

**DECLARATION OF CONDOMINIUM**  
**SAND DOLLAR II STUDIO CONDOMINIUM**  
**A TEXAS CONDOMINIUM PROJECT**

This Declaration is made this 3rd day of October, 1984, by Sand Dollar Company, a general partnership of Reidda Construction Co., and IPI, Inc., and/or their successors and assigns, Developer of said condominium project, hereinafter called Declarant.

**WITNESSETH**

WHEREAS, the Declarant is the owner of the property hereinafter described; and

WHEREAS, by this Declaration, the Declarant intends to construct a sixteen (16) unit residential apartment condominium project on the hereinbelow described real property and to establish a Condominium under the provisions of Section 81.001, et seq. of the laws of the Texas Property Code, hereinafter called "Condominium Act"; and

WHEREAS, a Condominium is a method of ownership which, when applied to a residential apartment building, provides for a separate title to each apartment and an undivided interest in and to all of the property that remains; and

NOW, THEREFORE, the Declarant, pursuant to the Condominium Act, does hereby declare and state on behalf of Sand Dollar Company, a general partnership of Reidda Construction Co., and IPI, Inc., their successors and assigns, and on behalf of all persons having or seeking to acquire any interest of any nature whatsoever in said Condominium property, as follows:

**ARTICLE I - INTENTION**

The Declarant states that it is the owner of and hereby submits the property hereinafter described to the provisions of the Condominium Act.

**ARTICLE II - DESCRIPTION OF PROPERTY**

All of the real property described in Exhibit "A" attached hereto, including the land, all improvements, and easements shall be subject to this Declaration.

**ARTICLE III - BUILDING DESCRIPTION**

Declarant will erect and complete an sixteen (16) unit two story frame and stucco residential apartment building with outside parking area, a boat dock, individual air conditioning and heating units for each apartment, landscaped areas, heating, water and waste lines, electrical and other utility outlets, and other usual appurtenances and facilities; all of which being more particularly described in the plans and specifications for said Condominium Project.

**ARTICLE IV - APARTMENT DESIGNATIONS**

The apartment designation of each apartment, its location, dimensions, approximate area, number rooms and common elements to which it has immediate access, and other data concerning its proper identification, are set forth in the site and floor plans marked Exhibit "B" and annexed hereto and made a part hereof. Each unit is bounded both as to horizontal walls, ceilings, floors, and the exterior surfaces of its perimeter walls, ceilings, floors, and the exterior surfaces of balconies and terraces, if any, which are shown on such plans, subject to such encroachments as are contained in the building, whether the same now exist or may be caused or created by construction, renovation, conversion, construction or alteration. It is expressly provided that the square footage of each apartment and the percentage ownership of the common elements appurtenant thereto cannot be decreased by the Council of Co-Owners without the written consent of the owner thereof and the holder of any first mortgage thereon, if any.

ARTICLE V - DESCRIPTIONS OF COMMON ELEMENTS AND COMMON INTERESTS

The common elements and the undivided interest of each unit owner in such common elements are set forth in Exhibit "C" annexed hereto. The common elements consist of all parts of the Condominium property other than the individual apartments, and in addition, but not in limitation thereof, the common elements include the following:

- (1) The land on which the building stands;
- (2) The foundations, bearing walls and columns, halls stairways, ceilings, and entrances and exits; subject to the terms and provisions of this Declaration;
- (3) The yard, boat dock facilities, swimming pool, and landscaped areas; except as otherwise provided or stipulated;
- (4) The premises for the use of janitors, maintenance personnel, and/or persons in charge of the building, except as otherwise provided or stipulated;
- (5) The compartments, conduits and installation easements for central services such as power, light, gas, cold and hot water, refrigeration, individual central air conditioning and individual central heating, reservoirs, water tanks and pumps, and the like;
- (6) The garbage containers and/or incinerators and, in general, all devices or installations existing for common use;
- (7) The common fund; and
- (8) All other elements of the building desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime.

ARTICLE VI - CHARACTER AND USE

Section 1. The building is intended to be used as a multi-unit residential apartment condominium.

Section 2. The common elements shall be used for the benefit of the apartment owners, the furnishing of services and facilities for which the same are reasonably intended, and for the enjoyment to be derived from such proper and reasonable use.

ARTICLE VII - ENCROACHMENTS

If any portion of the Common Elements shall actually encroach upon any apartment or if any apartment shall actually encroach upon any portion of the Common Elements, as the Common Elements and utilities actually and physically exist, or as shown by the respective plats, attached hereto, then there shall be deemed to be mutual easements for the encroachment and for the maintenance of same, so long as it stands, shall and does exist; provided, however, that in no event shall an easement for any encroachment be created in favor of any apartment owner if such encroachment occurred due to the willful conduct of said owner. In the event the apartment building or any part thereof is totally or partially destroyed, and then rebuilt, the owners of the apartments agree that all encroachments of or upon the common elements and facilities due to reconstruction shall be permitted and that a valid easement for said encroachment and the maintenance thereof shall exist.

ARTICLE VIII - EFFECTIVE DATE OF THE CONDOMINIUM

The effective date of the Condominium is the date when this Declaration is recorded and the other Condominium documents filed in the Office of the County Clerk of Nueces County, Texas. From and after the date of recording of this Declaration, the property hereinafter described shall be and shall continue to be subject to each and all of the terms hereof until this Declaration of this Condominium Regime is terminated or abandoned in accordance with the provisions of the Condominium Act and this Declaration.

ARTICLE IX - DEFINITION AND TERMS

The following terms when used in this Declaration and in other instruments constituting the Condominium documents are defined as follows:

"Assessment" means that portion of the cost of maintaining, repairing, and

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managing the property which is to be paid by each apartment owner as determined by the Council of Co-Owners.

"Building" means the multi-unit residential apartment building to be constructed on the premises described in Article II.

"Council of Co-Owners" all the persons, firms, corporations, partnerships, associations, trusts or other legal entities, or any combination thereof, who own an apartment or apartments within the Condominium project.

"Common charges" means each apartment's share of the common expenses in accordance with its common element interest in relation to the entire project, as determined by the Council of Co-Owners and this Declaration.

"Common expenses" means and includes the actual and estimated expenses of operating the property and any reasonable reserve for such purposes as found and determined by the Council of Co-Owners and all sums designated common expenses by or pursuant to the Condominium documents.

"Condominium documents" means and includes this Declaration as the same may be amended from time to time, and the exhibits annexed hereto and identified as follows:

Exhibits "A" through "C", plats, including site and floor plans, and a breakdown of common element ownership percentages by apartment, and Exhibit "D", By-laws of this Condominium.

"Apartment" means an apartment consisting of an enclosed space having one or more rooms and occupying a part of a floor in the building and grounds the subject of this Condominium Declaration intended to be used as a residential apartment and having a direct exit to a thoroughfare or to a given common space leading to a thoroughfare.

"Declarant" means Sand Dollar Company, a general partnership of Reidda Construction Co., a Texas corporation, and IPI, Inc., a Texas corporation, and/or their successors, and assigns, as the maker of this Declaration, the "Seller" in any Earnest Money Sales Contract, and the grantor in the deeds conveying the apartments in the Condominium Project.

"Declaration" means this instrument by which the property is submitted to the provisions of the Condominium Act and such instruments as from time to time amend the same in accordance with said Act and the By-laws of this Condominium project.

"Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

"Property" means and includes the land and the building as shown by Exhibits "A" and "B", all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, subject to the terms and provisions of this Declaration.

"Apartment designation" means the letter or other official unit designation conforming to the floor plans annexed to this Declaration.

"Apartment owner" means any individual, corporation, trust, partnerships, firm, or association owning one or more of the residential apartments within the property.

#### ARTICLE X - COMMON ELEMENTS AND COMMON INTEREST

Section 1. Each apartment has appurtenant to it a common proportionate undivided interest in the common elements as set forth in Exhibits "B" hereto annexed, and as expressed in this Declaration. The amount of the percentage interest in the common elements appurtenant to each apartment has been determined and fixed by taking the approximate proportion which the square feet in each apartment bears to the total square feet in all the apartments rounded off to the nearest per cent. For this purpose, the amount of square feet of space in each apartment is to be measured by the following boundaries: the interior surfaces of the perimeter walls, floors, and ceilings and the exterior surfaces of balconies and terraces, if any.

Section 2. The common interest appurtenant to each apartment is declared to be permanent in character and cannot be altered without the consent of all apartment owners affected and the first mortgagees of such apartment owners. Such common interest cannot be separated from the apartment to which it appertains. Notwithstanding any other provision in this instrument to the contrary, a unit or a limited common element may not be altered or destroyed by the Council of Co-Owners or any other condominium association without the consent of all owners affected and the first lien mortgagees of all affected owners.

Section 3. The common elements shall not be divided nor shall any right to partition any thereof exist, but nothing herein contained shall be deemed to prevent ownership of an apartment jointly or in common.

Section 4. Each apartment owner may use the common elements in accordance with the purpose for which they are intended without hindering the exercise of or encroaching upon the rights of other apartment owners.

Section 5. The Condominium on behalf of the unit owners shall have the irrevocable right, to be exercised by the Council of Co-Owners, or its designee, to have access to each apartment for the purpose of inspecting and making repairs, replacements or improvements to the common elements, and to the apartment itself where the responsibility thereof is upon the Council of Co-Owners, contained therein or elsewhere in the building, or to prevent damage to the common elements or other apartments, or to abate any violation of law, orders, rules or regulations of any governmental authorities having jurisdiction thereof, or to correct any condition which violates the provisions of any mortgage covering another apartment.

Each apartment owner shall have an easement in all pipes, wires, ducts, cables, conduits, public utility lines, and other general common elements located in whole or in part in any of the other apartments or common elements areas but serving his apartment. Each apartment shall be subject to an easement in favor of the owners of all other apartments to use the pipes, ducts, cables, wires, conduits, public utility lines, and other general common elements serving such other apartments but located within such apartment.

Section 6. The Council of Co-Owners shall, if any question arises, determine the purpose for which a common element is intended to be used. They shall have the right to promulgate rules and regulations limiting the use of the common elements to apartment owners, guests and invitees, as well as to provide for the exclusive use of any facility by an apartment owner and his guests for special occasions. Such use may be conditioned, among other things, upon the payment by the apartment owner seeking such use, of such assessment as may be established by the Council of Co-Owners for the purpose of defraying the costs thereof.

Section 7. The maintenance, repair, replacement, management, operation and use of the common elements, set forth in Article V, shall be the responsibility of the Council of Co-Owners, but nothing herein contained shall be construed so as to preclude the Council from delegating duties to a manager or agent or to other persons, firms, or other corporations.

Section 8. The expenses incurred or to be incurred for the maintenance, repair, replacement, management, operation, and use of the common elements shall be collected from the apartment owners and assessed as common charges by the Council of Co-Owners.

Section 9. (a) The Council of Co-Owners shall have the right to make or cause to be made such alterations and improvements to the common elements as in its opinion may be beneficial and necessary. The Council of Co-Owners may require the consent in writing before undertaking such work of such apartment owners and the holders of first mortgages thereon, whose rights, in the sole opinion of the Council, may be prejudiced by such alteration or improvement.

(b) When, in the sole opinion of the Council of Co-Owners, the alteration or improvements is general in character, the costs thereof shall be assessed as common expenses.

(c) When, in the sole opinion of the Council of Co-Owners, as evidenced by a vote of not less than two-thirds (2/3) thereof, the alteration or improvement is exclusively or substantially exclusively for the benefit of one or more apartment owners that requested it, the cost shall be assessed against such owner or owners in such proportion as the Council shall determine is fair and equitable. Nothing herein contained shall prevent the apartment owners affected by such alteration or improvement from agreeing in writing, either before or after the assessment is made, to be assessed in different proportion.

Section 10. No apartment owner shall do any work which would affect or alter any of the common elements or impair any easement or hereditament therein.

Section 11. While the property remains subject to this Declaration and the Condominium Act, no liens of any nature shall arise or be created against the common elements except with the unanimous consent in writing of all the apartment owners and the holders of first liens thereon, except such liens as may arise or be created against the several apartments and their respective common interests under the terms of this Declaration.

Section 12. All common charges received or to be received by the Council of Co-Owners and the right to receive such funds shall constitute trust funds for the purpose of paying the cost of labor and materials furnished to the common elements at the express request or with the consent of the Council of Co-Owners and the same shall be expended first for such purpose before expending any part of the same for any other purpose. Nothing herein contained shall require the Council of Co-Owners to keep such charges in a separate bank account and no violation of said trust shall arise by reason of the commingling of funds held by the Council of Co-Owners in one bank account.

Section 13. Every apartment owner shall comply strictly with the by-laws, rules, regulations, resolutions, and decisions adopted pursuant thereto in relation to the apartments or the common elements. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages, or injunctive relief, or any or all of them. Such action may be maintained by the Council of Co-Owners on its own behalf or on behalf of the apartment owners aggrieved. In any case of flagrant or repeated violation by an apartment owner, he may be required by the Council of Co-Owners to give sufficient surety or sureties for his future compliance with by-laws, rules, regulations, resolutions, and decisions.

Section 14. Each apartment owner shall have an unrestricted right of ingress and egress to his or her unit. This right is perpetual and shall pass with each apartment as transfers of ownership of each apartment shall occur.

ARTICLE XI - APARTMENTS; THEIR MAINTENANCE AND REPAIR

Section 1. No apartment owner shall do or cause to be done any work affecting his apartment which would jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament therein. If the apartment owner shall cause any work being performed on his apartment, which, in the sole opinion of the Council of Co-Owners, violates this section, such work shall be immediately stopped, and he shall refrain from recommencing or continuing the same without the consent in writing of the Council of Co-Owners. He shall not repair, alter, replace, or move any of the common elements which are located within his apartment without the prior consent in writing of the Council of Co-Owners. He shall not repair, alter, replace, or perform work of any kind on the exterior of the building, including balconies, without in every such case first obtaining in writing the consent of the Council of Co-Owners. He shall not alter or replace any walls except those non-bearing partition walls which are wholly within his apartment.

Section 2. It shall be the the responsibility of the Council of Co-Owners to maintain, repair, or replace:

(a) All portions of the apartment which contribute to the support of the building, including main bearing walls and thereof, but excluding painting, wall papering, decorating or other work on the interior surfaces of walls, ceilings, and floors within the apartment.

(b) All portions of the apartment which constitute a part of the exterior of the building, doors and windows excepted, but excluding painting, wall papering, decorating or other work on the interior surfaces of walls, ceilings, and floors within the apartment.

(c) All common elements within the apartment.

(d) All incidental damage caused by work done by direction of the Council of Co-Owners.

(e) In performance of any labor or in the furnishing of any material to the apartment, under the direction of the Council of Co-Owners, no lien shall be established against the apartment owner except for such work performed for emergency repair.

Section 3. It shall be the responsibility of the apartment owner:

(a) to maintain, repair or replace at his own expense, all portions of the apartment which may cause injury or damage to the other apartments or to the common elements except the portions thereof mentioned and described in Section 2 hereof.

(b) To maintain, repair, or replace the exterior doors and windows of each apartment; and to maintain, repair, and replace the fixtures, appliances, and individual air conditioning and heating equipment located within an apartment and intended for individual use.

(c) To paint, wallpaper, decorate and maintain the interior surfaces of all walls, ceilings and floors within the apartment.

(d) To perform his responsibilities in such a manner and at such reasonable hours so as not to unreasonably disturb other apartment owners in the building.

(e) To refrain from repairing, altering, replacing, painting or otherwise decorating or changing the appearance of any portion of the common elements without first obtaining the consent in writing of the Council of Co-Owners and to refrain from repairing, altering, replacing, painting, decorating or changing the exterior of the apartment or any exterior appendages whether exclusively used by the apartment owner or otherwise without obtaining the consent of the Council of Co-Owners.

(f) To promptly report to the Council of Co-Owners or their agent all work that he intends to perform for repair of any kind.

Any consent by the Council of Co-Owners to the performance of such work by the apartment owner shall not constitute an assumption by the Council of Co-Owners to pay for such work. Also, the failure of the Council of Co-Owners to take action on the notice shall not be deemed a waiver by it of its rights and shall also not constitute a consent by the Council of Co-Owners to an assumption by it to pay for any work performed by the apartment owner. Any consent given by the Council of Co-Owners may set forth the terms of such consent and the apartment owner shall be required to abide thereby.

Section 4. Nothing contained in this article shall be construed so as to impose a personal liability upon any of the members of the Council of co-Owners for the maintenance, repair or replacement of any apartment or common element or give rise to a cause of action against them. The Council of Co-Owners, as such, shall not be liable for damages of any kind except for willful misconduct or bad faith.

#### ARTICLE XII - APARTMENTS: HOW CONSTITUTED AND DESCRIBED

Section 1. Every apartment, together with its undivided common interest in the common elements, shall for all purposes be and it is hereby declared to be

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and to constitute a separate parcel of real property and the apartment owner thereof shall be entitled to the exclusive ownership and possession of his apartment subject only to the covenants, restrictions, easements, By-laws, rules, regulations, resolutions, and decisions adopted pursuant thereto as may be contained in the Condominium documents or as may from time to time, be passed in accordance with this Declaration and the By-laws.

Section 2. An apartment shall be described in any deed as such apartment is described in Exhibit "B", hereto annexed, and shall recite that it is part of the premises described in Article II of this Declaration. It shall recite the use for which the apartment is intended and shall state the common interest percentage appertaining thereto. It shall further recite that the conveyance is made together with the benefits, rights, privilege stated in the Condominium documents and subject to all the duties, obligations and resolutions and decisions in accordance therewith as set forth in the Condominium documents.

Section 3. Every conveyance or lien using the apartment designation assigned to it, as shown on Exhibit "A", hereto annexed, shall be deemed to include its proportionate undivided interest in the common elements and shall include without requiring specific reference thereto or enumerating them all the appurtenances and easements in favor of the apartment and similarly be subject to all easements in favor of others.

Section 4. Any transfer of an apartment shall include all appurtenances thereto whether or not specifically described.

#### ARTICLE XIII - COUNCIL OF CO-OWNERS

Section 1. The Declarant does hereby declare that the affairs of the Condominium shall be governed and controlled under the By-laws by a Council of Co-Owners composed of the persons owning apartments in the Condominium property. A copy of such By-laws is attached hereto as Exhibit "D".

Section 2. The Council of Co-Owners shall have charge of and be responsible for and is authorized to manage the affairs of the Condominium organization, the common elements and other assets held by it on behalf of the apartment owners except as herein otherwise limited. It shall have all the powers, rights, duties and obligations wherever set forth in this Declaration or in the Condominium documents. It shall adopt and execute all types of proceedings necessary to promote the interests of the Condominium. It shall fix charges, assessments, fees and rents. It shall hold all of the foregoing and funds or other assets of the Condominium and administer them as trustees for the benefit of the apartment owners. It shall keep accurate records and audit and collect bills. It shall direct all expenditures, select, appoint, remove and establish the salaries of employees, and fix the amount of bonds for employees. It shall license or lease any concession and installation of vending machines. It shall maintain the common elements and other portions of the buildings as herein specified, paying for services and supervising repairs and alterations. It shall pass upon the recommendations of all committees and adopt rules and regulations as in their judgment may be necessary for the management, control and orderly use of the common elements, and, in general, it shall manage the Condominium property as provided herein and in the By-laws, but nothing herein shall prevent the Council of Co-Owners from employing and delegating such powers as it deems advisable to professional management.

Section 3. True copies of the floor plans, this Declaration, the By-laws, the rules and regulations, resolutions and decisions shall be kept on file in the office of the Council of Co-Owners and shall be available for inspection at convenient hours on weekdays by owners of apartments, by holders, insurers, and guarantors of mortgages secured by apartments in the project, or by other interested parties, during normal business hours or under other reasonable circumstances.

Section 4. The Council of Co-Owners, or a managing agent which it employs,

as the case may be, shall keep detailed accurate records, in chronological order, of the receipts and disbursements arising from the operation of the property. It shall also keep an assessment roll as more fully set forth in Article XIV, Section 8, hereof. Such records and the vouchers authorizing the payments shall be available for examination by the apartment owners and mortgage holders at convenient hours on weekdays. A written report summarizing such receipts and disbursements shall be given by the Council to all apartment owners at least once annually. Any mortgage holder shall be allowed to have an audited statement prepared at its own expense.

Section 5. Each apartment shall be entitled to one vote on the Council of Co-Owners, of the condominium project. In the event that an apartment is owned by one or more co-owners, then the vote of such apartment shall be determined by a majority of such co-owners; in the event that a majority of such co-owners cannot agree upon such vote, then such apartment shall not be entitled to vote on any question submitted to the co-owners of the condominium project.

Section 6. The Declarant (developer) shall not have the right to directly or indirectly bind the Council of Co-Owners to any professional management contract unless the contract includes a right of termination without cause that the Council can exercise at any time after transfer of control of the project to the Council. Such right of termination shall not require payment of any penalty and shall not require advance notice in excess of ninety days.

Section 7. The Declarant (developer) shall transfer control of the owners' association to the Council of Co-Owners no later than four months after 75% of the apartments in the project have been conveyed to purchasers, which shall in no event be more than three years after the first apartment is conveyed.

Section 8. The Council of Co-Owners shall have the authority to grant permits, licenses, and easements over the common areas for utilities, roads, and other purposes necessary for the proper operation of the project.

Section 9. The Council of Co-Owners shall not restrict an apartment owner's right to sell, transfer, or convey his apartment. The Council shall not restrict an apartment owner's right to mortgage his apartment. The right to mortgage an apartment shall not be limited to any specific lending institution or type of lending institution.

#### ARTICLE XIV - CHARGES - ASSESSMENTS

Section 1. No apartment owner may exempt himself from the liability for payment of his common charges and expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his apartment.

Section 2. The common expenses shall be charged by the Council of Co-Owners to the apartment owners, according to their respective common interest percentages. Any common profits of the property, after offsetting the common expenses relating to the common elements and making due allowance for the retention of a reserve to cover future common expenses, may be distributed among the apartment owners in the same manner.

Section 3. Insurance shall be obtained upon the property and the cost thereof shall be borne and paid as common charges and as hereinafter more fully set forth in Article XVIII.

Section 4. Assessments against the apartment owners shall be made and approved by the Council of Co-Owners and shall be paid by said owners, and each owner shall be liable for his share of the common charges, except as in this article provided.

Section 5. Assessment estimates for common charges shall be made for each fiscal year fifteen (15) days in advance of the year for which the assessments are made. Such assessments shall be due and payable in monthly installments on the dates established by the Council of Co-Owners, who may review and reconsider the assessment made and may increase or decrease the same and in the event of an increase required for the proper management, maintenance and operation of the

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common elements; the apartment owner shall pay such increase on the first day of the month following notice of the increase.

Section 6. All liens against the common elements of any nature including taxes and special assessments levied by governmental authority may be paid by the Council of Co-Owners and shall be assessed by it against the apartment or apartments in accordance with their respective interest or to the common charges account, whichever in the judgment of the Council of Co-Owners is appropriate.

Section 7. All other assessments, either for emergencies or otherwise, shall be made by the Council of Co-Owners in accordance with the provisions of the Condominium Act and the Condominium documents and if the time of payment is not set forth therein, the same shall be determined by the Council of Co-Owners.

Section 8. The assessments against all apartment owners shall be set forth upon a roll of the apartments which shall be available in the office of the Council of Co-Owners for inspection at all reasonable times by the apartment owners or their duly authorized representatives. Such roll shall indicate for each apartment the name and address of the owner or owners, the assessments for all purposes and the amounts of all assessments paid and unpaid. The Council of Co-Owners, or its agent, shall issue to the first mortgagee upon its demand, a certificate showing the status on the assessments due from the apartment owner and shall also issue such certificates to such persons as the apartment owner may request in writing.

Section 9. The owners of an apartment and his grantees shall be jointly and severally liable for all unpaid assessments due and payable at the time of a conveyance but without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee thereof. A purchaser of an apartment at a judicial sale shall be liable only for assessments prorated to the period after the date of such sale.

Section 10. If the Council of Co-Owners shall incur any legal expenses, including attorney's fees and court costs, to enforce any rights of the Council of Co-Owners against an apartment owner, including but not limited to collection of delinquent assessments, such apartment owner shall be liable to the Council for such expenses and the Council may recover the same. The Council of Co-Owners shall have a lien upon each apartment appurtenant and the interest in the general common elements and the common fund to secure the payment by the owner of such apartment of his proportionate share of all assessments required or permitted to be levied hereunder or by law, and any other sums which shall become due and owing from such owner to the Council of Co-Owners, and such lien shall also secure all other expenses, including reasonable attorney's fees, incurred by the Council of Co-Owners incident to the collection of such assessment for the enforcement of such lien.

Section 11. All liens for common expenses and assessments made by the Council of Co-Owners shall be prior to other liens, except that such liens for said assessments shall be subordinate, secondary and inferior to (a) all liens for taxes or special assessments levied by city, county and state governments or any political subdivision or special district thereof, and (b) liens securing amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the date payment of such assessment for common expenses become due. The claims of the Council for common expenses and assessments and the lien securing such claims shall be freely assignable. Such lien for common expenses and assessments may be foreclosed, without prejudice and subject to the aforesaid prior liens by the holder thereof judicially, or as is provided for foreclosures of a contractual deed of trust lien on real property under Texas law, as the same is amended from time to time. Each owner hereby grants, sells and conveys unto N. J. Welsh, III, Trustee of Nueces County, Texas, and his substitutes or successors, his apartment, to have and to hold the same, and all and singular the rights, privileges and appurtenances

appertaining or belonging thereto, unto the said Trustee, and to his substitutes or successors, forever. Each owner hereby binds himself, his heirs, personal representatives, successors and assigns, to warrant and forever defend all and singular the apartment of such owner unto the Trustee, his substitutes or successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, subject to the terms and provisions of this Declaration; this conveyance is made IN TRUST, however, to secure the payment by each owner of his respective portion of the common expenses and the assessments. In the event of default in the payment of the common expenses of the assessments when due, it shall thereupon, or at any time thereafter, be the duty of the Trustee, or his successor or substitute, at the request of the Council to enforce this trust by following the then current statutorily required procedures for foreclosing a contractual deed of trust, and to sell the apartment at public auction in accordance with such lien procedures to the highest bidder for cash, and to make due conveyance to the purchaser with general warranty binding the defaulting former owner, his heirs, personal representatives, successors and assigns. At the option of the Council, with or without any reason, a successor or substitute trustee may be appointed by the Council without any formality other than a designation in writing of a successor or substitute trustee, who shall thereupon become vested with and succeed to all the powers and duties given to the Trustee herein named. No such foreclosure shall affect or impair any such prior liens. The Council shall have power to bid on the apartment foreclosed on at any foreclosure sale, and to acquire, hold, lease, mortgage, and convey the same on behalf of the Council. The purchaser acquiring title to such apartment at any such foreclosure sale, and his successors and assigns (if other than the defaulting former owner), shall not be liable for the share of the unpaid common expenses or assessments by the Council chargeable to such apartment which became due prior to acquisition of such title at such foreclosure sale, to the extent such amounts are not recovered by the Council from the proceeds of such foreclosure sale.

Section 12. All assessments shall begin on the first of the month next following the conveyance of the first apartment. The Council of Co-Owners shall establish and maintain an adequate reserve fund for the periodic maintenance, repair, and replacement of improvements to the common areas of the project. The fund shall be maintained out of regular assessments for common expenses.

#### ARTICLE XV - RESTRICTIONS

Section 1. The Declarant and every apartment owner by the acceptance of the deed, and their heirs, successors and assigns, covenant that they will faithfully observe all the terms, covenants and conditions wherever imposed in this Declaration.

Section 2. Each apartment owner, his heirs, successors and assigns, further covenant that:

(a) He will not use, cause or permit the apartment to be used other than as provided in this Declaration, nor will he use, cause or permit the apartment to be subdivided, changed or altered without first having obtained the approval of the Council of Co-Owners.

(b) He will not use, permit or allow the apartment or any part thereof to be used for an immoral, improper offense, or other unlawful purpose, nor will he permit or allow any nuisance within the apartment, nor will he use, permit or allow the apartment to be used in a manner which will be a source of annoyance or which in any way interferes with the peaceful possession, enjoyment and proper use of the property by the other apartment owners.

Section 3. The right of a co-owner and his guests to occupy or use his apartment, or to use the common elements or any of the facilities thereon, is subject to the following restrictions:

(a) No co-owner shall occupy or use his apartment or permit the same or any

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part thereof to be occupied or used for any purpose other than as a private residence. Nothing in this Declaration shall prevent the co-owner from leasing or renting out his apartment provided that it is in accordance with the Council's governing instruments and rules. The minimum or maximum number of days for which an apartment may be leased or rented shall be determined by a majority of the Board of Directors of the Council of Co-Owners.

(b) There shall be no obstruction of the common elements. Nothing shall be stored in the common elements without the prior consent of the Council of Co-Owners, except as hereinafter expressly provided, or in designated storage areas.

(c) Nothing shall be done or kept in any apartment or in the common elements which will increase the rate of insurance on the common elements without the prior written consent of the Council of Co-Owners. No co-owner shall permit anything to be done or kept in his apartment or in the common elements which will result in the cancellation of insurance on any apartment or on any part of the common elements or which would be in violation of any law. No waste shall be permitted in the common elements. No gasoline, kerosene, cleaning solvents, or other flammable liquids shall be stored in the common elements or in any apartment, provided, however, that reasonable amounts in suitable containers may be stored in the storage spaces.

(d) No sign of any kind shall be displayed to the public view on or from any apartment or the common elements without the prior written consent of the Board, except a sign advertising the property for sale.

(e) No animals, livestock, or poultry of any kind shall be raised, bred, or kept in the apartment or in the common elements, except that dogs, cats, or other household pets may be kept in apartments, subject to the rules and regulations adopted by Council of Co-Owners.

(f) No noxious or offensive activity shall be carried on in any apartment or in the common elements, nor shall anything be done therein which may be or become an annoyance or nuisance to the other co-owners.

(g) Nothing shall be altered or constructed in or removed from the common elements, except on the written consent of the Council of Co-Owners.

(h) There shall be no violation of the rules for the use of the common elements, adopted by the Council of Co-Owners and furnished in writing to the co-owners, and the Council of Co-Owners is authorized to adopt such rules.

(i) No co-owner shall park any automobile or other motor vehicle in the common element except in a space designated for the co-owner by the Council of Co-Owners.

#### ARTICLE XVI - COMPLIANCE AND DEFAULT

Each apartment owner shall be governed by and shall comply with the terms of the Condominium documents, regulations, resolutions, and decisions adopted pursuant thereto as they may be amended from time to time. A default shall entitle the Council of Co-Owners or other apartment owners to the following relief:

Section 1. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both maintainable by the Council of Co-Owners on behalf of the apartment owners, or in a proper case, by an aggrieved apartment owner. In any case of flagrant or repeated violation by an apartment owner, he may be required by the Council of Co-Owners to give sufficient surety or sureties for his future compliance with the By-laws, rules, resolutions and decisions.

Section 2. Each apartment owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, to the extent that such expense is not met by the proceeds of insurance carried by the Council of Co-Owners. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or

abandonment of an apartment or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

Section 3. In any proceeding arising because of an alleged default by an apartment owner, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the court.

Section 4. The failure of the Council of Co-Owners or of an apartment owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Council of Co-Owners or apartment owner to enforce such right, provision, covenant or condition in the future.

Section 5. All rights, remedies and privileges granted to the Council of Co-Owners, its designated agent, or an apartment owner, pursuant to any terms, provisions, covenants or conditions of the Condominium documents shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Condominium documents or at law or in equity.

#### ARTICLE XVII - AMENDMENT

Except as hereinafter provided, the Condominium documents may be amended in the following manner:

Section 1. Notice of the subject matter of the proposed amendment in reasonably detailed form shall be included in the notice of any meeting at which a proposed amendment is considered.

Section 2. A resolution adopting a proposed amendment may be proposed by either the Council of Co-Owners or by the apartment owners. This declaration and all of the other condominium documents may only be amended at a meeting of the apartment owners at which the amendment is approved by the holders of at least sixty-seven (67%) per cent of the ownership in the condominium. After this condominium declaration is recorded with the county clerk, this declaration and all other condominium documents may not be amended except at a meeting of the apartment owners at which the amendment is approved by the holders of at least sixty-seven (67%) per cent of the ownership interest in the condominium. Apartment owners not present at the meeting considering such amendment may express their approval in writing or by proxy.

Section 3. A copy of each amendment shall be certified by the President or Vice-President and Secretary of the Council of Co-Owners as having been duly adopted and shall be effective when properly recorded. Copies of the same shall be sent to each apartment owner in the manner elsewhere provided for the giving of notices but the same shall not constitute a condition precedent to the effectiveness of such amendment.

Section 4. Amendment of the project documents in a material nature must be agreed upon by at least fifty-one (51%) per cent of the first lien mortgage holders. The following matters or changes dealing with any of the following matters shall be deemed material: voting rights; provisions dealing with the method of making assessments, assessment liens, subordination of assessment liens; provisions dealing with reserves for maintenance, repair and replacement of common areas; provisions dealing with responsibility for maintenance and repairs; reallocation of interest in the common areas, or rights to their use; boundaries of any apartment; convertibility of apartments into common areas or vice versa; expansion or contraction of the project, or the addition, annexation or withdrawal of property to or from the project; material changes in types of insurance or fidelity bonds (but not amounts or insurers); policies dealing with the leasing of apartments; provisions dealing with any restrictions on a unit

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owner's right to sell or transfer his apartment; a decision by the Council of Co-Owners to establish self management when professional management had been required previously by a first lien mortgagee; restoration or repair of the project (after hazard damages or partial condemnation) in a manner other than that specified in the condominium documents; any action to terminate the legal status of the project after substantial destruction or condemnation occurs; or changes in any provisions in the project documents that expressly benefit mortgage holders, insurers, or guarantors. When the owners are considering termination of the legal status of the project for reasons other than substantial destruction or condemnation of the property, the first lien mortgage holders representing at least sixty-seven (67%) per cent of the votes of the mortgaged apartments must consent.

Section 5. Notwithstanding anything contained herein to the contrary, square footage of a residential apartment or alteration of the common element interest appurtenant cannot be changed except with the consent of the apartment owner affected and of the holders of first mortgage thereon. An amendment to the declaration may not alter or destroy a unit or a limited common element without the consent of the owners affected and owners' first lien mortgagees.

#### ARTICLE XVIII - INSURANCE

Section 1. The Council of Co-Owners shall obtain and maintain, to the extent available, insurance on the Condominium building and all other insurable improvements upon the land, including but not limited to, all of the apartments, together with the service of machinery and equipment and all other personal property as may be held and administered by the Council of Co-Owners for the benefit of the apartment owners covering the interest of the condominium organization, Council of Co-Owners and all apartment owners and their mortgagees as their interest may appear. The insurance shall be purchased from recognized insurance companies duly licensed to operate in the State of Texas.

Section 2. The Council of Co-Owners shall obtain master policies of insurance which shall provide that the loss thereunder shall be paid to the Council of Co-Owners as insurance trustees under this Declaration. Under the said master policies, certificates of insurance shall be issued which indicate on their face that they are a part of such master policies of insurance covering each and every apartment of the Condominium and its common elements. A certificate of insurance with proper mortgage endorsements shall be issued to the owner of each unit and the original thereof shall be delivered to the mortgagee, if there be one, or retained by the apartment owner if there is no mortgagee. The certificate of insurance shall show the relative amount of insurance covering the apartment and the interest in the common elements of the Condominium property and shall provide that improvements to an apartment or apartments which may be made by the apartment owner or owners shall not affect the valuation for the purposes of this insurance of the buildings and other improvements upon the land. Such master insurance policies and certificates shall contain provisions that the insurer waives its right to subrogation as to any claim against the Council of Co-Owners, its agents and employees, apartment owners, their respective employees, agents and guests, and of any defense based on invalidity arising from the acts of the insured, and providing further that the insurer shall not be entitled to contribution against casualty insurance which may be purchased by individual apartment owners as hereinafter permitted. The original master policy of insurance shall be deposited with the Council of Co-Owners as insurance trustee and a memorandum thereof shall be deposited with any first mortgagee who may require same. The Council of Co-Owners shall acknowledge that the insurance policies and any proceeds thereof will be held in accordance with the terms hereof. The Council of Co-Owners shall pay, for the benefit of the apartment owner and each apartment mortgagee, the premiums for the insurance hereinafter required to be carried at least thirty (30) days prior

to the expiration date of any such policies and will notify each apartment mortgagee of such payment within ten (10) days after the payment thereof.

Section 3. The property shall be covered by:

(a) Casualty or physical damage insurance in an amount equal to the full replacement value of the Condominium building as determined annually by the Council of Co-Owners with the assistance of the insurance company affording such coverage. Such coverage shall afford protection against the following:

(1) Loss or damage by fire and other hazards covered by the standard extended coverage endorsement together with coverage for the payment of common expenses with respect to damaged apartments during the period of reconstruction.

(2) Such other risks as from time to time customarily shall be covered with respect to buildings similar in construction, location and use as the Condominium building, including but not limited to, vandalism, malicious mischief, windstorm, and water damage, boiler and machinery explosion or damage, plate glass damage, and such other insurance as the Council of Co-Owners may determine. The policies providing such coverage shall provide that notwithstanding any provisions thereof which give the carrier the right to elect to restore damage in lieu of making a cash settlement, such option shall not be exercisable without the approval of the Council of Co-Owners or where in conflict with the terms of this Declaration, and shall further provide that the coverage thereof shall not be terminated for non-payment of premiums without thirty (30) days' notice to all of the insured, including each apartment mortgagee.

All policies of casualty or physical damage insurance shall provide that such policies may not be cancelled or substantially modified without at least ten (10) days' prior written notice to all of the insureds, including mortgagees of the apartments, and certificates of such insurance and all renewals thereof, together with proof of payment of premiums, shall be delivered to all apartment owners and their mortgagees at least ten (10) days prior to the expiration of the then current policies. Such casualty or physical damage insurance policy shall also have an inflation guard endorsement, if it can be obtained; such policy shall also have a construction code endorsement, if there is a construction code provision that requires changes to undamaged portions of the buildings even when only part of the project is destroyed by an insured hazard. Such policy shall also provide that it is the primary policy, even if a unit owner has other insurance that covers the same loss. Such policy shall also provide that the insurance will not be prejudiced by any acts or omissions of individual apartment owners that are not under the control of the Council of Co-Owners.

(b) Comprehensive public liability insurance in such amounts and in such forms as shall be required by the Council of Co-Owners, including but not limiting the same to water damage, legal liability, hired automobile, non-owned automobile and off-premises employee coverages. Comprehensive public liability insurance covering all common areas, public ways, and any other areas that are under the Council of Co-Owners' supervision shall be in the amount of at least \$1,000,000.00 for bodily injury and property damage for any single occurrence. The liability insurance should provide for bodily injury and property damage that results from the operation, maintenance, or use of the project's common areas and any legal liability that results from lawsuits related to employment contracts in which the Council of Co-Owner is a party; such policy shall also provide for at least 10 days written notice to the Council of Co-Owners and first lien mortgagees on individual apartments before the insurer can cancel or substantially modify the policy.

(c) Insurance policies for the condominium project should show the following as the named insured: "Council of Co-Owners of the Sand Dollar II Studio Condominium, for the use and benefit of the individual owners."

(d) If any part of the project is in a special flood hazard area, as defined by the Federal Emergency Management Agency, the Council of Co-Owners must maintain a master or blanket policy of flood insurance, with premiums to be paid as a common expense, and the insurance should be at least equal to the lesser of 100% of the current replacement cost of all buildings and other insurable property located in the flood hazard area or the maximum coverage available for the property under the National Flood Insurance Program.

Section 4. Each apartment owner may obtain additional insurance at his own expense affording coverage upon his personal property and for his personal liability, but all such insurance shall contain the same waiver of subrogation as that referred to in the preceding Section 2 hereof. Each apartment owner may obtain casualty insurance at his own expense upon his apartment but such insurance shall provide that it shall be without contribution as against the casualty insurance purchased by the Council of Co-Owners or shall be written by the same carrier. If a casualty loss is sustained and there is a reduction in the amount of the proceeds which would otherwise be payable on the insurance purchased by the Council of Co-Owners pursuant to the preceding section due to proration of insurance purchased by the apartment owner under this section, the apartment owner agrees to assign the proceeds of this latter insurance, to the extent of the amount of such reduction, to the Council of Co-Owners to be distributed as herein provided.

Section 5. Premiums upon insurance policies purchased by the Council of Co-Owners shall be paid by it and charged as common expenses. Where insurance policies obtained by the Council of Co-Owners provide that, in the event of loss, the insured will absorb the first part of the loss with the insurer paying the excess up to policy limits, the "deductible" amount will be prorated by the Council of Co-Owners and assessed to each apartment owner on the same basis as other common expenses unless a majority of the Council of Co-Owners, in their sole discretion, determines that the failure to use such care as a reasonable prudent and careful person would use under the same or similar circumstances on the part of the apartment owner or owners in question, or his or their licensees, invitees, agents, guests or persons present in their apartment or apartments with their permission, express or implied, proximately caused the casualty loss in question, in which case the "deductible" amount shall be assessed against the apartment or apartments in question and not handled as common expenses.

Section 6. All proceeds payable as a result of casualty losses sustained which are covered by insurance purchased by the Council of Co-Owners hereinabove set forth shall be paid to it. The Council of Co-Owners shall act as the insurance trustees. The sole duty of the insurance trustees shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein, and for the benefit of the apartment owners and their respective mortgagees.

Section 7. Each apartment owner shall be deemed to have delegated to the Council of Co-Owners his right to settle with the insurance companies all losses under policies purchased by the Council of Co-Owners.

Section 8. In no event shall any distribution of proceeds be made by the Council of Co-Owners directly to an apartment owner where there is a mortgagee endorsement on the certificate of insurance. In such event, any remittances shall be to the apartment owner and his mortgagee jointly. This is a covenant for the benefit of any mortgagee of an apartment and may be enforced by him.

**ARTICLE XIX - RECONSTRUCTION OR REPAIR OF CASUALTY DAMAGE**

Except as hereinafter provided, damage to or destruction of the building shall be promptly repaired and reconstructed by the Council of Co-Owners, using the proceeds of insurance, if any, on the building for that purpose, and any deficiency shall constitute common expenses; provided, however, that if

sixty-seven (67%) percent or more of the building is destroyed or substantially damaged and sixty-seven (67%) percent or more of the apartment owners do not duly and promptly resolve to proceed with repair or restoration, then and in that event the property, or so much thereof as shall remain, shall be subject to an action for partition at the suit of any apartment owner or lienor as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be delivered among all the apartment owners in proportion to their respective common interest; provided, however, that no payment shall be made to an apartment owner until there has first been paid off out of his share of such fund all liens on his apartment.

(a) Any such reconstruction or repair shall be substantially in accordance with the original plans and specifications.

(b) Immediately after a casualty causing damage to property for which the Council of Co-Owners has the responsibility of maintenance and repair, the Council of Co-Owners shall obtain reliable and detailed estimates of the cost to place the damaged property in condition as good as that before the casualty. Such costs may include professional fees and premiums for such bonds as the Council of Co-Owners desires.

(c) The proceeds of insurance collected on account of casualty, and the sums received by the Council of Co-Owners from collections of assessments against apartment owners on account of such casualty, shall constitute a construction fund which shall be disbursed in payment of costs of reconstruction and repair in the following manner:

(1) If the amount of the estimated cost of reconstruction and repair is less than \$25,000.00, then the construction fund shall be disbursed in payment of such costs upon order of the Council of Co-Owners; provided, however, that upon request of a mortgagee which is a beneficiary of an insurance policy, the proceeds of which are included in the construction fund, such fund shall be disbursed in the manner hereafter provided in the following paragraph (2).

(2) If the estimated cost of reconstruction and repair of the building or other improvement is more than \$25,000.00, then the construction fund shall be disbursed in payment of such costs upon approval of a qualified construction superintendent employed by the Council of Co-Owners to supervise such work, payment to be made from time to time as the work progresses. The construction superintendent shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, or other persons who have rendered services or furnished materials in connection with the work to the effect (a) that the sums requested by them in payment are justly due and owing and that said sums do not exceed the value of the services and materials furnished; (b) that there is no other outstanding indebtedness known to the said construction superintendent for the services and materials described; and (c) that the cost as estimated by said construction superintendent for the work remaining to be done subsequent to the date of such certificate, does not exceed the amount of the construction fund remaining after payment of the sum so requested.

(d) Encroachments upon or in favor of apartments which may be created as a result of such reconstruction or repair shall not constitute a claim or basis of a proceeding or action by the apartment owner upon whose property such encroachment exists, provided that such reconstruction was either substantially in accordance with the plans and specifications or as the building was originally constructed. Such encroachments shall be allowed to continue in existence for so long as the building stands.

(e) In the event that there is any surplus of moneys in the construction fund after reconstruction or repair of the casualty damage has been fully completed and all costs paid, such sums may be retained by the Council of

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Co-Owners as a reserve or may be used in the maintenance and operation of the Condominium property, or, in the discretion of the Council of Co-Owners, may be distributed to the apartment owners and their mortgagees who are the beneficial owners of the fund. The action of the Council of Co-Owners in proceeding to repair or reconstruct damage shall not constitute a waiver of any rights against a member for committing willful or malicious damage.

ARTICLE XX - EMINENT DOMAIN

Section 1. If all or any part of the Condominium Project Property is taken or threatened to be taken by condemnation, eminent domain, or by any other similar power, the Council of Co-Owners and each apartment owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Council of Co-Owners shall give notice of the existence of such proceedings to all apartment owners and their mortgagees known to the Council of Co-Owners. The expense of participation in such proceedings by the Council of Co-Owners shall be a common expense. The Council of Co-Owners is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses, and any other persons as the Council in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such taking shall be deposited with the Council of Co-Owners, acting as Trustee, and such damages or awards shall be applied or paid as provided herein.

Section 2. In the event that an action in eminent domain is brought to condemn a portion of the common elements, the Council of Co-Owners shall have the sole authority to determine whether to defend any such proceeding as to the common elements, to make any settlement with respect thereto, or to convey such property to the condemning authority in lieu of such condemnation proceeding. Each apartment appoints the Council of Co-Owners as his attorney-in-fact to defend such proceeding; make a settlement with respect thereto, or to convey such property in lieu of such proceeding. With respect to any such taking of common elements, all damages and awards shall be determined for such taking as a whole and not for each apartment owner's interest therein. After the damages or awards for taking of a portion of the common elements are determined, such damages or awards shall be held by the Council of Co-Owners in separate trust accounts for each apartment owner and shall be distributed as provided in Article XX (4), if the Council of Co-Owners does not decide to use such funds towards the replacement or restoration of the common elements so taken or damaged. The Council of Co-Owners shall call a meeting of the Council, at which meeting the apartment owners, by a majority vote, shall decide whether to replace or restore as far as possible the common elements so taken or damaged.

Section 3. In the event that any eminent domain proceeding results in the taking of or damage to one or more apartments, then the damages and awards for such taking and the payment thereof shall be determined in accordance with the following:

(a) The Council of Co-Owners shall determine which of the apartments damages by such taking may be made tenantable as a unit of a practicable size.

(b) The Council of Co-Owners shall determine whether the remaining apartments and the apartments which may be tenantable are suitable for continued use as a condominium project.

(c) If the Council of Co-Owners determines that the remaining apartments and the apartments which may be made tenantable are suitable for continued use as a condominium project in the manner provided in this declaration, then the damages and awards made with respect to each apartment which has been determined to be capable of being made tenantable shall be applied to the repair and reconstruction thereof. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the owners of those apartments which are being repaired or reconstructed so as to be made

tenantable. Such apartment owner's common element interest, and common expense liability arising after the condemnation and reconstruction are reduced in proportion to the reduction in size of the apartment in its reconstruction, and the portion of the common element interest votes, common element expense liability divested from the partially reduced apartment are automatically reallocated to that apartment and the other apartments in proportion to the respective interests, and liabilities of those apartments prior to the taking, with the partially reduced apartment participating in the reallocation on the basis of its reduced interests and liabilities.

With respect to those units which are determined by the Council of Co-Owners not to be made tenantable, the award made with respect thereto shall be paid to the account of the owner who owns such apartment as provided in Article XX (4). Any remnant of such apartment after part of such apartment is taken shall become a part of the common elements. Such apartment owner's common element interest and common expense liability arising after the taking are automatically reallocated to the remaining apartments and the apartments made tenantable in proportion to the respective fractional or percentage interest of such apartments prior to the taking, and the Council shall promptly prepare, execute and record an amendment to the Declaration reflecting the reallocations.

If the Council of Co-Owners determines that the apartments remaining after the taking and the apartments which are determined by the Council to be susceptible of being made tenantable as a unit of a practicable size are not suitable for continued use as a condominium project, then all damages and awards shall be paid to the accounts of the apartment owners thereof, in proportion to their undivided interests in the common elements as provided in Article XX (4). The condominium regime hereby established shall terminate upon such payment. Upon such termination, the apartments and common elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all owners, as tenants-in-common, in their respective undivided interests.

Section 4. Any damages or awards provided in this section to be paid to or for the account of any apartment owner by the Council of Co-Owners, acting as Trustee, shall be disbursed by the Council of Co-Owners toward the full payment of the following for and on behalf of the apartment owner for whom such payment is being held and in the following priority: (1) the payment of taxes and special assessment liens on the apartment owner's apartment in favor of any taxing entity; (2) the payment of assessments of the Council of Co-Owners, which assessments were assessed against the apartment owner and were past due and unpaid at the time of the recording of the mortgage on such apartment owner's apartment; (3) the payment of any balance of any first mortgage lien on the owner's apartment; (4) the payment of such owner's share of other unpaid common expenses and assessments of the Council of Co-Owners; (5) the payment of junior liens on such apartment in the order and extent of their priority; and (6) the balance remaining, if any, to the apartment owner.

#### ARTICLE XXI - TERMINATION

Section 1. All of the co-owners or the sole owner of the building the subject of this Condominium Regime may waive this Regime and request the Nueces County Clerk to regroup or merge the records of the filial estates with the principal property, provided that the filial estates are unencumbered, or, if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors. The undivided interests in the property owned in common formerly belonging to each apartment shall be the percentage of undivided interest previously owned by such owner in the common elements.

Section 2. The condominium shall be terminated, if it is so determined in the manner elsewhere provided that the property shall not be reconstructed after casualty and the condominium documents shall be revoked. The determination not

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to reconstruct after casualty shall be evidenced by a certificate of the Council of Co-Owners signed by its president certifying as to the facts affecting the termination, which certificate shall become effective upon being properly recorded.

Section 3. After termination of the Condominium, the apartment owners shall own the property as tenants-in-common in undivided shares, and the holders of mortgages and liens against the apartment or apartments formerly owned by such apartment owners shall have mortgages and liens upon the respective undivided common interest of the apartment owners. Such undivided common interest of the apartment owners shall be as set forth in Exhibit "B". All funds, held by the Council of Co-Owners and insurance proceeds, if any shall be and continue to be held for the apartment owners in proportion to the amount of their common interest. The costs incurred by the Council of Co-Owners in connection with a termination shall be a common expense.

Section 4. Following termination, the property may be partitioned and sold upon the application of any apartment owner. If the Council of Co-Owners following a termination, by not less than three-fourths (3/4) vote, determines to accept an offer for the sale of the property, each apartment owner shall be bound to execute such deeds and other documents reasonably required to affect such sale at such times and in such forms as the Council of Co-Owners directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof, shall be discontinued by all parties.

Section 5. The members of the Council of Co-Owners, acting collectively as agent for all apartment owners, shall continue to have such powers as in this article are granted, notwithstanding the fact that the Council of Co-Owners and/or the condominium organization itself may be dissolved upon a termination.

#### ARTICLE XXII - NOTICE TO MORTGAGEES

The holder, insurer, or guarantor of the mortgage on any apartment in the project shall be given fifteen (15) days written notice of (a) any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage, (b) any 60-day delinquency in the payment of assessments or charges owed by the owner of an apartment against which it holds the mortgage; (c) a lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Council of Co-Owners; or (d) any proposed action that requires the consent of a specified percentage of eligible mortgage holders. Any such notice shall be mailed by regular U. S. Mail, addressed to such mortgagee at the address last known to the Council of Co-Owners, and shall be deemed delivered upon deposit in the U. S. Mail, properly stamped and addressed.

#### ARTICLE XXIII - COVENANT WITH THE LAND

All provisions of the condominium documents shall be construed to be covenants running with the land and with every part thereof and interest therein, including but not limited to every unit and the appurtenances thereto; and every apartment owner and claimant of the property or any part thereof or interest therein, and its or his heirs, executors, administrators, successors, and assigns shall be bound by all of the provisions of the condominium documents.

#### ARTICLE XXIV - CAPTIONS

Captions used in the condominium documents are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect of meaning of any of the text of the Condominium documents.

#### ARTICLE XXV - GENDER, SINGULAR, PLURAL

Whenever the context so permits, the use of the plural shall include the singular and plural, and any gender shall be deemed to include all genders.

ARTICLE XXVI - SEVERABILITY

If any provisions of this Declaration, or any section, sentence, clause, phrase or word, or the application thereof in any circumstances be judicially held in conflict with the laws of the State of Texas, then said laws shall be deemed controlling, and the validity of the remainder of this Declaration and the application of any such provision, section, sentence, clause, phrase, or word in other circumstances shall not be affected thereby.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 3rd day of October, 1984.

Declarant:

Sand Dollar Company, a General Partnership consisting of Reidda Construction Co. and IPI, Inc.

Reidda Construction Co.,  
Partner

By: Sandra Reidda  
Sandra Reidda, President

IPI, Inc., Partner

By: John T. Leavers, V.P.  
JOHN T. LEAVERS, Vice-President  
(type name and position of officer)

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THE STATE OF TEXAS §  
COUNTY OF NUECES §

This instrument was acknowledged before me on October 3rd, 1984, by Sandra Reidda, President of Reidda Construction Co., a Texas corporation, on behalf of said corporation, said corporation acting as a partner in Sand Dollar Company, a partnership.



YOLANDA D. RAMIREZ  
Notary Public, State of Texas  
My Commission Expires 9/3/85

Yolanda D. Ramirez  
Notary Public, State of Texas  
My commission expires: \_\_\_\_\_

(printed name of notary public)

THE STATE OF TEXAS §  
COUNTY OF NUECES §

This instrument was acknowledged before me on October 3rd, 1984, by JOHN T. LAVERS, Vice president of IPI, Inc., a Texas corporation, on behalf of said corporation, said corporation acting as a partner in Sand Dollar Company, a partnership.



YOLANDA D. RAMIREZ  
Notary Public, State of Texas  
My Commission Expires 9/3/85

Yolanda D. Ramirez  
Notary Public, State of Texas  
My commission expires: \_\_\_\_\_

(printed name of notary public)

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MORTGAGEE'S CONSENT AND SUBORDINATION

ALBUQUERQUE FEDERAL SAVINGS AND LOAN ASSOCIATION, being the owner and holder of a promissory note secured by certain liens against the project described in this declaration, including the liens created by that certain deed of trust dated June 22, 1984, filed for record in Volume 1924, Page 578, Deed of Trust Records of Nueces County, Texas, hereby consents to the recordation of this declaration and agrees that the liens shall be inferior and subordinate to this declaration; provided, however, that this consent and subordination shall in no way affect any term or provision of any instrument creating any of the liens, or the enforceability thereof, except to the extent of subordinating same to this declaration.

ALBUQUERQUE FEDERAL SAVINGS AND LOAN ASSOCIATION

BY: [Signature]  
Hollis Chatham, Vice President

THE STATE OF TEXAS §  
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 15th day of October, 1984, by Hollis Chatham, Vice President of Albuquerque Federal Savings and Loan Association, a federal savings and loan association, on behalf of said association.

[Signature]  
NOTARY PUBLIC - STATE OF TEXAS

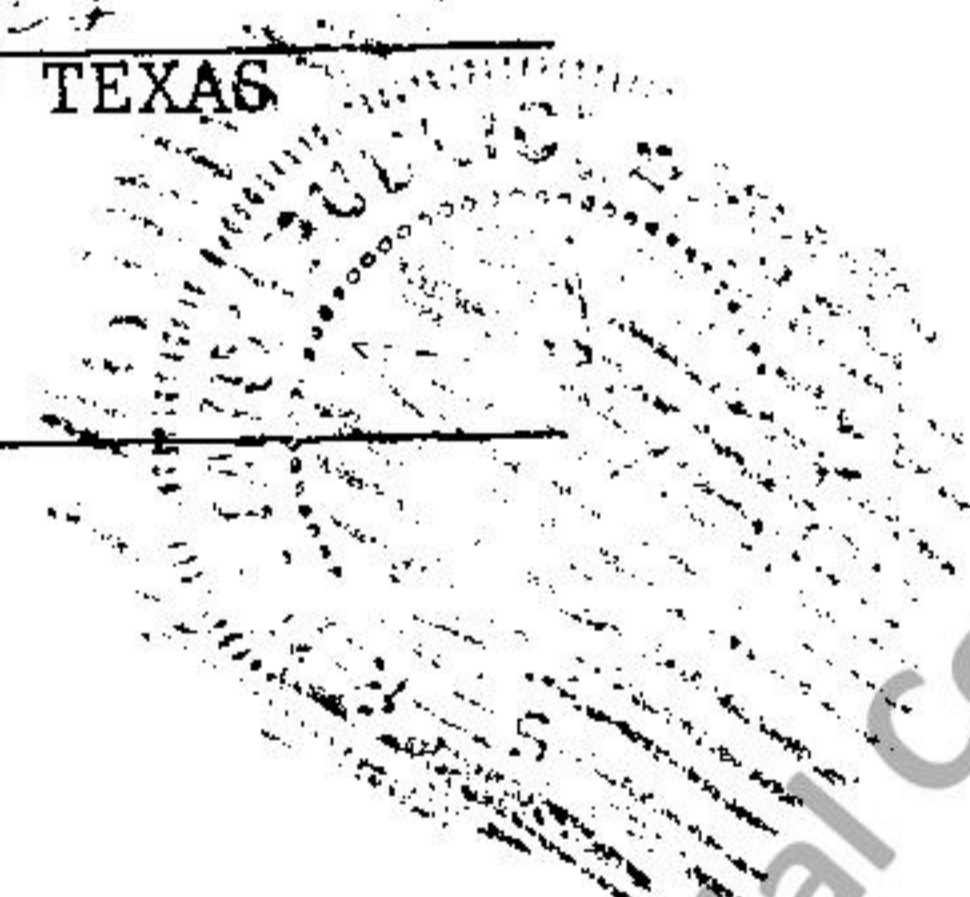
Notary's printed name:

My commission expires:  
02-09-85

Marjorie S. Adams

RETURN TO:

AMERIWEST MORTGAGE CORPORATION  
2626 SOUTH LOOP WEST #330  
HOUSTON, TEXAS 77054



Unofficial Copy

Unofficial Copy

Unofficial Copy

ROLL 942 PAGE 2147

EXHIBIT "A"

Lot Fifty-One (51), Block One (1), Padre Island - Corpus Christi, Section D, a subdivision in Nueces County, Texas, as shown by the map or plat thereof recorded in Volume 35, Pages 24-25, Map Records of Nueces County, Texas.

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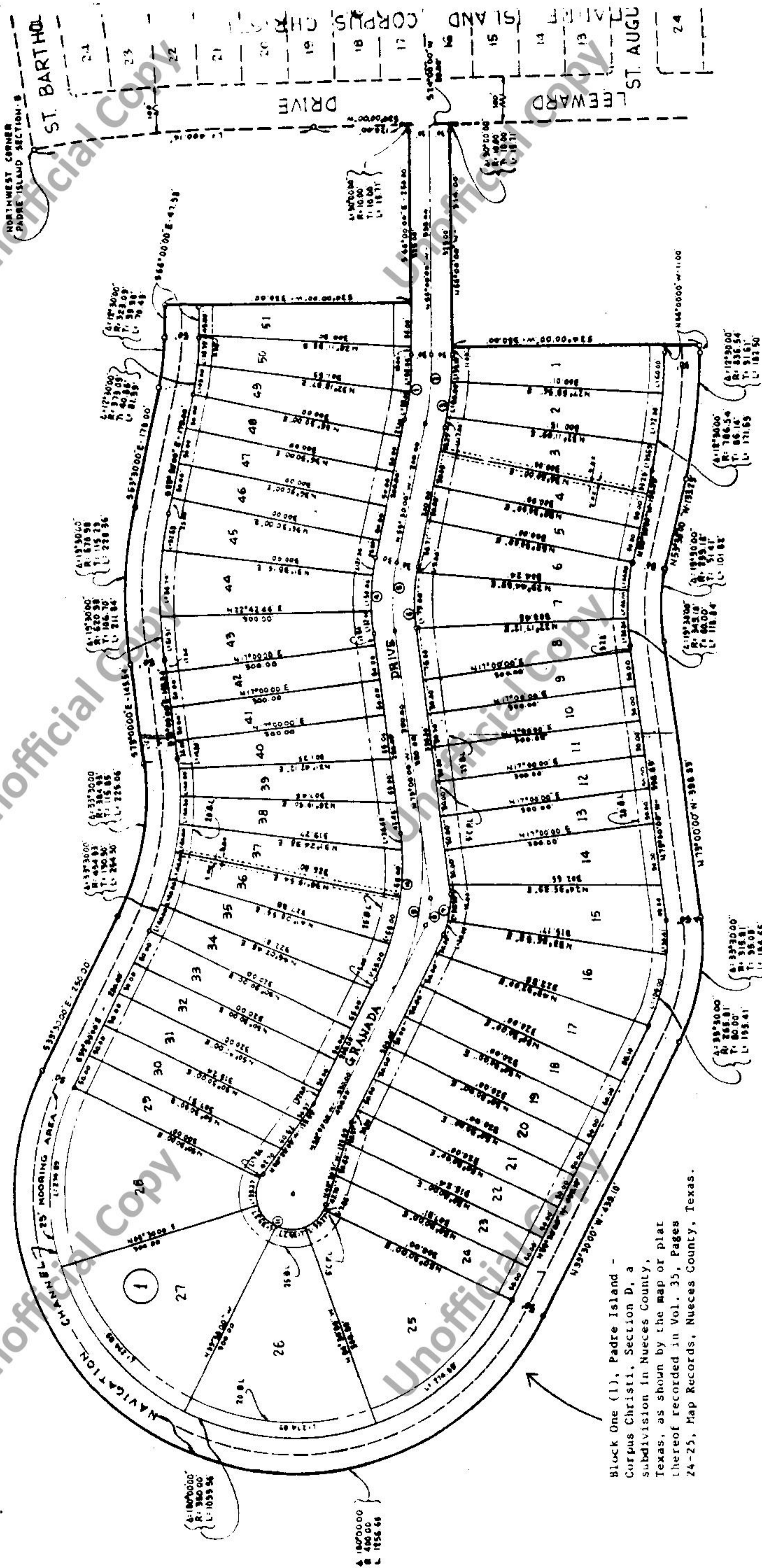
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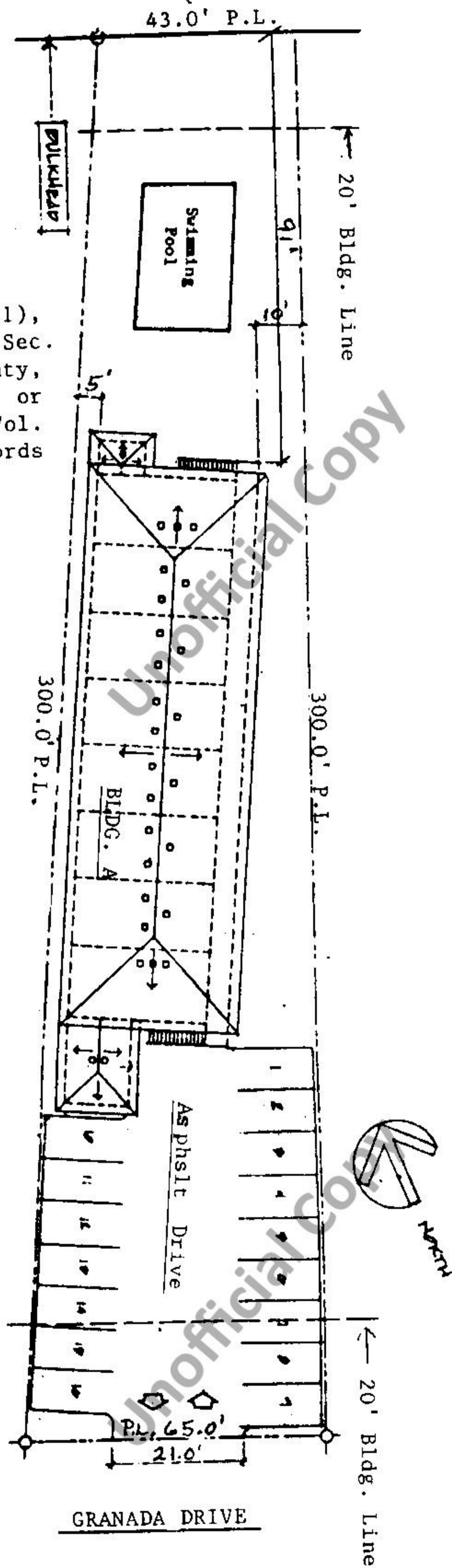


Block One (1), Padre Island -  
 Corpus Christi, Section 9, a  
 subdivision in Nueces County,  
 Texas, as shown by the map or plat  
 thereof recorded in Vol. 35, Pages  
 24-25, Map Records, Nueces County, Texas.

EXHIBIT B-1

ROLL 942 IMAGE 2149

Lot Fifty-One (51), Block One (1), Padre Island - Corpus Christi, Sec. D, a subdivision in Nueces County, Texas, as shown by the map or plat thereof recorded in Vol. 35, Pages 24-25, Map Records of Nueces County, Texas.



ROOF AND SITE PLAN - SAND DOLLAR II STUDIO CONDOMINIUM

EXHIBIT B-2

SAND DOLLAR II STUDIO CONDOMINIUM

SECOND FLOOR PLAN

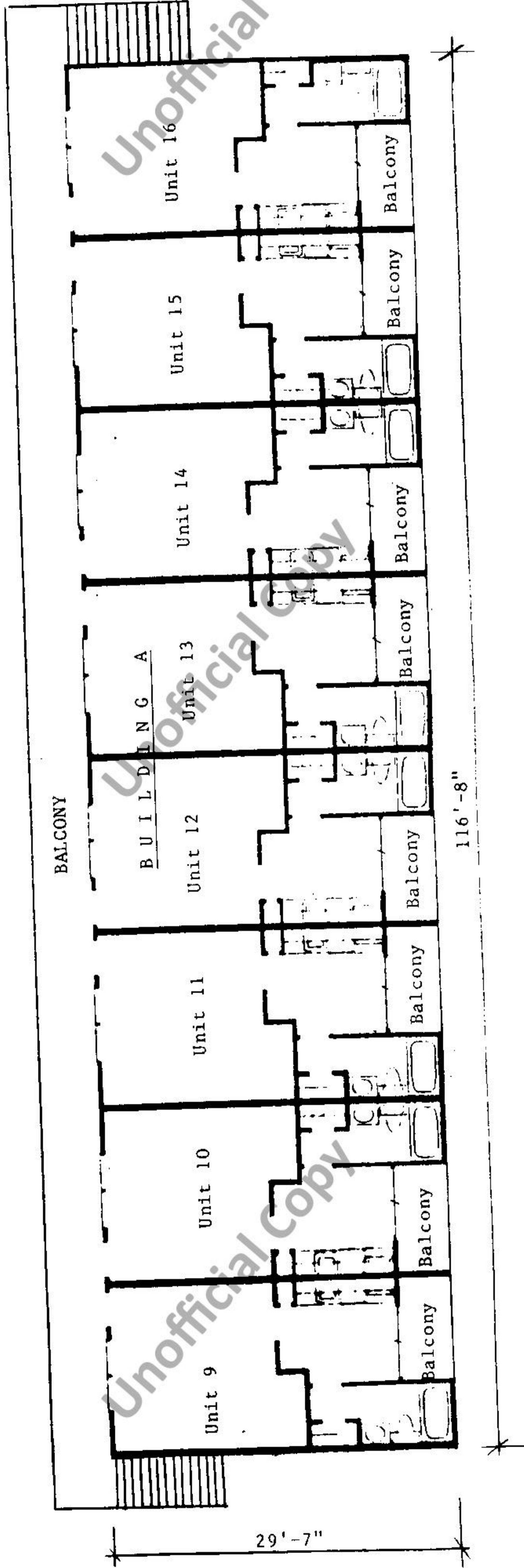


EXHIBIT B-3

ROLL 942 IMAGE 2151

SAND DOLLAR II STUDIO CONDOMINIUM

FIRST FLOOR PLAN

NORTH

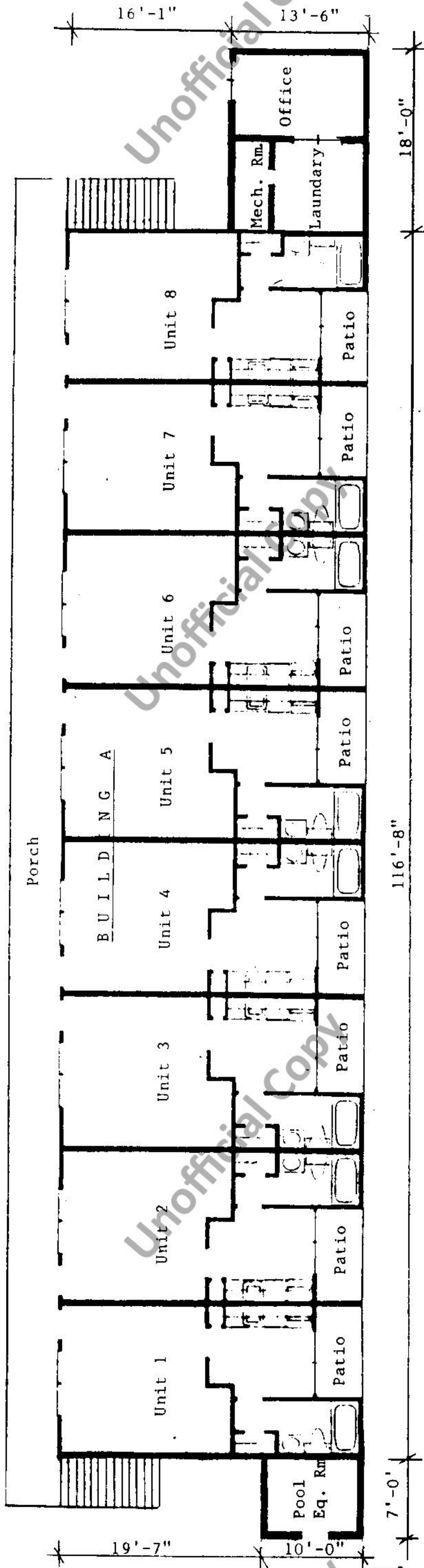


EXHIBIT B-4

ROLL 942 IMAGE 2152

SAND DOLLAR II STUDIO CONDOMINIUM

TYPICAL UNIT

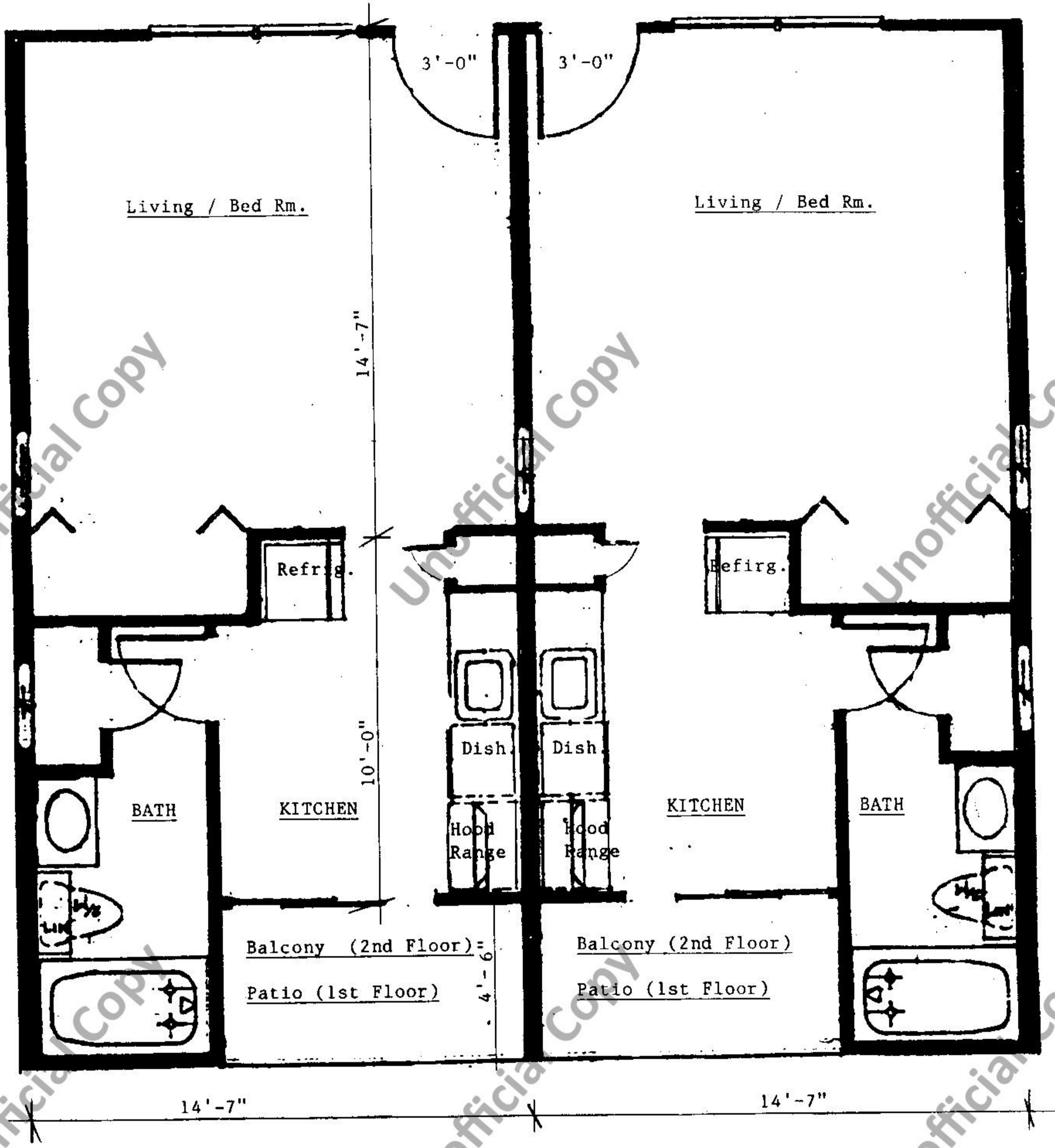


EXHIBIT B-5

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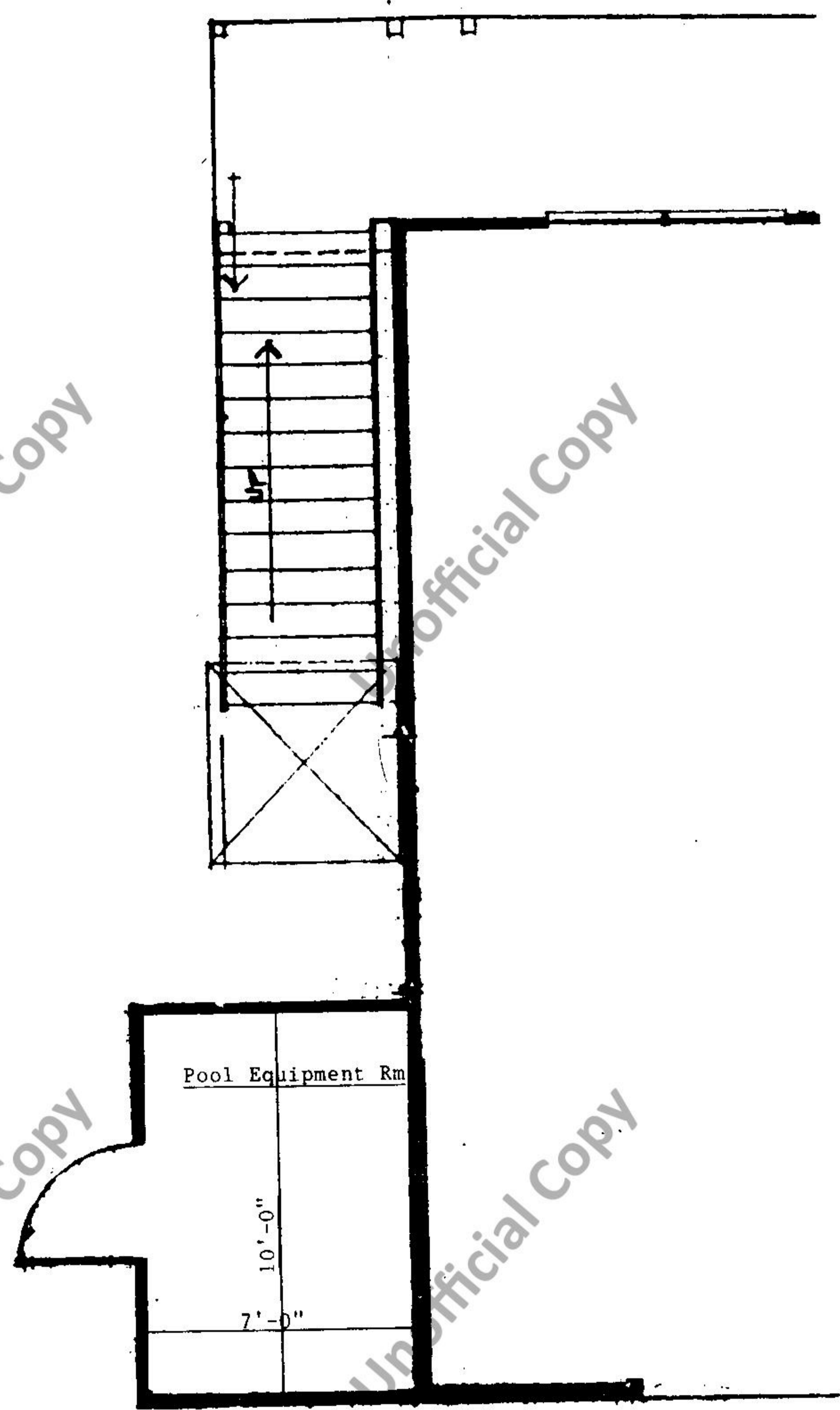
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ROLL 942 IMAGE 2153

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SAND DOLLAR II STUDIO CONDOMINIUM

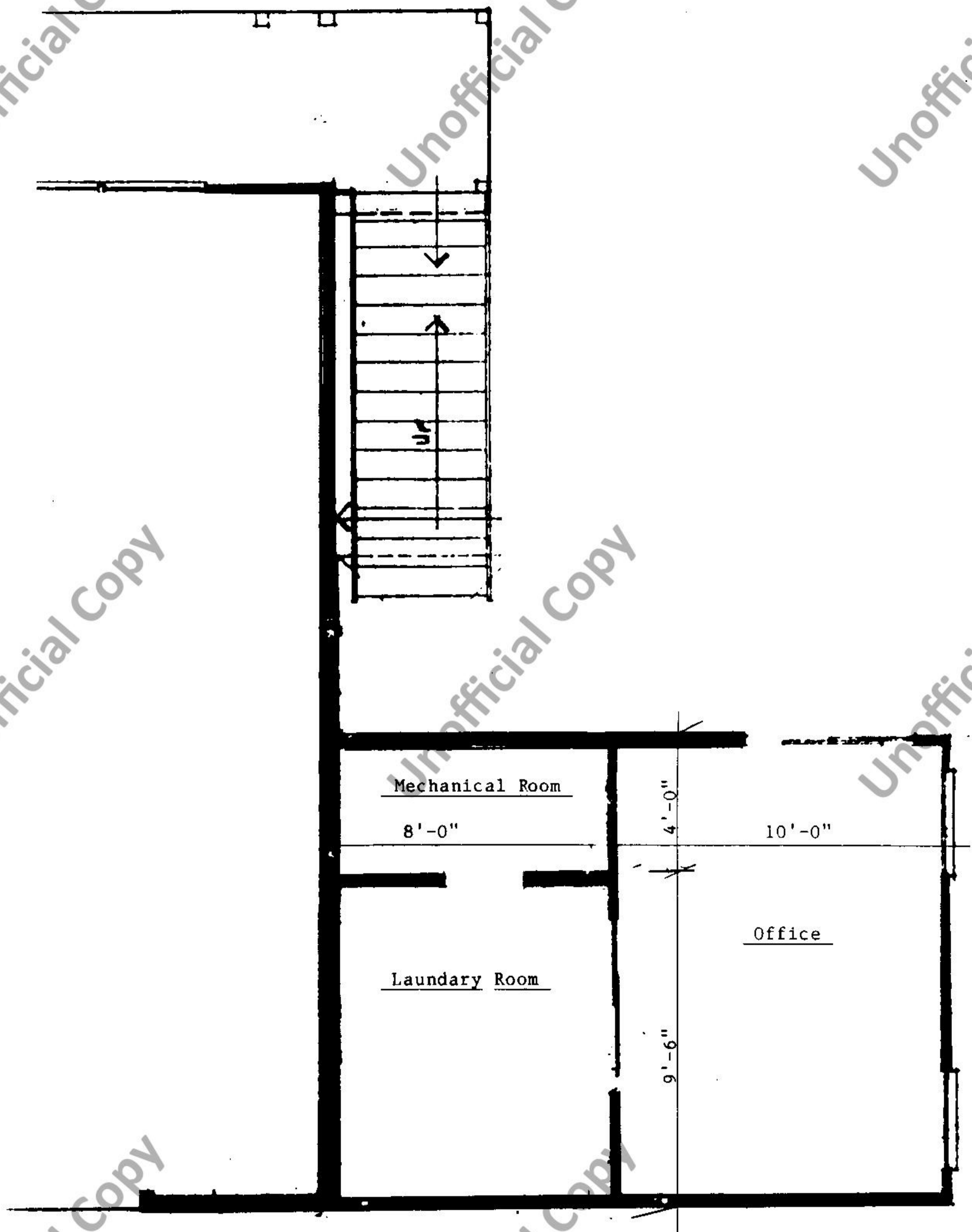
EXHIBIT B-6

VOL 23 PAGE 1027

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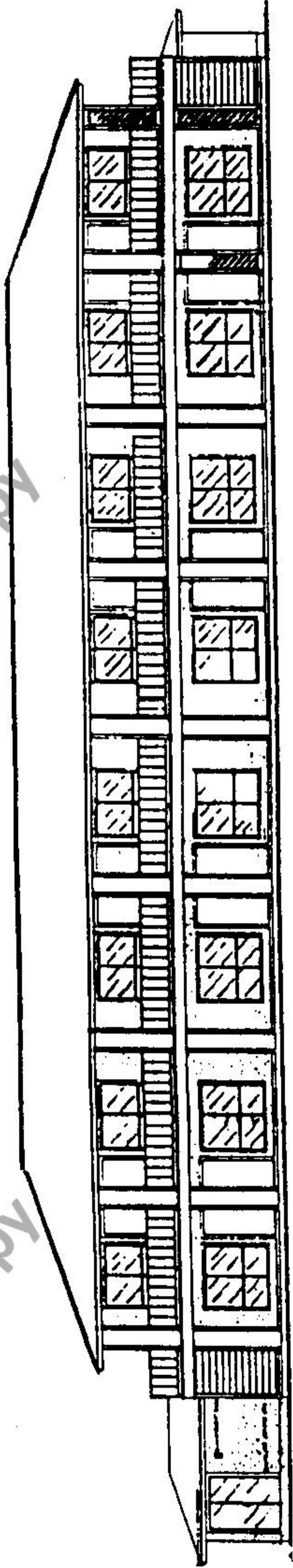
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SAND DOLLAR II STUDIO CONDOMINIUM

EXHIBIT B-7

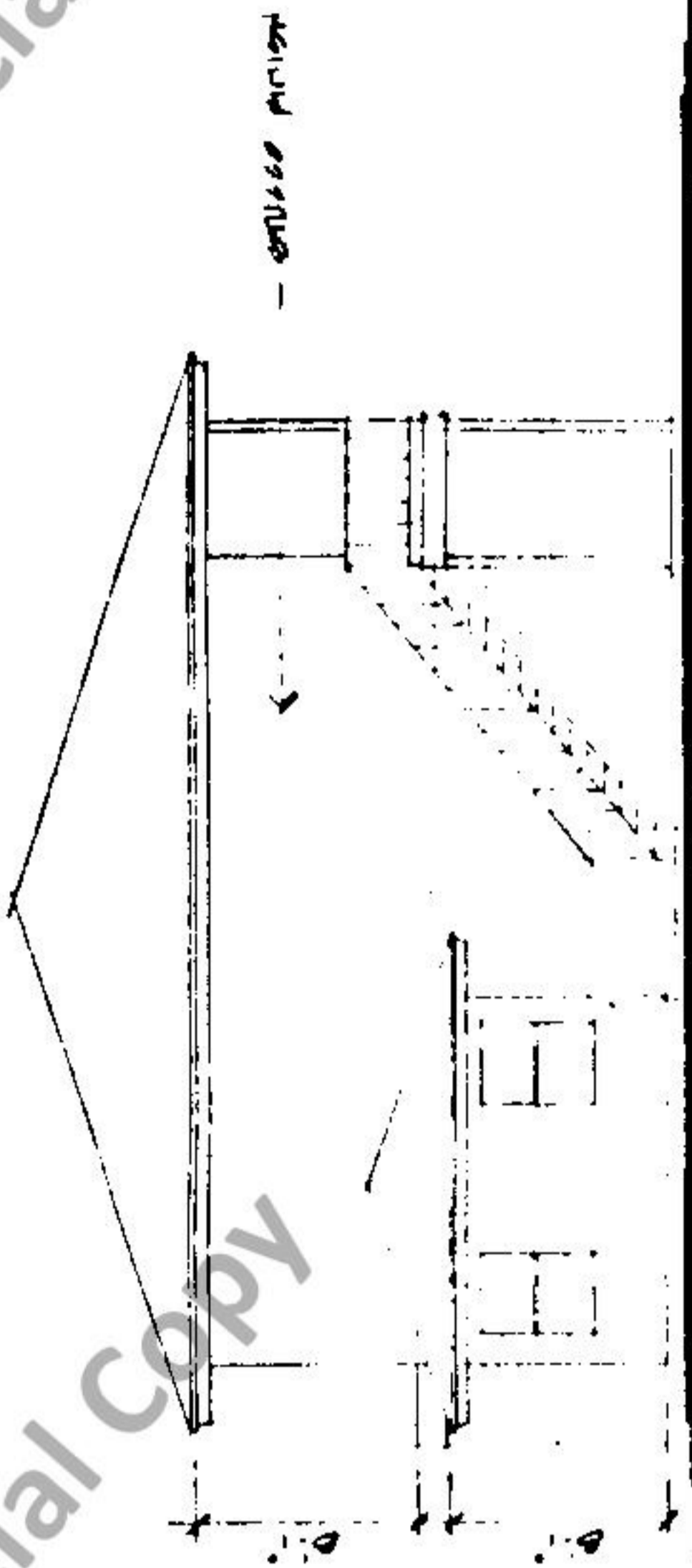
ROLL 942 PAGE 2155



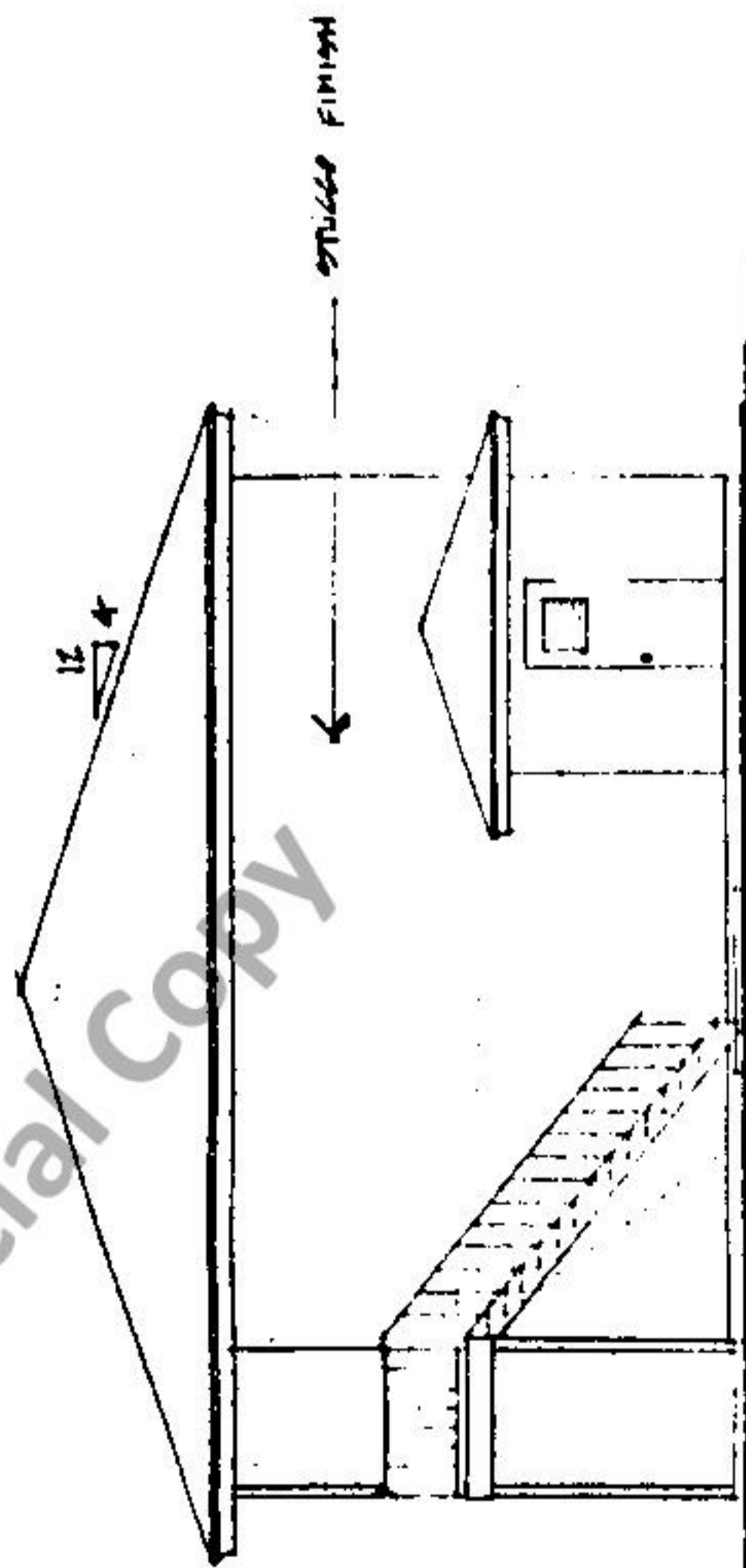
WEST ELEVATION

SAND DOLLAR II STUDIO CONDOMINIUM

EXHIBIT B-8

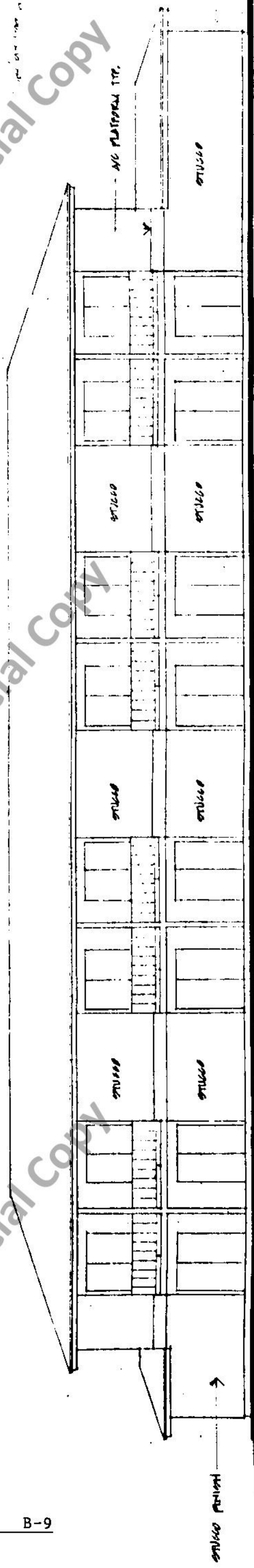


SOUTH ELEVATION



NORTH ELEVATION

SAND DOLLAR II STUDIO CONDOMINIUM



EAST ELEVATION

COMMON ELEMENT OWNERSHIP

All apartment units shall be considered as equal in voting, in other words:

16 units equals 16 votes.

1 vote for each apartment unit.

Percent of General Common Elements, Common Expenses, and Common Fund appurtenant to apartment:

| <u>Apartment No.</u> | <u>Apartment Sq. Footage*</u><br><u>Air Conditioned Space</u><br><u>(Approximate)</u> | <u>Deck Space*</u><br><u>(Approximate)</u> | <u>Percentage</u> |
|----------------------|---|--|-------------------|
| 1                    | 392.2 sq. ft.   | 39.2 sq. ft.                               | 6 1/4%            |
| 2                    | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 3                    | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 4                    | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 5                    | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 6                    | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 7                    | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 8                    | 392.2 sq. ft.   | 39.2 sq. ft.                               | 6 1/4%            |
| 9                    | 392.2 sq. ft.   | 39.2 sq. ft.                               | 6 1/4%            |
| 10                   | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 11                   | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 12                   | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 13                   | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 14                   | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 15                   | 390.9 sq. ft.   | 40.5 sq. ft.                               | 6 1/4%            |
| 16                   | 392.2 sq. ft.   | 39.2 sq. ft.                               | 6 1/4%            |

\*Square footage is approximate, and the amounts indicated include portions of walls common with adjacent apartments.

ROLL 942 IMAGE 2158

## EXHIBIT "D"

SAND DOLLAR II STUDIO CONDOMINIUM  
BY-LAWS OF OWNER'S ASSOCIATION AND COUNCIL OF CO-OWNERS

## SECTION 1. MEMBERS

1.1 Members Each person or entity who shall be the sole or a joint owner and holder of record of the legal title to all or a portion of one or more residence units or apartments located in or on that certain property (sometimes hereinafter referred to as "subject property"), located in Nueces County, Texas, and described in that certain Declaration of Condominium of SAND DOLLAR II STUDIO CONDOMINIUM, filed for record in the Condominium Records of the County Clerk of Nueces County, Texas, shall for the duration of such ownership be a member of SAND DOLLAR II STUDIO CONDOMINIUM Council of Co-Owners, save and except that any lienholder or mortgagee, trustee under a deed of trust, and any holder or owner of any mineral, right-of-way easement or similar interest, shall not, as such, be deemed to be the owner of record of the legal title of a portion of the subject property and shall not be reason of any such interest owned or held or acquired by them be or become a member of such Council of Co-Owners; provided, however, that any lienholder, mortgagee or other party who shall purchase, or become legal titleholder (as contrasted to a lienholder) of, an apartment upon any foreclosure shall be a member of the such Council of Co-Owners so long as such party shall be legal title holder of said apartment.

1.2 Voting Rights Each member of the corporation shall have such voting rights as are set forth in the Declaration of Condominium of such condominium project filed for record in the records of the County Clerk of Nueces County, Texas, which is hereby incorporated by reference herein as fully as if set forth at length this point.

1.3 Meetings An annual meeting of the members of the corporation shall be held at 10 o'clock a.m. on the fourth Monday in June each year. All meetings shall be held at such place within Nueces County, Texas, as shall be designated in the notice of the meeting; but if no notice be given, or if no other place be designated, then such meeting shall be held on the premises of such condominium project. Special meetings may be called at the instance of a majority of members or the president.

1.4 Notice No notice of any annual or regular meeting of the members of the corporation shall be required, but such notice of any such meeting as the Board of Directors of the President may deem advisable may be given. Any notice which shall be given to a member of the corporation with respect to any meeting or for any other purpose shall be deemed to have been properly given if addressed to such member in care of the apartment located in the subject property, with respect to the ownership of which the member is entitled to vote. Two days notice shall be given for special meetings.

## SECTION 2. DIRECTORS

2.1 Number The number of directors shall consist of five (5) persons. A majority of the members of the Board of Directors shall at all times be persons owning or having an ownership interest in an apartment which is a part of the subject property.

2.2 Classification of Directors The entire Board of Directors shall at all times be divided as nearly as possible into two (2) classes, one such class initially to consist of three (3) directors, and the other class initially to consist of two (2) directors. One such class shall be elected each year to serve for a term of two (2) years. The initial Board of Directors shall be divided into classes by the drawing of straws, or such other means as they may deem

advisable, with the class consisting of three (3) directors to be designated to serve for a term of two (2) years, and the class consisting of two (2) directors to serve for a term of one (1) year. Thereafter, the members of each respective class shall be elected for two year terms upon the expiration of their respective initial terms of office.

2.3 Qualifications and Election. Subject to the provisions of paragraph 2.1 above, directors need not be members of the corporation. The Board of Directors shall be elected by the members of the corporation at the annual meeting of the such members. Directors may be removed by majority vote of the members of the corporation; successors may be elected by the members of the corporation to complete the term of the member removed.

2.4 Meetings An annual meeting of the Board of Directors shall be held each year immediately following the adjournment of the annual meeting of the members of the corporation, and at the same place as the annual meeting of the members; and no notice of such annual meeting of the Board of Directors shall be required. Special meetings of the Board of Directors may be called by any member or by the President, and shall be held at such time and place as shall be specified in the notice given of such meeting. No particular form of notice shall be required for the calling and holding of a special meeting of the Board of Directors, provided that actual notice thereof shall have been given to each director in advance of the time of such meeting. Absent actual notice, proper notice shall be deemed to have been given of any special meeting of the Board of Directors if notice in writing, or by telephone or telegraph message, shall have been sent to either the usual business or residence address of the person entitled to receive notice not less than two (2) days preceding the date of the meeting.

2.5 Management The business affairs and property of the corporation shall be managed and controlled by the Board of Directors. The Board of Directors shall have the duty to maintain, operate, repair and replace the common elements as described in the Declaration referred to herein, to administer the common surplus, if any, and to perform such other duties as shall be appropriate to the management of the subject property for the use, enjoyment and benefit of the members in accordance with the terms and provisions of the Declaration referred to herein which is filed in the Records of the County Clerk of Nueces County, Texas, and applicable provisions of law, to accomplish such purpose.

2.6 Authority The Board of Directors shall have power to make rules for their own government, and for the government of the corporation; to prescribe and enforce penalties for violation of the rules and bylaws; to assess and fix charges to be levied against the members of the corporation; and to exercise such other powers as may be necessary or proper to attain the object of the Board of Directors. The Board of Directors shall have authority to create committees and specify the duties of any committee so created. At least a majority of the members of any committee having and exercising the authority of the Board of Directors in the management of the affairs of the Board of Directors shall be members of the Board of Directors.

2.7 Employees The Board of Directors shall have responsibility and authority to employ such employees at the affairs of the corporation shall require, and may delegate to any such employee so much of its authority as it shall deem advisable. The Board of Directors may engage the services of a Managing Agent who shall manage and operate the common elements for the members of the corporation, upon such terms and for such compensation and with such specific duties and authority as the Board of Directors may approve and delegate to such Managing Agent. The compensation paid to such Managing Agent shall be deemed to be a part of the common expenses for which the members of the corporation shall be assessed. The Board of Directors shall likewise have power for any cause they deemed sufficient to discharge any or all employees of the

corporation, including the Managing Agent, and may delegate their authority to do so to any officer or committee of the corporation.

### SECTION 3. DIRECTORS/OFFICERS

3.1 Officers The officers of the corporation shall consist of a president, vice-president, a secretary, and a treasurer, each of whom shall be elected by the Board of Directors at its annual meeting. The Board of Directors shall have full authority to remove any officer of the corporation from office by the vote of a majority of the members of the entire board at anytime; and the election of each officer of the corporation shall be subject to such power of the Board of Directors.

3.2 Duties The duties of the officers of the corporation shall be as follows:

a. The president shall be the chief executive officer of the corporation. He shall preside at all meetings of the members and directors and be responsible for the carrying out of their decisions in the administration of the affairs of the corporation. The president shall also execute contracts, conveyances, and other documents on behalf of the corporation.

b. In the absence of the president or when it is inconvenient for the president to act, the vice-president shall perform the duties and exercise the powers of the president. At anytime when the vice-president is performing a duty of exercising a power of the president, any third party dealing with the corporation may presume conclusively that the president was absent and the vice-president was authorized to act in his place.

c. The secretary shall issue notices of directors and members meetings if so directed by the party calling the meeting, and shall be responsible for the corporate minutes and records. The Board of Directors may, if it deems it advisable, from time to time, designate one or more persons as assistant secretaries, who may perform the duties and exercise the powers of the secretary when the secretary is absent or it is inconvenient for him to act. Any third person dealing with the corporation may presume conclusively that any assistant secretary acting in the capacity of the secretary was duly authorized to act.

d. The treasurer shall be responsible for the custody of corporate funds and securities and the keeping of adequate books of accounts. The Board of Directors may, from time to time, if it deems advisable, designate one or more persons as assistant treasurers who may perform the duties and exercise the powers of the treasurer if the treasurer is absent or if it is inconvenient for him to act. Any third person dealing with the corporation shall be entitled to presume conclusively that any assistant treasurer acting in capacity of the treasurer is authorized to do so. The treasurer shall prepare a roster of the members and assessments applicable thereto, and a record of the payment of such assessments, and such records shall be kept at the principal offices of the corporation, and shall be open to inspection by any member at any reasonable time during business hours.

### SECTION 4. ASSESSMENTS

4.1 Special Assessments The Board of Directors shall have full power and authority to assess or charge in advance (or otherwise) the members of the corporation required for the performance of its objects and purposes as set forth in the Declaration referred to herein. Each assessment shall be due and payable by each member at the time and in the manner set forth in the resolution fixing such assessment. In the absence of specific provision therefor in such resolution, each assessment shall be due and payable on or before ten (10) days from and after the date of the adoption of such assessment, and shall be payable in cash as specified in the assessment.

4.2 Scheduled Assessments Assessments may be levied and assessed upon members of the corporation according to the schedule set forth in the Declaration of Condominium of such condominium project, filed for record in the

records of the County Clerk of Nueces County, Texas. Where a single apartment shall be owned by more than one person, such members shall not be assessed a sum in excess of the amount which a single individual member owning such apartment would have been assessed, for each apartment jointly owned by them.

4.3 Other Charges The Board of Directors shall also fix and determine the charges, if any, to be made to members with respect to the use by such persons of various facilities, property and equipment maintained and operated by the corporation.

4.3 Unpaid Assessments; Interest Any assessment levied by the Board of Directors upon the members which shall not be paid when due shall bear interest on the unpaid balance thereof at the rate of ten percent (10%) per annum from the date such assessment becomes due and payable until paid. All payments upon accounts shall be first applied to interest and then to the assessment payment first due.

4.5 Delinquency and Voting No member who is delinquent in the payment of any assessment, charge, fee or other sum due in respect to such ownership, shall be entitled to be voted as a member upon any matter, unless and until all such delinquent sums shall have been paid in full.

SECTION 5. AMENDMENTS

5.1 Amendments These bylaws may be amended at any annual, regular or special meeting of the Board of Directors by a majority vote of the entire board, subject to the approval of the members by a vote of a majority of the votes present and meeting duly called at which a quorum is present, provided that no amendment (or the adoption thereof) inconsistent with the provisions of applicable law, the declaration of condominium of such condominium project, or Articles of Incorporation law shall be valid.

SECTION 6. QUORUM AND ACTION BY MEMBERS

6.1 Quorum and Action by Members Except as otherwise provided in these by-laws, members holding at least fifty-one per cent (51%) of the votes entitled to be cast, represented in person or proxy, shall constitute a quorum. Unless otherwise required by law, by the Declaration described above, or by these by-laws, the vote of the majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting shall be the act of the owners meeting.

SECTION 7. DECLARATION

7.1 Declaration This corporation shall at all times be subject to and operated in conformity with the terms of the Declaration of Condominium of such condominium project recorded in the Condominium Records of Nueces County, Texas, which are incorporated as a part hereof.

SECTION 8. FISCAL YEAR

8.1 The fiscal year of the corporation shall be January 1st to December 31st of each calendar year, subject to being modified by resolution of the Board of Directors.

STATE OF TEXAS }  
COUNTY OF NUECES }  
I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me; and was duly RECORDED, in the Volume and Page of the named RECORDS of Nueces County, Texas, as stamped hereon by me, on

OCT 22 1984



*Marion Whelton*  
COUNTY CLERK  
NUECES COUNTY, TEXAS

FILED FOR RECORD  
OCT 22 3 53 PM '84  
K.P. 6  
V.R. 4  
CC Title

401253  
CF 51,357.4R  
Declaration