

FIRST AMENDMENT TO THE
SECOND AMENDED AND RESTATED CONDOMINIUM DECLARATION
FOR KNIGHT STREET CONDOMINIUMS

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

THIS FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED CONDOMINIUM DECLARATION FOR KNIGHT STREET CONDOMINIUMS (this "First Amendment") is made as of the 21 day of September, 2013, by the membership of 2722 KNIGHT STREET CONDOMINIUM OWNERS' ASSOCIATION, INC., a Texas non-profit corporation (hereinafter referred to as the "Association").

WITNESSETH:

WHEREAS, the "Second Amended and Restated Condominium Declaration for Knight Street Condominiums" was adopted on or about November 29, 2005 by one hundred percent of the Owners and First Mortgagees and recorded on or about December 5, 2005 as Instrument No. 200503610404 of the Condominium Records, Dallas County, Texas (the "Declaration"); and

WHEREAS, Article XII, Section 12.2 of the Declaration provides that the Declaration may be amended at a meeting of the Owners at which the amendment is approved by those Owners holding not less than sixty-seven percent (67%) of the Percentage Ownership Interests and by the First Mortgagee Majority; and

WHEREAS, at a meeting of the Owners, the Owners holding more than sixty-seven percent (67%) of the Percentage Ownership Interests and the First Mortgagee Majority, if any, have approved the following amendment to the Declaration.

NOW, THEREFORE, the Declaration is hereby amended by deleting Article XI, Section 11.1 in its entirety and replacing it with the following language:

Section 11.1. Leasing, Ownership and Occupancy Restrictions

(a) Definition of Leasing. "Leasing," as used in this Section, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner. For purposes of this Section, if a Unit is owned by a trust and the beneficiary of the trust is living in the Unit, that Unit shall be considered Owner-occupied rather than leased.

(b) Lease Term and General Rule. Units may be leased only in their entirety. All leases shall be in writing. No transient tenants may be accommodated in a Unit. All leases must be for an initial term of not less than six (6) months, and the maximum term of a lease is one (1) year. Thereafter, leases may be renewed on an annual basis, provided the Owner must notify the Board of his intent to renew the lease on the Unit, and obtain the Board's permission to renew the lease. The Owner must make available to the lessee(s) copies of the Declaration, Bylaws and the rules

and regulations of the Association.

(c) Applicability. With the exception of Subsection (b) above, this Section shall not apply to any leasing transaction entered into by the holder of any first mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage; provided, however, that it shall apply to any leases by any purchaser from such mortgagee and any successor to such a purchaser.

(d) Leasing and Occupancy Restrictions. In order to preserve the quality of life of other residents and high standards of maintenance and care of the Common Elements, and to promote the residence and/or leasing of Units by responsible individuals, a Unit may be leased in accordance with the following provisions:

1. Notice of Intent to Lease. Whenever the Owner of a Unit has received a bona fide offer to lease his or her Unit and desires to accept such offer, the Owner shall give the Board written notice of his or her desire to accept such offer, and provide, at the Owner's sole cost and expense, the name, date of birth, current address and driver's license number of the prospective lessee(s) and each prospective adult occupant (over age 18) along with current license plate numbers for all vehicles belonging to the prospective lessee(s) and occupants which will be parked in the Condominium Project.

2. Qualifications of Prospective Occupants and Lessees.

(A) Occupancy. The total number of occupants allowed to reside in or occupy a Unit shall not exceed the maximum number of occupants allowed in the Unit pursuant to any ordinance, code or regulation of the City of Dallas or State of Texas, or Article III, Section 3.1(d) of the Declaration.

(B) Sex Offenders Prohibited. "Sex offenders," as defined below, are prohibited from leasing, residing in or occupying any Unit and Owners are strictly prohibited from entering any lease with or allowing any sex offender to occupy or reside in a Unit.

Definition of "Sex Offender." For purposes of this Article, a "Sex Offender" is a person who is required to register as either a Level 3 (High) or Level 2 (Moderate) sex offender pursuant to Chapter 62 of the Texas Code of Criminal Procedure (Sex Offender Registration Program as it now exists or as it may be amended in the future) or pursuant to any other law of the State of Texas, or any municipal or county ordinance, or any other state or federal law or regulation. A "Sex Offender" for purposes of this Article also includes a person who is required to register as a sex offender but who has not been assigned a risk assessment level by the applicable authority or for whom such a risk assessment level is not yet available to the public via the applicable registry program.

Purpose of the Texas Sex Offender Registration Program. The Texas Sex Offender Registration Program, sometimes referred to as "Megan's Law", was adopted to address the danger of recidivism posed by sex offenders and offenders who commit other predatory acts against children. A system of registration was created by the State of Texas in order to identify and alert the public when necessary for public safety, and to provide enforcement officials with additional information critical to

preventing and promptly resolving situations involving sexual abuse and missing persons. The Texas Department of Criminal Justice, the Texas Youth Commission, or a court determines the person's level of risk to the community. The State of Texas notes that the screening tool utilized for determining an offender's level of risk cannot determine whether a particular offender will re-offend but that it only indicates that a person with these characteristics has a higher probability of re-offending. Risk levels as defined by Texas statute are as follows:

High (Level 3) -- indicating that the person poses a serious danger to the community and will continue to engage in criminal sexual conduct.

Moderate (Level 2) -- indicating a moderate danger to the community and may continue to engage in criminal sexual conduct.

Low (Level 1) -- indicating that the person poses a low danger to the community and will not likely engage in criminal sexual conduct.

Not all registered sex offenders are required to have a risk assessment under current Texas law. The term "Not Available" indicates the offender is not required to have a risk assessment or the offender's risk assessment has not been reported to the Texas Department of Public Safety.

The identity of Sex Offenders can be obtained from various public access Internet web sites, such as the Texas Department of Public Safety web site at <http://records.txdps.state.tx.us>.

Finding of Danger to Association Residents. The Board has determined that any individual who is required to register under the Sex Offender Registration Program, with the exception of an offender assigned a risk assessment of Level 1 (Low), presents an unreasonable danger to the residents of the Condominium Project by virtue of the Sex Offender's access to the Common Element facilities to which all residents have shared access. Further, in traveling to and from these Common Elements, the residents of the Project, especially children, are subject to contact with any such Sex Offender on a frequent and continuing basis. Such potential exposure, in light of the legislature's recognition of the serious danger posed by such an individual, dictates that a Sex Offender should be prohibited from permanently or temporarily residing in the Project.

Ownership and Residency Prohibited. A Sex Offender, as defined herein above, is prohibited from purchasing a Unit in the Project or owning any interest in a Unit in the Project. Owners are prohibited from conveying title or any interest in a Unit to a Sex Offender. A Sex Offender shall not reside, temporarily or permanently, in a Unit at the Project. An Owner who intends to lease or rent his Unit shall perform a background check upon each prospective adult occupant, to include but not limited to investigating to determine if a prospective occupant is a Sex Offender as defined in this Article. An Owner shall not lease to, or allow any person to permanently or temporarily reside within the Project who is a Sex Offender.

Use of Common Elements Prohibited. A Sex Offender shall not enter onto the Association's Common Elements, with the exception that an Owner who is a Sex Offender may attend any duly called meeting of the Association's Board of Directors or Owners which may be held in one of the Association's Common Elements.

THESE REQUIREMENTS DO NOT CONSTITUTE A GUARANTEE OR REPRESENTATION.

TATION THAT LESSEES OR OCCUPANTS RESIDING AT THE CONDOMINIUM HAVE NOT BEEN CONVICTED OF A CRIME OR ARE NOT SUBJECT TO DEFERRED ADJUDICATION FOR A CRIME.

3. Leasing limitations. From the date of the adoption of this amendment, no more than twenty-five percent (25%) of the total Units located in the Project may be leased at any point in time. As there are 64 Units in the Project, no more than sixteen (16) Units may be leased at any point in time. The goal is to preserve the Project as one of predominantly owner-occupied Units. An Owner seeking to lease his or her Unit must notify the Board in writing of his or her desire to lease the Unit, and Board permission to lease is granted on a first come, first serve basis. Upon the expiration of a lease term, the Owner of the Unit must again notify the Board of his or her desire to renew the lease on the Unit in order to give an equal opportunity to all Owners to lease their Units.

This rule shall not apply to any leasing transaction entered into by the holder of any first mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such mortgage; provided, however, that it shall apply to any leases by any purchaser from such mortgagee and any successor to such a purchaser.

4. Rejection of Lease by Board of Directors. If the number of units already under a lease exceed the limitation in Section (d)(3) above, and/or the terms of the lease and/or the lessee(s) or occupants do not meet the standards and criteria described in these Occupancy Rules, then the lease is rejected and the Board may notify the Owner of the rejection of the lease. Owner shall not lease to or allow anyone to reside in the Unit who does not meet the standards and criteria set out above.

(e) Contents of Lease. Any lease of a Unit shall be deemed to contain the following language and that if such language is not expressly contained in the lease, then such language shall be incorporated into the lease by existence of this Rule. Any lessee, by occupancy of a Unit, agrees to the applicability of these Rules and incorporation of the following language into the lease:

The lessee shall comply with all provisions of the Declaration, Bylaws and all rules and regulations of the Association and shall control the conduct of all other occupants and guests of the leased Unit in order to ensure their compliance and that lessee has received a copy of the foregoing documents of the Association.

Any violation of the Declaration, Bylaws or rules and regulations by the lessee, any occupant or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee in accordance with Texas law. The Owner, by entering into a lease, delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee for breaches resulting from the violation of the Declaration, Bylaws and the rules and regulations of the Association, including the power and authority to evict the lessee as attorney-in-fact on behalf and for the benefit of the Owner.

The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Elements of the Project including, but not limited to, the use of all recreational facilities and other amenities.

(f) Compliance with Condominium Instruments. Each Owner shall cause all occupants of his or her Unit to comply with the Declaration, Bylaws and the rules and regulations of the Association and shall be responsible for all violations and all losses or damage resulting from violations by such occupants, notwithstanding the fact that such occupants of the Unit are fully liable and may be personally sanctioned for any violation.

In the event the Association proceeds to evict the lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be assessed as an assessment against the Unit and the Owner, such being deemed an expense which benefits the leased Unit and the Owner thereof.

(g) Ownership limitations. Each Owner is also restricted from owning more than five percent (5%) of the total Units located in the Project. The goal is to preserve the Project as one of predominantly owner-occupied Units. This restriction shall not apply to preclude an Owner from purchasing a Unit for the purpose of allowing a member of his or her family to reside in the Unit.

For purposes of these rules, ownership of a Unit shall be attributed to and shall be deemed to be owned by entities in accordance with the following: (i) a corporation, trust, estate or partnership shall be deemed to own a Unit owned or deemed to be owned by the shareholders, beneficiaries and partners of such entities, respectively; and (ii) the shareholders, beneficiaries and partners of a corporation, trust, estate or partnership, respectively, shall be deemed to own a Unit owned by or deemed to be owned by such entity.

A person or entity who, upon the effective date of these rules, owns more than five percent (5%) of the Units in the Project may not acquire any ownership interest in any additional Units.

Any sale of a Unit entered into which violates the terms herein shall be deemed void and of no force and effect and shall confer no title or interest in a Unit to the purported buyer, except as may be otherwise provided in the Declaration.

(h) Lien on Rents. In the event an Owner is in default in the payment of assessments, fines, charges, late charges or other amounts levied against the Unit, the Association may elect to enforce its assessment lien against rents. If the Board elects to enforce its lien against rents, the Association will send, via certified mail, return receipt requested, a notice to the tenant obligated to pay such rents (with a copy to the Owner) that the Association is enforcing its lien against rents. The notice will include (i) a demand for payment of future rents to the Association to be applied against the Owner's financial obligations until such obligations are paid in full, (ii) instructions on where payments are to be submitted, and (iii) the address and telephone number of a representative of the Association who may be contacted regarding the Association's demand for rents.

A tenant's payment of rent to the Association under this Section shall not be deemed a breach of the lease agreement between the tenant and the Owner. If a tenant fails to make future rental payments to the Association after thirty (30) days following the date of the notice above,

such tenant shall be deemed to have failed to fulfill his or her rental obligations under the lease agreement between the tenant and the Owner, in breach of the lease agreement. Such a breach shall grant the Association the right, but not the obligation, to evict the tenant by forcible detainer pursuant to the limited power of attorney required by Section 11.1(e) above.

(i) Grandfathering. With respect to Units which are subject to a valid written lease as of the effective date hereof, the above restrictions do not apply. Notwithstanding this exemption for Units already subject to a valid written lease on the effective date hereof, upon sale, conveyance or other transfer of record title to such Unit, such purchaser/transferee, and any successor to such a purchaser/transferee, must comply with the above rules, including the leasing limitations contained in Section 11.1(d)(3) above.

(j) Hardship Exception to Leasing Rules. Notwithstanding any provision to the contrary, the Board shall be empowered to allow leasing of Units in excess of the percentage limitation upon the Owner's written application for an exception because of undue hardship on the Owner. An Owner will be automatically eligible for approval by the Board of a hardship exception if (1) the Owner must relocate his or her residence outside of Dallas because of changes in employment; or (2) the Owner is involved in a divorce and neither spouse can manage the mortgage independently. The Board may also consider other circumstances which may constitute undue hardship including, but not limited to, (i) an Owner must relocate his or her residence because of health reasons and cannot, within ninety (90) days from the date the Unit was placed on the market, sell the Unit while offering it for sale at a reasonable price no greater than its current appraised market value; (ii) the Owner dies and the Unit is being administered by his or her estate; (iii) the Owner takes a leave of absence or temporarily relocates and intends to return to reside in the Unit; and (iv) the Unit is to be leased to a member of the Owner's immediate family, which shall be deemed to encompass children, grandchildren, grandparents, brothers, sisters, parents, and spouses. Those Owners who have demonstrated that the inability to lease their Unit would result in undue hardship and have obtained the requisite approval of the Board may lease their Unit for such duration as the Board reasonably determines is necessary to prevent undue hardship.

(k) Non-compliance. Any lease or sale of a Unit entered into without complete and full compliance with the terms herein shall be deemed void and of no force and effect and shall confer no title or interest in a Unit to the purported lessee. For violations of the above restrictions, in addition to all other legal and/or equitable remedies, the Association may impose an initial fine in the amount of \$750.00. Thereafter, additional fines may be levied in amounts not to exceed \$50.00 per day for each day the violation remains uncured.

Except as modified by this First Amendment, the Declaration shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned represents that the foregoing has been approved at a meeting of the Owners by Owners holding more than sixty-seven percent (67%) of the Percentage Ownership Interests and the First Mortgage Majority, if any, and accordingly authorized the Association to records same as of the date first written above.

2722 KNIGHT STREET CONDOMINIUM OWNERS' ASSOCIATION, INC.

By: Ron Maddox
Its: president

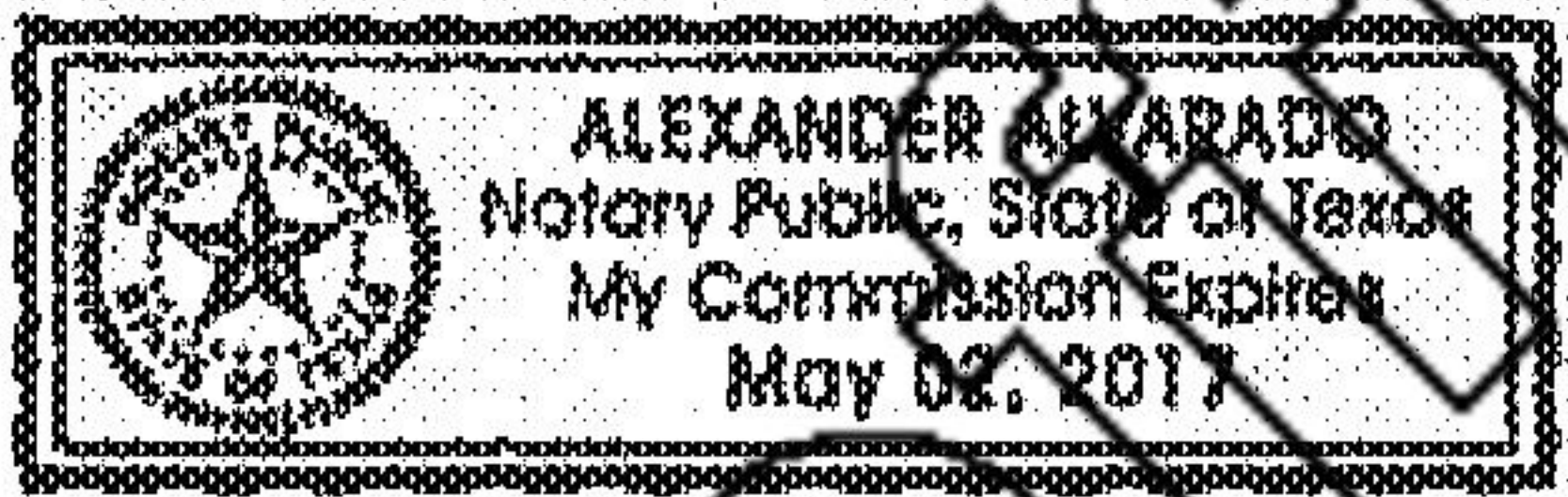
ACKNOWLEDGEMENT

STATE OF TEXAS §
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COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Maddox, Ronald of 2722 Knight Street Condominium Owners' Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes and consideration therein expressed on behalf of said corporation.

SUBSCRIBED AND SWORN TO BEFORE ME on this 21st day of September, 2013.

Alexander Alarado
Notary Public, State of Texas



My Commission Expires: May 02, 2017

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Filed and Recorded
Official Public Records
John F. Warren, County Clerk
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