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**EXHIBIT "B"**  
**TO THE**  
**DECLARATION AND MASTER DEED**  
**FOR**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUMS**

**BYLAWS**  
**OF**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUM**  
**ASSOCIATION, INC.**

**Riddle & Williams, P.C.**  
**Attorneys and Counselors**  
**1050 Turtle Creek Centre**  
**3811 Turtle Creek Boulevard**  
**Dallas, Texas 75219**

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BYLAWS  
OF  
THE MARQUIS AT PRESTON PARK CONDOMINIUM ASSOCIATION, INC.

Article I

Name, Principal Office and Definitions

Section 1.1. Name. The name of the Association shall be The Marquis at Preston Park Condominium Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 1.2. Principal Office. The principal office of the Association in the State of Texas shall be located in Collin County. The Association may have such other offices, either within or outside the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require.

Section 1.3. Definitions. The words used in these Bylaws shall be given their normal commonly understood definitions. Capitalized terms shall have the same meaning as set forth in the Declaration and Master Deed for the Marquis at Preston Park Condominiums (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall otherwise require.

Article II

Association, Membership, Meetings, Quorum, Voting, Proxies

Section 2.1. Membership. The Association shall have one class of membership, as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference.

Section 2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board either within the Condominium or as convenient thereto as possible and practical.

Section 2.3. Annual Meetings. Regular annual meetings shall be set by the Board so as to occur during the first quarter of the Association's fiscal year on a date and at a time set by the Board.

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Section 2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board or upon a petition signed by Members representing at least twenty percent (20%) of the Percentage Interests in the Common Elements.

Section 2.5. Notice of Meetings. Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or alternate shall be deemed waiver by such Member of notice of the time, date and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

Section 2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that Members representing at least ten percent (10%) of the Percentage Interests in the Common Elements remain in attendance and provided further that any action taken is approved by at least a majority of the votes required to constitute a quorum.

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Section 2.8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein.

Section 2.9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, dated and filed with the Secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of such Member's Unit, or upon receipt of notice by the Secretary or person presiding over the meeting of the death or judicially declared incompetence of a Member, or of written revocation, or upon the expiration of eleven (11) months from the date of the proxy unless the proxy specifies that it is to remain effective for a shorter or longer period of time. A proxy is void if it is not dated or if it purports to be revocable without notice.

Section 2.10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, owners or other group, as the context may indicate, totaling more than fifty percent (50%) of the total number.

Section 2.11. Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of Members representing a Majority of the total votes in the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein.

Section 2.12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Section 2.13. Action Without a Meeting. Any action required by law to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting if written consent setting forth the action so taken is signed by a sufficient number of Members as would be necessary to take that action at a meeting at which all of the Members were present and voted, and any such consent shall have the same force and effect as a unanimous vote of the Members. Each written consent shall bear the date of the signature of each Member who signs the consent.

### Article III

#### Board of Directors: Number, Powers, Meetings

##### A. Composition and Selection

Section 3.1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one vote. Except with respect to directors appointed by the Declarant, the directors shall be Members or spouses of such Members; provided,

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however, no Person and his or her spouse may serve on the Board at the same time. In the case of a Member which is not a natural person, the person designated in writing to the Secretary of the Association as the representative of such Member shall be eligible to serve as a director; provided, no Member may have more than one representative on the Board at a time, except in the case of directors appointed by the Declarant.

**Section 3.2. Directors During Declarant Control Period.** Subject to the provisions of Section 3.6 below, the directors shall be selected by the Declarant acting in its sole discretion and shall serve at the pleasure of the Declarant until the first to occur of the following (the "Declarant Control Period"):

(a) when Units representing seventy-five (75%) of the Percentage Interests in the Condominium as shown on the Unit Plans, as may be amended from time to time, have been conveyed to Persons other than the Declarant;

(b) three (3) years after the conveyance of a Unit by Declarant in the ordinary course of business;

(c) when, in its discretion, the Declarant so determines and records a notice to that effect in the Collin County Deed Records.

**Section 3.3. Number of Directors.** The number of directors in the Association shall not be less than three (3) nor more than five (5).

**Section 3.4. Nomination and Election Procedures.**

(a) **Nominations.** Nominations for election to the Board may be made from the floor or by a Nominating Committee. The Nominating Committee, if any, shall consist of a chairman, who shall be a director, and two (2) or more Members. The Nominating Committee, if any, shall be appointed by the Board not less than thirty (30) days prior to each annual meeting of the Members to serve a term of one (1) year or until their successors are appointed, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes. The Board may adopt rules governing the procedures for the nomination of directors.

(b) **Election Procedures.** Each Member may cast the total Percentage Interest assigned to the Units which he represents for each vacancy to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled and who receive the greatest percentage of votes shall be elected. The directors elected by the Members shall hold office until their respective successors have been elected and qualified. Directors may be elected to serve any number of consecutive terms.

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(c) Declarant. The provisions of this Section 3.4 shall not apply to directors appointed by the Declarant.

Section 3.5. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within one-hundred and twenty (120) days after the time that Members other than the Declarant own fifty percent (50%) of the Percentage Interests in the Condominium, or whenever the Declarant earlier determines, the President shall call for an election at which Members other than the Declarant shall be entitled to elect one (1) of the three (3) directors, who shall be an at-large director. The remaining two (2) directors shall be appointees of the Declarant. The director elected by the Members (other than the Declarant) shall not be subject to removal by the Declarant and shall be elected for a term of two (2) years or until the happening of the event described in Subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in Subsection (b) below, a successor shall be elected for a like term.

(b) Within one-hundred and twenty (120) days after termination of the Declarant Control Period or whenever the Declarant earlier determines, the President shall call for an election at which Members, including the Declarant, shall be entitled to elect three (3) directors. At such election, two (2) directors shall be elected for a term of two (2) years and one (1) director shall be elected for a term of one (1) year. The director receiving the lowest percentage of votes shall serve the initial one year term. Directors shall hold office until their respective successors have been elected and qualified. At the expiration of the initial term of office of each such member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Section 3.6. Removal of Directors; Vacancies. Any director not appointed by the Declarant may be removed, with or without cause, by the vote of the Members holding a majority of the votes entitled to be cast for the election of such director. Directors appointed by the Declarant shall not be subject to removal by the other Members. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall then and there be elected by the Members to fill the vacancy for the remainder of the term of such director.

Any director not appointed by the Declarant who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days, may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.



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In the event of the death, disability or resignation of a director not appointed by the Declarant, a vacancy may be declared by the Board, and it may appoint a successor to serve for the remainder of the term of such director. Alternatively, the Board may call for an election for the purpose of electing a successor to fill any such vacancy on the Board. In such case, the Members shall be entitled to elect a successor to serve for the remainder of the term of such director.

**B. Meetings.**

**Section 3.7. Organizational Meetings.** The first meeting of the Board following each annual meeting of the Members shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board.

**Section 3.8. Regular Meetings.** Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least one (1) such meeting shall be held during each fiscal quarter. Notice of the time and place of the meeting shall be communicated to directors no less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

**Section 3.9. Special Meetings.** Special meetings of the Board shall be held when called by written notice signed by the President of the Association or by any two (2) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (i) by personal delivery; (ii) written notice by first-class mail, postage prepaid; (iii) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) by electronic mail, facsimile, computer, fiberoptics or other communication device. All such notices shall be given at the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the records of the Association. Notices sent by first-class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone or other device shall be delivered or transmitted at least seventy-two (72) hours before the time set for the meeting.

**Section 3.10. Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

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Section 3.11. Quorum of Board. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the directors present at a meeting at which a quorum is present shall constitute the decision of the Board. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have transacted at the meeting originally called may be transacted without further notice.

Section 3.12. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Members representing a Majority of the Percentage Interests in the Common Elements at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 3.13. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording therein all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings. Notwithstanding the provisions of Section 82.108(c) of TUCA, any meeting (including meetings involving the matters specified in Section 82.108(c)(1)(C) of TUCA) may be held by means of telephone or similar communications equipment by means of which all directors participating in the meeting can hear each other, provided that notice of the meeting has been given in accordance with Section 3.9 of this Article.

Section 3.14. Open Meetings. All meetings of the Board shall be open to all Members, but Members other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc., or matters that are to remain confidential by request of the affected parties and agreement of the Board. The general nature of any business to be considered in executive session must first be announced at the open meeting.

Section 3.15. Action Without a Formal Meeting. Notwithstanding the provisions of Section 82.108(c) of TUCA, any action to be taken at a meeting of the directors (including meetings involving the matters specified in Section 82.108(c)(2)(A) of TUCA) or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a sufficient number of directors as would be necessary to take that action at a meeting at which all of the directors were present and voted, and such consent shall have

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the same force and effect as a unanimous vote. A record of any action taken by written consent of the Board shall be filed with the minutes of Board meetings.

C. Powers and Duties.

Section 3.16 Powers. The Board shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done all acts and things as are not by the Condominium Instruments directed to be done and exercised exclusively by the Members or the membership generally.

The Board shall delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the Managing Agent or Manager, if any, which might arise between meetings of the Board.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board shall have the power to establish policies relating to, and shall be responsible for, performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparation and adoption, in accordance with Article IV of the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the Annual Assessment; provided, unless otherwise determined by the Board, the Annual Assessment for each Unit's proportionate share of the Common Expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month;

(c) providing for the operation, care, upkeep and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair and replacement of its property and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies and materials to be used by such personnel in the performance of their duties;

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(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to operate the Association; provided, any reserve fund may be deposited in the directors' best business judgment, in depositories other than banks;

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions and improvements to or alterations of the Area of Common Responsibility in accordance with the other provisions of the Condominium Instruments after damage or destruction by fire or other casualty;

(i) enforcing by legal means the provisions of the Condominium Instruments and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;

(m) making available to any prospective purchaser of a Unit, any Owner of a Unit, any First Mortgagee, and the holders, insurers and guarantors of a first mortgage on any Unit, current copies of the Condominium Instruments and all other books, records and financial statements of the Association; and

(n) permitting utility suppliers to use portions of the Common Elements reasonably necessary to the ongoing operation of the Condominium.

**Section 3.17. Management.** The Board may employ for the Association a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board by these Bylaws, other than policy-making authority or the duties set forth in Subparagraphs (a) and (i) of Section 3.16 of this Article.

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Section 3.18. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

- (a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;
- (b) accounting and controls should conform to generally accepted accounting principles;
- (c) cash accounts of the Association shall not be commingled with any other accounts;
- (d) no remuneration shall be accepted by the Managing Agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts or otherwise; anything of value received shall benefit the Association;
- (e) any financial or other interest which the Managing Agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board;
- (f) financial reports shall be prepared for the Association at least annually containing:
  - (i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;
  - (ii) a statement reflecting all cash receipts and disbursements for the preceding period;
  - (iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;
  - (iv) a balance sheet as of the last day of the preceding period; and
  - (v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the tenth (10th) day following the due date).
- (g) an annual report consisting of at least the following shall be made available to all Members within one hundred twenty (120) days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of changes in financial position for the fiscal

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year. The annual report referred to above shall be prepared on an audited basis by an independent public accountant.

Section 3.19. Rights of the Association. With respect to the Common Elements, and in accordance with the Articles of Incorporation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational or other agreements with trusts, condominiums, cooperatives and other owners or residents associations, both within and without the Condominium. Such agreements shall require the consent of a majority of the total number of directors of the Association.

Section 3.20. Enforcement. The Association shall have the power to impose sanctions for violations of the Condominium Instruments and to charge an Owner for property damage for which the Owner is liable. The failure of the Board to enforce any provision of the Condominium Instruments shall not be deemed a waiver of the right of the Board to do so thereafter or of the right to enforce any other violation.

(a) Notice. Prior to the imposition of any sanction under the Condominium Instruments or the assessment of any property damage charge, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation or property damage, (ii) the proposed sanction to be imposed, including the amount of any proposed fine or damage charge (iii) a period of not less than thirty (30) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board, for a hearing to contest the sanction or damage charge; (iv) a reasonable time, by a specified date, in which the Owner may avoid the sanction by curing the violation; provided that no such opportunity to cure must be given if the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12 months, and (v) a statement that the proposed sanction shall be imposed as contained in the notice unless the violation is cured or a challenge is begun within thirty (30) days of the notice.

(b) Hearing. If a hearing is requested within the allotted thirty (30) day period, the hearing shall be held before the Covenants Committee, if any, or the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the Person who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. Following a hearing before the Covenants Committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the manager, President or Secretary of the Association within thirty (30) days after the hearing date.

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(d) Additional Enforcement Rights. Notwithstanding anything to the contrary herein contained, the Board may elect to enforce any provision of the Governing Documents by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking restrictions or rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the notice and hearing procedure set forth above. In any such action, to the maximum extent permissible, the Owner or Occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry into a Unit or Limited Common Element for purposes of exercising this power of self-help shall not be deemed a trespass.

#### Article IV

##### Officers

Section 4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, to be elected from among the members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2. Election and Term of Office. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Members, as set forth in Article III.

Section 4.3. Removal and Vacancies. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board for the unexpired portion of the term.

Section 4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent or both.

Section 4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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Section 4.6. Agreements, Contracts, Deeds, Leases, Checks, etc. All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board.

Section 4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12 hereof.

#### Article V

##### Committees

Section 5.1. General. Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee shall cooperate in accordance with the terms of the resolution of the Board designating the committee or with rules adopted by the Board.

#### Article VI

##### Miscellaneous

Section 6.1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these Bylaws.

Section 6.3. Conflicts. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and these Bylaws, the provisions of Texas law, the Declaration, the Articles of Incorporation and the Bylaws (in that order) shall prevail.

##### Section 6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Condominium Instruments, the membership register, books of account, financial statements, voting records, proxies, correspondence relating to any amendments to the Condominium Instruments and the minutes of meetings of the Members, the Board and committees, shall be maintained by the Association and be made available for inspection and copying by any holder, insurer or guarantor of a first mortgage on a Unit, Member of the Association, or by the duly appointed representative of any of the foregoing at any reasonable time at the office of the Association or at such other place within the Condominium as the Board shall prescribe.



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(b) Rules for inspection. The Board shall establish reasonable rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made;

and

(iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical facility comprising the Condominium. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 6.5. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements or other communications under these Bylaws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first-class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board, or the Managing Agent, at the principal office of the Association or the Managing Agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6.6. Amendment.

(a) By Declarant. The Declarant may unilaterally amend these Bylaws if such amendment (i) is necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (ii) is necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure mortgage loans on the Units.

(b) By Owners. Except as provided above and otherwise specifically provided herein, these Bylaws may be amended only by the affirmative vote or written consent, or any combination

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thereof, of Owners representing at least fifty-one percent (51%) of the Percentage Interests in the Common Elements. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the County Clerk Official Records of Collin County, Texas.

If an Owner consents to any amendment to these Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No meeting to consider or adopt an amendment to these Bylaws shall be held unless each Owner has been provided a document showing the specific amendment to be considered before the tenth (10th) day and no later than the twentieth (20th) day preceding the date of the meeting. The information is considered to have been given to an Owner on the date the information is personally delivered to the Owner, as shown by a receipt signed by the Owner, or on the date shown by the postmark on the information after it is deposited in the United States mail with a proper address and postage paid.

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EXHIBIT "C"

Allocation of Percentage Interests

<u>UNIT</u>	<u>TYPE</u>	<u>SQUARE FEET</u>	<u>PERCENTAGE INTEREST</u>
101	B3	1509	.880%
102	A1	1047	.610
103	B2	1523	.888
104	C1	1709	.995
105	A2	1031	.601
106	B2	1541	.898
107	A1	1029	.600
108	B3	1509	.880
201	B3	1509	.880
202	A1	1047	.610
203	B2	1523	.888
204	C1	1709	.995
205	A2	1031	.601
206	B2	1541	.898
207	A1	1029	.600
208	B3	1509	.880
301	B3	1509	.880
302	A1	1047	.610
303	B2	1523	.888
304	C1	1709	.995
305	A2	1031	.601
306	B2	1541	.898
307	A1	1029	.600
308	B3	1509	.880
401	B3	1509	.880
402	A1	1047	.610
403	B2	1523	.888
404	C1	1709	.995
405	A2	1031	.601
406	B2	1541	.898
407	A1	1029	.600
408	B3	1509	.880

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<u>UNIT</u>	<u>TYPE</u>	<u>SQUARE FEET</u>	<u>% INTEREST</u>
501	B3	1509	.880
502	A1	1047	.610
503	B2	1523	.888
504	C1	1709	.995
505	A2	1031	.601
506	B2	1541	.898
507	A1	1029	.600
508	B3	1509	.880
601	B3	1509	.880
602	A1	1047	.610
603	B2	1523	.888
604	C1	1709	.995
605	A2	1031	.601
606	B2	1541	.898
607	A1	1029	.600
608	B3	1509	.880
701	B3	1509	.880
702	A1	1043	.607
703	B2	1500	.873
704	B2	1519	.884
705	A1	1024	.596
706	B3	1509	.880
801	B3	1509	.880
802	A1	1047	.610
803	B2	1523	.888
804	C1	1709	.995
805	A2	1031	.601
806	B2	1541	.898
807	A1	1029	.600
808	B3	1509	.880
901	B3	1509	.880
902	A1	1047	.610
903	B2	1523	.888
904	C1	1709	.995
905	A2	1031	.601
906	B2	1541	.898
907	A1	1029	.600
908	B3	1509	.880

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<u>UNIT</u>	<u>TYPE</u>	<u>SQUARE FEET</u>	<u>% INTEREST</u>
1001	B3	1509	.880
1002	A1	1047	.610
1003	B2	1523	.888
1004	C1	1709	.995
1005	A2	1031	.601
1006	B2	1541	.898
1007	A1	1029	.600
1008	B3	1509	.880
1101	B3	1509	.880
1102	A1	1047	.610
1103	B2	1523	.888
1104	C1	1709	.995
1105	A2	1031	.601
1106	B2	1541	.898
1107	A1	1029	.600
1108	B3	1509	.880
1201	B3	1509	.880
1202	A1	1047	.610
1203	B2	1523	.888
1204	C1	1709	.995
1205	A2	1031	.601
1206	B2	1541	.898
1207	A1	1029	.600
1208	B3	1509	.880
1301	B3	1509	.880
1302	A1	1047	.610
1303	B2	1523	.888
1304	C1	1709	.995
1305	A2	1031	.601
1306	B2	1541	.898
1307	A1	1029	.600
1308	B3	1509	.880
1401	B3	1509	.880
1402	A1	1047	.610
1403	B2	1523	.888
1404	C1	1709	.995
1405	A2	1031	.601
1406	B2	1541	.898

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<u>UNIT</u>	<u>TYPE</u>	<u>SQUARE FEET</u>	<u>% INTEREST</u>
1407	A1	1029	.600
1408	B3	1509	.880
1501	B3	1509	.880
1502	A1	1047	.610
1503	B2	1523	.888
1504	C1	1709	.995
1505	A2	1031	.601
1506	B2	1541	.898
1507	A1	1029	.600
1508	B3	1509	.880
1601	B3	1509	.880
1602	A1	1047	.610
1603	B2	1523	.888
1604	C1	1709	.995
1605	A2	1031	.601
1606	B2	1541	.898
1607	A1	1029	.600
1608	B3	1509	.880
TOTAL:		<u>171,574</u>	<u>100%</u>

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**EXHIBIT "D"**  
**TO THE**  
**DECLARATION AND MASTER DEED**  
**FOR**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUMS**

**INITIAL RULES AND REGULATIONS**  
**OF**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUMS**

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**INITIAL RULES AND REGULATIONS**  
**OF**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUMS**

The following rules and regulations (the "Rules") are promulgated pursuant to Article III, Section 3.01(c)(ii) of the Declaration and Master Deed of the Marquis at Preston Park Condominiums, as the same may be amended, renewed or extended from time to time by the Board, and apply to all Unit Owners, tenants, occupants, residents and guests or invitees of Unit Owners of the Marquis at Preston Park Condominiums.

For the convenience of the Owners and Residents, these Rules restate some of the covenants and restrictions contained in the Declaration. Most of these Rules, however, are in addition to the restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules. In the event of a conflict between governing documents, the hierarchy of authority shall be as follows: Declaration (highest), Bylaws and these Rules (lowest).

**ARTICLE I**

**COMPLIANCE**

**Section 1.01 Compliance.** Each Owner shall comply with the provisions of these Rules, the Declaration, the Bylaws and community policies promulgated by the Board to supplement these Rules and any of these may be revised from time to time (collectively, the "governing documents"). Each Owner, additionally, shall be responsible for compliance with the governing documents by the Residents of his or her unit and their respective family, invitees, tenants, agents, employees or contractors.

**Section 1.02 Additional Rules.** Each Owner and Resident shall comply with all rules and signs posted from time to time on the condominium by the Association, including those regulating the use of recreational facilities. Such posted rules are incorporated in these Rules by reference. Each Owner and Resident shall comply with notices communicated by the Association from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the condominium. Such temporary rules are incorporated in these Rules by reference.

**Section 1.03 Waiver.** Certain circumstances may warrant waiver or variance of these Rules. An Owner must make written application to the Board for such waiver or variance. If the Board deems the waiver or variance warranted, the Board may condition its approval, which must be in writing to be effective.



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## ARTICLE II

### OBLIGATION OF OWNERS AND RESIDENTS

Section 2.01 Safety. Each Resident is solely responsible for his or her own safety and for the safety, well being and supervision of his or her guests and any person on the condominium to whom the Resident has a duty of care, control or custody. Anyone using recreational facilities including, without limitation, the exercise room, does so at his or her own risk, and the Association assumes no liability or responsibility for any injury or death occurring as a result of such use.

Section 2.02 Damage. Each Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other residents or their guests, or to the common elements and improvements, if such loss or damage is caused by the Owner or his or her invitees, tenants, agents, employees or contractors.

Section 2.03 Association Does Not Insure. Each Resident is solely responsible for insuring his or her personal property in the Unit and on the condominium, including his or her furnishings and automobile(s). Personal property placed in or on the condominium shall be solely at the risk of the Resident or the Owner of such personal property. The Association urges Owners and Residents to purchase insurance on their personal belongings.

Section 2.04 Risk Management. No Resident shall permit anything to be done or kept in his or her Unit or the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.

Section 2.05 Reimbursement for Enforcement. An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the governing documents against the Owner or his or her invitees, tenants, agents, employees or contractors.

Section 2.06 Reimbursement for Damage. An Owner shall promptly reimburse the Association for the cost of damage to the condominium caused by the negligent or willful conduct of the Owner or his or her invitees, tenants, agents, employees or contractors.

## ARTICLE III

### OCCUPANCY STANDARDS

Section 3.01 Numbers. A Unit may be occupied only by a single-family which is defined as any number of persons related by blood, marriage or adoption living with not more than one person who is not so related as a single household unit, or not more than three adults who are not so related living together as a single household unit; provided, however, nothing herein shall be interpreted to restrict the ability of one or more adults meeting the definition of a single family from residing with any number of persons under the age of eighteen (18) over whom such adult has legal custody, unless

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higher occupancy is mandated by public agencies that enforce compliance with the family status protection of the Fair Housing Act.

Section 3.02 Danger. The Association may prohibit occupancy by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others.

Section 3.03 Occupancy Defined. Occupancy of a Unit, for purposes of these Rules, shall mean occupancy of at least 30 continuous days or 60 non-continuous days in any 12-month period.

#### ARTICLE IV

##### GENERAL USE AND MAINTENANCE OF UNIT

Section 4.01 Annoyance. No Unit may be used in any way that (i) may reasonably be considered annoying to Residents of neighboring Units, (ii) may be calculated to reduce the desirability of the condominium as a residential community, (iii) may endanger the health or safety of other residents, or (iv) may violate any law or any provision of the governing documents.

Section 4.02 Maintenance. Each Owner, at his or her sole cost and expense, shall maintain his or her Unit and keep it in good repair, including the inner finished surfaces of the Unit's perimeter walls, floors and ceilings.

Section 4.03 Balcony; Walkways. Each Resident shall keep his or her Unit and patio or balcony in a good state of cleanliness, taking care that the cleaning of his or her balcony does not annoy or inconvenience other residents. A balcony or walkway may not be enclosed or used for storage purposes. The structure or appearance of any walkway or balcony area shall not be modified or altered in any way, except as may be approved by the Board of Directors. The exterior door, walkway or balcony appurtenant to a Unit may be decorated with wreaths, potted plants, hanging plants and other items pre-approved by the Board so long as said items are maintained in a clean and neat condition and do not constitute a nuisance or threaten the security or safety of other residents of the Property. Bird houses, bird feeders and bird baths are not permitted to be placed on the balconies or exterior portions of any Unit. Dead plants or empty flower pots are not permitted on the balconies, walkways or flower boxes. Bicycles may not be stored or kept on any balcony or walkway. All items placed in such areas shall be the responsibility of the Resident to maintain, repair and replace. If any walkway or balcony appurtenant to a Unit becomes cluttered or unsightly in any manner, the Owner and/or Resident shall be given notice of such fact by the Board and shall be required to correct such condition within five (5) days of the date of notice and if he or she fails to do so, then the Board may correct such discrepancy (including the removal of any unsightly items) and/or repair or refurbish the walkway or balcony at the Owner's expense.

Section 4.04 Glass. Repair or replacement of broken or cracked glass to the exterior doors or the windows of a Unit shall be performed by the Association and shall be a Common Expense of the

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Association. However, the cost of repair or replacement of any broken or cracked glass to the exterior doors or the windows of a Unit caused by the negligence of a Unit Owner or the Resident(s) of a Unit, or their guests or invitees, shall be the sole cost and expense of the Unit Owner. Any such cost or expense not paid by the Owner within thirty (30) days after the submission by the Association of an invoice to the Owner for such repair or replacement shall constitute a lien on the Unit, shall be enforceable pursuant to Article IV of the Declaration and the Texas Uniform Condominium Act and may be collected in the same manner as assessments under Article IV of the Declaration and/or the Texas Uniform Condominium Act.

**Section 4.05 Air Conditioning Equipment.** Each Owner, at his or her sole cost and expense, shall maintain, repair and replace the heating and cooling equipment/system serving his or her Unit.

**Section 4.06 Combustibles.** Residents shall not store or maintain anywhere on the condominium (including within a unit) explosives or materials capable of spontaneous combustion.

**Section 4.07 Barbecue Grills.** The Board reserves the right to prohibit or restrict the use of all or certain outdoor cooking grills if, in the Board's discretion, such grills constitute a fire hazard. If the use of outside grills is permitted, open fires must be supervised at all times, gas tanks must be properly used and maintained, no flames may be higher than the cooking surface and a grill may not be used near combustible materials.

**Section 4.08 Report Malfunctions.** Residents shall immediately report to the Board his or her discovery of any leak, break or malfunction in any portion of his or her Unit or the adjacent Common Elements for which the Association has a maintenance responsibility. The failure to promptly report a problem may be deemed negligence by the Resident, who may be liable for any additional damage caused by the delay.

**Section 4.09 Utilities.** Each Resident shall endeavor to conserve the use of any utilities which may be furnished through the Association, including water consumption within his or her Unit.

**Section 4.10 Frozen Water Pipes.** It is the duty of every Owner and Resident to protect water lines within their Unit from freezing during winter months. Between November 1 and March 25 of any year, no Unit may be left unheated. During periods of anticipated below-freezing temperatures, water lines should be allowed to drip continuously and cabinets enclosing plumbing lines should be left ajar. An Owner or Resident who fails to monitor the local weather and take appropriate precautions shall be deemed negligent and shall be responsible for any damages resulting therefrom.

## ARTICLE V

### GENERAL USE AND MAINTENANCE OF COMMON ELEMENTS

**Section 5.01 Intended Use.** Every area and facility in the condominium may be used only for its intended and obvious use. For example, walkways, stairways, sidewalks, elevators and driveways

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are to be used exclusively for purposes of access, not for social congregation or recreation. For safety reasons, driveways, parking areas, trees, walls and fences shall not be used as play areas. Reasonable play activities will be permitted on the sidewalks and grassy area contained within the Common Elements, provided entrances and stairwells are not blocked or obstructed in any manner. For example, climbing walls and/or trees and building forts are not considered reasonable play. Activities such as skateboarding, roller-blading, skating, bicycle riding and any other such hazardous activities, which may jeopardize the safety of other Residents or guests, are prohibited in the Common Elements. Reasonable care shall be exercised to avoid making or permitting to be made loud, disturbing or objectionable noises when playing.

**Section 5.02 Grounds.** Unless the Board designates otherwise, residents may not use or abuse the landscaped areas, lawns, beds and plant materials on the Common Elements. The following are expressly prohibited: digging, planting, pruning and climbing.

**Section 5.03 Abandoned Items.** Except as provided in Article VIII hereof, no item or object of any type shall be stored, placed or maintained anywhere on the General Common Elements, including window sills, passageways and walkways, except by the Board or with the prior written consent of the Board. Items of personal property found on the General Common Elements are deemed abandoned and may be disposed of by the Board.

**Section 5.04 Stored Items.** If the Association provides storage areas for use by Residents, Residents agree that the Association is not responsible for items stored there by them, and Residents shall be solely liable at all times for their personal property.

**Section 5.05 Flyers/ Notices.** Flyers and other notices, advertisements or materials may not be placed on the door of any Unit or other portion of the condominium property, except that such may be placed upon a bulletin board which may be provided by the Association in the mailbox areas. Such flyers and other notices, advertisements or materials, if placed upon such bulletin board, may only be left there for a reasonable time of not more than thirty (30) days.

## ARTICLE VI

### COMMUNITY ETIQUETTE

**Section 6.01 Courtesy.** Each Resident shall endeavor to use his or her Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.

**Section 6.02 Annoyance.** An Resident shall avoid doing or permitting anything to be done that will annoy, harass, embarrass or inconvenience other Residents or their guests or the Association's employees and agents.

**Section 6.03 Noise and Odors.** Each Resident shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises or noxious odors that are likely to

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disturb Residents of other Units. Musical instruments, stereos, CD players, radios, phonographs, television sets, amplifiers and any other instruments or devices must be used or played so as not to disturb other Residents.

Section 6.04 Alcohol. Alcoholic beverages may not be consumed in excess in or on any of the Common Elements.

Section 6.05 Reception Interference. Each Resident shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic or electronic reception on the condominium.

Section 6.06 No Personal Service. The Association's employees and agents are not permitted or authorized to render personal services to residents unless approved by the Board. Each Resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such resident.

Section 6.07 Compliance with Law. Residents may not use the condominium for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas and with ordinances, rules and regulations of Collin County, Texas. An Resident who violates this provision shall hold the Association and other Owners and Residents harmless from all fines, penalties, costs and prosecutions for the Resident's violation or noncompliance.

## ARTICLE VII

### ARCHITECTURAL CONTROL

Section 7.01 Common Elements. Without the Board's prior written approval, a person may not change, remodel, decorate, destroy or improve the Common Elements, nor do anything to change the appearance of the Common Elements, including, without limitation, the entry door, balcony, or landing or walkway appurtenant to the unit.

Section 7.02 Prohibited Acts. Except as otherwise provided in the Declaration, no person may:

- a. Post signs, notices or advertisements on the Common Elements or in a Unit if visible from outside his or her Unit.
- b. Place or hang an object in, on, from or above any window, interior window sill or balcony that, in the Board's opinion, detracts from the appearance of the condominium.
- c. Hang, shake or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies or passageways.

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- d. Erect or install exterior horns, lights, wiring, machines, window air conditioners, speakers, aerials, antennae or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof or are otherwise visible from the ground, except as may be expressly authorized by the Board.
- e. Place decorations or articles on exterior walls or doors or on the Common Elements.
- f. Remove or alter any wall, floor, ceiling or any other structural item without the prior approval of the Board.

**Section 7.03 Window Treatments.** An Owner may install window treatments inside his Unit, at his expense without Board approval, provided:

- a. any window treatment, including drapes, blinds, shades or shutters, must be, unless otherwise approved by the Board, clear or white when viewed from outside the Unit;
- b. aluminum foil and reflective window treatments are expressly prohibited; and
- c. window treatments must be maintained in good condition and must be removed or replaced if they become stained, torn, damaged or otherwise unsightly in the opinion of the Board.

**Section 7.04 Board Approval.** To obtain the Board's written consent for a modification, an Owner must submit to the Board complete plans and specifications showing the nature, kind, shape, size, materials, colors and location for all proposed work, and any other information reasonably requested by the Board.

## ARTICLE VIII

### VEHICLE RESTRICTIONS

**Section 8.01 Permitted Vehicles.** Boat trailers, boats, jet skis and other watercraft shall not be parked on the Common Elements by Owners or Residents without the permission of the Board. Non-commercial vehicles used primarily for travel on roads and highways, such as motorcycles, mopeds, passenger automobiles, sports utility vehicles and pick-up trucks are examples of vehicles which are allowed under this Rule. All vehicles must be in proper working condition with current registration and inspection stickers. Vehicles which are in poor aesthetic or physical condition, as determined by the Board, may not be parked on the Common Elements.

**Section 8.02 Repairs.** Washing, repairs, restoration or maintenance of vehicles is prohibited, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a

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repair facility.

**Section 8.03 Space Use.** No detached parking space may be enclosed or used for any purpose that prevents the parking of vehicles. Parking is allowed only in the designated parking area(s) or in the garages. Residents may only park up to two (2) vehicles in the parking area(s) designated in the Declaration. All vehicles must be registered with the Association's managing agent by providing the Owner's name, Unit and license plate number. If an Resident owns more than two (2) vehicles, he or she must contact the Association's managing agent and request approval to park any additional vehicle in the designated parking area(s). Approval of such request is up to the sole discretion of the Board.

**Section 8.04 No Obstruction.** No vehicle may be parked in a manner that interferes with ready access to any entrance to or exit from the condominium. No vehicle may obstruct the flow of traffic, constitute a nuisance or otherwise create a safety hazard on the condominium. No vehicle may be parked, even temporarily, in spaces reserved for others, in fire lanes or in any area designated as "No Parking".

**Section 8.05 Nuisances.** Each vehicle shall be muffled and shall be maintained and operated to minimize noise, odor and oil emissions. The use of car horns on the condominium is discouraged. No vehicle may be kept on the condominium if the Board deems it to be unsightly, inoperable, inappropriate or otherwise violative of these Rules.

**Section 8.06 Violations.** Any vehicle in violation of these Rules may be stickered, wheel-locked and towed or otherwise removed from the condominium by the Board, at the expense of the Owner of the vehicle. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

## ARTICLE IX

### **TRASH DISPOSAL**

**Section 9.01 General Duty.** Residents shall not litter the Common Elements, shall endeavor to keep the condominium clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose.

**Section 9.02 Hazards.** Residents may not store trash inside or outside his or her Unit in a manner that encourages vermin, causes odors or may permit the spread of fire. Before discarding coals, ashes, logs or other materials used in barbecue grills or fireplaces, Residents shall ensure that the debris is thoroughly cold.

**Section 9.03 Excess Trash.** Residents shall place trash in sealed plastic bags and dispose of such in proper receptacles designated by the Board and may not place trash outside, next to or on top of the trash receptacle or on patios, stairways or walkways. If the trash receptacle is full, you should locate

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another receptacle or hold your trash. Boxes and large objects should be crushed or broken down before being placed in the trash receptacle. Receptacle doors are to be closed at all times when not in use. Residents shall arrange privately for removal of discarded furnishings or any unusually large volume of debris.

## ARTICLE X

### PETS

Section 10.01 Subject to Rules. An Resident may not keep or permit on the condominium a pet or animal of any kind, at any time, except as permitted by these Rules and the governing documents.

Section 10.02 Permitted Pets. Subject to these Rules, an Resident may keep in his or her Unit not more than two (2) house pets (two cats, two dogs or one cat and one dog), each of which, at maturity, may not exceed the greater of 50 inches in height at the shoulder or 75 pounds in weight. Permitted house pets include domesticated dogs, cats, caged birds and aquarium fish. Permitted house pets also include specially-trained animals that serve as physical aids to handicapped Residents, regardless of the animal's size or type.

Section 10.03 Prohibited Animals. No resident may keep a dangerous or exotic animal, pit bull terrier, American Staffordshire Terrier, trained attack dog or any other animal deemed by the Board to be a potential threat to the well being of people or other animals. No animal or house pet may be kept, bred or maintained for a commercial purpose.

Section 10.04 Indoors/Outdoors. A permitted pet must be maintained inside the Unit and may not be kept on walkways or balconies. No dog is allowed on General Common Elements unless carried or leashed. No pet may be leashed to any stationary object on the Common Elements.

Section 10.05 Disturbance. Pets shall be kept in a manner that does not disturb another Resident's rest or peaceful enjoyment of his or her Unit or the Common Elements. No pet shall be permitted to bark, howl, whine, screech or make other loud noises for extended periods of time.

Section 10.06 Damage. Each Resident is responsible for any property damage, injury or disturbance his or her pet may cause or inflict. An Resident shall compensate any person injured by his or her pet. Any Resident who keeps a pet on the condominium shall be deemed to have indemnified and agreed to hold harmless the Board, the Association and other Owners and residents from any loss, claim or liability of any kind or character whatever resulting from any action of his or her pet or arising by reason of keeping or maintaining such pet on the condominium.

Section 10.07 Pooper Scooper. No Resident may permit his or her pet to relieve itself on the condominium, except in areas designated by the Board for this purpose. Residents are responsible for the removal of his or her pet's wastes from the Common Elements. The Board may levy a fine against a Unit and its Owner each time feces are discovered on the Common Elements and attributed



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to an animal in the custody of that Unit's Resident.

**Section 10.08 Removal.** If an Resident's pet violates these Rules or the community policies pertaining to pets or if a pet causes or creates a nuisance, odor, unreasonable disturbance or noise, the Resident or person having control of the animal shall be given a written notice by the Board to correct the problem. If the problem is not corrected within the time specified in the notice (not less than ten days), the pet Owner, upon written notice from the Board, may be required to remove the animal. Each pet Owner agrees to permanently remove his or her violating animal from the condominium within ten (10) days after receipt of a removal notice from the Board.

#### ARTICLE XI

##### MISCELLANEOUS

**Section 11.01 Security.** The Association may, but shall not be obligated to, maintain or support certain activities within the condominium designed to make the condominium less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents and employees shall not in any way be considered an insurer or guarantor of security within the condominium and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Resident, guest and invitee on the condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit and to any other of his or her property on the condominium. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the condominium.

**Section 11.02 Fines.** Should any Owner, tenant, occupant, resident, guests or invitee violate any of these Rules or any portion of the governing documents, the Board may, in addition to any other remedies provided in these Rules or in the governing documents, impose a fine or fines against the Owner, resident, Resident and Unit. Any fine imposed and not paid shall constitute a lien on the Unit, shall be enforceable pursuant to Article IV of the Declaration and the Texas Uniform Condominium Act and may be collected in the same manner as assessments under Article IV of the Declaration and/or the Texas Uniform Condominium Act.

**Section 11.03 Right to Hearing.** An Owner may request, in writing, a hearing by the Board regarding an alleged breach of these Rules by the Owner or Resident of the Owner's Unit. The Board will schedule a hearing within thirty (30) days of receiving the Owner's written request. At the hearing, the Board will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person or may be represented by another person or written communication.

**Section 11.04 Mailing Address.** An Owner who receives mail at any address other than the address

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of his or her Unit shall be responsible for maintaining with the Association his current mailing address. Notifications of change of name or address should be clearly marked as such. All notices required to be sent to Owners by the governing documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Unit shall be deemed effective for purposes of delivery.

Section 11.05 Revision. These Rules are subject to being revised, replaced or supplemented. Owners and Residents are urged to contact the Association's office to verify the rules currently in effect on any matter of interest.

Section 11.06 Other Rights. These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Articles of Incorporation and the laws of the State of Texas.

Section 11.07 Effective Date. These Rules are the initial Rules of the Marquis at Preston Park Condominium Association, Inc. and are effective immediately upon adoption by the Board.

PARVENVPOUR&RMARQUISATPRESTONPARK

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**EXHIBIT "E"**  
**TO THE**  
**DECLARATION AND MASTER DEED**  
**FOR**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUMS**

**ARTICLES OF INCORPORATION**  
**OF**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUMS**  
**ASSOCIATION, INC.**

4781 0314

FILED  
In the Office of the  
Secretary of State of Texas

AUG 24 2000

ARTICLES OF INCORPORATION

OF

Corporations Section

THE MARQUIS AT PRESTON PARK CONDOMINIUM ASSOCIATION, INC.

I, the undersigned, being of the age of eighteen years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, Tex. Civ. Stat. Ann. art. 1396-1.01, et seq., as it may be amended, do hereby adopt the following Articles of Incorporation for such corporation:

Article 1. Name. The name of the corporation is The Marquis at Preston Park Condominium Association, Inc. ("Corporation" or "Association").

Article 2. Duration. The Corporation shall have perpetual duration.

Article 3. Applicable Statute. The Corporation is a non-profit corporation organized pursuant to the provisions of the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq.

Article 4. Purposes and Powers. The Corporation does not contemplate pecuniary gain or benefit, direct or indirect, to its members. In way of explanation and not of limitation, the purposes for which it is formed are:

(a) to be and constitute the Association to which reference is made in the Declaration and Master Deed for The Marquis at Preston Park Condominiums recorded in the Office of the County Clerk of Collin County, Texas, as it may be amended from time to time (the "Declaration"), to perform all obligations and duties of the Association, and to exercise all rights and powers of the Association, as specified therein, in the Bylaws and as provided by law; and

(b) to provide an entity for the furtherance of the interests of the owners of property subject to the Declaration.

In furtherance of its purposes, the Corporation shall have the following powers, which, unless indicated otherwise by the Declaration or Bylaws, may be exercised by the Board of Directors:

(a) all of the powers conferred upon non-profit corporations by common law and the statutes of the State of Texas, including the Texas Uniform Condominium Act, in effect from time to time;

(b) all of the powers necessary or desirable to perform the obligations and duties and to exercise the rights and powers set out in these Articles, the Bylaws or the Declaration, including, without limitation, the following:

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(i) to fix, levy, and collect assessments and other charges to be levied against the property subject to the Declaration and to enforce payment thereof by any lawful means;

(ii) to manage, control, operate, maintain, preserve, repair and improve the common area and facilities, and any property subsequently acquired by the Corporation, or any property owned by another, for which the Corporation, by rule, regulation, Declaration or contract, has a right or duty to provide such services;

(iii) to enforce covenants, conditions or restrictions affecting any property to the extent the Association may be authorized to do so under the Declaration or Bylaws;

(iv) to engage in activities which will actively foster, promote and advance the common interests of all owners of property subject to the Declaration;

(v) to buy or otherwise acquire, sell or otherwise dispose of, mortgage, or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal in and with real, personal, and mixed property of all kinds and any right or interest therein for any purpose of the Corporation, which shall include the power to foreclose its lien on any property subject to the Declaration by judicial or nonjudicial means;

(vi) to borrow money for any purpose subject to such limitations as may be contained in the Bylaws;

(vii) to enter into, make, perform and enforce contracts of every kind and description and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in concert with any other association, corporation or other entity or agency, public or private;

(viii) to act as agent, trustee or other representative of other corporations, firms or individuals and, as such, to advance the business or ownership interests in such corporations, firms or individuals;

(ix) to adopt, alter and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association; provided, however, such Bylaws may not be inconsistent with or contrary to any provisions of the Declaration; and

(x) to provide or contract for services benefitting the property subject to the Declaration, including, without limitation, garbage removal and any and all supplemental municipal services as may be necessary or desirable.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law;

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provided, none of the objects or purposes herein set out shall be construed to authorize the Corporation to do any act in violation of the Texas Non-Profit Corporation Act or the Texas Uniform Condominium Act, and all such objects or purposes are subject to said Acts.

The powers specified in each of the paragraphs of this Article 4 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provision of this Article 4.

Article 5. Definitions. All capitalized terms used in these Articles of Incorporation shall be defined in the same manner as defined in the Declaration, which definitions are incorporated herein by this reference.

Article 6. Membership. The Corporation shall be a membership corporation without certificates or shares of stock. All Owners (as defined in the Declaration), by virtue of their ownership of Units in the Condominium, are members of the Association. The members shall be divided into classes and entitled to a vote in accordance with the Declaration and Bylaws.

Article 7. Board of Directors. The business and affairs of the Corporation shall be conducted, managed and controlled by a Board of Directors (the "Board"). The Board may delegate such operating authority to such companies, individuals or committees as it, in its discretion, may determine. The Board shall consist of no less than three (3) and no more than five (5) members. The initial Board shall consist of the following three (3) members:

<u>Name</u>	<u>Address</u>
Cary Platt	18470 Dallas Parkway Dallas, Texas 75287
Jeff Raithel	18470 Dallas Parkway Dallas, Texas 75287
Jack Platt	18470 Dallas Parkway Dallas, Texas 75287

The method of election, removal and filling of vacancies, and the term of office and number of directors shall be as set forth in the Bylaws.

Article 8. Liability of Directors. To the fullest extent permitted by Texas statutes, as the same exist or as they may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits broader limitation than permitted prior to such amendment), a director of the Corporation shall not be liable to the Corporation for monetary damages for an act or omission in the director's capacity as a director. Any repeal or amendment of this Article 8 by the

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Corporation shall be prospective only and shall not adversely affect any limitation on the personal liability of a director of the Corporation existing at the time of such repeal or amendment.

Article 9. Dissolution. The Corporation may be dissolved only as provided in the Declaration, Bylaws, and by the laws of the State of Texas. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created, or shall be granted, conveyed and assigned to a non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

Article 10. Amendments. Subject to the provisions of the Texas Non-Profit Corporation Act, these Articles of Incorporation may be amended with the approval of the Board and seventy-five percent (75%) of the total votes in the Association, and with the approval of the Declarant during the Declarant Control Period. No amendment shall conflict with the Declaration nor shall any amendment be effective to impair or dilute any rights of members that are granted by the Declaration.

Article 11. Indemnification. Subject to the limitations of Article 1396-2.22.A of the Texas Non-Profit Corporation Act, the Association shall indemnify a person who was, or is threatened to be a named defendant or respondent in a proceeding because the person is or was an officer or director of the Association. Additionally, the Association may indemnify a person who is or was an employee, trustee, agent or attorney of the Association, against any liability asserted against him and incurred by him in such capacity and arising out of his status as such a person.

Article 12. Action Without a Meeting. Any action required by the Texas Non-Profit Corporation Act to be taken at a meeting of the members or directors of the Corporation or any action that may be taken at a meeting of the members or directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors or committee members as would be necessary to take that action at a meeting at which all of the members, directors or members of the committee were present and voted.

Article 13. Registered Agent and Office. The initial registered office of the Corporation is 3811 Turtle Creek Boulevard, Suite 1050, Dallas, Texas 75219, and the initial registered agent at such address is Lance E. Williams.

Article 14. Incorporators. The name and address of the incorporator is as follows:

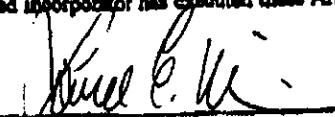
Lance E. Williams  
Riddle & Williams, P.C.  
3811 Turtle Creek Boulevard, Suite 1050  
Dallas, Texas 75219

Sent by: AM TITLE STRATFORD PARK

972 380 5755;

10/19/00 3:07PM; ~~File~~ #656; Page 6/6

IN WITNESS WHEREOF, the undersigned incorporator has executed these Articles of Incorporation this 19<sup>th</sup> day of August, 2000.

  
Lance E. Williams

F:\NEW\PROJECTS\ONC\MARQUETA\STRATFORD PARK

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ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, LEASE, OR USE OF THE  
DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS UNLAWFUL AND  
UNENFORCEABLE UNDER FEDERAL LAW  
(THE STATE OF TEXAS) COUNTY OF COLLIN  
I hereby certify that this instrument was FILED in the Public Records of the state  
and the time indicated herein by me and was duly RECORDED, in the Public Records  
Books of Real Property of said County Texas on

OCT 25 2000

*Helen Starnes*



Filed for Record in  
Collin County, McKinney TX  
Honorable Helen Starnes  
Collin County Clerk

On Oct 25 2000  
At 9:51am

Doc/Num : 2000- 0116951

Recording/Type:FD 267.00  
Receipt #: 388526

**CONDOMINIUM INFORMATION  
STATEMENT**

**EXHIBIT E**

**PURCHASER'S AFFIDAVIT**

**THE MARQUIS AT PRESTON PLACE  
CONDOMINIUMS**

**PURCHASER'S AFFIDAVIT**  
**THE MARQUIS AT PRESTON PARK CONDOMINIUMS**

PURCHASER: \_\_\_\_\_ (Please print)

UNIT: Unit \_\_\_\_\_, Bldg. \_\_\_\_\_

CONTRACT DATE: \_\_\_\_\_

**PURPOSES:** This affidavit is made for the following purposes: (1) to induce the lenders to make mortgage loans in connection with the purchase of units in The Marquis at Preston Place Condominiums; (2) to affirm Purchaser's understanding with respect to the nature and condition of the Unit; and (3) to induce title insurance companies to issue title insurance policies in units in the The Marquis at Preston Place Condominiums, knowing that the Seller, lenders, and title insurance company will rely on the truth of this affidavit.

BEFORE ME, the undersigned official, on this day appeared the above-named Purchaser, who is personally known to me, and first being duly sworn according to law upon Purchaser's oath declared that Purchaser is over the age of 18 years, has never been convicted of a crime, is fully competent to make this affidavit, and has personal knowledge that all of the following facts stated herein are true and correct:

1. I signed the Contract of Sale to purchase the Unit, as described above.
2. I (1) received a Condominium Information Statement from the Seller/Declarant before I signed the purchase contract and/or (2) signed a purchase contract that contained an underlined or bold-print provision acknowledging my receipt of the Condominium Information Statement and recommending that I read the Condominium Information Statement before executing the purchase contract and/or (3) took no steps to cancel the purchase contract during the five day period after I received the Condominium Information Statement.
3. Even though I may have seen or been shown a furnished model, a condominium unit maintained by the Seller as a sales office, or a "typical unit" which has been newly decorated, I have received no promise or representation from the Seller/Declarant or any of its representatives that I will receive as part of my purchase any such decorations or furnishing, except as completed in the Unit which I purchased.
4. I am purchasing the Unit for my personal use, for residential purposes, and, in purchasing the Unit, I have not sought out, nor am I relying upon, the skill or judgment of the Seller nor its representatives in advising me as to the suitability of the Unit for any particular commercial use or other purposes for which I am purchasing it.

5. I  am  am not purchasing the Unit for my own occupancy. If the Unit is for my own occupancy, it will be my  primary  secondary home.

\_\_\_\_\_  
Purchaser's signature

\_\_\_\_\_  
Purchaser's signature (if applicable)

SUBSCRIBED AND SWORN TO BEFORE ME, on the \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_, to certify which witness my hand and official seal.

\_\_\_\_\_  
Notary Public, State of Texas

The Marquis Preston Park Condos HOA

2000-01 Estimated HOA Operating Budget

Item	Monthly	Annual	Per/Unit	Per/Sq.ft.
Landscape Contract	\$ 1,800.00	\$ 21,600.00	\$ 14.29	\$ 0.01
Landscaping repairs/replace	\$ 500.00	\$ 6,000.00	\$ 3.97	\$ 0.00
Alarms and Monitoring	\$ 150.00	\$ 1,800.00	\$ 1.19	\$ 0.00
Patrol Service	\$ -	\$ -	\$ -	\$ -
Common Electric	\$ 1,100.00	\$ 13,200.00	\$ 8.73	\$ 0.01
Water/Wastewater	\$ 800.00	\$ 9,600.00	\$ 6.35	\$ 0.01
Trash Removal	\$ 750.00	\$ 9,000.00	\$ 5.95	\$ 0.01
Gas	\$ 50.00	\$ 600.00	\$ 0.40	\$ 0.00
Pest Control	\$ 135.00	\$ 1,620.00	\$ 1.07	\$ 0.00
Pool/Spa Supplies	\$ 80.00	\$ 960.00	\$ 0.63	\$ 0.00
Pool/Spa Contract	\$ 500.00	\$ 6,000.00	\$ 3.97	\$ 0.00
Office and Admin.	\$ 750.00	\$ 9,000.00	\$ 5.95	\$ 0.01
Manager	\$ -	\$ -	\$ -	\$ -
Management	\$ 2,500.00	\$ 30,000.00	\$ 19.84	\$ 0.02
Common Area Maintenance/Repair	\$ 1,250.00	\$ 15,000.00	\$ 9.92	\$ 0.01
Property Insurance	\$ 1,655.00	\$ 19,860.00	\$ 13.13	\$ 0.01
Accounting/Legal	\$ 175.00	\$ 2,100.00	\$ 1.39	\$ 0.00
Reserves for Replacement (\$150/unit)	\$ 1,575.00	\$ 18,900.00	\$ 12.50	\$ 0.01
<b>Total Costs</b>	<b>\$ 13,770.00</b>	<b>\$ 165,240.00</b>	<b>\$ 109.29</b>	<b>\$ 0.10</b>

## **EXHIBIT "G"**

### **Liens, Leases and Encumbrances**

1. The following easement(s) and/or building lines, as shown on plat recorded in Volume J, Page 176, Map Records, COLLIN County, Texas, to-wit:
  - 1. 10' sanitary sewer easement
  - 2. 10.5' utility easement
  - 3. 15' TP&L Co. easement
  - 4. 31.11" water easement
  - 5. 15' floodway access easement across property
  - 6. Drainage easement across property
  - 7. 25' building line along the West line

Shown on survey by Mickey D. Nowell, Registered Professional Land Surveyor, #4167, dated May 25, 2000.
2. 20' storm drainage and sanitary sewer easement created in instrument executed by ROSEWOOD PROPERTIES, INC., to VAN-544, LTD., dated March 31, 1987, filed May 13, 1987, recorded in Volume 2626, Page 896, Deed Records, COLLIN County, Texas, and shown on survey by Mickey D. Nowell, Registered Professional Land Surveyor, #4167, dated May 25, 2000.
3. Variable width drainage easement by and between THE ROSEWOOD CORPORATION and CITY OF PLANO, dated March 15, 1984, filed March 30, 1984, recorded in Volume 1859, Page 21, Deed Records, COLLIN County, Texas, and shown on survey by Mickey D. Nowell, Registered Professional Land Surveyor, #4167, dated May 25, 2000.
4. Lease and Easement Agreement by and between INTERACTIVE CABLE SYSTEMS, INC., and GABLES REALTY LIMITED PARTNERSHIP, dated February 10, 1995, filed May 8, 1996, recorded under County Clerk's file number 96-0043744, Deed Records, COLLIN County, Texas, and noted on survey by Mickey D. Nowell, Registered Professional Land Surveyor, #4167, dated May 25, 2000.
5. Easement created in instrument executed by Mrs. J.T. Thompson Heirs to State of Texas, dated March 22, 1954, filed March 20, 1954, recorded in Volume 481, Page 31, Deed Records, COLLIN County, Texas, and shown on survey by Mickey D. Nowell, Registered Professional Land Surveyor, #4167, dated May 25, 2000.

## DECLARANT'S CONVERSION STATEMENT

### THE MARQUIS AT PRESTON PARK CONDOMINIUM

Pursuant to Section 82.154 of the Texas Property Code, the Texas Uniform Condominium Act, Declarant makes the following disclosures regarding the conversion buildings of The Marquis at Preston Park Condominium.

A. **REPORTS:** In preparing this Conversion Statement, Declarant relies, in part, on the following reports, which are available for inspection by Purchasers or Owners: (1) Property Condition Report dated May 3, 2000 prepared by HBC Engineering, Inc. Environmental, Geotechnical and Construction Materials Engineers; and (2) Phase 1 Environmental Site Assessment dated April 5, 2000 also prepared by HBC Engineering.

B. **STATEMENT OF CURRENT CONDITION.**

1. Conversion Buildings. The project is located at 2524 Preston Road, Plano, Texas and was constructed in 1995, opening as rental property. The project consists of 16 two-story buildings and one single story clubhouse \ management office building and one swimming pool.
2. Structural Components. The foundation system consists of grade supported concrete slabs with monolithic grade beams at perimeter and load bearing wall, all with post-tension reinforcing cables. The buildings consist of a conventional wood frame with the pre-engineered wood roof trusses and second floor truss joists bearing on wood framing at the interior and exterior bearing walls. The floor decks are comprised of plywood with a lightweight concrete fill. The Oriented Strand Board roof deck bears on pre-engineered wood trusses.
3. Exterior Materials. The architectural treatment of the buildings is brick veneer and wood siding. The buildings windows are vertical / sash, aluminum framed with insulated, non-tinted glass. The entrance doors to the dwelling units are 36", 6-panel metal doors in wood frames with knob hardware.

4. Engineer's Findings. The engineer (HBC) visited the property, made visual inspections of the buildings throughout the project, and reviewed the building plans. Based on that inspection, the report of HBC includes the following findings:
- a) HBC did not observe any major structural faults or deficiencies.
  - b) HBC did not observe any evidence of roof leaks.
  - c) HBC did not observe any evidence of foundation movement.
  - d) The exteriors of the buildings were in good condition.
  - e) There is no evidence of roof leaks inside the inspected units.
  - f) The condition of the unit interiors are in generally good condition.
  - g) The mechanical, electrical, and plumbing systems that were observed were operating properly and were found to be in generally good condition.

5. Mechanical and Electrical Installations Material to the Use and Enjoyment of the Building. Each unit features the following mechanical and electrical installations:

- a) Individual electric water heater.
- b) Individual electric air furnace.
- c) Individual electric air conditioning equipment.
- d) Electric range and oven.
- e) Dishwasher and disposal.
- f) Automatic garage door opener (with the exception of 15 one bedroom \ one bathroom floor plans).
- g) Unit pre-wired for telephone and television cable.
- h) Electric outlets at kitchen and bathroom counters.
- i) Copper electrical wiring from the unit's breaker panel to devices and outlets.

6. Declarant's Exterior Renovation Program. Declarant has inspected the property and observed no defects with the exception of the following: Declarant will either repair these items or place \$6,500 in the reserve for such repairs prior to conveyance of the first unit. Otherwise, no renovation to the exterior of the buildings is anticipated.

- a) HBC recommends a crack filling material in the concrete cracks of the parking lot pavement to block water penetration to the substrate and prolong the life of the pavement at a cost of \$2,500.



- b) An approximate 3 foot wide segment of the wood fence at the southeast portion of the property, which was observed to be missing the vertical planks and approximately 7 foot wide segment of the brick fence at the southeast portion of the property that was observed to be damaged. The cost to repair is \$3,000.
- c) Replace the sealant between the brick pavers on the pool deck at a cost of \$1,000.

7. Declarant's Interior Renovation Program. As each unit is vacated, Declarant will inspect the unit and all the appliances and fixtures. Repairs will be made as necessary. The unit will be professionally cleaned before it is offered for sale. The following existing appliances have been or are being inspected, cleaned, serviced, and found to be operating within the manufacturer's specifications or otherwise repaired or replaced:

- i. Air conditioning and heating equipment.
- ii. Water heater.
- iii. Kitchen disposal.
- iv. Dishwasher.
- v. Kitchen range and oven.
- vi. Automatic garage door opener.

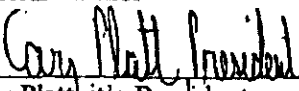
C. **STATEMENT OF USEFUL LIFE.** Declarant makes no representations regarding the useful life of each item mentioned in the preceding Statement of Current Condition.

D. **STATEMENT OF NO VIOLATIONS:** As of the date of this statement, Declarant has not received any notice of violation of building code or other governmental regulation, which has not been cured.

Dated July 20, 2000

PGV Venture, Ltd.  
A Texas limited partnership

By: FWI Group, Inc.  
General Partner

By:   
Cary Platt, it's President