

# **BUSINESS AND MIXED USE CONDOMINIUMS**

**(Part 1: TUCA and Examples of Business and Mixed Use Condominiums)**

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**LAW RELATED PUBLICATIONS:**

The following articles are at [http://www.gdhm.com/index.php/site/ourattorneys/william\\_h\\_locke/](http://www.gdhm.com/index.php/site/ourattorneys/william_h_locke/)

**CONDOMINIUMS:**

State Bar of Texas: Advanced Real Estate Drafting Course, *Documentation for the To-Be-Built Office Condominium* (2013).

**CONSTRUCTION:**

State Bar of Texas: Advanced Real Estate Law Course, *Liability of Architects and Engineers for Observation and Inspection Services: Breaking the Bonds of Privity* (2012).

**FORECLOSURE:**

State Bar of Texas, TEXAS FORECLOSURE MANUAL (2<sup>nd</sup> Ed. 2006, Supp.s 2007 - 2012); and Advanced Real Estate Law Course, *Ins and Outs of Deed of Trust Foreclosures - Practical Tips for the Practitioner* (2013).

**INSURANCE AND RISK MANAGEMENT:**

ICSC: "An Insurance Presentation You Can Use: How to Write Insurance Specifications for a Shopping Center Lease" (2012).

ACREL: General Session: *Distress and Insurance: When the Going Gets Rough, Does Your Risk Get Going?* (2011); and *CGL Coverage of Defective Work* (2009). Insurance Committee: *Best Practices for Lease Insurance Specifications: Checklist Versus Narrative Format* (2012); *Leases and Property Insurance* (2012); *Landlords: Beware of Insurance Certificates (A Trojan Horse)* (2012); and *Annotated Lease and Indemnity Specifications* (2011).

State Bar of Texas: Annual Advanced Real Estate Law Course: *Annotated Insurance Specifications* (2011); *Allocating Extraordinary Risk in Leases: Indemnity, Insurance, Releases and Exculpations and Condemnation (Including a Review of the Risk Management Provisions of the Texas Real Estate Forms Manual's Office Lease)* (2006); and *Shifting of Extraordinary Risk: Contractual Provisions for Indemnity, Additional Insureds, Waiver of Subrogation and Exculpation – The Law and Risk Management – The Forms* (2004).

Annual Advance Real Estate Drafting Course: *Insurance Issues in Distressful Times* (2011); *Additional Insured Endorsements: Typical Defects and Solutions* (2008); and *Protecting Landlords, Tenants and Contractors as Additional Insureds and Indemnified Parties* (2004).

Mortgage Lending Institute: *Top Ten Insurance Tips for Mortgage Lending* (2011).

PRACTICAL REAL ESTATE LAWYER: *Top Ten Insurance Tips for Lenders* (2012).

**SALES:**

ABA, Environmental Transactions and Brownfields Committee Newsletter, *Selling "As Is" in a Contaminated World* (Dec. 2012).

State Bar of Texas: REAL ESTATE, PROBATE AND TRUST LAW REPORTER Vol. 49, No. 1 "As Is" in a Contaminated World (2011); Agricultural Law Institute, *The Law of As Is* (2009); Advanced Real Estate Law Course, *Papering The Deal: From Land Acquisition to Development* (2004); and *Field Guide for Due Diligence on Income Producing Properties* (2000).

HONORS: AV® Preeminent™ Peer Review Rating, Martindale.com; American College of Real Estate Lawyers (2007 – 2013); The Best Lawyers in America (Real Estate) (1999 - 2013); Who's Who in America (1995 - 2013) and Who's Who in American Law (1985 - 2013); *Texas Monthly*, Super Lawyer - Real Estate (2001-2012); Received The Jerry Charles Saegert Award for "Best CLE Paper" for *Annotated Insurance Specifications*, State Bar of Texas, Annual Advanced Real Estate Law Course (2011)

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## BUSINESS AND MIXED USE OFFICE CONDOMINIUMS

### I. TUCA.

#### A. “Residential Purposes” and “Nonresidential Purposes”.

The Texas Uniform Condominium Act (“TUCA”), § 82.001 et seq. of the Texas Property Code applies to both residential condominiums and to non-residential condominiums. TUCA § 82.003(a)(21) defines “**residential purposes**” as “recreational or dwelling purposes, or both.” There is not a corresponding definition of “**nonresidential purposes**,” but presumptively non-residential purposes are all purposes but residential purposes.

#### B. References in TUCA to Nonresidential Condominiums.

##### 1. TUCA’s Subchapter D Protections of Purchasers May Be Modified or Waived.

##### a. § 82.151(a): By Agreement in Which All Units Are Restricted to Nonresidential Uses.

TUCA contains few references to nonresidential condominiums. The most significant is in TUCA § 82.151(a), Subchapter D Protection of Purchasers. Section 82.151(a) provides

(a) This subchapter applies to each unit subject to this chapter, except as provided by Subsection (b) or as modified or waived by the agreement of a purchaser of a unit in a condominium in which all units are restricted to *nonresidential use*.

Subsection (b) exempts from the protections provided in Subchapter D various transactions not deemed by the legislature as requiring consumer protections (e.g., gifts, foreclosures, conveyances to governments). Section 82.151(a) similarly exempts from the protections of Subchapter D condominiums in projects comprised solely of nonresidential units as to which the Purchaser has modified or waived by the agreement application of the Subchapter D Protections.

##### b. §§ 82.152 et seq: TUCA’s Protections.

Subchapter D affords the following protections, which may be modified or waived by the purchaser of a condominium in which all units are restricted to nonresidential use:

TUCA §	TUCA Section Title.
82.152	Liability for Condominium Statement
82.153	Condominium Information Statements in General
82.154	Condominiums With Conversion Buildings
82.155	Condominium Securities
82.156	Purchaser’s Right to Cancel
82.157	Resale of Unit
82.158	Escrow of Deposits
82.159	Release of Liens
82.160	Conversion Buildings
82.161	Effect of Violations on Rights of Action and Attorney’s Fees
82.162	Labeling of Promotional Material
82.163	Declarant’s Obligation to Complete and Restore
82.164	Loans as Eligible Investments

As a result of § 82.151(a), each of the protections afforded residential condominium buyers, such as being furnished the condominium declaration, articles, bylaws, association rules and a condominium information statement or resale certificate setting out the budget and other important project information before signing the sales contract prior to contracting to buy a unit, rescission in the event the buyer does not receive the condominium information statement or resale certificate, and the required escrow until closing of earnest money deposits, may be waived in advance by the buyer. The protections afforded by § 82.105 Termination of Contracts and Leases of Declarant, permitting the association to terminate contracts or leases between the association and a declarant or an affiliate of the declarant before the first anniversary of the date a board is elected by unit owners takes office, is limited by its terms to “residential or recreational condominiums.”

## **2. TUCA's Insurance Requirements May Be Varied or Waived.**

TUCA § 82.111(j) provides that the provision of § 82.111 Insurance may be varied or waived if all the units in the condominium are restricted to nonresidential use.

## **II. EXAMPLES OF BUSINESS AND MIXED USE CONDOMINIUMS.**

### **A. Rob Roy Office Park™, a Condominium (Traditional Multiple Units Per Building).**

Attached in **Appendix A** are the Condominium Plat for Rob Roy Office Park™, a Condominium; Plans for Site Improvements; Depiction of Building A; and Building A Interior Prototype.

Rob Roy Office Park™ is a five building project of 28 units. Each Building contains multiple Units. The common elements include the grounds, landscaping, and building structure. Common element ownership, liability and voting are allocated based on the interior square footage of each of the Units. Common area hallways and entrances, elevators and storage rooms are allocated to Units as limited common elements and are to be maintained by the owner of Units to which the l.c.e' s are assigned. Its condominium declaration employs the “**short form condominium declaration**” format suggested by the authors of the Uniform Condominium Act (“UCA”). TUCA adopted UCA's scheme with some of its provisions being mandatory (not subject to variance in a condominium declaration), some provisions applying by “default” in the absence of provisions in the condominium declaration as to a matter, and permitting other provisions to be inserted in the condominium declaration at the judgment of the drafter. The short form condominium declaration relies extensively on the default provision approach of TUCA and does not restate lengthy provisions contained in TUCA addressing matters, like insurance. It does however set out choices permitted to the drafter such as identifying special declarant rights and development rights reserved by the Declarant. For smaller projects, such as Rob Roy and River Place Village, the short form condominium declaration facilitates marketing by avoiding lengthy condominium documentation.

### **B. River Place Village Office Condominiums (1 and 2 Unit Office Buildings).**

Attached in **Appendix B** is the Condominium Plat for River Place Village Office Condominiums.

River Place Village Office Condominiums is a five building project of 8 Units. Two buildings contain single Units and three buildings are two Unit buildings. The common elements include the grounds, landscaping, and building structure. Common element ownership, liability and voting are allocated based on the interior square footage of each of the Units. Common area hallways and entrances, elevators and storage rooms are allocated to Units as limited common elements and are to be maintained by the owner of Units to which the l.c.e' s are assigned. The Short Form Condominium Declaration set out in the companion “**Part 2**” to this article is the River Place Village Office Condominiums condominium declaration. It sets out in § 12.1 and Exhibit D Special Declarant Rights and Development Rights reserved to the Declarant.

**C. Star Riverside Condominiums (Phased Project)**

Attached in **Appendix C** is the Condominium Plat and a Concept Plan for Star Riverside Condominiums.

Star Riverside Condominiums was declared to be a two phase project, two buildings with 66 Units in the first phase and two buildings with 133 Units (which included 1 commercial unit) in the second phase. Prior to constructing the second phase, the second phase development rights were transferred to a new limited partnership, so each phase was owned by a different limited partnership. An owners title policy was issued to the second phase developer as to its newly acquired development rights. Ultimately, the project was acquired by a third group and the condominium regime terminated with the project built as a rental property.

**D. The Offices at Hill Country Galleria (Vertical Subdivision; Retail and Office).**

Attached in **Appendix D** are the following materials for The Offices at Hill County Galleria: a picture of the outside of the building containing some of the Units; the following pages taken from the Condo Plat – the Vertical Diagram showing the vertical subdivision of the property, a Site Diagram depicting the four buildings housing the condominium units, plat of Unit T 201 and plat of Unit T 200; the site plan for the shopping center in which the condominium was to be located; and a portion of the condominium declaration addressing the vertical subdivision of the property.

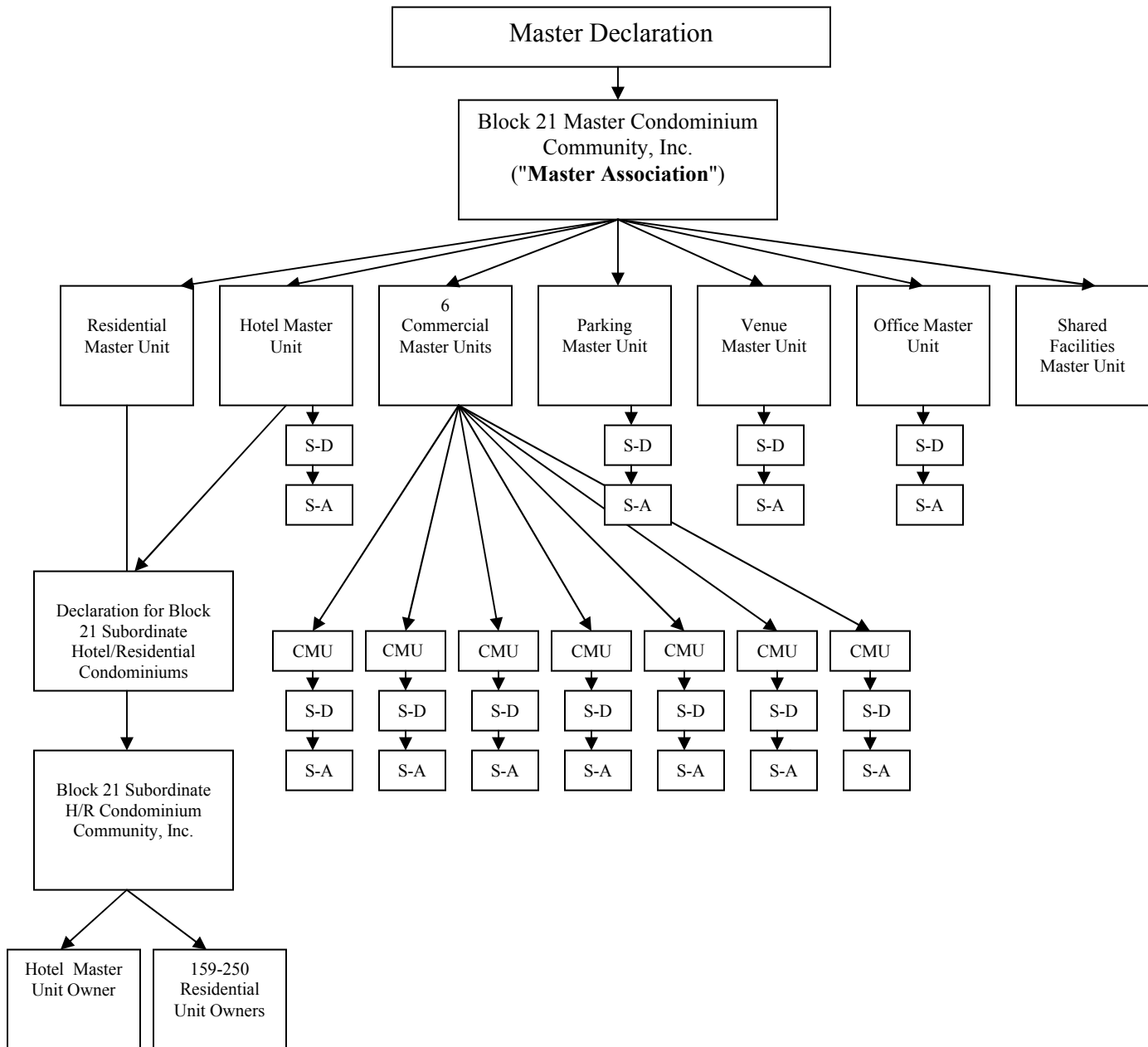
The Offices at Hill County Galleria was to be a four building condominium project located in one of the “up and coming” commercial centers near Austin, the Hill Country Galleria, located in Bee Cave, Texas. The shopping center now houses the City Hall for Bee Cave, along with a Dillard’s, Barnes & Noble and numerous retail shops and restaurants.

The concept for The Offices at Hill County Galleria was to “condominiumize” the second floors of four buildings to sell office condominiums. The first floor, the land under the buildings, the surrounding parking, landscaping and grounds were owned by the developer of the Hill Country Galleria and were not themselves part of the condominium regime. Access was granted to the second floors by easements. The shell of the buildings beginning with the second floor and the roof were part of the condominium regime. Before the project was brought to fruition the developer filed for bankruptcy protection and the condominium was never instituted. This author represented a dentist which wished to purchase Unit T 200. Part of the due diligence effort included requesting to be furnished with lender’s consents to the condominium regimes (they were never delivered) and obtaining a title commitment for the proposed condominium. First American reassured us that there was no legal issue as to the title insurability of a vertical subdivision as it was “done all the time”. The more typical method is for the ground floor to be a part of the condo as a unit and the surrounding land area (parking, drives) being common elements of the condo regime. TUCA can then be relied on to address all of the issues involved between the parties at interest (for example, rebuilding of the building in the event of fire, etc.), property insurance protecting the building (all floors, and the roof), requiring insurance to be available for this purpose and not subject to being redirected to the first floor lender’s loan, etc. The developer’s bankruptcy prevented the parties from determining the answer to these questions and many more.

**E. The W (Master and Subassociations; Mixed Use – Residential, Retail, Office and Hotel).**

Attached in **Appendix E** are a portion of the Condominium Information Statement for “The W” and its Condo Plat. This project has two condominium declarations: (1) the Declaration of Condominium Regime for Block 21 Master Condominiums (this document, the “**Master Declaration**” creates the master association for the various master units comprising The W) and (2) the Declaration of Condominium Regime for Block 21 Hotel/Residential Condominiums (this document creates the subassociation governing the residential units and of which the Hotel is the controlling party).

The Master Declaration (e.g., §§1.34 and 5.1) provides that the condominium regime is to be comprised of 12 Master Units of 7 types: (1) the Residential Master Unit; (2) the Hotel Master Unit, (3) the 6 Commercial Master Units; (4) the Parking Master Unit; (5) the Venue Master Unit; (6) the Office Master Unit; and (7) the Shared Facilities Master Unit.



\* S-D = Sub-Declaration  
S-A = Sub-Association

The complexity and sophistication of the legal documents for this type of mixed use condominium project likely forces a residential purchaser to rely heavily on the reputation and skill of the project developer. There however is no assurance that the developer will be directing the project or that the flag ship hotel will be a part of the project. While they are part of the project a residential purchaser will be relying upon the developer and the hotel to operate and manage the project in the first class manner as advertised and to do so at a reasonable cost. Residential purchasers are in large part in deciding to purchase are putting their trust in the practical realities of how a condo developer and the flag ship hotel will operate and conduct themselves, and not in the manner in which they can do so under the project documents. Under typical project documents for these projects there are little limitations on what and how the developer and the hotel may do things, and all of the costs, plus additional fees, are passed on to the unit owners.

The following is a summary of some interesting aspects of the project documents (as of the 2011 project documents; subsequent amendments may have changed the following):

- Each residential Unit is one of 159 individual residential Units within the Master Residential Unit. In other words, residential units are a condominium unit within a condominium unit. The Master Residential Unit is one of 12 Master Units within the Master Condominiums.
- The building (exterior, roof, walls, structure, foundation) including the electrical, plumbing, heating and air conditioning systems and the elevators are a separate unit in the Master Condominium called the Shared Facilities Unit, and is currently owned by an affiliate of the developer instead of being owned in undivided interests by the owners and managed and maintained by an owners association. The owner of this "Shared Facilities Unit" is obligated to maintain and repair the building, and there is a general description of what is required (such as periodic painting and periodic window cleaning) but there are no specific details and more importantly, there is no standard required for that maintenance. As a result, there is neither a minimum standard of operation, maintenance and repair and there is no maximum limit on what may be included. The only standard I found in reviewing the project documents is that the elevator lobby and hallways open to the public must be maintained in a manner consistent with that of the Hotel (as it may change from time to time). All of the costs incurred by the owner of the Shared Facilities Unit (including management and employee expenses and fees paid to third parties or affiliates) are paid by the owners of the other Master Units. The other approach is to provide that the roof, structure, foundation, exterior of the building, the electrical, plumbing, heating and air conditioning and other systems providing services to the building, including elevators, parking, pools or other amenities are "common elements" that are held in undivided interests by the owners of the condominium units. The condominium association then is required to operate, maintain and repair those common elements in a first class condition for the benefit of all the owners, each of whom is responsible for a pro rata share of those costs.
- The parking is also a separate unit in the Master Condominium and is currently owned by an affiliate of the developer. The owner of the Parking Master Unit is obligated to maintain and repair the parking in a "neat, clean and sanitary condition," but otherwise may operate the Parking Master Unit and impose such rules and regulations as it chooses with the owners paying a pro rata share of the costs (maintenance, repair, insurance, utilities and management) without extensive controls or limits.
- The Master Condominium Association can be controlled by the developer for an indefinite period, and if control is relinquished, the owner of the Hotel is next in line to control the Master Association. The Master Condominium Association is controlled by a Board of Directors elected by the owners. As required by the TUCA, the developer has retained the right to appoint all directors until 50% of the Master Units have been sold. Since there are a total of 12 Master Units, this means until 6 Master Units have been sold. As a practical matter, the developer can retain ownership of the Shared Facilities Unit, the Parking, the Office Master Unit, and 5 of the 7 Commercial Master Units (which it could lease) and retain unilateral control of the Master

Association. If it does sell 6 Master Units, then only one-third of the Board is elected by the other owners until 75% or 9 of the Master Units are sold. Thus, by retaining any four of the Shared Facilities, Parking, Office or Commercial Master Units, the developer retains control of the Master Association.

- The Hotel and Residential Units have been combined into a single subassociation, which is initially controlled by the developer and ultimately will be controlled by the owner of the Hotel.
- The owners of the Residential Units are required to pay the costs charged by the Hotel for whatever services the Hotel wishes to provide from time to time (i.e., valet parking, doormen, concierge, pool attendants, etc.) with no obligation to provide any services and without limits or restrictions on the nature or costs.
- The Hotel is not required to continue as a W Hotel.
- The developer may retain ownership and rent any of the unsold Residential Condominium Units.
- The developer and the future owners of the Shared Facilities Unit and the Parking Master Unit have limited obligations and there are many waivers, limitations and conditions so the owners have few rights and little ability to enforce obligations. For example, there is a disclaimer from any liability of the owner of the Shared Facilities Unit (i.e., the building and the building systems) against damage to the sheetrock within the Units from any cause (and the Unit owners are obligated to repair any such damage at their cost).

Only the Residential Condominium Association can bring a claim against the developer or the contractor for defects in the Common Areas. Any claims against the developer or the owner of the Shared Facilities or Parking Master Units must be settled by binding arbitration and the amount of damages that can be awarded are limited. The time periods within which claims may be brought are established, which are generally different and shorter than what otherwise would be the law. The owners of 75% of the total votes in the Association must approve judicial or claim procedures.

**F. Chuck E. Cheese (Master Land Condominium with Office Subassociation).**

Attached in **Appendix F** is a diagram of a three land Unit condominium. The diagram also depicts of the five building sub-condo regime to be located on one of the land Units. The Chuck E. Cheese is to be built on one of the other two land Units and leased to Chuck E. Cheese. I believe this project may have been killed by the Austin building permit and entitlement processing delay nightmare.

APPENDIX A  
Rob Roy Office Park™, a Condominium  
(Traditional Multiple Unit Per Building)

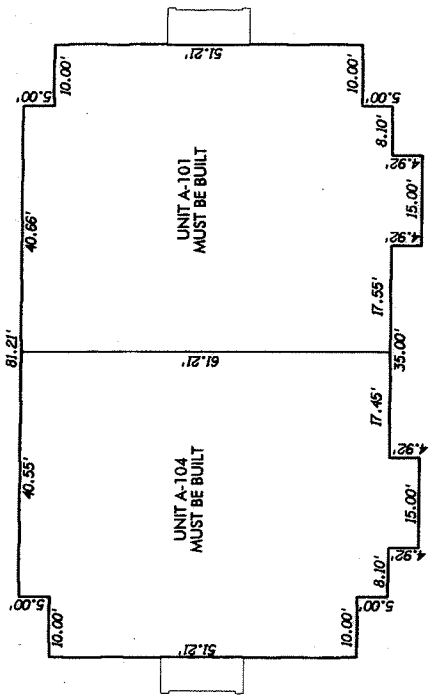
1. Condominium Plat for Rob Roy Office Park™
2. Plans for Site Improvements
3. Depiction of Building A
4. Building A Interior Prototype





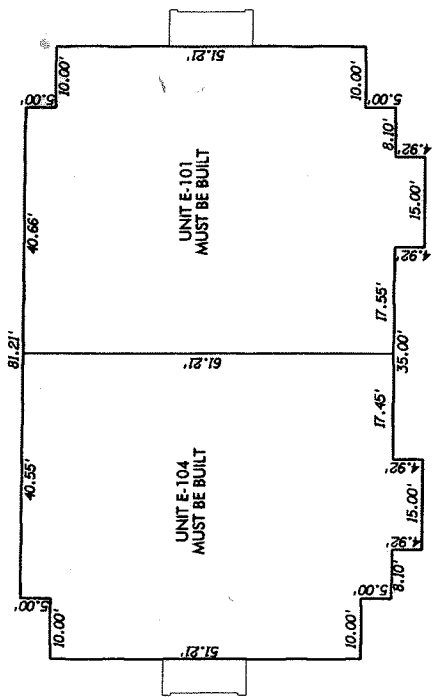
# CONDOMINIUM PLAT FOR ROB ROY OFFICE PARK™

**BUILDING A**



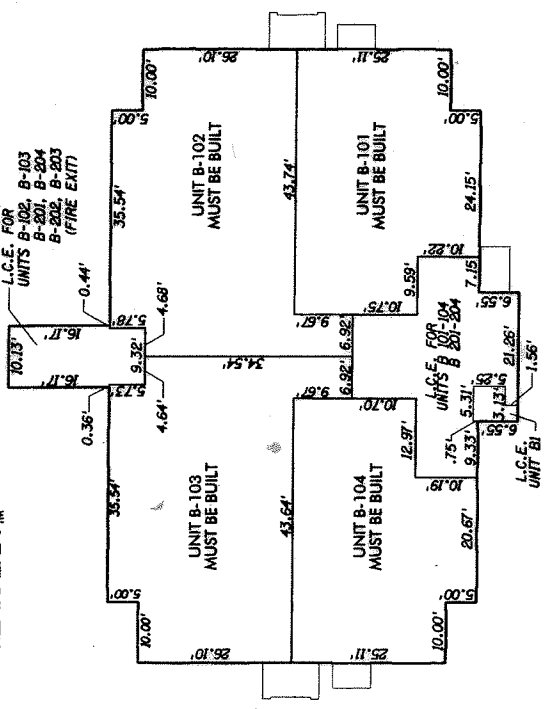
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UNIT HEIGHT: 10ft

**BUILDING E**

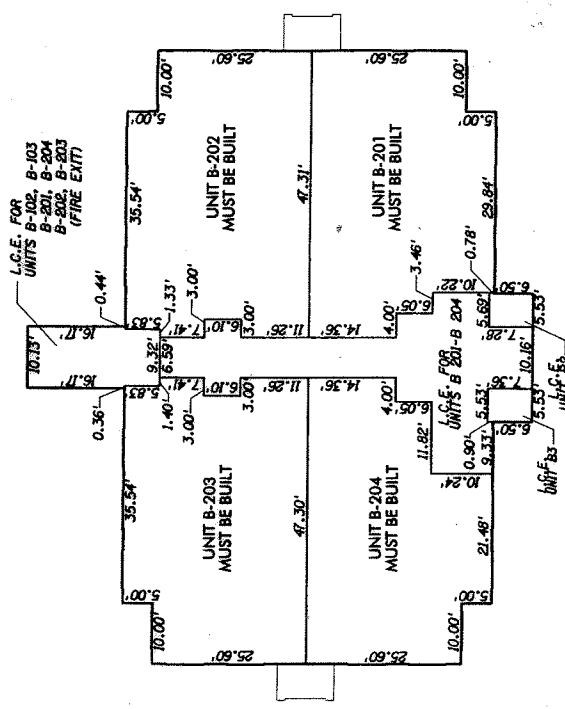


GROUND FLOOR ELEVATION: 846.75ft  
UNIT HEIGHT: 10ft

**BUILDING B**



GROUND FLOOR ELEVATION: 849.40ft  
UNIT HEIGHT: 10ft



BUILDING B - SECOND FLOOR  
ELEVATION: 863.40ft  
UNIT HEIGHT: 10ft

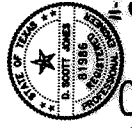
SITE ADDRESS:  
300 BEARDSLEY LANE



L.C.E. = LIMITED COMMON ELEMENT

- NOTES:  
1. ALL ANGLES ON BUILDING PERIMETER ARE 90 DEGREES UNLESS SHOWN OTHERWISE.  
2. ELEVATIONS ARE GIVEN TO MEAN SEA LEVEL, NOS DATUM

THE UNDERSIGNED ENGINEER HEREBY CERTIFIES THAT THIS PLAT CONFORMS TO SECTION 82.0598 OF THE PROPERTY CODE OF TEXAS.



11-6-06  
David J. Jones

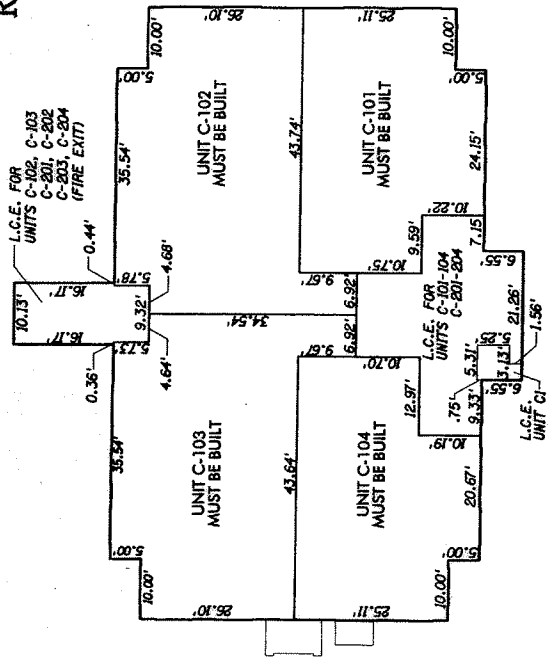


SHEET 3 OF 4

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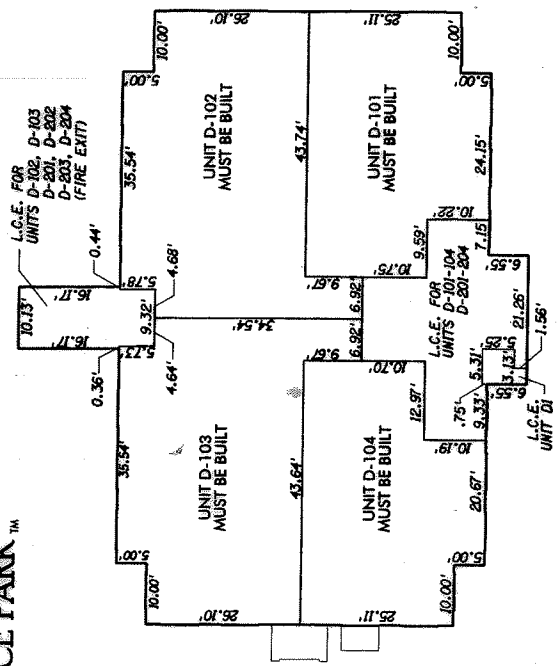
# CONDOMINIUM PLAT FOR ROB ROY OFFICE PARK™

## BUILDING C

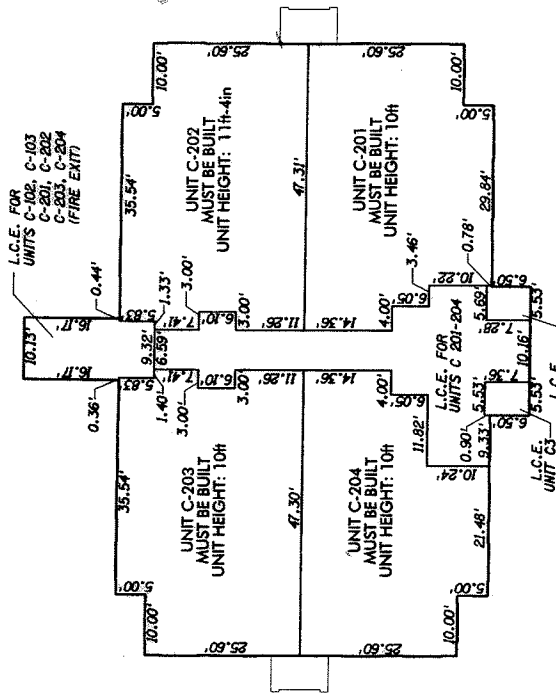


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UNIT HEIGHT: 10h

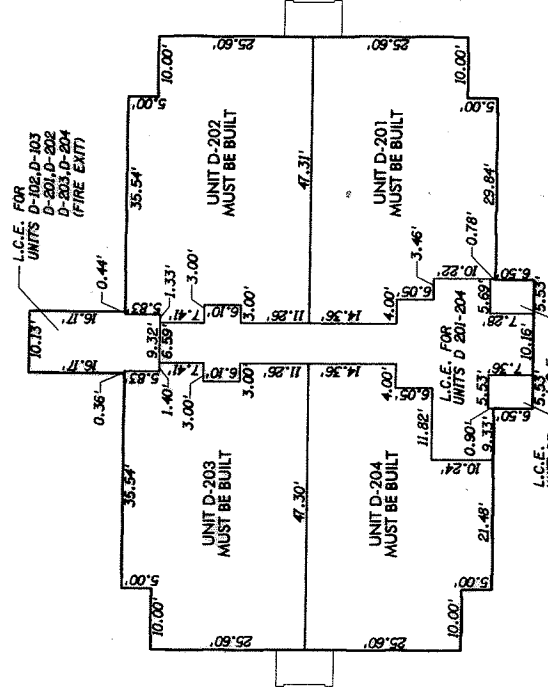
## BUILDING D



GROUND FLOOR ELEVATION: 840.85h  
UNIT HEIGHT: 10h



BUILDING C - SECOND FLOOR  
ELEVATION: 860.20h  
UNIT HEIGHT: AS NOTED



BUILDING D - SECOND FLOOR  
ELEVATION: 854.85h  
UNIT HEIGHT: 10h

SITE ADDRESS:  
300 BEARDSLEY LANE



L.C.E. = LIMITED COMMON ELEMENT

- NOTES:
1. ALL ANGLES ON BUILDING PERIMETER ARE 90 DEGREES UNLESS SHOWN OTHERWISE.
  2. ELEVATIONS ARE GIVEN TO MEAN SEA LEVEL, NOS DATUM

THE UNDERSIGNED ENGINEER HEREBY CERTIFIES THAT THIS PLAT CONFORMS TO SECTION 62.0598 OF THE PROPERTY CODE OF TEXAS.



*David J. Smith*



SHEET 4 OF 4

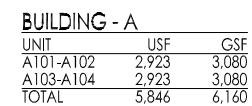
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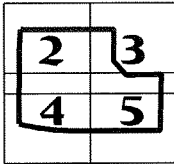






APPENDIX B  
River Place Village Office Condominiums  
(1 and 2 Units Office Buildings)

Condominium Plat

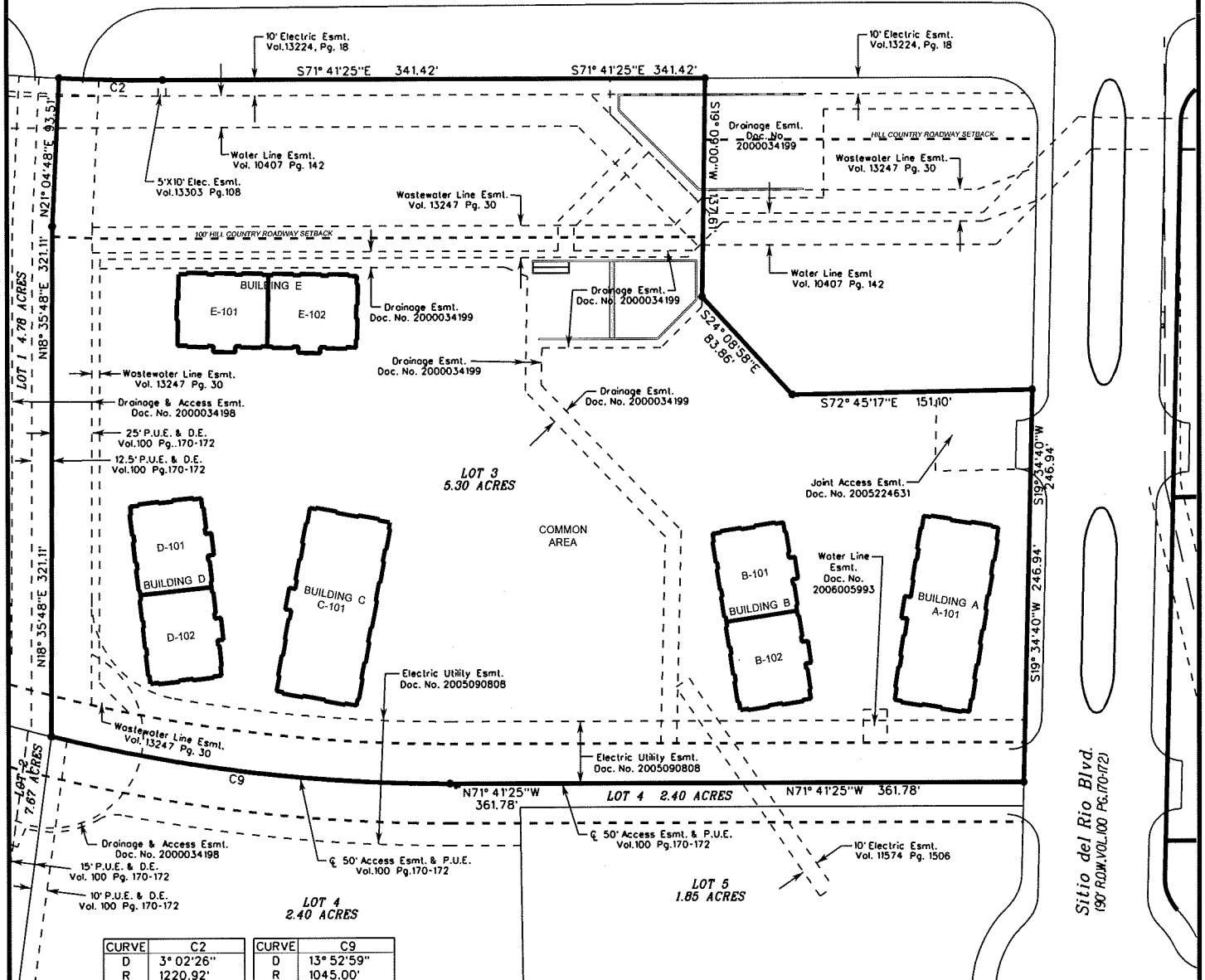


KEY MAP

# CONDOMINIUM PLAT RIVER PLACE VILLAGE OFFICE CONDOMINIUMS AUSTIN, TEXAS

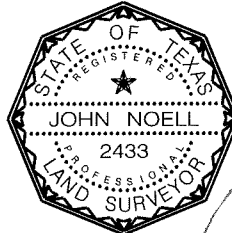
1 of 10

F.M. 2222  
(RIGHT-OF-WAY VARIES)



CURVE	C2	CURVE	C9
D	3° 02' 26"	D	13° 52' 59"
R	1220.92'	R	1045.00'
L	64.79'	L	253.21'
T	32.40'	T	127.23'
CH	64.78'	CH	252.59'
CB	S70° 22' 00" E	CB	S64° 44' 56" E

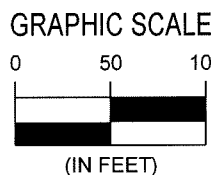
LEGAL DESCRIPTION:  
LOT 3, BLOCK A  
TWENTY-TWO TWENTY-TWO BUSINESS PARK  
VOL. 100 PG. 170-172



THE UNDERSIGNED SURVEYOR HEREBY CERTIFIES  
THAT THIS PLAT CONFORMS TO SECTION 82.059 OF  
THE TEXAS PROPERTY CODE.

*John Noell* 5/10/05  
JOHN NOELL, R.P.L.S. #2433

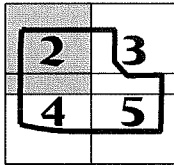
LEGEND  
• = IRON ROD FOUND



Urban Design Group

3660 STONERIDGE ROAD  
SUITE E101  
AUSTIN, TEXAS 78746  
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WWW: WWW.UDG.COM





KEY MAP

# CONDOMINIUM PLAT RIVER PLACE VILLAGE OFFICE CONDOMINIUMS AUSTIN, TEXAS

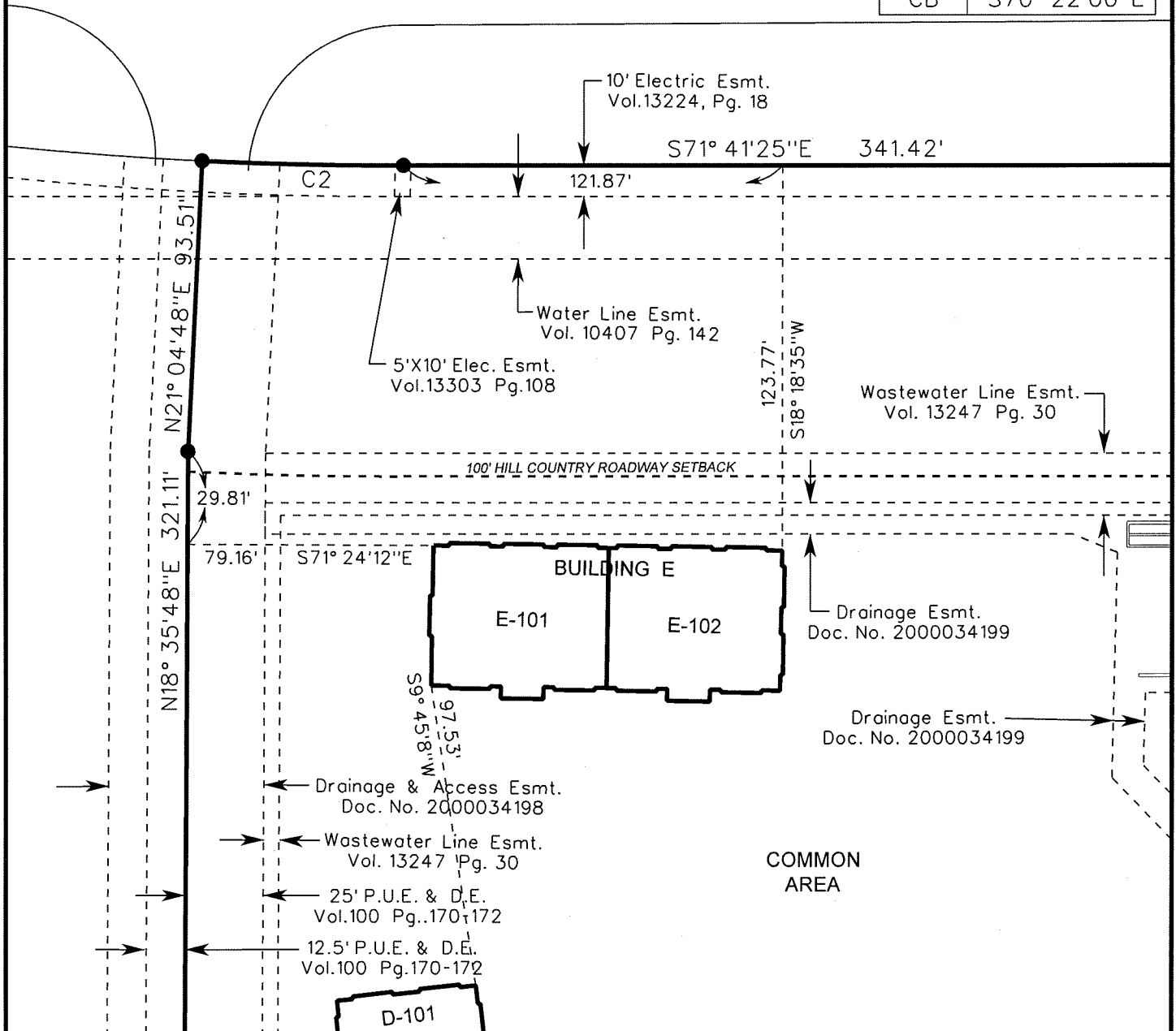
2 of 10

NOTES:

1. ALL BUILDING TIES ARE PERPENDICULAR TO OR ARE ON A RADIAL LINE FROM THE ASSOCIATED BOUNDARY LINE
2. UNITS ARE DEFINED ON BUILDING DETAIL SHEETS USING INTERIOR WALL DIMENSIONS

*F.M. 2222*  
(RIGHT-OF-WAY VARIES)

CURVE	C2
D	3° 02' 26"
R	1220.92'
L	64.79'
T	32.40'
CH	64.78'
CB	S70° 22' 00" E



LEGEND

● = IRON ROD FOUND

GRAPHIC SCALE

0 25 50



(IN FEET)

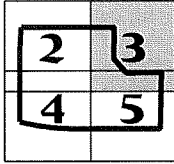


**UDG**

Urban Design Group

3660 STONERIDGE ROAD  
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FAX: (512) 347-1311  
E-MAIL: GENERAL@UDG.COM  
WWW: WWW.UDG.COM





KEY MAP

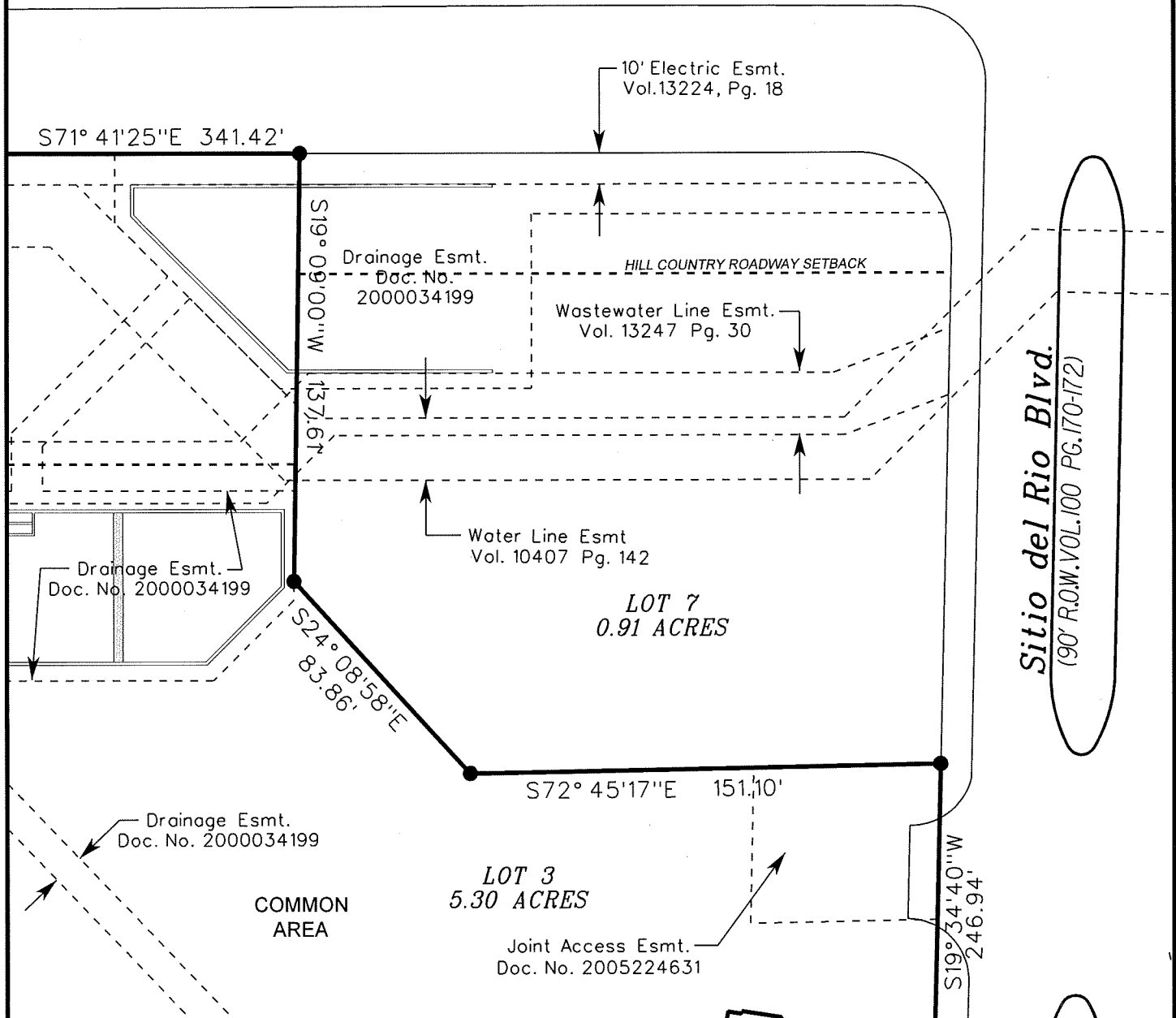
CONDOMINIUM PLAT  
RIVER PLACE VILLAGE OFFICE CONDOMINIUMS  
AUSTIN, TEXAS

3 of 10

NOTES:

1. ALL BUILDING TIES ARE PERPENDICULAR TO OR ARE ON A RADIAL LINE FROM THE ASSOCIATED BOUNDARY LINE
2. UNITS ARE DEFINED ON BUILDING DETAIL SHEETS USING INTERIOR WALL DIMENSIONS

*F.M. 2222*  
(RIGHT-OF-WAY VARIES)



LEGEND

● = IRON ROD FOUND

GRAPHIC SCALE

0 25 50



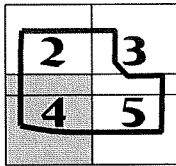
(IN FEET)



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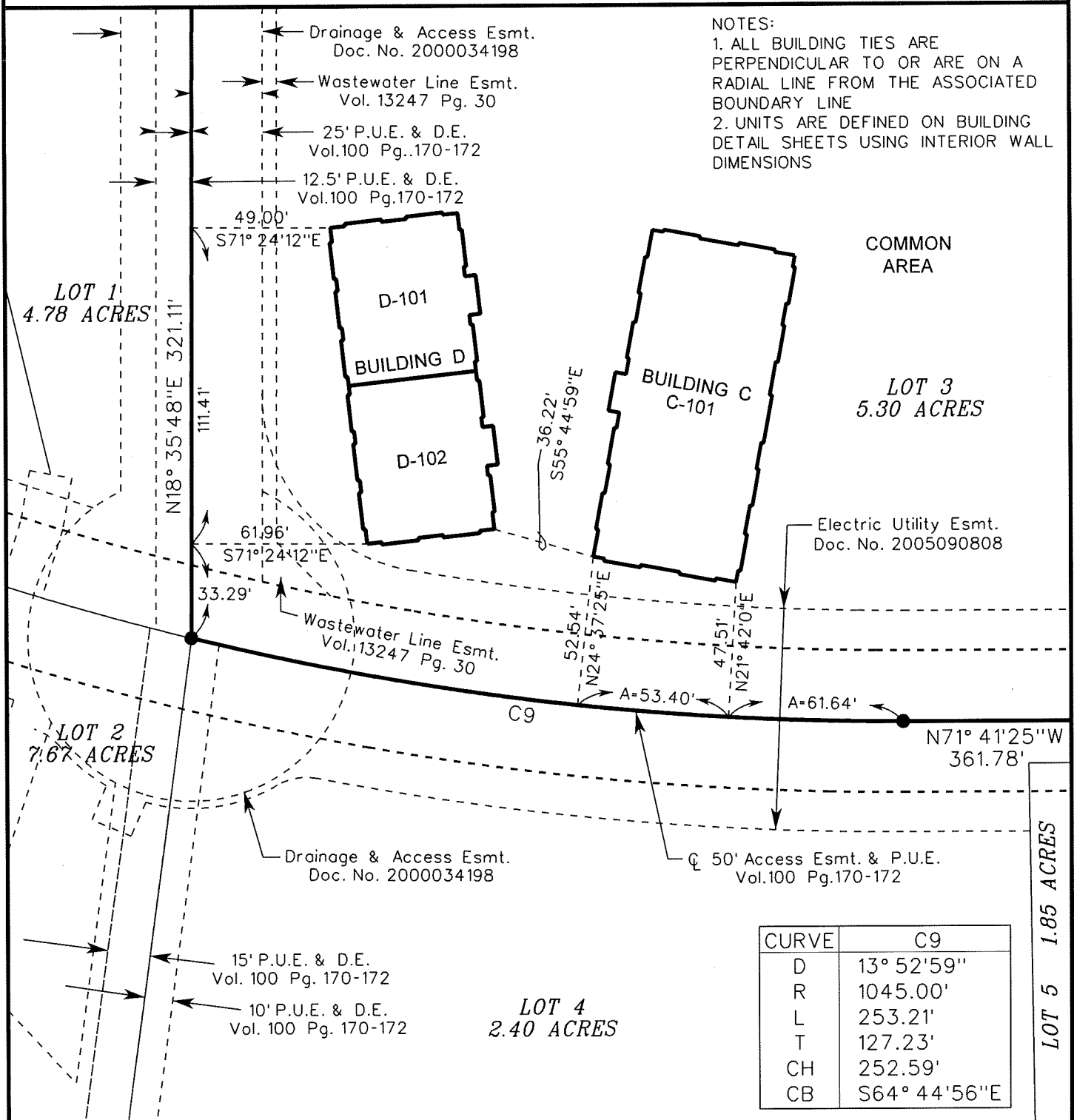
KEY MAP

# CONDOMINIUM PLAT RIVER PLACE VILLAGE OFFICE CONDOMINIUMS AUSTIN, TEXAS

4 of 10

NOTES:

1. ALL BUILDING TIES ARE PERPENDICULAR TO OR ARE ON A RADIAL LINE FROM THE ASSOCIATED BOUNDARY LINE
2. UNITS ARE DEFINED ON BUILDING DETAIL SHEETS USING INTERIOR WALL DIMENSIONS



CURVE	C9
D	13° 52' 59"
R	1045.00'
L	253.21'
T	127.23'
CH	252.59'
CB	S64° 44' 56" E

LEGEND  
● = IRON ROD FOUND

GRAPHIC SCALE

0 25 50



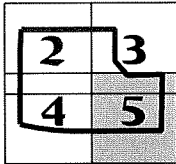
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**UDG**

Urban Design Group

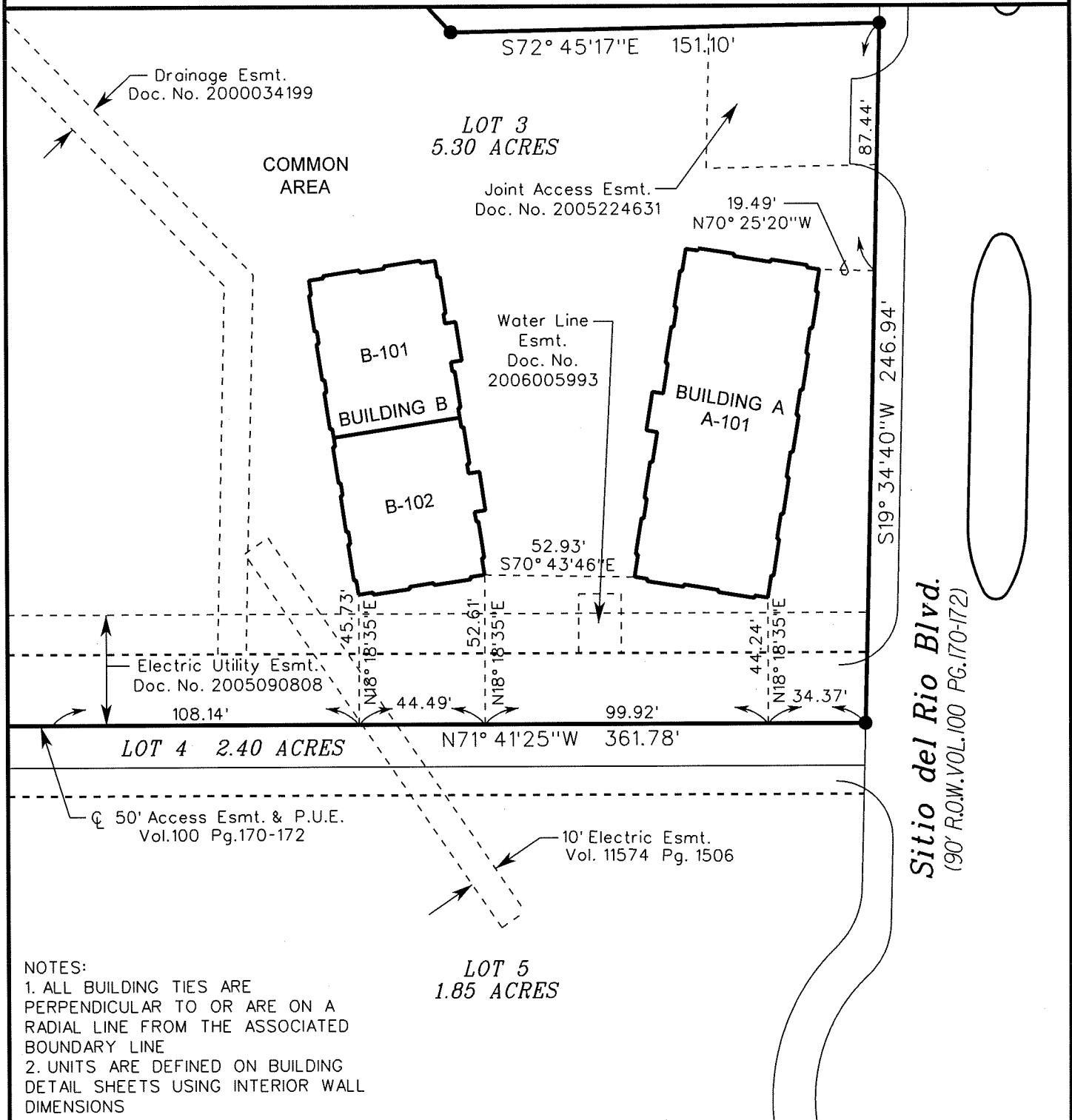
3660 STONERIDGE ROAD  
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KEY MAP

CONDOMINIUM PLAT  
RIVER PLACE VILLAGE OFFICE CONDOMINIUMS  
AUSTIN, TEXAS

5 of 10



NOTES:

1. ALL BUILDING TIES ARE PERPENDICULAR TO OR ARE ON A RADIAL LINE FROM THE ASSOCIATED BOUNDARY LINE
2. UNITS ARE DEFINED ON BUILDING DETAIL SHEETS USING INTERIOR WALL DIMENSIONS

LEGEND

● = IRON ROD FOUND

GRAPHIC SCALE

0 25 50



(IN FEET)



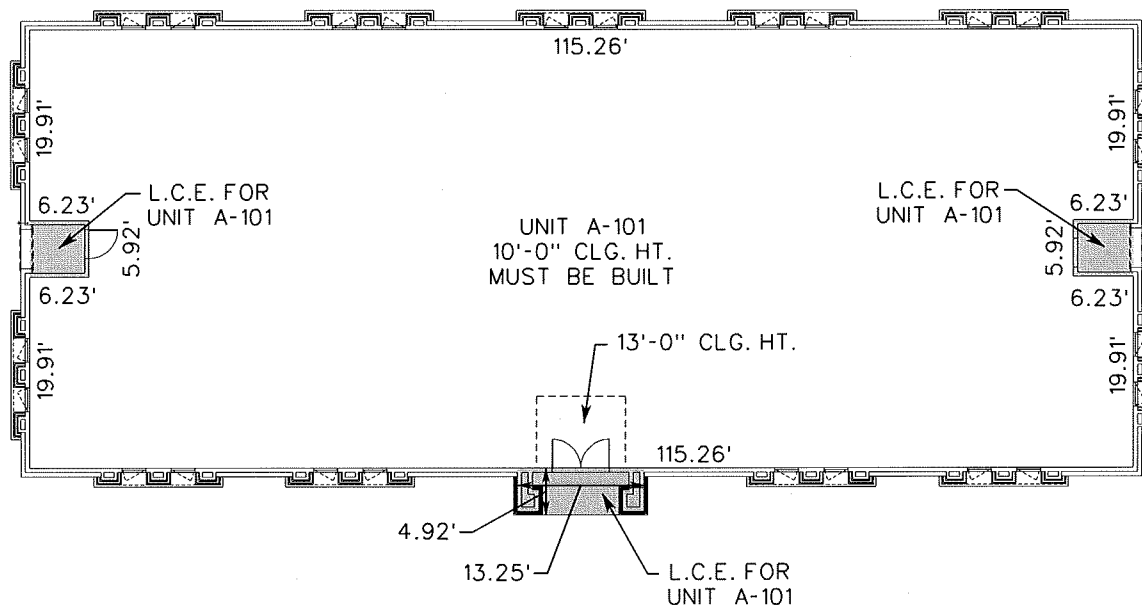
UDG

Urban Design Group

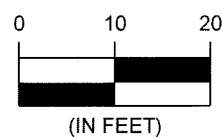
3660 STONERIDGE ROAD  
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E-MAIL: GENERAL@UDG.COM  
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**BUILDING A****CONDOMINIUM PLAT  
RIVER PLACE VILLAGE OFFICE CONDOMINIUMS  
AUSTIN, TEXAS**

6 of 10

FF ELEV = 1093.00**NOTES:**

1. ALL ANGLES ON BUILDING PERIMETER ARE 90 DEGREES UNLESS SHOWN OTHERWISE.
2. ELEVATIONS ARE GIVEN TO MEAN SEA LEVEL NGS DATUM.
3. L.C.E. = LIMITED COMMON ELEMENT

**GRAPHIC SCALE****Urban Design Group**

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AUSTIN, TEXAS 78746  
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CONDOMINIUM PLAT  
RIVER PLACE VILLAGE OFFICE CONDOMINIUMS  
AUSTIN, TEXAS

55.16'

43.19'

UNIT B-102  
10'-0" CLG. HT.  
MUST BE BUILT

13'-0" CLG. HT.

2.00'

22.89'

11.00'

2.00'

21.27'

6.75'

11.00'

L.C.E. FOR UNIT B-102

55.16'

43.19'

UNIT B-101  
10'-0" CLG. HT.  
MUST BE BUILT

13'-0" CLG. HT.

2.00'

22.89'

11.00'

2.00'

21.27'

6.75'

11.00'

L.C.E. FOR UNIT B-101

UDG JOB NO. 00-150

CONDOMINIUM PLAT  
RIVER PLACE VILLAGE OFFICE CONDOMINIUMS  
AUSTIN, TEXAS

Architectural floor plan of a large rectangular room, likely a warehouse or industrial facility. The plan includes the following dimensions and features:

- Room Dimensions:** 115.18' (width) x 23.30' (depth).
- Entrance:** Located at the bottom center, with a width of 10.83' and a height of 14'-0" CLG. HT. (Clearance Height).
- Loading Docks:** Four loading docks are shown, two on the left and two on the right. Each dock has a width of 4.53' and a height of 5.92'. They are labeled "L.C.E. FOR UNIT C-101".
- Internal Dimensions:**
  - 52.76' (distance from left wall to entrance)
  - 51.59' (distance from right wall to entrance)
  - 1.96' (distance from entrance to each side wall)
  - 20.02' (distance from top wall to entrance)
  - 20.02' (distance from bottom wall to entrance)
- Other Labels:** "UNIT C-101 10'-0" CLG. HT. MUST BE BUILT" is written in the center of the room.

UDC JOB NO. 00-150

CONDOMINIUM PLAT  
RIVER PLACE VILLAGE OFFICE CONDOMINIUMS  
AUSTIN, TEXAS

The diagram shows two identical units, UNIT D-101 and UNIT D-102, side-by-side. Each unit is 55.16' wide and 43.19' deep. The units are separated by a central wall. Each unit has a central area labeled 'L.C.E. FOR UNIT D-101' or 'L.C.E. FOR UNIT D-102' with a width of 11.00'. The distance from the unit wall to the L.C.E. is 2.00' on both sides. The total width of the unit is 55.16', and the total depth is 43.19'. The units are 10'-0" CLG. HT. and must be built to a 13'-0" CLG. HT. The units are 22.89' wide from the unit wall to the L.C.E. and 21.27' wide from the L.C.E. to the unit wall. The units are 6.75' wide from the unit wall to the L.C.E. and 11.00' wide from the L.C.E. to the unit wall.

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[WWW.UDG.COM](http://WWW.UDG.COM)

CONDOMINIUM PLAT  
RIVER PLACE VILLAGE OFFICE CONDOMINIUMS  
AUSTIN, TEXAS

The diagram is a detailed architectural floor plan of a two-unit building. It shows two identical units, UNIT E-101 and UNIT E-102, separated by a central vertical wall. Each unit is 10'-0" high and must be built with a 13'-0" clear height. The plan includes various dimensions for the units, the central wall, and the surrounding structure. Key dimensions include 55.08' and 55.16' for the main unit widths, 43.19' for the unit height, and 13'-0" for the clear height. The plan also shows the location of the units relative to the building's perimeter, with dimensions like 22.58', 20.75', 21.62', and 22.55' indicating the distance from the unit walls to the building's edges. The plan also shows the location of the units relative to the building's perimeter, with dimensions like 22.58', 20.75', 21.62', and 22.55' indicating the distance from the unit walls to the building's edges. The plan also shows the location of the units relative to the building's perimeter, with dimensions like 22.58', 20.75', 21.62', and 22.55' indicating the distance from the unit walls to the building's edges.

UNIT E-101  
10'-0" CLG. HT.  
MUST BE BUILT

UNIT E-102  
10'-0" CLG. HT.  
MUST BE BUILT

13'-0" CLG. HT.

13'-0" CLG. HT.

2.00'

2.00'

2.00'

2.00'

22.58'

20.75'

21.62'

22.55'

6.75'

11.75'

11.00'

L.C.E. FOR UNIT E-101

L.C.E. FOR UNIT E-102

UDG JOB NO. 00-150



APPENDIX C  
Star Riverside  
(Phased Project)

1. Condo Plat
2. Concept Plan





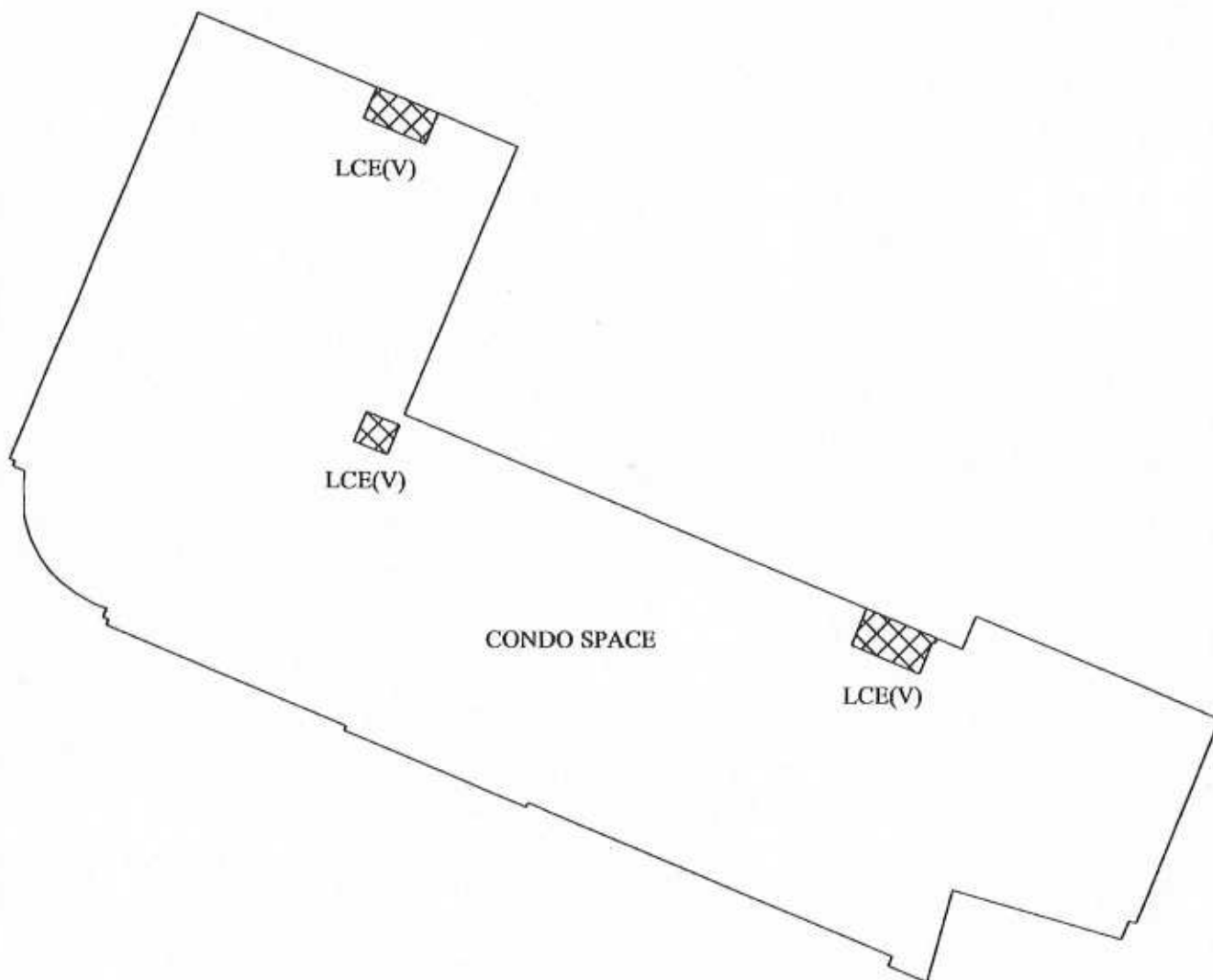
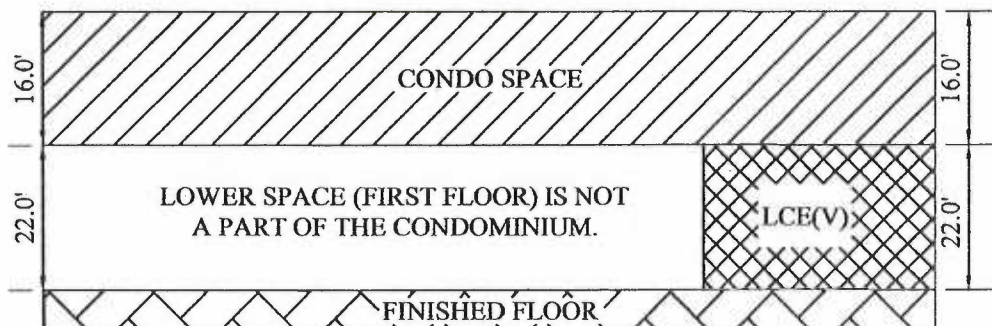
APPENDIX D  
The Offices at Hill County Galleria  
(Vertical Subdivision; Retail and Office)

1. Picture of Outside of Building
2. Condo Plat – Vertical Diagram
3. Condo Plat – Four Building Site Diagram
4. Condo Plat – Unit T 201
5. Condo Plat – Unit T 200
6. Shopping Center Site Plan
7. Condominium Declaration Provisions Addressing Vertical Subdivision

AND TAYLOR  
**LOFT**

LOFT

EXHIBIT "B"  
HILL COUNTRY GALLERIA OFFICE CONDOMINIUMS  
UNIT T200



LCE(V) = LIMITED COMMON ELEMENT (VERTICAL)  
(NOT TO SCALE)

**Delta Survey Group Inc.**

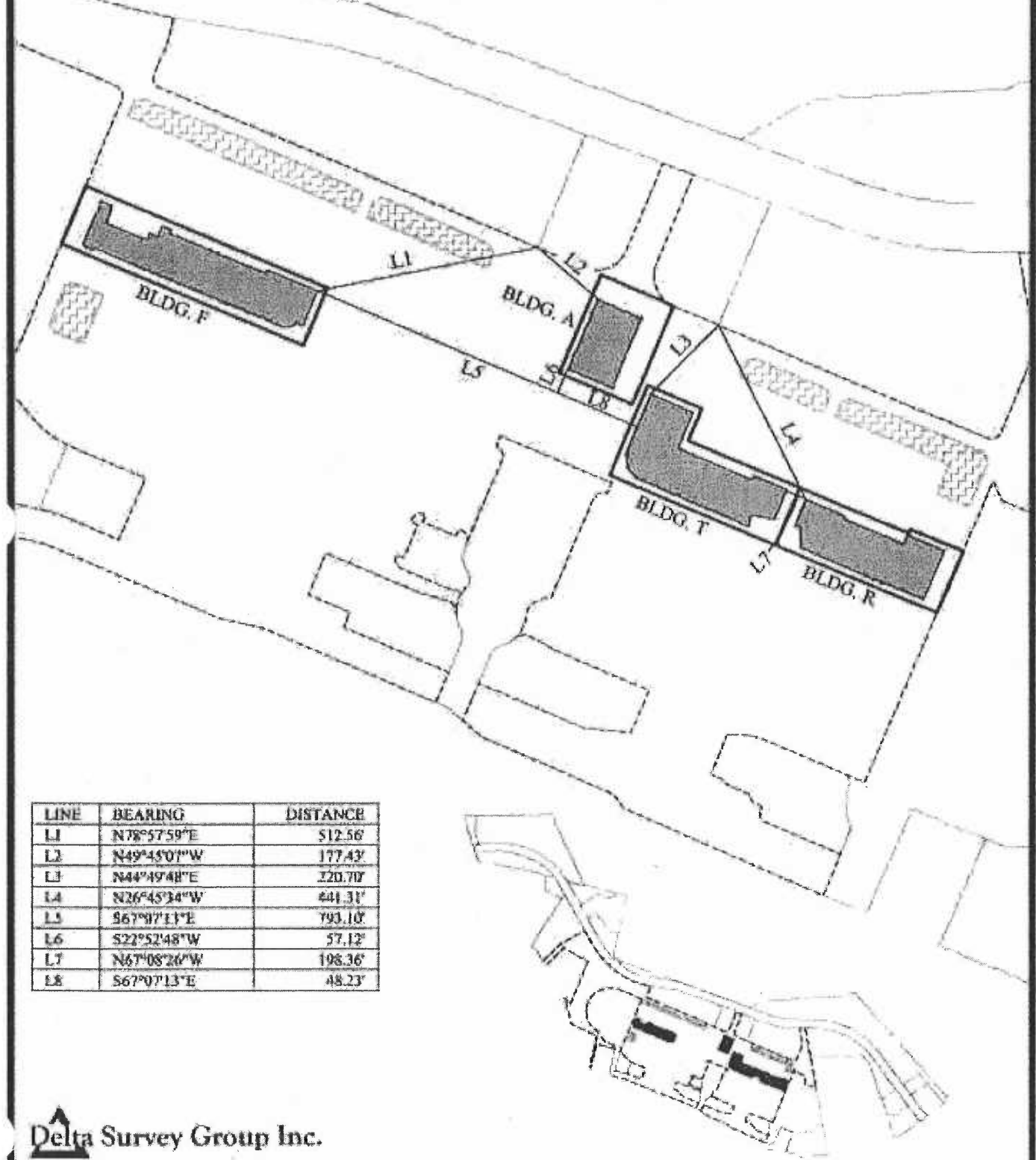
8213 Brodie Lane Ste. 102 Austin, TX. 78745  
office: (512) 282-5200 fax: (512) 282-5230  
WWW.DELTASURVEYGROUP.COM

SHEET 42

DATE: 05/15/08  
PROJECT NO.



EXHIBIT "B"  
HILL COUNTRY GALLERIA OFFICE CONDOMINIUMS  
SITE



LINE	BEARING	DISTANCE
L1	N78°57'59"E	512.56'
L2	N49°45'07"W	177.43'
L3	N44°49'48"E	120.70'
L4	N26°45'34"W	441.31'
L5	S67°07'11"E	793.10'
L6	S22°52'48"W	57.12'
L7	N67°08'26"W	198.36'
L8	S67°07'13"E	48.23'

**Delta Survey Group Inc.**

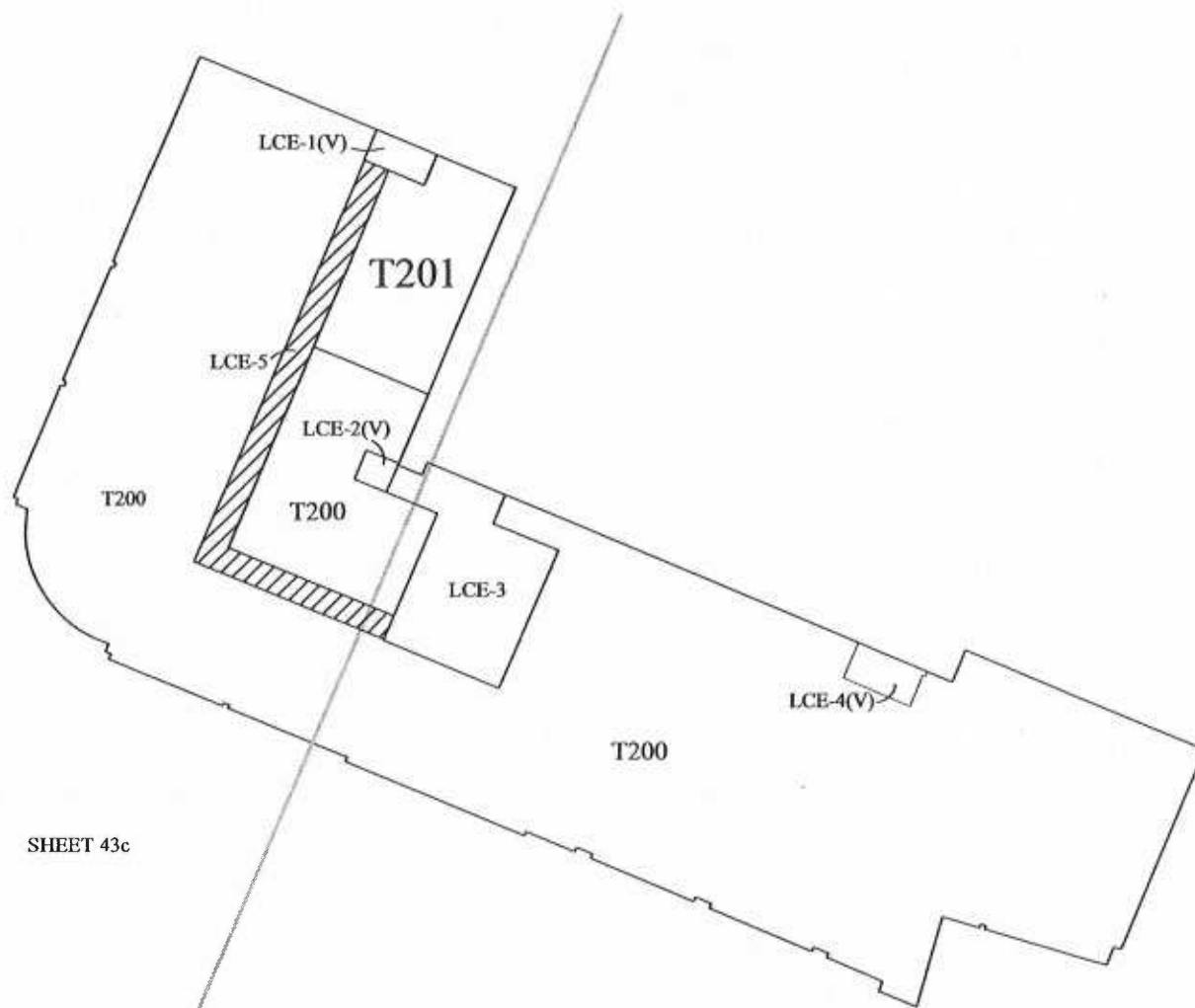
8213 Brudie Lane Ste. 102 Austin, TX 78745  
 offices (512) 282-5200 fax (512) 282-5210  
 WWW.DELTASURVEYGROUP.COM

SHEET 6

DATE: 05/15/08  
 PROJECT NO:

B-4


EXHIBIT "B"  
HILL COUNTRY GALLERIA OFFICE CONDOMINIUMS  
UNIT T201



T201: 2,474 SQ. FT.  
OVERALL: 43,262 SQ. FT.  
LCE-5= LIMITED COMMON ELEMENT:1,524 SQ. FT.



LIMITED COMMON ELEMENT  
(DETAIL PAGE 43c)

 Delta Survey Group Inc.

8213 Brodie Lane Ste. 102 Austin, TX. 78745  
office: (512) 282-5200 fax: (512) 282-5230  
WWW.DELTASURVEYGROUP.COM

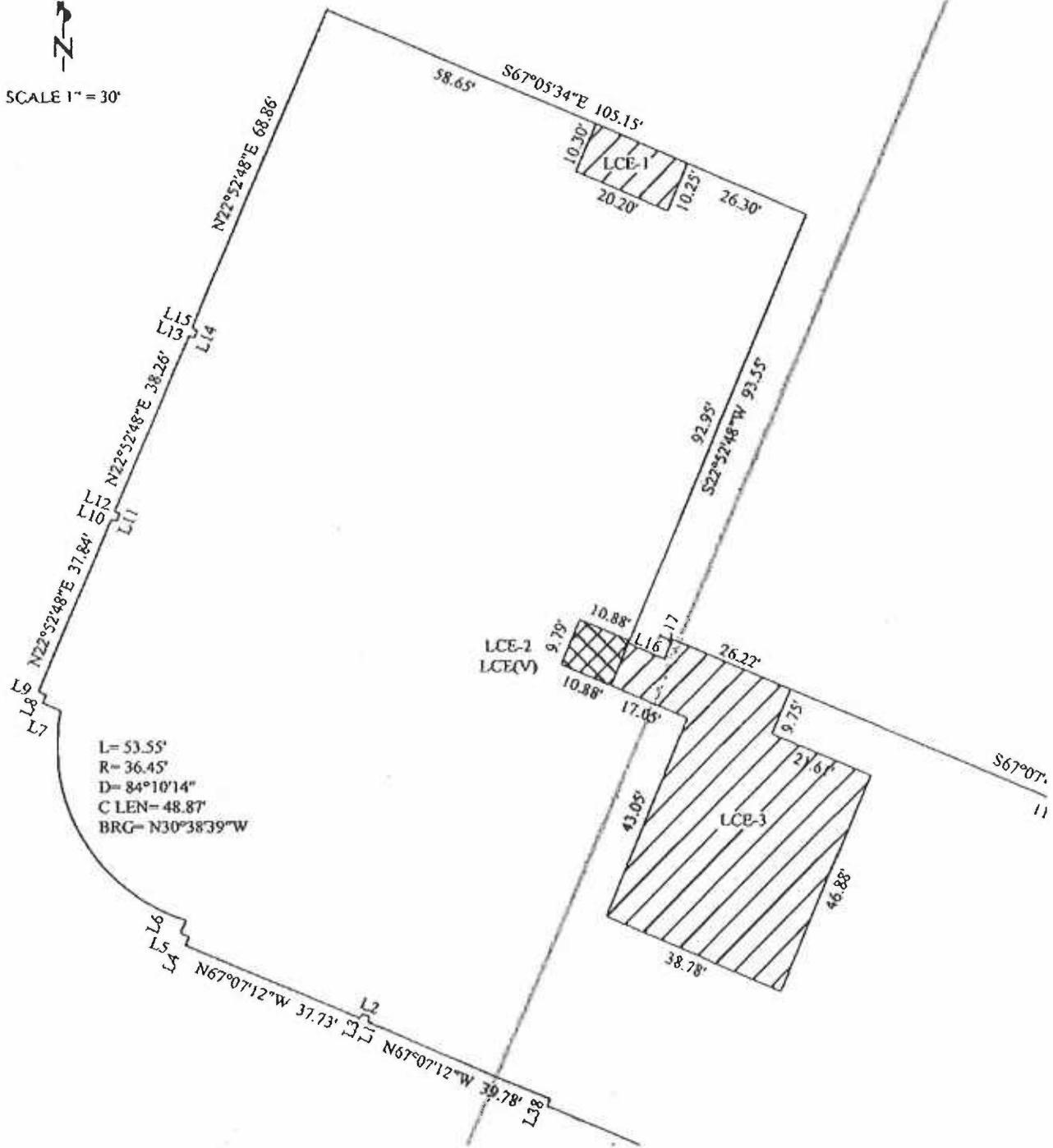
SHEET 43a

DATE: 10/16/08  
PROJECT NO.



D-5

# EXHIBIT "B" HOLL COUNTRY GALLERIA OFFICE CONDOMINIUMS UNIT T200



**Delta Survey Group Inc.**

8213 Brodie Lane Ste. 102 Austin, TX 78745  
office: (512) 282-5200 fax: (512) 282-5230  
WWW.DELTASURVEYGROUP.COM

SHEET 37

LIMITED COMMON ELEMENT(V)  
(DETAIL PAGE 38)  
 LIMITED COMMON ELEMENT  
(DETAIL PAGE 38)

DATE: 05/15/08  
PROJECT NO.

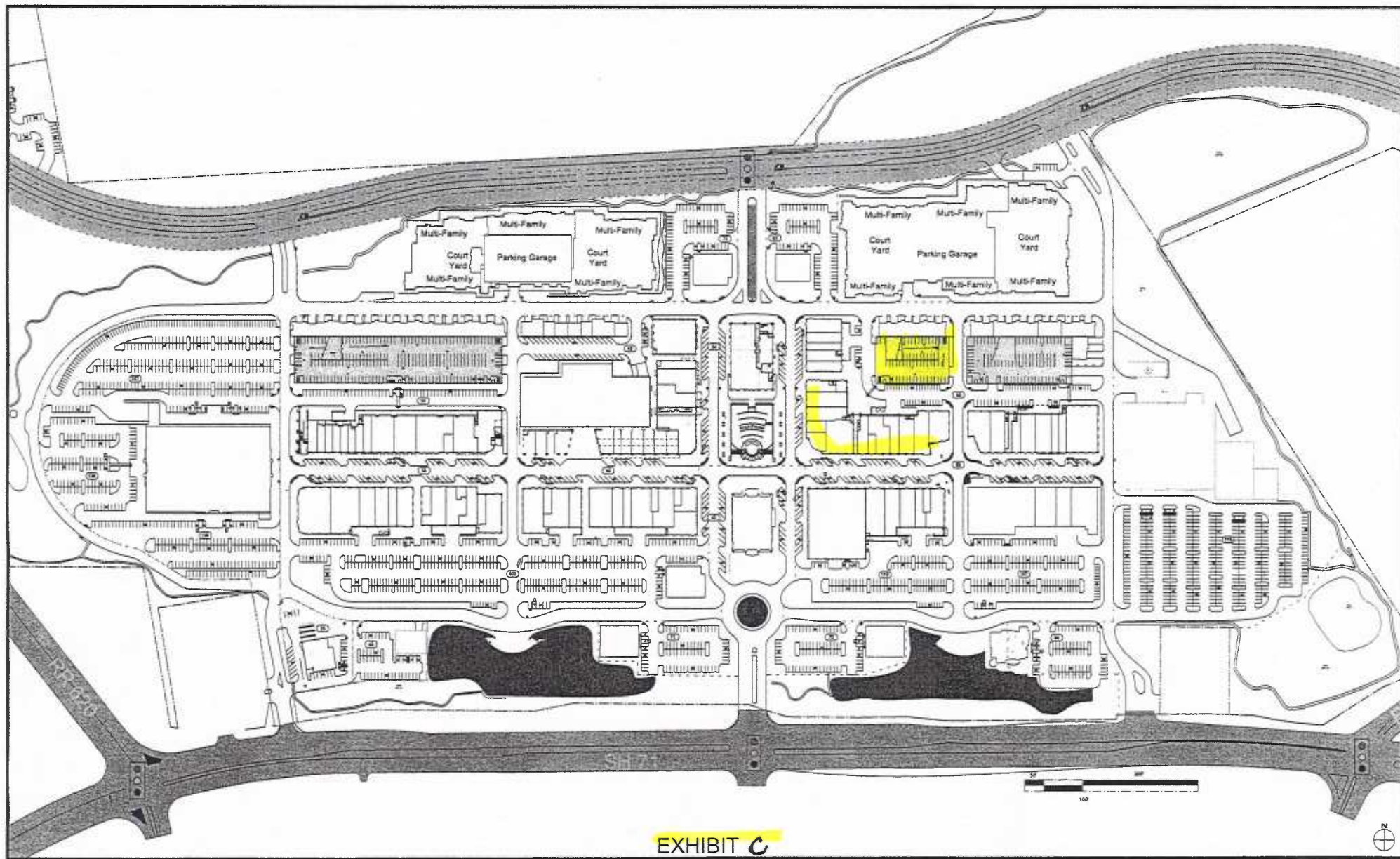


EXHIBIT C

IDM

OPUS  
a Development of Opus West Corporation

LINCOLN  
PROPERTY  
COMPANY

OFFICE PARKING AREAS

05/30/2008



**1.14 Capital Improvement Assessments.** The term "Capital Improvement Assessments" means the assessments which are levied pursuant to the provisions of **Section 6.4** of this Declaration.

**1.15 City.** The term "City" means the City of Bee Cave, Texas.

**1.16 Claims.** The term "Claims" means all claims, actions, demands, liabilities, damages, costs, penalties, forfeitures, losses or expenses, including, without limitation, reasonable attorneys' fees and costs and the costs and expenses of enforcing any indemnification, defense and/or hold harmless obligations under the Governing Documents.

**1.17 Common Elements.** The term "Common Elements" refers to that portion of the Project which is not designated as a Unit on the Condominium Plan or included within the definition of "Unit" under this Declaration, which Common Elements are owned in undivided interests by the Owners of the Units located within the Project. The Common Elements include, without limitation, the following items to the extent located within, at or above the second floor of each Building (and those first floor elevators and stairwells identified as vertical Common Elements on the Condominium Plan); the exterior walls, exterior doors, exterior windows and glass, stairwells (to the extent noted as Common Elements on the Condominium Plan), mechanical shafts, electrical rooms, roofs, skylights, the bearing walls located within an access way or Unit, if any, and all structural components within a Unit which may be required for the support of the Building within which the Unit is located, shared entry lobbies, elevators (to the extent noted as Common Elements on the Condominium Plan), corridors and walkways, shared restrooms, and any other areas located outside of the Units. Any Utility Facilities serving more than one Unit are a part of the Common Elements. Common Elements include General Common Elements and Limited Common Elements.

**1.18 Common Expenses.** The term "Common Expenses" refers to the actual and estimated costs and expenses incurred or to be incurred by the Association, including, without limitation, the following:

**1.18.1** maintenance, management, operation, repair and replacement of the Common Elements and all other areas within the Project which are maintained by or on behalf the Association under this Declaration or the REA;

**1.18.2** costs of management and administration of the Association, including, without limitation, compensation paid by the Association to managers, accountants, attorneys, architects and employees;

**1.18.3** the costs of any utilities, trash pickup and disposal, landscaping, and other services benefiting the Owners and their Units to the extent such services are provided to and paid for or required to paid for by the Association under this Declaration or the REA;

**1.18.4** the costs of fire, casualty, liability, worker's compensation and other insurance required to be maintained by or on behalf of the Association hereunder or under the REA;

**1.18.5** reasonable reserves as deemed appropriate by the Board or otherwise required pursuant to the Governing Documents;

**1.18.6** the costs of bonding of the members of the Board, any professional managing agent or any other person handling the funds of the Association;

**1.18.7** taxes and assessments paid by or on behalf of the Association under this Declaration or the REA;

**1.18.8** assessments due but unpaid hereunder and assessments levied against the Project under this Declaration;

herein during the term of the Lease, and further may not designate to such Lessee the right to exercise the voting powers granted to such Owner under this Declaration.

**1.40 Limited Common Elements.** The terms "Limited Common Elements" means a portion of the Common Elements allocated by this Declaration or the Condominium Plan or by the operation of Section 82.052 of the Act for the exclusive use of one or more but less than all the Units.

**1.41 Maintenance Obligations.** The term "Maintenance Obligations" refers to the Association's obligations and each Owner's obligations to perform (i) any maintenance obligations and schedules provided to an Owner or the Association, whether contained in any warranty or otherwise; (ii) any commonly accepted maintenance practices intended to prolong the life of the materials and construction of the Common Elements and Units, as applicable; and (iii) any maintenance obligations and requirements set forth in this Declaration, as updated and amended from time to time.

**1.42 Majority of the Voting Power.** The term "Majority of the Voting Power" means those Owners collectively owning a majority of the Square Footage within the Project, and, so long as Declarant owns any portion of the Project, the Declarant.

**1.43 Map.** The term "Map" means the subdivision or parcel map covering the Shopping Center.

**1.44 Member.** The term "Member" means every person or entity who holds a membership in the Association.

**1.45 Mortgage.** The term "Mortgage" means any duly recorded mortgage or deed of trust encumbering a Condominium in the Project.

**1.46 Mortgagee.** The term "Mortgagee" means a mortgagee under a Mortgage as well as a beneficiary under a deed of trust.

**1.47 Notice and Hearing.** The term "Notice and Hearing" means the procedure which gives an Owner notice of an alleged violation of the Governing Documents and the opportunity for a hearing before the Board.

**1.48 Owner.** The term "Owner" refers, individually or collectively, as the context requires, to the record owner(s), whether one or more persons or entities, including Declarant, of any Condominium excluding those having such interest merely as security for the performance of an obligation.

**1.49 Parking Spaces.** The term "Parking Spaces" means those parking spaces made available for the use of the Project.

**1.50 Project.** The term "Project" means all of the Property, together with the Improvements situated thereon, but excluding any lower level portion of a building that is not designated as a Common Element on the Condominium Plan or made a part of the Condominium pursuant to Section 10.8 of this Declaration.

**1.51 Project Handbook.** The term "Project Handbook" refers to the handbook that contains the Architectural Guidelines, Rules and Regulations and Signage Program.

**1.52 Property.** The term "Property" means all of the real property described in Exhibit "A" of this Declaration;

**1.53 REA.** The term "REA" means that certain Hill Country Galleria Construction, Operation and Reciprocal Easement Agreement by and between Developer and Dillard Texas, LLC, a Delaware limited liability company (as successor by merger to Dillard Texas Operating Limited Partnership, a Texas



**1.65 Unit.** The term "Unit" means a physical portion of the Project designated for separate ownership or occupancy, the boundaries of which are described below in **Section 3.6** of this Declaration and are shown on the Condominium Plan. Declarant may subdivide any Unit in which Declarant maintains an interest and reserves the right to subdivide such Units to create additional Units in the Project, **not to exceed a maximum of ninety four (94) Units**. Each Unit includes all Improvements situated within its boundaries, and includes, without limitation, (i) interior walls (except interior bearing walls and/or columns) if any, (ii) the interior undercoated surfaces of bearing walls and perimeter walls and floors, (iii) appliances, cabinets, interior doors, if any, (iv) the openings and outlets of all Utility Facilities that are located partially within the Unit and partially in the Common Elements (such as electrical outlets), and that exclusively serve the Unit, and (v) **all Utility Facilities serving solely that Unit, whether located in the Unit or the Common Elements**. **The following are not part of any Unit:** bearing walls, columns, exterior doors, exterior windows and glass, roofs, and Utility Facilities that serve two or more Units wherever located. The measurements set forth on the Condominium Plan, or in any other recorded document, as to each Unit are approximate values taken from the plans and specifications for the Project and may not be precisely accurate as to any Unit due to variances in construction and interior floor plans. The Declarant does not warrant, represent or guarantee that any Unit actually contains the area, square footage or dimensions as shown on the Condominium Plan or as described in any other recorded document. Each Owner of a Unit or interest therein, has had full opportunity, and is under a duty, to inspect and examine the Unit purchased by him or her prior to the purchase thereof, and agrees that the Unit is purchased as actually and physically existing. **THE DECLARANT SHALL NOT BE LIABLE TO ANY OWNER AS A RESULT OF ANY DISCREPANCIES IN ACTUAL MEASUREMENTS FROM THOSE SET FORTH ON THE CONDOMINIUM PLAN, DECLARATION OR IN ANY CONDOMINIUM PURCHASE CONTRACT TO WHICH DECLARANT OR ANY OWNER IS OR WAS A PARTY, AND EACH OWNER, BY ACCEPTING A DEED TO A UNIT, WAIVES ANY SUCH CLAIM OR CAUSE OF ACTION AGAINST DECLARANT.** Declarant (without the joinder of any other Owner) may file a Supplementary Declaration and/or Supplementary Condominium Plan to (i) reflect the actual measurements for each Unit, and any other appropriate changes and amendments to the Declaration to reflect the revised Allocable Share based upon completion of construction and final actual measurements; and (ii) reflect the addition of additional Units. Each Unit is subject to such encroachments and protrusions as are contained in the Building, whether the same now exist or may be later caused or created in any manner. In interpreting deeds, mortgages, leases, the Condominium Plan and other instruments for any purpose whatsoever or in connection with any matter, the then existing physical boundaries of a Unit, whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or Condominium Plan, regardless of settling, rising or lateral movement of the Building and regardless of minor variance between boundaries shown on the Condominium Plan or deed, and those of the Building.

**1.66 Utility Facilities.** The term "Utility Facilities" means all utility facilities including intake and exhaust systems, storm and sanitary sewer systems, drainage systems, HVAC units and utility services, domestic water systems, natural gas systems, electrical systems, fire protection water and sprinkler systems, vacant conduits in utility rooms, vacant conduits throughout the main service telephone systems, satellite dishes, cable television systems, telecommunications systems, water systems, sump pumps, central utility services and all other utility systems and facilities reasonably necessary to service any Improvement situated in, on, over and under the Project.

**1.67 Voting Power.** The term "Voting Power" refers to the total voting power of the Association as set forth in **Section 5.2.1**, which is based on Square Footage.

## ARTICLE 2

### REA

**2.1 REA.** Each Owner acknowledges that the Project consists mainly of the upper levels of Buildings "R", "T", "S", "F" and "A" located within the Shopping Center as shown on the attached Condominium Plan. Certain covenants, conditions and restrictions have been imposed on the Shopping Center, including the Project, pursuant to the REA. Pursuant to Section 21.26 of the REA, the Developer



access shall automatically terminate. Prior to commencing any construction, the Owner shall obtain the approvals required under **Article 9** of this Declaration. The Owner shall also comply with the following requirements: (a) no bearing wall shall be removed or altered; and (b) no Utility Facilities shall be removed or damaged in the course of the construction described in this Section. All costs, and expenses of such modifications, and subsequent demising wall construction or restoration of said modifications shall be borne by the Owner of the Units so joined. If, after Declarant has conveyed a Unit, the Owner or Owner(s) of such Units desire to combine Units, subject to obtaining the approvals under **Article 9** of this Declaration, the Association, shall have the right to grant to an Owner who acquires fee title to two or more adjacent Units, without amending this Declaration or the Condominium Plan, an Exclusive Use Easement on and through any demising wall(s) separating two or more Units and the right to alter, modify or remove such demising walls subject to the consent of the Declarant and conformance with the requirements of the Board, pursuant to the provisions of **Article 9**.

**3.6 Unit Boundaries.** The boundaries and identifying number of each Unit are shown on the Condominium Plan. The boundaries are further described as follows:

**3.6.1 Lower Horizontal Boundary.** The top surface of the subflooring is the Unit's lower horizontal boundary. In other words, the subflooring is a Common Element, but anything affixed to the subflooring is part of the Unit.

**3.6.2 Upper Horizontal Boundary.** The exterior (sky-side) surface of the sheetrock comprising the perimeter ceilings is the Unit's upper horizontal boundary. In other words, the ceiling sheetrock is part of the Unit.

**3.6.3 Vertical Perimeter Boundaries.** On the perimeter walls of the Unit, the Unit's vertical boundaries are (1) the exterior (outside) surfaces of the sheetrock comprising the perimeter walls; (2) the interior (inside) surfaces of window glass and window frames; (3) the interior (inside) surfaces of closed perimeter doors. In other words, the sheetrock on perimeter walls is part of the Unit, but windows and doors in the perimeter walls are part of the Common Elements.

## ARTICLE 4 THE ASSOCIATION

**4.1 The Organization.** The Association is a nonprofit corporation to be formed under the Texas Business Organizations Code prior to the conveyance of the first Condominium to an Owner. On the conveyance of the first Condominium to an Owner, the Association shall be charged with the duties and invested with the powers set forth in this Declaration and the other Governing Documents.

**4.2 Association Action; Board of Directors and Officers; Members' Approval.** Except as to matters requiring the approval of Members as set forth in the Governing Documents, the affairs of the Association shall be conducted by the Board and such officers as the Board may elect or appoint. Such election or appointment shall be in accordance with the Governing Documents. Except as otherwise provided in this Declaration, the Articles and the Bylaws, all matters requiring the approval of Members shall be deemed approved if (i) a Majority of the Voting Power assent to them by written consent as provided in the Bylaws, or (ii) such matters are approved by a Majority of the Voting Power of the Owners present at a meeting at which a quorum of Members is present (and which is held in accordance with the Bylaws).

**4.3 Powers of the Association.** The Association shall have all the powers of a nonprofit corporation organized under the Texas Business Organizations Code subject only to such limitations on the exercise of such powers as are set forth in the Governing Documents. It shall have the power to do any lawful thing that may be authorized, required, or permitted to be done by the Association under the Governing Documents, and to do and perform any act that may be necessary or proper for or incidental

APPENDIX E

The W

(Master and Subassociation; Mixed Use – Residential, Retail, Office and Hotel)

1. Condominium Information Statement
2. Condo Plat

B<sub>21</sub>

CONDOMINIUM INFORMATION STATEMENT

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## CONDOMINIUM INFORMATION STATEMENT

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1. REGIMES; DECLARANT

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CJUF II Stratus Block 21 LLC, a Delaware limited liability company (the "**Declarant**"), is the developer of Block 21 Condominiums, the condominium regime which is the subject of this Condominium Information Statement (the "**Subordinate Condominium Regime**"), and the related Block 21 Master Condominiums (the "**Master Condominium Regime**"). The principal office and mailing address of both the Declarant and the Subordinate Condominium Regime is 98 San Jacinto, Suite 220, Austin, Texas 78701.

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2. CONDOMINIUM OWNERSHIP; HOTEL DISCLOSURES

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The Subordinate Condominium Regime will utilize the condominium form of ownership and will be established pursuant to the Declaration of Condominium Regime for Block 21 Condominiums, to recorded under Document No. 2010182736 in the Official Public Records of Travis County, Texas (the "**Subordinate Condominium Declaration**"). The Subordinate Condominium Declaration will establish individual residential units (individually, a "**Residential Unit**") by the subdivision of a single large residential master unit (the "**Residential Master Unit**") established pursuant to the Declaration of Condominium Regime for Block 21 Master Condominiums, recorded under Document No. 2010182735 in the Official Public Records of Travis County, Texas (the "**Master Condominium Declaration**"). The Subordinate Condominium Declaration will also encumber, but not subdivide, the "**Hotel Master Unit**" established pursuant to the Master Condominium Declaration. In addition to the single Residential Master Unit, as more particularly described in the Master Condominium Declaration, the Master Condominium Declaration will also create six other types of "**Master Units**": (i) the "**Commercial Master Units**"; (ii) the "**Parking Master Unit**"; (iii) the "**Hotel Master Unit**"; (iv) the "**Venue Master Unit**"; (v) the "**Office Master Unit**"; and (vi) the "**Shared Facilities Master Unit**."

Block 21 will consist of a variety of uses – including, without limitation, residential, retail/commercial, and hotel use – conducted in portions of the various Master Units in accordance with the terms and provisions of the Master Condominium Declaration and the Subordinate Condominium Declaration, as applicable. As set forth more fully in the Master Condominium Declaration, the Shared Facilities Master Unit consists generally of infrastructure and common areas serving the building as a whole.

The terms and provisions of the Subordinate Condominium Declaration will be subordinate, in certain respects, to the terms and provisions of the Master Condominium Declaration in the sense that the Master Condominium Declaration will establish rights, duties, and obligations associated with each Master Unit, including the Residential Master Unit, and the Subordinate Condominium Declaration will subdivide the Residential Master Unit into individual Residential Units and will establish rights, duties, and obligations associated with each individual Residential Unit.

By acquiring a Residential Unit, you will be under the jurisdiction of two non-profit Associations: a master association, known as the Block 21 Master Condominium Community, Inc. (the "**Master Association**") comprised of owners of Master Units, and a subordinate association, known as the Block 21 Condominium Community, Inc. (the "**Subordinate Association**"), comprised of the owner of the Hotel Master Unit and the owners of Residential Units. As further provided in the Master Condominium Declaration, the Board of Directors of the Subordinate Association (the "**Subordinate Board**") will be designated as the member and representative of all owners of Residential Units in all matters associated with the Master Association. Since as an owner of a Residential Unit you will be under the jurisdiction of

## CONDOMINIUM INFORMATION STATEMENT

two associations, you will pay an allocated share of assessments to both the Master Association and the Subordinate Association. Expenses incurred by the Subordinate Association and the Master Association include maintenance costs, capital repairs, reserve funds, insurance premiums, administrative costs, and all other costs and expenses incurred by either association to discharge their rights, duties and responsibilities under the Master Condominium Declaration, Subordinate Condominium Declaration, corporate organizational documents of the Master Association and the Subordinate Association, and applicable law.

The Master Condominium Regime has been established in such a manner to minimize its "Master Common Elements". Most components which are typical common elements in a condominium have instead been designated in the Master Condominium Declaration as part of the Shared Facilities Master Unit. Components included in the Shared Facilities Master Unit include, for example, structural components of the building and areas benefiting more than one Master Unit. The owner of the Shared Facilities Master Unit is obligated under the Master Condominium Declaration to maintain these areas in good order, condition and repair. The costs incurred by the Shared Facilities Master Unit owner to discharge this responsibility – which include, for example, maintenance costs, capital repairs, reserve funds, insurance premiums, and administrative costs – is allocated among certain Master Units established by the Master Condominium Declaration. The allocation attributable to the Residential Master Unit has been further allocated to individual Residential Units under the Subordinate Condominium Declaration. The allocation to a Residential Unit represents the percentage of these maintenance, repair, replacement and other costs payable by an individual Residential Unit owner. The Master Condominium Declaration reserves the ability for the Shared Facilities Master Unit owner to convey the Shared Facilities Unit to the Master Association any time within a thirty (30) year period after the Master Condominium Declaration has been recorded. If the Shared Facilities Master Unit is conveyed to the Master Association, the Master Association will be obligated to maintain the Shared Facilities Unit in good order, condition and repair.

In addition, the building's parking facilities have been established as a separate Parking Master Unit. The Parking Master Unit owner is also required to maintain the parking facilities in good order, condition and repair. The cost incurred by the Parking Master Unit owner to discharge this responsibility – which include, for example, maintenance costs, capital repairs, reserve funds, insurance premiums, and administrative costs – is allocated among certain Master Units established by the Master Condominium Declaration. The allocation attributable to the Residential Master Unit has been further allocated to individual Residential Units under the Subordinate Condominium Declaration. The allocation to a Residential Unit represents the percentage of these maintenance, repair, replacement and other costs payable by an individual Residential Unit owner.

You will also be required to pay for certain basic services provided by the operator of the Hotel Master Unit. In general, these include concierge services, valet parking services, limited maintenance services to your Residential Unit, and other services. The basic services provided and the fees associated therewith are determined by the Hotel Master Unit operator and are subject to change from time to time.

The Subordinate Association will collect all assessments and fees payable to the Master Association, Shared Facilities Master Unit owner, Parking Master Unit owner, and hotel operator, and will remit such amounts to the Master Association, the Shared Facilities Master Unit owner, the Parking Master Unit owner, and the hotel operator, as applicable.

## CONDOMINIUM INFORMATION STATEMENT

Within the Subordinate Condominium Regime, each owner of Residential Unit will own its individual unit in its entirety. All other portions of the Residential Master Unit will be designated as "Residential Limited Common Elements" of the Subordinate Condominium Regime assigned for the exclusive use of all owners of Residential Units. The Residential Limited Common Elements will be maintained by the Subordinate Association, with the maintenance costs, capital repairs, reserve funds, insurance premiums, and administrative costs allocated to each Residential Unit under the Subordinate Condominium Declaration. The Subordinate Association will levy and collect each Residential Master Unit's allocated share of these expenses as a "Residential Unit Assessment".

### 3. PROPERTY; UNITS

The property initially submitted to the terms of the Master Condominium Declaration will include Lots 1 through 12, Block 21 of the Original City of Austin, Travis County, Texas, according to the map or plat of record in the General Land Office of the State of Texas, together with the area within the alley traversing said Block, which was vacated by Ordinance recorded under Document No. 1999086902 and described in memorandum Designating the Vacation of a 20 foot wide alley on Block 21 and Block 22, in the City of Austin as recorded under Document No. 2004040650 of the Official Public Records of Travis County, Texas (the "Property"). The property initially submitted to the terms of the Subordinate Condominium Declaration will include the Residential Master Unit and the Hotel Master Unit. 252

159 Once established, the Subordinate Condominium Regime will include the Hotel Master Unit and one-hundred fifty nine (159) Residential Units, and may include up to two-hundred fifty (250) total Residential Units. As more fully described in the Subordinate Condominium Declaration, the Residential Units may be used for residential purposes only.

No assurance is given as to the dispersion of Residential Units, total number of Residential Units, or the size of Residential Units created. Additional Residential Units may be added through the conversion of common elements to Residential Units, the subdivision of Residential Units, and through the addition of land and the creation of Residential Units thereon.

### 4. THE MASTER AND SUBORDINATE ASSOCIATIONS

The Master Association and the Subordinate Association will each be a separate Texas nonprofit corporation. During the applicable "Declarant Control Period", as defined in the Master Condominium Declaration and the Subordinate Condominium Declaration, Declarant will retain certain rights regarding operation and administration of the associations. Those rights are described in more detail below.

#### Master Association

Prior to such time as fifty percent (50%) percent of the Master Units that may be created have been conveyed to owners other than Declarant, or earlier if Declarant so determines, the Declarant will have the exclusive authority to appoint and remove all directors and officers of the Master Association. Within one hundred and twenty (120) days after fifty percent (50%) percent of the Master Units that may be created have been conveyed to owners other than Declarant, at least one-third of the Board of Directors of the Master Association (the "Master Board") must be elected by owners of Master Units other than Declarant.

## CONDOMINIUM INFORMATION STATEMENT

Within one hundred and twenty (120) days after title to seventy-five percent (75%) of the Master Units that may be created have been conveyed to owners other than Declarant, or earlier if Declarant so determines, the Master Board will consist of eleven (11) members, with: (i) the owner or collective owners of the Commercial Master Units electing one (1) director of the Board, each Commercial Master Unit owner being assigned the votes for the purposes of electing each director as otherwise allocable to their Master Unit under the Master Condominium Declaration; (ii) the owner or collective owners of the Residential Master Unit appointing three (3) directors of the Board; (iii) the owner or collective owners of the Hotel Master Unit appointing three (3) directors of the Board; (iv) the owner or collective owners of the Parking Master Unit appointing one (1) director of the Board; (v) the owner or collective owners of the Office Master Unit appointing one (1) director of the Board; (vi) the owner or collective owners of the Venue Master Unit appointing one (1) director of the Board; and (vii) the owner or collective owners of the Shared Facilities Master Unit appointing one (1) director of the Board; provided, however, that in the event that the Master Association takes ownership of the Shared Facilities Master Unit as provided in the Master Condominium Declaration, then the director of the Board which previously would have been appointed by the Shared Facilities Master Unit owner will instead be appointed by the remaining directors.

Since the Residential Master Unit has been submitted to the Subordinate Condominium Declaration, the Subordinate Board will appoint the members of the Master Board allocated to the Residential Master Unit.

#### Subordinate Association

Prior to such time as fifty percent (50%) percent of the Units that may be created pursuant to the Subordinate Condominium Declaration have been conveyed to owners other than Declarant, or earlier if Declarant so determines, the Declarant will have the exclusive authority to appoint and remove all directors and officers of the Subordinate Association. Within one hundred and twenty (120) days after fifty percent (50%) percent of the Units that may be created pursuant to the Subordinate Condominium Declaration have been conveyed to owners other than Declarant, at least one-third of the Subordinate Board must be elected by owners of Units within the Subordinate Condominium Regime other than Declarant. Within one hundred and twenty (120) days after seventy five percent (75%) of the Units that may be created pursuant to the Subordinate Condominium Declaration have been conveyed to owners other than Declarant (the "Subordinate Declarant Control Period"), the current Subordinate Board will call a meeting of all owners of Units within the Subordinate Condominium Regime. At this meeting, all owners of Units within the Subordinate Condominium Regime, including the Declarant, will elect the entire Subordinate Board, subject to the following requirements: the Board will consist of five (5) members, with: (i) the owner or collective owners of the Hotel Master Unit, acting alone, being entitled to elect three (3) directors of the Subordinate Board; and (ii) the owners of the Residential Units, acting alone, being entitled to elect two (2) directors of the Subordinate Board.

#### **5. FLOOR PLANS; SQUARE FOOTAGE OF RESIDENTIAL UNITS**

The Residential Units are more particularly described on Attachment 2 of the Subordinate Condominium Declaration. Declarant has reserved the right in the Subordinate Condominium Declaration to change the sizes and types of Residential Units.

All references to square footage sizes of floorplans or Residential Units in this Condominium Information Statement, on the website, in the marketing literature, and elsewhere are based on an

## CONDOMINIUM INFORMATION STATEMENT

architect's pre-construction drawings and estimates of the air-conditioned space only for a prototype Residential Unit.

**BOUNDARIES OF RESIDENTIAL UNITS**

The size of a Residential Unit may be measured different ways for different purposes, such as for tax purposes, appraisal purposes, sales purposes, and for purposes of carpeting and paint. No single measurement is definitive for all purposes. Measurements may be of the area under roof, or the air conditioned space, or the area within the Residential Unit's legal boundaries. The Residential Unit's partition wall cavities and/or its perimeter wall cavities may or may not be included. The Residential Unit's balcony space may or may not be included. The legal boundary of each Residential Unit is determined by *Section 4.2* of the Residential Condominium Declaration. The Plat and Plans are approximate, for descriptive purposes only, and the dimensions or area shown thereon may differ from the legal boundaries of the Residential Unit as established pursuant to *Section 4.2* of the Residential Condominium Declaration.

**6. WORKING CAPITAL CONTRIBUTION; ADVANCE ASSESSMENT CONTRIBUTION**

The Subordinate Condominium Declaration will require each purchaser of a Residential Unit to pay as a working capital fee an amount equal to two (2) months of: (i) assessments levied by the Master Association; (ii) assessments levied by the Subordinate Association (including both Residential Unit Assessments and Regular Assessments as described in the Subordinate Condominium Declaration); (iii) assessments levied by the owner of the Shared Facilities Master Unit; and (iv) assessments levied by the owner of the Parking Master Unit. An estimate of these initial monthly assessments is included on Exhibit "E". Contributions to the working capital fund are not advance payments of assessments and are not refundable. The working capital fee paid pursuant to (i) above, will be held by the Master Association as working capital funds for the Master Association. Declarant will not use working capital funds paid to the Master Association to cover operational expenses of the Master Association during the Declarant Control Period under the Master Declaration. The working capital fee paid pursuant to (ii) above, will be held by the Subordinate Association as working capital funds for the Subordinate Association. Declarant will not use working capital funds paid to the Subordinate Association to cover operational expenses of the Subordinate Association during the Declarant Control Period under the Subordinate Declaration. The working capital fee paid pursuant to (iii) above, will be paid to the owner of the Shared Facilities Master Unit. The working capital fee paid pursuant to (iv) above, will be paid to the owner of the Parking Master Unit.

Additionally, each purchaser of a Residential Unit will be obligated to pay an amount equal to three (3) months of the assessments described in (i) through (iv) above to the party entitled to payment of the working capital fee; provided, however, such assessments will be credited as an advance payment of the assessments otherwise due and payable by the purchaser after the purchaser acquires title to the Residential Unit.

**7. EASEMENTS, RESTRICTIONS, LIENS, LEASES OR ENCUMBRANCES**

Title to each Residential Unit and the common elements of the Subordinate Regime will be subject to all easements, restrictions, liens, leases and encumbrances recorded against the Property. A description of such recorded easements, restrictions, liens, leases and encumbrances may be found in the Subordinate Condominium Declaration and in the Master Condominium Declaration. These instruments



## CONDOMINIUM INFORMATION STATEMENT

should also be listed in Schedule B of the title commitment that you may receive in connection with your purchase. You may ask the title company handling your closing to provide you with copies of all the recorded instruments affecting title to your Residential Unit and appurtenant common elements. You are encouraged to review the title instruments before closing.

In addition to the easements, restrictions, liens, leases and encumbrances recorded against the Property, in accordance with the terms and provisions of the Master Condominium Declaration and the Subordinate Condominium Declaration, title to each Residential Unit and the common elements of the Subordinate Regime will be subject to the following easements:

- easement, reserved for the benefit of the owners, of access, ingress, egress, use and enjoyment of the common elements of the Master Regime pursuant to *Section 4.1* of the Master Condominium Declaration and the Residential Limited Common Elements pursuant to *Section 3.1* of the Subordinate Condominium Declaration;
- easement, reserved for the benefit of the Residential Unit owners, to the extent reasonably necessary to maintain or reconstruct the Residential Units pursuant to *Section 3.2* of the Subordinate Condominium Declaration, and for cooperative support pursuant to *Section 3.3* of the Subordinate Condominium Declaration;
- easements of access and entry, reserved to the Subordinate Association, pursuant to *Section 3.3* of the Residential Declaration, to the Master Association pursuant to *Section 4.2* of the Master Condominium Declaration, to the owner of the Shared Facilities Master Unit pursuant to *Section 4.3* of the Master Condominium Declaration and to the owner of the Parking Master Unit pursuant to *Section 4.4* of the Master Condominium Declaration;
- easement of access and entry, reserved to the owner of the Hotel Master Unit, for the purpose of providing hotel related services to Residential Unit owners pursuant to *Section 4.5* of the Master Condominium Declaration;
- right reserved by the Declarant to grant permits, licenses and easements for utilities and other purposes reasonably necessary for the property operation of the Master Regime pursuant to *Section 4.6* of the Master Condominium Declaration;
- easement, reserved for the benefit of the Master Association and each owner of a Master Unit, for use and operation of life-safety systems pursuant to *Section 4.7* of the Master Condominium Declaration and for use and operation of property monitoring and access systems pursuant to *Section 4.8* of the Master Condominium Declaration;
- easement, reserved by the Declarant, to maintain one (1) sales, management and/or leasing offices, three (3) model units, for the placement of signs and other marketing materials, to hold marketing events and promotional activities, and to conduct certain other marketing activities pursuant to *Section 4.13.1* of the Master Condominium Declaration and *Section 3.6* of the Subordinate Condominium Declaration;
- easement, reserved to all owners, of access to the Shared Facilities Master Unit pursuant to *Section 4.13.2* of the Master Condominium Declaration;

## CONDOMINIUM INFORMATION STATEMENT

- telecommunications easement, reserved by the Declarant, pursuant to *Section 4.13.3* of the Master Condominium Declaration;
- easement, reserved by the Declarant, to inspect, monitor, test, redesign, correct and relocate structures, improvements or conditions on the Property pursuant to *Section 4.14* of the Master Condominium Declaration and *Section 3.7* of the Subordinate Condominium Declaration;
- parking easement, reserved for the benefit of the Residential Unit owners, on levels P2 and P3 of the building's parking garage pursuant to *Section 4.15* of the Master Condominium Declaration, and the right reserved to the Declarant to assign individual parking spaces within the parking easement pursuant to *Section 3.8* of the Subordinate Condominium Declaration; and
- easement, reserved to the owner of the Shared Facilities Master Unit, for purposes of performing maintenance pursuant to *Section 10.2* of the Master Condominium Declaration.

The Master Condominium Declaration and the Subordinate Condominium also establish certain lien rights to secure the payment of assessments provided for thereunder. These lien rights consist of the following:

- lien, reserved to the Master Association pursuant to *Article 8* of the Master Condominium Declaration, to secure the payment of assessments to the Master Association provided for in *Article 6* of the Master Condominium Declaration;
- lien, reserved to the owner of the Parking Master Unit pursuant to *Article 8* of the Master Condominium Declaration, to secure the payment of assessments to the owner of the Parking Master Unit provided for in *Section 7.2* of the Master Condominium Declaration;
- lien, reserved to the owner of the Shared Facilities Master Unit pursuant to *Article 8* of the Master Condominium Declaration, to secure the payment of assessments to the owner of the Shared Facilities Master Unit provided for in *Section 7.2* of the Master Condominium Declaration; and
- lien, reserved to the Subordinate Association pursuant to *Article 6* of the Subordinate Condominium Declaration, to secure the payment of assessments to the Subordinate Association provided for in *Article 5* of the Subordinate Condominium Declaration.

#### 8. WARRANTY

The Owner's Limited Warranty for a Residential Unit is attached as Exhibit "F". No warranties will be provided by the Declarant in the event that any Master Unit is conveyed to a third party.

## CONDOMINIUM INFORMATION STATEMENT

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9. NO JUDGMENTS OR SUITS

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Declarant has no actual knowledge of any unsatisfied judgments against the Property nor of any pending suits to which the Subordinate Association or the Master Association is a party, or which are material to the land title and construction of the project.

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10. FEES OR CHARGES FOR USE OF COMMON ELEMENTS; FEES FOR BASIC HOTEL SERVICES

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Although the Declarant does not presently contemplate that any fees will be charged by the Subordinate Association or the Master Association in connection with use of the common elements within the Property, the Subordinate Association and/or the Master Association may, from time to time, charge such fees to owners and/or occupants for the use of such common elements within the Property.

In addition to any fees charged by the Subordinate Association or the Master Association, as described in Section 2 above, Residential Unit owners will be obligated to pay for certain basic services provided by the operator of the Hotel Master Unit. These fees are detailed in the proposed budgets attached as Exhibit "E". In accordance with the terms of the Subordinate Condominium Declaration, the Subordinate Association will collect from the Residential Unit owners all fees charged for such services together with the assessments payable to the Subordinate Association, and will remit all such fees to the operator of the Hotel Master Unit.

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11. INSURANCE

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Declarant, for the benefit of the Master Association and the Subordinate Association as described below, will obtain a master insurance policy from an insurance carrier chosen by Declarant. The effective date of the coverage will be on or before the date Declarant first conveys a unit to a third party and will expire one year after its effective date. The following information was provided by Texas Associates Insurors, 1120 Capital of Texas Hwy S. Bldg 3, Suite 300, Austin, Texas 78746, Attention: Randy Reynolds, who may be reached at (512) 328-7676 (the "Agent").

- a. PROPERTY EXPOSURE TO LOSS: In addition to insuring the common elements of the Master Regime against casualty loss, the Master Association will maintain property insurance on the Master Units as originally constructed. Such coverage will include all of the Residential Units created out of the Residential Master Unit as originally constructed. The Master Association or the Subordinate Association may insure betterments and improvements installed by current or previous Residential Unit owners, but neither the Master Association nor the Subordinate Association presently intends to insure improvements and betterments. EACH RESIDENTIAL UNIT OWNER IS ADVISED TO PROCURE INSURANCE ON ALL IMPROVEMENTS OR BETTERMENTS INSTALLED BY THE RESIDENTIAL UNIT OWNER WITHIN THEIR RESIDENTIAL UNIT. In insuring Residential Units, the Master Association may be guided by types of policies customarily available for similar types of properties.
- b. LIABILITY EXPOSURE TO LOSS: The Master Association will maintain a commercial general liability insurance policy covering the common elements of the Master Regime, the Shared Facilities Master Unit and the Parking Master Unit – expressly excluding the liability of each owner and occupant within his Master Unit – for bodily injury and property damage resulting from the operation, maintenance, or use of the common



## CONDOMINIUM INFORMATION STATEMENT

elements of the Master Regime, the Shared Facilities Master Unit, and the Parking Master Unit. The Subordinate Association will maintain a commercial general liability insurance policy covering the Residential Limited Common Elements – expressly excluding the liability of each owner and occupant within his Residential Unit – for bodily injury and property damage resulting from the operation, maintenance, or use of the Residential Limited Common Elements.

- (1) Commercial General Liability.
  - (a) Bodily Injury and Property Damage Liability – Minimum of \$1,000,000.00 combined single limit per occurrence.
  - (b) Personal Injury Liability & Advertising Injury Liability - \$1,000,000.00.
  - (c) Fire Damage Legal Liability - \$100,000.00 limit per any one fire.
  - (d) Medical Payment - \$5,000.00 limit per person.

This policy contains an aggregate limit of liability of \$2,000,000 bodily injury and property damage combined, covering the common property.

NEITHER THE MASTER ASSOCIATION NOR THE SUBORDINATE ASSOCIATION WILL PROVIDE LIABILITY COVERAGE FOR ACCIDENTS OR OCCURRENCES THAT OCCUR WITHIN THAT PORTION OF THE PREMISES WHICH IS RESERVED FOR A RESIDENTIAL UNIT OWNER'S EXCLUSIVE USE AND OCCUPANCY. EACH RESIDENTIAL UNIT OWNER IS REQUIRED TO OBTAIN AND MAINTAIN GENERAL LIABILITY INSURANCE ON HIS RESIDENTIAL UNIT AND ON ANY LIMITED COMMON ELEMENT ASSIGNED EXCLUSIVELY TO HIS RESIDENTIAL UNIT.

- (2) Directors and Officers Liability -- \$1,000,000.00.

- c. ADDITIONAL AREAS NOT COVERED: Because of the exclusions in the master policy, you should consult with your own agent about purchasing a policy to cover the following exposures:

- (1) Value of household and personal property.
- (2) Additional living expense.
- (3) Personal injury.
- (4) Loss assessment coverage.
- (5) Value of jewelry, furs, silverware, and fine art.
- (6) Business interruptions.
- (7) Value of betterments and improvements made or acquired at the expense of an individual unit owner.

Should a situation occur where you would like to present a claim under the master policy, or if you have any questions regarding your insurance coverage, please contact the Master Association or the Agent.

## CONDOMINIUM INFORMATION STATEMENT

## 12. BUDGET

- a. Budget. The projected budget for the first fiscal year of the Master Association and the Subordinate Association, as well as the budgets for the Shared Facilities Master Unit and the Parking Master Unit, are attached as Exhibit "E".
- b. Preparer. The budgets were prepared by Starwood Vacation Ownership – 200 Lavaca Street, Austin, Texas 78701, Attn: Mr. Jon Wingo.
- c. Assumptions About Occupancy. The projected budget is based on the assumption that all Residential Units are occupied for all or most of the budget year.
- d. Assumptions About Inflation. All budgets are based on a one-hundred percent (100%) net collection rate and the estimates are in current dollars unadjusted for possible inflation.
- e. Conditions. The budgets were prepared in accordance with generally accepted accounting principles, taking into consideration the physical condition of the condominium and are based on assumptions that, to the best of the preparer's knowledge, are reasonable.

## 13. DEVELOPMENT RIGHTS AND SPECIAL DECLARANT RIGHTS

Declarant has reserved certain development rights as more particularly described in the Master Condominium Declaration and the Subordinate Condominium Declaration. Many of these rights expire upon expiration of the applicable "Development Period". For purposes of the Master Condominium Declaration, the Development Period means the thirty (30) year period beginning on the date the Master Condominium Declaration is recorded in the Official Public Records of Travis County, Texas, unless such period is earlier terminated by Declarant's recordation of a notice of termination in the Official Public Records of Travis County, Texas. For purposes of the Subordinate Condominium Declaration, the Development Period means the fifteen (15) year period beginning on the date the Subordinate Condominium Declaration is recorded in the Official Public Records of Travis County, Texas, unless such period is earlier terminated by Declarant's recordation of a notice of termination in the Official Public Records of Travis County, Texas. Certain additional rights expire upon expiration of the Declarant Control Period.

The following list includes a summary of the most significant rights reserved by Declarant until expiration of the Development Period or the Declarant Control Period, as applicable. Please refer to the Subordinate Condominium Declaration and/or the Master Condominium Declaration for a complete description of such rights.

- a. Annexation. During the Development Period, Declarant may annex additional property into the Subordinate Condominium Regime and the Master Condominium Regime.
- b. Creation of Units. When created, the Subordinate Condominium Regime contains the Hotel Master Unit and one-hundred fifty nine (159) Residential Units; however, Declarant reserves the right to create up to two hundred fifty (250) Residential Units. When created, the Master Condominium Regime contains twelve (12) Master Units; however, Declarant reserves the right to create up to thirteen (13) additional Master Units.
- c. Architectural Control. During the Development Period, Declarant has the absolute right to review and approve all improvements constructed within the Property.

## CONDOMINIUM INFORMATION STATEMENT

- d. Transfer Fees. During the Development Period, Declarant will not pay transfer-related and resale certificate fees.
- e. Subordinate Declaration. To file subordinate condominium declarations for the subdivision and administration of master units established under the Master Condominium Declaration.
- f. Statutory Development Rights. As permitted by the Texas Uniform Condominium Act (the "Act"), Declarant has reserved the right: (i) to add real property to the Regimes; (ii) to create units, general common elements, and limited common elements; (iii) to subdivide units and convert units into common elements; and (iv) to withdraw any portion of the real property marked on the Plat and Plans as "Development Rights Reserved" or "Subject to Development Rights," provided that no unit in the portion to be withdrawn has been conveyed to an owner other than Declarant.
- g. Amendment. Declarant has reserved the right to amend the Subordinate Condominium Declaration and/or the Master Condominium Declaration, without consent of other owners or any mortgagee, for the following purposes: (i) to meet the requirements, standards, or recommended guidelines of an underwriting lender to enable an institutional or governmental lender to make or purchase mortgage loans on the Master Units; (ii) to correct any defects in the execution of the Subordinate Condominium Declaration and/or the Master Condominium Declaration or the other Documents; (iii) to add real property to the Master Condominium Regime and the Subordinate Condominium Regime; (iv) to create units, general common elements, and limited common elements within the Subordinate Condominium Declaration and/or the Master Condominium Declaration; (v) to subdivide, combine, or reconfigure units or convert units into common elements; (vi) to resolve conflicts, clarify ambiguities, and to correct misstatements, errors, or omissions in the governing documents; (vii) to exercise any development right, as defined in Section 82.003(12) of the Act, not otherwise described in the Master Condominium Declaration and the Subordinate Condominium Declaration; and (viii) for any other purpose, provided the amendment has no material adverse effect on any rights of any owner.
- h. Additional Rights. As permitted by the Act, Declarant has reserved the following rights: (i) to complete all improvements indicated on the Plat and Plans; (ii) to exercise any development right as defined in Section 82.003(12) of the Act; (iii) to make the Master Condominium Regime and the Subordinate Condominium Regime part of a larger condominium or planned community; (iv) to maintain sales, management, and leasing offices, signs advertising the Master Condominium Regime and the Subordinate Condominium Regime, and models; (v) to use easements through the Common Elements for the purpose of making improvements within the Regime or within real property that may be added to the Regime; and (vi) to correct and inspect the Subordinate Association and Master Association accounts.
- i. Appointment of Association Directors and Officers. During the applicable Declarant Control Period, the right to appoint or remove any Declarant-appointed officer or director of the Subordinate Association and the Master Association, subject to the terms and provisions of the Master Condominium Declaration and the Subordinate Condominium Declaration.

CONDOMINIUM INFORMATION STATEMENT

14. EXHIBITS

The exhibits include documents that will be recorded or filed. Because this Condominium Information Statement is issued before those documents have completed the recording process, executed or file-marked copies of those documents may be included as exhibits. At any time after recording, Declarant may but is not obligated to replace executed or file-marked documents with copies of recorded documents. The following exhibits are included with this Condominium Information Statement and are incorporated by reference:

EXHIBIT "A"	Declaration of Condominium Regime for Block 21 Condominiums, recorded under Document No. 2010182736 in the Official Public Records of Travis County, Texas
EXHIBIT "B"	Declaration of Condominium Regime for Block 21 Master Condominiums, recorded under Document No. 2010182735 in the Official Public Records of Travis County, Texas
EXHIBIT "C"	Certificate of Formation of Block 21 Condominium Community, Inc. Certificate of Formation of Block 21 Master Condominium Community, Inc.
EXHIBIT "D"	Community Manual for Block 21 Condominiums, recorded or to be recorded in the Official Public Records of Travis County, Texas
EXHIBIT "E"	Proposed budget for Block 21 Condominium Community, Inc. Proposed budget for Block 21 Master Condominium Community, Inc.
EXHIBIT "F"	Limited Warranty for Residential Units

15. DOCUMENTS TO BE SIGNED AT CLOSING

Except for the items listed below, at closing Declarant does not require purchasers to sign documents other than loan-related documents if the purchase is financed.

- Acknowledgement of Receipt of CIS, if not previously signed (located at the front of this Condominium Information Statement)
- Limited Warranty

16. GENERAL INFORMATION

The exhibits which follow this narrative portion provide a more detailed description of the Subordinate Condominium Regime and the rights and obligations of the owner of a Residential Unit. The purchaser should carefully consider the exhibits, as well as this narrative portion of the Condominium Information Statement. If the purchaser does not understand any aspect of this Condominium Information Statement, the sales contract, and any other materials provided in connection with the sale of Residential Units, the purchaser should consult with competent legal counsel.

DECLARANT RESERVES THE RIGHT TO AMEND, IN WRITING, THE TERMS OF THIS CONDOMINIUM INFORMATION STATEMENT. IF THE CHANGE MAY ADVERSELY AFFECT A PURCHASER UNDER CONTRACT WHO HAS RECEIVED A CONDOMINIUM INFORMATION STATEMENT BUT WHO HAS NOT YET CLOSED, DECLARANT SHALL FURNISH A COPY OF THE

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CONDOMINIUM INFORMATION STATEMENT

AMENDMENT TO THAT PURCHASER BEFORE CLOSING. THIS CONDOMINIUM INFORMATION STATEMENT MAY NOT BE CHANGED OR MODIFIED ORALLY.

By signing below, Declarant certifies that it is the preparer of the narrative portion of this Condominium Information Statement within the meaning of Section 82.152 of the Act. Declarant has no actual knowledge of any false or misleading statement or any omission of material fact in any portion of this Condominium Information Statement, including the exhibits hereto.

[SIGNATURE PAGE FOLLOWS]

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CONDOMINIUM INFORMATION STATEMENT

Dated February 10, 2011.

**CJUF II STRATUS BLOCK 21 LLC**, a Delaware limited liability company

By: Stratus Block 21 Investments, L.P., a Texas limited partnership, Manager

By: Stratus Block 21 Investments GP, L.L.C., a Texas limited liability company, General Partner

By: Erin D. Pickens

Printed Name: Erin D. Pickens

Title: Senior Vice President

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CONDOMINIUM INFORMATION STATEMENT

EXHIBIT "A"

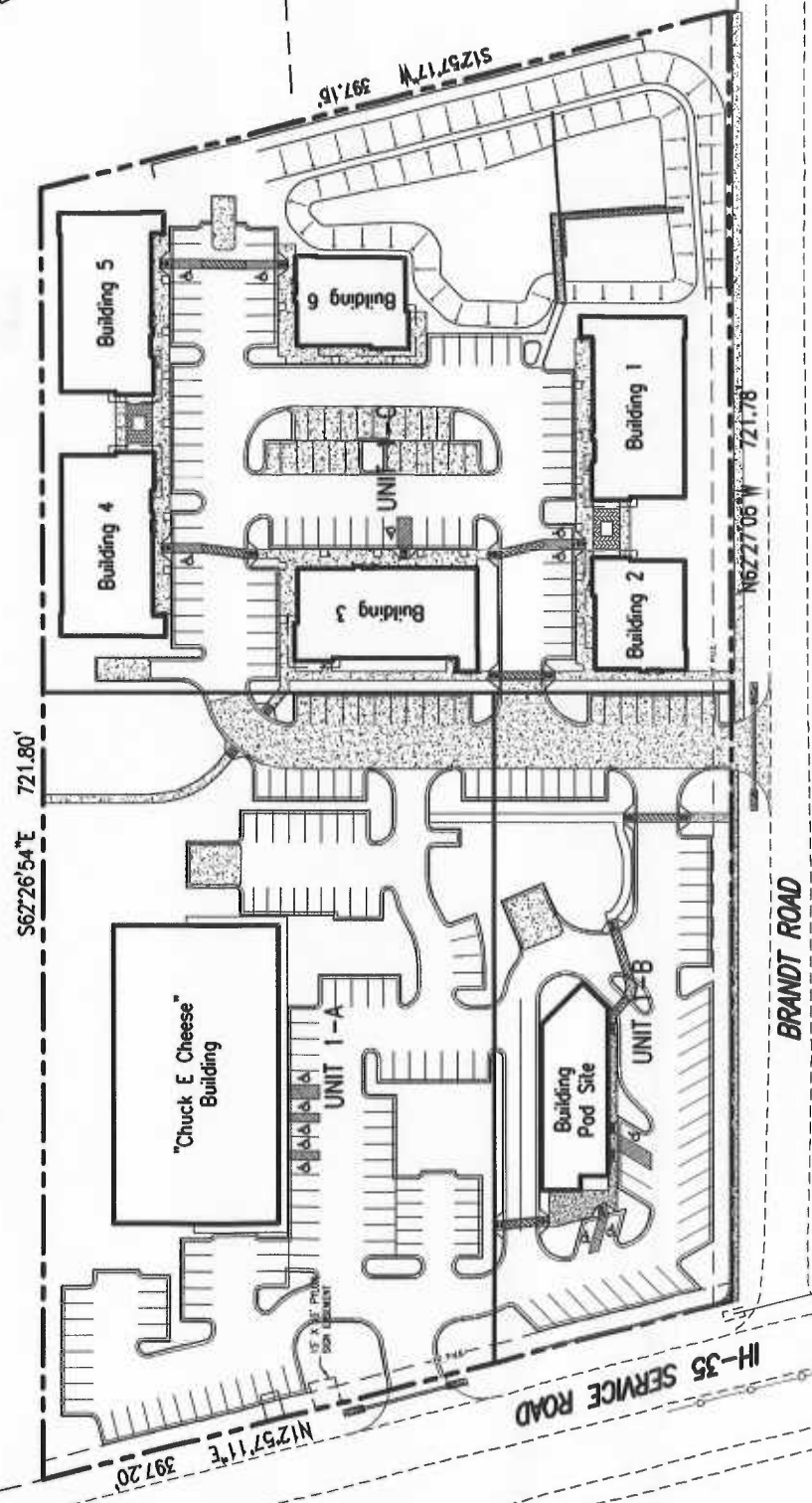
DECLARATION OF CONDOMINIUM REGIME FOR BLOCK 21 CONDOMINIUMS  
FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM REGIME FOR BLOCK 21

APPENDIX F  
Chuck E. Cheese  
(Master Land Condominium with Office Subassociation)

Diagram of a Three Unit Land Subdivision and Depiction of Five Building Sub-Condo Regime



SCALE: 1" = 100'



BRANDT ROAD

IH-35 SERVICE ROAD

IH-35