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DECLARATION  
OF  
WATERWOOD TOWNHOMES, A CONDOMINIUM

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A CONDOMINIUM

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**DECLARATION OF  
WATERWOOD TOWNHOMES, A CONDOMINIUM**

THIS DECLARATION is made this 29<sup>th</sup> day of August, 2003, by **Waterwood Townhomes, L.P., A Texas limited partnership** ("Declarant"), acted for herein by its General Partner, Mastertouch, Inc., a Texas corporation, pursuant to the Texas Uniform Condominium Act, Chapter 82, Property Code of the State of Texas ("Act").

**WITNESSETH**

WHEREAS, Declarant is the owner in fee simple of certain real estate situated in the City of College Station, County of Brazos and State of Texas more particularly described on Exhibit "A" attached hereto and made a part hereof, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate; and

WHEREAS, Declarant desires to submit all of said property to the Act.

NOW, THEREFORE, Declarant, as the owner of said property, hereby declares as follows:

**ARTICLE I  
Definitions**

Definitions. As used herein, the following words and terms shall have the following meanings:

- 1.1 Act. The Texas Uniform Condominium Act, Chapter 82, Property Code, State of Texas.
- 1.2 Association. WATERWOOD TOWNHOMES, A CONDOMINIUM Homeowners Association, Inc., a nonprofit corporation organized under Texas Revised Civil Statutes

1396-1.01 et seq. The Articles of Incorporation of the Association are attached hereto as Exhibit "D".

- 1.3 Board. The Executive Board of the Association.
- 1.4 Bylaws. The Bylaws of the Association which are incorporated herein and made a part hereof by this reference, and attached as Exhibit "E".
- 1.5 Common Elements. All portions of the Condominium except the Units. Limited Common Elements are Common Elements. All water lines not located in street rights-of-way which serve the Property and all sewer lines not located in either street rights-of-way or City of College Station sanitary sewer easements which serve the Property are Common Elements. All storm water or drainage lines or facilities not within the City of College Station drainage easements are Common Elements. Any amenities constructed on the Property, including, but not limited to, basketball court, volleyball courts, pool and adjacent patio and decks, picnic tables, barbecue grills, covered parking structures and play areas, are Common Elements.
- 1.6 Common Expenses. Expenditures made or liabilities incurred by or on behalf of the Association, together with any allocations to reserves and any ad valorem taxes or public assessments levied on Common Elements. (NOTE: There will be an individual water meter installed for each Unit, and each Unit Owner shall be responsible for making direct payment of the water and sewer bills for their Unit to the appropriate public utility.
- 1.7 Condominium. The condominium created by this Declaration.
- 1.8 Declarant. Waterwood Townhomes, L.P., a Texas limited partnership.
- 1.9 Declarant Control Period. The period commencing on the date hereof and continuing until the earlier of (i) the date two (2) years after Declarant has ceased to offer Units for sale in the ordinary course of business, or (ii) the date upon which Declarant surrenders control of the Condominium, or (iii) the date one hundred twenty (120) days after the Declarant has conveyed seventy-five percent (75%) of the maximum number of Units which Declarant may create on the Phase 1 property, and on the Additional Real Estate, to Unit Owners other than a Declarant, or (iv) the date two (2) years after any development right to add New Units was last exercised by Declarant.
- 1.10 First Mortgage and First Mortgagee. A First Mortgage is a mortgage or deed of trust which has been recorded so as to give constructive notice thereof, and which is a first lien on the Unit or Units described therein. A First Mortgagee is the holder, from time to time, of a First Mortgage as shown by the records of the Office of the County Clerk for Brazos County, Texas in which the First Mortgage is recorded, including the Federal

National Mortgage Association and including a purchaser at foreclosure sale upon foreclosure of a First Mortgage until expiration of the mortgagor's period of redemption. If there be more than one holder of a First Mortgage, they shall be considered as, and act as, one First Mortgage for all purposes under this Declaration and the Bylaws.

- 1.11 Limited Common Elements. Those portions of the Common Elements allocated by this Declaration, the Plans or by operation of Section 82.052 of the Act for the exclusive use of one but fewer than all of the Units including, but not limited to, any deck, balcony, porch or patio appurtenant to a Unit and any attic storage areas appurtenant to a Unit. That portion of the property upon which heating and air conditioning equipment serving a Unit is located shall constitute a Limited Common Element allocated specifically to the Unit served by such equipment.
- 1.12 Occupant. Any person or persons in possession of a Unit, including Unit Owners, the family members, lessees, guests and invitees of such person or persons and family members, guests and invitees of such lessees.
- 1.13 Person. A natural person, corporation, partnership, trust or other legal or commercial entity, or any combination thereof.
- 1.14 Plans. The plans of the Condominium, including, but not limited to, the Plat recorded in the Office of the County Clerk for Brazos County, Texas and by the Act made a part of this Declaration.
- 1.15 Plat. The survey plat depicting the Condominium and the location of the buildings on the property, recorded in the Office of the County Clerk for Brazos County, Texas, and by the Act made a part of this Declaration.
- 1.16 Property. The real estate described on Exhibit "A", together with all buildings, amenities and other improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.
- 1.17 Rules and Regulations. The rules and regulations of the Condominium promulgated by the Executive Board from time to time.
- 1.18 Special Declarant Rights. The rights as defined in Section 82 of the Act for the benefit of a Declarant, including but not limited to the following: to complete the improvements indicated on the Plans (Section 82.003(a)(22)(4), Section 82.059); to maintain sales offices, management offices, models and signs advertising the Condominium (Section 82.003(a)(22)(D), Section 82.065); to exercise any development right as defined in Section 82.060 of the act; to use and allow others to use easements through the Common Elements (Section 82.003(a)(22)(E), Section 82.066); to elect,



appoint or remove members of the Board during the Declarant Control period (Section 82.003 (a)(27)(F), Section 82.103 (c); and to withdraw any portion of the Property from the Condominium. Declarant shall have the right to subdivide or convert Units owned by Declarant.

Further, for a period of ten (10) years from the dated of this Declaration, Declarant reserves the right, at any time, and in any order: to add all or any portion of the Additional Real Estate, together with any buildings, amenities or other improvements now existing or constructed thereon, to the Condominium; to construct, or not to construct, at Declarant's option, any or all of the buildings, amenities or other improvements shown on a Plat; and to construct any other improvements on the Additional Real Estate. The addition of any or all of the Additional Real Estate to the Condominium, and the construction of any buildings, amenities (swimming pool, clubhouse, basketball court, volleyball court, etc.) or other improvements on the Additional Real Estate, shall, however, be at the sole discretion of Declarant, and any or all of the buildings, amenities or other improvements shown on the above-referenced Plat **"NEED NOT BE BUILT"**.

- 1.19 Unit. A portion of the Condominium, whether or not contained solely or partially within a building, together with its percentage of undivided interest in the Common Elements as set forth on Exhibit "B". Each Unit is designated and delineated on the Plans.
- 1.20 Unit Boundaries. The boundaries of each Unit, both as to vertical and horizontal planes, as shown on the Plans, are the undecorated surfaces of the perimeter walls, exterior doors and exterior windows facing the interior of the Unit, the undecorated surfaces of the ceiling facing the interior of the Unit, and the topmost surfaces of the subflooring, and include the decoration on all such interior and topmost surfaces, including, without limitation, all paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the decorated surfaces thereof, and also includes all spaces, interior partitions and other fixtures and improvements within such boundaries. Also included as a part of the Unit shall be those portions of the heating and air conditioning system for the Unit which are located within the perimeter walls of the Unit and those portions of the heating and air conditioning system located in the Common Elements, wherever located.
- 1.21 Unit Owner. The person or persons, including the Declarant, owning a Unit in fee simple.
- 1.22 Additional Real Estate. The real estate shown on the Plat as portion of the Property other than Phase 1, together with all buildings and improvements now or hereafter constructed or located thereon, and all rights, privileges, easements and appurtenances belonging to or in any way pertaining to said real estate.

ARTICLE II  
Submission of Property to the Act

- 2.1 Submission. Declarant hereby submits the Property to the Act.
- 2.2 Name. The Property shall hereafter be known as WATERWOOD TOWNHOMES, A CONDOMINIUM.
- 2.3 Division of Property into Separately Owned Units. Declarant, pursuant to the Act, and to establish a plan of condominium ownership for the Condominium, does hereby create Phase 1, with such phase hereby divided into twenty-seven (27) Units, and does hereby designate all such Units for separate ownership, subject however, to the provisions of Section 2.4 hereof.
- 2.4 Alterations of Units. Subject to the provisions of the Bylaws, a Unit may be altered pursuant to the provisions of Section 82.061, 82.062, and 82.063 of the Act.
- 2.5 Limited Common Elements. The Limited Common elements serving or designed to serve each Unit are hereby allocated solely and exclusively to each such Unit.
- 2.6 Unit Allocations. The allocations to each Unit of a percentage of undivided interest in the Common Elements and of a percentage of the Common Expenses are as stated on Exhibit "B". The allocation of undivided interest in the Common Elements and of the Common Expenses has been determined by a ratio formulated upon the relation that each Unit bears to the total number of Units. The votes are equally allocated to all Units with each Unit Owner having one (1) vote for each Unit owned.
- 2.7 Encumbrances. The liens, defects and encumbrances affecting the Property to which the rights of Unit Owners and Occupants are hereby made subject are set out on Exhibit "C".
- 2.8 Condominium Ordinances. The Condominium is not subject to any code, real estate use law, ordinance, charter provisions, or regulation (i) prohibiting the condominium form of ownership, or (ii) imposing conditions or requirements upon a condominium which are not imposed upon physically similar developments under a different form of ownership.
- 2.9 Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights, as defined in Article 1.18.

ARTICLE III  
Additional Real Estate

- 3.1 Declarant's Right to Add Additional Real Estate. Declarant expressly reserves the right to add the Additional Real Estate to the Condominium. All or part of the Additional Real Estate identified and described on The Plat may be added to the Condominium at different times, but no assurances are made in regard to the order in which such portions may be added. Declarant shall have no duty or obligation of any kind to add any or all of the Additional Real Estate. The method of adding the Additional Real Estate shall be pursuant to Section 82.060 of the Act.
- 3.2 Maximum Number of Additional Units; Units Restricted to Residential Use. The maximum number of additional Units that may be created within the Additional Real Estate is one hundred fifty-six (156) Units. All of such Units will be restricted to residential use.
- 3.3 Compatibility of Style, etc. It is Declarant's present intent that any buildings, amenities and Units that may be erected upon the Additional Real Estate, or a portion thereof, will be compatible with the other buildings and improvements in the Condominium in terms of architectural style, quality of construction, and size. However, Declarant expressly reserves the right to change the architectural style, size and location of any buildings, amenities and Units that may be erected upon the Additional Real Estate.
- 3.4 Applicability of Restrictions, Etc. All restrictions in this Declaration and the Bylaws affecting use, occupancy and alienation of Units will apply to any and all additional Units that may be created within the Additional Real Estate.
- 3.5 Other Improvements and Common Elements. In addition to the buildings and Units that may be erected upon the Additional Real Estate or a portion thereof, the other improvements and Common Elements that may be made or created upon or within the Additional Real Estate or each portion thereof which may be added to the Condominium will be generally similar in quality and quantity to the improvements and Common Elements located in the Condominium.
- 3.6 Applicability of Assurances if Additional Real Estate Not Added. The assurances made in this Article III will not apply with respect to any Additional Real Estate that is not added to the Condominium. In the event that Declarant shall not expand the Condominium by the use or any portion of Additional Real Estate, Declarant shall have the right to develop all or any portion of the Additional Real Estate without restriction.
- 3.7 Allocation of Interest in Common Elements and Common Expenses. If Declarant adds the Additional Real Estate, or portions thereof, to the Condominium, the percentage interest of each Unit Owner in the Common Elements and the Common Expenses will

be determined by a ratio formulated upon the relation that each Unit bears to the total number of Units in the Condominium.

#### ARTICLE IV

##### Easements

- 4.1 Encroachments. In the event that, by reason of the construction, reconstruction, rehabilitation, alteration or improvement of the buildings or improvements comprising a part of the Property, any part of the Common Elements now or hereafter encroaches upon any part of any Unit, or any part of Common Elements, or upon any part of another Unit, an easement for the continued existence and maintenance of each such encroachment is hereby declared and granted and shall continue for so long as each such encroachment exists; provided that in no event shall an easement for such encroachment be created if such encroachment is detrimental to or interferes with the reasonable use and enjoyment of the Common Elements or Units so encroached upon.
- 4.2 Easements Through Walls. Easements are hereby declared and granted to the Association and to such persons as are authorized by the Association, to install, lay, maintain, repair and replace any chutes, flues, ducts, vents, pipes, wires, conduits and other utility installations, and structural components running through the walls of the Units, whether or not such walls lie in whole or in part within the boundaries of any Unit.
- 4.3 Easements to Repair, Maintain, Restore and Reconstruct. Wherever in, and whenever by, this Declaration, the Bylaws or the Act, a Unit Owner, the Association, the Board or any other person, is authorized to enter upon a Unit or the Common Elements to inspect, repair, maintain, restore or reconstruct all or any part of a Unit or the Common Elements, such easements as are necessary for such entry and such repair, maintenance, restoration or reconstruction are hereby declared and granted.
- 4.4 Easements for Utilities. The Units and Common Elements shall be, and are hereby, made subject to easements in favor of the Declarant (until Declarant shall have satisfied all of its obligations under the Declaration and Bylaws and all commitments in favor of any Unit Owner and the Association), the Association, appropriate utility and service companies and governmental agencies or authorities for such utility and service lines and equipment as may be necessary or desirable to serve any portion of the Property. The easements provided for by this Section 4.4 shall include, without limitation, rights of Declarant, the Association, any providing utility, any service company, and any governmental agency or authority and any of them to install, lay, maintain, repair, relocate and replace gas lines, pipes and conduits, water mains and pipes, sewer and drain lines, telephone wires and equipment, television and equipment facilities (cable or otherwise), electrical wires, conduits and equipment and ducts and vents and any other appropriate equipment and facilities over, under, through, along and on the Units

and Common Elements. Notwithstanding the foregoing provisions of this Section 3.4, unless approved in writing by the Unit Owner or Unit Owners affected thereby, any such easement through a Unit shall be located either in substantially the same location as such facilities or similar facilities existed at the time of first conveyance of the Unit by the Declarant to a grantee other than the Declarant, or so as not to materially interfere with the use of occupancy of the Unit by its Owners.

4.5 Declarant's Easement.

- (a) Declarant hereby reserves such easements through the Common Elements as may be reasonably necessary for the purposes of discharging its obligations, exercising Special Declarant Rights, and completing the development and construction of the Condominium, which easements shall exist as long as reasonably necessary for such purpose.
- (b) Declarant, its successors, transfers and assigns, owning the Additional Real Estate, or any portion thereof, and the mortgagees of Declarant, its successors, transfers and assigns, owning the Additional Real Estate, or any portion thereof, shall have and does hereby reserve a perpetual nonexclusive right and easement of use of those portions of the Common Elements of the Condominium used as driveways, including the Driveway Entrance from Krenek Tap Road and of use of any and all waterlines; sewer lines; lift station; storm water detention ponds; drainage easements; storm drains; electric, telephone, or cable television wires or conduits; gas lines' or similar utility facilities that are a part of the Common Elements, to the extent reasonably necessary for Declarant, or such other owner of the Additional Real Estate, or a portion thereof, to have ingress and egress to and from the Additional Real Estate over the Common Elements, and to provide drainage facilities and utility service including sewer lines, the use of the lift station and the use of the storm water detention ponds drainage easements, storm drains and other drainage facilities, to the Additional Real Estate. Provided, however, the owner of the Additional Real Estate exercising such rights and easements shall contribute a reasonable pro-rata share of the cost of the operation and maintenance of the lift station and other utility facilities and other portions of the Common Elements so utilized. These easements and rights may not be changed without the prior written consent of all parties entitled to the exercise of such easements and rights. Any easement rights of the mortgagees of Declarant, its successors, transfers and assigns, provided for herein, shall terminate upon satisfaction and cancellation of that mortgagees's deed of trust.
- (c) Declarant, its successors, transfers and assigns, owning the Additional Real Estate, or any portion thereof, and the mortgagees of Declarant, its successors, transfers and assigns, owning the Additional Real Estate, or any portion thereof,



shall have and does hereby reserve a perpetual nonexclusive right and easement of use of those portions of the Common Elements that may be constructed as recreational amenities of the Condominium (basketball court, volleyball court, pool and adjacent patio and decks, and clubhouse), provided, however, the owner of the Additional Real Estate exercising such rights and easements shall contribute a reasonable pro rata share of the cost of the operation and maintenance of such amenities so utilized. These easements and rights may not be changed without the prior written consent of all parties entitled to the exercise of such easements and rights. Any easements rights of the mortgagees of Declarant, its successors, transfers and assigns, as provided for herein, shall terminate upon satisfaction and cancellation of the mortgagee's deed of trust.

- 4.6 Easements to Run With Land. All easements and rights described in this Article IV are appurtenant easements running with the land, and except as otherwise expressly provided in this Article IV shall be perpetually in full force and effect, and shall inure to the benefit of and be binding upon Declarant, its successors and assigns owning the Additional Real Estate, or any portion thereof Declarant's mortgagees, the Association, Unit Owners, Occupants, First Mortgagees and any other person having any interest in the Condominium or any part thereof. The Condominium and every part thereof shall be conveyed and encumbered subject to and together with all easements and rights described in this Article IV, whether or not specifically mentioned in any such conveyance or encumbrance.

#### ARTICLE V Restrictions, Conditions and Covenants

- 5.1 Compliance with Declaration, Bylaws and Rules and Regulations. Each Unit Owner and Occupant shall comply with all applicable provisions of the Act, this Declaration, the Bylaws, the Articles of Incorporation of the Association, and the Rules and Regulations promulgated by the Board or the Association, as amended. Failure to comply shall be grounds for an action by the Association, an aggrieved Unit Owner, or any person adversely affected, for recovery of damages, injunction, or other relief.
- 5.2 Administration of Condominium. The Condominium shall be administered in accordance with the provisions of the Act, this Declaration and the Bylaws.
- 5.3 Use Restricted; Use by Declarant.
- (a) Except as may be otherwise expressly provided in this Declaration, each unit shall be used for residential purposes only and shall be occupied by no more than four (4) unrelated persons or six (6) related persons on a permanent basis. No trade or business of any kind may be conducted. Lease or rental of a unit

for residential purposes shall not be considered to be a violation of this Covenant, so long as the lease is in compliance with the provisions of this Declaration, the Bylaws and reasonable Rules and Regulations adopted by the Board.

- (b) Except as reserved by Declarant, no advertising signs (except one "For Rent" or "For Sale" sign per Unit of not more than 1' x 2' if placed in a window, or 2' x 3.5' if placed in the Common Area immediately in front of the Unit), billboards, unsightly objects, or nuisances shall be erected, placed or permitted to remain on the property subject to this Declaration.
- (c) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, Declarant shall have an easement to maintain sales offices (sales offices may be located in one or more Units and/or the clubhouse, if constructed) and models for sales of Units throughout the Condominium. Declarant shall have the right to relocate, from time to time, and to discontinue and reestablish, from time to time, within the Condominium, until all of the Units have been conveyed to a Unit Owner other than a Declarant, any one or more of such offices or models. Declarant also shall have the right to change the use or combination of uses of such offices or models, provided that such offices or models shall be used only for sales offices or models. The total number of such offices or models maintained at any time by a Declarant shall not exceed four (4), and the size of any such relocated or re-established office or model shall not exceed the size of the largest Unit in the Condominium.
- (d) Declarant shall also have an easement to maintain signs on the Common Elements advertising the Condominium until all of the Units have been conveyed to Unit Owners other than a Declarant. Declarant shall remove all such signs not later than one (1) year after all of the Units have been conveyed to Unit Owners other than Declarant and shall repair or pay for the repair of all damage done by removal of such signs.
- (e) The foregoing provisions of this Section or any other provision of this Declaration or the Bylaws notwithstanding, the Association may maintain an office in the Condominium for management of the Condominium, which office may be located in one or more Units or the clubhouse (if constructed).

5.4 Hazardous Use and Waste. Nothing shall be done to or kept in any Unit or the Common Elements that will increase any rate of insurance maintained with respect to the Condominium without the prior written consent of the Board. No Unit Owner or Occupant shall permit anything to be done to or kept in his Unit or the Common Elements that will result in the cancellation of insurance maintained with respect to the

Condominium, or that would be in violation of any law, or that will result in the commitment of waste (damage, abuse, or destruction) to or in his Unit or the Common Elements.

- 5.5 Alterations of Common Elements. No Unit Owner or Occupant, except Declarant during the Declarant Control Period, shall alter, construct anything upon, or remove anything from, the Common Elements, or paint, decorate, landscape or adorn any portion of the Common Elements, without the prior written consent of the Board.
- 5.6 Prohibition of Renting for Transient or Hotel Purposes. No Unit Owner shall rent his Unit for transient or hotel purposes, which, for the purposes of this Declaration shall be defined as either a rental for any period less than thirty (30) days or any rental if the lessee of the Unit is provided customary hotel services except as follows: a Unit Owner may allow short term rental for events related to activities at Texas A&M University during the main academic year such as football games, graduation, reunion weekends, Parent's Weekend, and Muster. Each permitted lease shall be in writing and shall be subject to this Declaration, the Bylaws, and the Rules and Regulations adopted hereunder and any failure of the lessee to comply with the terms of such documents shall be a default under the lease. Other than the foregoing restrictions, each Unit Owner shall have the full right to lease all or any portion of his Unit.
- 5.7 Pets. With the exception of domesticated fish and birds and dogs or cats weighing less than forty (40) pounds (which may be kept inside a Unit provided that they do not become a nuisance to any other Unit Owner), no pets, animals, livestock, or poultry of any kind shall be raised, bred, or kept on the property.
- 5.8 Rules and Regulations. In addition to the foregoing restrictions, conditions and covenants concerning the use of the Condominium, reasonable rules and regulations not in conflict therewith and supplementary thereto may be promulgated and amended from time to time by the Board or the Association, as more fully provided in the Bylaws.
- 5.9 Restrictions, Conditions and Covenants to Run With Land. Each Unit Owner and Occupant shall be subject to all restrictions, conditions and covenants of this Declaration, and all such restrictions, conditions and covenants shall be deemed to be covenants running with the land, and shall bind every person having any interest in the Property, and shall inure to the benefit of every Unit Owner.
- 5.10 Storage and Parking of Vehicles. No motor vehicle (other than private passenger vehicles including motorcycles and pick-up and small trucks which shall be currently licensed and inspected) including commercial vehicle, truck (other than pick-up and small truck), tractor, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other water craft, boat trailer, or any other transportation device



of any kind, shall be parked or stored in or upon the Common Elements except in any area provided by the Association for such storage and subject to rules, regulations and fees charged by the Association, or parked or stored within any street right-of-way. Each Unit Owner shall be entitled to the use of one (1) parking space per bedroom which may be designated by the Board, one of which may be covered parking spaces. The Board shall be entitled and is hereby authorized to sell, for a fee, additional parking space rights to any Unit Owner or Occupant, on such terms and at such price as the Board may determine. No Unit Owner or Occupant shall repair or restore any vehicle of any kind upon the property, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility. All vehicles must have current motor vehicle registration in the state of primary residence of the Unit Owner or Occupant.

5.11 Exterior and Visible Interior Improvements.

- (a) No awnings, shades, screens or other item shall be attached to, hung or used on the exterior of any window or door of a unit or on the exterior of any building without the prior written consent of the Board of Directors. All shades, blinds, drapery linings and other window treatments visible from the exterior of a unit on any window or door shall be white or off-white. Outside clothes lines or other outside facilities for drying or airing clothes are specifically prohibited and shall not be erected, placed or maintained on any portion of the Condominium, nor shall any clothing, rugs, or any other item be hung on any railing or fence enclosing any balcony, porch, patio or deck.
- (b) No unit owner shall install any electrical or telephone wire, television antenna, satellite dishes, air conditioning unit, or other machine anywhere on the Condominium outside of a Unit without the approval of the Board of Directors.

5.12 Prohibitions on Use of Common Elements. Except with the specific written approval of the Board, the Common Elements, including Limited Common Elements, shall not be used for temporary or permanent storage or supplies, personal property, trash or refuse of any kind, other than in common trash receptacles placed at the discretion of the Board, nor shall such areas be used in any way for the drying or airing of clothing, rugs or other fabrics. Entrances, sidewalks, yards, driveways, parking areas and stairways shall not be obstructed in any way. No activities shall be carried on nor condition maintained by any Unit Owner, either in his Unit or upon the Common Elements, if such activities should despoil, or tend to despoil, the appearance of the Property. No "garage", "attic sales" or "yard sales" shall be permitted outside of a Unit. It is expressly acknowledged and agreed by all parties concerned that this section is for the mutual benefit of all Unit Owners of the Property and is necessary for the protection of the Unit Owners and is enforceable by the Board or by any one or more Unit Owners through the Board of Directors.

- 5.13 Nuisances. No nuisances shall be allowed upon the Property and no person shall engage in any use, practice or activity upon the Property which is noxious, offensive or a source of annoyance to Unit Owners or their tenants or which reasonably interferes with the peaceful possession and proper use of the Condominium Property by any Unit Owner and/or tenants. No exterior speakers, horns, whistles, bells or other sound devices except security devices used exclusively for security purposes, shall be located, used or placed on the Property. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage shall be allowed to accumulate and no fire hazard shall be allowed to exist. Any Unit Owner who shall dump or place (or permit his family, tenants, guests or agent to do so) any trash or debris upon any portion of the Property shall be liable to the Association for the actual cost of removal thereof or the sum of \$100.00, whichever is greater, and the same shall be added to and become a part of the assessment next coming due to which the Unit Owner of his Unit is subject. No Unit Owner shall permit any use of a Unit or of the Common Elements which will increase the rate of insurance upon the Property. The Association and its Agent shall have the right to remove any item or items left outside a Unit on the Common Elements or hanging from a balcony.
- 5.14 Lawful Use. No immoral, improper or unlawful use shall be made of the Condominium Property or any part thereof. All valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof shall be observed.
- 5.15 Access to Units. The Association and its agent shall have access to each Unit from time to time during reasonable working hours, upon oral or written notice to its Unit Owner or occupant of the Unit, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association and its agents shall also have access to each Unit at all times without notice, as may be necessary to make emergency repairs to prevent damage to Common Elements.

## ARTICLE VI

### Assessments

- 6.1 Assessment Liens. The Board has the power to levy assessments against the Units for Common Expenses. Such assessments, together with interest at the rate of ten percent (10%) per annum, costs and reasonable attorney's fees shall be a lien on the Units against which they are assessed, and if any payment thereof becomes delinquent, the lien may be foreclosed and the Unit sold, or a money judgment obtained against the persons liable therefor, all as set forth in the Bylaws.

6.2 Personal Liability of Transferees; Statement; Liability of First Mortgage.

- (a) The personal obligation for assessments which are delinquent at the time of transfer of a Unit shall not pass to the transferee of said Unit unless said delinquent assessments are expressly assumed by said transferee.
- (b) Any transferee referred to in (a) above shall be entitled to a statement from the Board, pursuant to Section 6.2 of the Bylaws, and such transferee's Unit shall not be subject to a lien for any unpaid assessments against such Unit in excess of the amount therein set forth.
- (c) Where a First Mortgagee, or other person claiming through such First Mortgagee, pursuant to the remedies provided in a mortgage or deed of trust, or by foreclosure or by deed, or assignment, in lieu of foreclosure, obtains title to a Unit, the liability of such First Mortgagee or such other person for assessments shall be only for the assessments, or installments thereof, that would become delinquent, if not paid, after acquisition of title. For purposes hereof, title to a Unit shall be deemed acquired by foreclosure upon expiration of the applicable period of redemption. The lien for assessments shall be subordinate to the lien of the First Mortgagee at all times, and a sale or transfer pursuant to a foreclosure of the deed of trust lien of the First Mortgagee will extinguish all assessments as to the First Mortgagee, or its successors and assigns, which have become due prior to the foreclosure date.
- (d) Without releasing the transferor from any liability therefore, any unpaid portion of assessments which is not a lien under (b) above, or, resulting, as provided in (c) above, from the exercise of remedies in a mortgage or deed of trust, or by foreclosure thereof or by deed, or assignment, in lieu of such foreclosure, shall be a Common Expense collectible from all Unit Owners, including the transferee under (b) above and the First Mortgagee of such other person under (c) above who acquires ownership by foreclosure or by deed, or assignment, in lieu of foreclosure.

6.3 Prohibition of Exemption from Liability for Contribution Toward Common Expenses. No Unit Owner may exempt himself from liability for his share of the Common Expenses assessed by the Association by waiver or the use or enjoyment of any of the Common Elements or by abandonment of his Unit or otherwise.

6.4 Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Units on the first day of the month following the conveyance of the first Unit by the Declarant. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year. The initial monthly assessment for the first calendar year shall not exceed Two Hundred and

No/100 Dollars (\$200.00) per month with the Board reserving the right to charge a lesser amount for the first year.

- 6.5 Capitalization of Association. Upon acquisition of record title to a Unit, each Owner shall contribute to the capital of the Association an amount equal to one-sixth (1/6) of the amount of the annual assessment for that Unit as determined by the Board. This amount shall be paid by the buyer at the closing of the purchase of the Unit and shall be disbursed to the Association. This initial capitalization shall not be an advance payment of assessments. It is merely an initial capital contribution.

## ARTICLE VII

### Management, Maintenance, Repairs Replacements, Alterations and Improvements

#### 7.1 Common Elements.

- (a) By the Association. The management, replacement, maintenance, repair, alteration, and improvement of the Common Elements shall be the responsibility of the Association, and subject to the provisions of Section 7.2 hereof, the cost thereof shall be a Common Expense to the extent not paid by Unit Owners pursuant to Section 7.1(b) hereof. All damage caused to a Unit by any work on or to the Common Elements done by or for the Association shall be repaired by the Association, and the cost thereof shall be a Common Expense.
- (b) By Unit Owners. Each Unit Owner shall pay all costs to repair and replace all portions of the Common Elements that may become damaged or destroyed by reason by his intentional acts or the intentional acts of any Occupant of his Unit. Such payment shall be made upon demand made by the Association.

#### 7.2 Common Expenses Associated with Limited Common Elements or Benefitting Less Than All Units.

- (a) Any Common Expenses associated with the maintenance, repair, or replacement of a Limited Common Element shall be assessed against the Unit, or in equal shares to the Units, to which such Limited Common Element was allocated at the time the expense was incurred.
- (b) In addition, the Association may assess any Common Expense benefitting less than all of the Units against the Units benefitted in proportion to their Common Expense liability.

- 7.3 Units. Each Unit Owner shall maintain his Unit, and any limited Common Elements appurtenant thereto, at all times in a good and clean condition, and repair and replace, at his expense, all portion of his Unit; shall perform his responsibilities in such manner as not to unreasonably disturb other Occupants; shall promptly report to the Board, or its agents, any defect or need for repairs the responsibility for which is that of the Association; and, to the extent that such expense is not covered by the proceeds of insurance carried by the Association, shall pay all costs to repair and replace any portion of another Unit that has become damaged or destroyed by reason of his own acts or omissions, or the acts or omissions of the any Occupant of his Unit. Such payment shall be made upon demand by the Unit Owner of such other Unit. Nothing herein contained shall modify any waiver by insurance companies of rights of subrogation.
- 7.4 Waiver of Claims. Except only as provided in Section 7.5(a) and (b), the Association agrees that it shall make no claim against a Unit Owner or Occupant, and each Unit Owner and Occupant agrees that he shall make no claim against the Association, the members of the Board, officers of the Association, or employees or agents of any thereof, or against any manager retained by the Board, or his or its officers, directors, employees or agents, or other Unit Owners or Occupants, for any loss or damage to any of the Property, or to a Unit of personal property therein, even if caused by the omission or neglect of any one or more of such persons and all such claims are hereby waived and released; provided, that this waiver shall not apply to any such loss or damage due to intentional acts.
- 7.5 Right of Entry.
- (a) By the Association. The Association, and any person authorized by the Association, may enter any Unit or any of the Limited Common Elements in case of any emergency or dangerous conditions or situation originating in or threatening that Unit or any of the Limited Common Elements. The Association, and any person authorized by the Association, after reasonable notice to a Unit Owner or Occupant, may enter that Unit or any of the Limited Common Elements for the purposes of performing any of the Association's powers under the Act, this Declaration or the Bylaws with respect to that or any other Unit, any Limited Common Elements, or the Common Elements. Notwithstanding Section 7.4, the Association shall be responsible for the repair of any damage caused by the Association or its authorized person to the entered Unit, and the cost thereof shall be a Common Expense. All such entries shall be made and done so as to cause as little inconvenience as possible to the Unit Owner and Occupant of the entered Unit or any portion of the Limited Common Elements allocated to the Unit Owner.



- (b) By Unit Owners. Each Unit Owner and Occupant shall allow other Unit Owners and Occupants, and their representatives, to enter his Unit, or Limited Common Elements allocated to his Unit, when reasonably necessary for the purpose of altering, maintaining, repairing or replacing the Unit, or performing the duties and obligations under the Act, this Declaration or the Bylaws, of the Unit Owner or Occupant making such entry, provided that requests for entry are made in advance and that such entry is at a time convenient to the Unit Owner or Occupant whose Unit or Limited Common Element is to be entered. In case of an emergency or dangerous condition or situation, such right of entry shall be immediate. Notwithstanding Section 7.4, the person making such entry shall be responsible for repair of any damage caused by such person to the entered Unit or Limited Common Element.

## ARTICLE VIII

### Insurance

- 8.1 Casualty Insurance. The Association shall maintain, to the extent available, casualty insurance upon the Property in the name of, and the proceeds thereof shall be payable to, the Association as trustee for all Unit Owners and First Mortgagees as their interest may appear, and be disbursed pursuant to the Act. Such insurance shall be in an amount equal to not less than one hundred percent (100%) of the full insurable value of the Property on a replacement cost basis exclusive of land, excavations, foundations and other items normally excluded from property policies, and shall insure against such risks and contain such provisions as the Board from time to time shall determine, but at a minimum shall conform in all respects to the requirements of the Act, and shall provide that, notwithstanding any provision thereof that gives the insurer an election to restore damage in lieu of making a cash settlement, such option shall not be exercisable if such restoration is prohibited pursuant to Section 82.111 of the Act.
- 8.2 Public Liability Insurance. The Association shall maintain public liability insurance for the benefit of the Unit Owners, Occupants, the Association, the Board, the managing agent, if any, the Declarant, and their respective officers, directors, agents and employees, in such amounts and with such coverage as shall be determined by the Board; provided that the public liability insurance shall be for at least One Million Dollars (\$1,000,000.00) per occurrence for death, bodily injury and property damage. Said insurance shall comply in all respects with the requirement of the Act and shall contain a severability-of-interest endorsement precluding the insurer from denying liability because of negligent acts of any insured; insure all of such benefitted parties against such liability arising out of or in connection with the use, ownership or maintenance of the Common Elements, and the streets, sidewalks and public spaces adjoining the Condominium; and insure the Association, the Board, the managing agent, if any, and their respective officers, directors, agents and employees against such liability arising out of or in connection with the use or maintenance of the Units.

- 8.3 Fidelity Coverage. If available at reasonable cost, fidelity coverage shall be maintained by the Association in commercial blanket form covering each director and officer of the Association, any employee or agent of the Association and any other person handling or responsible for handling funds of the Association in the face amount of at least the greater of (i) one and one-half (1 1/2) times the estimated annual operating expenses and reserves of the Association, or (ii) the sum of three months' aggregate assessments on all Units plus the Association's reserve funds. Such bonds shall contain an appropriate endorsement to cover persons who serve without compensation. The premium on such bonds shall be a Common Expense.
- 8.4 Insurance Unavailable. If the insurance described in Sections 8.1, 8.2, or 8.3 is not reasonably available, the Association shall promptly cause notice of such fact to be hand-delivered or sent prepaid by United States mail to all Unit Owners.
- 8.5 Other Insurance. The Association may procure such other insurance, including worker's compensation insurance, as it may from time to time deem appropriate to protect the Association or the Unit Owners. If at least one Unit is subject to mortgage financing, the Association shall obtain and keep in force such insurance as such mortgagee shall reasonably require from time to time.
- 8.6 Insurance Trustee. The Board may engage, and pay as a Common Expense, any appropriate person to act as an insurance trustee to receive and disburse insurance proceeds upon such terms as the Board shall determine, consistent with the provisions of the Act and this Declaration.
- 8.7 Individual Policy for Unit Owners. Each Unit Owner may obtain insurance, at his own expense, affording personal property, additional living expense, condominium assessment, personal liability, and any other coverage obtainable, to the extent and in the amounts such Unit Owner deems necessary to protect his own interest; provided that any such insurance shall contain waivers pursuant to Section 7.4 and shall provide that it is without contribution as against the insurance purchased by the Association. If a casualty loss is sustained and there is a reduction in the amount of the proceeds that would otherwise be payable on the insurance purchased by the Association due to the proration of the insurance purchased by a Unit Owner under this Section, such Unit Owner shall be liable to the Association to the extent of such reduction and shall pay the assigns the proceeds of his insurance, to the extent of such reduction, to the Association.

## ARTICLE IX

### Casualty Damage

If all or any part of the Property shall be damaged or destroyed, the same shall be repaired or replaced unless: (1) the Condominium is terminated, (2) repair or replacement

would be illegal under any State or local health or safety statute or ordinance, or (3) the Unit Owners elect not to rebuild or replace by an ninety percent (90%) vote, including one hundred percent (100%) approval of owners of Units not to be rebuilt or owners assigned to Limited Common Elements not to be rebuilt. All proceeds of insurance shall be used and applied in accordance with the provisions of Section 82.111 of the Act.

#### ARTICLE X Condemnation

In the event of a taking by eminent domain, or by a conveyance in lieu thereof, of all or any part of the Property, the awards paid on account thereof shall be applied in accordance with Section 82.007 of the Act and Section 9.2 of the Bylaws.

#### ARTICLE XI Termination

The Condominium may be terminated only in strict compliance with Section 82.068 of the Act and Section 9.4 of the Bylaws.

#### ARTICLE XII Amendment

This Declaration may be amended only in strict compliance with 82.007, 82.051 (C), 82.056 (D), 82.058(B), 82.058 (C), 82.059(F), 82.062, 82.062, 82.063, 82.063 (B), 82.067, and 82.068(B) of the Act, except that no amendment altering or impairing Special Declarant Rights may be made without the written consent of Declarant.

In the event the Declarant has arranged for and provided purchasers of Units with VA and/or FHA insured mortgage loans, then as long as Declarant owns twenty-five percent (25%) of the Units in all Phases of the Condominium, the following actions will require the prior written approval of the Federal Housing Administration and/or the Veterans Administration: Amendment of the Declaration or merger or consolidation with another condominium.

#### ARTICLE XIII Rights of First Mortgagees; FNMA and FHLMC Provisions

The following provisions shall take precedence over all other provisions of this Declaration and Bylaws:

- 13.1 Amendments During Declarant Control Period. Any amendments to this Declaration or to the Bylaws during the Declarant Control Period shall be subject to the prior approval of all First Mortgagees, provided, however, that, if any First Mortgagee fails



to respond to a written request for approval within thirty (30) days of said request, approval shall be deemed to have been given by such First Mortgagee.

- 13.2 Availability of Condominium Documents, Books, Records and Financial Statements. The Association shall, upon request and during normal business hours, make available for inspection by Unit Owners and the First Mortgagees and the insurers and guarantors of a First Mortgage on any Unit, current copies of the Declaration, the Bylaws, other rules and regulations governing the Condominium and the books, records and financial statements of the Association. The Association shall provide a financial statement for the preceding fiscal year if requested in writing by a First Mortgagee or insurer or guarantor of a First Mortgage. The Association shall, upon request and during normal business hours, make available for inspection by prospective purchasers of Units, current copies of the Declaration, Bylaws, the Rules and Regulations governing the Condominium, and the most recent annual financial statement.
- 13.3 Successor's Personal Obligation for Delinquent Assessments. The personal obligations of a Unit Owner shall not pass to or be charged against a First Mortgagee, but shall be an obligation of any subsequent Unit Owner who purchases a Unit from a Unit Owner other than a First Mortgagee.
- 13.4 Rights of Action. The Association and any aggrieved Unit Owner shall have a right of action against Unit Owners and any aggrieved Unit Owner shall have a right of action against the Association for failure to comply with the provisions of this Declaration, the Bylaws and the Rules and Regulations, and decisions of the Association made pursuant to authority granted to the Association in this Declaration and the Bylaws.
- 13.5 Management and Other Agreements. Any management agreement between the Declarant or the Association and a professional manager or any other agreement providing for services of the sponsor or Declarant shall be terminable by either party thereto without cause and without payment of a termination fee upon not more than thirty (30) days' prior written notice and shall not exceed a term of three (3) years, subject to renewal by the consent of both parties.
- 13.6 Right of First Refusal. The right of a Unit Owner to sell, transfer, mortgage or otherwise convey his interest in his Unit shall not be subject to any right of first refusal.
- 13.7 Consent of First Mortgagees. This Section 13.7 shall be effective only if, at the time this Section would apply, at least one Unit is subject to mortgage financing.

Any decision to terminate the Condominium for reasons other than substantial destruction or condemnation of the property shall require the prior written consent of Eligible Mortgage Holders, as defined in Section 13.9 hereof, representing at least 67% of the votes

allocated to Units subject to First Mortgages held by Eligible Mortgage Holders, or such greater requirements specified by the Act.

Any amendment to the Declaration or Bylaws which materially changes any of the following shall require the prior written consent of Unit Owners holding at least 67% of the total votes in the Association and of Eligible Mortgage Holders representing at least 51% of the

votes allocated to Units subject to First Mortgages held by Eligible Mortgage Holders, or such greater requirements specified by the Act or hereunder:

- (a) voting rights;
- (b) assessments, assessment liens or subordination of such liens;
- (c) reserves for maintenance, repair and replacement of Common Elements;
- (d) responsibility for maintenance and repairs;
- (e) reallocation of interests in the Common Elements or Limited Common Elements or rights to their use;
- (f) boundaries of any Unit;
- (g) convertibility of Units into Common Elements or Common Elements into Units;
- (h) expansion or contraction of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium;
- (i) insurance or fidelity bonds;
- (j) leasing of Units;
- (k) imposition of any restrictions on a Unit Owner's right to sell, transfer or otherwise convey his Unit;
- (l) a decision by the Association to establish self-management when professional management had been required previously by any Eligible Mortgage Holder;
- (m) restoration or repair of the Condominium (after damage or destruction or partial condemnation) in a manner other than that specified in this Declaration or the Bylaws;
- (n) any action to terminate the legal status of the Condominium after substantial damage or destruction or condemnation; or
- (o) any provisions that expressly benefit First Mortgagees or insurers or guarantors of First Mortgages.

An addition or amendment to the Declaration or Bylaws shall not be considered material if it is for the purpose of correcting technical or typographical errors, or for clarification only.

13.8 Consent of First Mortgagees or Unit Owners. This Section 13.8 shall be effective only if, at the time this Section would apply, at least one Unit is subject to mortgage financing.

Unless First Mortgagees holding at least 66 2/3% of the votes allocated to First Mortgagees except higher percentages as are required by law, of the First Mortgagees (based upon one vote for each First Mortgage owned) and Unit Owners (other than a Declarant) holding at least 66 2/3% of the total votes in the Association have given their prior written approval, or such greater requirements specified in the Act or hereunder have been satisfied, the Association shall not be entitled to:

- (a) by act or omission, seek or abandon or terminate the Condominium;
- (b) change the pro-rata interest or obligations of any Unit for the purpose of:
  - (i) Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or
  - (ii) determining the pro-rata share of ownership of each Unit in the Common Elements;
- (c) partition or subdivide any Unit;
- (d) except in the case of any addition of the Additional Real Estate pursuant to the provisions hereof, by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause.);
- (e) use hazard insurance proceeds for losses to any part of the Condominium (whether to Units or to Common Elements) for other than repair, replacement, or reconstruction thereof subject to Article IX and Section 6.1 of Article VIII hereof.

13.9 Notice. Each first Mortgagee and each insurer or guarantor of a First Mortgage, upon written request stating its name and address and describing the Unit encumbered by the First Mortgage, held, insured or guaranteed, shall be entitled to timely written notification by the Association of (i) any proposed action which requires consent of a specified percentage of First Mortgagees; (ii) any condemnation or casualty loss that affects either a material portion of the Condominium or the Unit securing its First Mortgage; (iii) any 60-day delinquency in the payment of assessments or charges owed by the Unit Owner of the Unit on which the First Mortgagee held its First Mortgage or in the performance of any obligation under this Declaration or the Bylaws by said Unit Owner; or (iv) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association. Each First Mortgagee who has requested the Association to notify it of any proposed action that requires the

consent of a specified percentage of Eligible Mortgage Holders shall be considered an "Eligible Mortgage Holder." With respect only to non-material amendments (which excludes items (a) to (o) of Section 13.7), such as for the correction of technical errors or for clarification, any First Mortgagee who receives a written request by the Association, or any Unit Owner, to approve an addition or amendment to the Declaration or Bylaws who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have approved such request.

- 13.10 Assessments. Assessments shall be due and payable in monthly installments. As provided in Article VI of the Bylaws and as legally required by Section 82.112 of the Act, Declarant shall pay all accrued expenses of the Condominium until assessments are levied against the Units. An assessment shall be deemed levied against a Unit upon the giving of notice by the Board to a member of the Association who is a Unit Owner of that Unit. Unit Owners shall have no obligation to pay monthly assessments until an assessment is levied.
- 13.11 Rights of First Mortgagee; Insurance Proceeds or Condemnation Awards. With respect to First Mortgages held by or for the benefit of First Mortgagees, no provision of this Declaration or the Bylaws shall be deemed to give a Unit Owner or any other party, priority over any rights of a First Mortgagee pursuant to its First Mortgage on said Unit Owner's Unit, in the case of a distribution to said Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.
- 13.12 Additional Real Estate; Consent of Administrator; Common Element Interests; Reallocation. In the event any First Mortgages are guaranteed by the Veterans Administration, the Additional Real Estate may not be added to the Condominium without the prior written consent of the Administrator of the Veterans Administration. If the Additional Real Estate is added, the ownership interest in the Common Elements and the liability for Common Expenses for each Unit shall be reallocated on the basis of equality in proportion to each Unit relationship to the total number of Units and each Unit shall continue to have one vote. The effective date for said reallocation shall be the date of recordation of the amendment to this Declaration, which document shall comply with the provisions of the Act. The effective date for the assignment of assessments to the Units added to the Condominium shall be the date the Board levies an assessment against said Units. All improvements intended to be located within any portion of the Additional Real Estate added to the Condominium shall be substantially completed prior to the addition of said portion of the Additional Real Estate.

#### ARTICLE XIV General Provisions

- 14.1 Conflict With the Act; Severability. Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the

provisions of the Act shall control unless the Act permits the Declaration to override the Act, in which event the Declaration shall control. The invalidity of any covenant, restriction, condition, limitation, provision, paragraph or clause of this Declaration, or of any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph or clause to any other person or circumstance.

- 14.2 Interpretation of Declaration. Whenever appropriate singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix "here" shall refer to this entire Declaration and not merely to the part in which they appear.
- 14.3 Captions. The captions herein are only for convenience and reference and do not define, limit or describe the scope of this Declaration, or the intent of any provision.
- 14.4 Exhibits. Exhibits "A", "B", "C", "D" and "E" attached hereto are hereby made a part hereof.
- 14.5 Invalidity. The invalidity of any provision of this Declaration shall not be deemed to impair or affect in any manner the validity or enforceability or effect of the remainder of this Declaration, and in such event, all of the other provisions of this Declaration shall continue in full force and effect as if such invalid provision had never been included herein.
- 14.6 Waiver. No provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.
- 14.7 Law Controlling. This Declaration shall be construed and controlled by and under the laws of the State of Texas.

IN WITNESS WHEREOF, Declarant hereby executes this Declaration by and through its authorized representatives on the day and year first above written.

WATERWOOD TOWNHOMES, L.P., a  
Texas limited Partnership, acted for herein  
by it's General Partner, Mastertouch Custom  
Homes, Inc., a Texas corporation

By:

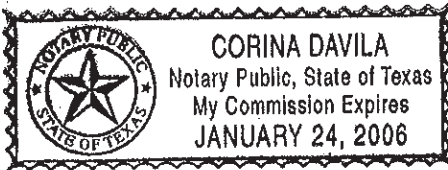
  
James B. Stewart, President

STATE OF TEXAS

COUNTY OF Brazos

I, Corina Davila, a Notary Public, do hereby certify that James B. Stewart, President of Mastertouch Custom Homes, Inc., a Texas corporation, General Partner of WATERWOOD TOWNHOMES, L.P., a Texas limited partnership, personally appeared before me this day and acknowledged the execution of the foregoing instrument.

WITNESS my hand and official seal this 29<sup>th</sup> day of August, 2003.



Corina Davila  
Notary Public  
My Commission Expires: \_\_\_\_\_

EXHIBITS TO BE ATTACHED TO DECLARATION

Exhibit "A" .....	Property, Plat and Plans
Exhibit "B" .....	Percent Interest Chart
Exhibit "C" .....	Encumbrances
Exhibit "D" .....	Articles of Incorporation
Exhibit "E" .....	Bylaws



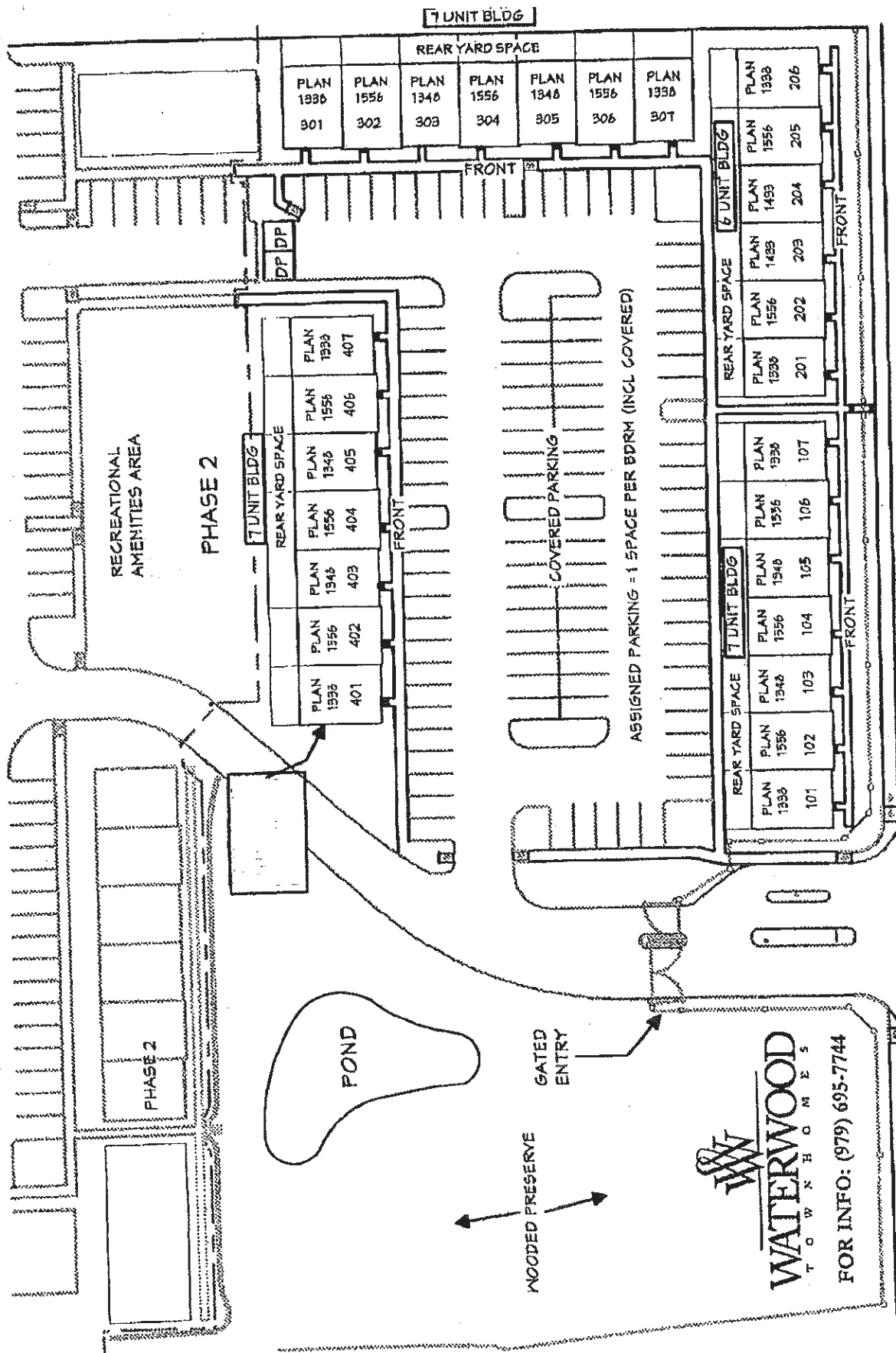




Exhibit "A" FD  
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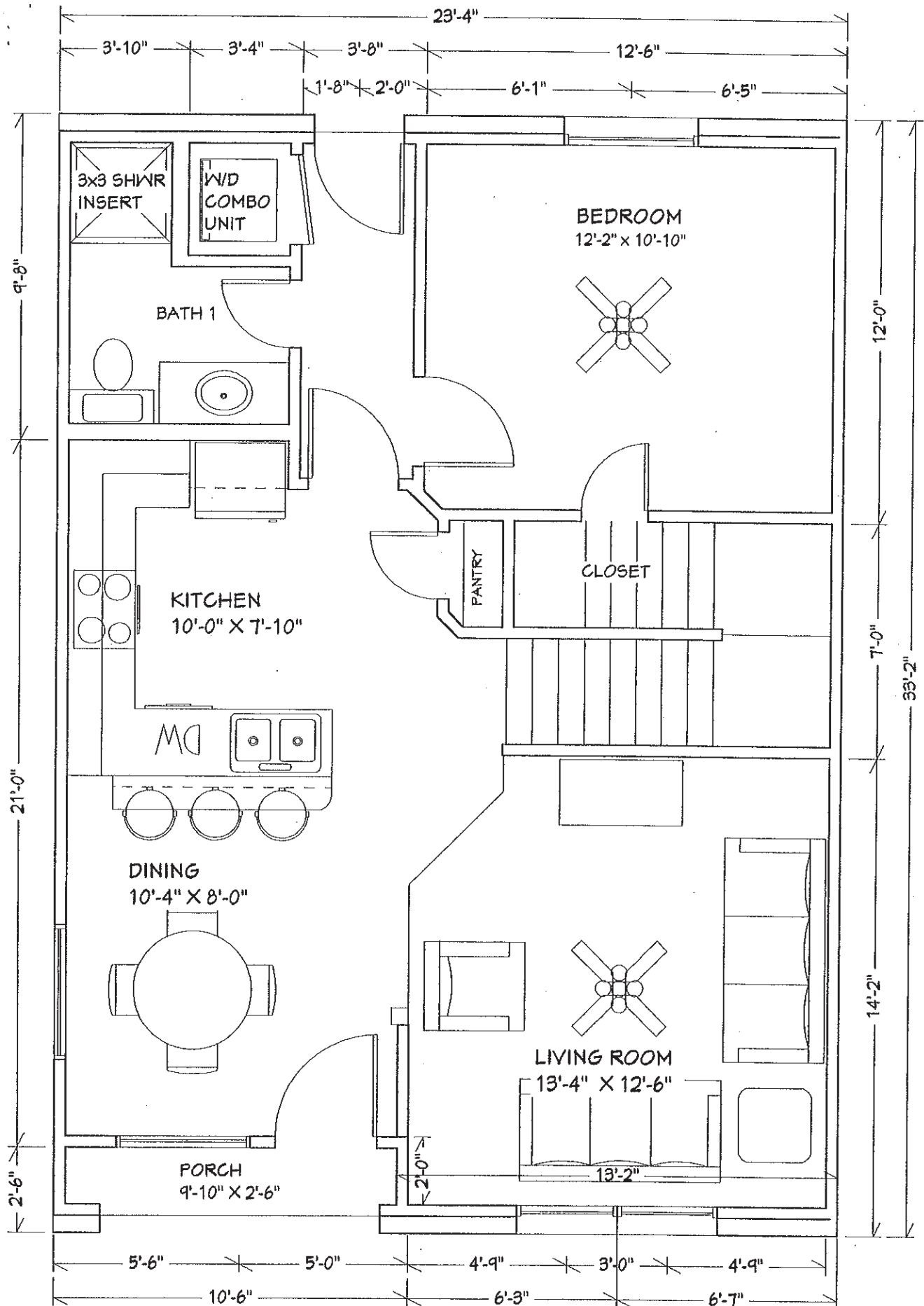


Exhibit A  
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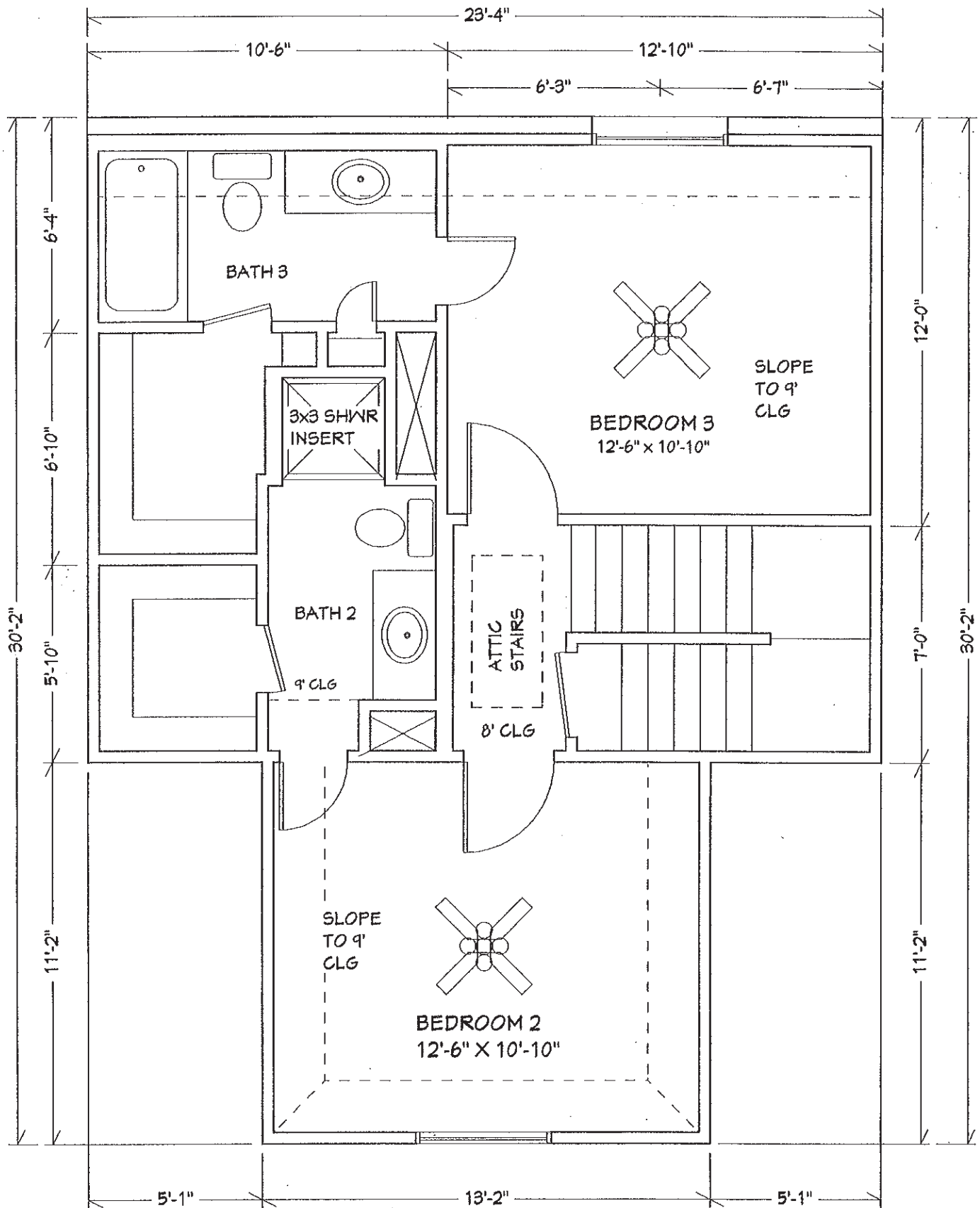


KRENEK TAP ROAD

CENTRAL PARK

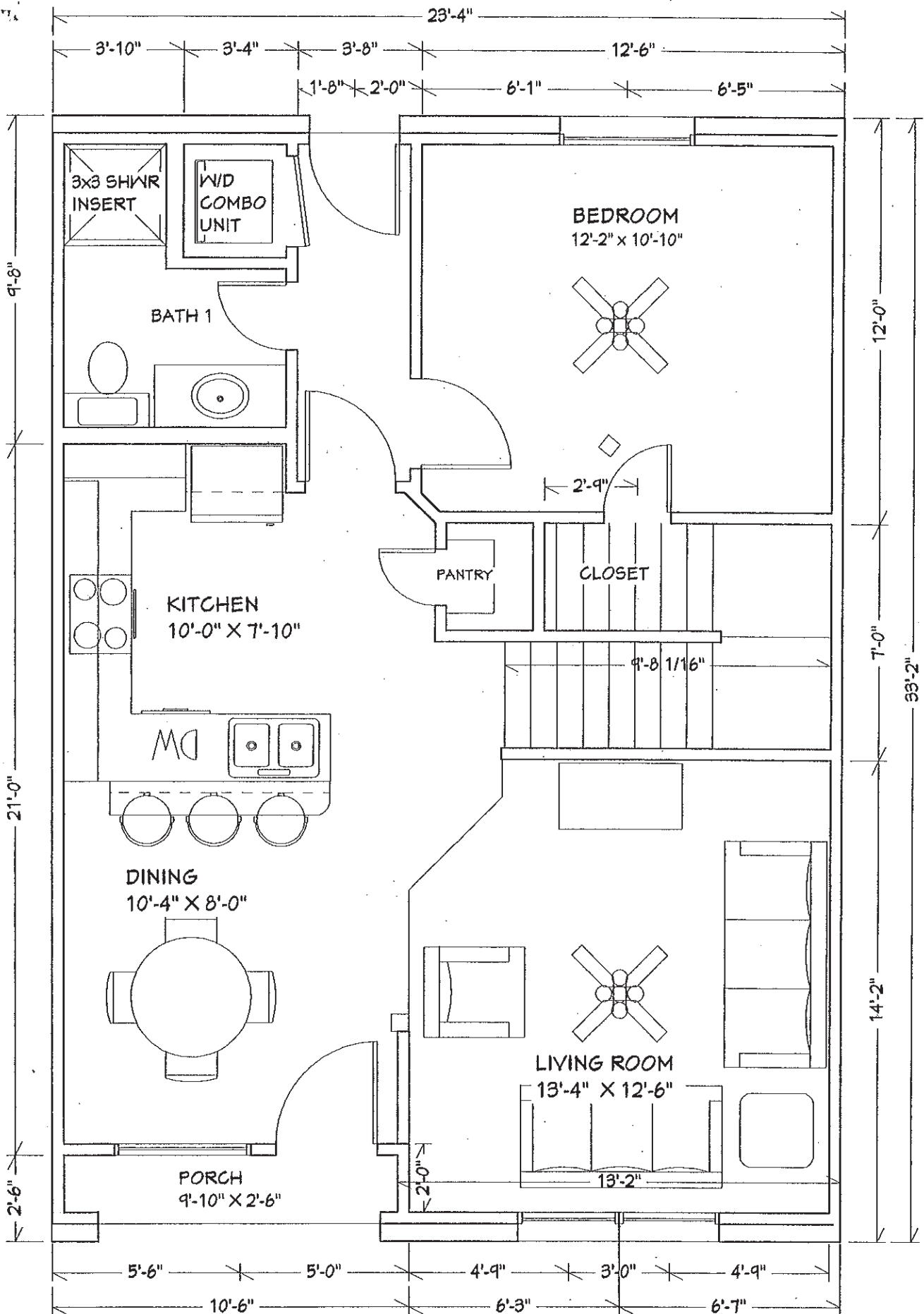


1338 SQFT OF A/C LIVING  
 AREA / 590 UP & 748 DN /  
 1363 SQFT UNDER ROOF

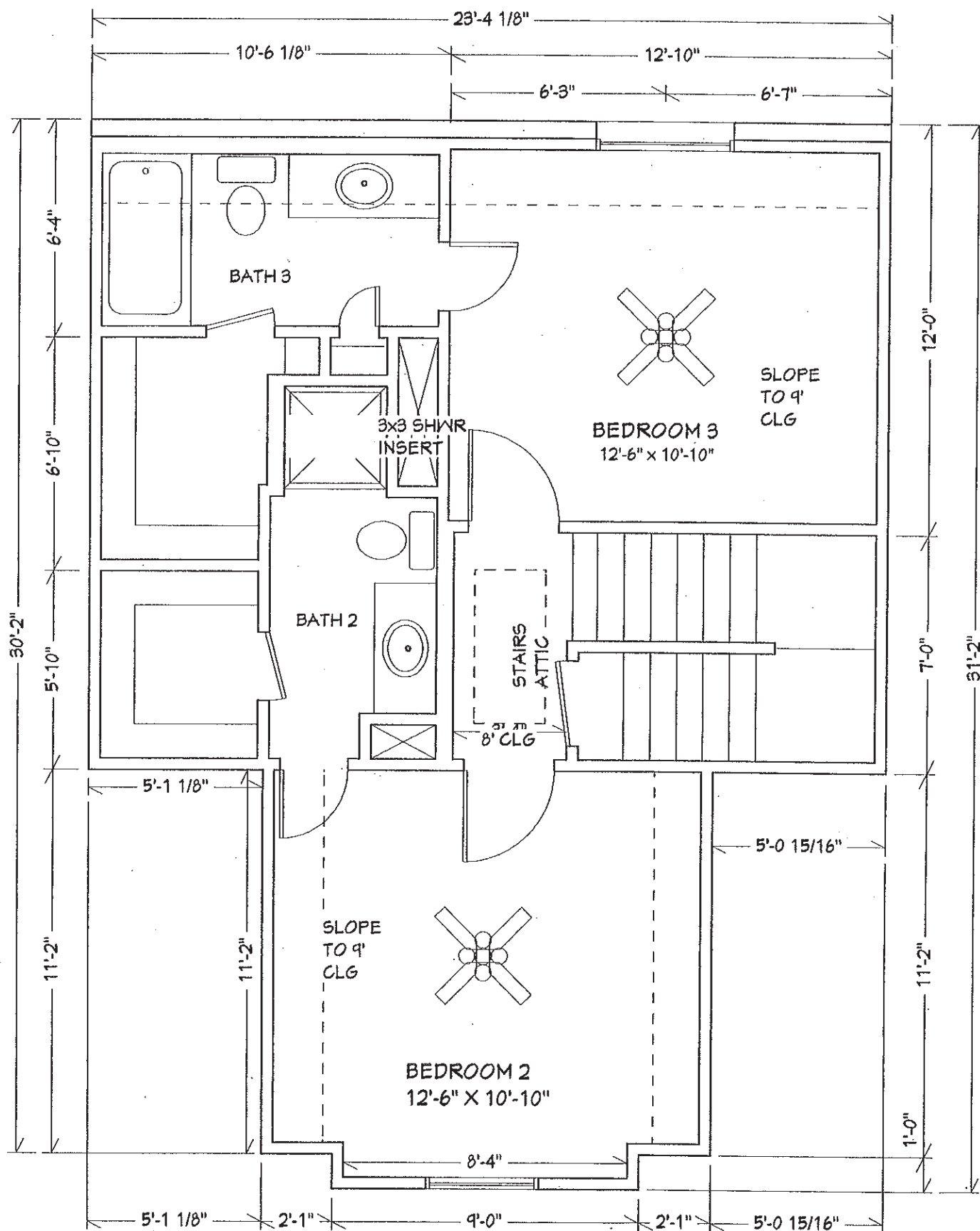


PLAN 1338 / 2ND FLOOR LAYOUT



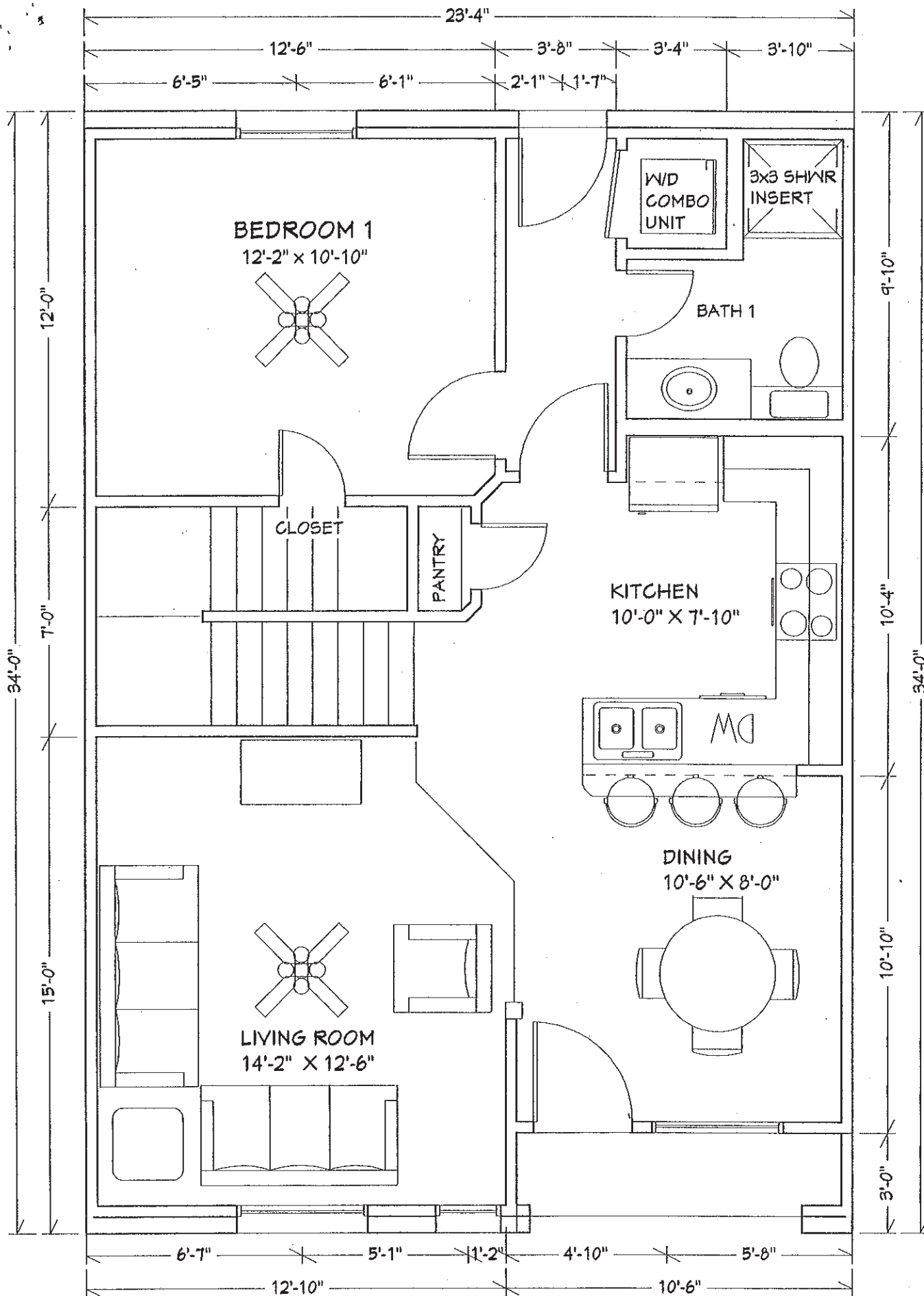


1348 SQFT of A/C LIVING  
 AREA / 600 UP & 748 DN /  
 1373 SQFT UNDER ROOF



PLAN 1348 / 2ND FLOOR LAYOUT

Exhibit " A "  
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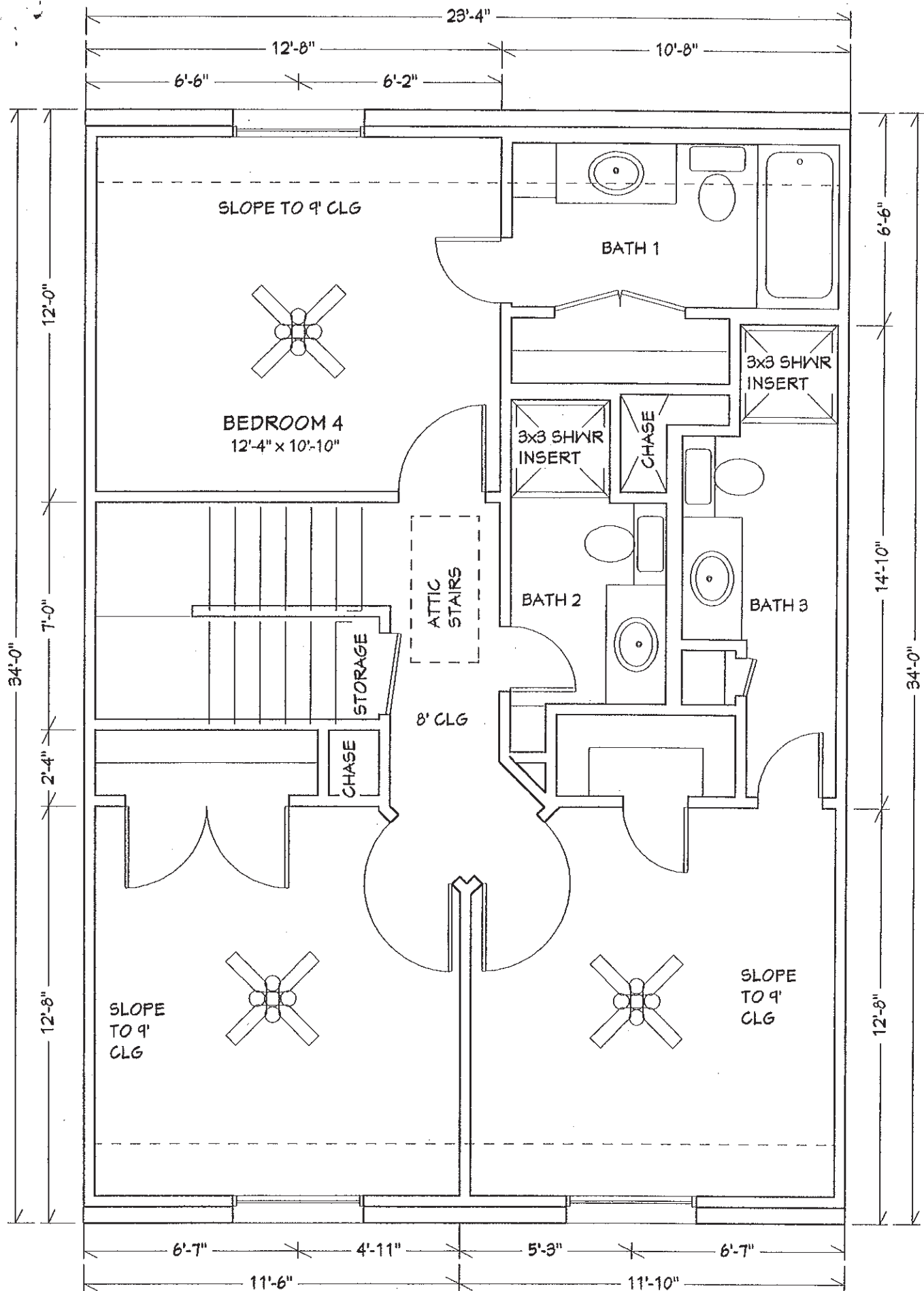
PLAN 1556 / COPYRIGHT 2003 BY  
 MASTERTOUCH CUSTOM HOMES

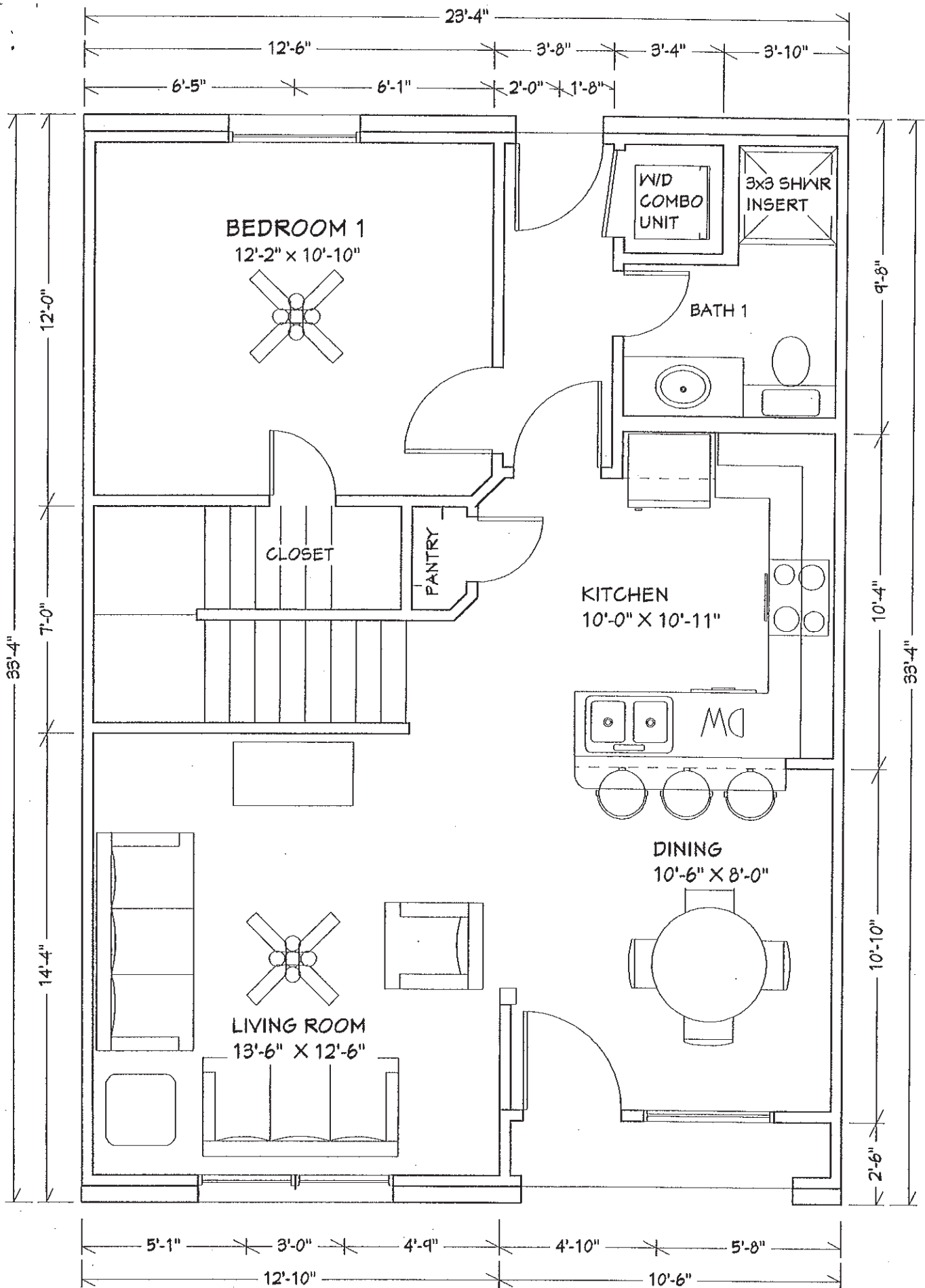
SCALE: 1/4" = 1'

1556 SQFT of A/C LIVING  
 AREA / 793 UP & 763 DN /  
 1586 SQFT UNDER ROOF

Exhibit "A"







1433 SQFT of A/C LIVING  
AREA / 681 UP & 752 DN /  
1459 SQFT UNDER ROOF

PLAN 1433 / COPYRIGHT 2003 BY  
MASTERTOUCH CUSTOM HOMES

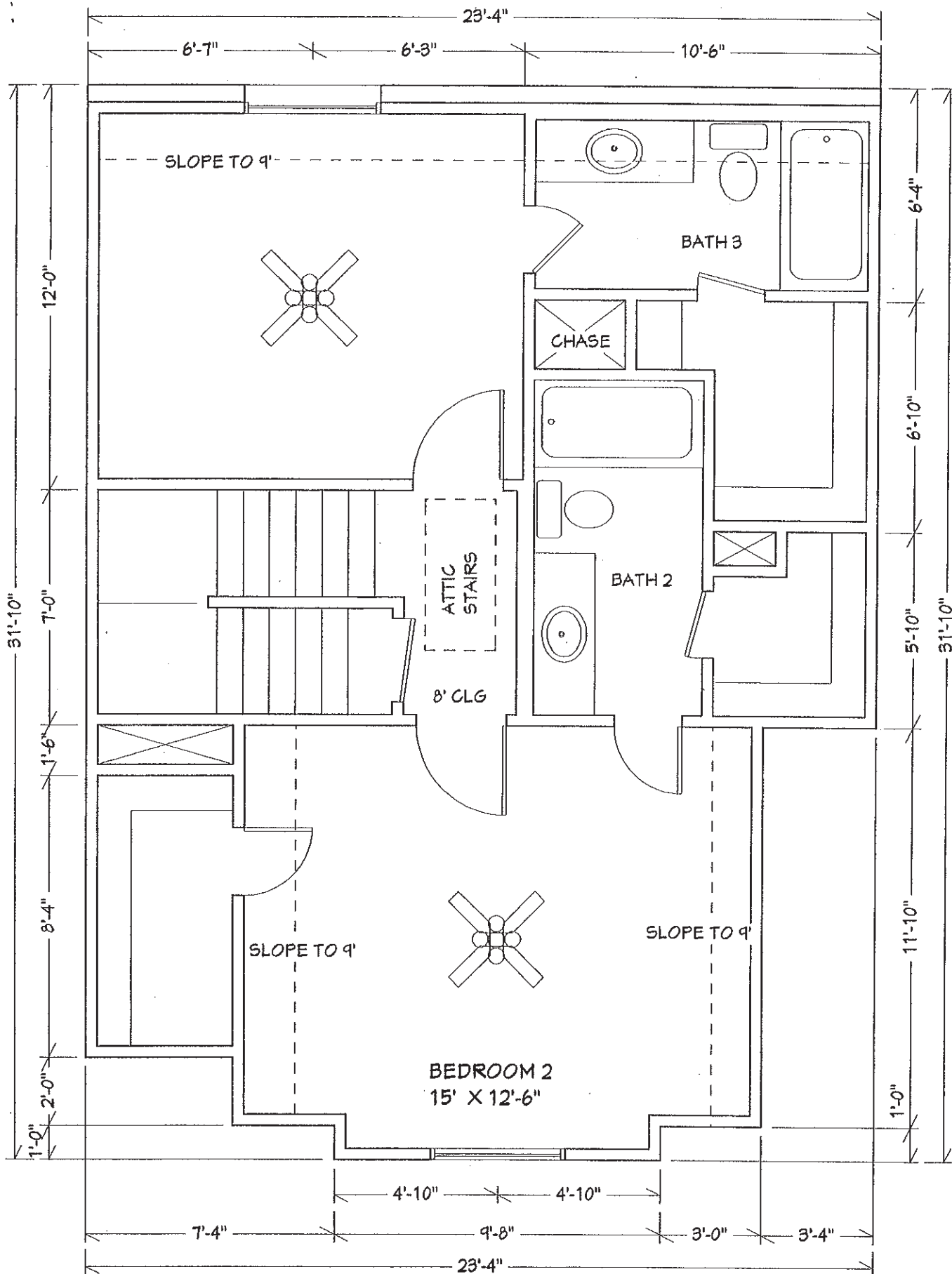
SCALE: 1/4" = 1'

EXHIBIT "A"

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PLAN 1433 / 2ND FLOOR LAYOUT

Exhibit " A "

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**EXHIBIT "B"**  
**TO**  
**DECLARATION OF WATERWOOD TOWNHOMES, A CONDOMINIUM**  
**PERCENT INTEREST CHART**

<u>Bldg. No.</u>	<u>Unit No. On Plans</u>	<u>Percent Interest</u>
1	101	3.703
1	102	3.703
1	103	3.703
1	104	3.703
1	105	3.703
1	106	3.703
1	107	3.703
2	201	3.703
2	202	3.703
2	203	3.703
2	204	3.703
2	205	3.703
2	206	3.703
3	301	3.703
3	302	3.703
3	303	3.703
3	304	3.703
3	305	3.703
3	306	3.703
3	307	3.703
4	401	3.703
4	402	3.703
4	403	3.703
4	404	3.703
4	405	3.703
4	406	3.703
4	407	3.703

**EXHIBIT "C"**  
**TO**  
**DECLARATION OF WATERWOOD TOWNHOMES, A CONDOMINIUM**  
**ENCUMBRANCES UPON TITLE**

The Condominium is subject to:

- (a) Terms, conditions and restrictions of the Declaration, the Bylaws, the Plans and the Rules and Regulations, if any, as each may be amended from time to time.
- (b) General utility easements to the City of College Station and any other public utilities.
- (c) Unrecorded easements, discrepancies or conflicts in boundary lines, shortages in area encroachments which an accurate and complete survey would disclose, including any easements and encroachments as shown on the Plat and Plans.
- (d) Easements and restrictions described in Articles IV and V of the Declaration including:
  - (i) Easements in favor of the appropriate utility companies to serve the Condominium Property and all appurtenances thereto;
  - (ii) Easements in favor of the Association and to such persons as authorized by the Association for utility installations within the walls of the Units;
  - (iii) An easement in favor of the Association, a Unit Owner, the Executive Board or any other person as permitted under the Condominium Documents to inspect, maintain, repair and replace the Common Elements;
  - (iv) Easements in favor of the Declarant, the Association, appropriate utility and service companies and governmental agencies and authorities for such utility and service lines and equipment as may be necessary or desirable over the Units and the Common Elements to serve any portion of the Condominium Property;
  - (v) Easements reserved by the Declarant through the Common Elements as reasonably necessary for discharging its obligations under the

Condominium Documents and completion of construction of the Condominium;

- (vi) Easements reserved by the Declarant to maintain sales offices or models in the Condominium on the condominium property;
  - (vii) Easements reserved by the Declarant and Declarant's mortgagee to provide access and utilities to the Additional Property; and
  - (viii) Easements reserved by the Declarant, its successors, transfers and assigns, and their respective mortgage lenders, for the use of those portions of the Common Elements that may be constructed as recreational amenities in the Condominium, by the owners of all, or any portion of, the Additional Real Estate identified in Exhibit "A-1" of this Declaration, whether or not such property is added to the Condominium.
- (e) Easements, or claims of easements, which are not recorded in the public records.

Additional encumbrances shall be added upon receipt of a title insurance policy.



ARTICLES OF INCORPORATION

JUL 09 2003

OF

Corporations Section

**WATERWOOD TOWNHOMES, A CONDOMINIUM HOMEOWNERS  
ASSOCIATION, INC., A Texas Nonprofit Corporation**

I, the undersigned natural person over the age of eighteen years, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE 1  
CONDOMINIUM ASSOCIATION

The corporation shall be, mean, and constitute the unit owners' association, organized pursuant to Section 82.101, Texas Uniform Condominium Act, which is defined as the "Association" in the "DECLARATION OF WATERWOOD TOWNHOMES, A CONDOMINIUM" recorded or to be recorded the Official Records of Brazos County, Texas, as amended from time to time (the "declaration"), with respect to certain real property located in the City of College Station, Brazos County, Texas, and described in the declaration.

ARTICLE 2  
NAME

The name of the Association is WATERWOOD TOWNHOMES, A CONDOMINIUM HOMEOWNERS ASSOCIATION, INC.

ARTICLE 3  
NONPROFIT

The Association is a nonprofit corporation, organized pursuant to the Texas Non-Profit Corporation Act.

#### **ARTICLE 4**

#### **DURATION**

The duration of the Association shall be perpetual.

#### **ARTICLE 5**

#### **PURPOSES**

The general purposes for which the Association is formed are to exercise the rights and powers and to perform the duties and obligations of the Association, in accordance with the declaration, the bylaws of the Association, and State law, including the Uniform Condominium Act, as each may be amended from time to time.

#### **ARTICLE 6**

#### **POWERS**

In furtherance of its purposes, the Association shall have the following powers which, unless indicated otherwise by these articles, the declaration, the bylaws, or State law, may be exercised by the board of directors:

1. All rights and powers conferred upon nonprofit corporations by State law in effect from time to time;
2. All rights and powers conferred upon condominium associations by State law, including the Uniform Condominium Act, in effect from time to time; and
3. All powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in these articles, the bylaws, the declaration, or State law.

#### **ARTICLE 7**

#### **MEMBERSHIP**

The Association shall be a non-stock membership corporation. The declaration and bylaws shall determine the number and qualifications of members of the Association; the classes of membership, if any; the voting rights and other privileges of membership; and the obligations and liabilities of members. Cumulative voting is not allowed.

## **ARTICLE 8**

### **MANAGEMENT BY BOARD**

The management and affairs of the Association shall be vested in the board of directors, except for those matters expressly reserved to others in the declaration and bylaws. The bylaws shall determine the number and qualification of directors; the term of office of directors; the methods of electing, removing, and replacing directors; and the methods of holding a board meeting and obtaining consents.

## **ARTICLE 9**

### **LIMITATIONS ON LIABILITY**

a. Except as provided in Paragraph b below, an officer or director of the Association is not liable to the Association or its members for monetary damages for acts or omissions that occur in the person's capacity as an officer or director, except to the extent a person is found liable for (i) a breach of the officer or director's duty of loyalty to the Association or its members; (ii) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association; (iii) an act or omission that involves intentional misconduct or a knowing violation of the law; (iv) a transaction from which the officer or director receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office; or (v) an act or omission for which the liability of an officer or director is expressly provided by an applicable statute. The liability of officers and directors of the Association may also be limited by the Charitable Immunity and Liability Act of 1987, Chapter 84, Texas Civil Practice and Remedies Code, as amended.

b. The limitation on the liability of an officer or director does not eliminate or modify that person's liability as a member of the Association. It is intended that the liability of any member arising out of any contract made by the Association, or out of the indemnification of officers or directors, or for damages as a result of injuries arising in connection with the common elements, or for liabilities incurred by the Association, shall be limited to the same proportion in which he is liable for common expenses as a member of the Association.

## **ARTICLE 10**

### **INDEMNIFICATION**

Subject to the limitations and requirements of Art. 1396-2.22A of the Nonprofit Corporation Act, the Association shall indemnify a person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was an officer or director of the Association. Additionally, the Association may

indemnify a person who is or was an employee, trustee, agent, or attorney of the Association, against any liability asserted against him and incurred by him in such a capacity and arising out of his status as such a person. [TNPCA 1396-2.22 A.G., which is very complicated]

#### **ARTICLE 11**

#### **AMENDMENT OF ARTICLES**

These articles may be amended in accordance with the Nonprofit Corporation Act, subject to the following:

1. An amendment shall not conflict with the declaration or the Uniform Condominium Act.
2. An amendment shall not impair or dilute a right granted to a person by the declaration, without that person's written consent.
3. Without member approval, the board of directors may adopt amendments permitted by Art. 1396-4.02.A(4) of the Nonprofit Corporation Act.

#### **ARTICLE 12**

#### **AMENDMENT OF BYLAWS**

The bylaws of the Association shall be amended or repealed according to the amendment provision of the bylaws, which may reserve those powers to the members, exclusively.

#### **ARTICLE 13**

#### **DISSOLUTION**

The Association may be dissolved only as provided in the declaration, bylaws, and by State law. On dissolution, the assets of the Association shall be distributed in accordance with the declaration provision for distribution upon termination. If the declaration has no such provision, then in accordance with the termination provision of the Uniform Condominium Act. [TNPCA 1396-6.02.A.(3)]

#### **ARTICLE 14**

#### **ACTION WITHOUT MEETING**

Pursuant to Article 1396-9.10.C. of the Nonprofit Corporation Act, any action required by the Nonprofit Corporation Act to be taken at a meeting of the members or

directors, or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or committee members as would be necessary to take that action at a meeting at which all of the members, directors, or members of the committee were present and voted. [TNPCA 1396-9.10.C.]

**ARTICLE 15**  
**INITIAL BOARD OF DIRECTORS**

The initial board shall consist of three directors who shall serve as directors until their successors shall have been elected and qualified, as provided in the bylaws. The name and address of each initial director is as follows:

Name	Address
James B. Stewart	4200 Woodland Park Court Arlington, TX 76013-5505
John Huffman	4624 Willow Lane Dallas, TX 75244
Marquette Hixon	3131D East 29 <sup>th</sup> Street, Suite 200 Bryan, Texas 77802

**ARTICLE 16**  
**INITIAL REGISTERED AGENT**

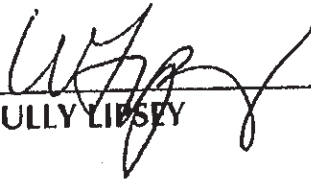
The name of the Association's initial registered agent is James B. Stewart. The address of its initial registered office is 4200 Woodland Park Court, Arlington, Texas 76013-5505.

**ARTICLE 17**  
**INCORPORATOR**

The name and address of the incorporator are as follows:

Cully Lipsey  
1021 University Dr. East  
Suite 102  
College Station, TX 77840-2120

I execute these Articles of Incorporation on this 9<sup>th</sup> day of July,  
2003.

  
\_\_\_\_\_  
CULLY LIPSEY



**EXHIBIT "E"**  
**TO**  
**DECLARATION OF WATERWOOD TOWNHOMES, A CONDOMINIUM**

**BYLAWS**  
**OF**  
**WATERWOOD TOWNHOMES, A CONDOMINIUM**  
**HOMEOWNERS ASSOCIATION, INC.**

**INDEX TO BYLAWS OF**  
**WATERWOOD TOWNHOMES, A CONDOMINIUM**  
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