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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BAY AREA HOUSTON MEDICAL PLAZA, A CONDOMINIUM

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THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This is a **Declaration of Covenants, Conditions and Restrictions for Bay Area Houston Medical Plaza, A Condominium**. The property initially subject to the terms of this Declaration is located in Webster City, Harris County, Texas and is described on Exhibit A, and initially consists of thirteen non-residential office condominium units, and no more, and various common area improvements. The undersigned, **MEDICAL PLAZA ASSOCIATES, LP**, a Texas limited partnership (the ***Declarant***), is the owner of the property at the time of recordation of this Declaration. The property is locally known as the ***Bay Area Houston Medical Plaza***.

This Declaration establishes a plan for individual ownership in fee simple of each condominium unit and an undivided interest in the common area and common facilities. Each owner has exclusive ownership of, possessory interest in, and responsibility for the area or space contained with such owner's condominium unit, subject to the terms and conditions set forth in this Declaration.

This Declaration and the property subject to it is governed by the Texas Uniform Condominium Act, Chapter 82, Texas Property Code, and Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations, and obligations are deemed to run with the land, shall be a burden and a benefit to Declarant, its successors, assigns and any Person acquiring or owning an interest in the real property and improvements, and their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE 1.
DEFINITIONS

Section 1.1 **Definitions of Terms**. Unless the context expressly provides otherwise, the following capitalized words have the meanings set forth opposite such words:

(a) **Act** - The Texas Uniform Condominium Act, Chapter 82, Texas Property Code.

(b) **Allocated Interests** - The undivided interest in and to the Common Elements associated with and appurtenant to each Unit, which Allocated Interests are set forth on Exhibit C attached hereto and made a part hereof for all purposes.

(c) **Association** - ***Bay Area Houston Medical Plaza Condominium Association***, a Texas non-profit corporation. The term ***Association*** used herein has the same meaning as the term "Association" in the Act.

(d) **Board** - The Board of Directors of the Association. The term ***Board*** used herein has the same meaning as the term "Board" in the Act.

(e) **Building** - The building and all other improvements now or hereafter placed on the Land. The location of the Building on the Land shown on Exhibit B.

(f) **Bylaws** - The Bylaws of the Association.

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(g) **Common Elements** - All portions of the Condominium other than the Units and includes both General Common Elements and Limited Common Elements. None of the Land is separately owned, as all of the Land constitutes part of the Common Elements and is owned in common by the Owners of the Units. The term Common Elements used herein has the same meaning as the term "Common elements" in the Act.

(h) **Common Expenses** - The proposed or actual expenses affecting the Condominium, including all expenses for the administration, management and operation of the Condominium or incurred in conformance with the Act or the Governance Documents, and for repairs, maintenance, additions, alterations, reconstruction and operation of all or any portion of the Common Elements in accordance with the provisions hereof, including such reserves, if any, as the Board may from time to time require for repairs to or replacement of Common Elements or for other contingencies. The term ***Common Expenses*** used herein has the same meaning as the term "Common expenses" in the Act.

(i) **Common Expense Fund** - The accumulated Regular Assessments collected or received by and due and payable to the Association for used in the administration and operation of the Condominium, the maintenance, repair, additions, alterations or reconstruction of all or any portion of the Common Elements.

(j) **Condominium** - The Land, the Building and all improvements and structures thereon, and all rights, easements and appurtenances belonging thereto. The components of the Condominium are further herein classified as "General Common Elements," "Limited Common Elements" and "Units." The legal rights and duties of ownership, use and administration created by the terms of the Act, the Governance Documents are also a part of the Condominium. The term ***Condominium*** used herein has the same meaning as the term "Condominium" in the Act.

(k) **General Common Elements** - The Common Elements that are not Limited Common Elements. The term ***General Common Elements*** used herein has the same meaning as the term "General common elements" in the Act.

(l) **Governance Documents** - This Declaration and the Association's Certificate of Formation, Bylaws, and Rules and Regulations.

(m) **Land** - The real property more particularly described on <u>Exhibit A</u>.

(n) **Limited Common Elements** - The portions of the Common Elements designated (i) in this Declaration for the exclusive use of the Owners and the Parking Areas designated on <u>Exhibit B</u>, or (ii) by operation of Section 82.052 of the Act for the exclusive use of one or more, but less than all, of the Units. The term ***Limited Common Elements*** as used herein has the same meaning as the term "Limited common elements" in the Act.

(o) **Majority Interest** - Those Owners which at the relevant time own more than 50% of the Units entitled to cast votes.

(p) **Members** - The members of the Association, which are the Owners of Units within the Condominium during the period of their respective ownerships, and the successors, heirs and assigns of such Owners.

(q) **Map** - The engineering survey of the Land, locating thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting part of, or all of the improvements, a reduced copy of which is attached as <u>Exhibit B</u>. The large, original Map is recorded in the Condominium Plat Records of Harris County, Texas. The term ***Map*** as used herein has the same meaning as the term "Plan" in the Act.

(r) **Mortgage** - A pledge of or a security interest in a Unit given to a creditor as security for the payment of a loan made to an Owner and created by a deed of trust in such form as the parties may agree.

(s) **Mortgagee** - The beneficiary under a Mortgage, which is the Person which holds a pledge of or security interest in a Unit to secure the payment of a debt secured by a Mortgage.

(t) **Owner** - The Declarant, or other Person who owns a Unit, or a lessee of a Unit in a leasehold condominium who lease expires simultaneously with any lease, the expiration or termination of which will remove the Unit from the Condominium, but does not include a Person having an interest in a Unit solely as security from an obligation. The term ***Owner*** as used herein has the same meaning as the term "Unit owner" in the Act.

(u) **Parking Area** - That part of the Land designed for the parking of vehicles and designated "Parking Area" on Exhibit B.

(v) **Person** - An individual, corporation, partnership, association, limited liability company, trust, estate or other entity.

(w) **Parking Spaces** - The individual spaces for the parking of vehicles within the Parking Area as shown on Exhibit B.

(x) **Plat** - The survey of the Land attached hereto as Exhibit B.

(y) **Prior Liens** - Each of the following liens or encumbrances, which term is referred to in Section 4.7 of this Declaration:

(i) All liens for taxes or special assessments levied by the city, county and state governments or any political subdivision or special district thereof;

(ii) A first Mortgage securing funds advanced to purchase a Unit or for work and materials used to renovate, repair or improve any Unit (a ***First Mortgage***), but only as to Regular or Special Assessments, the obligations for payment of which accrues from or after the date such First Mortgage is recorded in the Real Property Records, and only to the extent of unpaid sums secured by such First Mortgage; and

(iii) Such other Mortgages or other encumbrances to which the Board may from time to time by written agreement specifically authorize and agree.

(z) **Regular Assessments** - The assessment made and levied against each Owner and its Unit for management and operation of the Condominium and for repairs, maintenance and operation of the Common Elements (including reserves for replacements) in accordance with the provisions hereof.

(aa) **Real Property Records** - The Official Public Records of Real Property of Harris County, Texas.

(bb) **Rules and Regulations**- The Rules adopted by the Association concerning the management and administration of the Condominium and the use of the Common Elements in order to assure to all Owners the pleasures and benefits of ownership of a Unit and use of the Common Elements.

(cc) **Special Assessments** - Any assessments over and above the Regular Assessment necessary for the preservation, management and administration of the Condominium.

(dd) **Special Declarant Rights** - The definition is given to such term in Section 2.10 hereof.

(ee) **Units or Unit** - The thirteen condominium office units specified in Section 1.4 hereof and designated on Exhibit B attached hereto, each of which consists of the enclosed space consisting of one floor for condominium ownership, having as its boundaries the interior surfaces of the perimeter walls, floors and ceilings; and each Unit includes the portions of the Building so described and the air space so encompassed, excepting Common Elements. Included within the boundaries of each Unit, without limitation, are any finishing materials applied or affixed to the interior surfaces of the interior walls, floors or ceilings (such as, but without limitation, paint, wallpaper, vinyl wall or floor coverings and carpets); interior walls; and all utility pipes, lines, systems, fixtures, flues, appliances or heating and air conditioning equipment servicing only that Unit (whether or not within the boundaries of that Unit). The boundaries of each Unit are the interior surfaces of perimeter windows and doors, perimeter window frames and door frames. Interior trim around windows and doors are part of each Unit and are not Common Elements.

Section 1.2 **Recordation of Map**. A reduced copy of the Map is attached as Exhibit B. The large original Map is contained in the Association's records and is recorded in the Condominium Plat Records of Harris County, Texas. The Map contains the following:

(a) **Land Description**. The Map contains the legal description of the surface of the Land.

(b) **The Improvement Locations**. The Map contains the linear measurements and location, with reference to the exterior boundaries of the Land, Building and all other improvements constructed on the Land. The Map contains the footprint of the Units and Buildings constructed by Declarant, showing the exterior boundaries and number of the Units, and other data necessary for the identification of them, which information is depicted by plats of each floor of the Building showing the number of the floors and Units therein.

(c) **Limited Common Elements**. The Map contains the location of Limited Common Elements, including the Parking Spaces and the identification of the Units to which the same relate. The Declarant or the Board may amend the Map, from time to time, to ensure that the same conform with the actual location of any of the improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas.

Section 1.3 **Definition of Rights and Responsibilities**. Each Owner is vested with the exclusive ownership of its respective Unit, the exclusive use of its Limited Common Elements associated with such Unit, and has the common right to share, with all other Owners, in the use of the Common Elements in accordance with the purposes for which they are intended and the provisions of the Governance Documents, without hindering or encroaching upon the lawful rights of the other Owners.

(a) Where the term "Owner" is used in the granting of licenses, easements or rights to use Units, Common Elements, such Owner's guests, tenants, servants, employees and invitees are also entitled to the rights, easements or licenses so granted.

(b) The existing physical boundaries of each Unit reconstructed in accordance with the original plans therefor are conclusively presumed to be its boundaries regardless of the settling, rising or lateral movement of the Building and regardless of variances between the boundaries shown on the Map and those of the Building. None of the rights and obligations of the Owners created herein or by any deed delivered to any Owners, shall be altered in any way to encroachments due to the settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of said encroachments so long as the same shall exist; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the willful conduct of said Owner or Owners.

Section 1.4 **Designation of Units**. The Land is hereby divided into thirteen separately designated fee simple Units described as follows:

(a) Thirteen fee simple estates consisting of 13 separately designated Units, the Units in the Building are described as follows: Units numbered 1100 through 1900, inclusive, and numbered 2000, 2001, 2200 and 2300. The size, dimensions, location and boundaries of each Unit are identified on the Map attached as Exhibit B.

(b) The remaining portion of the Condominium, which constitutes the Common Elements, are held in common by the Owners. The Allocated Interest attributable and appurtenant to each Unit is set forth on Exhibit C.

Section 1.5 **Parking Spaces**. Parking Spaces are Limited Common Elements for the exclusive use of the Owner of the Unit to which they are assigned of record by the Declarant. Once such Parking Spaces have been assigned by the Declarant such Parking Spaces, being Limited Common Elements, shall be perpetually appurtenant to the Unit to which the same are assigned, except as provided herein for transfers among Owners. Any conveyance of any Unit is deemed to convey also such Parking Spaces even though made without specifically referring to the same. An Owner may assign and transfer its exclusive right to use a Parking Space which is appurtenant to its Unit but only to another Owner, and such transfer or assignment may be made for a term or perpetually as such Owners may agree between themselves. Upon any such assignment or transfer, the Owner involved shall cause an appropriate instrument of amendment to this Declaration to be prepared and executed by such Owners, which instrument must be joined in by the President of the Association and recorded in the Real Property Records. Such instrument of amendment shall recite the term of any assignment or transfer between the Owners and shall designate the Parking Spaces, the exclusive use of which was assigned or transferred. Notwithstanding the right of exclusive use herein created for Parking Spaces, the Parking Areas and the space of the Building in which such Parking Spaces are located shall be and always remain Common Elements. The Parking Spaces are deemed encumbered by and subject to any mortgage or any claim thereafter encumbering the Unit to which they are assigned.

ARTICLE 2.
RIGHTS AND OBLIGATIONS OF OWNERSHIP

Section 2.1 **Use Restrictions**.

(a) All Units may be used only as office space to conduct a professional medical or dental practice, by duly licensed physicians or dentists in good standing in the State of Texas and with their applicable professional medical or dental association. The use of any Unit to conduct any other profession or business, or for any other commercial purposes, such as for example only for retail sales, or for residential purposes is prohibited.

(b) No noxious or offensive activities of any sort are permitted, nor shall anything be done in any Unit or in the Common Elements which is or may become an annoyance or nuisance to the other Owners.

(c) Nothing may be done in or kept in or on any Unit, Parking Space or Common Elements which will increase the rate of insurance on the Condominium or any other Unit over that applicable to office buildings, or would result in the Condominium or any part thereof becoming uninsurable, or the cancellation, suspension, modification or reduction of insurance in, on or covering the Condominium or any part thereof. If, by reason of the occupancy or use of any Unit by any Owner, the rate of insurance on all or any portion of the Condominium increases, such Owner is personally liable to the Association for such increase caused thereby and such sum is payable to the Association at the same time and in the same manner as provided for the payment of the Regular Assessment.

(d) Owners may not install, attach, or hang or allow to be installed, attached or hung any equipment or wiring or electrical installations, television or radio transmitting or receiving antennas, air conditioning units or any other like equipment or wiring, clothing or clotheslines in or acres any portion of the Common Elements; protruding through or from any wall, floor, ceiling, window or door which is included in the Common Elements, except as approved by the Association. All radios, televisions, electrical equipment or appliances of any kind or nature and the wiring therefor installed or used in a Unit shall fully comply with all rules, regulations or requirements of all state and local public authorities having jurisdiction.

(e) Each Owner shall promptly and fully comply with any and all applicable laws, rules, ordinances, statutes, regulations or requirements of any governmental agency or authority with respect to the occupancy and use of its Unit and with the provisions hereof, and Governance Documents promulgated hereunder.

(f) No sign of any kind may be displayed to the public view on or from any Unit or the Common Elements without the prior written consent of the Board.

Section 2.2 **Mechanic's and Materialmen's Liens**. No labor performed or materials furnished and incorporated in a Unit notwithstanding the consent of or at the request of an Owner or its agent, contractor or subcontractor, shall be the basis for the filing of a lien against the interest of any other Owner, the Common Elements or Units, or against any part thereof. Each Owner agrees to indemnify and defend each of the other Owners from and against all liability arising from the claim of any lien against the Unit of the other Owners or against their interest in the Common Elements for construction performed or for labor, materials, services, or other products incorporated in such Owner's Unit.

Section 2.3 **Real Property Taxes**. Taxes, assessments and other charges of the city, county, state of other political entities or any special district thereof, shall be separately assessed, and each Owner agrees to pay as its own expense all tax assessments against its Unit which shall include its Allocated Interests. Taxes are not part of the Regular Assessments. Taxes on personal property owned by the Association as part of the Common Elements are paid by the Association as a Regular Assessment. If such taxes for any year are not separately taxed to each Owner, but rather are taxed on the Condominium as a whole, then each Owner is obligated to pay his proportionate share thereof in accordance with his respective Allocated Interest, and in such event, such taxes shall be a Common Expense.

Section 2.4 **Right of Entry**. In addition to the rights of access granted in Section 82.066 and Section 82.107(d) of the Act, an easement is hereby created over, through and across the Regime in favor of the Association for the purpose of providing access to each Unit and to abate any nuisance or any dangerous or unauthorized activity or condition being conducted or maintained within the Regime, to remedy any prohibited or unlawful activity which affects the welfare or health of other Owners, to enforce the provisions of this Declaration, the Bylaws or the Rules and Regulations. Declarant and the Association reserve the right, without the necessity or the joinder of any Owner or other Person to grant, dedicate, deserve or otherwise create, at any time or from time to time, easements for utility purposes (including without limitation, gas, water, electricity, telephone, data transmission, HVAC) in favor of any Owner or other person. The Association also has the right of access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of any of the Common Elements, or at any time for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.

Section 2.5 **Owner Maintenance.**

(a) Each Owner is obligated to maintain and keep in repair the Building and the improvements, grounds, and landscaping in the Limited Common Elements designated for such Unit. All fixtures and equipment, including, without limitation, the heating and air conditioning system, and water heater, installed for the Unit, shall be maintained and kept in repair by the Owner thereof. Without limitation on the generality of the foregoing, each Owner is obligated to maintain and keep in good repair (and replace, if so required) the security system, the air conditioning compressor, fans, ductwork, hearing unit and cooling coils, utilized in and for its Unit, as well as other fixtures appurtenant to such Unit which are situated within or installed into or on the Limited Common Element such as an air conditioning compressor, together with all pipes, wiring, ducts, and other equipment appurtenant thereto.

(b) Each Owner is obligated to repair and replace promptly any broken or cracked windows, doors, or glass forming a boundary of such Unit, subject to the Association's right to control the exterior finish an color of the doors. Notwithstanding anything to the contrary contained in this Section, an Owner when exercising its right responsibility of repair, maintenance, replacement, or remodeling shall never alter in any manner whatsoever, the exterior appearance of its Unit without obtaining the prior approval of the Board of Directors.

Section 2.6 **Easements**.

(a) Permanent easements are hereby reserved to, through, in and over all portions of the Condominium, including all Units and any walls therein, as may be reasonably necessary for the installation, maintenance and repair of utility services and Common Elements, which easements shall run to and be administered by the Board for the benefit of the Unit Owners. Public utilities furnishing services to the Condominium for common use, such as water, electricity, gas, sewerage and telephone, have access to the Common Elements and the Units as may be necessary for the installation, repair or maintenance of such services, and any costs incurred in opening or repairing any wall or structural portion to install, repair or maintain such services shall be an expense of the administration of the Condominium to be assessed in accordance with the Bylaws. With respect to any two or more Units presently occupied by one Owner and connected by way of interior stairways, entrances, walls, floors or ceiling, easements are hereby reserved for the benefit of the Owner or occupant of such connected Units in any portion of the Condominium through which such connections and facilities are presently located so as to permit the continued use of the Units connected. Such easements continue until such Units are converted for single and separate ownership and use. The Owner is obligated to maintain the areas connecting such Units in the same manner and to the same extent as though a part of a Unit, except for the actual Common Elements such as supporting walls, elevators (if any), common stairways and the like. If hereafter two or more Units are purchased by one Owner for the combined use thereof as a single office, the Board has the right without obligation to grant similar easements so as to permit connection of such Units by way of stairways, entrances, walls, floors or ceilings and other facilities through the Common Elements. All costs and expenses incurred thereby are borne by the Owner of such Units and the contract, the contractor and the manner in which such work is carried out is subject to the approval of the Board. All such easements now existing or hereafter granted continue until such time as the Units so connected are converted to separate and single office use, at which time the expense of restoring the Common Elements so as to constitute separate Units is borne by the Owner of the Units restoring the same to separate Units.

(b) There is deemed to be mutual valid easements for such encroachments and for the maintenance of same so long as such encroachments exist, to the extent provided under the Act for the following:

(i) Any Unit or fixture thereof encroaches upon any portion of any other Unit or the Common Elements, or

(ii) Any portion of the Common Elements encroaches upon any Unit,

(c) If the Building or other improvements are totally or partially damaged or destroyed and then repaired, restored or rebuilt, the Owners agree that all encroachments of or upon the Common

Elements and facilities due to repair or reconstruction are permitted and that a valid easement for such encroachments and maintenance thereof exist.

Section 2.7 **Liability for Negligent Acts**. Each Owner is liable to the Association for all damage to the Common Elements or to other Association's property that is sustained by reason of the negligence or willful misconduct of that Owner or the Owner's invitees, guests, agents, representatives, employees or tenants, and which damage is not covered or paid for by insurance either on such Owner's Unit or the Common Elements. If not paid for by such Owner, the Board has the right to add the cost of such maintenance or repairs to and make it a part of the assessment to which such Unit is subject under 4.2 hereof, notwithstanding anything contained herein to the contrary.

Section 2.8 **Approval for Alteration or Modification**. No Owner may construct, alter, modify, add to, or otherwise perform any work whatever in a Unit or upon any of the Common Elements, Limited or General, without the prior written approval of the plans therefor by the Board of Directors. Any proposed construction, alteration or modification shall be in harmony with the external design and location of the Building and other Units and shall not be considered until submission to the Board of complete plans and specifications showing the nature, kind, shape, size, materials, color, location and any other information required by the Board for the proposed work. The Board has the obligation to answer in writing within 30 days after receipt of notice of the proposed construction, alteration or modification. Failure to respond in writing within the stipulated time is deemed approval of the proposed construction, alteration or modification.

Section 2.9 **Indemnity**. ***Owners and the Association are obligated to indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such Person is or was a director, officer, committee member, employee, servant or agent of the Association, any Committee appointed by the Board, or the Board, against all claims and liabilities, including such persons's negligence, in whole or in part, or strict liability and expenses including attorney's fees reasonably incurred by such Person in connection with such action, suit or proceeding, if it is found and determined by the Board or a court that such Person (a) acted in good faith and in a manner such Person reasonably believed to be in, or not opposed to, the best interests of the Association, or (b) with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by settlement, or upon a plea of nolo contendere or its equivalent, shall not itself create a presumption that such Person did not act in good faith or in a manner with such Person reasonably believed to be in, or not opposed to, the best interests of the Association, or, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful. The Board may purchase and maintain insurance on behalf of any Person who is or was a director, officer, committee member, employee, servant or agent of the Association, any Committee, or the Board, against any liability asserted against such Person or incurred by such Person in any such capacity, or arising out of such person's status as such.***

Section 2.10 **Reservation of Special Declarant Rights**. The Declarant reserves the special rights set out in the Schedule 2.10, Special Declarant Rights, which is attached hereto, the terms of which govern and control, notwithstanding anything contained in the Declaration to the contrary (***Special Declarant rights***).

ARTICLE 3.
ASSOCIATION

Section 3.1 **Authority to Manage**. The name of the Association is ***Bay Area Houston Medical Plaza Condominium Association***, which is organized as a membership non-profit corporation under the laws of the State of Texas. The Association constitutes the governing and administrative body for all Owners for (a) the protection, preservation, upkeep, maintenance, repair, restoration, operation and replacement of the Common Elements, and (b) the government, operation and administration of the Condominium in accordance with its Bylaws. The administration of the Condominium is governed by this Declaration, the Certificate of

Formation of the Association, and the Bylaws of the Association, and the resolutions of and rules and regulations adopted by the Board. The initial Certificate of Formation of the Association and initial Bylaws of the Association are attached on Exhibit D and Exhibit E of this Declaration.

Section 3.2 **Membership**. Each Owner of a Unit is by virtue of such ownership, automatically is a Member of the Association and remains a Member until such time as its total ownership ceases for any reason, at which time its membership in the Association also automatically ceases. Membership in the Association is appurtenant to and automatically follows the ownership of each Unit. Upon the transfer of title to a Unit, the membership appurtenant thereto is deemed to be transferred to the grantee of such Unit, upon recordation of the deed or other conveyance thereof in the Real Property Records, and upon such transfer of ownership for any reason, the new Owner automatically becomes a Member. The Association may, but is not obligated to, issue certificates evidencing membership therein. No membership in the Association may be conveyed or transferred in any other manner.

Section 3.3 **Voting**. Ownership of each Unit by a Member entitles the Owner or Owners, including the Declarant, thereof to one vote per Unit.

(a) If a Unit is owned by more than one Person, the Owners who own a fractional interests in such Unit aggregating more than 50% of the whole ownership thereof shall appoint one Member who is entitled to exercise the vote pertaining to that Unit, at any meeting of the Members. Any such designations must be made in writing to the Board and are revocable at any time by actual notice to the Board for any reason or upon the death or judicially declared incompetence of any one of such Members.

(b) If a Unit is held by more than one Member claiming to be entitled to exercise the voting right attributable to that Unit, then none of such Members are allowed to exercise the voting rights attributable to such Unit unless such Members concur upon the manner in which such votes will be cast. Failure of such Owners to concur shall result in that Unit being excluded in all respects in determining whether a requisite number of votes has been cast with respect to the matter upon which such vote is being taken.

(c) All Members may be present at any meeting of the Members and may act at such meetings in person or by proxy. If at any time the Association holds legal title to one or more Units, the voting rights to which the Owner thereof otherwise would be entitled shall be exercised as directed by majority vote of the Owners in attendance at the meeting, in person or by proxy.

Section 3.4 **Board of Directors and Officers of the Association**. The business and affairs of the Association are managed and its duties and obligations are performed by the Board of Directors. Provisions regulating the number, term, qualifications, manner of election, and conduct of meetings of the members of the Board are set forth in the Bylaws. The Board is authorized and empowered to elect officers of the Association, which officers include a President, Treasurer, Secretary, and such other officers as the Board may deem proper. Provisions regulating the numbers, term, qualifications, manner of election, powers and duties of the officers are set forth in the Bylaws.

Section 3.5 **Rights, Functions and Obligations of the Association**. The Association, acting through the Board of Directors, is authorized to undertake:

(a) The matters set forth in Section 82.102 of the Act; and

(b) All other rights, functions and obligations of the Association set forth in this Declaration and the other Governance Documents; and

(c) The following rights, functions and obligations:

(i) **Right to Non-exclusive Easement** - The Association has a non-exclusive right and easement to make such use of the Common Elements as may be necessary or appropriate for it to perform the duties and functions which it is obligated or permitted to perform under the Act or the Governance Documents.

(ii) **Common Elements Maintenance** - The Association is obligated to provide, as a Regular Assessment, for the care, operation, management, maintenance, repair, replacement and restoration of the Common Elements. Without limiting the generality of the foregoing, said obligations include without limitation maintaining the Common Elements in good, clean, attractive and sanitary condition, order and repair, and in a manner consistent with a first class office building, and making necessary or desirable alterations, additions, betterments or improvements to the Common Elements.

(iii) **Other Association Functions** - The Association is empowered to undertake or contract for any lawful activity, function or service for the common benefit or to further the common interests of all Owners as provided in Governance Documents, including the following:

(A) Make available to the Condominium the following services: police, patrol or similar security services; janitorial, grounds maintenance or landscaping services; utilities including water, garbage and trash collection and sewage disposal services (provided, however, electricity, telephone and other utility services separately metered or charged is the obligation and liability of the Owner of the Unit serviced by such utility service); legal and accounting services necessary or desirable in connection with the operation of the Condominium or the Association; and any other services for the benefit and enjoyment of all the Owners;

(B) Enforce the provisions of the Act and the Governance Documents, including without limitation initiate disciplinary proceedings against Owners for violations of provisions of the Governance Documents in accordance with procedures set forth in the Governance Documents;

(C) Pay taxes and assessments that are or could become a lien on the Common Elements or a portion of the Common Elements; and

(D) Delegate its powers to such committees, officers, or employees of the Association which are expressly authorized by the Governance Documents.

(iv) **Labor and Services** - The Association may as a Regular Assessment obtain and pay for the services of any Person as a manager or managing agent to mange, supervise and monitor the daily operations of the Condominium, as well as the services of such other personnel as the Association determines to be necessary or desirable for the proper operation of this Condominium, whether such personnel are furnished or employed directly by the Association or by any Person with whom it contracts. Any agreement for professional management of the Condominium or any other contract providing for services by the Declarant must provide for termination by either party without cause or payment of a termination fee on 30 days or less written notice and a maximum contract term of three years.

(v) **Acquisition of Personal Property** - The Association may acquire as a Regular Assessment and hold for the common use or benefit of all Owners, any tangible or intangible personal property and may dispose of the same by sale or otherwise. Subject to the Rules and Regulations of the Association, each Owner and each Owner's guests or tenants may use such property. All such property so acquired and owned by the Association are deemed to be part of the Common Elements for all purposes.

(vi) **Rules and Regulations** - The Association may take and enforce reasonable and uniformly applied rules and regulations (the ***Rules and Regulations***) governing the use of the Units and the Common Elements, provided same are not prohibited by this Declaration or Texas law. The initial Rules and Regulations are attached as Exhibit F. The Rules and Regulations may, without limitation:

(A) Regulate the use of the Common Elements to assure the equitable and proper use and enjoyment thereof by all persons entitled thereto;

(B) Prohibit any conduct or activity in any Unit or on any part of the Common Elements which constitutes a nuisance in law or in fact or which would not be consistent or in keeping with the peaceful, quiet and reasonable use and enjoyment of any Unit or the Common Elements;

(C) Prohibit, restrict or regulate the use of any portion for the Common Elements by the guests of any Owner, and

(D) Regulate and control vehicular traffic and parking areas of the Condominium. The Association agrees to furnish each Owner with a written copy of the Association's Rules and Regulations. The Association has the right to enforce any of the Rules and Regulations and the obligations of any Owner under the Governance Documents.

(vii) **Financial Information** - The Association is obligated to prepare budgets and financial statements regarding the operation, maintenance, and upkeep of the Common Elements, and otherwise for the Association as prescribed in the Governance Documents, and distribute to the Owners, on a regular basis, financial statements of the Association as follows:

(A) A pro forma operating statement for each fiscal year not less than 30 days before the beginning of the fiscal year;

(B) A balance sheet, as of an accounting date that is the last day of the month closest in time to one month from the date of closing of the first sale of a Unit in the Condominium, and an operating statement for the period from the date of the first closing to the accounting date within 90 days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the numbers of the Units and the names of the persons assessed;

(C) A balance sheet as of the last day of each fiscal year of the Association and an operating statement for such fiscal year shall be distributed within 60 days after the close of such fiscal year; and

(D) If required by the Act, arrange for an annual independent audit of all books and records of the Association.

(viii) **Books and Records** - The Association agrees to maintain the following books and records in accordance with generally accepted accounting procedures, consistently applied, and arrange for an audit of the books and records of the Association at least once a year by an outside auditor:

(A) Financial records with a detailed accounting of the receipts and expenditures affecting the Condominium and its administration and specifying the maintenance and regular expenses of the Common Elements and any other expenses incurred by or on behalf of the Condominium;

(B) Minutes of proceedings of Owners, the Board, and committees to which any authority of the Board has been delegated;

(C) Record of the names and addresses of all Owners with voting rights;

(D) Plans and specifications used to construct the Condominium;

(E) Voting records, proxies, and correspondence relating to Governance Documents; and

(F) Any and all other information and records required in accordance with applicable law to be maintained by the Association.

Nothing contained herein authorizes the Board to furnish to any Person services primarily for the benefit or a convenience of any Owner or Owners or any occupant or occupants of any Unit other than services customarily rendered to all Owners and occupants of Units. The Board has the exclusive right and obligation to contract for all goods, services and insurance in connection with the administration of the Condominium, payment for which is to be made from the Common Expense Fund.

Section 3.6 **Limitation of Powers of Board of Directors**. Notwithstanding the powers set forth in Section 3.5 of this Declaration, the Board is prohibited from taking any of the following actions except with the approval of the Owners who hold a Majority Interest:

(a) Entering into (i) a contract with any Person under which such Person will furnish goods or services for a term longer than one year; (ii) a contract with a public utility if the rates charged are not regulated by the Public Utilities Commission, provided that the term shall not exceed the shortest term for which the utility will contract at the regulated rate; or (iii) prepaid casualty and/or liability insurance of not more than 2 years duration, provided that the policy provides for short-rate cancellation by the insured.

(b) Incurring aggregate expenditures for capital improvements to the Common Elements in any fiscal year in excess of **120%**% of the budgeted gross expenses of the Association for that fiscal year.

(c) Selling during any fiscal year property of the Association having an aggregate fair market value in excess of **120%** of the budgeted gross expenses of the Association for that fiscal year.

(d) Paying compensation to members of the Board or officers of the Association for services rendered in the conduct of the Association's business, provided, however, that the Board may cause the Association to reimburse a director or officer of the Association for expenses incurred in carrying out the business of the Association.

Section 3.7 **Notices**. Any notice permitted or required to be given to a member of the Board or to an Owner may be delivered personally, by mail or by placing such notice in the mail distribution facilities of each Owner if such facilities are present in the Building. If delivery is made by mail, it shall be deemed to have been delivered three days after deposit in the U.S. Mail, postage prepaid, addressed to an Owner at its Unit or to such other address as the Owner may have given in writing to the Secretary of the Association for the purpose of service of notices. Any address for the purposes of notice may be changed from time to time by notice in writing to the Secretary.

Section 3.8 **Management Certificate**. The Board agrees to cause to be filed in the Real Property Records, a management certificate in compliance with the requirements of the Act. A copy of a sample management certificate to be used in attached as Exhibit G and may be modified as needed or required by law, without any need to amend same.

ARTICLE 4.
COMMON EXPENSE FUND; ASSESSMENTS; COLLECTION

Section 4.1 **Budget**.

(a) Until the commencement of the first full fiscal year after the first meeting of the Members is held, the Declarant has the right and is obligated to establish the annual budgets for each fiscal year for purposes of determining the amount of Common Expenses, projecting all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium including any reasonable allowance for contingencies and reserves for repairs to or replacements of the Common Elements.

(b) The fiscal year of the Condominium is the calendar year, unless the Board otherwise approves.

(c) Commencing with the first full fiscal year after the first meeting of the Members is held, the Board is obligated to prepare or cause to be prepared and adopted an estimated annual budget for each fiscal year of the Association for purposes of determining the amount of Common Expenses, projecting all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium.

(d) The budget must take into account the estimated Regular Assessments and cash requirements for the year including, but not limited to, the costs of salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, management fees, and all such other costs and expenses which the Board deems necessary or proper for the fulfillment and performance of the functions and obligations of the Association. The annual budget also establishes a reserve for contingencies for the year and for maintenance, repairs and replacements of the Common Elements in reasonable amounts. Any surplus or deficit in regards to previous budgets also should be considered. Each annual budget takes effect on the first day of the fiscal year for which it is prepared. If the Board determines that the budget adopted for any fiscal year is insufficient, the Board is empowered to revise such budget to cover the estimated deficiency, to become effective on the first day of the calendar month next following the revisions.

Section 4.2 **Assessments**.

(a) Regular Assessment are made in accordance with the following: Within 30 days prior to the beginning of each calendar year, the Board estimates the net charges to be paid during that year to cover all Common Expenses, including a reasonable provision for contingencies and replacements with adjustments made for any expected income and surplus from the prior fiscal year's Common Expense Fund. The Regular Assessment is assessed to each Owner according to Allocated Interest and each Owner is obligated to pay Regular Assessments in equal monthly installments on or before the first day of each month. Before the due date of the first monthly installment each year, the Board shall prepare and deliver to each Owner a statement setting forth the amount of the monthly installment due from each Owner as a Regular Assessment.

(b) Special Assessments are made in accordance with the following: If the Board determines that the amount to be collected from Regular Assessments in any given year will be inadequate to defray the Common Expenses for that year because of the cost of any construction, unexpected repairs, replacements of capital improvements on the Common Elements, or for any other reason, the Board is empowered to levy a Special Assessment for the additional amount needed. Special Assessments are levied and collected in the same manner as Regular Assessments.

(c) Regular and Special Assessments collected are paid into the Common Expense Fund to be held and used for the benefit, directly or indirectly, of the Condominium. The Common Expense Fund may be expended by the Board for the purposes set forth herein including, without limitation, providing for the enforcement of the provisions of the Governance Documents; for the maintenance, operation, repair, benefit and welfare of the Common Elements, and generally for doing those things necessary or desirable in the opinion of the Board to maintain or improve the Condominium. The use of the Common Expense Fund for any of these purposes, except as provided herein, is permissive and not mandatory, and the decision of the Board with respect thereto is final so long as made in good faith.

Section 4.3. **Limitations on Assessments**. The Board may not, without the approval of the Members holding the Majority Interest (i) impose a Regular Assessment per Unit that is more than **20%** greater than the Regular Assessment for the preceding year, or (ii) levy Special Assessments that in the aggregate exceed **20%** of the budgeted gross expenses of the Association for that year. These limitations do not apply to a Special Assessment levied against an Owner to reimburse the Association for funds expended in order to bring that Owner into compliance with the provisions of the Governance Documents or as permitted under Article 2 hereof.

Section 4.4 **Payment of Regular Assessments and Special Assessments**. Regular Assessments are due and payable monthly in advance on the first day of each month. Special Assessments are payable on or before 10 days after Owners are invoiced therefor. Payment of Regular Assessments and Special Assessments are in default if such Regular Assessments or Special Assessments, or an part thereof, are not paid to the Association on or before the due date for such payment. Regular Assessments and Special Assessments in default bear interest at a rate of 15% per annum, or such other rate as the Board may determine, from the date of delinquency until paid. Each Owner (whether one or more persons) is personally liable for the payment of all Regular Assessments and Special Assessments which may be levied against such Owner and its Unit pursuant to the provisions hereof. Notwithstanding the provisions of this Section 4.4 hereof to the contrary, the Board is authorized and empowered to change the due date and late charge which the Association may assess for past due Regular and Special Assessments.

Section 4.5 **Reserve for Replacements**. The Association may establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of the amount included in the Regular Assessments for this purpose. Such funds are deposited in a special account with a financial institution, the accounts of which are insured by an agency of the United States of America, or may in the discretion of the Board be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements may be expended only for the purposes of effecting the replacement, maintenance or repair of the Common Elements and equipment of the Condominium and for operating contingencies on a non-recurring nature. The amounts required to be allocated to the reserve for replacements may be reduced by appropriate resolution of the Board.

Section 4.6 **Assessment Certificates**. The Board or its representative shall furnish to any prospective purchaser or Mortgage of any Unit, at the request of the Owner, a written certificate as to the amount of the Regular and Special Assessments which have become due and are unpaid up to a given date in respect to the Unit to be sold or mortgaged. In the case of a sale, the purchaser is not liable nor is the Unit purchased liable or subject to any lien for any unpaid assessment which has become due and is not shown on such certificate for the period of time covered thereby. However, the selling Owner is liable for such unpaid assessment and in case of such Owner's failure or refusal to pay same, then the such unpaid assessment is collectible from all other Owners on a pro rata basis in proportion to their Allocated Interest, and they have recourse against the selling Owner; provided, however, in the case of a Mortgage, the unpaid assessment now shown on said certificate for the period of time covered thereby shall remain the obligation of the Owner mortgaging its Unit, and the assessment lien securing same remains inferior and secondary to the Mortgage and liens held by the Mortgagee to whom or for whose information said certificate was furnished. A charge in such amount as the Board may determine may be levied in advance by the Association for each certificate so delivered.

Section 4.7 **Liens to Secure Assessments**.

(a) ***Establishment of Lien***. All sums assessed against any amount pursuant to this Declaration, whether by Regular or Special Assessment as provided herein, are secured by a continuing lien on such Unit in favor of the Association.

(b) ***Perfection of Lien***. The recordation of this Declaration constitutes record notice and perfection of the Association's continuing lien, effective from the date of recordation of this Declaration. No further recordation of a claim of lien or other notice of any type of kind whatsoever is required to establish or perfect such lien. To further evidence such lien, the Association may, but is not be required to, prepare and file in the Real Property Records, written notice of default in payment of assessments in such form as the Association may direct.

(c) ***Priority of Lien***. The Association's continuing lien is superior to all other liens or encumbrances on each Unit except for any Prior Lien.

(d) ***Effect of Foreclosure***. Sale or transfer of a Unit does not affect the Association's lien; provided, however, in the event of a Prior Lien, the Associations's lien is extinguished only to the extent same secures payment of assessments due up to the date of foreclosure. Foreclosure of a Prior Lien does not relieve the former Owner of the Unit from the personal obligation for payment of assessments due up the date of foreclosure. Foreclosure of a Prior Lien does not relieve the affected Unit or any Owner thereof subsequent to the date of foreclosure from liability for assessments thereafter assessed or from the Association's lien therefor.

(e) ***Other Liens***. Except in respect to a Prior Lien, all other Persons acquiring liens or encumbrances on any Unit is deemed to consent that such liens or encumbrances are inferior to the Association's lien for Regular and Special Assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 4.8 **Effect of Nonpayment of Assessments**.

(a) ***General***. Any assessments which are not paid when due are deemed delinquent. Except to the extent otherwise expressly agreed in writing by the Board, if any assessments are not paid within 15 days after the due date, then:

(i) Late charges, interest from the due date, and all costs of collection (including reasonable attorney fees), as provided in Section 4.4 hereof, are added to and included in the amount of such assessment;

(ii) All voting rights of the Owner are automatically suspended until all assessments are paid in full; and

(iii) If Assessments are paid monthly, at the option of the Board, upon 10 days written notice, the Association may accelerate through the end of the 12 month period from the first day of the month following the date of giving a notice of acceleration, all Regular Assessments and any installments for Special or Assessments due or to become due during said period.

(b) ***Action for Debt; Foreclosure***. Each Owner, by acquisition of any Unit, expressly grants to and vests in the Association or its agents or representatives; (i) the right and power to bring all actions against each Owner, personally for the collection of all delinquent assessments as a debt; (ii) the right and power to foreclose the Association's continuing lien for assessments by all methods available for the enforcement of a Mortgage, including foreclosure by an action brought in the name of the Association, either judicially or non-judicially, by power of sale; and (iii) a continuing power of sale in connection with the non-judicial foreclosure of the Association's continuing lien for assessments as herein provided. The Association has the power to bid on any Unit at any foreclosure sale, and to acquire, hold, lease, mortgage, or convey the same. The filing of suit to collect any sums due hereunder or to foreclose the Association's continuing lien for assessments is not considered an election so as to preclude foreclosure under powers of sale after a final judgment or the dismissal of the suit for foreclosure.

Section 4.9 **Non-Judicial Foreclosure**.

(a) ***Trustee***. Each Owner by acquisition of a Unit expressly grants to the Association a power of sale in connection with foreclosure of the Association's continuing lien for assessments. By written resolution, the Board may appoint, from time to time, an officer, agent, trustee, or attorney of the Association (the ***Trustee***) to exercise the power of sale on behalf of the Association. In the case of absence, death, inability, refusal or failure to act, or at the sole election of the Board with or without cause, the Board may remove any then acting Trustee and constitute and appoint a successor or substitute Trustee without further formality than an appointment and designation in writing. Any such appointment and designation shall be full evidence of the right and authority to make the same and of all the facts therein recited, and vests in the successor or substitute all powers and duties herein conferred upon a Trustee, and any act by and any conveyance by the successor or substitute to any purchaser is equally valid and effective. The right to appoint a successor or substitute Trustee exists as often as the Board may elect and whenever a Trustee, original, successor or substitute, cannot or will not act or has been removed.

(b) ***Trustee's Sale***. Upon default in payment of assessments and at the request and at the direction of the Board, it is the Trustee's duty to exercise the power of sale herein granted and to sell the defaulting Owner's Unit in accordance with this Declaration and applicable laws of the State of Texas, including without limitation Section 51.002 of the Texas Property Code or any amendment or modification of the same, or any successor or superseding law or statute, whether state or federal. From the proceeds arising from such sale or sales, the Trustee is obligated to pay the following in the following order:

(i) All expenses of foreclosure and conveyance, including to the acting Trustee if so authorized by the Board a commission of 5% of the gross proceeds of such sale or sales;

(ii) All assessments, regular, special and specific, due to the Association;

(iii) Any other amounts required by law to be paid before payment to the Owner(s) of the Unit sale; and

(iv) The remaining balance, if any, is paid to the Owner(s) of the Unit sold.

(c) ***Continuing Right of Sale***. The right and power of sale hereunder is not exhausted by one or any sale, but continues as long as any indebtedness remains unpaid as to which the Trustee may make other and successive sales.

(d) ***Trustee's Sale Conclusive; Possession***. Each Owner, by acquisition of any Unit, specifically covenants and stipulates as to each and every Trustee's foreclosure sale that:

(i) The recitals in any appointment of designation of Trustee, any conveyance by the Trustee and any affidavit of the Trustee or the Association related thereto and be full proof and evidence of the matters therein stated, all prerequisites of the foreclosure sale shall be presumed to have been performed, and the foreclosure sale made under the power herein granted is a perpetual bar against the Owner(s) of the Unit sold and their heirs, executors and administrators, successors and assigns, and any Persons whatsoever claiming or to claim thereunder; and

(ii) After foreclosure sale, the Owner(s) prior to sale, the Owner or Owner's tenants and all other occupant(s) of the Unit sold are mere tenants at sufferance of the purchaser or purchasers at said sale, such purchaser or purchasers shall be entitled to immediate possession thereof; and if the Owner(s), tenants and all other occupant(s) of the Unit sold fail to vacate the premises immediately, such purchaser or purchasers may and shall be the right (in addition to all other rights and remedies said purchaser or purchasers may have) to institute and maintain forcible detailed or eviction actions and any other for possession which shall lie against any said parties, their heirs, executors and administrators, successors or assigns, and any Persons whatsoever claiming or to claim thereunder.

Section 4.10 **Assessments as Independent Covenant**. No Owner may waive or otherwise escape liability for the payment of assessments as provided for herein for any reason, including, by way of illustration but not limitation, by nonuse of any of the Common Elements, or abandonment of the Unit; and no diminution or abatement of assessments shall be claimed or allowed by reason of any alleged actions or failure to act by the Association, or its officers, directors, agents or employees, whether or not required under this Declaration or other Governance Documents, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or its officers, directors, agents or employees, or by reason of any action taken by the Association, or its officers, directors, agents or employees to comply with any law, ordinance, or any order or directive of any governmental authority, the obligation to pay assessments being, and is hereby expressly declared to be, a separate and independent covenant and contractual obligation on the part of each Owner.

ARTICLE 5.
INSURANCE

Section 5.1 **Property Insurance**. The Board has the authority to and shall obtain and continue in effect blanket property insurance to insure the Building, Common Elements and Units, against risk of loss or damage by fire and other hazards as are covered under standard extended coverage provisions (with vandalism and malicious mischief endorsements), and against risk of whatever character, without prejudice to the right to each Owner to insure its Unit for its own benefit, in amounts sufficient to prevent the Association or Owners from becoming a co-insurer within the terms of the applicable policies, but in any event in an amount not less than the full insurable replacement cost thereof. The "full insurable replacement cost" of the Building, including the Units and the Common Elements, are determined from time to time but not less often than once in a 12-month period by the Board and the Board have the authority to obtain and pay for an appraisal by a Person selected by the Board in making such determination. The costs of any and all such appraisals are included in the Common Expense Fund. All insurance provided for in this Section shall be effected under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Texas. Such insurance shall provide that such policy shall not be terminated for non-payment of premiums or for any other cause without at least 30 days prior written notice to the Association at least 10 days prior written notice to the Mortgagee of each Unit. Such insurance obtained by the Board may be written in the name of and the proceeds thereof may be payable to the Board or any Person designated by it or by the Association, as Trustee for each Owner in their respective Allocated Interest in the Common Elements. Each Owner and its Mortgagee, if any, are a beneficiary of such insurance, in the ratio of said Owner's Allocated Interest in the Common Elements as aforesaid, even though not expressly named in the policy as an insured or beneficiary. All costs, charges and premiums for such insurance is a Regular Assessment and each Owner is obligated to pay its pro rata share of same as in the case of other Regular Assessments of the Condominium. In case of any injury, damage to or destruction to any part of the Condominium covered by such insurance, the insurance indemnity and proceeds shall be applied only to reconstruct or repair the Building, Common Elements or property so damaged or destroyed, except as may be otherwise provided for by the Act and herein. The Board has complete power and authority to compromise, settle and adjust any and all claims arising under any such policy or policies of insurance. If possible, all policies of insurance of the character described in this Section shall contain an endorsement extending coverage to include the payment of Regular Assessments and Special Assessments with respect to Units damaged during the period of reconstruction thereof.

Section 5.2 **Public Liability and Other Insurance**.

(a) The Board also has the authority to and shall obtain comprehensive public liability and property damage insurance against claims for personal injury or death or property damage suffered by the public or any Owner, the family, agent, employee or invitee of any Owner, occurring in, on or about the Common Elements or upon, in or about the private driveways, roadways, walkways, and passageways, on or adjoining the Condominium, which public liability and property damage insurance shall afford protection to such limits as the Board shall deem desirable, but in no event less than $1,000,000.00 per occurrence, for personal injury and/or property damage. The Board also has the authority to obtain such workers' compensation insurance as may be necessary to comply with the applicable laws, employer's liability insurance in such amount as the Board may deemed desirable and such other insurance in such reasonable amounts as the Board deems desirable. The Board also has the authority to obtain insurance on the Building, Common Elements, and Units against all loss or damage from explosion of boilers, heating apparatus, pressure vessels and pressure pipes installed in, on or about the Building, Common Elements and Units, without co-insurance clauses, in such amounts as the Board may deem desirable, but in no less an amount than $50,000.00 per accident per location. The Board has the authority to obtain fidelity bonds indemnifying the Association, the Board and the Owners from loss of funds resulting from fraudulent or dishonest acts of any employee of the Association or of any other Person handling funds of the Association in such an amount as the Board may deem desirable.

(b) All insurance provided for in this Section shall be effected under valid and enforceable policies issued by insurers of recognized responsibility authorized to do business in the State of Texas. Such insurance obtained by the Board may be written in the name and the proceeds thereof may be payable to the Board or a Person designated by it or by the Association as Trustee for each Owner in their respective Allocated Interest in the Common Elements. Each Owner and its Mortgagee, if any, is a beneficiary of such insurance, in the ratio of said Owner's Allocated Interest in the Common Elements as aforesaid even though not expressly named in the policy as an insured or beneficiary. All costs, charges and premiums for such insurance are deemed as a Regular Assessment, and each Owner agrees to pay its pro rata share of same as in the case of other Common Expenses Charges, as provided in this Declaration. Such insurance shall be without contribution with regard to any other policies of insurance carried individually by any Owner, whether such insurance covers the Unit owned by such Owner and the additions and improvements made by such Owner to its respective Unit and shall provide that such policy may not be terminated for non-payment of premiums or for any other cause without at least 30 days prior written notice to the Association and at least 10 days prior written notice to the Mortgagee of each Unit. The Board has complete power and authority to compromise, settle and adjust any and all claims arising under any such policy or policies of insurance.

Section 5.3 **Individual Insurance**. Each Owner is responsible for insurance on the contents of its Unit and the furnishings, interior walls, appliances and all parts of the Unit not Common Elements, and personal property therein. All policies of casualty insurance carried by each Owner shall be without contribution with respect to the policies of casualty obtained by the Association for the benefit of all the Owners as provided. Owners may carry individual policies of liability insurance insuring against the liabilities of such Owners, at their own cost and expense.

ARTICLE 6.
FIRE OR CASUALTY; REBUILDING

Section 6.1 **Reconstruction; Application of Insurance Proceeds**.

(a) If the Condominium is damaged by fire or any other disaster, the insurance proceeds, except as provided in Section 6.1(b) of this Declaration, shall be applied to reconstruct the Condominium.

(b) Reconstruction shall not be compulsory if the Owners holding at least 80% of the Allocated Interests vote not to rebuild. If the Owners vote not to rebuild any Unit, that Unit's Allocated Interests shall be automatically reallocated as if the Unit had been condemned, and the Association shall prepare, execute, and record an amendment to Exhibit B of this Declaration reflecting the reallocation. If the entire Condominium is not repaired or replaced and unless otherwise unanimously agreed to by the Owners, the proceeds shall be delivered pro rata to the Owners or their mortgagees, as their interests may appear, in accordance with the Allocated Interests.

(c) In the event of any injury or damage to or destruction of any part of the Condominium covered by the blanket casualty insurance obtained by the Association, the insurance indemnity and proceeds shall be applied, except as otherwise provided in Section 6.1(b), to reconstruct or repair the Building, Common Elements or other property so damaged or destroyed, and if such insurance indemnity or proceeds collected shall exceed the total cost of such reconstruction or repair, then unless the contract of insurance or the Bylaws, as existing or as hereafter amended, shall otherwise specify, the Board or other agent or Person named as Trustee in the policy of insurance and collecting said proceeds, shall pay over such excess to the Common Expense Fund.

(d) If reconstruction is required by the terms of Article 6.1 of this Declaration, but the insurance proceeds are insufficient to cover the cost of reconstruction, the costs in excess of the insurance proceeds and reserves shall be considered a Common Expense that is subject to the Association's lien rights.

Section 6.2 **Rebuilding**. If it is determined that the Building shall be repaired and reconstructed, then all proceeds of insurance policies with respect to such fire or casualty, carried by the Association, shall be paid to the bank selected by the Board, as Trustee, insured by the Federal Deposit Insurance Corporation (or its successors) and located in Harris County, Texas, to be held in trust for the benefit of the Owners and their Mortgagees as their respective interest may appear. The Board shall thereupon obtain firm bids, including the obligation to obtain a performance bond, from two or more responsible contractors to rebuild the Condominium in accordance with its original plans and specifications. The Board shall also, as soon as possible after obtaining the bids, call a special meeting of the Owners to consider the bids. If the Board fails to do so within 60 days after the casualty occurs, any Owner may obtain bids and call and conduct a meeting as provided by this Article 6.2. At such meeting, the Owners may, by a vote of not less than 67% of the votes present, elect to reject all of the bids or, by not less than 51% of the votes present, elect to reject all the bids requiring amounts more than $500 in excess of available insurance proceeds. If all bids are rejected, the Board shall obtain additional bids for presentation to the Owners. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable.

Section 6.3 **Repair to Units**. Each Owner is responsible for the reconstruction, repair and replacement of all personal property and other property not a General Common Element in or part of its Unit, including, but not limited to the floor coverings, wall coverings, interior walls, furniture and furnishings located therein.

Section 6.4 **Indemnity of Association**. Each Owner is responsible for the costs not otherwise covered by insurance carried by the Association caused by the negligence or misuse by its employees, agents, and guests in the course of their duties, and shall, to the extent not covered by insurance collected by the Association, indemnify the Association and all Owners against any such costs of reconstruction, repair and replacement of any portion of the Building and Common Elements.

ARTICLE 7.
EMINENT DOMAIN

Section 7.1 **General Provisions**. If all or any part of the Condominium is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary) the Board and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Board shall give notice of the existence of such proceeding to all Owners and to all Mortgagees known to the Board to have an interest in any Unit. The expense of participation in such proceedings by the Board shall be borne by the Common Expense Fund. The Board is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Board, acting as Trustee, and such damages or awards shall be applied or paid as provided herein.

Section 7.2 **Taking of Common Elements**. If an action in eminent domain is brought to condemn a portion of the Common Elements (together with or apart from any Unit), the Board, in addition to the general powers set out herein shall have the sole authority to determine whether to defend or resist any such proceeding; to make any settlement with respect thereto; or to convey such property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking of Common Elements only, all damage and awards shall be determined for such taking as a whole and not for each Owner's interest therein. After the damage or awards for such taking are determined, such damages or awards shall be paid to each owner in proportion to his Allocated Interest in the Common Elements. The Board may, if it deems advisable, call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible the Common Elements so taken or damages. If it is determined that such Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the Map shall be duly amended by the instrument executed by the Board of Directors on behalf of the Owners.

Section 7.3 **Taking of Units**. If such eminent domain proceedings results in the taking of or damage to one or more, but less than two-thirds of the total number of Units, then the damages and awards for such taking shall be determined for each Unit and the following shall apply:

(a) The Board shall determine which of the Units damages by such taking may be made tenantable for the purposes set forth in this Declaration, taking into account of nature of this Condominium and the reduced size of Unit so damaged.

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

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

(d) If the Board determines that it will be reasonably practicable to operate the undamaged Units and the damaged Units which can be made tenantable as a condominium, then the damages and awards made with respect to each Unit which has been determined to be capable of being made tenantable shall be applied to repair and reconstruct such Unit so that it is made tenantable. If the cost of such work exceeds the amounts of the award, the additional funds required shall be assessed against the Owners of the Units which are being repaired or reconstructed so as to be made tenantable. With respect to those Units which may not be made tenantable, the award made with respect to such Unit shall be paid to the Owner of such Unit or its Mortgagee or Mortgagees, as their interests may appear, and the remaining portion of such Units, if any, shall become a part of the Common Elements and repair and use of such Units shall be determined by the Board. Upon the payment of such award for the account of such Owner as provided herein, that portion of such Unit taken pursuant to eminent domain shall no longer be a part of the Condominium and the Allocated Interests in the Common Elements appurtenant to each remaining Unit which shall continue as part of the Condominium shall be equitably adjusted to distribute the ownership of the undivided interest in the Common Elements among the reduced number or Owners.

If the entire Condominium is taken, or two-thirds or more of the Units are taken or damaged by such taking, then all damages and awards shall be paid to the accounts of the Owners of Units, or their Mortgagee or Mortgagees, as their interest may appear, as provided herein, in proportion to their Allocated Interests in the Common Elements and this Condominium shall terminate upon such payment. Upon such termination, the Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all Owners as tenants-in-common in the Allocated Interest previously owned by each Owner in the Common Elements.

Section 7.4 **Payment of Awards and Damages**. Any damages or awards provided in this Article to be paid to or for the account of any Owner by the Board, acting as Trustee, are applied first to the payment of any taxes or assessments by governmental authorities past due and unpaid with respect to that Unit; secondly, to amounts due under any mortgage instruments duly perfected; thirdly, to the payment of any Regular Assessments or Special Assessments charged to or made against the Unit and unpaid; and, finally, to the Owner of such Unit.

ARTICLE 8.
RIGHTS OF MORTGAGEES UNDER MORTGAGES

Section 8.1 **Mortgage**. Declarant warrants that Mortgagees under Mortgages are entitled to the following rights and guaranties:

(a) Should any of the Governance Documents provide for a "right of first refusal," such right shall not impair the rights of a Mortgagee under a Mortgage to the following:

(i) To exercise the power of sale, foreclose, or take title to a Unit pursuant to the remedies provided in the Mortgage.

(ii) To accept a deed or assignment in lieu of sale or foreclosure in the event of default by a grantor or mortgagor of a Mortgage.

(iii) To interfere with a subsequent sale or lease of a Unit so acquired by the Mortgagee.

(b) A Mortgagee holding a First Mortgage, upon written request submitted to the Association, receive written notification from the Association of any default in the performance by the grantor or mortgagor under such First Mortgage of any obligation of such grantor or mortgagor under the Governance Documents that is not cured within 60 days.

(c) A Mortgagee under a First Mortgage who obtains title to a Unit pursuant to the remedies provided in such Mortgage will not be liable for such Unit's unpaid assessments that accrue prior to the acquisition of title to the Unit by such Mortgagee.

(d) Unless at least two-thirds of the Mortgagees holding First Mortgages (based on one vote for each First Mortgage) and the Owners, other than Declarant, give their prior written approval, the Association is not entitled to do the following:

(i) By act or omission, to seek to abandon or terminate the Condominium.

(ii) To change the pro rata interest or obligations of any individual Unit for the purpose of:

(a) Levying assessments or charges.

(b) Allocating distributions of hazard insurance proceeds or condemnation awards.

(c) Determining the pro rata share of ownership of each Unit in the Common Elements and in the improvements in the Common Elements.

(iii) By act or omission, to seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements. The granting of easements for 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 subsection.

(iv) In case of loss to a Unit and the Common Elements, to use hazard insurance proceeds for losses to the Condominium, or any part thereof, for other than the repair, replacement, or reconstruction of such property, except as provided by statute.

(e) All taxes, assessments, and charges that may become liens prior to First Mortgage under Texas law, shall relate only to the individual Units and not to the Condominium as a whole.

(f) No provision of the Governance Documents gives any Owner, or any other party, priority over any rights of a Mortgagee under a First Mortgage granted by such Owner, in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of Units and the Common Elements or portions of the Common Elements.

(g) Association assessments shall be large enough to provide for an adequate reserve fund for maintenance, repairs, and replacement of those Common Elements that must be replaced on a periodic basis. The reserve fund will be funded through the monthly installments of Regular Assessments rather than by Special Assessments, as provided herein.

ARTICLE IX
AMENDMENT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS

Section 9.1 **Amendment of Declaration**. Declarant may amend this Declaration at any time prior to the sale of a Unit to an Owner other than Declarant. Declarant may also amend this Declaration for the purpose of exercising a Special Declarant Right reserved by Declarant. In accordance with Section 82.067 (a)(3) of the Act, any such amendment will be effective upon: (1) execution by Declarant and (2) compliance with Section 82.067(g) of the Act. Declarant may also amend the Declaration as provided by Section 82.051(c), Section 82.059(f), Section 82.060 and Sections 82.067(a) and (f) of the Act.

This Declaration may be terminated in accordance with Section 82.068 of the Act.

ARTICLE 10.
MISCELLANEOUS

Section 10.1 **Enforcement**. The Board or any Owner has the right to enforce, by any proceedings at law or in equity, all terms and provisions hereof. Failure by the Board or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed to be a waiver of the right to enforce such covenant or restriction thereafter.

Section 10.2 **Severability**. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof.

Section 10.3 **Correction of Errors**. Declarant reserves, and shall have the continuing right until appointment of the initial Board, without the consent of other Owners or the representatives of any Mortgagee, to amend this Declaration or the Governance Documents for the purpose of clarifying or resolving any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or omissions herein, provided that no such Amendment shall change the stated numbers of Units nor the Allocated Interest in the Common Elements attributable thereto.

Section 10.4 **Rights and Obligations**. The rights and obligations of the Owners under the Governance Documents, including amendments thereto, are deemed to be covenants running with the land, so long as any of the components of the Condominium remains subject to the provisions of the Act, and inures to the benefit of and is binding on each and all of the respective Owners and their respective heirs, executors, administrators, successors, legal representatives, assigns, purchasers, lessees, grantees and mortgagees and all other having or claiming an interest in any Unit, subject to the provisions of the Act, this Declaration and the By-Laws. Upon acceptance or recordation of any deed or other instrument conveying title to a Unit, or upon otherwise acquiring title to any Unit, the Owner thereof is deemed to have accepted and agreed to and is bound by and subject to each and all of the provisions of the Act and of the Governance Documents, as now existing or hereafter amended.

Section 10.5 **Notices**. Notices, reports and payments provided for hereunder shall be in writing and shall be deemed to be given and received when placed in the United States mail, if properly posted with postage prepaid, first class, certified or registered mail in an envelope properly addressed as set forth herein. Any notice to an Owner required under this Declaration shall be addressed to the Owner at the last address for the Owner appearing in the records of the Association or, if there is none, at the address of the Unit in the Condominium. Notice to the Association shall be addressed to the address designated by the Association by written notice to all Owners. Notices to Declarant shall be addressed to Suite 1400, 1015 Medical Center Blvd., Webster, Texas 77598, Attn. Dr. Steve Marcum.

Section 10.6 **Waivers**. The failure of any party to seek redress for violation of or to insist upon strict performance of any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

Section 10.7 **Heirs, Successors and Assigns**. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Agreement, their respective heirs, legal representatives, successors and assigns.

Section 10.08 **Interpretation**. The provisions of this Declaration are liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium. Failure to enforce any provision of this Declaration do not constitute a waiver of the right to enforce the provision or any other provision of this Declaration.

Section 10.09 **Limitation of Liability**. The liability of any Owner for performance of any of the provisions of this Declaration terminates on sale, transfer, assignment, or other divestment of the Owner's entire interest in the Owner's Unit with respect to obligations arising from and after the date of such divestment.

SIGNATURE OF DECLARANT IS ANNEXED HERETO

List of Attachments

Exhibits

Exhibit A	-	Legal Description of Land
Exhibit B	-	Map, Plat and Certificate of Surveyor
Exhibit C	-	Schedule of Allocated Interests associated with the Units
Exhibit D	-	Certificate of Formation
Exhibit E	-	Bylaws
Exhibit F	-	Rules and Regulations
Exhibit G	-	Form of Management Certificate

Schedule

Schedule 2.10	-	Special Declarant Rights
Exhibit A	-	Form of Boundary Designation

SIGNATURE PAGE TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
BAY AREA HOUSTON MEDICAL PLAZA, A CONDOMINIUM

EXECUTED to be effective as of the 25th day of January, 2007.

DECLARANT:

MEDICAL PLAZA ASSOCIATES, LP, a Texas limited partnership

By: Medical Plaza Development, LLC, a Texas limited liability company
Its: General Partner

By: Stephen Marcum
Stephen Marcum, its President

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 25th day of January, 2007, by Stephen Marcum, as president of MEDICAL PLAZA DEVELOPMENT, LLC, a Texas limited liability company, general partner of MEDICAL PLAZA ASSOCIATES, LP, a Texas limited partnership.

ROBERTA MEADOWS
Notary Public, State of Texas
My Commission Expires 10-13-2009

Roberta K Meadows
Notary Public in and for the
State of Texas
My commission Expires:____________________

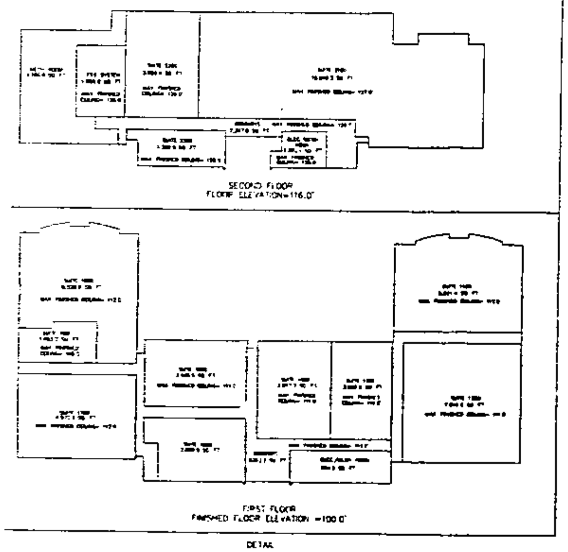
EXHIBIT A
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR BAY AREA HOUSTON MEDICAL PLAZA, A CONDOMINIUM

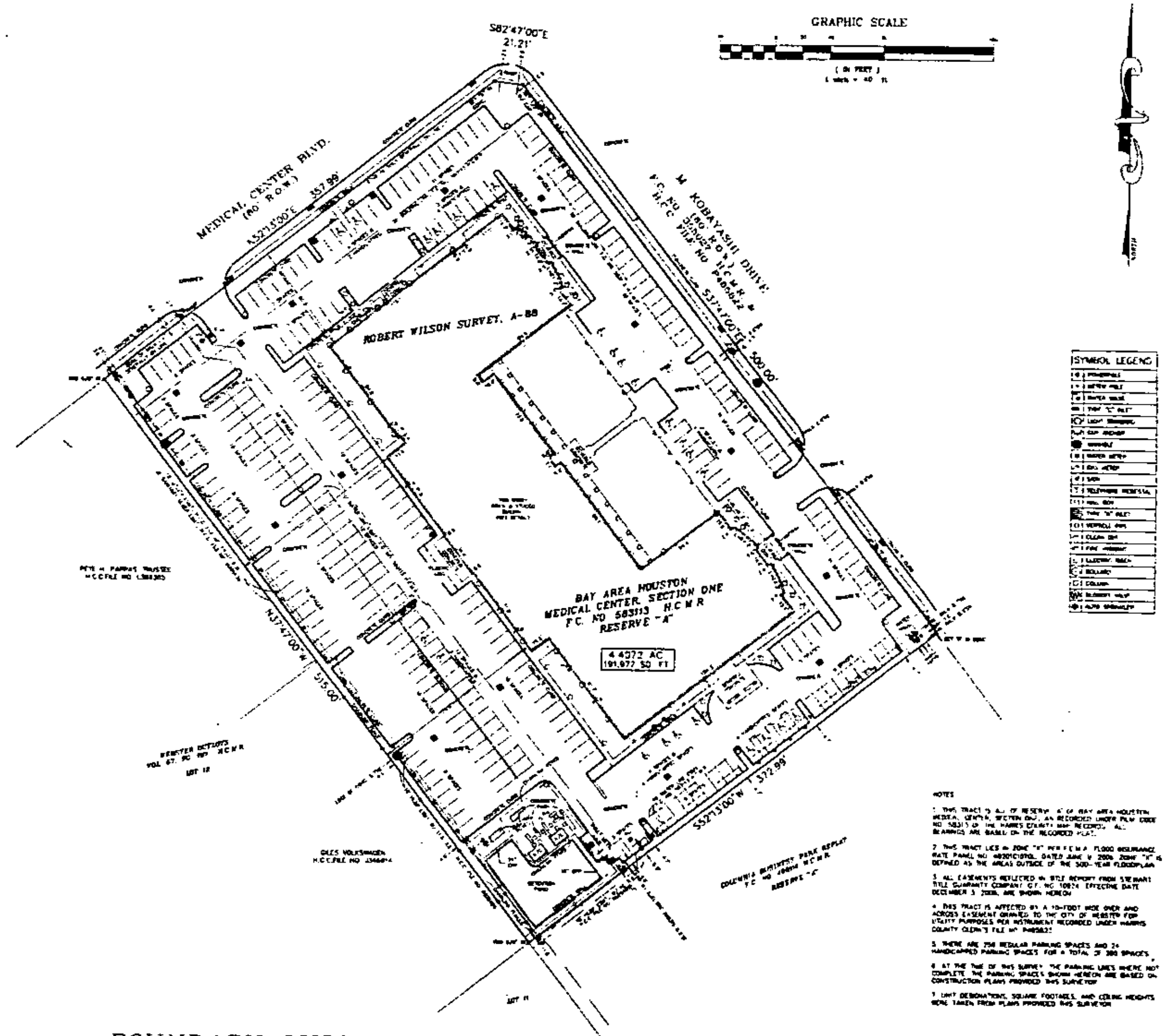
LEGAL DESCRIPTION OF LAND

All of Restricted Reserve "A" of Bay Area Houston Medical Center Section 1, an addition in Harris County, Texas, according to the map or plat thereof recorded under File Code No. 583113 of the Map Records of Harris County, Texas.

EXHIBIT B
TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
BAY AREA HOUSTON MEDICAL PLAZA, A CONDOMINIUM

Reduced copy of survey of the Land, locating thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting part of, or all of the improvements filed in the Map Records of Harris County, Texas.





BOUNDARY SURVEY
OF A 4.4072 ACRE TRACT OF LAND
IN THE
ROBERT WILSON SURVEY, ABSTRACT NO. 88
HARRIS COUNTY, TEXAS

Precision Land Surveying, Inc.

DECEMBER 2006

EXHIBIT C
TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
BAY AREA HOUSTON MEDICAL PLAZA, A CONDOMINIUM

Chart of Allocated Interests attributable and appurtenant to each Unit

Unit	Vote	Allocated Interest
Suite 1100	1	7.69230776
Suite 1200	1	7.69230776
Suite 1300	1	7.69230776
Suite 1400	1	7.69230776
Suite 1500	1	7.69230776
Suite 1600	1	7.69230776
Suite 1700	1	7.69230776
Suite 1800	1	7.69230776
Suite 1900	1	7.69230776
Suite 2000	1	7.69230776
Suite 2001	1	7.69230776
Suite 2200	1	7.69230776
Suite 2300	1	7.69230776
Total	13	100%

The Association and Declarant specifically disclaim and do not warrant that the Units contain the exact square feet stated herein.

EXHIBIT D
TO
DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS
FOR
BAY AREA HOUSTON MEDICAL PLAZA, A CONDOMINIUM

CERTIFICATE OF FORMATION

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Roger Williams
Secretary of State

Office of the Secretary of State

January 23, 2007

Capitol Services Inc
P O Box 1831
Austin, TX 78767 USA

RE: BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION
File Number: 800762163

It has been our pleasure to file the certificate of formation and issue the enclosed certificate of filing evidencing the existence of the newly created nonprofit corporation.

Nonprofit corporations do not automatically qualify for an exemption from federal and state taxes. Shortly, the Comptroller of Public Accounts will be contacting the corporation at its registered office for information that will assist the Comptroller in setting up the franchise tax account for the corporation. If you need to contact the Comptroller about franchise taxes or exemption therefrom, you may contact the agency by calling (800) 252-1381, by e-mail to tax.help@cpa.state.tx.us or by writing P. O. Box 13528, Austin, TX 78711-3528. Telephone questions regarding other business taxes, including sales taxes, should be directed to (800) 252-5555. Information on exemption from federal taxes is available from the Internal Revenue Service.

Nonprofit corporations do not file annual reports with the Secretary of State, but do file a report not more often than once every four years as requested by the Secretary. It is important for the corporation to continuously maintain a registered agent and office in Texas as this is the address to which the Secretary of State will send a request to file a periodic report. Failure to maintain a registered agent or office in Texas, failure to file a change to the agent or office information, or failure to file a report when requested may result in the involuntary termination of the corporation. Additionally, a nonprofit corporation will file documents with the Secretary of State if the corporation needs to amend one of the provisions in its certificate of formation.

If we can be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 463-5555
Enclosure

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Roger Williams
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING
OF

BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION
File Number: 800762163

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Nonprofit Corporation has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 01/22/2007

Effective: 01/22/2007

THE STATE OF TEXAS

Roger Williams
Secretary of State

Phone: (512) 463-5555
Prepared by: Rosa Arrellano

Come visit us on the internet at http://www.sos.state.tx.us/
Fax: (512) 463-5709

TTY: 7-1-1
Document: 157941150002

FILED
In the Office of the
Secretary of State of Texas
JAN 22 2007
Corporations Section

CERTIFICATE OF FORMATION
OF
BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

ARTICLE ONE
Name

The name of the corporation is BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION.

ARTICLE TWO
Non-Profit

The corporation is a nonprofit corporation.

ARTICLE THREE
Duration

The period of its duration is perpetual.

ARTICLE FOUR
Purposes

The purposes for which the Association is organized are to represent the interest of members of BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION.

ARTICLE FIVE
Membership

The corporation shall be a membership corporation. The qualifications for membership and rights, duties and obligations of members shall be contained in the Bylaws of the corporation.

ARTICLE SIX
Registered Agent and Office

The name of its initial registered agent is STEPHEN MARCUM, and the street address of the initial registered office of the corporation is 15815 Sylvan Lake Drive, Houston, Texas 77062.

ARTICLE SEVEN
Board of Directors

The business and affairs of the corporation shall be managed by a Board of Directors in which shall reside all rights, powers, authority and responsibility with respect to the management and affairs of the corporation. The initial Board shall consist of:

Todd W. Adam, M.D.	711 W. Bay Area Blvd. #408 Webster, Texas 77598
Ping Chu, M.D.	4301A Vista Road Pasadena, Texas 77504
Marcus Haggard, D.D.S.	2402 Bay Area Blvd. Houston, Texas 77058
Kenneth W. Hollis, M.D.	400 Medical Center Blvd., Suite 204 Webster, Texas 77598

Nikhil Inambar, M.D.	3505 University Blvd. Houston, Texas 77005
Ravi Mani, M.D.	6420 Vanderbilt Houston, Texas 77005
Stephen Marcum, M.D.	15815 Sylvan Lake Drive Houston, Texas 77062
Kalyanam Subamanyam, M.D.	17300 El Camino Real #120A Houston, Texas 77058
Vicki L. Snell, M.D.	450 Medical Center Blvd. Suite 202 Webster, Texas 77598

The Board of Directors of the corporation shall, after the corporate charter has been issued, be elected pursuant to the Bylaws of the corporation at the first meeting of the general membership.

ARTICLE EIGHT
Indemnification

The corporation shall indemnify any director or officer or former director or officer of the corporation for expenses and cost (including attorney's fees) actually and necessarily incurred by him in connection with any claim asserted against the director or officer, by action in court or otherwise, by reason of being or having been the director or officer, except in relation to matters as to which the officer or director is guilty of gross negligence or willful misconduct in respect of the matter in which indemnity is sought.

ARTICLE NINE
Limited Liability

The members of the Board of Directors, the officer of the corporation, and committee members of the Association shall not be liable to any member or any person claiming by or through any member for any act or omission of the director or officer n the performance of his duties unless the director's or officer's act or omission is (1) a breach of a duty of loyalty to the corporation or its members, (2) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of law, (3) a transaction from which a director or officer receives an improper benefit, whether or not the benefit resulted from an action taken within the scope of the person's office, or (4) an act or omission for which the liability of the director is expressly provided for by a statute. The corporation shall indemnify all such directors and officer from all claims, demands, actions and proceedings and any expenses in connection therewith except if the director or officer has acted in violation of the foregoing. The Board of Directors may purchase (but is not requested to purchase) directors and officer liability insurance.

ARTICLE TEN
IRS Exemption

The business and affairs of this corporation shall always be conducted so that the corporation does not exercise any power or engage directly or indirectly in any activity that would invalidate its status as a corporation which is exempt from federal income taxation under §501(c)(4) of Internal Revenue Code of 1986, as amended.

ARTICLE TWELVE
Incorporation

The incorporator for the corporation is Merton B. Goldman, 5915 Silver Springs, Building 8-B, El Paso, Texas 79912.

Dated: January 16, 2007

Merton B. Goldman

THE STATE OF TEXAS §
§
COUNTY OF EL PASO §

On this the 16 day of January, 2007, before me the undersigned authority appeared Merton B. Goldman who after being duly sworn, states that the foregoing information is true and correct.

SILVIA GARCIA
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
09-12-2007

Notary Public for the State of Texas

EXHIBIT E

BYLAWS

BYLAWS
OF
BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

Dated: ____________

BYLAWS OF
BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

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BYLAWS
OF
BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

ARTICLE I. NAME AND LOCATION

1.1 **Name.** The name of the Association is "Bay Area Houston Medical Plaza Condominium Association," hereinafter referred to as the "Association."

ARTICLE II. DEFINITIONS

2.1 **Definitions.** The definitions of all terms herein shall be the same as those in the Declaration of Covenants, Conditions and Restrictions for Bay Area Houston Medical Plaza Condominium Association, in Harris County, Texas.

ARTICLE III. MEETING OF MEMBERS

3.1 **Annual Meetings.** The annual meeting of the members shall be held each year between September 1 and December 31 at a place designated by the Board.

3.2 **Special Meetings.** Special meetings of the members may be called at any time by the President or by the Board of Directors, upon written request of a majority in number of its members, or upon the request of one member of the Board of Directors where a change in the exterior of a Building or condominium unit is requested by anyone, or by members of the Association owning at least 2 Units in the Association. The place of the meeting shall be as stated in the notice.

3.3 **Notice of Meetings.** Written notice of each meeting of the members shall be given by, or at the discretion of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 14 days before such meeting to each member entitled to vote, addressed to the member's address last appearing on the books of the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as set out above. Upon request, notice of such meeting shall also be mailed to First Mortgagees.

3.4 **Quorum.** The presence at the meeting of members entitled to cast, or of proxies entitled to cast, the votes of 51% of the Units shall constitute a quorum for any action except as otherwise provided by the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members present shall have power to recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented.

3.5 **Proxies.** At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Unit.

3.6 **Voting.** Secret ballots shall be utilized upon the request of any member.

ARTICLE IV. BOARD OF DIRECTORS

4.1 **Number.** The affairs of this Association shall be managed by a Board of at least 3 directors, who need not be members of the Association and who are elected annually. The number may be increased upon a majority vote of the Association membership.

4.2 **Term of Office.** The members shall elect all directors for a term of 1 year, beginning from the date of their election to the date of the election of their successor.

4.3 **Removal.** Resignations any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.4 **Compensation.** No director shall receive compensation for any service he may render to the Association in his capacity as a director. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.5 **Action Taken Without a Meeting.** Subject to Section 6.4 below, the directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

4.6 **Voting.** Secret ballots shall be utilized upon request of any Board member.

4.7 **Limited Liability and Indemnification.** The directors shall be entitled to the limited liability and indemnification provisions contained in the Declaration.

ARTICLE V. ELECTION OF DIRECTORS

5.1 **Nomination.** Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. If appointed, the Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee may be appointed by the Board of Directors prior to each annual meeting of the members; and if appointed, such appointment shall be announced to the membership at least 30 days prior to the annual meeting. The Nominating Committee may make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Members or nonmembers of the Association may be nominated for the Board of Directors.

5.2 **Election.** Election to the Board of Directors shall be by secret written ballot if requested by any member. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI. MEETINGS OF DIRECTORS

6.1 **Regular Meetings.** Regular meetings of the Board of Directors shall be held monthly at such place and hour as may be fixed from time to time by the Board. Any member desiring to attend monthly meetings shall contact the President or the Association's management company who shall in return notify such member of the time and place of the next monthly meeting.

6.2 **Special Meetings.** Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than 3 days notice to each director.

6.3 **Quorum.** A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

6.4 **Open Meetings.** All members of the Association shall receive at least 5 days prior notice of the Regular Meetings of the Board of Directors and the same amount of notice of the Special Meetings of the Board of Directors as is received by the members of the Board of Directors. Every member of the Association shall have the right to attend both Regular Meetings and Special Meetings of the Board of Directors. The Board of Directors shall have the right to adjourn a meeting, whether Regular or Special, of the Board of Directors and reconvene in closed executive session to consider actions involving personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of members of the Association, or matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors, provided the general nature of any business to be considered in an executive session shall first be announced at such meeting.

6.5 **Electronic or Telephonic Meeting.** A meeting of the Board of Directors may be held by any method of communication, including electronic and telephonic, provided:

(a) **Notice.** Notice of the meeting has been given in accordance with subparagraph 6.5(d) below;

(b) **Audible Attendance.** Each director may hear and be heard by every other Director;

(c) **Excluded Purposes.** The meeting does not involve voting on a fine, damage assessment, appeal from denial of architectural control approval, or suspension of a right of a particular Association member before the member has an opportunity to attend a board meeting to present the member's position, including any defense, on the issue;

(d) **Agenda.** Notice of rich proposed meeting, which must include the general nature of the purpose of such meeting, is given to each member of the Association at least 24 hours in advance thereof; and

(e) **Minutes.** A record of the Board action taken at such meeting is filed with the minutes of Board meetings.

ARTICLE VII. POWERS AND DUTIES OF THE BOARD

7.1 **Powers.** The Board of Directors shall have power to exercise for the Association all powers, duties and authority vested in or delegated to this Association, and not reserved expressly and exclusively to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration.

7.2 **Duties.** It shall be the duty of the Board:

(a) **Minutes.** To cause to be kept a complete record of all its acts and corporate affairs and to present a report thereof to the members at the annual meeting of the members, or at any special meeting when such report is requested in writing by the owners of at least 2 Units;

(b) **Supervision.** To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) **Assessments.** To (1) fix the amount of the Common Assessment for each Unit pursuant to the procedure in the Declaration; (2) send written notice of Common Assessments to every Owner; and (3) collect Common Assessments and enforce Common Assessments, all pursuant to procedures and limitations as set forth in the Declaration;

(d) **Certificates.** To issue resale certificates, loan eligibility certificates, and verification certificates setting forth whether or not any Common Assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates and other written documents provided by the Association. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) **Insurance.** To procure and maintain adequate liability and hazard insurance on Buildings, Common Elements and on property owned by the Association; cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate or necessary;

(f) **Maintenance.** To cause the Common Elements to be maintained; and

(g) **General.** To carry out all other duties of the Association or Board under the Declaration.

ARTICLE VIII. OFFICERS AND THEIR DUTIES

8.1 **Enumeration of Offices.** The Officers of this Association shall be a President and a Vice President each of whom shall at all times be members of the Board of Directors, together with a Secretary and a Treasurer.

8.2 **Election of Officers.** The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.3 **Term.** Each officer of this Association shall be elected annually by the Board and each shall hold office for approximately one year until the election of his successor, unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 **Special Appointments.** The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

8.5 **Resignation and Removal.** Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the of the officer he replaces.

8.7 **Multiple Offices.** The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

8.8 **Duties.** The duties of the officers are as follows:

(a) **President.** The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other legal instruments.

(b) **Vice-President.** The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

(c) **Secretary.** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members, as well as other records of the Association; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board. These duties, with approval of the Board, may be delegated to the Association management company.

(d) **Treasurer.** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant or CPA at the completion of each fiscal year; and shall prepare an annual budget for the forthcoming year and a statement of income and expenditures for the previous year, to be presented to the membership at its regular annual meeting. The Treasurer shall also be responsible for supervising billings. These duties, with approval of the Board, may be delegated to the Association management company.

ARTICLE IX. COMMITTEES

The Association shall appoint any committees required by the Declaration or these Bylaws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out the purposes of the Association.

ARTICLE X. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times be subject to inspection by any member during reasonable business hours. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association Common Assessments which are secured to the full extent provided by law, by a continuing lien upon the property against which the assessment is made. The collection and enforcement procedures shall be as set forth in the Declaration.

ARTICLE XII. CORPORATE SEAL

The issuance of a corporate seal shall be unnecessary and is not required under Texas law.

ARTICLE XIII. AMENDMENTS

These Bylaws may be amended, at a regular or special meeting of the members, by a vote of 67% of the votes which members present in person or by proxy are entitled to cast. Thirty days advance written notice to members is required for Bylaws changes. Changes in the Declaration shall be pursuant to the procedures set forth therein.

ARTICLE XIV. MISCELLANEOUS

The fiscal year of the Association shall be the calendar year.

____

______________, President of the Association

____________________, 2006
Date of Adoption

EXHIBIT F
(See Section 3.5(c)(vi) of Declaration)

RULES AND REGULATIONS
BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

(applicable to all Owners, occupants, and invitees)

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POLICIES FOR BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM

POLICIES IN GENERAL. The Owners Association has adopted the following rules to help maximize enjoyment, maintain values, and assure the continued aesthetic beauty of our project. The rules apply to all Owners and their patients, employees, tenants, and guests. The rules are automatically a part of each lease (even if they are not attached), and each Owner is responsible for making sure Owner's tenants have a copy of the rules and follow them. You are encouraged to ask your neighbors to follow the rules.

COMMUNICATIONS. Please direct any repair requests, complaints, or rule violations to:

____
Attn:________________________
____
_____________________Texas
Telephone:__________________
Fax: (__)____________________

ENFORCEMENT. The rules will be strictly enforced. If the rules are violated by any occupant or guest of the Owner's Unit, the Owner will be responsible for corrective action, damages, and fines.

[*Note to new Owners: The following policies are partly from the Declaration and partly adopted by action of the Board of Directors. All Declaration provisions apply - even if not set forth below. Except for provisions of these policies that come from the Declaration, the policies may be changed or added to by the Board.*]

POLICIES APPLICABLE TO ALL OWNERS, OCCUPANTS, AND GUESTS

1. **Security.** Safety, and Lighting. Neither the Association nor the Association's management company provides or warrants security.

2. **Trash.** Garbage, rubbish or cuttings shall not be left or deposited, even temporarily, on any Common Areas. All of such refuse must be placed in the dumpster in the parking lot.

3. **Signs.** "For sale" or "for rent" signs and all other signs are prohibited and may not be exhibited anywhere in the Project, including from the interiors of the Units, except at a location approved by the Board. Board members and management company representatives may enter, without prior notice, and remove and throw away such signs. The policy regarding signs is subject to exceptions for the Declarant (developer) under the Declaration.

4. **Nuisances.** No unsafe, noxious, offensive, or illegal activity, or odor is permitted on the Project. No activity shall be conducted on the Property which in the judgment of the Board of Directors might reasonably be considered as annoying to persons of ordinary sensibilities, or might be reasonably calculated to reduce the desirability of the property for business. No exterior loudspeakers or flashing lights shall be allowed. No person may do anything that will increase insurance rates for the Project without the prior written consent of the Board or which may cause such improvements to be uninsurable or which may cause any policy to be canceled, or suspended or materially modified by the issuing company.

5. **Parking.**

(i) Parking of vehicles, motorcycles and bicycles in grass areas, dirt areas, flower beds or sidewalks is prohibited.

(ii) No vehicles may be parked or unattended in such a manner as to block the passage of other vehicles on the streets, in the fire lanes, or in driveways to Units. No vehicle shall be left parked and unattended, in the street, along the curb, or in driveway areas in such a manner as to prevent the ingress and/or egress of emergency vehicles (i.e., fire, EMS) or service vehicles (i.e., refuse trucks). No inoperable vehicle may be stored on the Project.

(iii) The Declaration provides that each of the Owners has the exclusive use and right to park in one or more designated parking spaces. Any parking spaces not specifically designated by the Declaration for the exclusive use of an owner of a unit will be under the exclusive control and administration of the Association.

6. **Towing Illegally Parked Vehicles.** Vehicles parked in violation of these rules may be removed and stored without permission of the vehicle's owner or operator. Notice and removal shall be in accordance with Chapter 684 of the Texas Transportation Code. A Unit Owner is liable for all costs of towing illegally parked vehicles of the Unit Owner, Owner's family, guests or tenants.

7. **Criminal Activity.** While on the Project, no person may violate any criminal laws, health codes or other applicable laws. No tampering with water, lighting, sprinklers or other common elements is allowed.

8. **Utilities and Leaks.** Each Owner shall be responsible for promptly fixing leaks in all plumbing lines and, plumbing fixtures, inside Owner's Unit. A Unit Owner will be responsible for paying for damages and repairs necessitated by water leaks from Owner's Unit to adjacent Units. If the Association deems it necessary to repair any of these items inside an Owner's Unit, the Owner shall reimburse the Association for the cost of repair, plus 33% for administrative overhead.

9. **Eviction of Tenants.** Under the Declaration, the Association has the right to evict an Owner's tenant who substantially or repeatedly violates the Association's Rules and Regulations.

10. **Common Area Modifications.** No Owner may construct, alter, modify, landscape, trim, or otherwise perform any work whatever upon any of the Common Elements, Limited or General, without the prior written approval of the plans therefor by the Board of Directors. No exterior awning, shades, railings, or additional lighting may be installed.

11. **Common Area Repairs.** If the Common Area is in need of repair or maintenance, you are requested to contact the Association's management company immediately and leave a message about what needs to be fixed. This is especially important if exterior lighting or the automatic closing and latching devices on the pool gates are malfunctioning.

POLICIES APPLICABLE PRIMARILY TO OWNERS

12. **Fines.** The Board may levy reasonable fines on Unit Owners for violating the Declaration or Rules. A minimum fine for each violation shall be $100. Each day of violation may be deemed a separate violation by the Board. Fines may be assessed only if the Unit Owner is notified of the nature and approximate date of the violation and the amount of the fine. Any Unit Owner or its patient, employee, guest or tenant who has been fined may appeal the fine and appear before the Board to ask that the fine be dropped and to explain why. In order to appeal a fine, the Owner must request such appeal in writing within 30 days of management's mailing of the fine notice to the Owner. There must be notice of the alleged infraction and fine to the Owner no later than 45 days from the alleged infraction.

13. **Late Charges.** The charge for late payment of monies to the Association shall be a one-time $15 charge to cover the administrative costs, hassle, and overhead of collection (excluding attorney's fees). After the due date, interest shall run on unpaid sums due the Association at the rate of 18% per year compounded annually.

14. **Hot Checks.** The charge for a returned check is $25 plus bank charges incurred by the

Association.

15. **Board Access to Units.** The Association and Managing Agent shall have the right to enter an Owner's Unit for purposes of (1) inspection and (2) protection of property rights and quiet enjoyment of other Owners. The Association may request but not require Owners to furnish the Association with entry keys to their Units for such purposes. If the Unit is unoccupied at the time such entry is needed for such purposes, a locksmith may be used for gaining entry except in case of extreme emergency such as a fire. Emergency utility leaks may be repaired by the Association at the Owner's expense without prior notice. If the Unit is vacant and for sale or lease, the Unit Owner shall furnish a key to the Unit in a sealed envelope to the Association until it is sold or leased.

16. **Fees for Special Services.** Fees chargeable to Owners for special services (such as furnishing resale certificates, eligibility certificates, copies of declarations, copies of information sent to mortgagees, copies of accounting records, etc.) shall be set by the Board from time to time.

17. **Change of Address.** Owners shall keep the Association timely informed of their current addresses and any change of addresses.

18. **Names and Addresses of Tenants.** Owners shall notify the Association of current names and addresses of tenants of their respective Units.

19. **Name and Address of New Owners.** An Owner may not sell or convey Owner's Unit without all monies due and owing to the Association being paid in full; and if such Owner does sell, convey, or transfer Owner's Unit without paying such monies, such selling Owner shall remain liable for all monies accruing to the Association thereafter on such until such monies are paid in full. If an Owner sells or transfers Ownership of Owner's Unit and fails to notify the Association of the sale, the selling Owner shall continue to be liable for the assessments accruing after the sale or transfer until such time as the selling or transferring Owner notifies the Association in writing of the name and address of the new Owner.

20. **Declaration Provisions.** Many of these policies are directly from the Declaration of Covenants, Conditions, and Restrictions which apply to Owners and their occupants and guests. Some of the policies are in addition to what is in the Declaration. All Declaration provisions apply - even if not set forth below. Except for provisions of these policies that come from the Declaration, the policies may be changed or added to by the Board.

21. **Non-Liability and Release of the Association, Officers, and Directors.** AS PROVIDED IN THE DECLARATION APPLICABLE TO THE CONDOMINIUM PROJECT, THE DECLARANT, THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS SHALL NOT BE LIABLE TO UNIT OWNERS, THEIR TENANTS, AND PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, FOR PROPERTY DAMAGE, PERSONAL INJURIES OR HARM RESULTING AT ANY TIME FROM NEGLIGENT CONDUCT OF THE DECLARANT, THE ASSOCIATION'S OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS RELATING TO ENFORCEMENT OR NONENFORCEMENT OF THE ASSOCIATION'S DECLARATION OR RULES. THIS INCLUDES BUT IS NOT LIMITED TO ANY DECLARATION PROVISIONS AND RULES REGARDING VEHICLE PARKING, COMMON AREA LIGHTING OR FENCING, COMMON AREA SECURITY, HAZARDOUS MATERIALS STORAGE, ELECTRICAL LINES, GAS LINE OR SANITARY SEWER SYSTEM FAILURES, ETC. UNDER THE DECLARATION, BY ACCEPTANCE OF A DEED OR LEASE, OWNERS AND TENANTS, AS WELL AS PERSONS ON THE PROPERTY AT THEIR INVITATION OR WITH THEIR PERMISSION, ARE DEEMED TO HAVE RELEASED THE DECLARANT, THE ASSOCIATION AND ITS OFFICERS AND DIRECTORS FROM SUCH LIABILITY, TO THE EXTENT AUTHORIZED BY LAW. THE FOREGOING DOES NOT RELEASE AN OFFICER OR DIRECTOR FROM LIABILITY FOR ACTS OR OMISSIONS WHICH ARE (1)A BREACH OF THE OFFICER'S OR DIRECTOR'S DUTY OF LOYALTY AND FIDUCIARY DUTY TO THE ASSOCIATION OF ITS MEMBERS, (2) ACTS OR OMISSIONS NOT IN GOOD FAITH OR INVOLVING INTENTIONAL MISCONDUCT OR A KNOWING VIOLATION OF LAW, (3) A TRANSACTION FROM WHICH AN

OFFICER OR DIRECTOR RECEIVES AN IMPROPER BENEFIT, WHETHER OR NOT THE BENEFIT RESULTED FROM AN ACTION TAKEN WITHIN THE SCOPE OF THE DIRECTOR'S OFFICE, OR (4) AN ACT OR OMISSION FOR WHICH THE LIABILITY OF THE DIRECTOR IS EXPRESSLY PROVIDED BY STATUTE.

BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

By: ______________________________

______________________, President

______________________________, 2006
Date of Adoption

EXHIBIT G

(See Section 3.8 of Declaration)

MANAGEMENT CERTIFICATE
(check as appropriate)

Commencement, ______ Change, or ______ Termination
For Office Condominium Project

The undersigned Manager or management company gives notice that (*check one*):

______ it has commenced management of the Association named below; or

______ it is continuing management of the Association but is refining this management certificate because information in an earlier certificate needs updating; or

______ it is no longer managing the Association.

1. Exact name of owner's association: **Bay Area Houston Medical Plaza Condominium Association**

2. Name of project or subdivision: **Bay Area Houston Medical Plaza, A Condominium**

3. Address of Project: 1015 Medical Center Blvd., Webster, Texas 77598

4. Exact name of declaration of covenants, conditions and restrictions: **Declaration of Covenants, Conditions, and Restriction for Bay Area Houston Medical Plaza, A Condominium.**

5. Declaration recording data: Instrument No. __________, Official Real Property Records of Harris County, Texas.

6. Name of managing agent: ______________________________
(name of management company (or name of individual if not a Management Company)

7. Mailing address of managing agent: ______________________________
street address or P.O. Box address

8. Person to contact in management company: ______________________________
(ask for person in charge of the association named)

9. Managing agent's telephone: (________)____________ Fax: (________)____________

This certificate is filed of record in the county where the above described project is located. It shall be valid until a management certificate is filed by another management company for the Association or until a termination of this management certificate is filed record, whichever is sooner.

SIGNATURE PAGE IS ANNEXED HERETO

BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

By:____
, its President

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on __________________, 200 , by ____________ ____________________ President of ________________, a Texas corporation, on behalf of said corporation.

____
Notary Public for the State of Texas

After recording, please return to the following:

Suite
1015 Medical Center Blvd.
Webster, Texas 77598
Attn.

Medical Plaza Management Certificate ExhG.doc

SCHEDULE 2.10

SPECIAL DECLARANT RIGHTS

(a) Rights.

(1) **Changes to Units.**

(A) Declarant reserves the exclusive right but not the duty to amend the Plat and Map to vary the size, shape, physical layout, or location of any unsold Unit or Units. If Declarant makes any significant variances in Unit sizes as set forth in Exhibit B, Declarant has the right and duty to correspondingly adjust the percentages or fractions of ownership of the Common Elements of such Units remaining unsold. Declarant reserves the right to change, modify, or amend the description assigned to any Unit or all of the Units, so long as Declarant, or any assignee of Special Declarant Rights, is the owner of such Unit or Units, which change, modification, or amendment may affect the size, appearance, mechanical, structural, and other components of the Unit(s) to which such horizontal description relates. If Declarant elects to change the description assigned to a Unit or Units owned by Declarant, Declarant shall file a ***Boundary Designation*** (herein so called) in the Real Property Records, substantially in the form annexed hereto as Exhibit A to this Schedule 2.10. In conjunction with any change, modification or amendment to a description assigned to a Unit or Units, the Boundary Designation may also reallocate the interest in Common Elements and percentage interest allocation assigned to all or any Units within the Condominium.

(B) Declarant hereby reserves the right to convert by amendment a Unit into additional Units, so long as Declarant, or any assignee of Special Declarant Rights, is the Owner of such Unit. Furthermore, in the event Declarant elects to convert a Unit into additional Units, Declarant may also amend this Declaration to designate portions of the converted Unit into Limited Common Elements assigned to each or either Unit which results from such conversion, so long as Declarant, or any assignee of Special Declarant Rights, is the Owner of the converted Unit. No assurance is given as to the number of additional Units Declarant may elect to create from a conversion of such Units, the dispersion of the Units resulted from such conversion, or the size of such Units. In the event Declarant, or any assignee of Special Declarant Rights, elects to convert a Unit into additional Units as provided herein, Declarant, or any assignee of Special Declarant Rights, shall file a Boundary Designation in the Real Property Records. If a Boundary Designation is recorded which converts any Unit identified herein into additional Units, such Units resulting from the conversion shall be fully assessable on the date the Unit created from such conversion is sold to a third party other than Declarant.

(C) Declarant has also reserved the right to combine by amendment Units into a single Unit or into Units which differ from the configuration of the combined Units, so long as Declarant, or any assignee of the Special Declarant Rights, is the Owner of all the combined Units. If Declarant elects to combine Units into a single Unit or into Units which differ from the configuration of the combined Units, Declarant may also amend this Declaration to designate portions of the combined Units into Limited Common Elements assigned to the Unit(s) which result from such combination, so long as Declarant, or any assignee of Special Declarant Rights, is the Owner of the all of the combined Units. No assurance is given as to the number of Units or configuration Declarant may elect to create from a combination of Units, the dispersion of the Units resulted from such combination, or the size of such Units. If Declarant elects to combine Units into a single Unit or into Units with configurations which differ from the original combined Units, Declarant shall file a Boundary Designation in the Real Property Records.

(2) **Completion of Construction**. Declarant reserves the right to do what is reasonably necessary or advisable in connection with the completion of any work in the Condominium; and the right to construct and maintain the Common Elements and Units owned or controlled by Declarant, its successors or assigns, or its or their contractors or subcontractors, as may be reasonably necessary for the conduct of its or their business of completing any work and developing, selling, leasing, or managing of the Units in the Condominium.

(3) **Model Units and Offices**. Declarant reserves the right to maintain, for the above purposes, one or more onsite model units and sales/marketing offices, the size, number, location, and relocation of which shall be determined solely by Declarant; and the right of exclusive use of any sales office(s) and storeroom(s) located in Common Areas.

(4) **Signs**. Declarant reserves the right to maintain a sign or signs for the purpose of marketing the Units in the Condominium.

(5) **Plans**. Declarant reserves the sole right to approve or reject any plans and specifications submitted by a Unit Owner for approval as provided in Section 3.8.

(6) **Assessments**. Declarant reserves the assessment payments rights and duties as set forth in Article 4, as permitted by the Act.

(7) **Landscaping**. Declarant reserves the right to modify the landscaping as provided in Section 4.10.

(8) **Parking**. Declarant reserves the right to designate and assign portions of the General Common Elements as parking for the exclusive use of any Owner of a Unit. Any parking spaces not specifically designated by the Declarant for the exclusive use of an Owner of a Unit will be under the exclusive control and administration of the Association at such time as the Declarant no longer owns any Unit within the Condominium. The Board may thereafter assign parking spaces to any Owner or may use such parking spaces in a manner determined by the Board. Any designation and assignment of General Common Elements as parking will be memorialized by a written "Assignment of Parking" executed by an authorized representative of the Declarant (or Board if Declarant no longer owns any Units within the Condominium) which shall identify the parking space(s) and the Unit assigned thereto. The Assignment shall be made a part of the corporate records of the Association and may not be terminated or modified without the consent of the Declarant (or a majority of the Board if Declarant no longer owns any Units within the Condominium) and the Owner of the Unit to which such General Common Element parking was assigned.

(b) **Declarant's Mortgage**. Any mortgage of the Declarant's interest in the Condominium shall be deemed to include the Special Declarant Rights; and any foreclosure sale pursuant to such mortgage shall automatically convey the Special Declarant Rights.

(c) **Assignment**. The rights reserved by Declarant under this Declaration may be transferred as provided in Section 82.104 of the Act. A conveyance by the Declarant shall not convey any Special Declarant Rights unless expressly so provided and unless the transferee also executes the conveyance instrument, as required by the Act.

EXHIBIT A
To
Schedule 2.10

BOUNDARY DESIGNATION

Unit ________, Bay Area Houston Medical Plaza Condominium Association

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS §
§ KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF HARRIS §

This Boundary Designation is made by **Bay Area Houston Medical Plaza Condominium Association**, a Texas non-profit corporation (the ***Association***) pursuant to the Declaration for the Bay Area Houston Medical Plaza, A Condominium, recorded under Clerk's File No. of the Real Property Records of Harris County, Texas (the ***Declaration***) as follows:

1. Boundary. The Declaration is hereby amended to correct the boundaries of Unit ___ to be as set out in the Map on Exhibit A-I attached hereto. In the event of any conflict between the description of the Unit set forth herein or in the Declaration, the description set forth herein shall control.

2. Binding Effect. Capitalized terms used and not otherwise defined herein shall have the meaning set forth in the Declaration. This instrument is binding upon the Regime, the Association, and all owners of Units, their heirs, successors and assigns, and runs with the Regime and Property.

Dated effective __________________,200___.

BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION

By: ______________________________
Name:_____________________________
Its:______________________________

STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____day of _________________200___, by ____________________, President of BAY AREA HOUSTON MEDICAL PLAZA CONDOMINIUM ASSOCIATION, a Texas non-profit corporation, in said capacity and on behalf of said corporation.

____
NOTARY PUBLIC FOR THE STATE OF TEXAS

CONSENT OF DECLARANT' S MORTGAGEE

The undersigned financial institution, being the owner and holder of an existing mortgage lien upon and against, among other things, the Land and the Building covered by and defined in the Declaration of Covenants, Conditions and Restrictions for Bay Area Houston Medical Plaza, A Condominium (the "Declar ation"), executed by Medical Plaza Associates, LP, as Declarant, and which is located at 1015 Medical Center Blvd., Webster, Texas 77598. Subject to the further terms hereof, the undersigned hereby consents to the Declaration for purposes of Section 82.051(b) of the Texas Uniform Condominium Act (the "Act").

This consent shall not be construed or operate as a release of said mortgage or liens owned and held by the undersigned, or any part hereof.

The Declarant joins in the execution of this consent to evidence its acknowledgment that the Bay Area Houston Medical Plaza Condominium Association, a non-profit corporation, an Association under the Act, has received a written request from the undersigned to receive notifications as set forth in Section 8.1(b) of the Declaration.

LIENHOLDER:

COMPASS BANK

By: Chris Berry
Name: Chris Berry
Title: Senior Vice President

ACKNOWLEDGED:

DECLARANT:

MEDICAL PLAZA ASSOCIATES, LP

By: Medical Plaza Development, LLC, a Texas limited liability company, its General Partner

By: Stephen Marcum
Name: Stephen Marcum
Title: President.

FILED
2007 JAN 26 AM 11:46
Beverly B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

HOUSTON 914091v2

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on January 23, 2007, by Chris Berry, Senior V.P. of COMPASS BANK, an Alabama state chartered bank, on behalf of said bank.

M. DOLORES SERRANO
Notary Public
STATE OF TEXAS
My Comm. Exp. May 23, 2010

M. Dolores Serrano
Notary Public for the State of Texas

THE STATE OF Texas §
§
COUNTY OF Harris §

This instrument was acknowledged before me on 1-25, 2007, by Stephen Marcus, PRESIDENT of MEDICAL PLAZA DEVELOPMENT, LLC, a Texas limited liability company, on behalf of said company as general partner of Medical Plaza Associates, LP, a Texas limited partnership.

ROBERTA MEADOWS
Notary Public, State of Texas
My Commission Expires 10-13-2009

Roberta K Meadows
Notary Public for the State of Texas

RECORDER'S MEMORANDUM:
At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blockouts additions and changes were present at the time the instrument was filed and recorded.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

JAN 26 2007

Beverly B Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS