at least twenty-five per cent (25%) ownership interest in the common elements. Notices of special meetings shall be in writing, and may be mailed or personally delivered, and shall state the date, time, place and general purpose of the meeting. No business shall be transacted at any special meeting which is not generally stated in said notice unless unit owners representing at least fifty-one per cent (51%) ownership interest in the Common Elements, either in person or by proxy, consent to the transaction of such business.

4. Votes. The aggregate number of votes for all unit owners at all meetings of the Council shall be forty-six (46), which vote shall be divided among the unit owners on the basis of one vote for each unit owned. Votes at any meeting may be cast in person or by proxy. The Developer, through any officer, agent or representative in person or by proxy, may cast the votes allocated to units owned by it.

5. Quorum. A quorum of unit owners for any meeting of the Council shall be constituted by Unit Owners represented in person or by proxy and holding fifty-one per cent (51%) or more of the total votes of all unit owners. If any meeting of the

Council cannot be organized because a quorum is lacking, then by majority vote of the unit owners present, either in person or by proxy, the meeting may be adjourned to the same hour of a day not less than ten (10) days nor more than thirty (30) days from the date on which such meeting was to have been originally held, and at any such adjourned meeting a quorum shall be constituted by unit owners present, in person or by proxy, holding more than forty per cent (40%) of the total votes of all unit owners. Notice of such adjourned meeting shall be given in the same manner as for the originally scheduled meeting. The term "majority vote" as used in these By-Laws means the owner or owners of units whose aggregate interest in the common elements is fifty-one per cent (51%) or more.

6. Order of Business. The order of business at all meetings of the Council shall be determined by the presiding officer at each meeting, unless the Council by majority vote at such meeting determines otherwise, in which case the Council shall fix the order of business.

#### ARTICLE IV - Board of Administration

1. Composition and Election. At the organizational meeting of the Council, it shall elect a Board of Administration (hereinafter called "Board") which shall be composed of not less than three (3) members. If the owner of any unit is a corporation, partnership, trust or other legal entity, a board member may be an officer, director, partner, shareholder, agent or other representative of such unit owner. At each subsequent annual meeting of the Council, it may elect new members to the Board in place of those whose terms have expired. For the election of Board members, each unit owner shall cast his vote for the number of Board members to be elected, and the candidates receiving the most votes shall be deemed elected.

2. Duties and Authority. The Board shall manage and administer the affairs of the Council and shall have all such duties, rights, powers and authority given to it by the Act, the Declaration or these By-Laws, and as may be from time to time delegated by the Council, in addition to the following:

- (a) To elect officers of the Council as hereinafter provided.
- (b) To administer the affairs of the Council and the Common Elements and common interest of the project property and the unit owners.
- (c) To keep or cause to be kept sufficient books and records with a detailed account of the receipts and expenditures affecting the project property and buildings and its administration, and specifying the maintenance and repair expenses of the common elements. Both the books and vouchers accrediting the entries thereon shall be available for examination by all the co-owners at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and shall be audited at least once a year by an auditor outside of the organization, as provided by the Act.
- (d) To engage the services of a manager or managing agent who shall manage and operate the common elements for all unit owners, upon such terms and conditions and for such compensation, and with such duties and authority, as the Board may specify.
- (e) To formulate and enforce policies, rules and regulations from time to time to govern the use, management and operation of the Common Elements, without depriving any unit owner of the rights and privileges given to him by the Act or Declaration.
- (f) To plan and adopt from time to time an annual budget for the estimated annual common expenses for the maintenance, repair, upkeep, protection, insurance, replacement, management and administration of the common elements as well as for the common insurance and other common services or benefits, and to provide the manner of assessing and collecting from the unit owners each month their pro-rata share of such estimated common expenses.
- (g) To make and enter into arrangements, contracts or agreements with the Board of Administration or other condominium regimes for common services, benefits or purposes.
- (h) To provide for the designation, hiring and removal of employees and other personnel, including bookkeepers and accountants, and to engage or contract



for the services of other, and in general to make purchase of labor, materials and/or services for the repair, upkeep, maintenance, replacements, protection, insurance, management or administration of the common elements and other common interests, and in general to perform such other acts which are not required to be done exclusively by the Council for the orderly and efficient management and administration of this condominium regime.

3. Term of Office - No Compensation. At the first meeting of the Council at which Board members are elected, the term of two (2) members shall be fixed at two (2) years and the term of office of the other member shall be fixed at one (1) year; and at the expiration of the initial term of office of each respective member, his successor shall be elected to serve a term of two (2) years. The Board members shall hold office for their respective terms and until their successors have been duly elected and hold their first meeting. The Board members shall serve without any pay or compensation for their services as such, except that should Board members perform services and duties in connection with the operation and/or maintenance of the project, they may receive reasonable compensation for this work on the same basis as any other person employed.

4. Vacancies. Vacancies in the Board caused by any reason other than removal of a Board member by vote of the Council shall be filled for the unexpired term by vote of the majority of the remaining Board members even though the remaining Board members may be less than a quorum.

5. Resignation. Any member of the Board may resign at any time by giving written notice of resignation to the President or any other officer of the Council.

6. Automatic Resignation and Removal. If any member of the Board was the owner of a unit or interest therein at the time of his election, then at such time as his ownership ceases for any reason, whether voluntarily or involuntarily, he shall be deemed to have automatically resigned from the Board and shall be automatically removed therefrom unless he then owns another unit or interest therein in this condominium project.

7. Removal by Council. At any special meeting called for that purpose, the Council by majority vote at such meeting may remove any member or members from the Board, with or without cause, provided that a successor or successors shall then and there be elected by the Council to fill the unexpired terms of those removed.

8. First Meeting. The first meeting of the newly elected Board shall be held within ten (10) days after its election at such place as they shall fix at the meeting at which they were elected, and notice shall be necessary to the newly elected members in order to legally constitute such meeting, provided that a majority of the whole Board shall be present.

9. Regular Meetings. Regular meetings of the Board may be held at such time and place as a majority of the Board members may determine from time to time, but at least one (1) meeting shall be held during each fiscal year. Notices of regular meetings may be given by mail, in person, by telephone, or telegram, at least three (3) days prior to the meeting date.

10. Special Meetings. Special meetings of the Board may be called by the President on three (3) days' notice as in the case of a regular meeting, stating the time, place, date and general purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner and on like notice on written request of at least three (3) Board members.

11. Waiver of Notice. Before or at any meeting of the Board any member may orally or in writing waive the required notice for such meeting, and such waiver shall be deemed equivalent to the giving and receipt of such notice. Attendance by a member at any meeting shall be deemed as a waiver of the required notice, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. If all members of the Board are present, no notice thereof shall be required and any business may be transacted thereat.

12. Quorum. At all meetings of the Board the presence of at least two (2) of the Board members shall constitute a quorum for the transaction of business.

and the acts and decisions of a majority of the members present at a meeting at which a quorum is present shall be decisive of all questions.

ARTICLE V - Officers

1. Designation. The principal officers of the Council shall be a president, a vice-president, a secretary and a treasurer. The office of vice-president, secretary and treasurer may be held by the same person at the same time. The Board may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be desirable.

2. Election of Officers. The officers of the Council shall be elected and appointed annually by the Board, at the organizational meeting of each new Board, and they shall hold office at the pleasure of the Board.

3. Removal of Officers. Any officer may be removed at any time, with or without cause, by majority vote of the Board or of the Council at any regular meeting or special meeting called for that purpose.

4. President. The President shall also be a member of the Board. He shall be the chief executive officer of the Council and shall preside over meetings of the Board and of the Council. He shall have all the general powers and duties which are usually vested in the office of president of an organization.

5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President is absent or unable to act.

6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and of the Council. He shall in general perform all the duties incident to the office of Secretary.

7. Treasurer. The Treasurer shall have responsibility for the Council funds and securities and shall be responsible for keeping the financial records and books of account.

8. Vacancies. Vacancies in any office may be filled by the Board at any meeting.

9. No Compensation. The officers shall serve without any pay or compensation for their services as such, except that if the managing agent holds any office he may be paid for his services as managing agent, including performance of the duties of his office.

#### ARTICLE VI - Assessments

1. Budget. The Board shall prepare or cause to be prepared an estimated annual budget for each fiscal year of the Council. Such budget shall take into account the estimated common expenses and assessments and cash requirements for the year, including, but not being limited to, salaries, wages, ad valorem taxes on the entire project, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, including insurance on common elements, management fees and other common expenses. The annual budget shall also take into account and provide for a reserve for contingencies for the year and a reserve for replacements of the common elements, in reasonable amounts as fixed by the Board. Any surplus or deficit in regard to previous budgets shall also be considered.

Copies of the annual budget shall be furnished to each unit owner not later than thirty (30) days prior to the beginning of each fiscal year. The annual budget as estimated by the Board shall serve as the basis for the regular monthly assessments against the unit owners, unless such budget is changed, altered, or modified by the Council at any regular meeting or special meeting called for the purpose, in which case such budget as so changed, altered or modified by the Council shall be the basis for the regular monthly assessments.

2. Obligation of Unit Owners. On or before the first day of the first month and of each succeeding month of the fiscal year covered by the annual budget, each unit owner shall pay to the Board or such person as the Board may designate, as his respective regular monthly charge and assessment for the common expenses, one-twelfth (1/12th) of his proportionate share of the estimated annual common expenses as shown by such annual budget. Such proportionate share for each

unit owner shall be in the ratio and proportion as his interest in the common elements.

The Board or other person authorized to collect the monthly assessments shall receive, hold and disburse the same as Trustee, for the use and benefit of each unit owner, and shall use, expend and disburse the same for the purpose authorized in these By-Laws, the Declaration or the Act. All assessments so collected shall be deposited in and constitute the "Maintenance Fund" of this condominium regime. The monthly assessments shall be due and payable monthly whether or not a statement for same is sent or received, and failure to send or receive a statement shall not excuse the payment of any monthly assessment as it becomes due and payable each month.

In the event the Board shall not approve an estimated budget for any year, then the Council may approve and adopt such budget at any regular meeting or special meeting called for such purpose; in any event until such time as the Board or Council adopts a new budget for a new fiscal year and notifies each unit owner of such, each unit owner shall continue to pay each month the amount of his monthly assessment as last determined.

3. Supplemental Budget. In the event it shall appear to the Board that the estimated budget for any fiscal year shall be inadequate to cover the estimated common expenses in respect to the common elements or other expenses lawfully agreed upon in accordance with the provisions of the Act, the Declaration or these By-Laws, then the Board shall prepare or cause to be prepared a supplemental estimated budget to cover the estimated deficiency for the remainder of the fiscal year and each unit owner shall be assessed and pay his own pro-rata part and share of the same in the ratio which his percentage of ownership interest bears to the common elements.

4. Capital Expenditures. The Board shall not approve any capital expenditures for new improvements on any part of the common elements in excess of One Thousand Dollars (\$1,000.00) without the approval of the Council, excluding

required repairs, maintenance, or replacements of existing improvements which have become damaged or destroyed or no longer serviceable.

5. Assessments During Period of Administration by Developer as Temporary Administrator.

Until such time as the Board has established a budget and assessments based thereon, as each new owner acquires his unit, he shall pay a monthly assessment in accordance with the assessment schedule attached hereto, payable in advance and commencing with the month in which such acquisition occurs. The Developer shall pay a like monthly assessment on all unsold units commencing with the month in which the sale of the first unit occurs.

ARTICLE VII - Mortgages

An owner who places a mortgage or other lien on his condominium unit shall notify the Board or its representative, if any, of the name and address of his mortgagee, and the Board shall maintain a record of such information. At the request of any mortgagee, the Board or its representative, shall report any unpaid assessments due from the owner of such unit so mortgaged.

ARTICLE VIII - Amendments

During the period of administration by Developer as Temporary Administrator, these By-Laws may be amended or modified from time to time by Developer as such Temporary Administrator and representative of the Council and the Board, without the consent of any unit owner; thereafter, these By-Laws may be amended or modified from time to time by majority vote of the Council at any regular meeting or special meeting called for that purpose. All amendments shall be filed for record in the Condominium Records of Travis County, Texas.

ARTICLE IX - Severability

If any article, paragraph, sentence, clause or phrase of these By-Laws or the application thereof in any circumstance shall be held invalid or unenforceable,

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the validity or enforceability of the remainder of these By-Laws or of the application  
of any such article, paragraph, sentence, clause or phrase in any other circumstance  
shall not be affected thereby.

