

Bylaws: GLENWOOD VILLAGE CONDOMINIUMS ASSOCIATION, INC., A Condominium Project

Section 1. Glenwood Village Condominiums shall be administered by a non-profit corporation incorporated under and subject to the laws of the State of Texas including specifically, but without limitation, the provisions of The Texas Non-Profit Corporation Act found at Texas Civil Statutes Article 1396 - 1.01 et seq., under the name of "GLENWOOD VILLAGE CONDOMINIUMS ASSOCIATION, INC." (hereinafter sometimes referred to as "Association"). The Association shall be responsible for the management, maintenance, operation and administration of the Condominium Project, the Common Elements and easements appurtenant thereto in accordance with the Declaration and Master Plat, Glenwood Village Condominiums, these Condominium by-laws, the Articles of Incorporation, by-laws and duly adopted rules and regulations of the Association and the laws of the State of Texas.

Section 2. The Association may provide for independent management of the Condominium Project. Such independent management may jointly manage the Condominium Project and other property. Any agreement for independent professional management of the Condominium Project, or any other contract providing for services by the Developer, sponsor or builder, shall provide that any such contract may be terminated by either party with or without cause, or payment of a termination fee on ninety (90) days' or less written notice, and the term of any such contract shall not exceed three (3) years.

Section 3. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:

A. Each Owner shall be a member of the Association and no other person or entity shall be entitled to membership. No Owner shall be required to pay any consideration whatsoever solely for his membership in the Association.

B. The share of an Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Unit in the Condominium Project.

C. Each Owner shall be entitled to vote, but if a unit is owned by more than one person or entity, collectively they shall decide how to cast the vote for the unit, but in no event shall more than one vote be cast per unit.

D. No Owner, other than Developer, shall be entitled to vote at any meeting of the Association until such Owner has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Owner may only be cast by such Owner or by a written proxy executed by such Owner in favor of his or her spouse, another Owner or his duly authorized representative. If title to a Unit shall be in the name of two or more persons as Owners, any one of such persons may vote as the Owner of the Unit at any meeting of the Association and such vote shall be binding on such other persons who are not present at such meeting until written notice to the contrary has been received by the Association in which case the unanimous action of all such persons (in person or by proxy) shall be required to cast their vote as Owners. If two or more of such persons are present at any meeting of the Association then unanimous actions shall also be required to cast their vote as Owners.

E. There shall be an annual meeting of the members of the Association, and other meetings may be provided for in the by-laws of the Association. Notice of date, hour, place and subject matter of all meetings, as provided in the by-laws of the Association, shall be given to each Owner by mailing the same to such Owner or to the individual representative designated by such Owner not less than ten (10) days nor more than fifty (50) days before the date of such meeting at the address given by such Owner to the Association records. If any Owner shall fail to give an address to the Association for the mailing of notices, all notices shall be sent to the Unit of such Owner, and such Owner shall be deemed to have been given notice of any such meeting.

irrespective of the actual receipt of the same.

F. Except as otherwise required by statute, or these by-laws, the presence in person or by proxy of forty percent (40%) of the percentage of values of the Owners qualified to vote shall constitute a quorum for holding any meeting of the members of the Association. If, however, such quorum shall not be present or represented at any meeting of the Owners entitled to vote thereat, the Owners present in person or represented by proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. If a quorum shall be present or represented by proxy at such meeting held in lieu of the adjourned meeting(s), any business may be transacted at such meeting as was originally set forth in the notice calling the original meeting.

G. At any meeting of the members of the Association, votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association.

H. When a quorum is present at any meeting of the Association, the vote of fifty-one percent (51%) or more of the percentage of values of those Owners qualified to vote and present in person or by proxy at such meeting shall decide any question properly brought before such meeting, unless the question is one upon which by express provision of any statute, the Declaration and Master Plat, Glenwood Village Condominiums, these Association By-laws, the Articles of Incorporation of the Association, a different vote is required, in which case such express provision shall govern and control the decision of such question. The Owners present in person or by proxy at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough Owners to leave less than a quorum.

I. At all meetings of the Owners cumulative voting shall not be permitted.

Section 4. The Association shall keep or cause to be kept detailed books of account and records showing all expenditures and receipts of the administration of the Condominium Project which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Owners. Such books shall be open for inspection by the Owners and their mortgagees during reasonable working hours on weekdays and shall be audited annually by independent auditors outside of the Association. The cost of such audit shall be an expense of administration of the Condominium Project.

Section 5. All costs incurred by the Association, including but not limited to any costs incurred in satisfaction of any liability arising within, caused by or in connection with the Association's operation, maintenance or use of the Condominium Project, shall be Association expenses. All sums received by the Association, including but not limited to all sums received as proceeds of, or pursuant to, any policy of insurance carried by the association, shall be Association receipts.

Section 6. Members of the Board of Directors of the Association are not required to be a member of the Association.

Section 7. The first meeting of the members of the Association shall be held within ninety (90) days after conveyance by Developer of more than eighty percent (80%) in number of Units in the Condominium Project. Until the first meeting of members, the affairs of the Association shall be managed by the first Board of Directors named in the Articles of Incorporation of the Association, or their replacements, appointed by Developer.

## ARTICLE II ASSESSMENTS

Section 1. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium Project owned or possessed in common by the Owners, and personal property taxes based thereon shall be treated as expenses of administration of the Condominium Project.

## Section 2.

A. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, maintenance and repair of the Condominium Project, including a reasonable allowance for contingencies and reserves. Such reserves shall include without limitation an adequate reserve fund for the maintenance, repair and replacement of those common elements that must be replaced on a periodic basis and shall be payable in regular assessments rather than by special assessments. The regular assessments for such year shall be established by the adoption of such annual budget by the Board of Directors of the Association. The board of directors in its discretion may determine how the maintenance assessments shall be paid whether monthly or annually. In addition, the board of directors shall have the power to establish the due date for the payment of assessments and the power to assess a late fee if the payment is not paid timely. In addition, interest shall accrue on all delinquent assessments at the rate of ten percent (10%) per annum. Copies of such budget shall be delivered to each Owner, although the delivery (or failure to effect such delivery) of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future assessments. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium Project in any fiscal year, then the Board of Directors shall have the authority at any time and from time to time to levy such additional assessment or assessments as it shall deem to be necessary for that purpose, but in no event shall the increase in regular assessments for any given year exceed the regular assessment from the previous year by ten percent (10%) without majority approval of the percentage of values of all of the Owners.

B. Special assessments, (being assessments other than those described in Subsection A above), may be made by the Board of Directors of the Association at any time, and from time to time, to meet other needs or requirements of the Association and the Condominium Project including, but not limited to, assessments for costs described in Section 5 of Article I hereof and capital improvements. However, any such special assessment shall not be levied without the prior approval of at least a majority of the percentage of values of all of the Owners.

C. Assessments levied by the Association against each Owner pursuant to Subsection A and/or Subsection B above which are expended on capital expenditures, or which are set aside in a reserve for future repairs of improvements within the Condominium Project (whether or not such repairs or improvements would otherwise be considered capital in nature pursuant to Section 263 of the Internal Revenue Code of 1954, as amended), shall be treated as capital contributions by such Owner to the Association and shall be shown on the books of the Association as such.

The provisions of this Subsection C may be amended by a majority of the Board of Directors of the Association if, in the sole discretion of said Board of Directors, such action is necessary to conform to any change in the Internal Revenue Code of 1954, as amended, or any Treasury Regulation or Ruling promulgated thereunder. Notwithstanding anything contained in this Declaration and Master Plat, Glenwood Village Condominiums to the contrary, any amendment to this Subsection C duly authorized by the Board of Directors of the Association shall not require the consent of any Owner or mortgagee.

Section 3. All assessments levied against the Owners to cover expenses of the association and the Condominium Project shall be apportioned among and paid by the Owners in accordance with the respective percentage of value assigned to each Unit owned by such Owner according to this Declaration and Master Plat, Glenwood Village Condominiums without increase or decrease for the existence of any rights with respect to the use of limited common elements appurtenant to such Unit. All electric utilities serving individual Units shall be separately metered and shall be the expense of each individual Unit Owner. Electric utilities serving the general common elements shall be a common expense of the Association. Assessments shall be due and payable at such times as the Association shall determine, commencing upon the date of delivery of a deed to a Unit from Developer to a subsequent Owner. Prior to such conveyance, Developer shall bear all assessments levied against Units owned by Developer in accordance with the aggregate percentage of value



assigned thereto. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before five (5) days after the date of any such assessment. Assessments in default may incur a late charge in amounts determined from time to time by the Board of Directors from the due date until paid. Each Owner shall be, and remain, personally liable for the payment of all assessments which may be levied against such Owner by the Association in accordance with these by-laws, and any unpaid assessments with accrued late charges thereon owed with respect to a Unit may, at the option of the Association, be collected out of the sale proceeds of such Unit in accordance with Section 18 of the Act. Developer hereby reserves and assigns to the Association, without recourse, a vendor's lien against each Unit to secure the payment of any regular or special assessment, including interest, collection costs and/or late fees, and reasonable attorney's fees, which may be levied pursuant to the terms hereof, which liens may be enforced by appropriate judicial proceedings and the expenses incurred in connection therewith, including, without limitation, interest, costs and reasonable attorneys' fees, shall be the liability of and chargeable to the Owner in default. Any such lien shall be and is subordinate and inferior only to amounts due under any mortgage instruments duly recorded. Any first mortgagee, who obtains title to a Condominium Unit pursuant to the remedies provided in its mortgage as upon foreclosure of its lien on a Unit, or upon acceptance of a deed (or other transfer or assignment) in lieu of foreclosure thereon, shall not be liable for or required to pay any unpaid assessments owing on said unit which may have accrued prior to the time such mortgagee acquired title. Notice of any such unpaid assessment, regular or special, and of the Association's intention of claiming a lien against the Unit affected thereby may be recorded by the Association in the Condominium Records of Harris County, Texas.

Section 4. No owner may exempt himself from liability for his contribution toward the expenses of the Association and the Condominium Project by waiver of the use or enjoyment of any of the Common Elements or by the abandonment, sale or other disposition of his Unit.

Section 5. The Association may, in addition to its rights under Section 3 hereof and Section 18 of the Act, enforce collection of delinquent assessments by suit at law for a money judgment, and the expenses incurred in collecting unpaid assessments including interest, collection costs and attorneys' fees shall be chargeable to the Owner in default. The Association may also discontinue the furnishing of any utilities or other services to an Owner in default of his obligations to the Association as set forth herein upon seven (7) days written notice to such Owner of its intent to do so. An Owner in default of his obligations to the Association or as set forth herein shall not be entitled to vote at any meeting of the Association so long as such default is in existence.

Section 6. The association may, in addition to its rights under Sections 3 and 5 hereof and Section 18 of the Act, enforce collection of delinquent assessments through non-judicial foreclosure. Each Unit owner, by his acceptance of a deed to a Unit, hereby expressly vests in the Board of Directors for the Association or its agents, the right and power to bring all actions against such Unit owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Section 51.002 of the Texas Property Code and each such Unit owner hereby expressly grants to the Board of Directors for the Association a power of sale in connection with said lien. The lien provided for in this section shall be in favor of the Board of Directors and shall be for the common benefit of all Unit owners. The Board of Directors shall have the authority to appoint a trustee, and thereafter successor trustees from time to time, to act on behalf of the Board of Directors in foreclosing such lien and such appointment may be made without any formality other than a written appointment of a trustee or successor (substituting) trustee, and the Board of Directors may appoint a substitute trustee at any time in its discretion. The Board of Directors acting on behalf of the Unit owner shall have the power to bid upon any Unit or interest foreclosed at foreclosure sale and to acquire and hold, lease mortgage and convey the same.

OFFICE OF  
BEVERLY B. KAUFMAN  
COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

FILM CODE 174019

ARTICLE III

OWNER ACTION

Without limiting the other legal rights of any Owner or the Association, legal action may be brought by the Association in its sole discretion on behalf of two (2) or more Owners as their respective interests may appear with respect to any cause of action relating to the Common Elements of more than one(1) Unit.

#### ARTICLE IV

#### INSURANCE

Section 1. Beginning not later than the time of the first conveyance of a unit to a person other than a declarant, the Association shall maintain, to the extent reasonably available:

A. Property insurance on the insurable common elements insuring against all risks of direct physical loss commonly insured against, including fire and extended coverage, in a total amount of at least 80 percent of the replacement cost or actual cash value of the insured property as of the effective date and at each renewal date of the policy; and

B. Commercial general liability insurance, including medical payments insurance, in an amount determined by the board but not less than any amount specified by the declaration covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements.

Section 2. The insurance maintained under Section 1 (A) above, to the extent reasonable available, must include the units, but need not include improvements and betterments installed by unit owners.

Section 3. If the insurance described by Sections 1 and 2 above is not reasonably available, the Association shall cause notice of that fact to be delivered or mailed to all unit owners and lienholders. The Declaration may require the Association to carry any other insurance, and the Association in any event may carry any other insurance the board considers appropriate to protect the condominium, the Association, or the unit owners. This section does not affect the right of a holder of a mortgage on a unit to require a unit owner to acquire insurance in addition to that provided by the Association.

Section 4. Insurance policies carried under Section 1 must provide that:

A. each unit owner is an insured person under the policy with respect to liability arising out of the person's ownership of an undivided interest in the common elements or membership in the Association;

B. the insurer waives its right to subrogation under the policy against a unit owner;

C. no action or omission of a unit owner, unless within the scope of the unit owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

D. if, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same property covered by the policy, the Association's policy provides primary insurance.

Section 5. A claim for any loss covered by the policy under Section 1 (A) must be submitted by and adjusted with the Association. The insurance proceeds for that loss shall be payable to an insurance trustee designated by the Association for that purpose, if the designation of an insurance trustee is considered by the board to be necessary or desirable, or otherwise to the Association, and not to any unit owner or lienholder.

Section 6. The insurance trustee or the Association shall hold insurance proceeds in trust for unit owners and lienholders as their interests may appear. Subject to Section 9, the proceeds paid under

a policy must be disbursed first for the repair or restoration of the damaged common elements and units, and unit owners and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored, or the condominium is terminated.

Section 7. An insurance policy issued to the Association does not prevent a unit owner from obtaining insurance for the owner's own benefit.

Section 8. The insurer issuing the policy may not cancel or refuse to renew it less than 30 days after written notice of the proposed cancellation or nonrenewal has been mailed to the Association.

Section 9. Any portion of the condominium for which insurance is required that is damaged or destroyed shall be promptly repaired or replaced by the Association unless the condominium is terminated, repair or replacement would be illegal under any state or local health or safety statute or ordinance, or at least 80 percent of the unit owners, including each owner of a unit or assigned limited common element that will not be rebuilt or repaired, vote to not rebuild. A vote to not rebuild does not increase an insurer's liability to loss payment obligation under a policy, and the vote does not cause a presumption of total loss. The cost of repair or replacement in excess of the insurance proceeds and reserves is a common expense. If the entire condominium is not repaired or replaced, any insurance proceeds attributable to the damaged common elements shall be used to restore the damaged area to a condition compatible with the remainder of the condominium, the insurance proceeds attributable to units and limited common elements that are not rebuilt shall be distributed to the owners of those units and the owners of the units to which those limited common elements were assigned, or to their mortgagees, as their interests may appear, and the remainder of the proceeds shall be distributed to all the unit owners as their interests may appear. If the unit owners vote to not rebuild any unit, that unit's allocated interests shall be automatically reallocated on the vote as if the unit had been condemned, and the Association shall prepare, execute, and record an amendment to the declaration reflecting the reallocation. Section 82.068 of the Texas Uniform Condominium Act governs the distribution of insurance proceeds if the condominium is terminated.

## ARTICLE V

### RECONSTRUCTION OR REPAIR

Section 1. If less than two-thirds (2/3rds) of the buildings in the Condominium Project (as determined by the vote or written consent of the majority of the percentage of value assigned to the Owners in the exercise of their sole discretion) shall be damaged by fire or any other casualty or disaster, then the buildings in the Condominium Project shall be rebuilt or repaired. If two-thirds (2/3rds) or more of the buildings in the Condominium Project (as determined by the vote or written consent of eighty percent (80%) of the percentage of value assigned to such Owners in the exercise of their sole discretion) shall be damaged by fire or other casualty, then reconstruction shall not occur without the unanimous consent of all Owners. In the event that such Owners fail to unanimously agree to reconstruct the Condominium Project, the land (more particularly described on Exhibit B of this Declaration and Master Plat, GLENWOOD VILLAGE Condominiums ) shall be sold and such sale proceeds along with any insurance proceeds shall be distributed to each Owner and his mortgagee, as their interests may appear, in accordance with each Owner's percentage of value in the Condominium Project.

Section 2. Any reconstruction or repair of the buildings in the Condominium Project or any Unit located therein shall be substantially in accordance with the Declaration and Master Plat, GLENWOOD VILLAGE Condominiums and the original plans and specifications for the buildings in the Condominium Project unless the Owners and their mortgagees shall unanimously decide otherwise.

Section 3. Each Owner shall be responsible for the reconstruction, repair or replacement of the interior of his Unit, including but not limited to, floor coverings, wall coverings, window shades, draperies, furniture, furnishings, decorative light fixtures, and all appliances located therein irrespective of whether or not such appliances are "built-in" to the Unit and other items of personal



property belonging to the Owner. No Owner shall be responsible for reconstruction, repair or replacement of interior walls, fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of any Owner's Unit as initially installed (or replacements thereof, to the extent they are in accordance with the original plans and specifications of the Condominium Project or are insurable by the Association) to the extent the same are covered by insurance maintained by the Association. Each Owner shall also be responsible for the costs not otherwise covered by insurance carried by the Association of any reconstruction, repair or replacement of any portion of the Condominium Project necessitated by his negligence or misuse, or the negligence or misuse by his family, tenants, guests, agents, servants, employees or contractors. In the event damage to all or any part of the interior of an Owner's Unit is covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of such damage upon receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof. In the event damage to all or any part of the interior of an Owner's Unit is not covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of his Unit within sixty (60) days after the date such damage, subject to the right of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof.

**Section 4.** As soon as possible after the occurrence of a casualty which causes damage to any part of the Condominium Project for which the Association has insurance coverage (hereinafter referred to as the "Casualty") the Association shall obtain reliable and detailed cost estimates of the following:

- A. The cost of restoring all damage caused by the Casualty to the general and limited common elements (hereinafter referred to as the "Common Element Costs"); and
- B. The cost of restoring that part of the damage caused by the Casualty to each Unit which is or would be covered by insurance held by the Association without regard to the policy limits of such insurance hereinafter referred to as the "Unit Costs").

All insurance proceeds available to the Association with respect to the Casualty shall first be applied to the payment of the actual Common Element Costs and the balance thereof, if any, shall thereafter be applied to the payment of the actual Unit Costs. However, if such insurance proceeds are not sufficient to cover such estimated costs, then an assessment shall be made against the Owners by the Association in the following manner:

- A. All Owners shall be assessed on the basis of their percentage of value in the Condominium Project for the payment of the estimated Common Element Costs not otherwise paid for by insurance held by the Association.
- B. Each Owner of a damaged Unit shall be assessed an amount equal to the difference between the estimated Unit Cost applicable solely to his Unit less a sum calculated by multiplying the amount, if any, of the remaining insurance proceeds held by the Association with respect to the Casualty by a fraction, the numerator of which is the estimated Unit Cost applicable solely to his Unit and the denominator of which is the total of all of the estimated Unit Costs.

If actual costs exceed such estimated costs, then an additional assessment shall be made against the Owners by the Association in the above manner based upon actual costs.

**Section 5.** In the event of any taking, in whole or in part, of any Unit in the Condominium Project by eminent domain, or private purchase in lieu thereof, the Owner of such Unit and his mortgagee shall be entitled to received the award for such taking, and after acceptance thereof, if such Owner shall abandon his Unit by virtue of such taking, with the written consent of his first mortgagee, he and his mortgagee shall be divested of all interest in the Condominium Project. If any repair or rebuilding of the remaining portions of the Condominium Project is required as a result of such taking, a majority of the percentage of value assigned to the remaining Owners shall

determine by vote or written consent whether to rebuild or repair the Condominium Project or to take such other action as such remaining Owners deem appropriate. If no repair or rebuilding shall be required, or shall be undertaken, then the remaining portion of the Condominium Project shall be resurveyed and the Declaration and Master Plat, GLENWOOD VILLAGE Condominiums and Exhibit B shall be amended to reflect such taking and to proportionately readjust the percentages of value assigned to the remaining Owners based upon a continuing value of the Condominium Project of one hundred percent (100%). Notwithstanding anything contained herein to the contrary, no provision herein or in the Declaration shall give any Owner, or any other person, priority over any first mortgagee with respect to distributions of proceeds of condemnation awards.

## ARTICLE VI

### RESTRICTIONS

Section 1. No Unit in the Condominium Project shall be used for other than single-family residence purposes and the Common Elements shall be used only for purposes consistent with the use of single-family residences.

Section 2. No Owner shall make structural alterations or modifications to his Unit or to any of the Common Elements, including the erection of antennae, satellite dishes, aerials, awnings, the placement of any reflective or other material in the windows of the Unit (other than uniform draperies approved by the Board of Directors) or other exterior attachments without the prior written approval of the Association. The Association shall not approve any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Condominium Project. The use or keeping of a waterbed in any Unit shall be deemed a structural hazard and shall not be permitted.

Section 3. No Owner may lease, rent or let his Unit to any other person or persons without the prior written consent of the Association. Any such leasing, renting or letting shall be for single-family residence purposes and shall be for a term of no less than six (6) consecutive months in duration. No rooms in a Unit may be rented and no transient tenants accommodated.

Section 4. No immoral, improper, unlawful or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Owners. No Owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance of the Condominium Project. No Owner shall store any dangerous explosive or inflammable liquids or other materials either in his Unit or upon the Common Elements.

Section 5. No signs or other advertising devices which are visible from the exterior of any Unit or upon the Common Elements shall be displayed, including "For Sale" signs, without written permission from the Association.

Section 6. No animals shall be kept except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor, or unsanitary conditions. No savage or dangerous animal shall be kept. No more than two household pets shall be kept without the prior written permission of the Board of Directors of the Association. No pets may be permitted to run loose upon the Common Elements, and any Owner who causes any animal to be brought or kept upon the premises of the Condominium Project shall indemnify and hold harmless the Association for any loss, damage, cost or liability which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor.

Section 7. The Common elements shall not be used for storage of supplies, personal property, trash or refuse of any kind (except common trash receptacles, storage buildings or other similar structures which may from time to time be placed upon the Common Elements at the discretion of the Board of Directors of the Association), nor shall the Common Elements be used in any way for the drying, shaking or airing of clothing or other items. Stairs, entrances, sidewalks, yards, driveways and parking areas shall not be obstructed in any way nor shall persons or pets play



therein or thereon or use such areas for other than their intended purposes. In general, no activities shall be conducted nor condition maintained by any Owner either in his Unit or upon the Common Elements which despoils the appearance of the Condominium Project.

Section 8. Each Owner shall maintain his Unit and any limited common elements appurtenant thereto in clean, safe, and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, plumbing, power or other utility systems throughout the Condominium Project and each Owner shall be responsible for his negligence or misuse of any of the Common Elements or of his own facilities resulting in damage to the Common Elements.

Section 9. Non-discriminatory regulations concerning the use of the Condominium Project shall be promulgated by the initial Board of Directors of the Association prior to the first annual meeting of the Association and such regulations, and subsequent regulations duly adopted from time to time by the Board of Directors, shall be binding on all members of the Association unless duly amended by at least sixty percent (60%) of the percentage of value assigned to the Owners (and in the event any such amendment would cause or result in any discrimination against any Owner or class of Owners or any Unit or class of Units, then any such amendment shall require the written consent of all Unit Owners adversely affected thereby prior to its effectiveness).

Section 10. The Association or its agents shall have access to each Unit from time to time during reasonable working hours, upon notice to its Owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or 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 the Common Elements or to another Unit. If requested by the Association, each Owner shall furnish to the Board of Directors of the Association a duplicate key to the entrance door to his Unit and shall furnish a new duplicate key upon any change of locks thereto.

Section 11. Notwithstanding the foregoing provisions, Developer may from time to time lease Units for single-family residence purposes upon such terms and conditions as Developer may see fit.

Section 12. Vehicles not in operating condition shall not be parked upon the premises of the Condominium Project. The Board of Directors may, if it deems it appropriate, prohibit recreational vehicles or boats and trailers from being parked on the premises. No parking space shall be converted for living, recreational or business purposes, nor shall anything be stored in any parking space so as to prevent the parking of a vehicle therein. Any vehicle maintenance requiring more than 24 hours to complete may not be completed upon the premises of the Condominium Project.

Section 13. Except for the provisions of Sections 4, 6, and 8 hereof, none of the restrictions contained in this Article VI shall apply to the sales office, sales models and other commercial activities or signs or billboards, if any, of Developer during the sales period of the Condominium Project or of the Association in furtherance of its purposes set forth herein and in its Articles of Incorporation and by-laws as the same may be amended from time to time, including without limitation the power of the Association to own a Unit for the use and enjoyment of the resident manager of the Condominium Project.

Section 14. Exterior Unit Maintenance. The exterior of all Units shall be kept at all times in a sanitary, healthful and attractive condition. The owner or occupant of all Units shall replace any and all cracked or broken window(s) promptly. In the event of default on the part of the Owner or occupant of any Unit in observing the above requirements, or any of the use restrictions cited herein, such default continuing after ten (10) days' written notice thereof, Declarant, or its assignee, may without liability to the Owner or occupant, in trespass or otherwise, enter upon said Unit, correct the violation or do anything necessary to secure compliance with these restrictions, so as to place the exterior of said Unit in a neat, attractive, healthful and sanitary condition, and may assess the Owner or occupant of such unit for the cost of such work. In addition, the assessment against the Unit Owner or occupant may include any and all collection costs and reasonable

attorney's fees that accrue from seeking compliance with this Section. The owner or occupant, as the case may be, agrees by the purchase or occupation of the property to pay such statement immediately upon receipt thereof. To secure the payment of such charges in the event of nonpayment by the owner, a vendor's lien is herein and hereby retained against the above-described property in favor of Declarant or its assignee but inferior to purchase money lien or mortgage. Such vendor's lien shall be applicable and effective whether mentioned specifically in each deed or conveyance by Declarant or not.

## ARTICLE VII

### MORTGAGES

Section 1. Any owner who mortgages his interest in a Unit shall, within ten (10) days after the execution of such mortgage, give notice to the Association in writing of the name and address of his mortgagee and the amount secured by said mortgage, and the Association shall maintain such information in a book entitled "Mortgagees of Units". Said written notice (together with any written notice with respect thereto executed by any Mortgagee) shall be separately maintained by the Association or a person designated by the Association. Such Owner shall, in the same manner, notify the Association as to the assignment, release or discharge of any such mortgage.

Section 2. The Association shall, at the request of any mortgagee of any Unit, report to such mortgagee any unpaid assessments due from the Owner of such Unit to the Association and any other default by any Owner in the performance of such Owner's obligations hereunder or under any documents constituting a part of the Condominium documents.

Section 3. The Association shall notify each mortgagee appearing in the book described in Section 1 of this Article VII of the name of each company insuring the Condominium Project under the Master policy and the amounts of the coverages thereunder.

Section 4. The Association shall notify each mortgagee appearing in the book described in Section 1 of this Article VII of any default by any Owner owning a Condominium Unit covered by the mortgage of such mortgagee in the performance of such Owner's obligations hereunder and any other default by any Owner in the performance of such Owner's obligations hereunder or under any documents constituting a part of the Condominium documents which is not cured within sixty (60) days from the date of such default.

Section 5. If necessary in order to satisfy FHLMC Conventional whole Loan requirements, the Association shall give FHLMC notice (c/o the applicable Servicer at such Servicer's address) in writing of any loss to, or taking of, the common elements of the Condominium Project if such loss or taking exceeds \$10,000.00 or damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

## ARTICLE VIII

### TAXATION

Section 1. Each Unit and each Unit's applicable percentage of the Common Elements shall be assessed and taxed for all purposes as a separate and distinct parcel of real estate entirely independent of the building of which such Unit is a part, and independent of the Condominium Project or Common Elements thereof, and each Owner shall be solely responsible for the payment of all taxes, municipal claims, charges and assessments of any nature whatsoever assessed against such unit and each Unit's applicable percentage of the Common Elements. Such payment shall be made prior to the due date of such taxes, municipal claims, charges and assessments.

## ARTICLE IX

### AMENDMENT

Section 1. These by-laws (as opposed to the Declaration and Master Plat, GLENWOOD VILLAGE Condominiums of which they are a part) may be amended by the members of the Association from time to time by approval of a vote of at least a majority of the percentage of values assigned to the Owners entitled to vote unless otherwise provided herein, or in the Act. Any such amendment may be evidenced by an instrument in writing signed and acknowledged by the President and Secretary of the Association certifying that such amendment has been approved by the vote or written consent of fifty-one percent of the percentage of values assigned to the Owners in the Condominium Project, and such amendment shall be effective upon its recordation in the Condominium Records of Harris County, Texas. Notwithstanding anything contained herein to the contrary, if any proposed amendment to these by-laws would have the effect of altering or modifying any of the protections afforded first mortgagees pursuant to the regulations promulgated by the Federal Home Loan Mortgage Corporation, then and in such event any such proposed amendment must first be approved by the first mortgagees of a majority of the Units before it shall be effective.

Section 2. No amendment hereof shall in any way operate to discriminate against any Owner or group or class of Owners or against any Unit or group or class of Units without the prior written consent of the Owner(s) to be affected thereby, nor shall any amendment make any change in the provisions herein, if any, relating to insurance and/or repair or reconstruction in the event of casualty of damage without the prior written consent of all record holders of first mortgages to be affected thereby.

#### ARTICLE X DEFAULT

Section 1. Failure to comply with the Declaration and Master Plat, GLENWOOD VILLAGE Condominiums, these by-laws, the Articles of Incorporation or by-laws or duly adopted rules and regulations of the Association shall constitute an event of default and shall be grounds for relief, which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, judicial or non-judicial foreclosure of the Unit or any combination thereof.

Section 2. In any proceeding arising because of an alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding including without limitation reasonable attorneys' fees.

#### ARTICLE XI RIGHT OF FIRST REFUSAL

Section 1. There shall be no "right of first refusal" in favor of anyone or any entity with respect to any Unit in the Condominium Project. Notwithstanding anything contained herein to the contrary, any amendment subsequent to the date hereof which may provide for a right of first refusal shall provide that any first mortgagee who obtains title to any Condominium Unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or other transfer or assignment) in lieu of foreclosure shall be exempt from any "right of first refusal" contained in any of the Condominium constituent documents. No such amendment shall affect the rights of any holder of a first mortgage against any Condominium Unit which is made in good faith and for value provided that such mortgage is recorded prior to the recordation of such amendment, unless such mortgagee shall either join in the execution of such amendment or shall approve said amendment in writing as a part of said amendment.

OFFICE OF  
BEVERLY B. KAUFMAN  
COUNTY CLERK, HARRIS COUNTY, TEXAS

CONDOMINIUM RECORDS OF COUNTY CLERK

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GLENWOOD VILLAGE CONDOMINIUMS  
DECLARATION AND MASTER PLAT