M-2/132
D-8/121

CONDOMINIUM DECLARATION FOR COLLIER SQUARE TOWNHOMES

1053571

I

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, LENMARK, INC., hereinafter called "Declarant," is the owner of real property situated in the County of Jefferson, State of Texas, being described as follows, to-wit:

BEING a 1.624 acre tract of land out of the F. Bigner Survey, Abstract Number 1, Beaumont Jefferson County, Texas, described as follows:

BEGINNING at an iron pin located in the South line of Collier Road, said iron pin being the Northwest and BEGINNING CORNER of the tract herein described, said BEGINNING CORNER being located a distance of 331.94 feet East of and measured along the South line of Collier Road from the east right-of-way line of Crow Road as described in Volume 1667, Page 305, Deed Records, Jefferson County, Texas, said BEGINNING CORNER also being the Northeast Corner of the J. T. Bryant tract of land as described in Volume 1523, Page 457, Deed Records, Jefferson County, Texas, said BEGINNING CORNER also being the Northwest Corner of the George R. Sesler tract.

THENCE North 89° 55' 57" East along the South line of Collier Road and the North line of the Sesler tract a distance of 310.79 feet to an iron rod for corner;

THENCE South 00° 16' 45" West a distance of 229.71 feet to an iron rod for corner in the South line of the Sesler tract;

THENCE South 89° 53' 25" West along the South line of the Sesler tract a distance of 304.85 feet to an iron rod for corner at the Southwest Corner of the aforementioned Bryant tract;

THENCE North 01° 12' 05" West along the East line of the Bryant tract and the West line of the Sesler tract a distance of 229.98 feet to the PLACE OF BEGINNING.

which property is described and depicted on the Map or Plat thereof prepared by KOHLER & KOHLER, which by this reference is made a part hereof; and

WHEREAS, Declarant, as Developer, desires to establish a condominium regime under the Condominium Act of the State of Texas; and

WHEREAS, Declarant has executed plans for the construction of Two (2) two-story buildings and other improvements appurtenant thereto on the property described in said Exhibit "A", which when completed shall consist of twenty (20) condominum units; and

WHEREAS, Declarant does hereby establish a plan for the individual ownership in fee simple of estates consisting of the area or space contained in each of the twenty (20) units of COLLIER SQUARE TOWNHOMES and the ownership by the individual and separate owners thereof, as tenants in common, of all of the remaining property which is hereinafter defined and referred to as the general common elements;

NOW THEREFORE, Declarant does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land, shall be a burden and benefit to Declarant, its successors and assigns, and any person acquiring or owning an interest in the real property and improvements, their grantees, successors, heirs, executors, administrators, devisees, and assigns.

1. DEFINITIONS, unless the context shall expressly provide otherwise:

(a) "Unit" or "Building Unit" means an individual air space unit which is contained within the perimeter walls, floors and ceilings of a building as shown on the map.

(b) "Condominium Unit" means one (1) individual air space unit, together with the interest in the common elements appurtenant to such unit.

(c) "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more condominium units.

(d) "Majority of Unit Owners" means the unit owners with Fifty-One (51%) per cent or more of the votes weighed so as to coincide with percentages assigned in this Declaration.

(e) "General Common Elements" means and includes:
   1. The land on which the building is located;
   2. The foundation, columns, girders, beams, supports, main walls and roofs;
   3. The yards, gardens, parking area, fences, storage spaces, streets, service drives, walks and service easements;
   4. The installation consisting of the equipment and materials making up central services such as power, light, gas and the like;
   5. All other parts of the property necessary or convenient to its existence maintenance and safety, or normally in common use;

(f) "Limited Common Elements" means a part of the general common elements reserved for the exclusive use of the owner of a condominium unit; the heating and air conditioning systems serving one (1) condominium unit only and garage parking areas and other areas indicated on map as appurtenant limited elements to a specific unit only shall be deemed limited common elements.

(g) "Entire premises" or "property" means and includes the land, the building, all improvements and structures thereon, and all rights, easements, and appurtenances belonging thereto.

(h) "Common expenses" means and includes:
   1. All sums lawfully assessed against the general common elements by the Managing Agent or Board of Managers;
   2. Expenses of administration and management, maintenance, repair or replacement of the general common elements;
   3. Expenses agreed upon as common expenses by the owners; and
   4. Expenses declared common elements by provisions of this Declaration and by the By-Laws.

(i) "Association of Unit Owners" or "Association" means a Texas Non-Profit Association, the By-Laws of which shall govern the administration of this condominium property, the members of which shall be all of the owners of the condominium units.

(j) "Map", or "Survey Map", or "Plans" means and includes an engineering survey of the land locating thereon all of the improvements, the floor and elevation plans and any other drawings or diagrammatic plan depicting a part of or all of the improvements, same being herewith filed, consisting of one (1) sheet labeled Exhibit "A", and incorporated herein.

2. The map shall be filed for record simultaneously with the recording of this Declaration as a part hereof, and prior to the first conveyance of any condominium unit. Such map shall consist of and set forth: (1) the legal description of all surface of the land; (2) the linear measurements and locations, with reference to the exterior boundaries of the land, of the building and all other improvements built or to be built on said land by Declarant; (3) floor plans and elevation plans of the building built or to be built thereon showing the location, the building designation, the unit designation and the linear dimensions of each apartment unit, and the limited common elements.

3. The real property is hereby divided in the following separate fee simple estates:

Twenty (20) fee simple estates consisting of twenty (20) separately designated units, all of such units shall bear a designation of a Building and a Unit Number as follows:

(a) Building One (1), Unit One (1)
4705 Collier Road
(b) Building One (1), Unit Two (2)
4705 Collier Road
(c) Building One (1), Unit Three (3)
4705 Collier Road
(d) Building One (1), Unit Five (5)
4705 Collier Road
(e) Building One (1), Unit Six (6)
4705 Collier Road
(f) Building One (1), Unit Seven (7)
4705 Collier Road
(g) Building One (1), Unit Eight (8)
4705 Collier Road
(h) Building One (1), Unit Nine (9)
4705 Collier Road
(i) Building One (1), Unit Ten (10)
4705 Collier Road
(j) Building One (1), Unit Eleven (11)
4705 Collier Road
(k) Building Two (2), Unit One (1)
4695 Collier Road
(l) Building Two (2), Unit Two (2),
4695 Collier Road
(m) Building Two (2), Unit Three (3)
4695 Collier Road
(n) Building Two (2), Unit Five (5)
4695 Collier Road
(o) Building Two (2), Unit Six (6)
4695 Collier Road

(o) Building Two (2), Unit Seven (7)
4695 Collier Road

(q) Building Two (2), Unit Eight (8)
4695 Collier Road

(r) Building Two (2), Unit Nine (9)
4695 Collier Road

(Building Two (2), Unit Ten (10)
4695 Collier Road

(t) Building Two (2), Unit Eleven (11)
4695 Collier Road

(a) The remaining portion of the entire premises, referred to as the general common elements, which shall be held in common by the owners, the interest of each therein being hereinafter set forth and each undivided interest being appurtenant to one of the 20 units.

(b) The percentage of ownership in the common elements allocated to each apartment is as follows: .05

4. A portion of the general common elements is set aside and reserved for the exclusive use of individual owners, such areas being the limited common elements. The limited common elements reserved for the exclusive use of the individual owners are the automobile parking spaces, storage spaces and other spaces, which are shown on the map. Such spaces are allocated and assigned by the Declarant to the respective condominium units as indicated on said Exhibit "A". In like manner, heating and air conditioning systems serving only one (1) condominium unit shall be used in connection with the particular unit, to the exclusion of the use thereof by the other owners except by invitation.

5. Each unit and its undivided interest in and to the general common elements appurtenant thereto shall be inseparable and may be conveyed, leased or encumbered only as a condominium unit.

6. Every deed, lease, mortgage, trust deed or other instrument may legally describe a condominium unit by its identifying apartment number and building symbol or designation as shown on the map, followed by the words, and by reference to this recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the general common elements.

7. Declarant shall give written notice to the assessor of the creation of condominium ownership of this property, as is provided by law, so that each unit and its percentage of undivided interest in the general common elements shall be deemed a separate parcel and subject to separate assessment and taxation.

8. A condominium unit may be held and owned by more than one (1) person as joint tenants, or as tenants in common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

9. The general common elements shall be owned in common by all of the owners of the units and shall remain undivided and no owner shall bring any action for partition or division of the general common elements. Nothing contained herein shall be construed as a limitation of the right of partition of a condominium unit between the owners thereof, but such partition shall not affect any other condominium unit.

10. Each owner shall be entitled to exclusive ownership and possession of his unit. Each owner may use the general common elements in accordance with the purpose for which they are intended, without hindering or encroaching upon the lawful rights of the other owners.

11. If any portion of the general common elements encroaches upon a unit or units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of an adjoining apartment unit or units encroaches upon any portion of the general common elements, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. For title or other purposes, such encroachment(s) and easement(s) shall not be considered or determined to be encumbrances either on the general common elements or the apartment units.

12. Subsequent to the completion of the improvements described on the map, no labor performed or materials furnished and incorporated in a unit with the consent or at the request of the owner thereof, or his agent or his contractor, or subcontractor, shall be the basis for filing of a lien against the general common elements owned by such other owners. Each owner shall indemnify and hold harmless each of the other owners from and against all liability arising from the claim of any lien against the apartment unit of any other owner, or against the general common elements for construction performed, or for labor, materials, services or other products incorporated in the owner's apartment unit at such owner's request.

13. The administration of this condominium property shall be governed by By-Laws of the Non-Profit Association, hereinafter named and hereinafter referred to as the "Association". A copy of such "By-Laws" is hereto attached and is the last Exhibit hereof and is incorporated herein by reference; and shall be deemed adopted by Declarant as sole owner of the property herein described, and all owners shall be bound thereby. Declarant may, at its/his election, cause to be formed a Texas Non-Profit Corportion bearing said name, in which event such Non-Profit Corporation shall be composed of owners of condominium units as herein set out, and such Non-Profit Corporation shall thereafter act and do things to be done by "Association", and the said Non-Profit Corporation, if formed, shall be bound by, adopt and observe as its By-Laws, the said By-Laws hereto attached. "Association" as here used shall refer to the member owners as a group, both before and after incorporation. In the event of incorporation, a certified copy of the Certificate of Incorporation of such "Association" shall be recorded and which shall provide that three (3) persons shall act as a Board of Managers and shall serve as the Managers until their successors have been elected and qualified. An owner of a condominium unit, upon becoming an owner, shall be a member of this "Association" and shall remain a member for the period of his ownership. The Managing Agent shall be Declarant or whatever person or entity to whom Declarant for purposes of resale may convey all its apartment units in this regime which at the time of such conveyance it has not sold to owner occupants, and the Managing Agent shall perform all of the duties of the Board of Managers until one (1) year after the execution hereof, unless all of the units in this regime are leased or sold prior to the end of such year at which earlier time Declarant shall have the option to cease being such Managing Agent.

14. The owners shall have the irrevocable right, to be exercised by the Managing Agent, or Board of Managers of the Association, to have access to each unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the general common elements therein or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the general or limited common elements or to another aparment unit or units.

15. An owner shall maintain and keep in repair the interior of his own unit, including the fixtures thereon. An owner shall also maintain all electric lines, wires, conduits, or systems and the heating and air conditioning system serving his unit, whether within or without same. An owner shall also maintain all the plumbing serving his unit, and maintenance of sewer lines serving more than one (1) unit and running from the end of a unit's single sewer line to the point where such sewer line becomes the property of the City of Beaumont shall be "Common Expenses".

16. An owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament. No owner shall in any way alter, modify, add to or otherwise perform any work whatever upon any of the common elements, save with written consent of the Board of Managers first obtained.

17. An owner shall not be deemed to own the undecorated and/or unfinished surfaces of the perimeter walls, ground floor and roof surrounding his unit, nor shall such owner be deemed to own the utilities running through his unit which are utilized for or serve more than one (1) unit, except as a tenant in common. An owner, however, shall be deemed to own and shall maintain the inner decorated and/or finished surfaces of the perimeter and interior walls, floors, ceilings, doors, windows, and such other elements consisting of paint, wall paper and other such finishing materials.

18. Each owner shall comply strictly with the provisions of this Declaration, the By-Laws and the decisions and resolutions of the "Association" adopted pursuant thereto as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or injunctive relief or both, maintainable by the Managing Agent or Board of Managers on behalf of the owner or, in a proper case, by an aggrieved owner.

19. This Declaration shall not be revoked, nor shall any of the provisions herein be amended unless all of the owners of condominium units, and all of the holders of any recorded mortgages or Deed of Trust covering or affecting any or all condominium units unanimously consent and agree to such revocation or amendments by instrument(s) duly recorded.

20. The assessments made shall be based upon the cash requirements deemed to be such aggregate sum as the Managing Agent or Board of Managers of the Association shall from time to time determine is to be paid by all of the owners, including Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance and the operation of the general common elements, which sum may include, among other things, cost of management, taxes, assessments, insurance contracts purchased pursuant to the terms hereof insuring the buildings and the owners thereof and their mortgagees against such risks as may be insured against under the terms hereof, landscaping and care of grounds, common lighting, repairs, and renovations, garbage collection, wages, water charges, legal and accounting fees, management fees, expenses and liabilities incurred by the Managing Agent or Board of Managers under or by reason of this Declaration, the payment of any deficit remaining from a previous period, the creation of a reasonable contingency or other reserve or surplus funds as well as other costs and expenses relating to the general common elements. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification or a release of the owners from the obligation to pay.

The Managing Agent or Board of Managers shall obtain and maintain insurance of the type and kind required by a majority of the unit owners, issued by a responsible insurance company authorized to do business in the State of Texas or by more than one (1) responsible insurance company authorized to do business in the State of Texas should the same not be available for purchase from one such company and such insurance may be written in the name of the Managing Agent or in the name of the Board of Managers, as Trustee or Trustees for each unit owner and each unit owner's mortgagee, if any, or it may be written in such other names as a majority of the unit owners may direct. Such insurance shall not prejudice the rights of each owner to insure his unit on his own account and for his own benefit. The "Association" may also be named in such insurance policy or policies as insureds if required by the insuring company or companies. Such insurance shall provide for a standard, non-contributory mortgagee clause in favor of each first mortgagee. It shall also provide that it cannot be cancelled by either the insured or the insurance company until after ten (10) days prior to written notice to each first mortgagee. Said Managing Agent or

Board of Managers shall, upon request of any first mortgagee, furnish a certified copy of such policy and the separate certificate identifying the interest of the mortgagor. All policies of insurance shall provide that the insurance thereunder shall be invalidated or suspended only in respect to the interest of any particular owner guilty of a breach of warranty, act, omission, negligence or non-compliance of any provision of such policy, including payment of the insurance premium applicable to that owner's interest, or who permits or fails to prevent the happening of any event, whether occurring before or after a loss, which under the provisions of such policy would otherwise invalidate or suspend the entire policy, but the insurance under such policy, as to the interests of all other insured owners not guilty of any such act or omission, shall not be invalidated or suspended and shall remain in full force and effect. Determination of maximum replacement value of all condominium units (for insurance purposes) shall be made annually by one or more written appraisals, copies of which shall be furnished forthwith to each mortgagee of a condominum unit. In addition each owner shall be notified of such appraisal(s).

21. All owners shall be obligated to pay the estimated assessments imposed by the Board of Managers or Managing Agent of the Association to meet the common expenses. Except for insurance premiums, the assessments shall be made basically pro-rata according to each owner's percentage interest in and to the general common elements, but not necessarily in such exact proportion if the Board of Managers deem such improper or unfair. Assessments for insurance premiums shall be based upon the proportion of the total premium(s) that the insurance carried on a condominium unit bears to total coverage. Assessments for the estimated common expenses, including insurance, shall be due monthly in advance on or before the fifth (5th) day of each month. Failure to pay by the fifteenth (15th) day of each month shall require the imposition and assessment of a late charge of $5.00. The Managing Agent or Board of Managers shall prepare and deliver, or mail, regularly at least every three (3) months to each owner an itemized statement showing the various estimated or actual expenses for which the assessments are made.

Declarant shall not be liable for assessments prior to the sale or lease of all units.

Contribution for monthly assessments shall be pro-rated if the ownership of a condominium unit commences on a day other than on the first day of the month.

22. No owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the general or common elements, or by abandonment of his unit.

23. All sums assessed but unpaid for the share of common expenses chargeable to any condominium unit, including interest thereon at eight (8%) per cent per annum, shall constitute a lien on such unit superior (prior) to all other liens and encumbrances, except only for:

(a) Tax and Special Assessment liens in favor of any assessing unit; and

(b) All sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrances, and including additional advances made thereon prior to the arising of such a lien.

To evidence such lien the Board of Managers or Managing Agent may, but shall not be required to, prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the owner of the condominium unit and a description of the condominium unit. Such a notice shall be signed by one (1) of the Board of Managers or by the Managing Agent and may be recorded in the office of the Clerk and Recorder of Jefferson County, Texas. Such lien for the common expenses shall attach from the date of the failure of payment of the assessment.

Such lien may be enforced by foreclosure of the defaulting owner's condominium unit by the Association in like manner as a mortgage on real property upon the recording of a notice or claim thereof. In any such foreclosure, the owner shall be required to pay the cost and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The owner shall also be required to pay to the Association a reasonable rental for the condominium unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid in the condominium unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

The amount of the common expenses assessed against each condominium unit shall also be a debt of the owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing same.

Any encumbrancer holding a lien on a condominium unit may pay any unpaid common expense payable with respect to such unit, and upon such payment such encumbrancer shall have a lien on such unit for the amounts paid of the same rank as the lien of his encumbrance.

24. Upon the written request of any owner or any encumbrancer or prospective encumbrancer of a condominium unit, the Association by its Managing Agent or Board of Managers, shall issue a written statement setting forth the unpaid common expenses, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for pre-paid items, including but not limited to insurance premiums, which shall be conclusive upon the "Association" in favor of all persons who rely thereon in good faith. Unless such request of a statement of indebtedness shall be complied with within ten (10) days, all unpaid common expenses which become due prior to the date of making of such request shall be subordinate to the lien of the person requesting such statement.

The Grantee of a unit shall be jointly and severally liable with the Grantor for all unpaid assessements against the latter for his proportionate share of the common expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from the Grantor the amounts paid by the Grantee therefor; provided, however, that upon written request, any such prospective Grantee shall be entitled to a statement from the Managing Agent or Board of Managers, setting forth the amount of the unpaid assessments, if any, with respect to the subject unit, the amount of the current monthly assessment and the date that such assessment becomes due, credit for advanced payments or for pre-paid items, including but not limited to insurance premiums, which shall be conclusive upon the "Association". Unless such request for a statement of indebtedness shall be complied with within ten (10) days of such request, then such Grantee shall not be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid assessements against the subject unit.

Upon the sale or conveyance of an apartment, all assessments against a co-owner for his pro-rata share in the expenses as herein described and levied shall first be paid out of the sales price, or by the purchaser, in prefecence over any other assessments or charges of whatever nature except the following:

(a) Assessments, liens and charges in favor of the State and any political subdivision thereof for taxes past due and unpaid on the apartment; and

(b) Amounts due under first mortgage instruments duly recorded.

25. Any owner shall have the right from time to time to mortgage or encumber his interest by deed of trust, mortgage, or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable law. The owner of a condominium unit may create a second mortgage on the following conditions: (1) that any such second mortgage shall always be subordinate t ll of the terms, conditions, covenants, restrictions, uses, limitations, o igations, lien for common expenses, and other payments created by this Declaration and by the By-Laws; (2) that the mortgagee under any second mortgage shall release, for the purpose of restoration of any improvements upon the mortgaged premises, all of his right, title and interest in and to the proceeds under all insurance policies upon said premises, which insurance policies were effected and placed upon the mortgaged premises by the "Association". Such release shall be furnished forthwith by a second mortgagee upon written request to the "Association".

26. In the event any owner of a condominium unit shall wish to sell, lease or rent the same, and shall have received a bonafide offer therefor from a prospective purchaser or tenant, the remaining owners shall be given written notice thereof, together with an executed copy of such offer and the terms thereof. Such notice and copy shall be given to the Board of Managers for all of the owners. The remaining owners through the Board of Managers, or a person named by them, shall have the right to purchase or lease or rent the subject apartment upon the same terms and conditions as set forth in the offer therefor, provided written notice of such election to purchase or lease is given to the selling or leasing owner, and a matching down payment or deposit is provided to the selling or leasing owner during the ten (10) day period immediately following the delivery of the notice of the bonafide offer and copy thereof to purchase or lease.

In the event any owner shall attempt to sell, rent, or lease his condominium unit without affording to the other owners the right of first refusal herein provided, such sale or lease shall be wholly null and void and shall confer no title or interest whatsoever upon the intended purchaser or lessee. Possession of or residence in a condominium unit by any other person than the record owners, their lineal descendants or relatives of their lineal descendants, continuing for a period of ten (10) days, shall be deemed, for this purpose to constitute renting of the condominium unit, whether or not any consideration has been paid therefor; and in such event, the Board of Managers may require the removal of such opportunity(s), it being hereby agreed that the Board of Managers, in such event, shall be entitled to the possession of the condominium unit upon demand therefor of and from such occupant, with or without notice to the record owner(s) thereof; and in the event of failure to surrender such possession, the Board of Managers may institute and maintain Forcible Entry and Detainer proceedings for the possession of such unit, and have and retain such possession until the record owner thereof, or his purchaser (in event of sale, all prerequisites of this Declaration having been complied with) retakes physical possession of such premises. During any time when the Board of Managers shall have possession of such unit hereunder, the record owner and all of his guests, licensees and invitees shall be deemed to waive any claim for damages to person or property in or on the units.

The sub-leasing or sub-renting of said interest shall be subject to the same limitations as are applicable to the leasing or renting thereof. The liability of the owner under these covenants shall continue, notwithstanding the fact that he may have leased or rented said interest as provided herein.

In no case shall the right of first refusal reserved herein affect the right of an owner to subject his interest in the project parcel to a trust deed, mortgage, or other security instrument.

The failure of or refusal by the Board of Managers to exercise the right to so purchase, or lease shall not constitute or be deemed to be a waiver of such right to purchase or lease when an owner receives any subsequent bonafide offer from a prospective purchaser or tenant.

The provisions of this Article 26 shall not apply to any sale, lease or rental if made by Declarant at any time hereafter whether same be a "first sale or letting" or "resale or relatting" of a unit. Declarant shall have the further right to use any unit as office and sales area and display advertising signs at the premises at any time hereafter until all units have been sold by Declarant.

The right of first refusal, as provided herein, shall extend and run from the date of execution of this Declaration for the period of the lives of the now living descendants of L. M. FULBRIGHT, EDWIN J. TERRY and LARRY W. SPILLMAN, whichever of said descendants shall live the longer, plus twenty-one (21) years.

Except as is otherwise provided in Paragraph 27, and except upon a transfer of title to a Public Trustee, or to a first mortgage, each grantor of a condominium unit, upon transferring or conveying his interest, shall incorporate in such instrument of conveyance an agreement that the grantee carry out the provisions of the "right of first refusal" as provided in this paragraph.

27. In the event of any default on the part of any owner under any first mortgage which entitled the holder thereof to foreclose same, any sale under such foreclosure, including delivery of a deed to the first mortgage in lieu of such foreclosure shall be made free and clear of the provisions of Paragraph 26 and the purchaser (or grantee under such deed in lieu of foreclosure) of such condominium unit shall be thereupon and thereafter subject to the provisions of this Declaration and By-Laws. If the purchaser following such foreclosure sale (or grantee under deed given in lieu of such foreclosure) shall be the then holder of the first mortgage, or its nominee, the said holder or nominee may thereafter sell and convey the condominium unit free and clear of the provisions of Paragraph 26, but its grantee shall thereupon and thereafter be subject to all of the provisions thereof.

The transfer of a deceased joint tenant's interest to the surviving joint tenant or the transfer of a deceased's interest to a devisee by Will or his heirs at law under intestacy laws shall not be subject to the provisions of Paragraph 26.

If an owner of a condominium unit can establish to the satisfaction of the Managing Agent or Board of Managers that a proposed transfer is not a sale or lease, then such transfer shall not be subject to the provisions of Paragraph 26.

28. Upon written request of any prospective transferor, purchaser, tenant or an existing or prospective mortgagee of any condominium unit, the Managing Agent or Board of Managers of the Association shall forthwith, or where times is specified, at the end of the time, issue a written and acknowledged certificate in recordable form, evidencing that:

(a) With respect to a proposed lease or sale under Paragraph 26, that proper notice was given by the selling or leasing owner and that the remaining owners did not elect to exercise their option to purchase or lease;

(b) With respect to a deed to a first mortgagee or its nominee in lieu of foreclosure, and a deed from such first mortgagee or its nominee, pursuant to Paragraph 27, that the deeds were in fact given in lieu of foreclosure and were not subject to the provisions of Paragraph 26;

(c) With respect to any contemplated transfer which is not in fact a sale or lease, that the transfer is not or will not be subject to the provisions of Paragraph 26.

Such certificate shall be conclusive evidence of the facts contained therein.

29. This Declaration hereby makes mandatory the irrevocable appointment of an attorney-in-fact to deal with the property upon its destruction or obsolescence.

Title to any condominium unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed from the Declarant or from any owner shall constitute appointment of the attorney-in-fact herein provided. All of the owners irrevocably constitute and appoint the Non-Profit Association hereinafter named, or its successor Non-Profit Corporation, if same be hereafter organized, their true and lawful attorney in their name, place and stead, for the purpose of dealing with the property upon its destruction or obsolescence as is hereafter provided. As attorney-in-fact, the Association, by its President and Secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or other instrument with respect to the interest of a condominium unit owner which are necessary and appropriate to exercise the powers herein granted. Repair and reconstruction of the improvement(s) as used in the succeeding sub-paragraphs means restoring the improvement(s) to substantially the same condition in which it existed prior to the damage, with each unit and the general and limited common elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be made available to the Association for the purpose of repair, restoration or replacements unless the owners and all first mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter.

(a) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s) shall be applied by the "Association", as attorney-in-fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed.

(b) If the insurance proceeds are sufficient to repair and reconstruct the improvement(s), and if such damage is not more than Fifty (50%) per cent of all of the general common elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the "Association", as attorney-in-fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the owners and their condomonium units. Such deficiency assessment shall be a common expense made pro-rata according to each owner's percentage interest in and to the general common elements and shall be due and payable within Thirty (30) days after written notice thereof. The "Association" shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt of each owner, and a lien on his condominium unit and may be enforced and collected as is is provided in Paragraph 23. In addition thereto, the "Association", as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the "Association" shall

cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the "Association". The proceeds derived from the sale of such condominium unit shall be used and disbursed by the "Association", as attorney-in-fact, in the following order:

1. For payment of the balance of the lien of any first mortgage;
2. For payment of taxes and special assessment liens in favor of any assessing entity;
3. For payment of unpaid common expenses;
4. For payment of junior liens and encumbrances in the order of and to the extent of their priority; and
5. The balance remaining, if any, shall be paid to the condominium unit owner.

(c) If more than Fifty (50%) per cent of all of the general common elements, not including land, are destroyed or damaged, and if the owners representing an aggregate ownership interest of one-half (1/2) of said condominium units, or more, do not voluntarily, within One Hundred (100) days thereafter, make provision for reconstruction, which plan must have the unanimous approval or consent of every first mortgagee, the "Association" shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary, the entire remaining premises shall be sold by the "Association", as attorney-in-fact for all of the owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The insurance settlement proceeds shall be collected by the "Association", and such proceeds shall be divided by the "Association" according to each unit owner's interest (as such interests appear on the policy or policies) and such divided proceeds shall be paid into as many separate accounts as there are units covered by this Declaration, each such accounts representing one of the condominium units. Each such account shall be in the name of the "Association", and shall be further identified by the number of the apartment unit and the name of the owner. From each separate account, the "Association" as attorney-in-fact shall use and disburse the total amount (of each) of such accounts, without contribution from any account to another, toward the full payment of the lien on any first mortgage against the condominium unit represented by such separate account. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire property. Such apportionment shall be based upon each condominium unit owner's percentage interest in the general common elements. The total funds of each account shall be used and disbursed, without contribution from one account to another, by the "Association", as attorney-in-fact, for the same purposes and in the same order as is provided in sub-paragraph (b) [1] through [5] of this paragraph.

If the owners representing an aggregate ownership interest of Three-fourths (3/4) of the condominium units, or more, adopt a plan for reconstruction, which plan has the unanimous aproval of all first mortgagees, then all of the owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a common expense and made pro-rata according to each owner's percentage interest in the general common elements and shall be due and payable as provided by the terms of such plan but not sooner than Thirty (30) days after written notice thereof.

The "Association" shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an owner to pay the assessment. The assessment provided for herein shall be a debt of each owner and a lien on his condominium unit and may be enforced and collected as is provided in Paragraph 23.

In addition thereto, the "Association", as attorney-in-fact, shall have the absolute right and power to sell the condominium unit of any owner refusing or failing to pay such assessment within the time provided, and if not so paid, the "Association" shall cause to be recorded a notice that the condominium unit of the delinquent owner shall be sold by the "Association". The proceeds derived from sale of such condominium unit shall be used and disbursed by the "Association", as attorney-in-fact, for the same purposes and in the same order as is provided in sub-paragraph (b) [1] through [5] of this paragraph.

(d) The owners representing an aggregate ownership interest of Three-fourths (3/4) of the condominium units covered by this Declaration, or more, may agree that the general common elements of the property are obsolete and that the same should be renewed or reconstructed. In such instance, then the expense thereof shall be payable by all of the owners as common expenses; provided, however, thay any owner not agreeing to such renewal or reconstruction may give written notice to the "Association" that such unit shall be purchased by the "Association" for the fair market value thereof. If such owner and the "Association" can agree on the fair market value thereof, then such sale shall be consummated within Thirty (30) days thereafter. If the parties are unable to agree, the date when either party notifies the other that he or it is unable to agree with the other shall be the "commencement date" from which all periods of time mentioned herein shall be measured. Within ten (10) days following the commencement date, each party shall nominate in writing (and give notice of such nomination to the other party), the appraiser who shall be a member of the Beaumont Real Estate Board. If either party fails to make such a nomination, the appraiser nominated shall within five (5) days after default by the other party appoint and associate with him another appraiser (to be selected from the

Beaumont Real Estate Board). If the two (2) appraisers designated by the parties, or selected pursuant hereto in the event of the default of one party, are unable to agree, they shall appoint another appraiser (to be selected from the Beaumont Real Estate Board) to be umpire between them, if they can agree on such person. If they are unable to agree upon such umpire, then each appraiser previously appointed shall nominate two (2) persons (each of whom shall be a member of the Beaumont Real Estate Board), and from the names of the four (4) persons so nominated shall be drawn by lot by any judge of any Court of record in Texas, and the name so drawn shall be the umpire. The nominations from whom the umpire is to be drawn by lot shall be submitted within ten (10) days of the failure of the two (2) appraisers to agree, which in any event shall not be later than Twenty (20) days following the appointment of second appraiser. The decision of the appraisers as to the fair market value or in the case of their disagreement, the decision of the umpire, shall be final and binding. The expenses and fees of such appraisers shall be borne equally by the "Association" and the owners. The sale shall be consummated within fifteen (15) days thereafter, and the "Association" as attorney-in-fact, shall disburse such proceeds as is provided in sub-paragraph (b) [1] through [5] of this paragraph.

(e) The owners representing an aggregate ownership interest of Three-fourths (3/4) of the condominium units, covered by this Declaration, or more, may agree that the general common elements of the property are obsolete and that the same should be sold. In such instance, the "Association" shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the "Association's" President and Secretary, the entire premises shall be sold by the "Association", as attorney-in-fact, for all of the owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The sales proceeds shall be apportioned between the owners on the basis of each owner's percentage interest in the general common elements, and such apportioned proceeds shall be paid into as many separate accounts as there are units covered by this Declaration, each such account representing one (1) condominium unit. Each such account shall be in the name of the "Association", and shall be further identified by the number of the unit and the name of the owner. From each separate account, the "Association" as attorney-in-fact, shall use and disburse the total amount (of each) of such funds, without contribution from one fund to another, for the same purposes and in the same order as is provided in sub-paragraph (b) [1] through [5] of this paragraph.

30. Prior to the first conveyance of any condominium unit, Declarant shall execute and deliver a Bill of Sale to the "Association", transferring all items of personal property located on the entire premises and furnished by Declarant, which property is intended for the common use and enjoyment of the condominium unit owners and occupants. The "Association" shall hold title to such property for the use and enjoyment of the condominium unit owners and occupants. No owner shall have any other interest and right thereto, and all such right and interest shall absolutely terminate upon the owner's termination of possession of his condominium unit.

31. All notices, demands, or other notices intended to be served upon an owner shall be sent by ordinary or certified mail, postage pre-paid, addressed in the name of such owner in care of the unit number and building address of such owner. All notices, demands, or other notices intended to be served upon the Managing Agent, or the Board of Managers of the "Association" shall be sent by ordinary or certified mail, postate pre-paid, until such address is changed by a notice of address change duly recorded.

32. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase, or word, or the application thereof in any circumstances be invalidated, such validity shall not affect the validity of the remainder of this Declaration and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

33. The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Texas and to all other provisions of law.

34. That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the singular, and the use of any gender shall include all genders.

EXECUTED this 3rd day of June, 1980.

LENMARK, INC.

BY: _____
W. T. LITTLE,
President

THE STATE OF TEXAS
COUNTY OF JEFFERSON

BEFORE ME, the undersigned authority, on this day personally appeared W. T. LITTLE, President of Lenmark, Inc., known to me to be the person whose name is subscribed to the above and foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER my hand and seal of office this the 3rd day of June, 1980.

_____
NOTARY PUBLIC IN AND FOR
JEFFERSON COUNTY, TEXAS

My Commission Expires _____

EXHIBIT "B"

BY-LAWS
OF
COLLIER SQUARE TOWNHOMES

ARTICLE I:

OBJECT
(Plan of Unit Ownership)

1. The purpose for which this Non-Profit Association is formed is to govern the condominium property situated in the County of Jefferson County, State of Texas, which property is described and depicted in Exhibit "A", which by this reference is made a part hereof, and which property has been submitted to the provisions of the Condominium Ownership Act of the State of Texas.

2. All present or future owners, tenants, future tenants, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium units (hereinafter referred to as "units") of the project or the mere act of occupancy of any of said units will signify that these By-Laws are accepted, ratified and will be complied with.

ARTICLE II:

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. MEMBERSHIP. Any person on becoming an owner of a condominium unit shall automatically become a member of this "Association" and be subject to these By-Laws. Such membership shall terminate without any formal "Association" action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under, or in any way connected with the condominium regime established by the foregoing Declaration, during the period of such ownership and membership in this "Association", or impair the rights or remedies which the Board of Managers or the "Association" or others may have against such former owner and member arising out of or in any way connected with such ownership and membership, and the covenants and obligations incident thereto. No certificates of stock shall be issued by the "Association", but the Board of Managers may, if it so elects, issue one (1) membership card to the owner(s) of a condominium unit. Such membership card shall be surrended to the Secretary whenever ownership of the condominium unit designated thereon shall terminate.

2. VOTING. Voting shall be based upon the percentage of the undivided interest of each unit owner in the general common elements. An owner of an undivided fractional interest in and to a condominium unit shall be entitled to a vote equal to his fractional ownership interest in such unit. Cumulative voting is prohibited.

3. MAJORITY OF UNIT OWNERS. As used in these By-Laws, the term "majority of unit owners" shall mean the unit owners with Fifty-One (51%) per cent or more of the votes weighed so as to coincide with the percentages assigned in the Declaration.

4. QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of unit owners" as defined in Paragraph 3 of this Article shall constitute a quorum.

5. PROXIES. Votes may be cast in person or by proxy. Proxies may be filed with the Secretary before the appointed time of each meeting.

ARTICLE III:

ADMINISTRATION

1. ASSOCIATION RESPONSIBILITIES. The owners of the units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the project through a Board of Managers.

2. PLACE OF MEETINGS. Meetings of the "Association" shall be held at such place as the Board of Managers determine.

3. ANNUAL MEETINGS. The first annual meeting of the "Association" shall be held on or before one (1) year after the date hereof. Thereafter, the annual meetings of the "Association" shall be held on the 4th Monday of whatever month the first annual meeting is held in, so that month comes around each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Managers in accordance with the requirements of Paragraph 5 of Article IV of these By-Laws. The owners may also transact other business of the "Association" as may properly come before them.

4. SPECIAL MEETINGS. It shall be the duty of the President to call a Special Meeting of the owners as directed by Resolution of the Board of Managers, or upon a Petition signed by a majority of the owners and having been presented to the Secretary. The notice of any Special Meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a Special Meeting except as stated in the notice unless by consent of Four-fifths (4/5) of the owners present, either in person or by proxy.

5. NOTICE OF MEETINGS. It shall be the duty of the Secretary to mail a notice of each annual or Special Meeting, stating the purpose thereof, as well as the time and place where it is to be held, to each owner of record at least five (5) but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6. ADJOURNED MEETING. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than Forty-eight (48) hours from the time the original meeting was called.

7. ORDER OF BUSINESS. The order of business at all meetings of the owners of units shall be as follows:

(a) Roll call;
(b) Proof of Notice of meeting or Waiver of Notice;
(c) Reading of the Minutes of preceding meeting;
(d) Reports of Officers;
(e) Reports of Committees;
(f) Election of Managers;
(g) Unfinished business;
(h) New business.

ARTICLE IV

BOARD OF MANAGERS

1. NUMBER AND QUALIFICATIONS. The affairs of this "Association" shall be governed by a Board of Managers composed of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the "Association" until one (1) year after the date hereof, unless all of the units of this regime are leased or sold prior to the end of such year at which earlier time they will have the option to cease being members of the Board of Managers or unless their successors are elected prior to the end of such year, to-wit:

L. H. FULBRIGHT, EDWIN J. TERRY and LARRY W. SPILLMAN

2. POWERS AND DUTIES. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the "Association" and for the operation and maintenance of a first-class residential condominium project. The Board of Managers may do all such acts and things as are not by these By-Laws or by the foregoing Condominium Declaration directed to be exercised and done by the owners.

3. OTHER POWERS AND DUTIES. The Board of Managers shall be empowered and shall have the duties as follows:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Texas.

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the general and limited common elements and all items of personal property used in the enjoyment of the entire premises.

(d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to their maximum replacement value as provided in the Declaration. Maximum replacement value shall be determined annually by one (1) or more written appraisals. The type and kind of such insurance contracts shall be determined by what a majority of the unit owners direct. Further, to obtain and maintain an owners, landlord and tenant comprehensive liability insurance policy covering the entire premises in amounts not less than ONE HUNDRED THOUSAND AND NO/100 ($100,000.00) DOLLARS per person and THREE HUNDRED THOUSAND AND NO/100 ($300,000.00) DOLLARS per accident and FIFTY THOUSAND AND NO/100 ($50,000.00) DOLLARS property damages and also such other types and kinds of insurance covering such other risks as a majority of the unit owners shall direct. To insure and keep insured all of the fixtures, equipment and personal property acquired by the "Association" for the benefit of the "Association" and the owners of the condominium units and their first mortgagees.

(e) To fix, determine, levy and collect the monthly pro-rated assessments. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expense, or because of emergencies. All monthly or other assessments shall be in itemized statement form and shall set forth the detail of the various expenses for which the assessments are being made.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By-Laws.

(g) To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required, to execute all such instruments evidencing such indebtedness which shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.
(i) To enter into contracts within the scope of their duties and powers.
(j) To establish a bank account for the common treasury and for all separate funds which are required, or may be deemed advisable by the Board of Managers.
(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent Certified Public Accountant once each year.
(l) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.

(m) To meet at least once each quarter.
(n) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.
(o) In general to carry on the administration of this "Association" and to do all of those things necessary and reasonable in order to carry out the communal aspect of condominium ownership.

4. MANAGING AGENT. The Managing Agent shall be Declarant in the foregoing Declaration or whatever person or entity to whom such Declarant for purposes of resale may convey all his units in this regime which at the time of such conveyance he has not sold to owner occupants and such Managing Agent shall have all of the powers and shall perform the duties of the Board of Managers until one (1) year after the date hereof, unless all units in this regime are leased or sold prior to the end of such year at which earlier time Declarant shall have the option to cease being such Managing Agent. Declarant will receive no compensation for serving as Managing Agent. Subsequent to one (1) year after the date hereof, or subsequent to the lease or sale of all units in this regime, whichever comes first in time, the Board of Managers may employ for the "Association" a Managing Agent at a compensation to be established by the Board to perform such duties and services as the Board shall authorize including, but not limited to the duties listed in Paragraph 3 of this Article, but such subsequently employed Managing Agent may not be Declarant unless Declarant is to serve without compensation.

5. ELECTION AND TERM OF OFFICE. At the first annual meeting of the "Association" the term of office of one (1) Manager shall be fixed for three (3) years. The term of office of one (1) Manager shall be fixed for two (2) years, and the term of office of one (1) Manager shall be fixed for one (1) year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three (3) years. The three (3) persons acting as Managers shall hold office until their successors have been elected and hold their first meeting.

6. VACANCIES. Vacancies on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the "Association" shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum, and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the "Association".

7. REMOVAL OF MANAGERS. At any regular or special meeting duly called, any one (1) or more of the Managers may be removed with or without cause by a majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. ORGANIZATION MEETING. The first meeting of a newly elected Board of Managers shall be held within ten (10) days of election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

9. REGULAR MEETINGS. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time, by a majority of the Managers, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

10. SPECIAL MEETINGS. Special meetings of the Board of Managers may be called by the President on three (3) days' notice to each Manager, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Managers.

11. WAIVER OF NOTICE. Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. BOARD OF MANAGERS' QUORUM. At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. FIDELITY BONDS. The Board of Managers may require that all officers and employees of the "Association" handling or responsible for "Association" funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the "Association".

ARTICLE V

OFFICERS

1. DESIGNATION. The officers of the "Association" shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by and from the Board of Managers.

2. ELECTION OF OFFICERS. The officers of the "Association" shall be elected annually by the Board of Managers at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

3. REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or any special meeting of the Board called for such purpose.

4. PRESIDENT. The President shall be the chief executive officer of the "Association". He shall preside at all meetings of the "Association" and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of President of an "Association", including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the "Association".

5. SECRETARY. The Secretary shall keep all the Minutes of all meetings of the Board of Managers and the Minutes of all meetings of the "Association"; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the "Association" a complete list of members and their last known adresses as shown on the records of the "Association". Such list shall also show opposite each member's name the number or other appropriate designation of the apartment unit owned by such members and the garage or parking space and storage space assigned for use in connection with such apartment unit. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable time during regular business hours.

6. TREASURER. The Treasurer shall have responsibility for "Association" funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the "Association". He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the "Association" in such depositories as may from time to time be designated by the Board of Managers.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND MANAGERS

The "Association", shall indemnify every Manager or Officer, his heirs, executors and administrators, against all loss, costs and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Manager or Officer of the "Association", except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the setlement as to which the "Association" is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Manager or Officer in relation

to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Manager of Officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the "Association" by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the "Association" as common expenses; provided, however, that nothing in this Article VI contained shall be deemed to obligate the "Association" to indemnify any member or owner of a condominium unit, who is or has been a Manager or Officer of the "Association", with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the foregoing Declaration as a member or owner of a condominium unit covered thereby.

ARTICLE VII

OBLIGATIONS OF THE OWNER

1. ASSESSMENTS. All owners, upon completion of the purchase thereof, or occupancy by such owner or tenant, whichever occurs first, shall be obligated to pay the monthly assessments imposed by the "Association" to meet the common expenses. The assessments shall be made pro-rata according to percentage interest in and to the general common elements and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or a special meeting of members, within the meaning of these By-laws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. MAINTENANCE AND REPAIR.

(a) Every owner must perform promptly at his own expense all maintenance and repair work within his own unit, which if omitted would affect the project in its entirety, or in a part belonging to other owners.

(b) All the repairs of internal installations of each unit such as water, light, gas power, sewerage, telephone, air conditioners, sanitary installations, electrical fixtures and all other accessories, equipment and fixtures belonging to the unit area shall be at the expense of each unit's owner. External installations of each unit such as electric lines, wires, conduits or systems and heating and air conditioning systems shall be maintained by the owner of the unit exclusively served by same. An owner shall also maintain all the plumbing service exclusively of his unit, and maintenance of sewer lines serving more than one (1) unit and running from the end of a unit's single sewer line to the point where such sewer line becomes the property of the City of Beaumont, shall be "common expenses."

(c) Damage to exterior doors and windows shall be repaired by and at the expense of the owner, provided, however, if such damage or loss is covered by insurance, such owner shall be entitled to reimbursement to the extent of the insurance payment. Replacement or repair of exterior doors or windows required because of ordinary wear and tear and deterioration shall be paid for out of the assessments levied and collected by the Board of Managers.

(d) An owner shall be obligated to reimburse the "Association" promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by his negligence or by the negligence of his tenants or agents.

3. MECHANIC'S LIEN. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of Mechanic's Lien filed against other units and the appurtenant general common elements for labor, materials, services and other products incorporated in the owner's unit. In the event suit for foreclosure is commenced, then within ninety (90) days thereafter such owner shall be required to deposit with the "Association" cash or negotiable securities equal to the amount of such claim, plus interest for one (1) year, together with the sum of ONE HUNDRED AND NO/100 ($100.00) DOLLARS. Such sum or securities shall be held by the "Association" pending final adjudication or settlement of the litigation. Disbursements of such funds or proceeds shall be made to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the "Association" to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit, which may be foreclosed as is provided in Paragraph 2 and 3 of the Declaration.

4. GENERAL.

(a) Each owner shall comply strictly with the provisions of the foregoing Condominium Declaration.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the project covered by the foregoing Declaration was built.

5. USE OF UNITS - INTERNAL CHANGES.

(a) All units shall be utilized for a single family residential purposes only and no unit shall be occupied other than on a temporary basis by more than two (2) persons per bedroom and the occupancy by more than such number continuing for a period of ten (10) days shall be deemed for this purpose to constitute permanent occupancy.

(b) An owner shall not make structural modification or alterations to his unit or installations located therein, without previously notifying the "Association" in writing through the Managing Agent, or if no Managing Agent is employed, then through the President of the Board of Managers. The "Association" shall have the obligation to answer within five (5) days after such notice, and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration.

6. USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS. Each owner may use the general common elements and the limited common elements in accordance with the purpose for which they were intended, without hindering or encroaching upon the lawful rights of the other owners.

7. RIGHT OF ENTRY.

(a) An owner shall grant the right of entry to the Managing Agent, or to any other person authorized by the Board of Managers, in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(c) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

8. RULES AND REGULATIONS.

(a) All owners shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of any recreational facilities that may be afforded. All owners and their guests shall achieve maximum utilization of such facilities consonant with the rights of each of the owners thereto.

(b) Nothing shall be done in any unit, nor shall same be occupied or used for any purpose, nor shall any commodity, product, or personal property be kept therein or thereon, which shall cause such improvements to be uninsurable against loss by fire, or the perils included in an extended coverage endorsement under the rules of the State of Texas Insurance Commission, or which might cause or warrant any policy or policies covering said premises to be cancelled or suspended by the issuing company.

(c) Owners and occupants of units shall at all times exercise extreme care to avoid making or permitting to be made loud or objectionable noises in such manner as may disturb or tend to disturb owners, tenants, or other occupants of condominium units in the condominium regime established by the foregoing Declaration. No unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants of enjoining units, nor shall any nuisance, or immoral or illegal activity be committed or permitted to occur in or on any unit or upon any part of the common elements of the condominium regime established by the foregoing Declaration.

(d) The common area is intended for use for the purpose of affording vehicular and pedestrian movement within the consominium, and of providing access to the units. No part of the common area shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the common area (common elements) be used for general storage purposes after the completion of the construction of the units by developer, nor anything done thereon in any manner which shall increase the rate for hazard and liability insurance covering said area and improvements situated thereon.

(e) No owner or tenant of a condominium unit shall post any advertisements, signs, or posters, of any kind in or on the project except as authorized by the "Association".

(f) Garages and storage areas shall at all times be kept free of an unreasonable accumulation of debris and rubbish of any kind. Parking of automobiles or other vehicles shall be only in the spaces designated as parking space for each unit. No unattended automobiles or other vehicles shall at any time be left in the alleyways or driveways or streets in such manner as to impede the passage of traffic or to impair proper access to parking areas.

(g) No owner or lessee shall install wiring for electrical or telephone installation, television antennas, machines or air conditioning units or any other devices whatsoever on the exterior of the project or that protrude through the walls or out of the windows, or on the roof of the project save as are expressly in writing previously approved by the "Association".

(h) No owner or other occupant of any condominium unit shall make any alteration or improvement to the common elements of the condominium or remove any planting, structure, furnishings or other equipment or object therefrom except with the written consent of the "Association".

9. DESTRUCTION OR OBSOLESCENCE. Each owner shall, upon becoming an owner of a condominium unit, execute a power of attorney in favor of "Association", irrevocably appointing the "Association" his attorney-in-fact to deal with the owner's condominium unit upon its destruction or obsolescence as is provided in Paragraph 29 of the foregoing Condominium Declaration.

ARTICLE VIII

AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

1. BY-LAWS. These By-Laws may be amended by the "Association" at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by owners representing at least seventy (70%) per cent of the aggregate interest of the undivided ownership of the general common elements.

ARTICLE IX

MORTGAGES

1. NOTICE OF "ASSOCIATION". An owner who mortgages his unit shall notify the "Association" through the Managing Agent, if any, or the President of the Board of Managers, giving the name and address of his morgagee. The "Association" shall maintain such information in a book entitled "Mortgagees of Units".

FILED FOR RECORD
COUNTY CLERK
JEFFERSON COUNTY, TEXAS
JUN 23 3 29 PM '80

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AMENDED DECLARATION

1056239

WHEREAS, by instrument of record in Vol. 8, Pg. 121 et seq. of the Condominium Declaration of Jefferson County, Texas, LENMARK, INC., as "Declarant" filed a Condominium Declaration for Collier Square Townhomes upon a tract of land identified as containing 1.624 acres of land out of the F. Bigner Survey, Abstract 1, Beaumont, Jefferson County, Texas, described by metes and bounds; and

WHEREAS, the Condominium Plat filed with such Declaration described said tract of land as containing 1.10 acres of land described on said plat as being the tract of land upon which such Condominium improvements were in being; and

WHEREAS, LENMARK, INC., the Declarant, did not own the entirety of the 1.624 acres described in such Declaration but only owned 1.10 acres, the lands described on the Plat of such Condominium, and being a tract of land conveyed to it by G. W. Christian et al, by deed dated October 25, 1979, recorded in Vol. 2180, Pg. 13 of the Deed Records of Jefferson County, Texas; and

WHEREAS, LENMARK, INC., Declarant is desirous of correcting the property description contained in such Condominium Declaration so that such property description will conform with its ownership and will conform with the description of the property upon which such Condominium is physically located,

NOW THEREFORE, LENMARK, INC., for the purpose of correcting the error of property description does herewith amend such original Declaration by substituting for the property description therein contained, the following:

BEING a 1.10 acre tract of landout of the Fredrick Bigner Survey, Abstract No. 1 in Beaumont, Jefferson County, Texas, and being out of that certain 1.624 acre tract of land that was conveyed by George R. Sosler to Doak C. Procter, III, et al, and said 1.10 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a steel rod in the South right-of-way line of Collier Road locating the Northwest corner of said Procter tract and the Northwest and the beginning corner of the tract of land herein described;

THENCE East with the South right-of-way line of Collier Road a distance of 210.50 feet to an iron stake for corner;

THENCE South a distance of 229.78 feet to an iron stake for corner in the South line of said Procter tract and in the North line of the John Stegall 15 acre tract;

THENCE South 89 degrees 57 minutes 28 seconds West with said line a distance of 205.85 feet to a steel rod locating the Southwest corner of said Procter tract;

FILED FOR RECORD

COUNTY CLERK
JEFFERSON COUNTY, TEXAS

1056239

JUL 28 8 39 AM '80

STATE OF TEXAS
COUNTY OF JEFFERSON

I hereby certify that this instrument was FILED FOR RECORD on the date and at the time stamped hereon; and was duly RECORDED in the Volume and Page of the above named RECORDS of Jefferson County, Texas as stamped hereon by me.

COUNTY CLERK
JEFFERSON COUNTY, TEXAS

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

AGREEMENT

THIS AGREEMENT is entered into this the 19th day of August, 1985, by and between COLLIER SQUARE MANAGEMENT CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as COLLIER SQUARE, AMERICAN REAL ESTATE CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as AMERICAN, and the Owners of a condominium unit or units located in and being a part of the COLLIER SQUARE TOWNHOMES, hereinafter called OWNERS; and

WHEREAS, the OWNERS are all of the stockholders of COLLIER SQUARE MANAGEMENT CORPORATION which was incorporated and exists for the purpose of management and operation of the COLLIER SQUARE TOWNHOMES project; and

WHEREAS, all of the OWNERS heretofore, each individually, executed a Lease Agreement and Option Agreement with COLLIER SQUARE granting to COLLIER SQUARE the rights therein stated, which include provisions for extension of the term of said agreements; and

WHEREAS, COLLIER SQUARE entered into a Management Agreement with AMERICAN granting to AMERICAN the rights and obligations therein stated, which include provisions for extension of the term of said agreement; and

WHEREAS, the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE have a primary expiration date of June 30, 1985, with the right of COLLIER SQUARE to extend same; and

WHEREAS, the Management Agreement between AMERICAN and COLLIER SQUARE has a primary expiration date of June 29, 1982, with the right of AMERICAN to extend same; and

WHEREAS, all of the OWNERS are all of the stockholders of COLLIER SQUARE, each owning one (1) share of common stock of COLLIER SQUARE; and

WHEREAS, each OWNER has heretofore executed a Buy-Sell Agreement with COLLIER SQUARE regarding said stock; and

WHEREAS, all of the agreements referred to above are now in full force and effect; and

WHEREAS, there has been discussion between the parties to this Agreement regarding the sale of a condominium unit or units or the use of a condominium unit or units by an individual Owner or Owners and a part of the OWNERS having heretofore expressed a desire to be able to sell or otherwise convey their individual condominium unit or units or otherwise deal with their individual condominium unit or units free and clear of the provisions of the Lease Agreement heretofore executed between said OWNER and COLLIER SQUARE and the Option Agreement heretofore executed between said OWNER and COLLIER SQUARE and the Management Agreement heretofore executed between COLLIER SQUARE and AMERICAN;

NOW, THEREFORE, the parties agree as follows:

1. It is agreed that each Owner or Owners of an individual condominium unit or units shall have the option to withdraw and no longer be bound nor a participant in the Lease Agreement, Option Agreement and Management Agreement referred to above by the giving of thirty (30) days written notice to COLLIER SQUARE and AMERICAN. The written notice shall state the effective date of withdrawal and termination. Beginning with the effective date as set forth in said notice, the OWNER of the condominium unit or units giving such notice shall no longer be bound by, or have any rights in, the Lease Agreement, Option Agreement and Management Agreement referred to above. COLLIER SQUARE, AMERICAN and the withdrawing OWNER shall execute such mutual releases deemed necessary or appropriate.

2. It is further understood and agreed that until such time as an individual Owner or Owners withdraws as set forth above, all agreements, including the Buy-Sell Agreement executed between the OWNERS and COLLIER SQUARE regarding their corporate stock, heretofore executed by the parties (being the agreements referred to above) shall remain in full force and effect and binding upon the parties to this Agreement.

3. It is further agreed, as the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE and the Management Agreement between COLLIER SQUARE and AMERICAN have differing terms,

that the Lease Agreements between the OWNERS and COLLIER SQUARE and the Option Agreements between the OWNERS and COLLIER SQUARE and the Management Agreement between COLLIER SQUARE and AMERICAN shall have a two (2) year term, which shall be the extension term, with an expiration date next of June 30, 1987; it being understood that all other terms and provisions of said Lease Agreements between OWNERS and COLLIER SQUARE and Option Agreements between OWNERS and COLLIER SQUARE and Management Agreement between COLLIER SQUARE and AMERICAN shall remain in full force and effect.

4. It is further understood and agreed that this Agreement shall have no force and effect and shall not alter or amend any term or provision of the Condominium Declaration for COLLIER SQUARE TOWNHOMES or Bylaws of the COLLIER SQUARE TOWNHOMES ASSOCIATION.

5. It is further agreed, as consideration of the mutual covenants and promises herein contained, that upon withdrawal of an OWNER of a condominium unit or units as set forth in Paragraph 1, that said Owner or Owners of said condominium unit or units will surrender and cancel and thereby transfer to COLLIER SQUARE his or her share of stock in COLLIER SQUARE; and surrender and transfer of said stock to be simultaneous with the effective date of withdrawal.

SIGNED and EXECUTED in separate originals by each individual owner each of which shall have the same effect as one original having been signed by all of the owners.

COLLIER SQUARE MANAGEMENT CORPORATION

BY: _____
PRINTED NAME: Edwin S. Terry
TITLE: President

AMERICAN REAL ESTATE CORPORATION

BY: _____
PRINTED NAME: _____
TITLE: President

OWNER - COLLIER SQUARE TOWNHOMES

_____
DR. HENRI CLARKE

THE STATE OF TEXAS §
COUNTY OF JEFFERSON §

AGREEMENT

THIS AGREEMENT is entered into this the 7th day of July, 1986, by and between COLLIER MANAGEMENT CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as COLLIER SQUARE TOWNHOMES NUMBER II, AMERICAN REAL ESTATE CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as AMERICAN, and the Owners of a condominium unit or units located in and being a part of the COLLIER SQUARE TOWNHOMES NUMBER II, hereinafter called OWNERS; and

WHEREAS, the OWNERS are all of the stockholders of COLLIER SQUARE MANAGEMENT CORPORATION which was incorporated and exists for the purpose of management and operation of the COLLIER SQUARE TOWNHOMES NUMBER II project; and

WHEREAS, all of the OWNERS heretofore, each individually, executed a Lease Agreement and Option Agreement with COLLIER SQUARE TOWNHOMES NUMBER II granting to COLLIER SQUARE TOWNHOMES NUMBER II the rights therein stated, which include provisions for extension of the term of said agreements; and

WHEREAS, COLLIER SQUARE TOWNHOMES NUMBER II entered into a Management Agreement with AMERICAN granting to AMERICAN the rights and obligations therein stated, which include provisions for extension of the term of said agreement; and

WHEREAS, the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE TOWNHOMES NUMBER II have a primary expiration date of April 13, 1986, with the right of COLLIER SQUARE TOWNHOMES NUMBER II to extend same; and

WHEREAS, the Management Agreement between AMERICAN and COLLIER SQUARE TOWNHOMES NUMBER II has a primary expiration date of June 29, 1982, with the right of AMERICAN to extend same; and

WHEREAS, all of the OWNERS are all of the stockholders of COLLIER SQUARE TOWNHOMES NUMBER II, each owning one (1) share of common stock of COLLIER SQUARE TOWNHOMES NUMBER II: and

WHEREAS, each OWNER has heretofore executed a Buy-Sell Agreement with COLLIER SQUARE TOWNHOMES NUMBER II regarding said stock; and

WHEREAS, all of the agreements referred to above are now in full force and effect; and

WHEREAS, there has been discussion between the parties to this Agreement regarding the sale of a condominium unit or units or the use of a condominium unit or units by an individual Owner or Owners and a part of the OWNERS having heretofore expressed a desire to be able to sell or otherwise convey their individual condominium unit or units or otherwise deal with their individual condominium unit or units free and clear of the provisions of the Lease Agreement heretofore executed between said OWNER and COLLIER SQUARE TOWNHOMES NUMBER II and the Option Agreement heretofore executed between said OWNER and COLLIER SQUARE TOWNHOMES NUMBER II and AMERICAN:

NOW, THEREFORE, the parties agree as follows:

1. It is agreed that each Owner or Owners of an individual condominium unit or units shall have the option to withdraw and no longer be bound nor a participant in the Lease Agreement, Option Agreement and Management Agreement referred to above by giving of thirty (30)days written notice to COLLIER SQUARE TOWNHOMES NUMBER II and AMERICAN. The written notice shall state the effective date of withdrawal and termination. Beginning with the effective date of withdrawal and termination. Beginning with the effective date as set forth in said notice, the OWNER of the condominium unit or units giving such notice shall no longer be bound by, or have any rights in, the Lease Agreement, Option Agreement and Management Agreement referred to above. COLLIER SQUARE TOWNHOMES NUMBER II, AMERICAN and the withdrawing OWNER shall execute such mutual releases deemed necessary or appropriate.

2. It is further understood and agreed that until such time as an individual Owner or Owners withdraws as set forth above, all agreements, including the Buy-Sell Agreement executed between the OWNERS and COLLIER SQUARE TOWNHOMES NUMBER II regarding their corporate stock, heretofore executed by the parties (being the agreements referred to above) shall remain in full force and effect and binding upon the parties to this Agreement.

3. It is further agreed, as the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE TOWNHOMES NUMBER II and the Management Agreement between COLLIER SQUARE TOWNHOMES NUMBER II and AMERICAN have differing terms, that the Lease Agreements between the OWNERS and COLLIER SQUARE TOWNHOMES NUMBER II and the Option Agreements between the OWNERS and COLLIER SQUARE TOWNHOMES NUMBER II and the Management Agreement between COLLIER SQUARE TOWNHOMES NUMBER II and AMERICAN shall have a two (2) year term, which shall be the extension term, with an expiration date next of June 30, 1988; it being understood that all other terms and provisions of said Lease Agreements between OWNERS and COLLIER SQUARE TOWNHOMES NUMBER II and Option Agreement between COLLIER SQUARE TOWNHOMES NUMBER II and AMERICAN shall remain in full force and effect.

4. It is further understood and agreed that this Agreement shall have no force and effect and shall not alter or amend any term or provision of the Condominium Declaration for COLLIER SQUARE TOWNHOMES NUMBER II or Bylaws of the COLLIER SQUARE TOWNHOMES ASSOCIATION.

5. It is further agreed, as consideration of the mutual covenants and promises herein contained, that upon withdrawal of and OWNER of a condominium unit or units as set forth in Paragraph 1, that said Owner or Owners of said condominium unit or units will surrender and cancel and thereby transfer to COLLIER SQUARE TOWNHOMES NUMBER II his or her share of stock in COLLIER SQUARE TOWNHOMES NUMBER II; and surrender and transfer of said stock to be simultaneous with the effective date of withdrawal.

SIGNED and EXECUTED in separate originals by each individual owner each of which shall have the same effect as one original having been signed by all of the owners.

COLLIER SQUARE MANAGEMENT CORPORATION

BY: _____
PRINTED NAME: Edwin J. Terry
TITLE: President

AMERICAN REAL ESTATE CORPORATION

BY: _____
PRINTED NAME: C. J. Christian
TITLE: President

OWNER-
COLLIER SQUARE TOWNHOMES NUMBER II

_____

8/146

AMENDED DECLARATION

1056239

WHEREAS, by instrument of record in Vol. 8, Pg. 121 et seq. of the Condominium Declaration of Jefferson County, Texas, LENMARK, INC., as "Declarant" filed a Condominium Declaration for Collier Square Townhomes upon a tract of land identified as containing 1.624 acres of land out of the F. Bigner Survey, Abstract 1, Beaumont, Jefferson County, Texas, described by metes and bounds; and

WHEREAS, the Condominium Plat filed with such Declaration described said tract of land as containing 1.10 acres of land described on said plat as being the tract of land upon which such Condominium improvements were in being; and

WHEREAS, LENMARK, INC., the Declarant, did not own the entirety of the 1.624 acres described in such Declaration but only owned 1.10 acres, the lands described on the Plat of such Condominium, and being a tract of land conveyed to it by G. W. Christian et al, by deed dated October 25, 1979, recorded in Vol. 2189, Pg. 13 of the Deed Records of Jefferson County, Texas; and

WHEREAS, LENMARK, INC., Declarant is desirous of correcting the property description contained in such Condominium Declaration so that such property description will conform with its ownership and will conform with the description of the property upon which such Condominium is physically located,

NOW THEREFORE, LENMARK, INC., for the purpose of correcting the error of property description does herewith amend such original Declaration by substituting for the property description therein contained, the following:

BEING a 1.10 acre tract of landout of the Fredrick Bigner Survey, Abstract No. 1 in Beaumont, Jefferson County, Texas, and being out of that certain 1.624 acre tract of land that was conveyed by George R. Sosler to Dook C. Procter, III, et al, and said 1.10 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING at a steel rod in the South right-of-way line of Collier Road locating the Northwest corner of said Procter tract and the Northwest and the beginning corner of the tract of land herein described;

THENCE East with the South right-of-way line of Collier Road a distance of 210.50 feet to an iron stake for corner;

THENCE South a distance of 229.78 feet to an iron stake for corner in the South line of said Procter tract and in the North line of the John Stegall 15 acre tract;

THENCE South 89 degrees 57 minutes 28 seconds West with said line a distance of 205.85 feet to a steel rod locating the Southwest corner of said Procter tract;

FILED FOR RECORD
R L Burns
COUNTY CLERK
JEFFERSON COUNTY, TEXAS 1056239

JUL 28 8 39 AM '80

STATE OF TEXAS
COUNTY OF JEFFERSON

I hereby certify that this instrument was FILED for RECORD on the date and at the time stamped hereon; and duly RECORDED without delay in the Volume and Page of the above named RECORDS of Jefferson County, Texas as stamped hereon by me.

COUNTY CLERK
JEFFERSON COUNTY, TEXAS

EXHIBIT G

BUY-SELL AGREEMENT OF CORPORATE STOCK

This Agreement is made by and between COLLIER SQUARE MANAGEMENT CORPORATION NUMBER II, a Texas corporation (hereinafter referred to as the Company) and the undersigned parties (hereinafter referred to as the Shareholders) with respect to all of the issued and outstanding shares of the Stock of the Company presently or hereafter owned by each of the shareholders (hereinafter referred to as shares).

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE ONE
RESTRICTION AGAINST TRANSFER

1.1 Each shareholder agrees that he will not transfer, assign, hypothecate, or in any way alienate any of his shares. or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, without the prior written consent of the company and all of the shareholders, except a transfer which meets the requirements of this Agreement. Any purported tranfer in violation of any provision of this agreement shall be void and ineffectual, shall not operate to transfer any interest or title to the purported transferee, and shall give the company and the shareholders an option to purchase such shares in the manner and on the terms and conditions provided for herein.

ARTICLE TWO
RIGHT OF FIRST REFUSAL

2.1 In the event a shareholder receives a bonafide offer for the purchase of all or a portion of his share (or any rights or interest therein), such shareholder (hereinafter referred to as the offering shareholder) shall give written notice of such offer to the Secretary of the Company in the manner and at the addresses set forth in Article Seven hereof. The notice must set forth the name of the proposed transferee, the number of shares to be transferred, the price per share, and all other terms and conditions of the proposed transfer.

2.2 On receipt of the Notice with respect to such offer, the Company shall have the exclusive right and option, exercisable at any time during a period of 15 days from the date of said Notice to purchase the shares of the Company covered by the offer in question at the same price and on the same terms and conditions of the offer as set out in such notice. If the company decides to exercise the option, it shall give written notification to this effect to the shareholder desiring to sell, and said sale and purchase shall be closed within 30 days thereafter. If the company does not elect to exercise its option to purchase. any or all of the offered shares, the offering shareholder shall have the right to tansfer all of the offered shares to the prospective purchaser free and clear of any restrictions against transfer that might otherwise have been created by this Agreement. Provided, further, that the right of the company to exercise its option to purchase shall be subject to the laws of the State of Texas governing the rights of a corporation to purchas its own shares.

ARTICLE THREE
DEATH OR OTHER TRANSFER

3.1 The death of a shareholder, or the involuntary transfer, transfer by operation of law, gift, or any other transfer, of any shares, or of any right or interest therein shall give the Company and the shareholders the option to purchase the shares of such deceased shareholder or transferred shares in the manner and on the terms and conditions provided herein. In the event of a transfer of shares, as provided above, the person or persons acquiring such shares, shall promptly give written notice of such transfer to the Secretary of the Company in the manner set forth in Article Seven hereof. The Company shall be entitled to exercise its option to purchase such shares, in the manner provided for the purchase of offered shares in Article Two hereof.

3.2 The purchase price and the manner of payment shall be as provided in Articles Five and Six hereof. In the event that the company shall elect to purchase all of the offered shares, the persons acquiring such shares shall sell all of such shares, and shall execute and deliver the Certificates evidencing such shares to the Purchaser of such shares for the purchase price and on the terms and conditions set forth in Article Five and Six hereof. In the event that the company does not elect to purchase all of such shares within thirty (30) days after receipt of the notice of a death or of a transfer as provided above, the person or persons acquiring such shares shall execute and become a party to this Agreement and shall hold such shares subject to all of the terms and conditions provided herein, and no further transfer of such shares can be made except in accordance with the terms and conditions as provided herein.

3.3 In the event of sale by a stockholder of his Condominium Unit or units in COLLIER SQUARE TOWNHOMES NUMBER II, company shall have the option to purchase one share for each of said units so sold at a price of $100.00 for each such share, provided however that this right or option shall not accrue if said Corporation shall acquire such unit or units contemporaneously with its acquisition of all of the Condominium Apartments in said COLLIER SQUARE TOWNHOMES NUMBER II.

ARTICLE FOUR
DURATION OF OPTION

4.1 The options to purchase shares as provided in Article Two and Three hereof, shall remain open until the expiration of thirty (30) days from the date of delivery to the Secretary of the Company of the appropriate written notice of the death of a shareholder or a proposed transfer or a sale of a unit as provided in Article Two and Three hereof.

ARTICLE FIVE
DETERMINATION OF PURCHASE PRICE

5.1 The total purchase price of all of the shares purchased pursuant to Article Two hereof shall be the total purchase price for the proposed transfer as set forth in the notice of a proposed transfer. The total purchase price of all of the shares of a deceased shareholer, or of shares transferred pursuant to Article Three hereof, shall be the total book value of such shares, as shown on the balance sheet of the company as of the end of its last preceding fiscal year, prepared and certified by the firm of accountants then servicing the Company, and no adjustments in such book value shall be made for operations of the Company subsequent to such preceding fiscal year.

ARTICLE SIX
PAYMENT OF PURCHASE PRICE

6.1 Bonafide Offer - In the event that any shareholder receives a bonafide offer to purchase all or a poriton of his shares, the purchase price shall be paid in the same manner and on the same terms and conditions as set forth in such offer.

6.2 All other transfers - In the event of any other transfer or proposed transfer, the Company may pay the total purchase price in cash or in installments. If the company elects to pay in cash, the full amount of the purchase price must be paid in full in cash within thirty (30) days after the date of the receipt of the notice referred to in Article Three. On full payment thereof, the offering shareholder or other person or persons holding such shares shall execute and deliver the Certificates evidencing such shares to the Purchaser.

If the Company elects to pay the total purchase price in installments the initial payment of the purchase price shall be paid in cash in an amount not less than 25% of the purchase price of the offering shares being purchased on the installment basis by the company. Such initial payment shall be paid within thirty (30) days after the exercise of such options under the terms of this Agreement. The balance of the purchase price shall be paid in three (3) equal annual installments on the anniversary date of the first payment, with interest at the rate of six percent (6%) per annum from the date of the initial payment. Such respective balance shall be evidenced by an installment note executed by the Corporation and delivered to the offering shareholder at the time of the initial payment of the purchase price. The Certificate evidencing the offering shares shall be executed by the offering shareholder, or by the person acquiring such shares pursuant to the date of or a transfer by a shareholder, and shall be delivered to the Secretary of the Company.

ARTICLE SEVEN
NOTICES

7.1 All notices required to be given hereunder shall be deemed to be duly given by a person delivering such notice or by mailing it, via registered mail, to the Secretary of the Company at the following address:

COLLIER SQUARE MANAGEMENT CORPORATION NUMBER II
P. O. Box 7466
985 I. H. 10 NORTH
BEAUMONT, TX 77706

7.2 The above address may only be changed by giving written notice of such change of address via registered or certified mail to all of the parties hereto.

ARTICLE EIGHT
RESTRICTIONS ON CERTIFICATES

8.1 The Company and each shareholder agrees that all certificates representing all shares of the Company which at any time are subject to the provisions of this Agreement shall have endorsed upon them in bold face type the following legand:

THE SHARES OF STOCK REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A BUY-SELL AGREEMENT DATED , A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF THE CORPORATION, AND SAID SHARES MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED, OR OTHERWISE DISPOSED OF EXCEPT IN STRICT ACCORDANCE WITH THE TERMS OF THAT AGREEMENT. A COPY OF SAID BUY-SELL AGREEMENT WILL BE FURNISHED WITHOUT CHARGE TO THE HOLDER OF THIS CERTIFICATE UPON RECEIPT BY THE CORPORATION AT ITS PRINCIPAL PLACE OF BUSINESS OR REGISTERED OFFICE OF A WRITTEN REQUEST FROM THE HOLDER REQUESTING SUCH A COPY.

8.2 Under no circumstances shall any sale or other transfer of any shares subject hereto be valid until the proposed Transferee thereof shall have executed and become a party to this Agreement and thereby shall have become subject to all of the provisions hereof, unless the requirement is waived by written consent of the parties; and notwithstanding any other provisions of this Agreement, no such sale or other transfer of any kind shall in any event result in the non-applicability of the provisions hereof at any time to any of the shares subject hereto.

ARTICLE NINE
TERM

9.1 Unless terminated at an earlier date, this Agreement shall terminate twenty-one (21) years after the death of the last survivor of the shareholders named herein and their now living lineal descendants.

ARTICLE TEN
FURTHER ASSURANCES

10.1 Each party hereto agrees to perform any further acts and to execute and deliver any further documents which may be reasonably necessary to carry out the provisions of this Agreement.

ARTICLE ELEVEN
SEVERABILTIY

11.1 In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable and invalid by any Court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be effected thereby.

ARTICLE TWELVE
CONSTRUCTION

12.1 Whenever used herein, the singular number shall include the plural, and the plural number shall include the singular.

ARTICLE THIRTEEN
GOVERNING LAW

13.1 This Agreement has been executed in and shall be governed by the laws of the State of Texas.

ARTICLE FOURTEEN
INUREMENT

14.1 Subject to restrictions against transfer or assignment as herein contained, the provisions of this Agreement shall inure to the benefit of and shall be binding on the assigns, successors in interest, personal representatives, estates, heirs, and legatees of each of the parties hereto. Each of the shareholders agree to insert in his will a direction and authorization to his Executor to fulfill and comply with the provisions hereof, and to sell his shares in accordance herewith. Each of the shareholders agrees that he will not hypothecate or otherwise create or suffer to exist any lien, claim, or encumbrance on any of his shares at any time subject hereto, other than the encumbrance created by this Agreement.

ARTICLE FIFTEEN
AMENDMENT

15.1 This Agreement may only be amended by the written consent of all of the parties to this Agreement at the time of such amendment.

ARTICLE SIXTEEN
ENTIRE AGREEMENT

16.1 This Agreement contains the entire understanding between the parties hereto concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto, relating to the subject matter of this Agreement, which are not fully expressed herein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this the 11 day of July, 1980.

COLLIER SQUARE MANAGEMENT CORPORATION NUMBER II

BY: Tai Po Tsang

SHAREHOLDER

_____

_____

WHEREAS, all of the agreements referred to above are now in full force and effect; and

WHEREAS, there has been discussion between the parties to this Agreement regarding the sale of a condominium unit or units or the use of a condominium unit or units by an individual Owner or Owners and a part of the OWNERS having heretofore expressed a desire to be able to sell or otherwise convey their individual condominium unit or units or otherwise deal with their individual condominium unit or units free and clear of the provisions of the Lease Agreement heretofore executed between said OWNER and COLLIER SQUARE and the Option Agreement heretofore executed between said OWNER and COLLIER SQUARE and the Management Agreement heretofore executed between COLLIER SQUARE and AMERICAN;

NOW, THEREFORE, the parties agree as follows:

1. It is agreed that each Owner or Owners of an individual condominium unit or units shall have the option to withdraw and no longer be bound nor a participant in the Lease Agreement, Option Agreement and Management Agreement referred to above by the giving of thirty (30) days written notice to COLLIER SQUARE and AMERICAN. The written notice shall state the effective date of withdrawal and termination. Beginning with the effective date as set forth in said notice, the OWNER of the condominium unit or units giving such notice shall no longer be bound by, or have any rights in, the Lease Agreement, Option Agreement and Management Agreement referred to above. COLLIER SQUARE, AMERICAN and the withdrawing OWNER shall execute such mutual releases deemed necessary or appropriate.

2. It is further understood and agreed that until such time as an individual Owner or Owners withdraws as set forth above, all agreements, including the Buy-Sell Agreement executed between the OWNERS and COLLIER SQUARE regarding their corporate stock, heretofore executed by the parties (being the agreements referred to above) shall remain in full force and effect and binding upon the parties to this Agreement.

3. It is further agreed, as the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE and the Management Agreement between COLLIER SQUARE and AMERICAN have differing terms,

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

AGREEMENT

THIS AGREEMENT is entered into this the 19th day of August, 1985, by and between COLLIER SQUARE MANAGEMENT CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as COLLIER SQUARE, AMERICAN REAL ESTATE CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as AMERICAN, and the Owners of a condominium unit or units located in and being a part of the COLLIER SQUARE TOWNHOMES, hereinafter called OWNERS; and

WHEREAS, the OWNERS are all of the stockholders of COLLIER SQUARE MANAGEMENT CORPORATION which was incorporated and exists for the purpose of management and operation of the COLLIER SQUARE TOWNHOMES project; and

WHEREAS, all of the OWNERS heretofore, each individually, executed a Lease Agreement and Option Agreement with COLLIER SQUARE granting to COLLIER SQUARE the rights therein stated, which include provisions for extension of the term of said agreements; and

WHEREAS, COLLIER SQUARE entered into a Management Agreement with AMERICAN granting to AMERICAN the rights and obligations therein stated, which include provisions for extension of the term of said agreement; and

WHEREAS, the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE have a primary expiration date of June 30, 1985, with the right of COLLIER SQUARE to extend same; and

WHEREAS, the Management Agreement between AMERICAN and COLLIER SQUARE has a primary expiration date of June 29, 1982, with the right of AMERICAN to extend same; and

WHEREAS, all of the OWNERS are all of the stockholders of COLLIER SQUARE, each owning one (1) share of common stock of COLLIER SQUARE; and

WHEREAS, each OWNER has heretofore executed a Buy-Sell Agreement with COLLIER SQUARE regarding said stock; and

that the Lease Agreements between the OWNERS and COLLIER SQUARE and the Option Agreements between the OWNERS and COLLIER SQUARE and the Management Agreement between COLLIER SQUARE and AMERICAN shall have a two (2) year term, which shall be the extension term, with an expiration date next of June 30, 1987; it being understood that all other terms and provisions of said Lease Agreements between OWNERS and COLLIER SQUARE and Option Agreements between OWNERS and COLLIER SQUARE and Management Agreement between COLLIER SQUARE and AMERICAN shall remain in full force and effect.

4. It is further understood and agreed that this Agreement shall have no force and effect and shall not alter or amend any term or provision of the Condominium Declaration for COLLIER SQUARE TOWNHOMES or Bylaws of the COLLIER SQUARE TOWNHOMES ASSOCIATION.

5. It is further agreed, as consideration of the mutual covenants and promises herein contained, that upon withdrawal of an OWNER of a condominium unit or units as set forth in Paragraph 1, that said Owner or Owners of said condominium unit or units will surrender and cancel and thereby transfer to COLLIER SQUARE his or her share of stock in COLLIER SQUARE; and surrender and transfer of said stock to be simultaneous with the effective date of withdrawal.

SIGNED and EXECUTED in separate originals by each individual owner each of which shall have the same effect as one original having been signed by all of the owners.

COLLIER SQUARE MANAGEMENT CORPORATION

BY: [signature]
PRINTED NAME: Edwin J. Terry
TITLE: President

AMERICAN REAL ESTATE CORPORATION

BY: [signature]
PRINTED NAME: G. W. Christian
TITLE: President

OWNER - COLLIER SQUARE TOWNHOMES

Harold H. Bevil, M.D.
DR. HAROLD BEVIL

EXHIBIT II

OPTION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS: THAT FOR AND IN CONSIDERATION of the sum of ONE & NO/100 ($1.00) DOLLAR to the undersigned in hand paid by COLLIER SQUARE MANAGEMENT CORPORATION NUMBER II, the receipt of which is herewith acknowledged, and in the further consideration of the execution and delivery by each and all of the owners of a Condominium Unit located in and a part of COLLIER SQUARE TOWNHOMES NUMBER II of a like option, have GIVEN, GRANTED, and ASSIGNED, and by these presents do GIVE, GRANT, and ASSIGN unto COLLIER SQUARE MANAGEMENT CORPORATION NUMBER II the following right or option to purchase that certain unit or units in COLLIER SQUARE TOWNHOME NUMBER II, a condominium established in the City of Beaumont, Jefferson County, Texas, per Condominium Agreement and Dedication of record in the office of the County Clerk of Jefferson County, Texas, this day conveyed to the undersigned.

1.
DURATION

This option shall extend for a period of five (5) years from date hereof provided that Lease Agreements executed contemporaneously are still in force, otherwise to terminate at the end of the last of such Lease Agreements. In the event that such Lease Agreements are renewed for an additional period of five (5) years, then this Option Agreement shall in like fashion be extended for such additional term.

2.

Said Corporation shall have the right or option to purchase each, all, and every Condominium Unit or apartment owned by the undersigned in COLLIER SQUARE TOWNHOMES NUMBER II, provided that said Corporation shall exercise like options to purchase all of the units or apartments of said COLLIER SQUARE TOWNHOMES NUMBER II contemporaneously with the exercise of this option.

3.

Said Corporation shall likewise have the option or right to purchase each and every unit or apartment in COLLIER SQUARE TOWNHOMES NUMBER II owned by the undersigned which may be offered by the undersigned for sale to another individual or individuals at the same price, and upon the same terms and conditions as such unit or apartment may be offered to such third party.

4.
TERMS

In the event of the exercise of the option contained in paragraph 2 hereof, the purchase price shall be the sum of money paid by the undersigned as closing cost and purchase price of such Unit when he originally acquired same from LENMARK, INC. Such sum shall be paid in cash within fifteen (15) days after date of notification as to exercise this option.

5.

In the event that the unit or units shall have been offered for sale to a third party then such price and terms as contained in such offer shall be met by Corportion, and such transaction shall be closed within fifteen (15) days after notification by the undersigned of the receipt by the undersigned of such offer of purchase.

6.

CONDITION OF TRANSFER

Conveyance shall be made by General Warranty Deed subject only to Condominium Agreements of record, and outstanding financing, if any. The cost of any curative matter required to correct or cure defects in title occurring from and after the date of delivery of Deed of Conveyance to said Condominium Unit or Units by Lenmark, Inc., shall be borne by Seller.

7.

NOTICES

Any notice under this Agreement shall be delivered to the corporation at its offices at P. O. Box 7466, 985 I.H. 10 North, Beaumont, Texas, 77706, and to the undersigned at his address as shown hereon.

8.

TRANSFER OF STOCK

In the event of the exercise of any of the options hereinabove contained in paragraph 2 and 3 hereof, the undersigned covenants and promises that simultaneously he will transfer to said corporation any and all shares of stock owned by such individual in said corporation at a price of $100.00 per share.

EXECUTED this the _____ day of _____, 1980.

COLLIER SQUARE MANAGEMENT CORPORATION
NUMBER II

BY: _____

_____
Owner

ADDRESS: _____

_____

THE STATE OF TEXAS §

COUNTY OF JEFFERSON §

AGREEMENT

THIS AGREEMENT is entered into this the 19th day of August, 1985, by and between COLLIER SQUARE MANAGEMENT CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as COLLIER SQUARE, AMERICAN REAL ESTATE CORPORATION, a Texas corporation with its principal place of business in Beaumont, Jefferson County, Texas, hereinafter referred to as AMERICAN, and the Owners of a condominium unit or units located in and being a part of the COLLIER SQUARE TOWNHOMES, hereinafter called OWNERS; and

WHEREAS, the OWNERS are all of the stockholders of COLLIER SQUARE MANAGEMENT CORPORATION which was incorporated and exists for the purpose of management and operation of the COLLIER SQUARE TOWNHOMES project; and

WHEREAS, all of the OWNERS heretofore, each individually, executed a Lease Agreement and Option Agreement with COLLIER SQUARE granting to COLLIER SQUARE the rights therein stated, which include provisions for extension of the term of said agreements; and

WHEREAS, COLLIER SQUARE entered into a Management Agreement with AMERICAN granting to AMERICAN the rights and obligations therein stated, which include provisions for extension of the term of said agreement; and

WHEREAS, the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE have a primary expiration date of June 30, 1985, with the right of COLLIER SQUARE to extend same; and

WHEREAS, the Management Agreement between AMERICAN and COLLIER SQUARE has a primary expiration date of June 29, 1982, with the right of AMERICAN to extend same; and

WHEREAS, all of the OWNERS are all of the stockholders of COLLIER SQUARE, each owning one (1) share of common stock of COLLIER SQUARE; and

WHEREAS, each OWNER has heretofore executed a Buy-Sell Agreement with COLLIER SQUARE regarding said stock; and

WHEREAS, all of the agreements referred to above are now in full force and effect; and

WHEREAS, there has been discussion between the parties to this Agreement regarding the sale of a condominium unit or units or the use of a condominium unit or units by an individual Owner or Owners and a part of the OWNERS having heretofore expressed a desire to be able to sell or otherwise convey their individual condominium unit or units or otherwise deal with their individual condominium unit or units free and clear of the provisions of the Lease Agreement heretofore executed between said OWNER and COLLIER SQUARE and the Option Agreement heretofore executed between said OWNER and COLLIER SQUARE and the Management Agreement heretofore executed between COLLIER SQUARE and AMERICAN;

NOW, THEREFORE, the parties agree as follows:

1. It is agreed that each Owner or Owners of an individual condominium unit or units shall have the option to withdraw and no longer be bound nor a participant in the Lease Agreement, Option Agreement and Management Agreement referred to above by the giving of thirty (30) days written notice to COLLIER SQUARE and AMERICAN. The written notice shall state the effective date of withdrawal and termination. Beginning with the effective date as set forth in said notice, the OWNER of the condominium unit or units giving such notice shall no longer be bound by, or have any rights in, the Lease Agreement, Option Agreement and Management Agreement referred to above. COLLIER SQUARE, AMERICAN and the withdrawing OWNER shall execute such mutual releases deemed necessary or appropriate.

2. It is further understood and agreed that until such time as an individual Owner or Owners withdraws as set forth above, all agreements, including the Buy-Sell Agreement executed between the OWNERS and COLLIER SQUARE regarding their corporate stock, heretofore executed by the parties (being the agreements referred to above) shall remain in full force and effect and binding upon the parties to this Agreement.

3. It is further agreed, as the Lease Agreement and Option Agreement between OWNERS and COLLIER SQUARE and the Management Agreement between COLLIER SQUARE and AMERICAN have differing terms,

that the Lease Agreements between the OWNERS and COLLIER SQUARE and the Option Agreements between the OWNERS and COLLIER SQUARE and the Management Agreement between COLLIER SQUARE and AMERICAN shall have a two (2) year term, which shall be the extension term, with an expiration date next of June 30, 1987; it being understood that all other terms and provisions of said Lease Agreements between OWNERS and COLLIER SQUARE and Option Agreements between OWNERS and COLLIER SQUARE and Management Agreement between COLLIER SQUARE and AMERICAN shall remain in full force and effect.

4. It is further understood and agreed that this Agreement shall have no force and effect and shall not alter or amend any term or provision of the Condominium Declaration for COLLIER SQUARE TOWNHOMES or Bylaws of the COLLIER SQUARE TOWNHOMES ASSOCIATION.

5. It is further agreed, as consideration of the mutual covenants and promises herein contained, that upon withdrawal of an OWNER of a condominium unit or units as set forth in Paragraph 1, that said Owner or Owners of said condominium unit or units will surrender and cancel and thereby transfer to COLLIER SQUARE his or her share of stock in COLLIER SQUARE; and surrender and transfer of said stock to be simultaneous with the effective date of withdrawal.

SIGNED and EXECUTED in separate originals by each individual owner each of which shall have the same effect as one original having been signed by all of the owners.

COLLIER SQUARE MANAGEMENT CORPORATION

BY: _____
PRINTED NAME: Edwin D. Terry
TITLE: President

AMERICAN REAL ESTATE CORPORATION

BY: _____
PRINTED NAME: C.W. Christian
TITLE: President

OWNER - COLLIER SQUARE TOWNHOMES

T.C. Worley

T.C. WORLEY

95- 9530419

GF#95074233-JK

GENERAL WARRANTY DEED
WITH THIRD PARTY VENDOR'S LIEN

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF JEFFERSON §

THAT, GEORGE WALL, a baron sole, of Jefferson County, Texas, hereinafter referred to as Grantor, for and in consideration of the sum of TEN AND NO 100 ($10.00) DOLLARS cash, and other good and valuable consideration to said Grantor in hand paid by the Grantee hereinafter named, the receipt and sufficiency of which is hereby acknowledged, and the further consideration of the execution and delivery by the Grantee herein of one certain Commercial Real Estate Lien Note of even date herewith in the principal amount of TWENTY-ONE THOUSAND TWO HUNDRED AND NO 100 ($21,200.00) DOLLARS payable to the order of FIRST BANK AND TRUST, a Texas banking corporation, which $21,200.00 represents funds advanced by said Lender to the Grantor herein at the request of and as a loan to the Grantee herein in payment of part of the purchase price of the property herein conveyed, which Note is payable as therein provided and contains the usual accelerated maturity, attorneys' fees and default clauses; in addition to the vendor's lien retained herein in favor of FIRST BANK AND TRUST, a Texas banking corporation, securing its payment, the Grantee has executed a Deed of Trust of even date with said Note in favor of Roland A. Cox, Jr., Trustee; has GRANTED, SOLD and CONVEYED, and by these presents, does GRANT, SELL and CONVEY, unto BNN, INC., a Texas corporation, hereinafter referred to as Grantee, whose address is 6220 Phelan Blvd., Beaumont, Texas 77706, that certain property situated in the County of Jefferson, State of Texas ("Property"), described as follows, to-wit:

> That certain Apartment designated as Unit No. Three (3), in Building No. Two (2), of COLLIER SQUARE TOWNHOMES, a Condominium Project in Beaumont, Jefferson County, Texas, including the patio space and parking space assigned thereto and an undivided interest in the common elements thereof, according to the Condominium Declaration and By-Laws which are recorded in Volume 8, Page 121, amended in Volume 8, Page 146, Condominium Records and the plat thereof being recorded in Volume 2, Page 132, Condominium Map Records of Jefferson County, Texas, which property is conveyed subject to the provision of the Condominium Act of the State of Texas, which act is incorporated herein and made a part hereof by reference and the provisions, easements, agreements, covenants, restrictions, limitations and conditions contained in and set out in the Declaration and By-Laws, and also subject to all easements, restrictions, reservations, and conditions, otherwise appearing of record and affecting the project tract of land or any part thereof.

95- 9530419

GF#95074233-JK

GENERAL WARRANTY DEED
WITH THIRD PARTY VENDOR'S LIEN

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF JEFFERSON §

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