

EXHIBIT "A"
(to the Condominium Information Statement)

**PALISADE PALMS MASTER ASSOCIATION DECLARATION
(WITH EXHIBITS)**



**AMENDED AND RESTATED
 DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS
 FOR
 PALISADE PALMS
 (a Planned Unit Development Subdivision)**

THIS AMENDED AND RESTATED DECLARATION of Covenants, Conditions, Restrictions and Easements ("Declaration") is made as of the 2nd day of May, 2008, by **EAST BEACH PROJECT PHASE I, LTD.**, a Texas Limited Partnership, East Beach Project Phase II, Ltd., a Texas limited partnership, and East Beach PBA, L.L.C., a Texas limited liability company, in lieu of and to replace in its entirety that certain Declaration of Covenants, Conditions, Restrictions and Easements for Palisade Palms (a Planned Development Subdivision) recorded under County Clerk's File No. 2005047088 of the Official Records of Galveston County, Texas, which declares hereby that "The Properties" described hereinbelow and in Article 2 of this Declaration are and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens hereinafter set forth. The Properties subject to this Declaration shall initially include the following:

All of Lots 1, 2 and 3; and all of Out lot A, Out lot B, Out lot C, and Out lot D, of REPLAT OF PALISADE PALMS, a subdivision described and/or set forth in the map or plat filed in Volume 2007A, Page 139 (County Clerk's File No. 2007062931) of the County Clerk's Map Records of Galveston, County, Texas ("The Properties" herein).

East Beach Project Phase II, Ltd., and East Beach PBA, L.L.C., join herein solely for the purposes of submitting property owned by them to this Declaration and "Replat of Palisade Palms" the planned unit development referenced above and to confirm that East Beach Project Phase I, Ltd., is the sole Declarant and entitled to exercise any and all Declarant rights hereunder.

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions. The following words when used in this Declaration (unless the context shall provide otherwise) shall have the following meanings:

- a. "*Articles*" or "*Articles of Incorporation*" mean the Articles of Incorporation of the Master Association, as amended from time to time. A copy of the initial Articles of Incorporation of the Master Association is attached hereto as Exhibit "A".
- b. "*Assessments*" shall mean and refer to the various forms of payment to the Master Association which are required to be made by Owners, as more particularly described in Article 7 of this Declaration.
- c. "*Board*" or "*Board of Directors*" shall mean and refer to the duly constituted Board of Directors of the Master Association, from time to time.
- d. "*By-Laws*" mean the By-Laws of the Master Association, as amended from time to time. A copy of the initial By-Laws of the Master Association is attached hereto as Exhibit "B".
- e. "*City*" shall mean and refer to the City of Galveston located within the County.

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 Houston, TX 77057

- f. "*Condominium Unit*" or "*Unit*" shall have the meaning giving in paragraph 1.1hh.
- g. "*County*" shall mean and refer to Galveston County, Texas.
- h. "*Declarant*" shall mean and refer to EAST BEACH PROJECT PHASE I LTD., a Texas Limited Partnership, its successors and its assigns as to which the rights of Declarant hereunder are specifically assigned in writing. Declarant may assign all or a portion of its rights hereunder, or all or a portion of such rights in connection with portions of The Properties. In the event of such a partial assignment, the assignee shall not be deemed the Declarant, but may exercise such rights of Declarant specifically assigned to it in writing. Any such assignment may be made on a nonexclusive basis. The rights of Declarant under this Declaration are independent of the Declarant's rights to control the Board of Directors of the Master Association, and, accordingly, shall not be deemed waived, transferred or assigned to the Owners, or the Board of the Master Association upon the transfer of control of the Master Association.
- i. "*Declarant Control Period*" shall mean the period commencing upon the recordation of this Declaration and continuing for so long as the Declarant owns any property within The Properties, whether a Unit or Units, any Lot or Lots or any portion of same, or any Out lot or Out lots or any portion of same. Provided, however, that the Declarant shall have the right, at any time, to terminate the Declarant Control Period as to all or portions of The Properties subject to this Declaration upon the recording of an instrument of record to such effect.
- j. "*Dune Walk-over Property*" means the Dune Walk-over Property which constitutes Out lot D shown on the Map of the Subdivision. For so long as the State of Texas (acting by and through the General Land Office or other entity having jurisdiction over public access of public beach areas), the City, the County, or any other government entity requires that the public be provided beach access through The Properties, the Dune Walk-over Property shall be the exclusive dune walk-over access location available to the public for access through The Properties for the purpose of such public beach access, subject always to (i) the right of the Declarant, during the Declarant Control Period, and thereafter, the Master Association to relocate same, to adopt and enforce rules and regulations governing the use of such Dune Walk-over Property not inconsistent with applicable law, (ii) the right of the Owner of the Dune Walk-over Property (whether such Owner is the Declarant, an assignee of the Declarant as to such Dune Walk-over Property or a third party) to dedicate such Dune Walk-over Property to any municipal or governmental entity, (iii) the right of the Owners, their guests, or invitees to utilize such Dune Walk-over Property, and (iv) the right of reverter of the title to such Dune Walk-over Property as herein reserved or which may be reserved in any deed, conveyance, or dedication of such Dune Walk-over Property by the Declarant to the effect that if the State of Texas (acting by and through the General Land Office or other entity having jurisdiction over public access to public beach areas); the City, the County, or any other governmental entity no longer requires The Properties to provide such public beach access, title to such Dune Walk-over Property shall revert

back to the Declarant, its successors and assigns or to its nominee. In the event of such reversion, the Dune Walk-over Property may only be used for such purposes as may be deemed desirable by the Declarant, during the Declarant Control Period, and thereafter by the Master Association. The Dune Walk-over Property shall initially constitute a Shared Facility and, whether or not same shall always exist as a Shared Facility, shall be maintained and administered by the Master Association. Provided, however, that nothing herein shall grant to the public any rights in any other portion of the Shared Facilities or The Properties save and except the Dune Walk-over Property.

- k. "*Easements*" shall mean and refer to the various easements affecting The Properties as created in this Declaration, as filed of record in the real property records of Galveston County, Texas affecting The Properties, and as shown on the Map.
- l. "*Entry/Podium Property*" shall mean Lot 3 shown on the Map of the Subdivision, upon which there has been or it is contemplated that there will be initially constructed certain Shared Facilities consisting of driveways, parking areas, and parking garage facilities for use of The Properties. In addition, during the Declarant Control Period, Declarant reserves the right to construct additional improvements on the Entry/Podium Property consisting of one or more buildings for commercial, retail, or residential use which may be created as a separate condominium regime, a condominium regime to be merged or annexed with the Trade Winds/The Beach Club Condominium or any other contiguous condominium regime.
- m. "*Future Development Property*" shall mean and refer to the property shown as Lot 1, on the Map of the Subdivision, lying and being situated in The Properties.
- n. "*Lot*" or "*Lots*" shall refer to any of the Lots shown on the Map numbered 1, 2, and 3. Lot 2 shall be the tract or parcel of land which has been submitted to the Trade Winds/The Beach Club Condominium. Lot 1 is the tract or parcel of land which constitutes the Future Development Property. Lot 3 constitutes the tract or parcel of land referred to herein or elsewhere as the Entry/Podium Property", upon which there is (or there is contemplated to be) constructed certain Shared Facilities constituting, without limitation, certain driveways, parking areas, and garage facilities for the use of The Properties, and upon which Declarant reserves the right to add or construct future or additional improvements that will be owned by Declarant.
- o. "*Map*" shall mean and refer to the REPLAT OF PALISADE PALMS per the map or plat of the subdivision recorded in Volume 2007A, Page 139 (County Clerk's File No. 2007062931) of the Map Records of Galveston County, Texas, and any replat thereof.
- p. "*Master Association*" shall mean and refer to PALISADE PALMS MASTER ASSOCIATION, INC., a Texas non-profit Corporation which is (or is to be) incorporated.
- q. "*Master Declaration*" (sometimes generally referred to as "Master

Restrictions") means this instrument and all exhibits attached hereto, as same may be amended from time to time.

- r. "*Member*" shall mean and refer to all those Owners of Units who are Members of the Master Association as hereinafter provided (including, without limitation, the Declarant).
- s. "*Neighborhood Association*" (sometimes referred to as a "Sub-Association") shall mean any association or sub-association created or to be created to administer specific portions of The Properties and common areas or common elements lying within such portions pursuant to a declaration of condominium or declaration of covenants and restrictions affecting such portions. The Trade Winds/The Beach Club Association established to govern the Trade Winds/The Beach Club Condominium shall be deemed a Neighborhood Association hereunder. Neighborhood Associations may also be created to administer portions of The Properties or portions of any buildings on The Properties, such as, without limitation, on individual floors, or groups of floors. Provided, however, that the creation of any such Neighborhood Association (other than the Trade Winds/The Beach Club Association) shall require the consent of all owners subject to the jurisdiction of such Neighborhood Association, shall require the approval of any Sub-Association having jurisdiction over such Neighborhood Association (i.e. such as the Trade Winds/The Beach Club Association), and shall require approval by the Master Association.
- t. "*Out lot*" and "*Out lots*" shall refer to any of the Out lots shown on the Map designated Out lot A, Out lot B, Out lot C, and Out lot D. Out lot A constitutes the "Public Beach Access" parking areas (the "PBA Parking Area") as shown on the Map. Out lots B, C, and D shall constitute the "Public Beach Access" Pedestrian Route (the "PBA Pedestrian Route"), and Out lot D shall constitute the dune walk-over location for The Properties (the "Dune Walk-over Property")
- u. "*Owner*" shall mean the owner of any condominium unit within the Trade Winds/The Beach Club Condominium, and the owner of all or any portion of any other Lot or Out lot within The Properties subject to this Declaration.
- v. "*PBA Parking Area*" means the Public Beach Access Parking Area which constitutes Outlot A shown on the Map of the Subdivision. For so long as the State of Texas (acting by and through the General Land Office or other entity having jurisdiction over public access of public beach areas), the City, the County, or any other governmental entity requires that the public be provided beach access through The Properties, the PBA Parking Area shall be the exclusive parking location for vehicles available to the public on The Properties for the purpose of such public beach access, subject always to (i) the right of the Declarant, during the Declarant Control Period, and thereafter, the Master Association to adopt and enforce rules, and regulations governing the use of such PBA Parking Area not inconsistent with applicable law, (ii) the right of the Owner of the PBA Parking Area (whether such Owner is the Declarant, an assignee of the Declarant as to such PBA Parking Area or a third party) to dedicate such PBA Parking Area to any municipal or governmental entity, (iii) the rights of the Owners, their guests, and invitees, to also utilize such PBA

parking Area, and (iv) the right of reverter of the title to such PBA Parking Area as herein reserved or which may be reserved in any deed, conveyance, or dedication of such PBA Parking Area by the Declarant to the effect that if the State of Texas (acting by and through the General Land Office or other entity having jurisdiction over public access to public beach areas), the City, the County, or any other governmental entity no longer requires The Properties to provide such public beach access, title to such PBA Parking Area shall revert back to the Declarant, its successors and assigns or to its nominee. In the event of such reversion, the PBA Parking Area may be used for such purposes as may be deemed desirable by the Declarant during the Declarant Control Period, and thereafter by the Master Association. The PBA Parking Area shall initially constitute a Shared Facility and, whether or not same shall always exist as a Shared Facility, shall be maintained and administered by the Master Association. Provided, however, that nothing herein shall grant to the public any rights in any other portion of the Shared Facilities save and except the PBA Parking Area.

- w. "*PBA Pedestrian Route*" means the Public Beach Access Pedestrian Route which constitutes Out lots B, C and D shown on the Map of the Subdivision. For so long as the State of Texas (acting by and through the General Land Office or other entity having jurisdiction over public access of public beach areas), the City, the County, or any other governmental entity requires that the public be provided beach access through The Properties, the PBA Pedestrian Route shall be the exclusive location available to the public for access through The Properties for the purpose of pedestrian access from the PBA Parking Area to the public beach, subject always to (i) the right of the Declarant, during the Declarant Control Period, and thereafter, the Master Association to adopt and enforce rules, and regulations governing the use of such PBA Pedestrian Route not inconsistent with applicable law, (ii) the right of the Owner of the PBA Pedestrian Route (whether such Owner is the Declarant, an assignee of the Declarant as to such PBA Parking Area or a third party) to dedicate such PBA Pedestrian Route to any municipal or governmental entity, (iii) the right of the Owners, their guests and invitees, to also utilize the PBA Pedestrian Route, and (iv) the right of reverter of the title to such PBA Pedestrian Route as herein reserved or which may be reserved in any deed, conveyance, or dedication of such PBA Pedestrian Route by the Declarant to the effect that if the State of Texas (acting by and through the General Land Office or other entity having jurisdiction over public access to public beach areas), the City, the County or any other governmental entity no longer requires The Properties to provide such public beach access, title to such PBA Pedestrian Route shall revert back to the Declarant, its successors and assigns or to its nominee. In the event of such reversion, the PBA Pedestrian Route may be used for such purposes as may be deemed desirable by the Declarant during the Declarant Control Period, and thereafter by the Master Association. The PBA Pedestrian Route shall initially constitute a Shared Facility and, whether or not same shall always exist as a Shared Facility, shall be maintained and administered by the Master Association. Provided, however, that nothing herein shall grant to the public any rights in any other portion of the Shared Facilities save and except the PBA Pedestrian Route.

- z. "*Shared Facilities*" shall be deemed to be those components of The Properties which are intended for use by and/or enjoyment of all of the Owners (and their guests, tenants, and invitees), whether or not such Shared Facilities are located in one or more buildings, all subject to such regulations and restrictions as may be imposed from time to time by the Master Association. The Shared Facilities shall specifically include all exterior sidewalks, all exterior landscaping, all common amenities, including without limitation, pool(s), weight/fitness/health facilities, tennis court(s), and other recreational improvements, all main lobby areas (serving all buildings), all driveways, all paths (including, without limitation, the PBA Pedestrian Route and Dune Walk over Property), and other common areas (serving all buildings), all parking areas (including, without limitation, visitor's parking areas and parking areas available to the public), the parking/garage facility, all common utility, mechanical, electrical, telephonic, telecommunications, plumbing, and other systems serving The Properties, including without limitation, all wires, conduits, pipes, ducts, transformers, cables, and other appurtenance used in the delivery of the utility, mechanical, telephonic, telecommunications, electrical, plumbing and/or other services.

Declarant shall have the right (but not the obligation), by an amendment or supplement to this Declaration, executed by Declarant above, to supplement the Shared Facilities by adding additional facilities, or to designate additional portions of The Properties as Shared Facilities. Notwithstanding the designation of the Shared Facilities, Declarant shall have the right from time to time, to expand, alter, relocate, and/or eliminate the Shared Facilities, or any portion thereof without requiring the consent or approval of the Master Association, the Trade Winds/The Beach Club Association, any Owner, any Neighborhood Association (or any member thereof), or any mortgagee. In furtherance of the foregoing, Declarant also reserves the absolute right at any time, and from time to time, to construct additional Shared Facilities.

As further provided in Article 2.4 hereof, in the event of any doubt, conflict, ambiguity or dispute as to whether any item, component, or facility is a Shared Facility, such ambiguity or dispute shall be resolved by (i) the Declarant, during the Declarant Control Period, whose determination shall be binding and conclusive, and (ii) upon the expiration of the Declarant Control Period, by the Board of Directors of the Master Association, whose determination shall be binding and conclusive.

- aa. "*Subdivision*" shall mean and refer to Palisade Palms, a Planned Unit Development Subdivision, which shall constitute all of Palisade Palms as shown on the Map.
- bb. "*Supplemental Declaration*" shall mean and refer to an instrument executed by the Declarant (or the Master Association, to the extent authorized hereunder) and recorded in the Public Records of the County, for purposes of withdrawing any portions thereof from the effect of this Declaration, or designating (or removing the designations of) a portion of The Properties as Shared Facilities hereunder.

- cc. "*Trade Winds/The Beach Club Association*" (sometimes generally referred to as a Neighborhood Association and "Sub-Association") shall mean and refer to the Trade Winds/The Beach Club Condominium Association, a Texas non-profit Corporation, which shall administer the Trade Winds/The Beach Club Condominium at Palisade Palms condominium regime, which is or will be located on Lot 2 of The Properties.
- dd. "*Trade Winds/The Beach Club Condominium*" shall mean the "Trade Winds/The Beach Club Condominium at Palisade Palms" which constitutes that certain condominium regime created by the recordation of that certain "Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" affecting and covering all of Lot 2 of The Properties upon which there will be located two high rise residential building and improvements (one such building being known and referred to as the Trade Winds Building, and the other such building being known and referred to as The Beach Club Building).
- ee. "*Trade Winds Building*" shall constitute that certain high-rise residential building and improvements located on the westerly portion of Lot 2 of The Properties and being a part of the Trade Winds/The Beach Club Condominium.
- ff. "*The Beach Club Building*" shall constitute that certain high-rise residential building and improvements located on the easterly portion of Lot 2 of The Properties and being a part of the Trade Winds/The Beach Club Condominium.
- gg. "*The Properties*" or "*Properties*" shall mean and refer to all properties made subject to this Declaration, and shall initially mean and refer to: All of Lots 1, 2, and 3; and all of Out lot A, Out lot B, Out lot C, and Out lot D, of PALISADE PALMS, a subdivision described and/or set forth in the map or plat filed in Volume 2007A, Page 139 (County Clerk's File No. 2007062931) of the Map Records of Galveston, County, Texas.
- hh. "*Unit*" shall mean and refer to any Condominium Unit contained within the Trade Winds/The Beach Club Condominium, or any other condominium developed or built on any other portion of The Properties subject to the jurisdiction of this Declaration.

1.2 Interpretation. The provisions of this Declaration as well as those of the Articles, By-Laws and any rules and regulations of the Master Association shall be interpreted by the Board of Directors of the Master Association. Any such interpretation of the Board which is rendered in good faith shall be final, binding and conclusive if the Board receives a written opinion of legal counsel to the Master Association, or the counsel having drafted this Declaration or other applicable document, that the interpretation is not unreasonable, which opinion may be rendered before or after the interpretation is adopted by the Board. Notwithstanding any rule of law to the contrary, the provisions of this Declaration and the Articles, By-Laws and the Rules and Regulations of the Master Association shall be liberally construed so as to effectuate the purposes herein expressed with respect to the efficient operation of the Master Association and The Properties, the preservation of the values of The Properties and the protection of Declarant's rights, benefits and privileges herein contemplated.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO; WITHDRAWALS THEREFROM; DEVELOPMENT RIGHTS

2.1 Legal Description. The initial real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the County, and is more particularly described in Article 1 hereof, all of which real property (and all improvements thereto), together with additions thereto, but less any withdrawals therefrom, is herein referred to collectively as "The Properties".

2.2 Supplements. At any time during the Declarant Control Period, Declarant may from time to time add additional lands or properties to The Properties so that such additional lands or properties shall be subject to the provisions of this Declaration by Supplemental Declaration (which shall not require the consent of then existing Owners, the Master Association, the Trade Winds/The Beach Club Condominium Association, Inc., or any mortgagee other than that, if any, of the land intended to be added to The Properties). To the extent that any land or properties shall be added, reference herein to The Properties shall be deemed to be a reference to all of The Properties, together with that portion added. Nothing herein, however, shall obligate Declarant to add any additional properties to The Properties, to develop any such future portions under a common scheme, nor to prohibit Declarant from rezoning and changing plans with respect to such portions. All Owners, by acceptance of a deed to or other conveyance of their Units, shall be deemed to have automatically consented to any such rezoning, replatting, change, addition or deletion hereafter made by Declarant and shall evidence such consent in writing if requested to do so by Declarant at any time (provided, however, that the refusal to give such written consent shall not obviate the general and automatic effect of this provision). A supplemental Declaration may vary the terms of this Declaration by addition, deletion or as otherwise identified therein. In furtherance of the foregoing, any Supplemental Declaration shall describe with particularity the extent to which the property being supplemented shall have use rights in and to the Shared Facilities (and/or be liable for any costs relating to the Shared Facilities), it being understood and agreed that the sole determination with respect to same shall be vested in the Declarant during the Declarant Control Period, and thereafter, in the Board of Directors of the Master Association.

2.3 Withdrawal. At any time during the Declarant Control Period, Declarant may from time to time withdraw any portion of The Properties from the provisions of this Declaration by Supplemental Declaration(s) (which shall not require the consent of then existing Owners, the Master Association, the Trade Winds/The Beach Club Condominium Association, Inc., or any mortgagee other than that, if any, of the land intended to be withdrawn from The Properties). To the extent that any portion of The Properties shall be added, reference herein to The Properties shall be deemed a reference to all of The Properties, save and except that portion withdrawn. Nothing herein, however, shall obligate Declarant to withdraw any portions of The Properties, nor to prohibit Declarant from rezoning and changing plans with respect to such portions. All Owners, by acceptance of a deed to or other conveyance of their Units, shall be deemed to have automatically consented to any such rezoning, replatting, change, addition or deletion hereafter made by Declarant and shall evidence such consent in writing if requested to do so by Declarant at any time (provided, however, that the refusal to give such written consent shall not obviate the general and automatic effect of this provision). A Supplemental Declaration may vary the terms of this Declaration by addition, deletion, or as otherwise identified therein. Further, Declarant reserves the right to amend this Declaration unilaterally at any time, without prior notice and without the consent of any person or entity, for the purpose of removing certain portions of The Properties then owned by the Declarant or its affiliates from the provisions of this Declaration to the extent included originally in error or as a

result of any changes whatsoever in the plans for The Properties desired to be effected by the Declarant.

2.4 Shared Facilities. In the event of any doubt, conflict, ambiguity, or dispute as to whether any portion of The Properties is or is not part of the Shared Facilities under this Declaration, the Declarant may, without the consent of the Master Association or then existing Owners or mortgagees, record in the public records of the County, a Supplemental Declaration resolving such issue and such Supplemental Declaration shall be dispositive and binding. After the Declarant Control Period, any such resolution shall be made by the Board of Directors of the Master Association.

2.5 Development Rights.

a) As to The Entry/Podium Property:

The Entry/Podium Property is presently improved with, or will be improved with certain driveways, parking areas, and parking garage facilities which will initially serve the Trade Winds/The Beach Club Condominium. The driveways, parking area, and parking garage facilities located on The Entry/Podium Property are Shared Facilities which will be maintained by the Master Association. At any time during the Declarant Control Period, the Declarant reserves the right (which shall not require the consent of the then existing Owners, the Master Association, the Trade Winds/The Beach Club Association, or any other mortgagee other than the mortgagee, if any, of the land subject to such development rights), to (i) create one or more separate condominium projects (including, in conjunction with such creation, the reservation of the right to create one or more buildings containing commercial and residential units to be located on the Entry/Podium Property) on all or portions of the Entry/Podium Property for commercial or residential use; or (ii) merge all or portions of the Entry/Podium Property with the Trade Winds/The Beach Club Condominium (including, in conjunction with such merger, the reservation of the right to create one or more buildings containing additional commercial or residential units to be located on the Entry/Podium Property); and/or (iii) develop all or portions of the Entry/Podium Property into any use whatsoever as may be allowed by then applicable zoning regulations affecting such property. Provided, however, that any such further development will not materially adversely affect the use of the Shared Facilities located on such property which serve the Trade Winds/The Beach Club Condominium. Development of The Entry/Podium Property may adversely affect "views" from other portions of The Properties or buildings or improvements located therein.

b) As to the Future Development Property:

The Declarant makes no representation as to the proposed development of the Future Development Property by the owner thereof, if any, or whether the Future Development Property will be hereinafter developed. However, at any time during the Declarant Control Period, The Declarant reserves the right (which shall not require the consent of the then existing Owners, the Master Association, the Trade Winds/The Beach Club Association, or any other mortgagee other than the mortgagee, if any, of the land subject to such development right), to either (i) withdraw all or

any portion of the Future Development Property from the provisions of this Declaration; (ii) create one or more separate condominium projects on all or portions of the Future Development Property, which may be administered by separate condominium associations, or (ii) develop all or portions of the Future Development Property into any use whatsoever as may be allowed by then applicable zoning regulations. The Declarant specifically reserves the right, during the Declarant Control Period, and after the expiration of the Declarant Control Period, the Trade Winds/The Beach Club Association, and/or any other respective condominium association(s) having jurisdiction over any portion of The Properties, shall have the right, to merge any and/or all of the individual condominium regimes within Palisade Palms into one single condominium regime. Development of all or any portion of the Future Development Property may adversely affect "views" from other portion of The Properties or buildings or improvements located therein.

c) As to Adjacent or surrounding lands:

During the Declarant Control Period, the Declarant further reserves the right to annex additional lands whether adjacent to, adjoining, or within the vicinity of Palisade Palms, hereafter acquired by this Declarant or any successor to the Declarant, to the provisions of this Declaration.

ARTICLE 3

MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

3.1 Membership. Every person or entity who is a record Owner of a fee interest in any Unit shall be a Member of the Master Association. Notwithstanding anything else to the contrary set forth in this Article, any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Member of the Master Association.

3.2 Voting Rights. The Master Association shall have such classes of Voting Members, who shall cast such votes, as are provided in the Articles of Incorporation and By-Laws of the Master Association.

3.3 General Matters. When reference is made herein, or in the Articles, By-Laws, Rules and Regulations, management contracts or otherwise, to a majority or specific percentage of Members, such reference shall be deemed to be reference to a majority or specific percentage of the total voting interests of all Members (and not just those present at a duly constituted meeting) as cast through their Voting Members.

ARTICLE 4

CERTAIN EASEMENTS; SHARED FACILITIES

4.1 Easements in The Properties. Each Owner of Lots 2 and 3 and his/her guests, tenants, invitees, agents and representatives, shall have a non-exclusive permanent and perpetual easement over and upon Lots 2 and 3 of The Properties for the intended use and enjoyment of the Shared Facilities located therein in connection with all other such Owners of Lots 2 and 3 and his/her guests, tenants and invitees, their agents and invitees, but in such manner as may be regulated by the Master Association, provided, however, the Owner of Lot 3 and his/her guests, tenants and invitees, their agents and invitees, shall always have the non-exclusive right to use those visitor and other parking areas which constitute General Common

Elements. Further, each Owner of Lots 1, and 3 and his/her guests, tenants, invitees, agents and representatives, shall have a non-exclusive permanent and perpetual easement over and upon Lots 1 and 3 of The Properties for the intended use and enjoyment of the Shared Facilities located therein in connection with all other such Owners of Lots 1 and 3 and his/her guests, tenants, and invitees, their agents, and invitees but in such manner as may be regulated by the Master Association. Without limiting the generality of the foregoing, such rights of use and enjoyment are hereby made subject to the following:

- a. The right and duty of the Master Association to levy assessments against the Members, the Trade Winds/The Beach Club Association, and/or any other Neighborhood Association for the purpose of maintaining the Shared Facilities located within The Properties and any facilities located thereon in compliance with the provisions of this Declaration and with the restrictions on the plats of portions of The Properties from time to time recorded, or for the purpose of obtaining and keeping in full force and effect insurance insuring all common elements and Units (excluding contents) of the Trade Winds/The Beach Club Condominium, or any other condominium regime development on portions of The Properties.
- b. The right of the Master Association to suspend the Member's (and his guests, tenants and/or invitees') right to use the recreational facilities (if any) constituting the Shared Facilities for any period during which any assessment due to the Master Association against his Unit remains unpaid for more than thirty (30) days; and for a period not to exceed sixty (60) days for any infraction of this Declaration or the Master Association's lawfully adopted rules and regulations.
- c. The right of the Master Association to charge reasonable admission and other fees for the use of recreational facilities (if any) constituting Shared Facilities situated on The Properties or for any services provided by the Master Association.
- d. The right of the Master Association to adopt at any time and from time to time and enforce rules and regulations governing the use of the Shared Facilities and all facilities at any time situated thereon, including the right to fine Members as hereinafter provided. Any rule and/or regulation so adopted by the Master Association shall apply until rescinded or modified as if originally set forth at length in this Declaration. The initial Rules and Regulations adopted by the Master Association are attached hereto as Exhibit "C".
- e. The right of Declarant to permit such persons as Declarant shall designate to use the Shared Facilities located on The Properties and all recreational facilities located thereon (if any).
- f. The right of Declarant and the Master Association to have, grant and use general ("blanket") and specific easements over, under and through The Properties.
- g. The rights of the Declarant to add additional lands to The Properties as provided in Section 2.2 above.
- h. The rights of the Declarant to withdraw portions of The Properties as provided in Section 2.3 above.

WITH RESPECT TO THE USE OF THE PROPERTIES AND SHARED FACILITIES, GENERALLY, ALL PERSONS ARE REFERRED TO IN ARTICLE 17 HEREOF, WHICH SHALL AT ALL TIMES APPLY THERETO.

4.2 Easements Appurtenant. The easements provided in Section 4.1 shall be appurtenant to and shall pass with the title to each Unit, but shall not be deemed to grant or convey any ownership interest in The Properties subject thereto.

4.3 Members' Rights in Shared Facilities. Subject to all of the other provisions of the Declaration, each Member shall have limited rights to use, benefit and enjoy the Shared Facilities (as same may exist from time to the time) for their intended purposes (as determined by the Declarant during the Declarant Control Period and thereafter by the Board of Directors of the Master Association) in common with all other such Members, guests, tenants and invitees, their agents and invitees, but in such manner as may be regulated by the Declarant during the Declarant Control Period and thereafter by the Board of Directors of the Master Association. Similarly, subject to all of the other provisions of this Declaration, each Owner of a Condominium Unit in the Trade Winds/The Beach Club Condominium, and any other condominium regime created on any portion of The Properties shall have rights to use, benefit and enjoy the Shared Facilities (as same may exist from time to time) for their intended purposes (as determined by the Declarant during the Declarant Control Period and thereafter by the Board of Directors of the Master Association).

4.4 Parking. All of the parking areas for the use of the Entry/Podium Property, the Trade Winds/The Beach Club Condominium, generally constitute Shared Facilities (except for those portions of such parking areas which are designated as limited common elements appurtenant to a specific unit, or which have been designated a separate unit, if any, or which have been assigned to the specific use of an Owner by virtue of a lease or license agreement, if any). Notwithstanding the foregoing, Declarant during the Declarant Control Period, and thereafter the Board of Directors of the Master Association shall have, and hereby reserves the exclusive right at any time, and from time to time, to grant to specific Condominium Units, the Master Association or any Neighborhood Association the exclusive right to use one or more of such parking spaces. A grant with respect to parking spaces shall be made by written assignment (which may, but shall not be required to be recorded in the Real Property Records of the County). Any such grant vests in the Owner of the applicable Condominium Unit, Master Association or such Neighborhood Association, as appropriate, the exclusive right to use (and not title to) such space(s). Unless otherwise noted on the form of assignment with respect to certain parking spaces, such exclusive right to use shall pass with title to such Condominium Unit, whether or not specifically assigned. All fees collected by the Declarant for assigning spaces, if any, shall be retained by Declarant and shall not constitute income or revenue of the Master Association. Temporary guest or recreational parking shall be permitted only as determined by the Declarant, during the Declarant Control Period, and thereafter by the Board of Directors of the Master Association, and only within spaces and areas, if any, clearly designated for this purpose. The Declarant, during the Declarant Control Period, and thereafter the Board of Directors of the Master Association is hereby empowered to establish parking regulations in all of the parking areas of the Shared Facilities and may make provisions for the involuntary removal of any vehicle in violation thereof. The Declarant, during the Declarant Control Period, and thereafter the Board of Directors of the Master Association may suspend the Owner's right to use designated parking space(s) during any period when Assessments are delinquent. Notwithstanding anything herein contained to the contrary, it is anticipated that in connection with any improvements on the Future Development Property, that the existing parking structure may be expanded. Accordingly, easements are hereby reserved over and upon such portions of The Properties in favor of the Declarant as are necessary for construction of such improvements (including, without limitation, easements of support and encroachment).

An easement is further reserved hereby in favor of the Master Association for the maintenance, repair and replacement of such improvements.

4.5 Maintenance. The Master Association shall at all times maintain in good repair and manage, operate, and insure, and shall replace as often as necessary, the Shared Facilities. To the extent not otherwise provided for, the repair, maintenance, management and operation of all of the paving, drainage, structures, landscaping, improvements and other structures (except public utilities and those portions of The Properties to be maintained by the Trade Winds/The Beach Club Association or the Owners of other portions of The Properties) situated on The Properties, if any shall be done as ordered by the Board of Directors of the Master Association. Without limiting the generality of the foregoing, the Master Association shall assume all of Declarant's and its affiliates' responsibilities to the County, the City, and its and their governmental and quasi-governmental subdivisions and similar entities of any kind with respect to The Properties and shall indemnify and hold Declarant and its affiliates harmless with respect thereto in the event of the Master Association's failure to fulfill those responsibilities. All work pursuant to this Section including, without limitation, the right, if exercised, and subject to applicable governmental regulations, to maintain the beach front, and all expenses incurred or allocated to the Master Association pursuant to this Declaration shall be paid for by the Master Association through Assessments (either general or special) imposed in accordance herewith. The Master Association, on behalf of itself and/or all or appropriate Neighborhood Associations, shall have the power to incur, by way of contract or otherwise, expenses general to all or applicable portions of The Properties, or appropriate portions thereof, and the Master Association shall then have the power to allocate portions of such expenses among the Master Association and/or Sub-Association's, and/or Neighborhood Associations, based on such formula as may be adopted by the Master Association or as otherwise provided in this Declaration or any Supplemental Declaration. The portion so allocated to the Master Association or any Sub-Association or any Neighborhood Association shall be deemed a general expense thereof, collectible through its own assessments. No Owner may waive or otherwise escape liability for Assessments by non-use (whether voluntary or involuntary) of The Properties or abandonment of the right to use The Properties.

4.6 Street Lights. The Master Association shall be responsible for the operation, maintenance, repair and replacement of all street lighting fixtures, installations and equipment located within The Properties, even if same are located within the common areas/elements owned or administered by a Sub-Association and/or Neighborhood Association (and said fixtures, installations and equipment shall be deemed Shared Facilities for the aforesaid purposes).

4.7 Easements for Vehicular Traffic. In addition to the general easements for use of the Shared Facilities reserved herein, there shall be, and Declarant for itself and the Master Association, hereby reserves and covenants for itself and all future Owners of The Properties (as well as the owners of the Condominium Units (the "Unit Owners"), that (i) each and every Owner, Unit Owner and Declarant of any portion of Lots 2 and 3 of The Properties, shall have a non-exclusive easement appurtenant for vehicular traffic over all private streets, and parking areas within Lots 2 and 3 of The Properties and/or Shared Facilities on Lots 2 and 3, subject to the parking provisions set forth in Section 4.4 above, and (ii) each and every Owner, and Declarant of any portion of Lots 2 and 3 of The Properties shall have a non-exclusive easement appurtenant for vehicular traffic over all private streets, and parking areas within Lots 1 and 3 of The Properties and/or Shared Facilities on Lots 1 and 3, subject to the parking provisions set forth in Section 4.4 above.

4.8 Utility Easement. Use of the Shared Facilities for utilities, as well as use of the other utility easements as shown on recorded plats, shall be in accordance with the applicable provisions of this Declaration and said plats. Declarant and its affiliates and its and their

designees shall have a perpetual easement over, upon and under The Properties for the installation, operation, maintenance, repair, replacement, alteration and expansion of utilities.

4.9 Public Easements. Fire, police, health and sanitation and other public service personnel and vehicles shall have a permanent and perpetual easement for ingress and egress over the across The Properties in the performance of their respective duties.

4.10 Overlapping of Improvements. In the event that any portion of any walkway, parking area, driveway, water line, sewer line, utility line, sprinkler system, building or any other structure or improvement, including without limitation any building or any other structure or improvement, including, without limitation, any building steps, fences, paving, decking, footing, piers, piles, grade beams or similar improvements, or any overhang of walls or roofs of any such building or structure as originally constructed by the Declarant overlaps or encroaches on, over, or across any Lot or Out lot, it shall be deemed that the Declarant has granted a perpetual easement as to such encroachment or overlapping of such improvement.

ARTICLE 5

MAINTENANCE OF BUILDINGS AND UNITS

5.1 Exteriors of Residential Buildings located on the Trade Winds/The Beach Club Condominium. The Trade Winds/The Beach Club Association shall maintain the Trade Winds Building and The Beach Club Building structure and roofs. Unless otherwise provided in the Condominium Declaration for the Trade Winds/The Beach Club Condominium, the aforesaid maintenance shall include maintaining screens (including screen enclosures), windows, and doors (including the material comprising the doors and hardware for the doors and sliding glass doors). The minimum (though not sole) standard for the foregoing shall be consistency with the general appearance of The Properties as initially constructed and otherwise improved (taking into account, however, normal weathering and fading of exterior finishes, but not to the point of unsightliness). The Master Association shall maintain and repair the exterior surface of the Trade Winds Building and The Beach Club Building, in a neat, orderly, and attractive manner, including the cleaning, repainting or restaining, as appropriate, of the exterior portions of the structure constituting the Trade Winds Building and The Beach Club Building, as often as is necessary to comply with the foregoing standards.

5.3 Right of Entry. In addition to such other remedies as may be available under this Declaration, in the event that the Trade Winds/The Beach Club Association (and/or any other associations which are subject to the jurisdiction of the Master Association), respectively, fails to maintain an exterior item for which such association is responsible, the Master Association shall have the right, but not the obligation, to enter upon the property in question and perform such duties; provided, however, that such entry shall be during reasonable hours and only after fifteen (15) business days' prior written notice (or such longer time as may reasonably be required to effect such repair to the extent that such curative activity can not reasonably be completed within such fifteen (15) business day period). The Sub-Association having failed to perform its maintenance duties shall be liable to the Master Association for the costs of performing such remedial work and shall pay a surcharge of not more than thirty-five percent (35%) of the cost of the applicable remedial work, all such sums being payable upon demand and to be secured by the lien provided for in Article 7 hereof. No bids need be obtained for any of the work performed pursuant to this Article and the person(s) or company performing such work may be selected by the Master Association in its sole discretion. There is hereby created an easement in favor of the Master Association, and its applicable designees over each property for the purpose of entering onto the property in the performance of the work herein described, provided that the notice requirements of this Article are complied with.

ARTICLE 6

CERTAIN USE RESTRICTIONS

6.1 Applicability. The provisions of this Article 6 shall be applicable to all of The Properties but shall not be applicable to Declarant or any of its designees as to any portion of The Properties or other property owned by Declarant of Its designees.

6.2 Uses of The Properties and Improvements. All of The Properties and improvements thereon, including the Trade Winds Building, The Beach Club Building shall be used for the general purposes for which they are designed and intended and at all times used, operated and maintained in accordance with applicable zoning and other requirements, conditions and restrictions applicable to same (including, without limitation, any contained in a deed or lease of any portion of The Properties of the Declarant, as same may be amended from time to time).

6.3 Easements. Easements for the installation and maintenance of utilities are reserved as shown on the Map covering The Properties, by instrument(s) filed of record in the County, and/or as provided herein. The area of any portion of The Properties covered by an easement and all improvements in such area shall be maintained continuously by the Master Association or the applicable Sub-Association, except for installations for which a public authority or utility company is responsible. The appropriate water and sewer authority, electric utility company, telephone company, the Master Association, the applicable Sub-Association liable for the maintenance thereof, and Declarant and its affiliates, and their respective successors and assigns, shall have a perpetual easement for the installation and maintenance of water lines, sanitary sewers, storm drains, and electric and telephone lines, cables and conduits, under and through the utility easements as shown on the Map and/or as provided herein.

6.4 Nuisances. Nothing shall be done or maintained on any portion of The Properties which may be or become an annoyance or nuisance to the owners or occupants of other Lots or Units. In the event of a dispute or question as to what may be or become a nuisance, such dispute or question shall be submitted to the Board of Directors, which shall render a decision in writing, which decision shall be dispositive of such dispute or question. Notwithstanding anything herein contained to the contrary, it is intended (without creating any obligation) that portions of Lot 3 may be operated as a restaurant, club, for retail purposes, and/or any other use or purpose which may be allowed by applicable zoning regulations, and it is hereby confirmed that any such activities related to such operation on Lot 3 shall not be deemed a nuisance hereunder.

6.5 Visibility at Intersections. No obstruction to visibility at intersections or intersections with the parking areas shall be permitted; provided that the Master Association shall not be liable in any manner to any person or entity, including Owners and their guests, tenants and invitees, for any damages, injuries or deaths arising from any violation of this Section.

6.6 Parking and Vehicular Restrictions. Parking in or on the Shared Facilities shall be restricted to the parking areas therein designated for such purpose. No person shall park, store or keep on any portion of the Shared Facilities any large commercial type vehicle (for example, dump truck, motor home, trailer, cement mixer truck, oil or gas truck, delivery van or truck), nor may any person keep any other vehicle on the Shared Facilities which is deemed to be a nuisance by the Board of Directors of the Master Association. No boat, trailer, camper, motor home or recreation vehicle shall be used as a residence, either temporarily or permanently, or

parked on the Shared Facilities. No person shall conduct major repairs (except in an emergency) or major restoration of any motor vehicle, boat, trailer, or other vehicle upon any portion of The Properties or the Shared Facilities. All vehicles will be subject to height, width and length restrictions and other rules and regulations now or hereafter adopted by the Master Association. The decision of Declarant, during the Declarant Control Period, and thereafter by the Master Association, to assign specific parking spaces within the Shared Facilities to designated companies or persons, or for specified uses, shall be final, binding and conclusive.

6.7 Signs. No sign, poster, display, billboard or other advertising device of any kind shall be displayed to the public view on any portion of The Properties and/or Shared Facilities without the prior written consent of the Declarant, during the Declarant Control Period, and thereafter by the Master Association, except signs, regardless of size, used by Declarant, its successors or assigns, for advertising during the construction and thereafter, for the purpose of sales, marketing and leasing. Signage placed within the interior of the Buildings (i.e. and not visible to the exteriors of the Buildings) shall be governed by the applicable rules and regulations of the respective sub-associations having jurisdiction over such Building.

6.8 Animal Restrictions. No pets, livestock, reptiles or poultry of any kind shall be raised, bred, or kept on or in any portion of The Properties except as may be expressly permitted by the Rules.

6.9 Trash. No rubbish, trash, garbage or other waste material shall be kept or permitted on The Properties and/or the Shared Facilities, except as approved by the Master Association or in containers furnished by the Master Association for such purpose, if any, and no odor shall be permitted to arise therefrom so as to render The Properties, the Shared Facilities or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants.

6.10 Temporary Structures. Except as may be used or permitted by the Declarant during periods of construction or renovation, no structure of a temporary nature (including, without limitation, trailers, tents, shacks or mobile offices) shall be located or used within The Properties.

6.11 Variances. The Board of Directors of the Master Association shall have the right and power to grant variances from the provisions of this Article 6 and from the Master Association's rules and regulations for good cause shown, as determined in the reasonable discretion of the Board.

6.12 Declarant Exemption. In order that the development of The Properties may be undertaken and The Properties established as a fully occupied community, no Owner, nor the Master Association, nor any Sub-Association, nor any Neighborhood Association shall do anything to interfere with Declarant's activities. Without limiting the generality of the foregoing, nothing in this Declaration shall be understood or construed to:

- a. Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from doing on any property owned by them whatever they determine to be necessary or advisable in connection with the completion of the development of The Properties, including without limitation, the alteration of its construction plans and designs as Declarant deems advisable in the course of development and/or enlargement of any improvements (all models or sketches showing plans for future development of The Properties, as same may be expanded, may be modified by the Declarant in its sole, absolute discretion, at any

time and from time to time, without notice); or

- b. Prevent Declarant, its successors or assigns, or its or their contractors, subcontractors or representatives, from erecting, constructing and maintaining on any property owned or controlled by Declarant, or its successors or assigns or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing said development and establishing The Properties as a community and disposing of the same by sale, lease or otherwise; or
- c. Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from conducting on any property owned or controlled by Declarant, or its successors or assigns, its or their business of developing, subdividing, grading and constructing improvements in The Properties and of disposing of Units and/or Structures therein by sale, lease or otherwise; or
- d. Prevent Declarant, its successors or assigns, from determining in its sole discretion the nature of any type of improvements to be initially constructed as part of The Properties; or
- e. Prevent Declarant, its successors or assigns or its or their contractors or subcontractors, from maintaining such sign or signs on any property owned or controlled by any of them as may be necessary in connection with the operation of any Units owned by Declarant (its successors or assigns) or the sale, lease or other marketing of Units and/or Structures, or otherwise from taking such other actions deemed appropriate; or
- f. Prevent Declarant, or its successors or assigns from filing Supplemental Declaration which modify or amend this Declaration, or which add or withdraw property as otherwise provided in this Declaration; or
- g. Prevent Declarant from modifying, changing, re-configuring, removing or otherwise altering any improvements located on The Properties.

In general, the Declarant shall be exempt from all restrictions set forth in this Declaration to the extent such restrictions interfere in any matter with Declarant's plans for construction, development, use, sale, rental, marketing, or other disposition of The Properties, or any part thereof.

6.13 Architectural Control. There is hereby established an Architectural Control Committee (sometimes referred to as the "ACC"). During the Declarant Control Period, the Declarant shall act as the Committee. Upon the termination of the Declarant Control Period, the ACC shall be comprised of all of the members of the Board of Directors of the Master Association. No person serving on the ACC shall be entitled to compensation for services performed for or on behalf of the ACC; provided however, the ACC may employ one or more architects, engineers, attorneys, managing agents, or other consultants, to assist the ACC in carrying out its duties hereunder, and the Association shall pay such professionals and consultants for services rendered to the ACC and assess such expenses to the Owner or Member requesting the approval of any proposed Modification.

No building, improvement, or exterior modification shall be commenced, constructed, erected, placed, maintained or made upon any part or portion of The Properties unless and until same has been approved in writing by the ACC. "Modification" as used in this

paragraph shall be deemed to mean the placement, construction, reconstruction or erection of, or modification, alteration, or addition to, any building, structure, improvement, thing or device on any portion of The Properties, including any of the Shared Facilities, whether temporary or permanent, which may affect, modify, or alter the aesthetics, environment, architectural scheme, appearance or standards, patterns of usage, or grades or topography generally prevailing in the subdivision as of the date of the Modification, excluding any such materials or activities conducted by the Declarant. Provided, however, that so long as the Declarant (or any successor or assign of the Declarant) owns any portion of The Properties, whether Lot, Out lot, or Unit, the Declarant or such successor or assigns shall not be required to seek or obtain ACC approval as to any Modification to the Lot, Out lot, or Unit made the subject of any such Modification.

Upon the termination of the Declarant Control Period, the Board of Directors of the Association shall have the right to adopt and publish such reasonable rules, regulations, or architectural control guidelines as they shall deem necessary to govern the function of the ACC.

Neither the Association, nor the Declarant, nor the ACC, nor any Member, subcommittee, employee or agent of either, shall be liable to any Owner, Member, or other Person for any actions or failure to act or in connection with any approval, or disapproval conditional approval, or disapproval of any application, including without limitation, mistakes in judgment, negligence, malfeasance, or non-feasance. No approval of plans or specifications and no preparation or publication of architectural guidelines shall ever be construed as representing or implying that, or as a warranty or guaranty that, if followed, the exterior modification will comply with applied legal requirements, or as to any matters relating to the health, safety, workmanship or suitability for any proposal.

ARTICLE 7

COVENANT FOR MAINTENANCE ASSESSMENTS FOR SHARED FACILITIES AND INSURANCE

7.1 Creation of the Lien and Personal Obligation for Assessments. Except as provided elsewhere herein, Declarant (and each party joining in any Supplemental Declaration), for all of The Properties, hereby covenants and agrees, and each Owner of any Unit by acceptance of a deed therefore or other conveyance thereof, whether or not it shall be so expressed in such deed or other conveyance, shall be deemed to covenant and agree, to pay the Master Association annual assessments and charges for the operation of, and for payment of expenses allocated or assessed to or through the Master Association, of and for (i) the maintenance, management, operation of the Shared Facilities, (ii) insurance obtained by the Master Association for the benefit of The Properties, (iii) reasonable reserves as the Master Association may deem necessary in its sole discretion (it being understood and agreed that the Board may determine not to establish reserves, or if established, to establish only in nominal amounts to provide limited emergency funds), (iv) capital improvement assessments, as provided in Section 7.5 hereof, (v) special assessments as provided in Section 7.4 hereof and all other charges and assessments hereinafter referred to or lawfully imposed by or on behalf of the Master Association, (vi) the costs and expenses of installing, maintaining, repairing, restoring and/or replacing landscaping upon or adjacent to (even if beyond the legal boundaries of) The Properties, (vii) the cost to insure, pay taxes on, and maintain, repair, and/or replace the improvements on Out lot A, Out lot B, Out lot C, and Out lot D; and any charge made against an individual Owner made by or on behalf of the Master Association in accordance with the provisions of this Declaration; all such assessments to be fixed, established and collected from time to time as herein provided. In addition, special assessments may be levied against particular Owners and Units for fines, expenses incurred against particular Sub-Associations, and/or Owners to the exclusion of others and other charges against specific Sub-Associations,

Neighborhood Associations, or Owners as contemplated in this Declaration. The annual, special and other assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot or Unit against which each such assessment is made. Each such assessment, together with such interest thereon, late charges, and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who is the Owner of such property at the time when the assessment fell due and all subsequent Owners until paid, except as provided in Section 7.9 below. Reference herein to assessments shall be understood to include reference to any and all of said charges whether or not specifically mentioned.

Notwithstanding that the obligation to pay the Assessments and any Special Assessments shall be a personal obligation of the respective Owners of Units, at the sole election and direction of the Master Association, the Master Association shall have the right to require that the respective Neighborhood Associations collect such amounts from the respective Owners of Units and remit to the Master Association upon demand, and in such event, the respective Neighborhood Association shall be subrogated to the rights of the Master Association as to the collection of such amounts, and shall be entitled to exercise any and all rights that the Master Association may have in collecting such amounts and enforcing the lien created and reserved in Section 7.8 hereof. Alternatively, each Neighborhood Association shall have the right to include all of the amounts due by all of the Owners of Units to the Master Association subject to its jurisdiction within its annual budget, to be collected by such Neighborhood Association as part of its assessments, and secured by the lien in favor of such Neighborhood Association.

7.2 Rates of Assessments.

- a. For Maintenance of Shared Facilities: Assessments, for the costs of maintenance of the Shared Facilities, shall be made against each Unit at a rate determined as follows: Unless modified as allowed hereinbelow, the portion of responsibility applicable to a particular Unit shall be a percentage calculated by the Declarant based upon the respective square footage of each Unit compared with the total or aggregate square footage of all of the Units in all of the Properties subject to this Declaration, all of such Units being measured for purposes of calculating such square footage on the same or identical basis. Initially, the only Units subject to such Assessments shall be the Units within the Trade Winds/The Beach Club Condominium, and the percentage contemplated by this paragraph shall be that Percentage of Common Interest Ownership assigned to each Unit and calculated in the manner described in Section 6 of the "Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" and shown in Part IV of the Condominium Plan attached to such Declaration as Exhibit "B".

In the event of any dispute as to the allocation of assessments, the determination of the Declarant, during the Declaration Control Period, and thereafter the Board of Directors of the Master Association shall be binding and dispositive. The Declarant, during the Declarant Control Period, and thereafter, the Board of Directors of the Master Association, may modify such formula or allocation with respect to future development within The Properties as set forth in any Supplemental Declaration in order to account for unforeseen changes in development plans and to maintain an equitable system of Assessment allocation, so long as such formula, allocation, or percentage is calculated on the same or identical basis for all Units and properties subject to such Assessment.

- b. For Insurance: Unless modified as allowed hereinbelow, Assessments, for the costs of insurance on the common elements of The Trade Winds/The Beach Club Condominium and in the Shared Facilities, shall be made against each Unit on the basis of such respective Units' percentage ownership as calculated by the Declarant based upon the respective square footage of each Unit compared with the total or aggregate square footage of all of the Units in all of the Properties subject to this Declaration, all of such Units being measured for such purposes of calculating such square footage in the same or identical basis. Initially, the only Units subject to such Assessments shall be the Units within the Trade Winds/The Beach Club Condominium, and the percentage contemplated by this paragraph shall be that Percentage of Common Interest Ownership assigned to each Unit and calculated in the manner described in Paragraph 6 of the "Declaration of Condominium for Trade Winds/The Beach Club Condominium and Palisade Palms, and shown in Part IV of the Condominium Plan attached to such Declaration as Exhibit "B". Pursuant to the Declaration for the Trade Winds/The Beach Club Condominium, certain Commercial Units (as defined therein) and Rooftop Commercial Units (as defined therein) may be responsible for the procurement of their own insurance, and to such extent, shall not be subject to the assessment for insurance.

In the event of any dispute as to the allocation of assessments, the determination of the Declarant during the Declarant Control Period, and thereafter, the Board of Directors of the Master Association shall be binding and dispositive. The Declarant during the Declarant Control Period, and thereafter, the Board of Directors of the Master Association, may modify such formula with respect to future properties in the Supplemental Declaration bringing such additional properties under the provisions hereof in order to account for unforeseen changes in development plans and to maintain an equitable system of Assessment allocation, so long as such formula, allocation, or percentage is calculated on the same or identical basis for all Units and properties subject to such Assessment.

- c. For Utilities: The Master Association shall have the right, but not the obligation, to submeter any utilities capable of submetering and charge the user of such utilities according to usage (whether such user is a Sub-Association, Neighborhood Association, or individual Owner).
- d. As to the Future Development Property: Until and unless the Future Development Property is developed in whole or part, the Owner of the Future Development Property shall have no obligation to contribute toward, and shall not be assessed for, the maintenance or insurance of the Shared Facilities. The Owner or Owners of the Future Development Property shall not be liable for the payment of any portion of the maintenance and insurance covering Shared Facilities until and unless improvements are constructed on the Future Development Property which constitutes and are added to the Shared Facilities by the recordation of a Supplemental Declaration by the Declarant or successor to the Declarant; and such Supplemental Declaration shall describe the Shared Facilities being added and shall set forth the formula or method of allocation of the

maintenance and insurance as to such additional Shared Facilities as apportioned among all Owners of all of The Properties (including Unit Owners). Further, until and unless such a Supplemental Declaration is recorded, the Owner(s) of the Future Development Property shall be solely responsible for the maintenance, repair, insurance coverage, and ad valorem taxes attributable to and/or covering the Future Development Property.

- e. As to the Entry/Podium Property: Until and unless the Entry/Podium Property is developed in whole or part by the construction therein of one or more commercial, retail, or residential buildings (whether submitted to a separate condominium regime, or merged with an existing or simultaneously created adjoining condominium regimes or otherwise), the Owner of the Entry/Podium Property shall have no obligation to contribute toward, and shall not be assessed for, the maintenance and insurance of the Shared Facilities (the improvements initially being constructed as the Entry/Podium Property constituting the driveways, parking garage, and parking areas inuring to the initial benefit of the Trade Winds/The Beach Club Condominium until such future or additional development of The Properties shall take place). The Owner or Owners of all or portions of Entry/Podium Property shall not be liable for the payment of any portion of the maintenance or insurance as to the Shared Facilities until or unless the Entry/Podium Property is developed in whole or part by the construction of one or more commercial, retail, or residential buildings as provided herein, and a Supplemental Declaration is recorded by the Declarant or successor to the Declarant; and such Supplemental Declaration shall set forth the formula or method of allocation of the maintenance and repair of the Shared Facilities as apportioned among all Owners of all of The Properties (including Unit Owners). The costs of maintenance, insurance, and taxes covering the Entry/Podium Property shall be paid by the Master Association and allocated among the Units as set forth in Section 7.2(a) and (b).
- f. As to the PBA Parking Area, the PBA Pedestrian Route, and the Dune Walk-over Property: the Owners of the PBA Parking Area, the PBA Pedestrian Route, and the Dune Walk-over Property shall have no obligation to contribute toward, and shall not be assessed for, the maintenance, insurance, or ad valorem taxes of the Shared Facilities, and all such expenses shall be paid by the Master Association and allocated among the Units as set forth in Section 7.2 (a) and (b).

7.3 Purpose of Assessments. The regular assessments levied by the Master Association shall be used for the purposes expressed in Section 7.1 above and for such other purposes as the Master Association shall have within its powers and from time to time elect to undertake.

7.4 Special Assessments. In addition to the regular and capital improvement assessments which are or may be levied hereunder, the Master Association (through the Board of Directors) shall have the right to levy special assessments against an Owner(s) to the exclusion of other Owners (a) for the repair or replacement of damage to any portion of The Properties (including, without limitation, improvements and landscaping thereon) caused by the misuse, negligence or other action or inaction of an Owner or his guests, tenants or invitees, (b) for the costs of work performed by the Master Association in accordance with Article 5 of this Declaration (together with any surcharges collectible thereunder), (c) to obtain funds for a

specific purpose(s) which is of a non-recurring nature, for which no reserve funds (or inadequate reserve funds) have been collected or allocated, and which is not the appropriate subject of a capital improvement assessment. Any such special assessment shall be subject to all of the applicable provisions of this Article including, without limitation, lien filing and foreclosure procedures and late charges and interest. Any special assessment levied hereunder shall be due within the time specified by the Board of Directors in the action imposing such assessment or may be of an ongoing nature, as provided in Article 5 hereof.

7.5 Capital Improvements. Funds which, in the aggregate, exceed 20% of the total amount of the Current operating budget of the Master Association in any one fiscal year which are necessary for any additional capital improvements (as distinguished from repairs and maintenance, including repairs and replacement per Article 10 hereof) relating to the Shared Facilities located in The Properties and which have not previously been collected as reserves or are not otherwise available to the Master Association shall be levied by the Master Association as assessments only upon approval of a majority of the Board of Directors of the Master Association and upon approval by a majority favorable vote of the Members of the Master Association present in person or by proxy at a meeting called for such purpose with a quorum being present. The costs of any of the aforesaid work which are less than the above-specified threshold amount shall be collected as general or special assessments upon approval of a majority of the Master Association's Board of Directors.

7.6 Date of commencement of Annual Assessments: Due Dates. The annual regular assessments provided for in this Article shall commence on the first day of the month next following the recordation of these covenants and shall be applicable through December 31 of such year. Each subsequent annual assessment shall be imposed for the year beginning January 1 and ending December 31. The annual assessments shall be payable in advance in monthly installments, or in annual, semi- or quarter-annual installments if so determined by the Board of Directors of the Master Association (absent which determination they shall be payable monthly). The assessment amount (and applicable installments) may be changed at any time by said Board from that originally stipulated or from any other assessment that is in the future adopted. The original assessment for any year shall be levied for the calendar year (to be reconsidered and amended, if necessary, at any appropriate time during the year), but the amount of any revised assessment to be levied during any period shorter than a full calendar year shall be in proportion to the number of months (or other appropriate installments) remaining in such calendar year. The due date of any special assessment or capital improvement assessment shall be fixed in the Board resolution authorizing such assessment.

7.7 Duties of the Board of Directors. The Board of Directors of the Master Association shall fix the date of commencement and the amount of the assessment against the Units subject to the Master Association's jurisdiction for each assessment period, to the extent practicable, at least thirty (30) days in advance of such date or period, and shall, at that time, prepare a roster of the Units and assessments applicable thereto which shall be kept in the office of the Master Association and shall be open to inspection by any Owner. Written notice of the assessment shall thereupon be sent to every Owner subject thereto twenty (20) days prior to payment of the first installment thereof, except as to special assessments. In the event no such notice of the assessments for a new assessment period is given, the amount payable shall continue to be the same as the amount payable for the previous period, until changed in the manner provided for herein. The Master Association, through the action of its Board of Directors, shall have the power, but not the obligation, to enter into an agreement or agreements from time to time with one or more persons, firms, or corporations (including affiliates of Declarant) for management services, including the administration of budgets and assessments as herein provided. The Master Association shall have all other powers provided in its Articles of Incorporation and By-Laws.

7.8 Effect of Non-Payment of Assessment; the Personal Obligation; the Lien; Remedies of the Association. An Owner shall be in default for failure to pay an Assessment or a Special Assessment if the same, or any part thereof, is not paid to the Master Association in full on or before ten (10) days after the due date for such payment, and such Owner shall be subject to a late fee as determined by the Board. In addition, Assessments and Special Assessments in default shall bear interest at the lesser of the maximum lawful rate or the rate of eighteen percent (18%) per annum from the date due until paid. Each Owner shall be, and remain, personally liable for the payment of all Assessments and Special Assessments which may be levied against such Owner by the Master Association in accordance with this Declaration. No successor in title to a Unit shall be deemed to have assumed personal liability for any obligation to pay Assessments or Special Assessments which were due and owing at the time of conveyance to such successor unless such successor agreed to assume such obligation, but this shall not affect or impair the validity of the lien hereinafter provided for.

The personal obligation of the Owner to pay the Assessments levied by the Master Association (Regular, Special, or otherwise) shall be and are secured by a continuing lien on the Unit and on the rents and insurance proceeds received by the Unit Owner relating to the Owners Unit, such continuing lien being created and reserved herein in favor of the Master Association, and being reserved by the Declarant and granted and assigned to the Master Association without recourse. The Master Association's lien for assessments is created by the recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of a lien shall be required. The lien in favor of the Master Association may be enforced by power of sale as provided in such Section 51.002 of the Texas Property Code, and the expenses incurred in connection therewith, including late fees, interest, costs and attorneys' fees, shall be chargeable to the Owner in default. Each Owner, by acceptance of the Deed to his or her Unit, agrees that the Master Association and its designated agents have the authority, right and power to enforce the above-described liens for Assessments by all legal methods available for the enforcement of liens, including nonjudicial foreclosure pursuant to Section 51.002 of the Texas Property Code. By acceptance of the Deed to his or her Unit, an Owner grants to the Master Association a power of sale in connection with the Master Association's lien. By written resolution, the Board may appoint, from time to time, an officer, agent, trustee, or attorney of the Master Association to exercise the power of sale on behalf of the Master Association. The Master Association shall exercise its power of sale pursuant to Section 51.002 of the Texas Property Code. The Master Association may, but shall not be obligated to, elect to prepare and execute a notice of assessment (a "Notice of Assessment") which sets forth the amount of the unpaid indebtedness, the name of the Owner, and a description of the Unit, and may record the Notice of Assessment in the Real Property Records of Galveston County, Texas. Notice of an unpaid Assessment or Special Assessment and such lien in favor of the Master Association, may be recorded in the Official Records of Galveston County, Texas.

The lien herein provided for may be enforced by the Master Association by non-judicial foreclosure of and on the Unit owned by the defaulting Owner, without prejudice and subject to the aforesaid prior and superior liens, in the same manner as nonjudicial foreclosures under mortgages on real property located in the State of Texas; provided, however, at any time prior to the foreclosure sale, the Owner of the Unit to be sold at such foreclosure sale may avoid foreclosure by paying all amounts due to the Master Association. No foreclosure suit or sale thereunder shall affect or impair any of the prior liens above mentioned. The Board of Directors or any person authorized by it, acting on behalf of the Master Association, shall have power to bid on the Unit being foreclosed at the foreclosure sale, and to acquire, hold, lease, mortgage or convey the same on behalf of the Master Association. All funds realized from any foreclosure sale shall be applied first to the costs and expenses of filing and prosecuting the foreclosure, including all trustee's and attorneys' fees, and then towards payment of the amount due to the Master Association, any amounts due to the Sub-Association (if any), and the remainder, if any, shall be paid over to the Owner or Owners as their interest may appear. Upon the foreclosure

by the Association of the lien provided for herein, the Owner shall be deemed to constitute a Tenant at sufferance of the purchaser of the Unit at such foreclosure sale, and such purchaser shall be entitled to pursue the eviction of such Owner by virtue of forcible entry and detainer proceedings if such Owner fails or refuses to vacate the Unit upon demand. In the event the proceeds realized from the foreclosure sale, applied as aforesaid, shall be insufficient to pay off and discharge the whole amount of the assessments sued on, then the purchaser acquiring title to such Unit at such foreclosure sale, whoever he or she may be, other than the Owner sued, shall not be liable for the deficiency. The defaulting Owner shall remain personally liable to the other Owners paying such deficiency, and the Master Association may pursue recovery of such deficiencies from the defaulting Owner.

The Master Association may, in addition to its rights under this Section 7.8, enforce collection of delinquent Assessments by suit at law for a money judgment, and the expenses incurred in collecting unpaid Assessments or Special Assessments, including interest, costs and attorneys' fees shall be chargeable to the Owner default. The Board may resolve that an Owner in default shall not be entitled to (i) vote at any meeting of the Master Association, (ii) use any of the common amenities, and/or (iii) receive any common services so long as such default is in existence.

No Owner may be exempt from liability for his or her contribution toward the Common Expense Fund of the Master Association by waiver of the use or enjoyment of any of the Shared Facilities or any part thereof, by reason of any grievance against the Master Association, Sub-Association, any Neighborhood Association, Declarant, or any other Owner, or by the abandonment of such Owner's Condominium Unit or his or her interest therein.

In the event of any foreclosure by the Master Association in accordance with the provisions of this Section 7.8, the Unit Owner shall have the right of redemption as set forth in Section 209.011 of the Texas Property Code, as same may be amended or re-codified from time to time hereafter.

7.9 Subordination of the Lien. The lien created and reserved hereby shall be subordinate, secondary, and inferior to (i) assessments, liens, and charges in favor of the State of Texas and any political subdivision thereof for taxes that are due and payable and unpaid on such Unit; (ii) any Mortgage securing the purchase or improvement of property or Unit filed for record prior to the date payment of such Assessment or Special Assessment become due and payable provided they became due and payable prior to the date the holder of the Mortgage acquires title to the Unit; and (iii) all liens securing any lien made to a purchaser for any part of the purchase price of any Unit when such Unit is purchased from the Declarant.

7.10. Collection of Assessments. Assessments levied pursuant hereto shall be collected in the manner established pursuant to Section 8.3 of this Declaration. In the event that at any time said manner provides for collection of assessments levied pursuant hereto to any entity other than the Master Association, all references herein to collection (but not necessarily enforcement) by the Master Association shall be deemed to refer to the other entity performing such collection duties and the obligations of Owners to pay assessments shall be satisfied by making such payments to the applicable collecting entity.

7.11 Declarant's Assessments. Notwithstanding anything herein to the contrary, Declarant shall have the option, in its sole discretion, to (i) pay assessments on the Units owned by it, (ii) pay assessments only on certain designated Units (e.g. those under construction or those Units for which a certificate of occupancy has been issued) or (iii) not pay assessments on any Unit and in lieu thereof fund any resulting deficit in the Master Association's operating expenses not funded by assessments receivable from Owners other than Declarant and any other income receivable by the Master Association. The deficit to be paid

under option (iii), above, shall be the difference between (a) actual operating expenses of the Master Association (exclusive of capital improvement costs and reserves) and (b) the sum of all monies receivable by the Master Association (including, without limitation, assessments, interest, late charges, fines and incidental income) and any surplus carried forward from the preceding year(s). Declarant may from time to time change the option under which Declarant is making payments to the Master Association by written notice to such effect to the Master Association. If Declarant at any time elects option (ii), above, it shall not be deemed to have necessarily elected option (i) or (iii) as to the Units which are not designated under option (ii). When all Units within The Properties are sold and conveyed to purchasers, neither Declarant nor its affiliates shall have further liability of any kind to the Master Association for the payment of assessments, deficits or contributions.

7.12 Association Funds. The portion of all assessments collected by the Master Association for reserves for future expenses, and the entire amount of all special and capital assessments, shall be held by the Master Association and may be invested in interest bearing accounts, in certificates of deposit, or in U.S. Treasury Notes and bills, or other like instruments or accounts available at banks or savings and loan institutions, the deposits of which are insured by an agency of the United States.

7.13 Reserve Fund Contribution. The Master Association may establish and require that, at the time of sale of each Unit (expressly excluding any sale or conveyance in connection with any judicial or nonjudicial foreclosure by a mortgagee of Declarant), that a contribution to the reserves or capital improvement be made in an amount equal to two (2) months of the then existing Assessment applicable to such Unit. Any amounts paid into the Reserve Fund Contribution shall not be considered as advance payments of the Assessment applicable to such Unit and shall be non-refundable. The Reserve Fund Contribution shall not be payable in conjunction with the initial sale of a Unit from the Declarant where a working capital fund contribution has been collected in accordance with Section 12.1(g) hereof.

ARTICLE 8

MASTER ASSOCIATION AND NEIGHBORHOOD ASSOCIATIONS

8.1 Preamble. In order to ensure the orderly development, operation and maintenance of The Properties, including the properties subject to the administration of the Neighborhood Associations as integrated parts of The Properties, this Article has been promulgated for the purposes of (a) giving the Master Association certain powers to effectuate such goal, (b) providing for intended (but not guaranteed) economies of scale and (c) establishing the framework of the mechanism through which the foregoing may be accomplished.

8.2 Cumulative effect; Conflict. The covenants, restrictions and provisions of this Declaration shall be cumulative with those of the Sub-Associations and Neighborhood Associations and the Master Association may, but shall not be required to, enforce the latter; provided, however, that in the event of conflict between or among such covenants, restrictions and provisions, or any articles of incorporation, by-laws, rules and regulations, policies or practices adopted or carried out pursuant thereto, those of the Sub-Associations and Neighborhood Associations shall be subject and subordinate to this Declaration. The foregoing priorities shall apply, but not be limited to, the liens for assessments created in favor of the Sub-Associations, and the Neighborhood Associations as provided for herein. As to any Sub-Associations and Neighborhood Association which is a condominium association, no duties of same hereunder shall be performed or assumed by the Master Association if same are required by law to be performed by the Sub-Associations and Neighborhood Association or if the performance or assumption of such duties would be contrary to the purpose and intent of this

Declaration.

8.3 Collection of Assessments. The Sub-Associations and Neighborhood Associations shall, initially, collect all assessments and other sums due the Master Association, and the applicable Neighborhood Association from the members thereof. The Sub-Associations and Neighborhood Association shall remit the assessments so collected to the respective payees pursuant to such procedures as may be adopted by the Master Association. The sums so collected shall be applied first to the assessments of the Master Association and then to those of the collecting Sub-Associations and Neighborhood Association.

Notwithstanding the priority of disbursements of collected lump sums as provided above, all assessments and special assessments, interest, late charges, recovered costs of collection and other extraordinary impositions shall be remitted to the respective entity imposing same separate and apart from the priorities established above. All fidelity bonds and insurance maintained by a Sub-Association(s) and Neighborhood Association(s) shall reflect any duties performed by it pursuant hereto and the amounts to be received and disbursed by it and shall name the Master Association an obligee/insured party for so long as its assessments are being collected and remitted by the Sub-Association(s) and Neighborhood Association(s). The Master Association may, from time to time by sixty (60) days' prior written notice to the affected Sub-Association(s) and Neighborhood Association(s), change the procedures set forth in this Section 8.3 in whole or in part. In the event of any change in assessment collection procedures elected to be made by either the Sub-Associations and/or the Master Association, the relative priorities of assessment remittances and liens (i.e., the Master Association first and the applicable Sub-Associations and Neighborhood Association second) shall nevertheless still remain in effect, as shall the Master Association's ability to modify or revoke its or their elections from time to time.

8.4 Expense Allocations. The Master Association may, by written notice given to a specific, affected Sub-Association and Neighborhood Association at least sixty (60) days prior to the end of the Neighborhood Association's fiscal year, allocate and assess to the Sub-Associations and Neighborhood Association a share of the expenses incurred by the Master Association which are reasonably allocable solely to the specific Sub-Associations and Neighborhood Association and/or the portion of The Properties within its jurisdiction (e.g. for utilities which are billed to the Master Association, but serve in certain instances, only a Sub-Associations and Neighborhood Association, and street lighting systems). In such event, the expenses so allocated shall thereafter be deemed common expenses of the Sub-Associations and Neighborhood Association payable by it (with assessments collected from its members) to the Master Association.

In the event of a failure of a Sub-Associations and Neighborhood Association to budget or assess its members for expenses allocated as aforesaid, the Master Association shall be entitled to pursue all available legal and equitable remedies against the Sub-Associations and Neighborhood Association or, without waiving its right to the foregoing, specially assess the members of the Sub-Associations and Neighborhood Association and their Units for the sums due (such special assessments, as all others, to be secured by the lien provided for in this Declaration).

8.5 Non-Performance of Sub-Associations and Neighborhood Associations Duties. In addition to the specific rights of the Master Association provided in Section 8.4 above, and subject to the limitations set forth in Section 8.2 of this Declaration, in the event that a Sub-Association and Neighborhood Association fails to perform any duties delegated to, or required of, it under this Declaration or to otherwise be performed by it pursuant to its own declaration, articles of incorporation, by-laws or related documents, which failure continues for a period in excess of thirty (30) days after the Master Association's giving notice thereof, then the Master

Association may, but shall not be required to, assume such duties. In such event, the Sub-Associations and Neighborhood Association shall not perform such duties unless and until such time as the Master Association directs it to once again do so.

8.6 Conflict. In the event of conflict between this Article 8, as amended from time to time, and any of the other covenants, restrictions or provisions of this Declaration or the Articles of Incorporation, By-Laws or rules and regulations of the Master Association all as amended from time to time, the provisions of this Article shall supersede and control.

8.7 Merger of Sub-Associations; Dissolution of Master Association. In the event that all of the Sub-Associations subject the jurisdiction of the Master Association merge into one Association which expressly assumes the obligation of the Master Association, the Master Association may be dissolved. Any such merger and dissolution shall require the affirmative vote of not less than 66% of all Units subject to this Declaration and all of the Owners of any other portion of The Property not constituting Units.

ARTICLE 9

RULES; ENFORCEMENT

9.1 Compliance by Owners. Every Owner and its guests, tenants and invitees shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Master Association as to The Properties and as to the Shared Facilities. The initial Rules as adopted by the Master Association are attached as Exhibit "C".

9.2 Enforcement. Failure of an Owner or his guests, tenants or invitees to comply with such restrictions, covenants or rules and regulations shall be grounds for immediate action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof. The Master Association shall have the right to suspend the rights of use of Shared Facilities, except in each instance for legal access, of defaulting Owners. The offending Owner shall be responsible for all costs of enforcement including attorneys' fees actually incurred and court costs.

9.3 Fines. In addition to all other remedies, and to the maximum extent lawful, in the sole discretion of the Board of Directors of the Master Association, a fine or fines may be imposed upon an Owner for failure of an Owner or his guests, tenants or invitees to comply with an covenant, restriction, rule or regulation, in accordance with the Rules.

ARTICLE 10

DAMAGE OR DESTRUCTION TO THE PROPERTIES

In the event of the damage or destruction of any improvement or building located within The Properties which is part of a condominium regime, the repair, reconstruction, or decision not to rebuild shall be governed by the terms of the respective condominium declaration governing such improvement or building, provided always that (i) the members of the Master Association must ratify and approve any decision of the owners of such condominium property to terminate or not rebuild (by 2/3rds consent of those members present in person or by proxy at a meeting held for such purpose where a quorum is present) and (ii) all rebuilding, repairs, and reconstruction shall be performed or completed, by the Master Association; each Owner, by accepting his/her/its deed to his/her/its Property, having been deemed to appoint the Master Association as attorney-in-fact for the repair, reconstruction and replacement.

The Master Association shall be obligated to repair, rebuild or replace, any portion of the Shared Facilities which are damaged or destroyed, unless the Members of the Master Association vote not to repair or rebuild in whole or part (by 2/3rds) consent of those Members present in person or by proxy at a meeting held for such purpose where a quorum is present).

ARTICLE 11

INSURANCE ON THE PROPERTIES

The Master Association shall provide such insurance coverage on the buildings, the Shared Facilities, and improvements located in The Properties for such coverage and in such amounts as the Master Association shall deem necessary. Provided, however, that as to any buildings or improvements constituting a portion of any condominium regime, the terms of the respective condominium declaration shall control, and the Master Association shall insure all buildings and improvements, including the Units but excluding any improvements and/or betterments above and beyond the original building standard. In the event that a specific Unit Owner desires to include any improvements or betterment above and beyond the original building standard, and if the Master Association is able to so include same in its master policy, the Master Association shall invoice, as a special assessment to such Unit Owner only, that portion of the increased premium applicable to such improvements and betterments.

ARTICLE 12

MORTGAGES AND MORTGAGEE PROTECTIONS

12.1 Mortgages and Mortgagee Protections. The following provisions are added hereto (and to the extent these added provisions conflict with any other provisions of this Declaration, these additional provisions shall control):

- a. Record of Mortgages. Any Owner who mortgages his or her interest in a Unit shall, within ten (10) days after the execution of such mortgage, give notice to the Master Association in writing of the name and address of his or her mortgagee (sometimes referred to herein as "Mortgagee" or "First Mortgagee") and of any eligible insurer, guarantor, or collateral assignee of his or her Mortgagee, and the amount secured by the mortgage, and the Master Association shall maintain such information in its records (the "Record of Mortgages") entitled "Mortgages of Condominium Units." The Record of Mortgages shall be separately maintained by the Master Association or by a person designated by the Association. Each Owner shall, in the same manner, notify the Master Association as to the release or discharge of any such mortgage.
- b. Notices to Mortgagees. The Master Association shall, at the written request of any Mortgagee, insurer, guarantor, or collateral assignee of a Mortgagee appearing in the Record of Mortgages, notify such Mortgagee, insurer, guarantor, or collateral assignee of a Mortgagee of (i) any unpaid assessments due from the Owner of such Unit to the Master Association, (ii) the name of each company insuring The Properties under the Master Policy and the amounts of the coverages thereunder, and of any lapse, cancellation or material modification thereof, (iii) any monetary default by an Owner, (iv) the Master Association's intent to foreclose its lien in accordance with Article 7, (v) any proposed action that requires the consent of a specified percentage of Mortgagees, and (vi) any casualty to, or taking of, either a material portion of The

Properties or the Unit securing its loan.

- c. Effect on Mortgagees. Any First Mortgagee, upon foreclosure of its lien on a Unit, or upon acceptance of a deed in lieu of foreclosure thereon, shall not be required to pay any unpaid assessments owing thereon which accrue after the date of recordation of its First Mortgage and prior to the acquisition of title to such Unit by any such First Mortgagee, but shall be liable for such unpaid assessments accruing from and after the date that such First Mortgagee or its assignee acquires title to such Unit. Any assessment lien created or claimed hereunder as to any Unit shall be subject and subordinate to the rights of any holder of any duly recorded First Mortgage upon such Unit made in good faith and of value as to assessments due and payable after the date of recordation of such mortgage and prior to the date such First Mortgagee acquires title to such Unit. Except as expressly set forth herein, no lien created under the provisions of this Declaration shall in any way defeat, invalidate or impair the rights of any First Mortgagee under any such duly recorded First Mortgage unless such First Mortgagee thereunder shall expressly subordinate its interest, in writing, to such lien.
- d. Subordination Agreements. Notwithstanding anything contained in this Declaration to the contrary, the Association may, upon the affirmative vote of Owners entitled to vote and holding in the aggregate more than fifty percent (50%) of the Percentages of Common Interest Ownership assigned to all Units, execute a subordination agreement or agreements to extend the benefits of the two preceding paragraphs to mortgages, deeds of trust and Mortgagees not otherwise entitled thereto.
- e. Binding on Mortgagees. No breach of any provision of this Declaration shall impair or invalidate the lien of any duly recorded mortgage or deed of trust made in good faith and for value encumbering one (1) or more Condominium Units; provided, however, that all the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitude contained in this Declaration shall be binding upon and effective against any person who acquires title to or any beneficial interest in any Condominium Unit by way of foreclosure or otherwise.
- f. Financial Statements. To the extent the Association does not have an audited financial statement, any First Mortgagee shall have the right to have an audited financial statement prepared at its own expense.
- g. Working Capital Requirements. Declarant shall establish a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services. The working capital fund established by Declarant shall be in an amount that is equal to two (2) months of estimated Common Expenses for each Unit. The Declarant's obligation to establish such fund shall be satisfied either at the time the sale of the Unit is closed or when control of the Condominium is transferred to the Owners, whichever is earlier. The Declarant shall be entitled to reimburse itself from each purchaser of a Unit upon the closing of the sale of each Unit from the Declarant to a purchaser. Any amounts paid into the working capital fund shall not be considered as advance payments of regular Common Expense assessments and shall be non-refundable. The

working capital fund shall be transferred to the Association for deposit to a segregated fund when control of the Association is transferred to the Owners.

Declarant shall not use working capital funds to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association. Upon the sale of any unsold Unit, Declarant shall be entitled to reimburse itself for any funds it paid to the Association for any unsold Unit's share of the working capital fund by using funds collected at closing when the Unit is sold.

ARTICLE 13

INSURANCE ON SHARED FACILITIES

13.1 Shared Facilities. The Master Association shall keep all improvements, facilities and fixtures located within the Shared Facilities insured against loss or damage by fire or other casualty in such reasonable amounts (with reasonable deductibles), and shall obtain insurance (including, without limitation, liability insurance) against such other hazards and casualties as the Master Association may deem desirable, with the Master Association as the owner and beneficiary of such insurance for and on behalf of itself and all Members. The insurance coverage with respect to the Shared Facilities shall be written in the name of, and the proceeds thereof shall be payable to, the Master Association. Insurance proceeds shall be used by the Master Association, in its discretion, for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Master Association are expenses to be assessed against the Owners in accordance with Section 15 below.

13.2 Replacement or Repair of Property. In the event of damage to or destruction of any portion of the Shared Facilities, the Master Association shall make the determination as to whether or not to repair or replace the Shared Facilities, and if so, in what manner.

13.3 "Blanket" Insurance. The requirements of this Article may be met by way of the Master Association being an insured party under any coverage carried by it, or any affiliate or agent of it as long as such coverage is in accordance with the amounts and other standards stated in this Article.

ARTICLE 14

FUTURE IMPROVEMENT EASEMENTS

14.1 Future Improvement Easements. The following easements are hereby reserved over, under and upon The Properties in order to allow for the construction and use of future improvements on The Properties and the integration of same with existing improvements on The Properties.

- a. Utilities. Easements are reserved under, through and over The Properties as may be required from time to time for utility, cable television, communications and monitoring systems, and other services and drainage in order to serve The Properties. During the Declarant Control Period, the Declarant, and thereafter, the Master Association, shall have the right to approve specific locations for the construction of such utilities throughout The Properties. A Sub-Association shall do nothing within or

outside the property subject to its jurisdiction that interferes with or impairs, or may interfere with or impair, the providing of such utility, cable television, communications and security systems, or other service or drainage facilities or the use of these easements. The Owner from time to time of any portion of The Properties shall have a right of access upon The Properties to maintain, repair or replace the pipes, wires, ducts, vents, cables, conduits and other utility, cable television, communications and similar systems, hot water heaters, service and drainage facilities, and to remove any improvements interfering with or impairing such facilities or easements herein reserved; provided such right of access, except in the event of an emergency, shall not unreasonably interfere with the Owner's permitted use of the Unit, and except in the event of an emergency, entry shall be made on not less than one (1) days' notice (which notice shall not, however, be required if the Unit Owner is absent when the giving of notice is attempted).

- b. Ingress/Egress. A non-exclusive easement in favor of the Owners of Lots 2 and 3 of The Properties and their guests, tenants and invitees shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks, and other portions of Lots 2 and 3 of The Properties as from time to time may be intended and designed for such purpose and use; and for vehicular use (including, without limitation, construction vehicles) and pedestrian traffic over, through and across, Lots 2 and 3 of The Properties as from time to time may be paved and intended for such purposes. Further, a non-exclusive easement in favor of the Owners of Lots 1 and 3 of The Properties and their guests, tenants, and invitees shall exist for pedestrian traffic over, through and across sidewalks, streets, paths, walks, and other portions of Lots 1 and 3 of The Properties as from time to time may be intended and designated for such purpose and use; and for vehicular use (including, without limitation, construction vehicles) and pedestrian traffic over, through and across Lots 1 and 3 of The Properties as from time to time may be paved and intended for such purpose.
- c. Construction Activity. Declarant (including its designees, contractors, successors and assigns) shall have the right, in its (and their) sole discretion from time to time, to enter The Properties and take all other action necessary or convenient for the purpose of erecting any improvements located or to be located upon the Future Development Property (for so long as any portion of same is owned by Declarant) and for repair, replacement and maintenance or warranty purposes or where the Declarant, in its sole discretion, determines that it is required or desires to do so.
- d. Sales, Rental, and marketing Activity. For as long as the Declarant has any ownership interest in The Properties, the Declarant, its designees, successors and assigns, shall have the right to use portion of The Properties for sales, rental, leasing, marketing and/or construction offices relating to the development of The Properties, to show same to prospective purchasers and tenants, and to erect signs and other promotional material to advertise any portion of The Properties for sale or lease.

ARTICLE 15

PROVISIONS REGARDING SHARED FACILITIES

15.1 Easements. Given the integration of the improvements on the Trade Winds/The Beach Club Condominium (and potentially, any improvements which may be constructed upon other portions of The Properties), the following easements are hereby reserved and granted over under and upon The Properties, subject to all of the other provisions of this Article 15:

- a. Support. In the event that any structure(s) is constructed so as to transverse lines dividing the Trade Winds/The Beach Club Condominium or any other Lot and/or to be connected in any manner to any structure on any other portion of The Properties, then there shall be (and there is hereby declared and created) a perpetual easement of support, maintenance, repair, and replacement of such structure(s) as well as for the installation, maintenance, repair and replacement of all utility lines and equipment and any other technological services (whether or not now existing) serving said structure(s) which are necessarily or conveniently located within The Properties.
- b. Construction and Installation and Maintenance of Shared Facilities. A perpetual exclusive easement is hereby reserved (and declared and created) over, under and upon The Properties for the construction and installation of the Shared Facilities and the operation repair, replacement, maintenance, alteration and relocation of same.
- c. Use. Subject to such rules and regulations as may be established from time to time by the Master Association, a non-exclusive easement is hereby reserved (and declared and created) over, under and upon such portions of The Properties as may be designated from time to time by the Master Association for the use, benefit and enjoyment of any Shared Facilities that may be constructed thereon from time to time in favor of The Properties.

15.2 Maintenance. The Master Association shall maintain in good repair, and shall replace as often as necessary, the Shared Facilities, all such work to be done as determined and ordered by the Master Association. All work pursuant to this Section related to the foregoing shall be paid for through assessments (either general or special) imposed in accordance herewith. In the event that any Sub-Association requests the Master Association to repair or replace any portions of that Sub-Associations property other than the Shared Facilities which would not otherwise fall under the Master Association's responsibilities, then the Master Association may do so as long as all costs and expenses thereof are paid by the applicable Sub-Association. No Sub-Association or Owner may waive or otherwise escape liability for assessments to the Master Association by non-use (whether voluntary or involuntary) of the Shared Facilities or abandonment of the right to use same. Notwithstanding anything herein contained to the contrary, the Master Association shall be excused and relieved from any and all maintenance, repair and/or replacement obligations under this Section to the extent that the funds necessary to perform same are not available through the assessments imposed and actually collected. The Master Association shall have no obligation to fund and/or advance any deficit or shortfall in funds needed by the Master Association in order to properly perform the maintenance, repair and/or replacement obligations described herein.

15.3 Easement. An easement is hereby reserved and created in favor of the Master Association and its applicable designees over The Properties for the purpose of entering onto

any portion of The Properties for installation of any of the Shared Facilities and/or in the performance of the maintenance, repair and replacement obligations herein described, provided that the Master Association shall use reasonable efforts to minimize interference with the other proper uses of The Properties.

ARTICLE 16

GENERAL PROVISIONS

16.1 Duration. (a) The covenants and restrictions of this Declaration shall run with and bind The Properties, and shall inure to the benefit of and be enforceable by the Master Association, Declarant (at all times) and the Owners of any land subject to this Declaration, and their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, (b) Provided, however, that this Declaration may be revoked and terminated in the event that, and subject to the conditions precedent that (i) all declarations or dedicatory instruments submitting any portion of The Properties subject hereto to condominium regimes are also revoked and terminated in accordance with their respective applicable revocation or termination provisions; (ii) any other restrictive covenants or dedicatory instruments (whether planned unit developments or otherwise) covering any other portions of The Properties subject hereto which are non-condominiums are also revoked or terminated in accordance with their respective applicable revocation and termination provisions; and (iii) all other Owners of land within The Properties subject hereto and not subject to any declaration or dedicatory instruments consent to such revocation and termination.

16.2 Notice. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when personally delivered, manually or electronically, or mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing. Electronic delivery shall be deemed complete when the notice is successfully faxed or e-mailed to the Owner at the fax or e-mail address provided to the Association by the Owner.

16.3 Enforcement. Enforcement of these covenants and restrictions shall be accomplished by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the Units to enforce any lien created by these covenants; and failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The Master Association and each of the Owners is/are empowered to enforce any of the covenants and restrictions herein contained.

16.4 Interpretation. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions and interpretation or construction. Unless the context requires a contrary construction, the singular shall include the plural and the plural the singular, and the masculine, feminine and neuter genders shall each include the others.

16.5 Severability. Invalidation of any one of these covenants or restrictions or any part, clause or word hereof, or the application thereof in specific circumstances, by judgment or court order shall not affect any other provisions or applications in other circumstances, all of which shall remain in full force and effect.

16.6 Effective Date. This Declaration shall become effective upon its recordation in the Public Records of the County.

16.7 Amendment. In addition, but subject, to any other manner herein provided for the amendment of this Declaration, the covenants, restrictions, easements, charges and liens of this Declaration may be amended, changed or added to at any time and from time to time upon the execution and recordation of an instrument executed by Declarant, for so long as it holds title to any Unit or any portion of any Lot affected by this Declaration; or alternatively, by an instrument signed by the President of the Master Association, attested to by its Secretary and certifying that the amendment set forth in the instrument was adopted by the approval of at least 66-2/3% of the Members (whether such approval was obtained at a duly called meeting thereof or on an amendment document circulated among the Members without a meeting), provided that so long as Declarant is the Owner of any Unit or any Lot affected by this Declaration or any Mortgagee of Declarant continues to hold a lien on any Unit or Lot affected by this Declaration, no amendment to this Declaration may affect the Declarant's rights herein without the Declarant's or such Mortgagee's written, acknowledged consent which consent shall not be unreasonably withheld or delayed. Specifically, this Section 16.7 may not be amended without the prior written approval of the Declarant, any Mortgagee holding a first priority mortgage lien on any of Declarant's interest in The Properties, Units or Declarant's rights hereunder and the consent of Declarant and any such Mortgagee shall be a part of any amendment instrument. Provided further, however, that after the termination of the Declarant Control Period, no amendment to this Declaration, the Bylaws, or the Rules materially adversely affecting the right or obligations of the Owners of any of the Commercial Unit(s) or Roof-top Commercial Unit(s) (as defined in, and as now or hereafter created with any condominium regime created within any portion of The Properties) shall be valid unless such amendment is also approved by the Owner(s) of the Commercial Unit(s) or Roof-top Commercial Unit(s) (as defined in, and as now or hereafter created within any condominium regime created within any portion of The Properties) affected by such amendment.

16.8 Conflict. This Declaration shall take precedence over conflicting provisions in the Articles of Incorporation and By-Laws of the Association and said Articles shall take precedence over the By-Laws.

16.9 Cooperation. Each Owner, by acceptance of a deed therefore or other conveyance thereof, whether or not it shall be so express in such deed or other conveyance, shall be deemed to covenant and agree, to cooperate in, and support, any and all zoning, administrative, governmental and/or quasi-governmental filings, applications, requests, submissions and other actions necessary or desired for development and/or improvement of The Properties, including, without limitation, signing any required applications, plats, etc. as the Owner of any portion of The Properties owned or controlled thereby when necessary or requested.

16.10 Standards for Consent, Approval and Other Actions. Whenever this Declaration shall require the consent, approval, completion, substantial completion, or other action by the Declarant or its affiliates, any successor to Declarant or Declarant's rights, the Master Association or the Architectural Control Committee, such consent, approval or action may be withheld in the sole and unfettered discretion of the party requested to give such consent or approval or take such action, and all matters required to be completed or substantially completed by the Declarant or its affiliates or the Master Association shall be deemed so completed or substantially completed when such matters have been completed or substantially completed in the reasonable opinion of the Declarant or Master Association, as appropriate.

16.11 Easements. Should the intended creation of any easement provided for in this Declaration fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to have been so created shall nevertheless be considered as having been granted directly to the Master Association as agent for such intended grantees for the purpose of allowing the original party or parties to whom the easements were originally intended to have been granted the benefit of such easement and the Owners designate hereby the Declarant and the Master Association (or either of them) as their lawful attorney-in-fact to execute any instrument on such Owners' behalf as may hereafter be required or deemed necessary for the purpose of later crating such easement as it was intended to have been created herein. Formal language of grant or reservation with respect to such easements, as appropriate, is hereby incorporated in the easement provisions hereof to the extent not so recited in some or all of such provisions.

16.12 No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of The Properties to the public, or for any public use.

16.13 Constructive Notice and Acceptance. Every person who owns, occupies or acquires any right, title, estate or interest in or to any Lot and/or Unit or other property located on or within The Properties, shall be conclusively deemed to have consented and agreed to every limitation, restriction, easement, reservation, condition, lien and covenant contained herein, whether or not any reference hereto is contained in the instrument by which such person acquired an interest in such Unit, structure or other property.

16.14 Use of Names, Proprietary Information. The names "Palisade Palms" "Trade Winds", and "The Beach Club" as used within this document and related documents referenced herein which relate to the Subdivision, The Properties, and the Trade Winds/The Beach Club Condominium located in Galveston, Galveston County, Texas are proprietary to Declarant and may not be used by any person or entity for any commercial use, pecuniary gain, or profit; and may not be used for any personal use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites, or other methods or manner of communication without the prior written consent or authorization of the Declarant. The violation of the foregoing provisions shall be subject to injunctive relief. Similarly, the use of the names Trade Winds/The Beach Club Association, and the Master Association shall be proprietary to the respective associations and may not be used by any person or entity for any commercial use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites or other methods or manner of communication without the prior consent of or authority of the respective Association. The violation of the foregoing shall be subject to injunctive relief.

16.15 NO REPRESENTATIONS OR WARRANTIES. NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, HAVE BEEN GIVEN OR MADE BY DECLARANT OR ITS AGENTS OR EMPLOYEES IN CONNECTION WITH ANY PORTION OF THE PROPERTY, THE SHARED FACILITIES, THEIR PHYSICAL CONDITION, ZONING, COMPLIANCE WITH APPLICABLE LAWS, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR IN CONNECTION WITH THE SUBDIVISION, SALE, OPERATION, MAINTENANCE, COST OF MAINTENANCE, TAXES OR REGULATION THEREOF, EXCEPT (A) AS SPECIFICALLY AND EXPRESSLY SET FORTH IN THIS DECLARATION OR IN DOCUMENTS WHICH MAY BE FILED BY DECLARANT FROM TIME TO TIME WITH APPLICABLE REGULATORY AGENCIES, AND (B) AS OTHERWISE REQUIRED BY LAW. AS TO SUCH WARRANTIES WHICH CANNOT BE DISCLAIMED, AND TO OTHER CLAIMS, IF ANY, WHICH CAN BE MADE AS TO THE AFORESAID MATTERS, ALL INCIDENTAL AND CONSEQUENTIAL DAMAGES ARISING THEREFROM ARE HEREBY DISCLAIMED. ALL OWNERS, BY VIRTUE OF ACCEPTANCE OF TITLE TO THEIR RESPECTIVE UNITS AND/OR

STRUCTURES (WHETHER FROM THE DECLARANT OR ANOTHER PARTY) SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ALL OF THE AFORESAID DISCLAIMED WARRANTIES AND INCIDENTAL AND CONSEQUENTIAL DAMAGES.

16.16 Covenants Running With The Land. Anything to the contrary herein notwithstanding and without limiting the generality (and subject to the limitation(s) of Section 16.1 hereof), it is the intention of all parties affected hereby (and their respective heirs, personal representatives, successors and assigns) that these covenants and restrictions shall run with The Properties and with title to The Properties. Without limiting the generality of Section 16.5 hereof, if any provision or application of this Declaration would prevent this Declaration from running with The Properties as aforesaid, such provision and/or application shall be judicially modified, if at all possible, to come as close as possible to the intent of such provision or application and then be enforced in a manner which will allow these covenants and restrictions to so run with The Properties; but if such provision and/or application cannot be so modified, such provision and/or application shall be unenforceable and considered null and void in order that the paramount goal of the parties (that these covenants and restrictions run with The Properties as aforesaid) be achieved.

16.17 No Material Adverse Action. Notwithstanding any contrary provision contained herein, in the event any mortgagee of Declarant's Units or of the rights of Declarant in the condominium succeeds to Declarant's interest in such Units by way of judicial or nonjudicial foreclosure neither Declarant, the Association or any other Unit Owner shall take any action or amend the provisions of the Declaration, cause the Association to take any action or make such amendment which would materially and adversely affect such Units without the prior written consent of such mortgagee, which consent shall not be unreasonably withheld or delayed.

ARTICLE 17

DISCLAIMER OF LIABILITY OF MASTER ASSOCIATION

17.1 NOTWITHSTANDING ANYTHING CONTAINED HEREIN OR IN THE ARTICLES OF INCORPORATION, BY-LAWS, ANY RULES OR REGULATIONS OF THE MASTER ASSOCIATION OR ANY OTHER DOCUMENT GOVERNING OR BINDING THE MASTER ASSOCIATION (COLLECTIVELY, THE "ASSOCIATION DOCUMENTS"), THE MASTER ASSOCIATION, AND ITS DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES AND EMPLOYEES AND AGENTS), SUB-CONTRACTORS, THEIR OFFICERS, DIRECTORS, THEIR SUCCESSORS AND ASSIGNS SHALL NOT BE LIABLE OR RESPONSIBLE FOR, OR IN ANY MANNER A GUARANTOR OR INSURER OF, THE HEALTH, SAFETY OR WELFARE OF ANY OWNER, OCCUPANT OR USER OF ANY PORTION OF THE PROPERTIES INCLUDING, WITHOUT LIMITATION, RESIDENTS AND THEIR FAMILIES, GUESTS, INVITEES, AGENTS, SERVANTS, CONTRACTORS OR SUBCONTRACTORS OR FOR ANY PROPERTY OF ANY SUCH PERSONS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING:

- a. IT IS THE EXPRESS INTENT OF THE ASSOCIATION DOCUMENTS THAT THE VARIOUS PROVISIONS THEREOF WHICH ARE ENFORCEABLE BY THE MASTER ASSOCIATION AND WHICH GOVERN OR REGULATE THE USES OF THE PROPERTIES HAVE BEEN WRITTEN, AND ARE TO BE INTERPRETED AND ENFORCED, FOR THE SOLE PURPOSE OF ENHANCING AND MAINTAINING THE ENJOYMENT OF THE PROPERTIES AND THE VALUE THEREOF:

- b. THE MASTER ASSOCIATION IS NOT EMPOWERED, AND HAS NOT BEEN CREATED, TO ACT AS AN ENTITY WHICH ENFORCES OR ENSURES THE COMPLIANCE WITH THE LAWS OF THE UNITED STATES, STATE OF TEXAS, THE COUNTY, THE CITY AND/OR ANY OTHER JURISDICTION OR THE PREVENTION OF TORTIOUS ACTIVITIES, AND
- c. ANY PROVISIONS OF THE ASSOCIATION DOCUMENTS SETTING FORTH THE USES OF ASSESSMENTS WHICH RELATE TO HEALTH, SAFETY AND/OR WELFARE SHALL BE INTERPRETED AND APPLIED ONLY AS LIMITATIONS ON THE USES OF ASSESSMENT FUNDS, AND NOT AS CREATING A DUTY OF THE MASTER ASSOCIATION TO PROTECT OR FURTHER THE HEALTH, SAFETY OR WELFARE OF ANY PERSON(S), EVEN IT ASSESSMENT FUNDS ARE CHOSEN TO BE USED FOR ANY SUCH REASON.

EACH OWNER (BY VIRTUE OF HIS ACCEPTANCE OF TITLE TO HIS UNIT) AND EACH OTHER PERSON HAVING AN INTEREST IN OR LIEN UPON, OR MAKING ANY USE OF, ANY PORTION OF THE PROPERTIES (BY VIRTUE OF ACCEPTING SUCH INTEREST OR LIEN OR MAKING SUCH USES) SHALL BE BOUND BY THIS ARTICLE AND SHALL BE DEEMED TO HAVE AUTOMATICALLY WAIVED ANY AND ALL RIGHTS, CLAIMS, DEMANDS AND CAUSES OF ACTION AGAINST THE MASTER ASSOCIATION ARISING FROM OR CONNECTED WITH ANY MATTER FOR WHICH THE LIABILITY OF THE MASTER ASSOCIATION HAS BEEN DISCLAIMED IN THIS ARTICLE.

AS USED IN THIS ARTICLE, "MASTER ASSOCIATION" SHALL INCLUDE WITHIN ITS MEANING ALL OF THE MASTER ASSOCIATION'S DIRECTORS, OFFICERS, COMMITTEE AND BOARD MEMBERS, EMPLOYEES, AGENTS, CONTRACTORS (INCLUDING MANAGEMENT COMPANIES THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS), SUBCONTRACTORS, SUCCESSORS AND ASSIGNS. THE PROVISIONS OF THIS ARTICLE SHALL ALSO INURE TO THE BENEFIT OF DECLARANT, WHICH SHALL BE FULLY PROTECTED HEREBY.

17.2 Non-Liability of Master Association and Declarant for Security. Without limitation of any other provision of this Declaration, each Owner and their Occupants, family, guests and invitees, covenant and agree with respect to any and all security services, systems and facilities provided directly or indirectly by the Master Association as follows:

- a. Security is the sole responsibility of local law enforcement agencies and individual Owners, their Occupants, and their respective guests and invitees. It is acknowledged that the Master Association has no obligation whatsoever to provide security. Security services, systems and facilities may but shall not be required to be provided at the sole discretion of the Board of Directors. The provision of any security services, systems and facilities at any time shall in no way prevent the Board thereafter electing to discontinue or temporarily or permanently remove such security service, systems and facilities or any part thereof.
- b. Any third party providers of security services (including those providing maintenance and repair of security systems and facilities) shall be independent contractors, the acts or omissions of which shall not be imputed to the Master Association or its officers, directors, committee members, Manager, agents or employees.

- c. Providing of any security services, systems and facilities shall never be construed as an undertaking by the Master Association to provide personal security or as a guarantee or warranty that the presence of any security service, systems or facilities will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause.
- d. EACH OWNER, BY HIS ACCEPTANCE OF A DEED TO A RESIDENCE UNIT, SHALL BE DEEMED TO HAVE WAIVED, ON BEHALF OF SUCH OWNER AND SUCH OWNER'S OCCUPANTS, AND THEIR RESPECTIVE FAMILY MEMBERS, GUESTS, TENANTS AND INVITEES, ANY AND ALL CLAIMS, NOW OR HEREAFTER ARISING AGAINST THE DECLARANT AND THE MASTER ASSOCIATION AND THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, MANAGER, MANAGING AGENTS AND EMPLOYEES ARISING OUT OF OR RELATING TO ANY INJURIES, LOSS OR DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, OR THE DISCONTINUATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT OR THE MASTER ASSOCIATION OR THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, AGENTS, CONTRACTORS OR EMPLOYEES.
- e. To the extent the release in this Article is not deemed effective as to any Occupant, or any family member, guest or invitee of an Owner or Occupant of a Unit, the Owner of each Unit hereby indemnifies and agrees to defend and hold harmless the Declarant and the Master Association, and their respective officers, directors, committee members, Manager, managing agents, and employees from and against any and all claims, actions, suits, judgments, damages, costs and expenses (including attorney fees and court costs) arising from bodily injury (including, without limitation, mental anguish, emotional distress and death) and/or loss or damage to property suffered or incurred by any such Occupant of such Unit, or any family member, guest or invitee of the Owner or Occupant of such Unit, as a result of criminal activity within or in the vicinity of the Property, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT, THE MASTER ASSOCIATION OR THEIR RESPECTIVE OFFICERS, DIRECTORS, COMMITTEE MEMBERS, AGENTS, CONTRACTORS OR EMPLOYEES.
- f. Any obligation or liability of the Association which is borne by the Master Association because of an Owner not abiding by such waiver, release and indemnity obligations under this Article shall be assessed by the Master Association against the Unit of the Owner who failed to perform such obligation giving rise to such liability, as an Assessment against such Unit and its Owner. Nothing herein shall make any Owner of a Unit liable to the Master Association or any other Unit Owner for any bodily injury (defined above) and/or loss or damage to property of the Occupant, family member, guest or invitee of any other Unit Owner.

17.3 Mortgagee Not Liable For Obligations Of Declarant. The Declarant shall have the right to assign for collateral purposes its rights as the Declarant hereunder to a third party which holds a mortgage lien upon all or a portion of the Declarant's interests in The Properties, Units or its rights hereunder. In the event of such an assignment, if the assignee thereof (or another party obtaining such rights as a result of a foreclosure or other transfer at the direction of the assignee following a default by the Declarant) succeeds (a "Successor Declarant") to the interests of the Declarant, then the Successor Declarant shall have no liability or responsibility for any default or failure of the initial Declarant to have met its obligations hereunder, and such Successor Declarant shall be responsible only for the obligations of the Declarant which accrue from and after such transfer of rights to the Successor Declarant.

[REST OF PAGE INTENTIONALLY LEFT BLANK]

RECORDER'S MEMORANDUM

At the time of recordation, this instrument was found to be inadequate _____

NO NOTARY SEAL AT RECORDING TIME

EXECUTED as of the date first above written.

EAST BEACH PROJECT PHASE I, LTD.,
a Texas Limited Partnership
By: East Beach Project Holdings L.L.C.,
a Texas Limited Liability Company
its sole General Partner

By: [Signature]
Richard Anderson, Vice President/Manager

Consent to submission to the Planned Unit Development of property owned by the undersigned and confirmation that the sole Declarant herein is East Beach Project Phase I, Ltd.

EAST BEACH PBA, L.L.C.

By: [Signature]
Arnold C. Tauch, Manager

EAST BEACH PROJECT PHASE II, Ltd.
By: East Beach Project Phase II Interests, L.L.C.

By: [Signature]
Arnold C. Tauch, Manager

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 2nd day of May, 2008, by Richard Anderson, Vice President and Manager of East Beach Project Holdings L.L.C., a Texas Limited Liability Company, the sole General Partner of East Beach Project Phase I, Ltd., a Texas Limited Partnership, on behalf of said Partnership.

[Signature]
Notary Public - State of Texas

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 2nd day of May, 2008, by Arnold C. Tauch, Manager of East Beach PBA, L.L.C., a Texas Limited Liability Company, on behalf of said Company.

[Signature]
Notary Public - State of Texas

STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 2nd day of May, 2008, by Arnold C. Tauch, Manager of East Beach Project Phase II Interests L.L.C., a Texas Limited Liability Company, the General Partner of East Beach Project Phase II, Ltd., a Texas Limited Partnership, on behalf of said Partnership.

[Signature]
Notary Public - State of Texas

SUBORDINATION

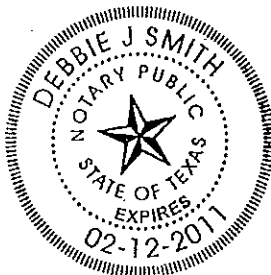
The undersigned, in consideration of \$10.00 and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, by signing below does hereby consent to the filing of the Amended and Restated Declaration Of Covenants, Conditions, Restrictions And Easements For Palisade Palms (A Planned Unit Development Subdivision) ("Amended and Restated Master Declaration") and agrees that (i) the Deed of Trust dated July 8, 2005, filed for record on July 12, 2005, under Galveston County Clerk's File No. 2005047085, executed by East Beach Project Phase I, Ltd., a Texas limited partnership, to David Mendez, Trustee for the benefit of JP Morgan Chase Bank, N.A., as agent for itself and certain other lenders ("Mortgagee") and (ii) the Deed of Trust and Security Agreement dated April 11, 2008, filed for record on April 14, 2008, under Galveston County Clerk's File No. 2008020352, executed by East Beach Project Phase I, Ltd., a Texas limited partnership, to Randall B. Durant, Trustee for the benefit of Mortgagee, are hereby subordinated to and made subject to the Amended and Restated Master Declaration. The Mortgagee makes no representation or warranty of any kind concerning the Amended and Restated Master Declaration, any of its terms or provisions, or the legal sufficiency thereof, and does not assume, and is not responsible for, any of the obligations or liabilities of Declarant in the Amended and Restated Master Declaration.

JPMorgan Chase Bank, N.A., as agent for itself and certain other lenders

By: Erik S. Larson
Name: Erik S. Larson
Title: Assistant Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was executed before me on May 1 2008, by Erik S. Larson, a Asst. Vice President of JPMorgan Chase Bank, N.A., a national banking association, on behalf of said association.



Debbie J. Smith
Notary Public - State of Texas

EXHIBIT "A"
(to Palisade Palms Master Declaration)

ARTICLES OF INCORPORATION

PALISADE PALMS MASTER ASSOCIATION, INC.

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Roger Williams
Secretary of State

Office of the Secretary of State

CERTIFICATE OF INCORPORATION OF

Palisade Palms Master Association, Inc.
Filing Number: 800516272

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation.

Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 07/08/2005

Effective: 07/08/2005



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

ARTICLES OF INCORPORATION

OF

PALISADE PALMS MASTER ASSOCIATION, INC.

FILED
In the Office of the
Secretary of State of Texas

JUL 08 2005

Corporations Section

The undersigned, a natural person over the age of eighteen years, acting as incorporator of Palisade Palms Master Association, Inc. (the "**Association**") under the Texas Non-Profit Corporation Act (the "**Act**"), does hereby adopt the following Articles of Incorporation (these "**Articles**") for the Association:

ARTICLE I

Master Association

The Association shall be, mean, and constitute the "Master Association", as more specifically described in that certain "Declaration of Covenants, Conditions, Restrictions and Easements for Palisade Palms (a Planned Unit Development Subdivision)", recorded in the Real Property Records of Galveston County, Texas, as amended from time to time (the "**Declaration**"), with respect to certain real property located in the City of Galveston, Galveston County, Texas, described as follows:

All of Lots 1, 2, 3, 4 and 5; and all of Out lots A, B, C, and D, of Palisade Palms, a subdivision described and/or set forth in the Map or Plat filed in Volume 2004A, Page 69 (County Clerk's File No. 2004031335) of the Map Records of Galveston County, Texas, or as same may be replatted after the date hereof (the "**Properties**").

ARTICLE II

Name

The name of the Association is Palisade Palms Master Association, Inc.

ARTICLE III

Nonprofit Corporation

The Association is a nonprofit corporation.

ARTICLE IV

Duration

The duration of the Association shall be perpetual.

ARTICLE V

Purposes

The purposes for which the Association is formed are the following:

1. To provide an organization, the members of which shall constitute the owners of property within the jurisdiction of the Master Association, which shall initially include condominium units in the Trade Winds/The Beach Club Condominium, located on Lot 1 and Lot 2 of The Properties, and (ii) Out lots A, B, C and D, and (iii) Lots 3, 4 and 5;
2. To provide for the repair, replacement, maintenance, preservation, and control of the "Shared Facilities", as such section is defined in the Declaration;
3. To provide for the repair, replacement, maintenance, preservation, and control of Outlots A, B, C, and D;
4. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and Bylaws of the Association;
5. To fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and to pay all expenses in connection with such charges or assessments, all office expenses and all other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
6. To acquire (by gift, purchase, or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;
7. To borrow money, to mortgage, to pledge, to deed in trust, or to hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred;
8. To act in the capacity of principal, agent, joint venture, partner or otherwise; and notwithstanding any of the above statements of purposes, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE VI **Powers**

In furtherance of its purposes, the Association shall have the following powers which, unless otherwise provided in these Articles, the Declaration, the Bylaws, or the laws of the State of Texas, may be exercised by the board of directors:

1. All rights and powers conferred upon nonprofit corporations by the laws of the State of Texas in effect from time to time; and
2. All powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in these Articles, the Declaration, the Bylaws, or the laws of the State of Texas.

ARTICLE VII ***Membership***

The Association shall be a non-stock membership corporation. The members of the Association shall consist solely of the owners of property within its jurisdiction, as established by the Declaration, which shall initially include owners of units in the Trade Winds/The Beach Club Condominium. The Declaration and Bylaws shall determine the number and qualifications of members of the Association; the classes of membership, if any; the voting rights and other privileges of membership; and, the obligations and liabilities of members. Cumulative voting is not allowed.

ARTICLE VIII ***Management by Board of Directors***

The management and affairs of the Association shall be vested in the board of directors, except for those matters expressly reserved to the members in the Declaration and Bylaws. The Bylaws shall determine the number and qualifications of directors; the term of office of directors; the methods of electing, removing, and replacing directors; and, the methods of holding board meetings and obtaining consents.

ARTICLE IX ***Limitations on Liability***

An officer or director of the Association shall not be liable to the Association or any unit owner for monetary damages for an act or omission in the officer's or director's capacity as an officer or director, except that this Article IX does not eliminate or limit the liability of an officer or director to the extent the officer or director is found liable for: (1) a breach of the officer's or director's duty of loyalty to the Association; (2) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association or an act or omission that involves intentional misconduct or a knowing violation of the law; (3) a transaction from which the officer or director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the officer's or director's office; or (4) an act or omission for which the liability of the officer or director is expressly provided by statute.

If the Texas Miscellaneous Corporation Laws Act, or the Act is amended after the date of adoption of this Article IX to authorize action further eliminating or limiting the personal liability of officers or directors, then the liability of an officer or director of the Association shall be eliminated or limited to the fullest extent permitted by such statutes, as so amended. Any repeal or modification of the foregoing paragraph shall

not affect adversely any right of protection of an officer or director of the Association existing at the time of such repeal or modification.

ARTICLE X
Amendment of Articles

These Articles may be amended in accordance with the requirements of the Act; *provided however*, that:

1. An amendment shall not conflict with the Declaration; and
2. An amendment shall not impair or dilute a right granted to a person by the Declaration, without that person's written consent.

ARTICLE XI
Amendment of Bylaws

The Bylaws of the Association shall be amended or repealed according to the amendment provision of the Bylaws, which may reserve those powers to the members, exclusively.

ARTICLE XII
Dissolution

The Association may be dissolved only as provided in the Declaration, the Bylaws, and the laws of the State of Texas. On dissolution, the assets of the Association shall be distributed in accordance with the Declaration provision for distribution upon termination; If the Declaration has no such provision, then in accordance with the termination provision of the Act.

ARTICLE XIII
Action By Non-Unanimous Consent Without Meeting

Unless otherwise restricted by law, these Articles, or the Bylaws, any action required or permitted to be taken at any meeting of the members, directors, or members of a committee of the board of directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or members of a committee of the board of directors as would be necessary to take that action at a meeting at which all of the members, directors, or members of a committee of the board of directors were present and voted. Such written consent shall bear the date of the signature of each member, director, or committee member who signs the consent, and such written consent shall not be effective unless, within sixty (60) days after the date of the earliest dated consent, a consent or consents signed by the required number of members, directors, or committee members is delivered to the Association. Delivery shall be by facsimile delivery, e-mail, hand or certified or registered mail, return receipt requested. Prompt notice of the taking of any action by members, directors, or committee members

without a meeting by less than unanimous written consent shall be given to all members, directors, or committee members who did not consent in writing to the action.

ARTICLE XIV
Use of Names, Proprietary Information

The names "Palisade Palms" "Trade Winds", and "The Beach Club" as used within this document and related documents referenced herein which relate to the Subdivision, The Properties, and the Trade Winds/The Beach Club Condominium, located in Galveston, Galveston County, Texas are proprietary to Declarant and may not be used by any person or entity for any commercial use, pecuniary gain, or profit; and may not be used for any personal use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, Internet websites, or other methods or manner of communication without the prior written consent or authorization of the Declarant. The violation of the foregoing provisions shall be subject to injunctive relief. Similarly, the use of the names Trade Winds/The Beach Club Condominium Association, and Palisade Palms Master Association shall be proprietary to the respective associations and may not be used by any person or entity for any commercial use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites or other methods or manner of communication without the prior consent of or authority of the respective Association. The violation of the foregoing shall be subject to injunctive relief.

ARTICLE XV
Initial Board of Directors

The number of directors constituting the board of directors of the Association and their qualifications shall be fixed or determined by, or in the manner provided in, the Bylaws of the Association; *provided, however*, that the number of directors may never be less than three (3). In the absence of a bylaw providing for the number of directors, or should the Association fail to determine the number of directors in the manner provided in the Bylaws, the number of directors constituting the board of directors shall be three (3). The number of directors constituting the initial board of directors is three (3), and the names and addresses of the persons who are to serve as the initial directors of the Association are:

| Name | Address |
|---------------------|--|
| Arnold C. Tauch | 5225 Katy Freeway, Suite 520 Houston, Texas 77007 |
| Richard G. Anderson | 5225 Katy Freeway, Suite 520 Houston, Texas 77007 |
| Jack C. Moss | 5225 Katy Freeway, Suite 520 Houston, Texas 77007 |

ARTICLE XVI
Initial Registered Office and Registered Agent

The address of the initial registered office of the Association is 808 Travis Street, Suite 2600, Houston, Texas 77002, and the name of the initial registered agent at such address is Richard C. Lievens.

ARTICLE XVII
Incorporation

The name and street address of the Incorporator are as follows:

Richard C. Lievens
Frank, Elmore, Lievens, Chesney & Turet
808 Travis Street, Suite 2600
Houston, Texas 77002

I execute these Articles of Incorporation on this 8TH day of JULY, 2005.



Richard C. Lievens

EXHIBIT "B"
(to Palisade Palms Master Declaration)

BYLAWS

PALISADE PALMS MASTER ASSOCIATION, INC.

BYLAWS
OF
PALISADE PALMS MASTER ASSOCIATION, INC.
(a Texas nonprofit corporation)

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BYLAWS
OF
PALISADE PALMS MASTER ASSOCIATION, INC.
(a Texas nonprofit corporation)

ARTICLE I

Purposes; Defined Terms

Section 1.1 *Purposes of Association.* Palisade Palms Master Association, Inc., a Texas nonprofit corporation (the "**Association**"), is organized exclusively to exercise the rights and powers and to perform the duties and obligations of the Association in accordance with the Declaration of Covenants, Conditions, Restrictions, and Easements for Palisade Palms, a Planned Unit Development Subdivision to be recorded in the Real Property Records of Galveston County, Texas (the "**Declaration**"), the Articles of Incorporation of the Association (the "**Articles**"), these bylaws (these "Bylaws"), and the laws of the State of Texas, as each may be amended from time to time, covering and affecting the following described property:

All of Lots 1, 2 3, and all of Out lots A, B, C, and D of REPLAT OF PALISADE PALMS, a subdivision (the "Subdivision") described and/or set forth in the map or plat ("Map") filed for same in Volume 2007A, Page 139 (County Clerk's File No. 2007062931) of the Map Records of Galveston County, Texas ("The Properties")

Section 1.2 *Purpose of Bylaws.* These Bylaws provide for the governance of The Properties described and delivered in the Declaration, which shall initially constitute:

- (i) Lot 2 upon which there is or shall be built the Trade Winds/The Beach Club Condominium at Palisade Palms (the "Trade Winds/The Beach Club Property");
- (ii) Lot 1, which are undeveloped as of the date of the adoption of these Bylaws (the "Future Development Property");
- (iii) Lot 3, upon which there is or shall be initially constructed certain Shared Facilities (as defined in the Declaration) consisting of driveways, parking areas, and parking garage facilities which shall initially serve the Trade Winds/The Beach Club Property (the "Entry/Podium Property");
- (iv) Out lot A which constitutes "Public Beach Access" parking areas (the "PBA Parking Area) as shown on the Map of the Subdivision;
- (v) Out lots B, C and D which constitute the "Public Beach Access" Pedestrian Route (the "PBA Pedestrian Route"); and
- (vi) Outlot D, which constitutes the dune-walk-over location (the "Dune walk-

over Property").

Section 1.3 *Offices*. The principal office of the Association shall be located at 5225 Katy Freeway, Suite 530, Houston, Texas 77007. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may, but need not, be identical with the principal office of the Association in the State of Texas, and the registered office and registered agent may be changed from time to time by the Board of Directors. The Association may have such other offices, either within or outside of the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Board of Directors may change the location of any office of the Association.

Section 1.4 *Definitions*. Capitalized terms not defined herein shall have the meaning specified or used in the Declaration or Non-Profit Corporation Act.

ARTICLE II

Members

Section 2.1 *Membership*. The initial members of the Association shall be comprised of Owners of Condominium Units in the Trade Winds/The Beach Club Condominium at Palisade Palms. In the event that additional condominium units (whether residential or commercial or both) are created on all or portions of the Future Development Property or on portions of the Entry/Podium Property, then the owners of such additional condominium units shall also constitute members of the Association. Each Owner of a Unit shall automatically become a member ("Member") of the Association, and shall remain a Member thereof until such time as his or her ownership ceases for any reason, at which time his or her membership in the Association shall also automatically cease, and no other person or entity shall be entitled to membership in the Association, except as expressly provided herein or in the Declaration. No Owner shall be required to pay any consideration whatsoever solely for his or her membership in the Association. Upon any transfer of ownership of any Unit, the new Owner acquiring or succeeding to such ownership interest shall likewise automatically succeed to such membership in the Association.

Section 2.2 *Annual Meeting*. An annual meeting of the Members of the Association shall be held at a location designated by the Board of Directors at such time and place as the Board of Directors of the Association shall determine. At annual meetings, the Members may also transact business of the Association as may properly come before them.

Section 2.3 *Special Meetings*. Except as otherwise provided by law or the Declaration, a special meeting of the Association may be called by the President, by a majority of the members of the Board of Directors, or by Owners having in the aggregate at least twenty percent (20%) of the votes entitled to be cast at such meeting (one vote per unit). Such meeting shall be held within 30 days after being

called. No more than one special meetings may be held during any 90-day period. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice of the meeting given in accordance with the terms of Section 2.5.

Section 2.4 *Open Meetings, Place of Meetings.* All meetings of the Members shall be open to all Owners, and shall be held at a suitable place convenient to the Members, as determined by the Board of Directors.

Section 2.5 *Notice of Meetings; Waiver.* Notice of each meeting of Members, stating the place, day, and hour of any meeting and, in case of a special meeting of Members, the purpose or purposes for which the meeting is called, shall be given at least ten (10) days but not more than sixty (60) days prior to such meeting. Notices shall also set forth any other items of information deemed appropriate by the Board of Directors. If a Unit is owned by more than one person, notice to one Co-Owner shall be deemed notice to all co-Owners. Notice may be given either personally, by facsimile transmission, electronically by "e-mail", or by mail, by or at the direction of the persons calling the meeting, to each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at the address shown on the Association's records. If transmitted by facsimile or e-mail, notice shall be deemed delivered on successful transmission of the facsimile or e-mail. Whenever any notice is required to be given to a Member, a written waiver of the notice, signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member, whether in person or by proxy, at any meeting of the Association shall constitute a waiver of notice by such Member of the time, place, and purpose of such meeting. If all Members are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 2.6 *Ineligibility.* The Board of Directors may determine that no Member may vote at meetings of the Association or serve as a Director if the Member's financial account with the Association is in arrears on the record dates provided below, provided each ineligible Member shall be given notice of the arrearage and an opportunity to become eligible. The Board of Directors may specify the manner, place, and time for payment for purposes of restoring eligibility.

Section 2.7 *Record Dates.*

(a) *Determining Voting Eligibility.* The Board of Directors shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will vote.

(b) *Determining Rights Eligibility.* The Board of Directors shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding paragraph. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as nomination to the Board of Directors.

(c) *Adjournments.* A determination of Members entitled to notice of or to vote

at a meeting of the Association is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote. The Board of Directors must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the record date for determining Members entitled to notice of the original meeting.

Section 2.8 *Voting Members List.* The Board of Directors shall prepare and make available a list of the Association's voting Members in accordance with Art. 1396-2.1 1B of the Texas Non-Profit Corporation Act.

Section 2.9 *Quorum.* At any meeting of the Association, the presence in person or by proxy of Members entitled to cast and eligible to vote at least ten percent of the total votes (one vote per unit) that may be cast shall constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

Section 2.10 *Votes.* Each Member shall be entitled to one (1) vote per Unit, *provided, however,* that a Member shall not be entitled to a vote if such Member is determined to be ineligible to vote by the Board of Directors pursuant to Section 2.6 of these Bylaws. The vote of a majority of the votes entitled to be cast (one vote per unit) by Members present, whether in person or by proxy, at a meeting at which a quorum is present shall be binding upon all Members for all purposes, unless the vote of a greater number is required by the Declaration, these Bylaws or by law. The right of a Member to vote at any meeting of the Association is subject to the following limitations:

- (a) *Co-Owned Units.* If only one of the multiple Owners of a Unit is present at a meeting of the Association, unless the presiding officer of such meeting shall determine otherwise, the person attending such meeting shall be presumed to have the authority to, and may cast the vote allocated to that Unit, and such vote shall be binding on such Owners who are not present at such meeting. If more than one of the multiple Owners is present, the vote or votes allocated to that Unit may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous agreement if one of the multiple Owners casts the votes allocated to a Unit and none of the other Owners of the Unit makes prompt protest to the person presiding over the meeting.
- (b) *Corporation-Owned or Business Entity-Owned Units.* If a Unit is owned by a corporation, the vote appurtenant to that Unit may be cast by any officer of the corporation in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The vote of a Trust may be cast by the Trustee of the Trust. The vote of a Limited Liability Company may be cast by a Manager or managing member. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of such corporation, partnership, Trust,

Limited Liability Company, or other entity, is qualified to vote.

- (c) *Association-Owned Units.* Votes allocated to a Unit owned by the Association may not be cast.

Section 2.11 *Proxies.* Votes allocated to a Unit may be cast in person or by written proxy. To be valid, each proxy shall (i) be signed and dated by a Member or his or her attorney-in-fact; (ii) identify the Unit to which the vote is appurtenant; (iii) name the person in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) the original (or, an original delivered by legible facsimile transmission) must be delivered to the Secretary or to the person presiding over the Association meeting for which the proxy is designated. Unless the proxy specifies a shorter or longer time, it shall terminate one year after its date. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. A proxy bearing a later date shall be deemed to be a revocation of any prior proxy. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled shall be valid when such meeting reconvenes.

Section 2.12 *Conduct of Meetings.* The President, or any person designated by the Board of Directors, shall preside over meetings of the Association. The Secretary shall keep, or cause to be kept, the minutes of the meeting which shall record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then-current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Declaration, Bylaws, or Articles. Votes shall be tallied by tellers appointed by the person presiding over the meeting.

Section 2.13 *Order of Business.* Unless the notice of meeting states otherwise, the order of business at meetings of the Association shall be as follows:

- (1) Determine votes present by roll call or check-in procedure
- (2) Announcement of quorum
- (3) Proof of notice of meeting
- (4) Reading and approval of minutes of preceding meeting
- (5) Reports
- (6) Special Business (if any)
- (7) Adjournment

Section 2.14 *Adjournment of Meeting.* At any meeting of the Association, the vote of a majority of the votes entitled to be cast by Members present, whether in person or by proxy, at a meeting at which a quorum is present, may adjourn the meeting to another time.

ARTICLE III

Board of Directors

Section 3.1 *Powers and Duties.* The Board of Directors shall have all the powers and duties necessary for the administration of The Properties and for the operation and maintenance of the Shared Facilities as set forth in the Declaration. The Board of Directors may do all such acts and things except those which, by law or the Declaration, Bylaws, or Articles, are reserved to the Members and may not be delegated to the Board of Directors.

Section 3.2 *Number and Term of Office.* During the period of Declarant Control, as set forth in Article XI hereof, the number of directors shall be three (3) and shall be appointed by, and shall serve at the pleasure of the Declarant. After the expiration of the Declarant Control Period, the Board of Directors of the Trade Winds/The Beach Club Condominium Association, Inc., as duly elected or serving pursuant to the Bylaws and Articles of the Trade Winds/The Beach Club Condominium Association, Inc., shall constitute the Board of Directors of the Association. The terms of such Directors shall be co-existent with their respective terms in the Trade Winds/The Beach Club Condominium Association, Inc. In the event that additional condominium regimes are created within The Properties over which the Association has jurisdiction, the respective directors of the additional respective condominium associations administering such regimes shall also constitute the Board of Directors of the Association, and the Board shall be expanded to include such additional Directors.

Section 3.3 *Annual Organizational Meeting of the Board Of Directors.* An annual organizational meeting of the Board of Directors shall be held each year within thirty (30) days following the annual meeting of the Trade Winds/The Beach Club Condominium Association, Inc., for the purpose of electing officers and the transaction of such business as may be properly be brought before it. A minimum of three (3) days written notice of the date, time and place of such annual meeting should be given to the old and new members of the Board of Directors.

Section 3.4 *Regular Meetings of the Board of Directors.* Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by the Board of Directors; however, such meetings shall be held at least quarterly. No notice of regular meetings of the Board of Directors is required other than a resolution of the Board of Directors adopted at a duly called meeting of the Board of Directors stating the time and place of the regular meetings.

Section 3.5 *Special Meetings of the Board of Directors.* Special meetings of the Board of Directors may be called by the President or, if he or she is absent or refuses to act, the Secretary, or by any Director. At least three days' notice shall be given to each Director, personally or by telephone or written communication, which notice shall state the place, time, and purpose of such meeting.

Section 3.6 *Conduct of Meetings.* The Board of Directors, at each organizational meeting, shall appoint one of their number as Chairperson of the Board of Directors and President of the Association. The Chairperson of the Board of Directors shall preside

over all meetings of the Board of Directors and the Secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Condominium Documents, the then-current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors.

Section 3.7 *Quorum*. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. The President may not vote at any meeting of the Board of Directors, except to make or break a tie pursuant to Roberts Rules of Order. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If less than a quorum is present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Directors may not designate a proxy to attend and participate in their respective behalf at board meetings.

Section 3.8 *Presumption of Assent*. Any Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting and unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.9 *Open Meetings*. Regular and special meetings of the Board of Directors shall be open to Members of the Association, but Members who are not Directors may not participate in any deliberations or discussions unless the Board of Directors expressly so authorizes such participation at the meeting. The Board of Directors may adjourn any meeting and reconvene in closed executive session to discuss and vote upon actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors. The nature of any and all business to be considered in closed executive session shall first be announced in open session.

Section 3.10 *Ex-officio Directors*. The Board of Directors may designate anyone or more persons as ex-officio members of the Board of Directors. A person designated as an ex-officio member of the Board of Directors shall be entitled to notice of and to attend meetings of the Board of Directors. The ex-officio member shall not be entitled to vote unless otherwise provided in the Declaration or these Bylaws.

Section 3.11 *Void or Voidable Contracts.* No contract or other transaction between the Association and any Director, or between the Association and any corporation, firm or Association (including Developer) in which any Director is peculiarly or otherwise interested (including, without limitation, any management contract), is either void or voidable because any such Director is present at the meeting of the Board of Directors which authorizes or approves the contract or transaction, or because his or her vote is counted for such purpose, if (i) the fact of the common interest is disclosed or known to a majority of the Board of Directors or noted in the minutes and the Board of Directors authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or (ii) the contract or transaction is commercially reasonable to the Association at the time it is authorized, approved, ratified, or executed. Any interested Director may be counted in determining the presence of a quorum of any meeting of the Board of Directors which authorizes, approves, or ratifies any contract or transaction and may vote with like force and effect as if such Director was not so interested.

ARTICLE IV

Committees

Section 4.1 *Appointment of Committees.* The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, establish one or more committees, delegate specified authority to a committee, and appoint or remove members of a committee. Unless otherwise provided in the Declaration, each committee of the Association shall consist of one (1) or more Directors, and such other persons appointed from among the Owners as the Board of Directors may determine. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual Director, of any responsibility imposed by these Bylaws or otherwise imposed by law. Any such committee shall have and may exercise all of the delegated authority of the Board in the management of the business and affairs of the Association, except where action of the full Board is required by statute or by the Condominium Documents. All committees shall keep regular minutes of their proceedings and shall report the same to the Board when requested to do so.

ARTICLE V

Officers

Section 5.1 *Designation.* The principal officers of the Association shall be the President, the Secretary, and the Treasurer. The Board of Directors may appoint one or more Vice Presidents and such other officers and assistant officers as it deems necessary. The President and Secretary shall be Members. Other officers may, but need not, be Members or Directors. Any two offices may be held by the same person, except the offices of President and Secretary. If an officer is absent or unable to act, the Board of Directors may appoint a Director to perform the duties of that officer and to act in place of that officer, on an interim basis.

Section 5.2 *Election of Officers.* The officers shall be elected no less than annually by the Directors and shall hold office at the pleasure of the Board of Directors. The President shall be elected from among the members of the Board of Directors. Except for resignation or removal, officers shall hold office until their respective successors have been designated by the Board of Directors.

Section 5.3 *Removal and Resignation of Officers.* A majority of Directors may remove any officer, with or without cause, at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. A successor may be elected at any regular or special meeting of the Board of Directors called for that purpose. An officer may resign at any time by giving written notice to the Board of Directors. Unless the notice of resignation states otherwise, it is effective when received by the Board of Directors and does not require acceptance by the Board of Directors. The resignation or removal of an officer who is also a Director does not constitute resignation or removal from the Board of Directors.

Section 5.4 *President.* As the chief executive officer of the Association, the President shall: (i) preside at all meetings of the Association; (ii) have all the general powers and duties which are usually vested in the office of President of a corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board of Directors; (iv) be an *ex-officio* member of all standing committees; and (v) see that all orders and resolutions of the Board of Directors are carried into effect.

Section 5.5 *Vice President.* In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability of the President to act at the time such action was taken. Any Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 5.6 *Secretary.* The Secretary shall: (i) keep or cause to be kept, the minutes of all meetings of the Board of Directors and of the Association; (ii) have charge of such books, papers, and records as the Board of Directors may direct; (iii) maintain or cause to be maintained, a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, perform all duties incident to the office of Secretary.

Section 5.7 *Treasurer.* The Treasurer shall: (i) be responsible for Association funds; (ii) keep or cause to be kept, full and accurate financial records and books of account showing all receipts and disbursements; (iii) cause an annual audit of the Association's books to be made by a certified public accountant; (iv) prepare or cause to be prepared all required financial data and tax returns; (v) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors; (vi) prepare or cause to be prepared the annual and supplemental budgets of the Association; (vii) review the

accounts of the managing agent on a monthly basis in the event such managing agent is responsible for collecting and disbursing Association funds; and (viii) perform all the duties incident to the office of Treasurer.

Section 5.8 *Authorized Agents*. Except when the Condominium Documents require execution of certain instruments by certain individuals, the Board of Directors may authorize any person to execute instruments on behalf of the Association. In the absence of Board of Directors designation, the President and the Secretary shall be the only persons authorized to execute instruments on behalf of the Association.

ARTICLE VI

Rules

Section 6.1 *Rules*. The Board of Directors shall have the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and The Properties; and (ii) the maintenance, management, operation, use, conservation, and beautification of the Shared Facilities; *provided, however,* that such rules may not be in conflict with law or the Declaration, Bylaws, or Articles. The Board of Directors shall, at all times, maintain the then-current and complete rules in a written form which can be copied and distributed to the Members. Unless required by applicable law, Rules need not be recorded in the county's real property records.

Section 6.2 *Adoption and Amendment*. Any rule may be adopted, amended, or terminated by the Board of Directors, provided that the rule and the requisite Board of Directors approval are properly recorded as a resolution in the minutes of the meeting of the Board of Directors.

Section 6.3 *Notice and Comment*. The Board of Directors shall give written notice to an Owner of each Unit of any amendment, termination, or adoption of a rule. The Board of Directors may, but shall not be required, to give similar notice to Residents who are not Members.

Section 6.4 *Distribution*. Upon request from any Member or Resident, the Board of Directors shall provide a current and complete copy of rules at the cost of the requesting party. Additionally, the Board of Directors shall, from time to time, distribute copies of the current and complete rules to an Owner of each Unit and, if the Board of Directors so chooses, to non-Member Residents.

ARTICLE VII

Enforcement

Section 7.1 *Enforcement*. The violation of any provision of the Declaration, Bylaws, or Articles shall give the Board of Directors the right, after notice and hearing, except in case of an emergency, In addition to any other rights set forth in the

Declaration, Bylaws, or Articles:

(a) to enter onto The Properties or Shared Facilities in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to The Properties or Shared Facilities contrary to the intent and meaning of the provisions of the Declaration, Bylaws, or Articles. The Board of Directors shall not be deemed liable for any manner of trespass by this action;

(b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or

(c) to impose fines after notice and hearing.

ARTICLE VIII

Obligations of the Owners

Section 8.1 *Proof of Ownership.* Except for those Owners who initially purchase a Unit from Declarant, any person, on becoming an Owner of a Unit, shall furnish to the Board of Directors evidence of ownership in the Unit, in form and substance as may be required by the Board of Directors from time to time and acceptable to the Board of Directors, which evidence shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor be entitled to vote at any annual or special meeting of the Association unless this requirement is first met.

Section 8.2 *Owners' Addresses.* Not later than the 30th day after the date of acquiring an interest in a Unit, the Owner shall provide the Association with: (i) the Owner's mailing address, telephone number, and driver's license number, if any; (ii) the name and address of the holder of any lien against the Unit, and any loan number; (iii) the name and telephone number of any person occupying the Unit other than the Owner; and (iv) the name, address, and telephone number of any person managing the Unit as agent of the Owner. An Owner shall notify the Association not later than the 30th day after the date the Owner has notice of a change in any of the foregoing information, and shall provide the information on request by the Association from time to time. If an Owner fails to maintain a current mailing address with the Association, the address of that Owner's Unit shall be deemed to be his or her mailing address.

Section 8.3 *Registration of Mortgagees.* An Owner who mortgages his or her Unit shall furnish the Board of Directors with the name and mailing address of his or her mortgagee.

Section 8.4 *Assessments.* As more fully provided in the Declaration, each Member is obligated to pay to the Association Assessments and Special Assessments together with such late charges and interest thereon and costs of collection thereof as provided in the Declaration, which shall be a charge on the Unit and shall be a continuing lien upon each Unit against which each such Assessment is made and shall also be the continuing personal obligation of the Owner of such Unit at the time when

the Association became due.

Section 8.5 *Compliance With Constituent Documents*. Each Owner shall comply with the provisions and terms of the Declaration, Bylaws, Articles, and Rules, and any amendments thereto. Further, each Owner shall always endeavor to observe and promote the cooperative purposes for which the Association was established.

ARTICLE IX

Association Records

Section 9.1 *Records*. The Association shall use its best efforts to keep the following records:

- (a) Minutes or a similar record of the proceedings of meetings of the Association.
- (b) Minutes or a similar record of the proceedings of meetings of the Board of Directors.
- (c) The name and mailing address of each Member, the currency and accuracy of the information being the responsibility of the Members.
- (d) The name and mailing address of each mortgagee, the supply of, and the currency and accuracy of, the information being the responsibility of each Member and such Member's mortgagee.
- (e) Financial records and books of account for the Association that comply with generally accepted accounting principles and that are sufficiently detailed to enable the Association to prepare a resale certificate as provided for in the Act. Such financial records and books of account shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and Owners.
- (f) The plans and specifications as to the Shared Facilities.
- (g) The plans and specifications acquired by the Association over time for improvements to The Properties or Shared Facilities as provided to the Association by the Declarant or the Owners.
- (h) The Condominium Information Statement as to any Sub-Association or Neighborhood Association and any amendments thereto.
- (i) Copies of income tax returns prepared for the Internal Revenue Service,
- (j) Copies of the Constituent Documents and all amendments to any of these. Also, for at least four (4) years, all voting records, proxies, and correspondence by which amendments to the Constituent Documents

were approved.

Section 9.2 *Inspection of Books and Records.* An Owner, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose, at the expense of the Owner. The Board of Directors shall have the authority to determine, in their reasonable discretion, a "proper purpose". Provided, however, and without limitation, the following books and records shall not be made available for inspection: books and records or other information involving personnel matters, pending litigation matters, matters involving invasion of privacy of individual unit owners, or matters that are to remain confidential by request of the affected parties and agreement of the board.

Section 9.3 *Annual Audit.* The books and records of the Association shall be audited annually by qualified independent auditors in accordance with generally accepted accounting principles within ninety (90) days after the completion of the audits of the sub-Association. The cost of such audit shall be a Common Expense, and copies of any such audit shall be made available to all Owners.

Section 9.4 *Resale Certificates.* The Managing Agent, if any, or any officer of the Association may prepare, or cause to be prepared, certify, and execute resale certificates in accordance with applicable law. The Association may charge a reasonable fee for preparing a resale certificate. The Association may refuse to finish a resale certificate until the fee is paid. Any unpaid fees may be assessed against the Unit for which the resale certificate is furnished.

ARTICLE X

Indemnification and Insurance

Section 10. 1 *Indemnification.* Each person who is or was a Director, officer, or committee member of the Association, or any person who, while a Director, officer, or committee member of the Association, is or was serving at the request of the Association as a Director, officer, committee member, partner, venturer, proprietor, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, and the heirs, executors, or administrators or estate of such person, shall be indemnified by the Association to the fullest extent permitted or authorized by the Act or any successor provision, as amended from time to time, against any liability, cost, or expense incurred by such person in his or her capacity as a Director, officer, or committee member, or arising out of his or her status as a Director, officer, or committee member. Provided, however, that the foregoing indemnity obligations shall not apply to acts or omission of a Director which are deemed criminal, as a result of willful misconduct, or outside the scope or capacity of his or her duties and/or office. The rights granted pursuant to this Article X shall be deemed contract rights, and no repeal or amendment of this Article X shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment or repeal.

Section 10.2 *Advance Payments*. The Association may, but shall not be obligated to, pay expenses incurred in defending a civil or criminal act, suit or proceeding arising out of a Director's, officer's, or committee member's capacity or status as Director, officer, or committee member in advance of the final disposition of such action, suit, or proceeding, without any determination as to the person's ultimate entitlement to indemnification; *provided, however*, that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding shall be made only upon delivery to the Association of both a written affirmation by such person of his or her good-faith belief that he or she has met the standard of conduct necessary for indemnification under this Article X and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it is ultimately determined that such person is not entitled to be indemnified under this Article X or otherwise.

Section 10.3 *Appearance as a Witness*. Notwithstanding any other provision of this Article X, the Association may, but shall not be obligated to, pay or reimburse expenses incurred by a Director, officer or committee member in connection with his or her appearance as a witness or other participation in a proceeding at a time when he or she is not a named defendant or respondent in the proceeding.

Section 10.4 *Indemnification of Employees and Agents*. The Association, by adoption of a resolution of the Board of Directors, may, but shall not be obligated to, indemnify and advance expenses to an employee or agent of the Association to the same extent and subject to the same conditions under which the Association may indemnify and advance expenses to Directors, officers and committee members under this Article X

Section 10.5 *Non-Exclusive*. The indemnification provided by this Article X shall not be exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under any agreement or otherwise.

Section 10.6 *Insurance*. The Association may, but shall not be obligated to, maintain Insurance at its expense, to protect itself and any person who is or was a Director, officer, committee member, employee, or agent of the Association or is or was serving at the request of the Association as a Director, officer, committee member, partner, venturer, proprietor, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise against any liability asserted against him or her and any liability, cost, or expense incurred by him or her in such capacity or arising out of his or her status as such a person, whether or not the Association would have the power to indemnify such person against that liability under this Article X.

ARTICLE XI

Declarant Provisions

Section 11. 1 *Conflict*. The provisions of this Article XI shall control over any provision to the contrary elsewhere in these Bylaws.

Section 11.2 *Board of Directors*. During the period of Declarant control, the initial Directors shall be appointed by Declarant and need not be Owners or Residents. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

Section 11.3 *Declarant Control Period*. Declarant Control Period shall mean the period commencing upon the recordation of the Declaration and continuing for so long as the Declarant owns any property within The Properties, whether a Unit or Units, any Lot or Lots or any portion of same, or any Out lot or Out lots or any portion of same. Provided, however, that the Declarant shall have the right, at any time, to terminate the Declarant Control Period as to all or portions of The Properties subject to the Declaration upon the recording of instrument of record to such effect.

ARTICLE XII

Amendment of Bylaws

Section 12.1 *Proposals*. The Association shall provide an Owner of each Unit with any proposed amendment of these Bylaws. Such description shall be included in the notice of any annual or special meeting of the Association if such proposed amendment is to be considered at said meeting.

Section 12.2 *Consents*. Except as otherwise provided by law or the Declaration, an amendment shall be adopted by the affirmative vote of at least fifty-one percent (51%) of the votes of the owners (one vote per unit) entitled to be cast by the Members.

Section 12.3 *Effective*. To be effective, each amendment must be in writing, reference the names of the Association, be signed by at least two officers acknowledging the requisite approval of Members, and be delivered to an Owner of each Unit at least 10 days before the amendment's effective date. Further, the amendment must recite the recording data for the Bylaws, be in a form suitable for recording as a real property record, and be delivered to the county clerk for recordation.

Section 12.4 *Declarant Protection*. As long as the Declarant owns a Unit in The Properties, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section 12.4 may not be amended without prior written approval of the Declarant. The Declarant's written consent shall be part of the amendment instrument.

Section 12.5 *Commercial Unit Owner Protection*. After the termination of the period of Declarant Control, no amendment to the Declaration, these Bylaws or the Rules materially adversely affecting the rights or obligations of the Owner of any of the Commercial Units, including any Roof-top Commercial Units (now or hereafter created within any condominium regime created within any portion of The Properties) shall be valid unless such amendment is also approved by the Owners of the Commercial Units

including any Roof-top Commercial Units (now or hereafter created within any condominium regime created within any portion of The Properties).

ARTICLE XIII

Dissolution

Section 13.1 *Dissolution*. The Association may be dissolved with the consent given in writing and signed by Members entitled to cast at least ninety percent (90%) of the votes; *provided, however*, that no such agreement to dissolve shall be effective unless made at least 120 days in advance of the effective date of such dissolution, and unless written notice of the proposed dissolution is sent to every Member at least thirty (30) days in advance of any action taken. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XIV

General Provisions

Section 14.1 *Contracts*. The President shall have the power and authority to execute, on behalf of the Association, contracts or instruments in the usual and regular course of business, and in addition the Board of Directors may authorize any officer or officers, agent or agents, of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors or these Bylaws, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit or to render it peculiarly liable for any purpose or in any amount.

Section 14.2 *Checks, Drafts, etc.* All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officers, employees or agents of the Association as shall from time to time be authorized pursuant to these Bylaws or by resolution of the Board of Directors.

Section 14.3 *Depositories*. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may from time to time designate, and upon such terms and conditions as shall be fixed by the Board of Directors. The Board of Directors may from time to time authorize the opening and maintaining within any such depository as it may designate, of general and special accounts, and may make such special rules and regulations with respect thereto as it may deem expedient.

Section 14.4 *Corporate Seal*. The corporate seal, if any, shall be in such form as the Board of Directors shall approve, and such seal, or a facsimile thereof, may be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature required to be executed by officers of the Association.

Section 14.5 *Compensation*. A Director, officer, Member, or Resident shall not be entitled to receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of, a Director, officer, Member, or Resident; *provided, however, that*:

- (a) reasonable compensation may be paid to a Director, officer, Member, or Resident for services rendered to the Association;
- (b) a Director, officer, Member, or Resident may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the Board of Directors; and this provision does not apply to distributions to Owners permitted or required by the Declaration or the Act.

Section 14.6 *Delegation of Responsibilities*. Except as otherwise provided by the Declaration, the Articles, these Bylaws, or the laws of the State of Texas, the Board of Directors may delegate certain of its responsibilities or the responsibilities of Officers of the Association to a manager or to a managing agent.

Section 14.7 *Action by Non-Unanimous Written Consent*. Unless otherwise restricted by law, the Articles or these Bylaws, any action required or permitted to be taken at any meeting of the Members, members of the Board of Directors, or members of any committee of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be so taken, is signed by a sufficient number of Members, members of the Board of Directors, or committee members as would be necessary to take that action at a meeting at which all of the Members, members of the Board of Directors, or committee members were present and voted. Such written consent shall bear the date of the signature of each Member, member of the Board of Directors, or committee member who signs the consent, and such written consent shall not be effective unless, within sixty (60) days after the date of the earliest dated consent, a consent or consents signed by the required number of Members, members of the Board of Directors, or committee is delivered to the Association. Delivery shall be by hand or certified or registered mail, return receipt requested. Prompt notice of the taking of any action by Members, members of the Board of Directors, or committee members without a meeting by less than unanimous written consent shall be given to all Members, members of the Board of Directors or committee members who did not consent in writing to the action. This Section may not be used to avoid the requirement of an annual meeting.

Section 14.8 *Meetings by Conference Telephone*. The Members, members of the Board of Directors, or members of any committee of the Board of Directors may participate in and hold a meeting of the Members, members of the Board of Directors,

or committee members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 14.9 *Conflicting Provisions*. If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between, the Declaration and these Bylaws, the Declaration shall control.

Section 14.10 *Severability*. Invalidation of any provision of these Bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

Section 14.11 *Fiscal Year*. The fiscal year of the Association shall be set by resolution of the Board of Directors, and is subject to change from time to time as the Board of Directors shall determine. In the absence of a resolution by the Board of Directors, the fiscal year shall be the calendar year.

Section 14.12 *Waiver*. No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 14.13 *Use of Names, Proprietary Information*. The names "Palisade Palms" "Trade Winds," and "The Beach Club" as used within this document and related documents referenced herein which relate to the Subdivision, and The Properties, as located in Galveston, Galveston County, Texas are proprietary to Declarant and may not be used by any person or entity for any commercial use, pecuniary gain, or profit; and may not be used for any personal use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites, or other methods or manner of communication without the prior written consent or authorization of the Declarant. The violation of the foregoing provisions shall be subject to injunctive relief. Similarly, the use of the names Trade Winds/The Beach Club Condominium Association and Palisade Palms Master Association shall be proprietary to the respective associations and may not be used by any person or entity for any commercial use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites or other methods or manner of communication without the prior consent of or authority of the respective Association. The violation of the foregoing shall be subject to injunctive relief.

EXHIBIT "C"
(to Palisade Palms Master Declaration)

RULES AND REGULATIONS OF
PALISADE PALMS MASTER ASSOCIATION, INC.

RULES
OF
PALISADE PALMS MASTER ASSOCIATION, INC.

These Rules have been adopted by the Board of Directors of Palisade Palms Master Association, Inc., a Texas nonprofit corporation (the "**Association**"), in accordance with the provisions of Section 4 of the Declaration of Covenants, Conditions, Restrictions, and Easements for Palisade Palms (the "**Declaration**"), and the Bylaws of the Association, to be recorded in the Real Property Records of Galveston County, Texas.

These Rules apply to The Properties included within the jurisdiction of the Association, as set forth in, and as defined and delineated in the Declaration, which shall initially constitute:

- (i) Lot 2, upon which there is or shall be built the Trade Winds/The Beach Club Condominium at Palisade Palms (the "Trade Winds/The Beach Club Property");
- (ii) Lot 1, which are undeveloped as of the date of the adoption of these bylaws (the "Future Development Property");
- (iii) Lot 3, upon which there is or shall be initially constructed certain Shared Facilities consisting of driveways, parking areas, and parking garage facilities which shall initially serve the Trade Winds/The Beach Club Property (the "Entry/Podium Property");
- (iv) Out lot A, which constitutes "Public Beach Access" parking areas (the "PBA Parking Area) as shown on the Map of the Subdivision;
- (v) Out lots B, C, and D which constitute the "Public Beach Access" Pedestrian Route (the "PBA Pedestrian Route"); and
- (vi) Out lot D, which constitutes the dune-walk-over location (the "Dune walk-over Property").

By owning or occupying a Unit in the Trade Winds/The Beach Club Condominium, or any other property subject to the jurisdiction of the Association, each Owner and Resident agrees to abide by these Rules, as well as the obligations of Owners and Residents provided in the Declaration and Bylaws of the Association.

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

follows: Declaration (highest), Articles of Incorporation, Bylaws, these Rules, the community policies promulgated by the Board (lowest).

A. COMPLIANCE

- A-1. *Compliance.* Each Owner shall comply with the provisions of these Rules, the Declaration, the Bylaws, and community policies promulgated by the Board of Directors to supplement these Rules, as any of these may be revised from time to time (collectively, the "**Constituent Documents**"). Each Owner, additionally, shall be responsible for compliance with the Constituent Documents by the occupants of his or her Unit, and his or her or their respective families, invitees, tenants, agents, employees, or contractors. Use of "Owner" or "Resident" in these Rules shall be deemed to include and apply to the Owner of a Unit in the Trade Winds/The Beach Club Condominium and to all persons for whom the owner is responsible. An Owner should contact the Board of Directors if he or she has a question about these Rules.
- A-2. *Additional Rules.* Each Resident shall comply with all rules and signs posted from time to time on The Properties, any recreational facilities, and the Shared Facilities. Such posted rules are incorporated in these Rules by reference. Each Resident shall comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of The Properties. Such temporary rules are incorporated in these Rules by reference.
- A-3. *Waiver.* Certain circumstances may warrant waiver or variance of these Rules. An Owner must make written application to the Board of Directors for such waiver or variance. If the Board of Directors deems the waiver or variance warranted, the Board of Directors may condition its approval, which must be in writing to be effective. Any consent or approval given under these Rules by the Board of Directors shall be revocable at any time.
- A-4. *Fines.* The Association may levy a fine, not to exceed One Hundred and No/100 Dollars (\$100.00) per occurrence or per day (as the case may be), for violations of these Rules.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. *Safety.* Each Resident is solely responsible for his or her own safety and for the safety, well-being and supervision of his or her guests and any person on The Properties to whom the Resident has a duty of care, control, or custody.
- B-2. *Damage.* Each Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other Residents or their guests, or to the Shared Facilities, or The Properties, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible. All damage to any of The Properties or Shared Facilities caused by construction or repair activities within an Owner's Unit, or by the moving of any article therefrom or by the carrying of any article thereto, shall be paid for by the Owner responsible for

such construction or repair activities or the presence of such article.

- B-3. *Association Does Not Insure.* Each Resident is solely responsible for insuring his or her personal property in the Unit and on The Properties and/or property not covered by the Association's or Sub-Association's insurance, including his or her furnishings, automobile, and items kept in storage areas. Personal property placed in or on the Condominium shall be solely at the risk of the owner of such personal property. Each Resident is also solely responsible for such Resident's liability to third parties for occurrences within the Resident's Unit. **The Association urges Owners and Residents to purchase property insurance on their personal belongings and liability insurance for occurrences within their Units and incidental damage resulting therefrom.**
- B-4. *Risk Management.* No Resident shall permit anything to be done or kept in his or her Unit or The Properties which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.
- B-5. *Reimbursement for Enforcement.* An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the Constituent Documents against the Owner, his or her Unit, or persons for whom the Owner is responsible.
- B-6. *Reimbursement for Damage.* An Owner shall promptly reimburse the Association for the cost of damage to The Properties caused by the negligent or willful conduct of the Owner or the persons for whom the Owner is responsible.

C. GENERAL USE AND MAINTENANCE OF SHARED FACILITIES

- C-1. *Intended Use.* Every area and facility in The Properties may be used only for its intended and obvious use. For example, walkways, stairways, sidewalks, elevators, and driveways are to be used exclusively for purposes of access, not for social congregation or recreation. The Shared Facilities shall not be used for storage of supplies, personal property, garbage or refuse of any kind (except common garbage receptacles, storage spaces which are Limited Common Elements, or Units, storage buildings or other similar structures which may from time to time be placed upon The Properties for the Developer or the Board).
- C-2. *Grounds.* Unless the Board of Directors designates otherwise, Residents may not use or abuse the landscaped areas, lawns, beds, and plant materials on the Shared Facilities. The following are expressly prohibited: digging, planting pruning, and climbing.
- C-3. *Abandoned Items.* No item or object of any type shall be stored, placed, or maintained anywhere on the Shared Facilities. Items of personal property found on Shared Facilities are deemed abandoned and may be disposed of by the Board of Directors.
- C-4. *Stored Items.* If the Association provides storage areas for use by Residents,

Resident agrees that the Association is not responsible for items stored there by Resident, who shall be solely liable at all times for his or her personal property.

D. COMMUNITY ETIQUETTE

- D-1. *Courtesy.* Each Resident shall endeavor to use his or her Unit and the Shared Facilities in a manner calculated to respect the rights and privileges of other Residents.
- D-2. *Annoyance.* No unlawful, noxious or offensive activity shall be conducted or carried on in upon the Shared Facilities or anywhere else in The Properties, nor shall anything be done therein or thereon which may be or become an annoyance or a nuisance to other Owners or the neighborhood or cause unreasonable noise or disturbance to others, or which shall interfere in any manner with any Owner's quiet enjoyment of his or her property. Any activity on any portions of The Properties which interferes with television, cable, or radio reception in another portion of The Properties shall be deemed a nuisance and prohibited activity.
- D-3. *No Personal Service.* The Association's employees and agents are not permitted or authorized to render personal services to Residents. Each Resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Resident.
- D-4. *Compliance with Law.* Residents may not use The Properties for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of Galveston, Texas. A Resident who violates this provision shall hold the Association and other Owners and Residents harmless from all fines, penalties, costs, and prosecutions for the Resident's violation or noncompliance.

E. ARCHITECTURAL CONTROL AS TO UNITS

- E-1. *Prohibited Acts.* No person may:
- a. Post or inscribe signs, notices, or advertisements on the Shared Facilities or in a Unit if visible from outside his Unit, including "For Sale" or "For Rent/Lease" signs.
 - b. Place or hang an object in, on, from, or above any window, interior window sill, balcony, terrace, or patio that, in the opinion of the Board of Directors, detracts from the appearance of The Properties.
 - c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies, patios, or passageways.
 - d. Erect or install exterior horns, lights, speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude

through an exterior wall or roof

- e. Place decorations on exterior walls, windows, or doors, or on the Shared Facilities.

E-2. *Window Treatments.* An Owner may install window treatments inside his or her Unit, at his or her sole expense, provided:

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

E-3. *Exterior Shutters.* An Owner may install exterior shutters (roll up/down type, sliding, etc.) on the exterior windows and doors provided that (i) same are installed in accordance with the then applicable rules and regulations of the Master Association, and with the prior written approval of the Architectural Control Committee, (ii) that same are installed so as to not damage any part of the common elements or adversely affect the common elements (including causing or permitting water penetration), (iii) that the Association shall not have the responsibility to maintain or repair same; and (iv) to maintain uniformity of appearance, the shutters are kept open at all times except within three days prior to any announced storm warnings or watches (affecting the City of Galveston) and during any such storm.

F. VEHICLE RESTRICTIONS

F-1. *Vehicle Operation.* Some of the parking spaces within The Properties have been configured within the structural grid system of the Parking/Garage Facility. This layout may include one-way and one-lane-wide parking ingress/egress lanes, support columns within the immediate proximity of parking spaces or lanes, and some smaller or atypical sized parking spaces. In consideration of the foregoing, each Owner shall operate his or her vehicle in a safe and cautious manner while entering, exiting, or maneuvering within the parking area so as to minimize the risk of property damage and personal injury. **To facilitate ease of access in the parking areas, all vehicles must be parked as far forward in each parking space as possible.**

F-2. *Permitted Vehicles.* For purposes of these Rules, vehicles include automobiles, motorcycles, motorized bikes, passenger trucks, small vans, and similar passenger vehicles. Vehicles not in operating condition shall not be parked, repaired or stored (on blocks or otherwise) upon The Properties. Without limitation, a vehicle shall be deemed not to be in operating condition if same has expired or missing license tags or inspection stickers, or is incapable of being

driven due to mechanical condition of any kind. Boats, trailers, campers, motor homes, recreational vehicles, commercial vehicles, trucks (other than standard-size pick-up trucks), and the like shall not be parked on The Properties. No noisy or smoky vehicles may be operated on The Properties. No motorcycles without mufflers shall be permitted in The Properties.

- F-3. *Repairs.* Washing, repairs, restoration, or maintenance of vehicles is prohibited, except for emergency repairs, and then only to the extent necessary to enable movement of the vehicle to a repair facility.
- F-4. *Space Use.* All parking spaces on The Properties shall be used for parking purposes only, and may not be used for storage. No parking space shall be converted for living, recreational or business purposes, nor shall anything be stored in any parking space. In order to facilitate ease of entrance to and exit from the parking area, each vehicle shall be parked as far forward in its assigned space as practicable.
- F-5. *Guest/Service Vehicle Parking.* Parking for guests of any Owner or Resident shall not be within Limited Common Elements of The Properties unless said Owner or Resident notifies the Association of such temporary use within the parking space(s) designated for such Unit. Parking for guests shall be in the General Common Element parking areas designated for "visitor" parking or the like. Each Owner shall require his or her construction and household employees, including cleaning and maintenance personnel, to park in the parking spaces which are allocated to such Owner, unless Owner's personal vehicle occupies such parking space, in which event the Owner will require the employees to park in the area designated by the Association.
- F-6. *No Obstruction.* No vehicle may be parked in a manner that interferes with ready access to any entrance to or exit from the Condominium. No vehicle may obstruct the flow of traffic, constitute a nuisance, or otherwise create a safety hazard on The Properties. No vehicle may be parked, even temporarily, in spaces reserved for other Owners, guests or service vehicles, in fire lanes, or in any area designated as "No Parking".
- F-7. *Nuisances.* Each vehicle shall be muffled and shall be maintained and operated to minimize noise, odor, and oil or other fluids emissions. No Resident shall cause or permit the blowing of a horn of any vehicle in which such Resident or his or her guest or family shall be occupants while approaching or in the parking areas or garage serving The Properties. No vehicle may be kept on The Properties if the Board of Directors deems it to be unsightly, inoperable, inappropriate, or otherwise violation of these Rules.
- F-8. *Violations.* Any vehicle in violation of these Rules may be stickered, wheel-locked, and towed or otherwise removed from The Properties by the Board of Directors, at the expense of the vehicle's Owner. The Association expressly disclaims any liability for damage to vehicles on which the Association exercises these remedies for Rules violations.

G. TRASH DISPOSAL

- G-1. *General Duty.* Residents shall not litter Common Elements, shall endeavor to keep The Properties clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose.

H. MISCELLANEOUS

- H-1. *Security.* The Association may, but shall not be obligated to, maintain or support certain activities within The Properties designed to make The Properties less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents, and employees, shall not in any way be considered an insurer or guarantor of security within The Properties, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Resident, guest, and invitee on The Properties assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit, and to any other of his or her property on The Properties. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within The Properties.
- H-2. *Right to Hearing.* An Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of these Rules by the Owner or a Resident of the Owner's Unit. The Board of Directors will schedule a hearing within 30 days of receiving the Owner's written request. At the hearing, the Board of Directors will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- H-3. *Mailing Address.* An Owner who receives mail at any address other than the address of his or her Unit shall be responsible for maintaining with the Association his or her current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Constituent Documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Unit shall be deemed effective for purposes of delivery.
- H-4. *Complaints.* Complaints regarding the service of The Properties and grounds or regarding action of other Owners shall be made in writing to the Board.
- H-5. *Revision.* These Rules are subject to being revised, replaced, or supplemented. Owners and Residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until 10 days after the Association mails notice of an amendment or revocation of these Rules to an Owner of each Unit. Provided, however, that after the termination of the period of Declarant Control, no amendment to these

Rules may materially or adversely affect the rights or obligations of the Owners of the Commercial Units (as described in the condominium declaration for the Trade Winds/The Beach Club Condominium at Palisade Palms) shall be valid unless such amendment is also approved by the Owners of the Commercial Units.

H-6. *Other Rights.* These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Articles of Incorporation, and the laws of the State of Texas.

H-7. *Effective Date.* These Rules are the initial Rules of Palisade Palms Master Association, Inc. and shall become effective _____, 200__.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the initial Rules of Palisade Palms Master Association, Inc., a Texas nonprofit corporation and condominium association, as adopted by the initial Board of Directors at its organization meeting on the _____ day of _____, 200__.

IN WITNESS WHEREOF, I hereunto set my hand this the _____ day of _____, 200__.

PALISADE PALMS MASTER
ASSOCIATION, INC.

By: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, the undersigned authority, on this _____ day of _____, 200__, personally appeared _____, Secretary of Palisade Palms Master Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of the Association.

Notary Public, The State of Texas

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2008024940

May 05, 2008 02:09:23 PM

FEE: \$344.00

Mary Ann Daigle, County Clerk

Galveston County, TEXAS

**FIRST AMENDMENT
to
AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
for
PALISADE PALMS
(a Planned Unit Development Subdivision)**

THE STATE OF TEXAS

§
§
§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF GALVESTON

WHEREAS, EAST BEACH PROJECT PHASE I, LTD., a Texas limited partnership, (the "Declarant") as to Lot 2, EAST BEACH PROJECT PHASE II, LTD., a Texas limited partnership, as to Lot 1, EAST BEACH PBA, L.L.C., a Texas limited liability company, as to Outlots A, B, C and D and Palisade Palms Interests, L.L.C, a Texas limited liability company, as to Lot 3 were the sole record owners of such respective real properties, which were all out of the Replat of Palisade Palms, a subdivision located in Galveston County, Texas according to the map or plat recorded in Volume 2007A, Page 139 of the Map Records of Galveston County, Texas (the "Properties");

WHEREAS, Declarant by that certain instrument entitled "Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Palisade Palms (a Planned Unit Development Subdivision)" filed of record in the Official Public Records of Real Property of Galveston County, Texas under County Clerk's File No. 2008024940 (the "Declaration"), imposed on the Properties all those certain covenants, conditions, restrictions, and easements set forth therein;

WHEREAS, Article 16, Section 16.7 of the Declaration provides that the terms of the Declaration can be amended by the Declarant without the joinder of any other party as long as Declarant holds title to any Unit or any portion of any Lot;

WHEREAS, Article I, Section 1.1h. of the Declaration defines "Declarant" as:

- h. "Declarant" shall mean and refer to EAST BEACH PROJECT PHASE I LTD., a Texas Limited Partnership, its successors and its assigns as to which the rights of Declarant hereunder are specifically assigned in writing.

WHEREAS, the Declarant still holds title to a Unit.

NOW, THEREFORE, the Declarant amends the Declaration as follows:

Article 1.1z of the Declaration is replaced with the following provisions:

- z. "Shared Facilities" shall be deemed to be those components of The Properties which are intended for use by and/or enjoyment of all of the Owners (and their guests, tenants, and invitees), whether or not such Shared Facilities are located in one or more buildings or one or more phases, all subject to such regulations and restrictions as may be imposed from time to time by the Master Association. The Shared Facilities shall specifically include all exterior sidewalks, exterior signage, all exterior landscaping, exterior lighting for the Trade Winds

Building and The Beach Club Building, exterior landscaping, parking garage/facility, garage storage areas, PBA Parking Area and the Entry/Podium Property, all common amenities, including without limitation, pool(s), weight/fitness/health facilities, tennis court(s), party room, game room, children's playroom, playground, pool decks and other recreational improvements, the Lanai, Terrace and all main lobby areas, including coffee bar (serving all buildings), the dog park, all driveways, all paths (including, without limitation, the PBA Pedestrian Route, Dune Walk over Property and all improvements thereon and the Beach area being Lot 3, Block 1 of Replat of Palsade Palms), and other common areas (serving all buildings), all parking areas (including, without limitation, visitor's parking areas and parking areas available to the public), the parking/garage facility, including associated storage areas (except mechanical, electrical, telecommunication, plumbing systems and related piping/conduit that serve only the Trade Winds Building and The Beach Club Building, all common utility, mechanical, electrical, telephonic, telecommunications, plumbing, and other systems serving The Properties, including without limitation, all wires, conduits, pipes, ducts, transformers, cables, and other appurtenance used in the delivery of the utility, mechanical, telephonic, telecommunications, electrical, plumbing and/or other services.

Declarant shall have the right (but not the obligation), by an amendment or supplement to this Declaration, executed by Declarant above, to supplement the Shared Facilities by adding additional facilities, or to designate additional portions of The Properties as Shared Facilities. Notwithstanding the designation of the Shared Facilities, Declarant shall have the right from time to time, to expand, alter, relocate, and/or eliminate the Shared Facilities, or any portion thereof without requiring the consent or approval of the Master Association, the Trade Winds/The Beach Club Association, any Owner, any Neighborhood Association (or any member thereof), or any mortgagee. In furtherance of the foregoing, Declarant also reserves the absolute right at any time, and from time to time, to construct additional Shared Facilities.

As further provided in Article 2.4 hereof, in the event of any doubt, conflict, ambiguity or dispute as to whether any item, component, or facility is a Shared Facility, such ambiguity or dispute shall be resolved by (I) the Declarant, during the Declarant Control Period, whose determination shall be binding and conclusive, and (II) upon the expiration of the Declarant Control Period, by the Board of Directors of the Master Association, whose determination shall be binding and conclusive.

Article 7 of the Declaration is amended to add Section 7.14 to read as follows:

7.14 Trade Winds/The Beach Club Association Assessments Allocation

- a. As of the date this Amendment to the Declaration is filed of record in the Official Public Records of Real Property of Galveston County, Texas ("Effective Date") the only Units in the Properties that have been levied Assessments are Units in the Trade Winds/The Beach Club Condominium, which includes all

payments into the Reserve Fund Contribution in accordance with Section 7.13 ("TWBC Assessments"). The purpose of this Amendment to the Declaration is to clarify those facilities for which the TWBC Assessments may be used.

- b. As of the date of this Amendment, the only improvements that have been constructed are on Phase I and under the control of Palisade Palms Master Association, Inc. and Trade Winds/The Beach Club Condominium Association, Inc. In the event that improvements are constructed upon subsequent phases that would otherwise be "Shared Facilities" and are characterized by Declarant in its sole discretion as "like kind", with such characterization not being unreasonably withheld, Declarant shall, by Amendment to the respective Declarations, exclude such like kind improvements from the definition of Shared Facilities, thereby releasing to each respective governing sub-association, the exclusive use of such facility as well as the obligation and responsibility for maintenance, repair and replacement (including, without limitation, obligations for periodic capital reserve contributions) thereof and for which the Palisade Palms Master Association, Inc. will no longer be obligated. For illustration purposes, a "like kind" improvement would be a similarly sized and configured recreational swimming pool that is currently located on Phase I. By contrast, an improvement commonly referred to as a "lap pool" would not constitute a "like kind" improvement to that of the current recreational pool for purposes of exclusion from the definition of "Shared Facilities".
- c. Contemporaneous with Declarant's release of a "like kind" facility to the governance of its respective sub-association per 7.14b above, the Palisade Palms Master Association, Inc. shall also release any remaining and unspent funds collected and allocated to such "like kind" facility to its respective sub-association.
- d. For budgetary purposes, capital reserve studies may be performed and updated every few years due to the harsh salt-air environment and it is acknowledged that the budgeted capital reserve projections and/or special assessments by each association may vary.
- e. The Declarant or Palisade Palms Master Association, Inc. shall not use existing capital reserve funds to construct initial capital improvements on subsequent phases. For purposes of this provision, "initial capital improvements" shall mean those amenities constructed as part of a new phase, not those newly constructed and/or added to an existing phase. Any special assessments or periodic capital reserve contributions for existing Shared Facilities will be assessed and collected against each phase or sub-association as determined by Declarant.
- f. For the capital reserve amounts for each phase, The Palisade Palms Master Association, Inc. shall establish separate bank accounts for the deposit of assessments and expenditures.

The amendment of the Declaration set forth above shall be deemed to be a part of and shall be interpreted in accordance with the Declaration. All provisions of the Declaration not amended hereby are hereby ratified and confirmed in each and every particular, and shall continue in full force and effect pursuant to the terms of the Declaration.

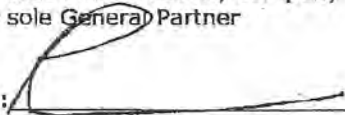
IN WITNESS WHEREOF, the undersigned for the purpose of acknowledging its consent and approval to the amendment of the Declaration has executed this instrument as of the date set forth below to be effective upon filing of record in the Official Public Records of Real Property of Galveston County, Texas.

[The remainder of this page was intentionally left blank.]

Executed on the 1st day of June, 2015.

EAST BEACH PROJECT PHASE I, LTD., a Texas limited partnership

By: East Beach Project Holdings L.L.C.,
a Texas limited liability company
Its sole General Partner

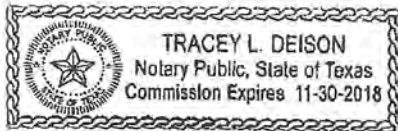
By: 


Printed: Richard G. Anderson

Its: EYP

THE STATE OF TEXAS §
 §
COUNTY OF Harris §

This instrument was acknowledged before me on the 1st day of June, 2015, by Richard G. Anderson, Executive Vice President of East Beach Project Holdings L.L.C., a Texas limited liability company, General Partner to East Beach Project Phase I, Ltd., a Texas limited partnership, for the consideration and in the capacities stated herein.




Notary Public in and for the State of Texas

AFTER RECORDING, RETURN TO:
Charles S. Turet, Jr.
Frank, Elmore, Lievens, Chesney & Turet, LLP
9225 Katy Freeway, Suite 250
Houston, Texas 77024

FILED AND RECORDED

Instrument Number: 2015034608

Recording Fee: 42.00

Number Of Pages: 6

Filing and Recording Date: 06/02/2015 10:49AM

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Galveston County, Texas.



Dwight D. Sullivan

Dwight D. Sullivan, County Clerk
Galveston County, Texas

NOTICE: It is a crime to intentionally or knowingly file a fraudulent court record or instrument with the clerk.

DO NOT DESTROY - *Warning, this document is part of the Official Public Record.*



**SECOND AMENDMENT TO
DECLARATION OF CONDOMINIUM FOR
TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS**

This Amendment amends: "The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms," recorded under Galveston County Clerk's File No. 2005047091, as amended by the Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under Galveston County Clerk's File No. 2008024938, all in the Official Public Records of Galveston County, Texas.

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

This Amendment to The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, dated as of the date shown below, is made and executed by the undersigned Declarant (as hereinafter defined) for Trade Winds/The Beach Club Condominium at Palisade Palms, pursuant to Article 20 of the Declaration to-wit

WITNESSETH:

WHEREAS, East Beach Project Phase I, Ltd , a Texas limited partnership, as Declarant, heretofore executed that certain "Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated July 8, 2005, recorded July 12, 2005, under County Clerk's File No. 2005047091 of the Real Property Records of Harris County, Texas (hereinafter called "the Declaration"); and

WHEREAS, Declarant also executed that certain "Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated May 2, 2008, recorded May 5, 2008, under County Clerk's File No

2008024938 of the Real Property Records of Harris County, Texas (hereinafter called "the Amended Declaration"), and

WHEREAS, the Declaration covers those residential units described in and set forth in the Declaration and the Amended Declaration, constituting the development known and described herein as "Palisade Palms"; and

WHEREAS, Article 20, Section D of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration for the purpose of clarifying or resolving any ambiguities or conflicts and other matters set forth in such Article; and

WHEREAS, pursuant to Article 20, Section D of the Declaration, the undersigned Declarant agrees that the Declaration shall be amended in the following manner, and

NOW, THEREFORE, for and in consideration of the premises, the Declarant hereby amends the Declaration as follows:

1. Part III of Exhibit "B" to the Declaration (Plan of Each Floor) is amended to substitute plans for Parking Levels (Garage Levels) A and B and Parking Level 1 in the original plans, as set forth in the attached Partial Revision of Part III of Exhibit "B" to the Declaration, and
2. Part IV of Exhibit "B" to the Declaration (Percentage Ownership) is amended to show the assignment to date of appurtenant parking spaces and storage spaces for the Units set forth on the attached Revised Part IV of Exhibit "B" to the Declaration

The foregoing amendment, having been approved, verified and accepted by the undersigned Declarant, the Declaration, as modified and amended hereby, is hereby ratified and confirmed as originally filed.

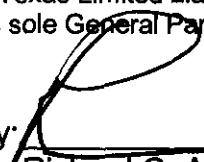
IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 6th

day of April, 2009

DECLARANT.

East Beach Project Phase I, Ltd ,
a Texas limited partnership

By: East Beach Project Holdings L.L.C.,
a Texas Limited Liability Company
its sole General Partner

By: 
Richard G. Anderson, Vice President

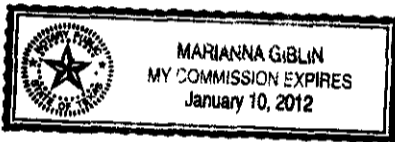
THE STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the 6th day of April, 2009, by Richard G. Anderson, Vice President of East Beach Project Holdings, LLC, a Texas limited liability company, general partner of East Beach Project Phase I, Ltd , a Texas limited partnership, Declarant, on behalf of said limited partnership in the capacity stated above


Notary Public - State of Texas



After recording return to:
First American Title Insurance Company
Patti Z Rice, Escrow Officer
1220 Augusta Drive, Suite 120
Houston, TX 77057

EXHIBIT "B": CONDOMINIUM PLAN

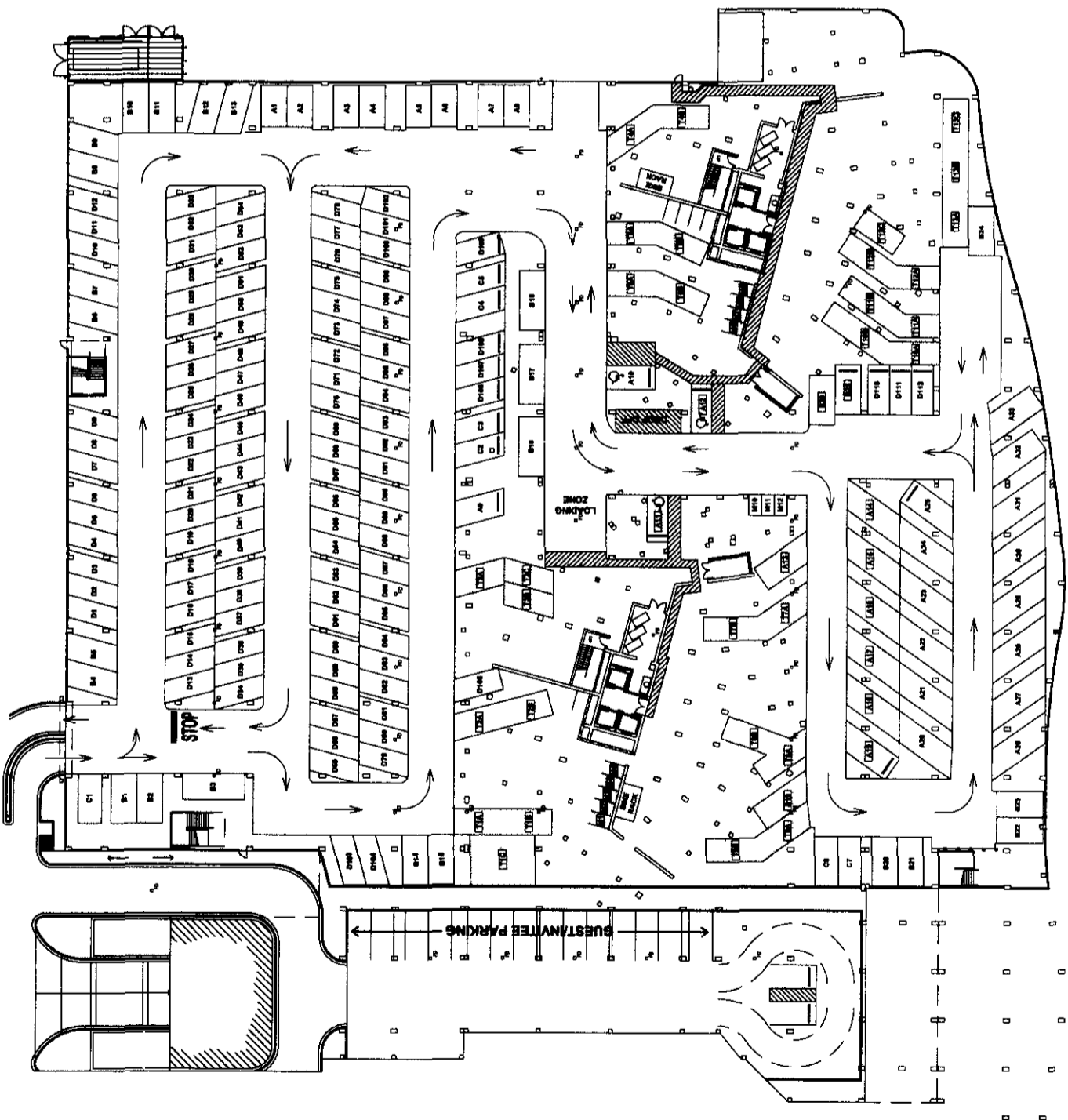
PART III – PLAN OF EACH FLOOR

PARTIALLY REVISED

(only as to attached Plans for Parking Levels A, B and 1)

PALISADE PALMS

LEGAL PLAN - GARAGE LEVEL A



LEGEND

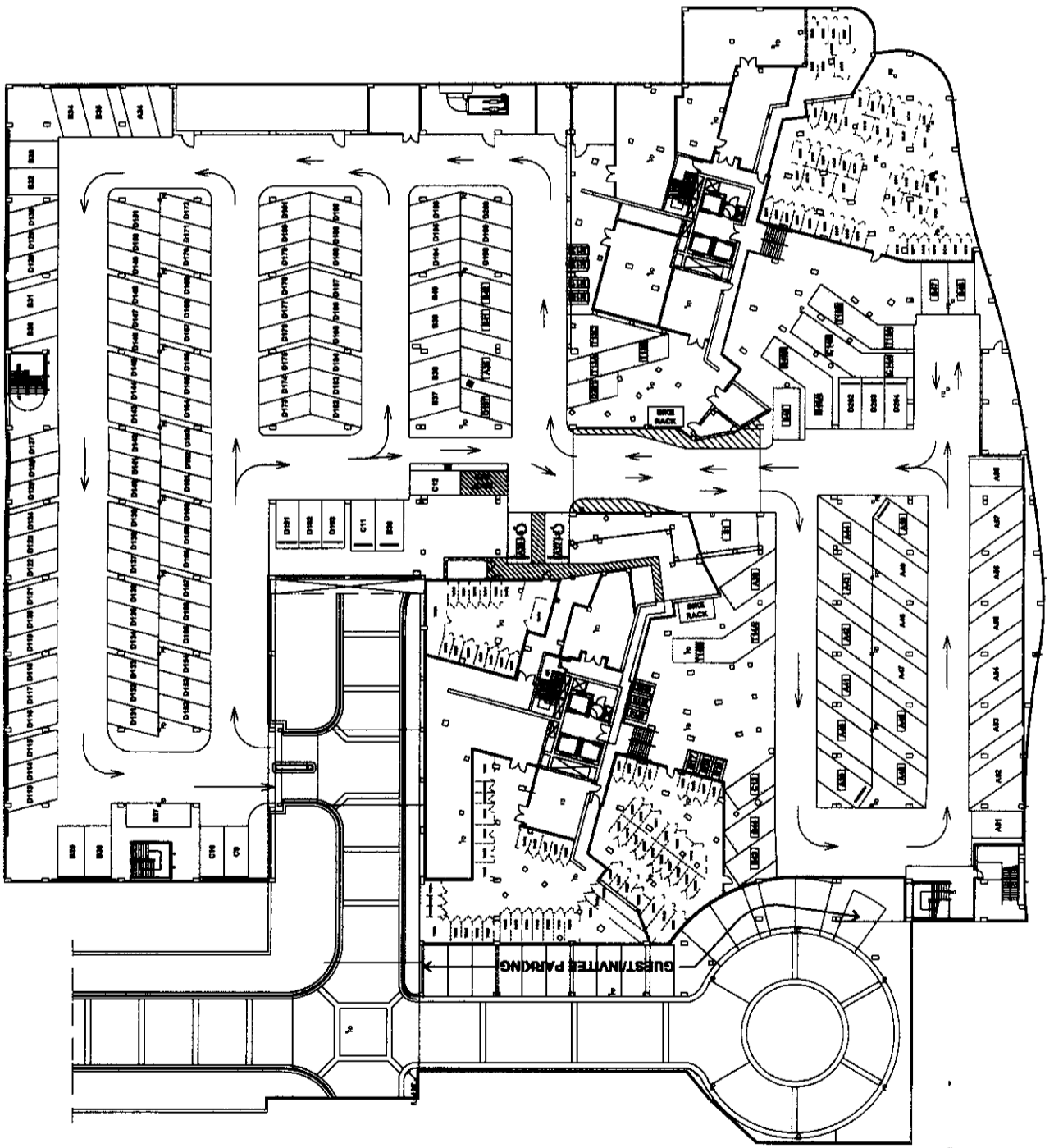
- GENERAL COMMON ELEMENT SPACES (GCE)
- UNASSIGNED - STANDARD SINGLE SPACES = 166 SPACES
- LIMITED COMMON ELEMENT SPACES (LCE)
- SINGLE SPACES = 6 SPACES
- DOUBLE TANDEM SPACES = 9 SPACES
- TRIPLE TANDEM SPACES = 4 SPACES
- TOTAL PARKING SPACES = 185 SPACES
- SPACE DESIGNATION
- M - MOTORCYCLE SPACE
- T - TANDEM SPACE
- A, B, C, & D - DENOTE DIFFERENT SIZE SPACES
- LIMITED COMMON MOTORCYCLE ELEMENT SPACES (LCE) = 9 SPACES
- GENERAL COMMON MOTORCYCLE ELEMENT SPACES (GCE) = 3 SPACES

ALL PARKING SPACES AND AREAS OTHER THAN THOSE DESIGNATED LCE ARE GCE



PALISADE PALMS

LEGAL PLAN - GARAGE LEVEL B



LEGEND

- GENERAL COMMON ELEMENT SPACES (GCE)
 - UNASSIGNED - STANDARD SINGLE SPACES = 120 SPACES
 - LIMITED COMMON ELEMENT SPACES (LCE)
 - SINGLE SPACES = 24 SPACES
 - DOUBLE TANDEM SPACES = 4 SPACES
 - TRIPLE TANDEM SPACES = 1 SPACES
 - TOTAL PARKING SPACES = 149 SPACES
- SPACE DESIGNATION:
 M - MOTORCYCLE SPACE
 T - TANDEM SPACE
 A, B, C, D & S1 - DENOTE DIFFERENT SIZE SPACES
- SCALE
 MOTORCYCLE ELEMENT SPACES PARKING (LCE) = 10 SPACES

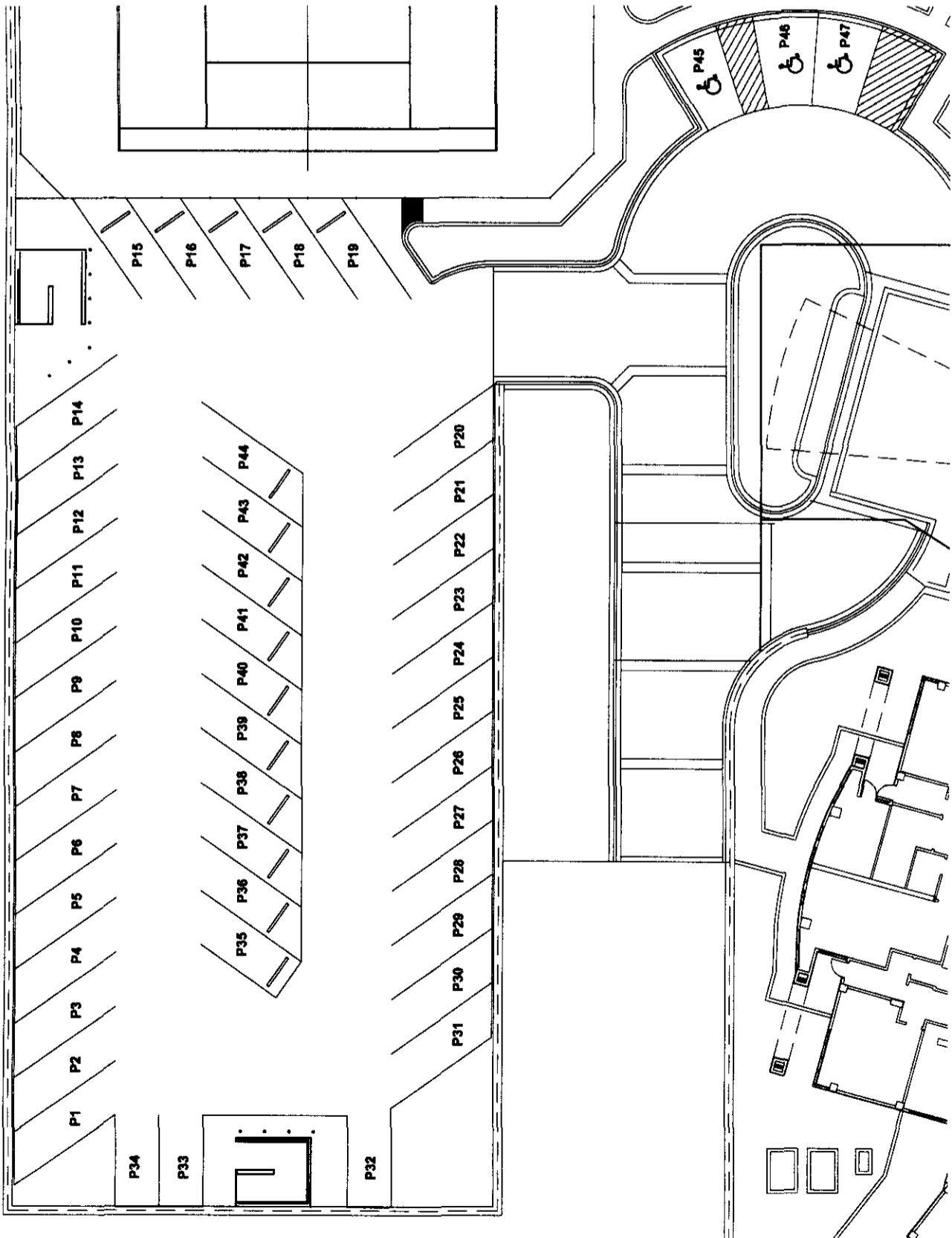
ALL PARKING SPACES AND AREAS OTHER THAN THOSE DESIGNATED LCE ARE GCE



STORAGE SPACES
 TW1 THRU TW76
 BC1 THRU BC56

PALISADE PALMS

LEGAL PLAN - LEVEL 1



LEGEND

| | |
|--|--|
| | GENERAL COMMON ELEMENT SPACES (GCE) |
| | UNASSIGNED - STANDARD SINGLE SPACES = 44 SPACES |
| | UNASSIGNED - ACCESSIBLE SINGLE SPACES = 3 SPACES |
| | TOTAL SINGLE SPACES = 47 SPACES |

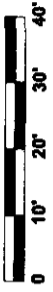


EXHIBIT "B": CONDOMINIUM PLAN

**PART IV: Percentage Interests Allocated to
Each Condominium Unit For Purposes of
Ownership, Voting and Assessments**

Re Method of Calculating Area
Trade Winds/Beach Club Condominium at Palisade Palms
Condominium Information Statement
Exhibit B Condominium Plan – Part IV

The Declarant has specified the following method for calculating area for the express, exclusive and sole purpose of establishing the percentage ownership interest to be allocated to each condominium unit for purposes of ownership, voting, and assessment rights, responsibilities and obligations

from the center lines of demising or party walls separating one unit from another unit, the exterior surface of all exterior walls including walls that butt up to elevators or stairwells, and the exterior surface of the corridor wall enclosing and abutting the unit

Please note that floor plan areas were calculated on the middle floor, with the result that units on lower floors may have less floor space due to thicker structural members, while units on higher floors may, inversely, have more floor space. Moreover, the area associated with balconies or terraces that are intended for the exclusive use of a Unit owner have been calculated separately from the outside surface of any wall or partition that separates the balcony terrace area from the Unit to the outside edge of the balcony.

Importantly, any area calculations taken in the absence of and prior to the building being constructed and without any opportunity to verify dimensions based upon a Unit survey are preliminary and may vary from the as-built conditions. Moreover, areas calculated under the method given above are based entirely on dimensions taken from preliminary architectural plans, areas calculated based upon plans issued for building permits or, later, as-built conditions or dimensions obtained from a Unit survey may vary, for example, by 5% and result in precise square footage calculations that are either greater or smaller than those given herein. Accordingly, any area calculations made hereunder are approximate and shown for descriptive purposes only and do not necessarily reflect or represent the precise square footage of any specific portion of the Condominium, and no warranties, representations or guarantees are given or made regarding the specific area calculations.

Sincerely,

Scott Evans, AIA
Vice President

PALISADE PALMS BEACH CLUB

| Suite | Model Suite Type | AREA (sq.ft) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|--------------|-------------------|-------|---|--------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess ("by AREA") | | |
| BC0102 | Pompano Beach | 1,304 | 1,581 | 2,885 | 0 2699% | 0 2728% | | |
| BC0104 | Malibu Beach | 1,430 | 967 | 2,397 | 0 2960% | 0 2992% | T6A, T6B | TW75 |
| BC0106 | South Beach | 1,687 | 1,223 | 2,910 | 0 3492% | 0 3529% | B46A, B46B, S1 | TW76 |
| BC0108 | Malibu Beach | 1,430 | 979 | 2,409 | 0 2960% | 0 2992% | D110 | BC25 |
| BC0200 | Newport Beach | 2,494 | 460 | 2,954 | 0 5162% | 0 5217% | T10A, T10B | TW05, TW06 |
| BC0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | A12 | |
| BC0206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0300 | Newport Beach | 2,494 | 460 | 2,954 | 0 5162% | 0 5217% | | |
| BC0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0306 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0 2475% | 0 2502% | | |
| BC0400 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0500 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW27 |
| BC0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | BC24 |
| BC0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0600 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | TW09 |
| BC0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0700 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | B25 | |
| BC0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | BC39 |
| BC0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | A13 | BC08 |
| BC0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0800 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0806 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0900 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0906 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1000 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | T15A, T15B | BC49 |
| BC1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1006 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | C14A, C14B | BC44 |
| BC1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|--------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess ("by AREA") | | |
| BC1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1100 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1106 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1200 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | B26 | TW12 |
| BC1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1400 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW28 |
| BC1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1500 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW46 |
| BC1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1600 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | TW01 |
| BC1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | B48 | BC23 |
| BC1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | D197 | BC01 |
| BC1700 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | BC34 |
| BC1706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1800 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1806 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1810 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1900 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | TW42 |
| BC1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | TW29 |
| BC1906 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1910 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC2000 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2006 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW41 |
| BC2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2010 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC2012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC2100 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | T11A, T11B | BC52 |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|--------------------|-------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess ("by AREA") | | |
| BC2104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | M13 | TW14 |
| BC2110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC29 |
| BC2206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | B47 | |
| BC2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC02 |
| BC2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| BC2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A19 | BC53 |
| BC2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T5A, T5B | |
| BC2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW10 |
| BC2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | T16A, T16B, T16C, D201 | TW69 |
| BC2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | B45 | TW43 |
| BC2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A50 | BC06 |
| BC2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A39, A45, A46, B41, B42 | BC19, BC20 |
| BC2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 239,764 | 56,974 | 296,738 | 49.6219% | 50.1567% | | |

PALISADE PALMS
TRADE WINDS

| Suite | Model Suite Type | AREA (sq ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|--------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess ("by AREA") | | |
| TW0104 | Malibu Beach | 1,430 | 979 | 2,409 | 0 2960% | 0 2992% | | |
| TW0106 | South Beach | 1,687 | 1,223 | 2,910 | 0 3492% | 0 3529% | | |
| TW0108 | Malibu Beach | 1,430 | 967 | 2,397 | 0 2960% | 0 2992% | | TW49 |
| TW0110 | Pompano Beach | 1,304 | 1,424 | 2,728 | 0 2699% | 0 2728% | | |
| TW0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW44 |
| TW0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0210 | Pompano Beach | 1,304 | 460 | 1,764 | 0 2699% | 0 2728% | | |
| TW0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0306 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW39 |
| TW0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0310 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0 2710% | | |
| TW0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0 2502% | | |
| TW0400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0 2184% | | |
| TW0402 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0500 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0502 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW33 |
| TW0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0600 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0602 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | A38 | |
| TW0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | B37 | TW13 |
| TW0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0700 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0702 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | TW32 |
| TW0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | TW11 |
| TW0706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0800 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0802 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0806 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | TW24 |
| TW0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0900 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0902 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |

| Suite | Model Suite Type | AREA (sq.ft) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|--------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0906 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | TW07, TW08 |
| TW0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1000 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1002 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | T9A, T9B | TW30 |
| TW1006 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | A35 | TW37 |
| TW1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1100 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1102 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1106 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1200 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1202 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | T2A, T2B | TW40 |
| TW1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1402 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1500 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | TW23 |
| TW1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1600 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | T7A, T7B | |
| TW1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1700 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | T8A, T8B | TW16 |
| TW1706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1800 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |

| Suite | Model Suite Type | AREA (sq.ft) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW04 |
| TW1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1812 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T1A, T1B, T1C | TW34 |
| TW1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1912 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW35 |
| TW2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2012 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2103 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2105 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A44 | TW45 |
| TW2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2112 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2203 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2205 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | B44 | TW61 |
| TW2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2212 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A15, A16, A17 | TW15 |
| TW2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| TW2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | C13 | |
| TW2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A14 | TW48 |
| TW2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| TW2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | B19 | TW38 |
| TW2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| TW2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | T14A, T14B | TW51 |
| TW2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | A40, A41 | |
| TW2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A42, A43 | |
| TW2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 237,357 | 56,815 | 294,172 | 49.1237% | 49.6532% | | |

PALISADE PALMS COMMERCIAL UNITS

| Suite | Designation | Total sq.ft. | Assessment by Area @ 15% Ratio sq.ft. | Ownership/ Voting | Assess. (by AREA) | Parking Space(s) | Storage Space(s) |
|---------------|----------------|-------------------|--|----------------------|----------------------|---------------------|---------------------|
| R-TW | Roof TW | 2,509 s f | 376 s f | 0 5193% | 0 0787% | | |
| R-BC | Roof BC | 2,509 s f. | 376 s f | 0 5193% | 0 0787% | | |
| SC-BC | SalesCenter BC | 1,043 s.f | 156 s f | 0 2159% | 0 0327% | | |
| TOTALS | | 6,061 s.f. | 909 s.f. | 1.2544% | 0.1902% | | |

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2009018520

April 07, 2009 02 52 22 PM

FEE \$88 00

Mary Ann Daigle, County Clerk
Galveston County, TEXAS



**THIRD AMENDMENT TO
DECLARATION OF CONDOMINIUM FOR
TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS**

This Amendment amends: "The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms," recorded under County Clerk's File No. 2005047091, as amended by the Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2008024938, as amended by Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2009018520, all in the Official Public Records of Galveston County, Texas.

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

This First Amendment to The Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, dated as of the date shown below, is made and executed by the undersigned Declarant (as hereinafter defined) for Franklin Lofts Condominium, pursuant to Article 20 of the Declaration to-wit:

WITNESSETH:

WHEREAS, East Beach Project Phase I, Ltd., a Texas limited partnership, as Declarant, heretofore executed that certain "Declaration of Condominium for Trade Winds/The Beach Club at Palisade Palms" dated July 8, 2005 recorded July 12, 2005 under County Clerk's File No. 2005047091 of the Real Property Records of Galveston County, Texas (hereinafter called "the Initial Declaration"); and

WHEREAS, said Declarant heretofore executed that certain "Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at

Palisade Palms" dated May 2, 2008, recorded May 5, 2008, under County Clerk's File No. 2008024938 of the Real Property Records of Galveston County, Texas (hereinafter called "Amended and Restated Declaration"); and

WHEREAS, the Declarant further executed that certain "Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated April 6, 2009, recorded April 7, 2009, under County Clerk's File No. 2009018520 of the Real Property Records of Galveston County, Texas (hereinafter the "Second Amendment to Declaration"); and

WHEREAS, on or about February 25, 2010, the Rules of the Trade Winds/The Beach Club Condominium Association, Inc. (the "Association") (set forth in the Declaration as Exhibit 1 to the Bylaws), have been amended by the Board of Directors of the Association in accordance with Section 8.F. of the Declaration and Declarant desires to reflect the current Rules of the Association as provided in Section 20D(iii) of the Declaration; and

WHEREAS, the Initial Declaration, the Amended and Restated Declaration, and the Second Amendment to Declaration (collectively referred to as the "Declaration") cover those residential and commercial units described in and set forth in such instruments, constituting the development known and described herein as "Trade Winds/The Beach Club Condominium at Palisade Palms"; and

WHEREAS, Article 20, Section D(iii) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration to make it comply with the

THIRD AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

mandatory provisions of the Texas Uniform Condominium Act by, among other requirements, including a copy of the current Rules of the Association; and

WHEREAS, Article 20, Section D(iv) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration for the purpose of changing the assignment and allocation of parking spaces or storage spaces and other matters set forth in such Article; and

WHEREAS, pursuant to Article 20, Sections D(iii) and (iv) of the Declaration, the undersigned Declarant agrees that the Declaration shall be amended in the manner hereinafter set forth:

NOW, THEREFORE, for and in consideration of the premises, the Declarant hereby amends the Declaration as follows:

Part IV of Exhibit "B" to the Declaration is amended to show the assignment of appurtenant parking spaces and storage spaces for respective individual residential Units. This change is reflected on the attached Revised Part IV of Exhibit "B" to the Declaration.

Exhibit "A" (to the Declaration), Part II, Bylaws Exhibit 1 (Rules of Trade Winds/The Beach Club Condominium Association, Inc.) is amended to reflect the Rules adopted by the Board of Directors of the Association at its meeting held on or about February 25, 2010, such new Rules being attached hereto.

The foregoing amendments, having been approved, verified and accepted by the undersigned Declarant, the Declaration, as modified and amended hereby, is hereby ratified and confirmed as originally filed amended and restated.

THIRD AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

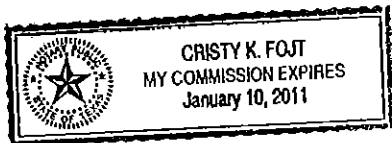
IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 24th
day of May, 2010.


DECLARANT:
EAST BEACH PROJECT PHASE I, LTD., a
Texas limited partnership
By: East Beach Project Holdings L.L.C., a
Texas limited liability company, Its sole General
Partner

By: 
Richard G. Anderson, Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 24th day of May, 2010, by Richard G. Anderson, Vice President of East Beach Project Holdings, L.L.C., a Texas limited liability company, the general partner of East Beach Project Phase I, Ltd., on behalf of said limited partnership.




Notary Public - State of Texas

RECORD AND RETURN TO:
Charles S. Turet, Jr.
Frank, Elmore, Lievens,
Chesney & Turet, L.L.P.
808 Travis Street, Suite 2600
Houston, Texas 77002

THIRD AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

**EXHIBIT 1 TO
EXHIBIT "A" (TO THE DECLARATION)
PART II - BYLAWS**

EXHIBIT 1 TO THE BYLAWS
RULES
OF
TRADE WINDS/THE BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

These Rules have been adopted by the Board of Directors of Trade Winds/The Beach Club Condominium Association, Inc., a Texas nonprofit corporation and condominium association (the "**Association**"), in accordance with the provisions of Section 8F of the Declaration of Condominium for the Trade Winds/The Beach Club Condominium at Palisade Palms (the "**Declaration**"), and the Bylaws of the Association, to be recorded in the Real Property Records of Galveston County, Texas.

These Rules apply to the Units and Common Elements of the Trade Winds/The Beach Club Condominium at Palisade Palms (the "**Condominium**"). By owning or occupying a Unit in the Condominium, each Owner and Resident agrees to abide by these Rules, as well as the obligations of Owners and Residents provided in the Declaration and Bylaws.

For the convenience of Owners and Residents of the Condominium, these Rules restate some of the rules and covenants contained in the Declaration. Most of these Rules, however, are in addition to the restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules. In the event of a conflict between Condominium Documents (as defined herein), the hierarchy of authority shall be as follows: Declaration (highest), Articles of Incorporation, Bylaws, these Rules, the community policies promulgated by the Board (lowest).

A. COMPLIANCE

- A-1. *Compliance.* Each Owner shall comply with the provisions of these Rules, the Declaration, the Bylaws, and community policies promulgated by the Board of Directors to supplement these Rules, as any of these may be revised from time to time (collectively, the "**Condominium Documents**"). Each Owner, additionally, shall be responsible for compliance with the Condominium Documents by the occupants of his or her Unit, and his or her or their respective families, invitees, tenants, agents, employees, or contractors. Use of "Owner" or "Resident" in these Rules shall be deemed to include and apply to the Owner of a Unit in the Condominium and to all persons for whom the owner is responsible. An Owner should contact the Board of Directors if he or she has a question about these Rules.

- A-2. *Additional Rules.* Each Resident shall comply with all rules and signs posted from time to time on the Condominium by the Association, any recreational facilities, and the Common Elements. Such posted rules are incorporated in these Rules by reference. Each Resident shall comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Condominium. Such temporary rules are incorporated in these Rules by reference.
- A-3. *Waiver.* Certain circumstances may warrant waiver or variance of these Rules. An Owner must make written application to the Board of Directors for such waiver or variance. If the Board of Directors deems the waiver or variance warranted, the Board of Directors may condition its approval, which must be in writing to be effective. Any consent or approval given under these Rules by the Board of Directors shall be revocable at any time.
- A-4. *Fines.* The Association may levy a fine, not to exceed One Hundred and No/100 Dollars (\$100.00) per occurrence or per day (as the case may be), for violations of these Rules.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. *Safety.* Each Resident is solely responsible for his or her own safety and for the safety, well-being and supervision of his or her guests and any person on the Condominium to whom the Resident has a duty of care, control, or custody.
- B-2. *Damage.* Each Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other Residents or their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible. Each Owner shall close all exterior windows and doors when necessary to avoid possible damage from storms or the elements. All damage to the Condominium caused by construction or repair activities within an Owner's Unit, or by the moving of any article therefrom or by the carrying of any article thereto, shall be paid for by the Owner responsible for such construction or repair activities or the presence of such article.
- B-3. *Association Does Not Insure.* Each Resident is solely responsible for insuring his or her personal property in the Unit and on the Condominium and/or property not covered by the Association's insurance, including his or her furnishings, automobile, and items kept in storage areas. Personal property placed in or on the Condominium shall be solely at the risk of the owner of such personal property. Each Resident is also solely responsible for such Resident's liability to third parties for occurrences within the Resident's Unit. **The Association urges Owners and Residents to purchase property insurance on their personal belongings and liability insurance for occurrences within their Units and incidental damage resulting therefrom.**

- B-4. *Risk Management.* No Resident shall permit anything to be done or kept in his or her Unit or the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.
- B-5. *Reimbursement for Enforcement.* An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the Condominium Documents against the Owner, his or her Unit, or persons for whom the Owner is responsible.
- B-6. *Reimbursement for Damage.* An Owner shall promptly reimburse the Association for the cost of damage to the Condominium caused by the negligent or willful conduct of the Owner or the persons for whom the Owner is responsible.

C. OCCUPANCY STANDARDS

- C-1. *Numbers.* A Residential Unit may be occupied by no more than two (2) persons per bedroom, unless higher occupancy is mandated by public agencies that enforce compliance with the familial status protection of the Fair Housing Act.
- C-2. *Danger.* The Association may prohibit occupancy by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others, pursuant to the Fair Housing Act.
- C-3. *Occupancy Defined.* Occupancy of a Residential Unit for purposes of these Rules, shall mean occupancy of at least seven (7) continuous days or 30 noncontinuous days in any 12 month period.
- C-4. *Term of Lease.* A Residential Unit may not be leased for hotel purposes or for a term of less than one (1) week. Less than the entire Residential Unit may not be leased.
- C-5. *Leases.* As to the Residential Units: Each lease must be in writing for a minimum of a one (1) week, and shall be subject in all respects to the provisions of the Condominium Documents, as amended from time to time, these Rules and Regulations, as amended from time to time, and all instruments affecting title to the condominium property. Any failure by a tenant to comply with the terms of any such documents shall constitute a default under such lease enforceable by the Association as the intended third-party beneficiary of the same. Prior to occupancy by a tenant ("Tenant"), each Owner shall provide each Tenant with a copy of the Rules and Regulations ("Rules") applicable to the Condominium, Unit and occupants. An Owner shall provide the Management with a copy of each lease of that Owner's Unit prior to occupancy by the Tenant. Units participating in the Condominium Association's ("Association") rental program are excluded from the prior two requirements. The board reserves the right to deny access to unregistered tenants and to set up access points to attempt to ensure the integrity of the building and the Owners and residents.

Pets are not allowed in rental units.

- C-6. *No Rental Pool.* Neither a Unit Owner nor the Association may be a party to any agreement with the Declarant or any third party in which the Unit Owner receives a share of income from the aggregate net income produced from rental of other Units or from other commercial activities in the Condominium (a so called "rental pool").
- C-7. *Sales.* The Association may not act as listing or selling agent for any Unit sales in the condominium; provided, however, the Association may operate or manage a program for Unit rentals, subject to Rule C-6 above. The Declarant or an affiliate of Declarant shall have the exclusive right to establish a sales office on the Condominium premises for either original sales or resales. Any listing agent or broker must accompany all prospective buyers during any Unit tours or showings and must register with the Association's management agent to conduct such tours or showings.

D. GENERAL USE AND MAINTENANCE OF RESIDENTIAL UNITS

- D-1. *Residential Use.* Each Unit must be used solely for Residential use, and may not be used for commercial or business purposes. This restriction shall not prohibit a Resident from using his or her Unit for a limited business purpose, provided that: (i) such use is incidental to the Unit's Residential use; (ii) such use conforms to all applicable laws and ordinances; and (iii) there is no external evidence of such use. In no event shall such limited business use unreasonably interfere with the quiet enjoyment of the other Owners of their Unit or involve the sale of goods or merchandise to the public. In addition, consultation with clients or customers at a Unit shall not be permitted. Notwithstanding the foregoing, the use of a Unit for the maintenance of a personal or professional library; for the keeping of personal, business or professional records of accounts; or for the handling of personal business or professional telephone calls or correspondence shall not be deemed to be a violation of these provisions.
- D-2. *Annoyance.* No Unit may be used in any way that: (i) may reasonably be considered annoying to occupants of neighboring Units; (ii) may be calculated to reduce the desirability of the Condominium as a residential community; (iii) may endanger the health or safety of other Residents; or (iv) may violate any law or any provision of the Condominium Documents.
- D-3. *Maintenance.* Each Owner, at his or her sole cost and expense, shall maintain his or her Unit and any Limited Common Elements appurtenant thereto in a clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, cable, television, plumbing, power or other utility systems throughout the Condominium and each Owner shall be responsible for his or her negligence or misuse of any of the Common Elements or his or her

own facilities resulting in damage to the Common Elements.

- D-4. *Flooring.* No Owner may alter the floor assembly, which is designed to mitigate sound transmission, without approval of the Board and, in the Board's sole discretion, certification by a qualified engineer that such alternative floor system has equal or greater sound transmission mitigation properties (as measured by the STC Rating of the alternative floor system) as that originally installed by the Declarant. Any wood, tile or other hard surface flooring within a Unit shall have such sub-flooring as the Association may require to insure that such wood, tile or other hard surface flooring shall not create a nuisance or disturbance to other Owners.
- D-5. *Patio/Balcony/Terrace.* Each Resident shall keep his or her Unit and patio, balcony, or terrace in a good state of cleanliness, taking care that the cleaning of his or her patio, balcony, or terrace does not annoy or inconvenience other Residents. No plants shall be watered on a patio, balcony, or terrace such that water overflows onto any other patio, balcony, terrace, or the exterior surface of the Building. No animal shall be fed on or from any patio, balcony, or terrace. Each Owner shall be responsible and liable for any item which falls or is thrown from such Owner's patio, balcony, or terrace by any person for whom the Owner is responsible. A patio/balcony/terrace may not be enclosed or used for storage purposes. If the Board of Directors determines that a patio/balcony/terrace is unsightly, the Owner shall be given notice by the Board of Directors to correct the problem within 5 days, after which the Board of Directors may take corrective action at the Owner's expense.
- D-6. *Water Closets.* Water closets and other water apparatus in the Units shall not be used for any purposes other than those for which they were constructed nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse or clogging of any water closet or other apparatus shall be paid for by the Owner in whose Unit it shall have been caused. All clothes washers shall use a low sudsing detergent.
- D-7. *Glass.* Each Owner, at his or her sole cost and expense, shall promptly repair and replace any broken or cracked glass in his or her Unit's windows and doors.
- D-8. *Air Conditioning Equipment.* Each Owner, at his or her sole cost and expense, shall maintain, repair, and replace the heating and cooling equipment/system serving his Unit.
- D-9. *Combustibles.* No Owner shall use or permit to be brought into or stored in the Condominium (including within a Unit) any flammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the prior written consent of the Board of Directors or the Condominium manager.
- D-10. *Barbecue Grills/fires on Balcony/Terrace.* The use of outside grills on Patio(s) and Terrace(s) and/or the placement of any fixture, item, or apparatus for the

containment of fires (i.e. fireplace, "chiminea", etc.) shall be governed by this paragraph. The use of any outside/outdoor grills on any Balcony or Terrace shall be expressly limited to electric grills of the type, and having the specifications approved by the Declarant during the Declarant Control Period, and after the expiration of the Declarant Control Period, by the Association, acting by and through its Board of Directors. The use of gas, propane, charcoal or open fires for grilling on Balcony(ies) or Terrace(s) shall be expressly prohibited. Permitted electrical grills must be supervised at all times during use, may not be used near combustible materials, and must be in full compliance with all applicable governmental codes (including the City of Galveston fire code). No open fires or contained fires (whether in fireplaces, "chimineas", or the like) shall be permitted on any Patio or Balcony.

- D-11. *Obligation to Report Malfunctions.* A Resident shall immediately report to the Board of Directors his or her discovery of any leak, break, or malfunction in any portion of his or her Unit or the adjacent Common Elements for which the Association has a maintenance responsibility. The failure to report promptly a problem may be deemed negligence by the Resident, who may be liable for any additional damage caused by the delay.
- D-12. *Utilities.* Each Resident shall endeavor to conserve the use of utilities furnished through the Association, including water consumption within his or her Unit.
- D-13. *Frozen Water Pipes.* Because the Condominium is constructed with water lines in exterior walls, it is the duty of every Owner and Resident to protect such water lines from freezing during winter months. Between November 1 and March 25 of any year, no Unit may be left unheated. During periods of anticipated below-freezing temperatures, water lines in exterior walls should be allowed to drip continuously, and cabinets enclosing plumbing lines should be left ajar. Dishwashers on exterior walls should not be used during and immediately after periods of extreme cold. Failure by an Owner or Resident to monitor the local weather and take appropriate precautions shall be deemed negligence.
- D-14. *Moving.* Trunks, furniture, appliances and heavy baggage shall be taken in or out of the Condominium by the designated route to and through the designated elevator and at the time designated by the Board of Directors for that purpose, and through the designated entrance only. All moving shall require prior reservation of the elevator with the Condominium manager. Access is limited to Mon - Fri (excluding Holidays) 9:00AM- 5:00 PM. UNDER SPECIAL CIRCUMSTANCES ARRANGEMENTS CAN BE MADE WITH THE MANAGEMENT TO MOVE ON A HOLIDAY.
- D-15. *Unit Warranties.* All warranties associated with the Owner's Units must be handled directly between the Owner and the developer or the appropriate manufacturer. The developer has a special manual that they presented to all the Owners at closing which outlines all the Warranty procedures. The primary responsibility regarding warranties is the Owner and not the Association.

- D-16. *Common Area Warranties.* All warranties associated with the Common Areas, including balconies and sliding balcony doors, are handled directly between the Association and the Developer or the appropriate manufacturer.
- D-17. *Unit Maintenance.* Each Owner is responsible for the maintenance of his or her Unit and Limited Common Elements. The Association maintenance personnel will provide minor maintenance services to Owners upon written request (work order), and all such services will be billed to the Owner as an assessment on their monthly bill. The exception to this is the complimentary services provided by the Association. Complimentary Services will not be provided to any Unit owners in arrears with respect to any amount owed to the Association (assessments, fees, work orders, etc.)
- D-18. *Common Area Maintenance.* The Association is responsible for all maintenance, decorations and accessories in the Common Areas, and sliding balcony doors and exterior windows in all Units.

E. COMMUNITY ETIQUETTE

- E-1. *Courtesy.* Each Resident shall endeavor to use his or her Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.
- E-2. *Annoyance.* No unlawful, noxious or offensive activity shall be conducted or carried on in any Unit, or upon the Common Elements or anywhere else in the Condominium, nor shall anything be done therein or thereon which may be or become an annoyance or a nuisance to other Owners or the neighborhood or cause unreasonable noise or disturbance to others, or which shall interfere in any manner with any Owner's quiet enjoyment of his or her Unit.
- E-3. *Noise and Odors.* Each Resident shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Residents of other Units. The use or discharge of firearms, firecrackers or fireworks is expressly prohibited within or from the Condominium.
- E-4. *Reception Interference.* Each Resident shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Condominium.
- E-5. *No Personal Service.* The Association's employees and agents are not permitted or authorized to render personal services to Residents. Each Resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Resident.

- E-6. *Compliance with Law.* Residents may not use the Condominium for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of the City of Galveston, Texas. A Resident who violates this provision shall hold the Association and other Owners and Residents harmless from all fines, penalties, costs, and prosecutions for the Resident's violation or noncompliance.
- E-7. *Dress Code for Indoor Common Areas.* (Coffee area, Party room, Elevators, Game room, Hallways, Kids room, Lanai area, Library and Lobby)
Footwear must be worn at all times. Women are required to wear cover-ups; men are required to wear shirts. Proper attire should be worn in the Exercise room so that injury to all is mitigated.
- E-8. *Dress Code for Pool and Spa Areas.* No nude swimming or sunbathing is allowed.
- E-9. *Smoking* is forbidden in all Indoor Common Areas (Coffee area, Party room, Elevators, Game room, Hallways, Kids room, Exercise room, Library and Lobby) and within 25 ft of all entrances. Smoking is also not allowed on the Pool Deck and Lanai area.

F. ARCHITECTURAL CONTROL AS TO RESIDENTIAL UNITS

F-1. *Alterations, Additions and Improvements.*

There is hereby established an Architectural Control Committee (sometimes referred to as the "ACC"). For so long as the Declarant owns any Unit in the Condominium, the Declarant shall act as the Committee, and shall appoint one (1) or more committee member(s) to serve in such capacity at the direction and pleasure of the Declarant. The Declarant shall have the right, at any time, to transfer control of the ACC to the Board of Directors of the Association by an instrument in writing; however, such control shall automatically be transferred to the Board of Directors of the Association at such time that the Declarant does not own any Units in the Condominium. When ACC control is assigned to the Board of Directors of the Association, the Board shall appoint a committee of not less than three (3) members, all of which shall be members of the Association, to act as the ACC. Members of the ACC so approved by the Board shall serve for such periods as directed by the Board at the pleasure of the Board. Any members of the ACC may be removed by the Board within or without cause and the Board shall approve a successor.

When the ACC is controlled or constituted by the Declarant or the Board of Directors, the ACC shall act as the decision making body concerning any matter set forth in this Section. Decisions of the ACC shall be enforced by the Association, acting through the Board. Provided however, that decisions of the

Declarant controlled ACC may be enforced by the Declarant if the Association fails or refuses to enforce same.

No alterations of any portion of the Common Elements or additions or improvements thereon shall be made by any Owner without the prior written approval of the ACC. No alteration of any portion of the Common Elements or any additions or improvements therein which are visible from the exterior of the building shall be made by any Owner without the prior written approval of the Master Association. No Owner shall make any structural modification or substantial improvement to or alteration of or to his or her Unit or the Common Elements, including any alteration or modification involving plumbing, electricity, fire protection and security systems, heating, ventilating, air conditioning systems or any mechanical or structural systems, except in a manner authorized in writing by the ACC. To the extent deemed necessary by the ACC, all payment and performance bonds required by the ACC, names of all contractors, subcontractors and other parties which will be involved therewith, plans, specifications, mechanical and engineering drawings and renderings for any proposed structural modification or substantial alteration, improvement to or modification of a Unit must be submitted, no less than thirty (30) days prior to the date of commencement of such work, by such Owner to the ACC for review and approval. The ACC may impose such specifications and requirements as it may reasonably deem necessary in connection therewith, including, without limitation, the right to require (but having no duty to so require) that the Owner provide assurances that the alterations, additions, improvements, and modifications comply with all applicable governmental requirements. Further, the ACC has the right to approve or deny any of such alterations, additions, modifications or improvements, or the contractors, subcontractors or other personnel performing same, so that, among other reasons, the quality, integrity and safety of the Condominium can be promoted and in order to ensure that the alterations, additions, improvements and modifications (i) are consistent and compatible with the existing Building, and (ii) do not encourage or involve a violation of the Condominium Documents. In the event any Owner constructs or causes to be constructed any alteration, addition, improvement or other modification to his or her Unit which encroaches on any Common Element or any other Unit, the ACC may require such Owner, at his or her sole cost and expense, to remove such encroachment and to restore and repair any damage caused by same or attributable thereto. No approval by the ACC of any such alterations, additions, modifications or improvements, or the plans, specifications, mechanical and engineering drawings and renderings, or the contractors, subcontractors or other personnel performing same, will be or constitute any representation or warranty by the ACC as to the adequacy or sufficiency thereof, or of the compliance of same with any applicable laws, codes or ordinances. All alterations, additions, modifications or improvements must be performed in a prompt, diligent and professional manner, must comply with the plans, specifications, mechanical and engineering drawings and renderings submitted to the ACC (with any requisite changes, additions, modifications or alterations thereto which may be imposed by the ACC), and must comply with all applicable codes, ordinances, laws and regulations applicable thereto.

The foregoing provisions may not be amended or modified without the consent and joinder of the Declarant for so long as the Declarant owns any Unit in the Condominium.

F-2. *Prohibited Acts.* No person may:

- a. Post or inscribe signs, notices, or advertisements on the Common Elements or in a Unit if visible from outside his Unit, including "For Sale" signs.
- b. Place or hang an object in, on, from, or above any window, interior window sill, balcony, terrace, or patio that, in the opinion of the Board of Directors, detracts from the appearance of the Condominium.
- c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies, patios, or passageways.
- d. Erect or install exterior horns, lights, speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof.
- e. Place decorations on exterior walls, windows, or doors, or on the General Common Elements.

F-3. *Window Treatments and Exterior Shutters.* An Owner may install window treatments inside his or her Unit, at his or her sole expense, provided:

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

An Owner may install exterior shutters (roll up/down type, sliding, etc.) on the exterior windows and doors provided that (i) same are installed in accordance with the then applicable rules and regulations of the Master Association, and approved in writing by the ACC, (ii) that same are installed so as to not damage any part of the common elements or adversely affect the common elements (including causing or permitting water penetration), (iii) that the Association shall not have the responsibility to maintain or repair same; and (iv) to maintain uniformity of appearance, the shutters are kept open at all times except within three days prior to any announced storm warnings or watches (affecting the City of Galveston) and during any such storm.

- F-4. *Board of Directors Approval.* To obtain the Board of Directors' written consent for a modification, an Owner must submit to the Board of Directors complete plans and specifications showing the nature, kind, shape, size, materials, colors, and location for all proposed work, and any other information reasonably requested by the Board of Directors. The Board of Directors' failure to respond to the Owner's written request within 45 days after it receives the Owner's request shall be construed as no objection to the proposed changes.

G. TRASH DISPOSAL

- G-1. *General Duty.* Resident shall not litter Common Elements, shall endeavor to keep the Condominium clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose. No garbage, trash, rubbish, waste, or waste bins or receptacles therefore shall be permitted to remain on any portion of the Common Elements, except on those days specifically scheduled for collection thereof and in areas specifically designated therefore. All garbage, trash, rubbish, and other waste shall be kept only in sanitary containers.
- G-2. *Hazards.* Resident may not store trash inside or outside his or her Unit in a manner that encourages vermin, causes odors, or may permit the spread of fire. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, Resident shall ensure that the debris is thoroughly cold.
- G-3. *Excess Trash.* Resident shall place trash entirely within a trash container within the designated trash room, and may not place trash outside, next to, or on top of trash container. If a trash container is full, Resident should locate another trash container or hold his or her trash. Boxes and large objects should be crushed or broken down before placed in trash container. Trash container doors are to be closed at all times when not in use. Resident shall arrange privately for removal of discarded furnishings or any unusually large volume of debris. Owner and Owner's contractors, subcontractors, agents, employees and other parties involved in any construction to or on such Owner's Unit shall confirm that any and all refuse, waste, trash, garbage, rubbish, remains, scraps, and other materials and supplies which are brought onto the Condominium by such parties, or any of them, is removed, at such Owner's expense, at such times, manners and locations as may be required by the Association or the Managing Agent (if any).

H. PETS

- H-1 *Conditional Permission To Keep Or Maintain Pets.* Pet(s) shall be conditionally permitted in accordance with the provisions of this paragraph H. Provided that, and as conditions precedent, all of the following rules are met and maintained at all times, each resident shall be permitted, on a conditional basis, to keep or maintain pet(s) in compliance with the following rules (conditional permission). If any of the following rules are violated, the conditional permission to keep or maintain any pet in violation of such rules shall be subject to being revoked by

the Board in the Boards' sole and absolute discretion.

H-2. *Restrictions As To Pet(s)*. The following rules shall apply to all residents and their pet(s). Violation of any of the following rules may be the basis for revocation of the conditional permission to keep such pet(s).

a. No animals shall be kept except normal and customary household domestic pets (i.e. dogs, cats, fish, birds, etc.). Reptiles, exotic species, and endangered species are expressly prohibited.

b. A resident may keep up to two (2) animals within a Unit. There shall be no restriction on the number of fish within the Unit.

Permitted pets may also include specifically trained animals that serve as physical aids to handicapped residents.

c. All residents shall provide the Association with a list of the household pets kept or maintained in their unit (i.e. number, species, breed, etc.) and/or otherwise register their household pets with the Association on such forms, and provide such information, as the Association shall reasonably require. The Association shall be authorized to collect or levy a registration fee in connection with such registry.

d. No pets may be kept or bred for any commercial purpose.

e. No pet shall be kenneled or tethered unattended for any period of time on any balcony, patio, or any part of the limited or general common elements of the property.

f. ALL PETS MUST BE ON A LEASH OR CONTAINED AND MAINTAINED UNDER THE CONTROL OF THEIR OWNER WHILE ON THE COMMON AREA. THERE SHALL BE NO EXCEPTIONS (the City of Galveston leash law also mandates this). No pet shall be allowed to run loose within the property. Animals being transported from a unit to an automobile or another unit must be on a leash, securely carried, or carried within a pet carrier.

g. No savage or dangerous animal shall be kept, or any animal deemed by the Board of Directors to be a potential threat to the well being of other Residents or visitors or animals.

h. Each resident who maintains a pet shall be responsible to pick up and dispose of any defecation by such pet on the property.

- i. Except as provided herein, PETS ARE NOT ALLOWED IN THE SWIMMING POOL OR IN THE POOL ENCLOSURE AREA AT ANY TIME. PETS ARE NOT ALLOWED IN COMMON AREAS WHERE AND WHEN FOOD IS SERVED.
 - j. Residents are not permitted to bathe dogs and/or cats outside or in the common area. All animals must be bathed inside the resident's unit.
 - K. Cats are not allowed to roam on or about the property. Cat traps may be set out periodically and any stray cat caught in any such trap will be turned over to the City of Galveston department of Animal Registration and Care (or its then existing equivalent).
 - l. Residents who keep or maintain pet(s) in accordance with these rules must be responsible pet owners and not allow their pet(s) to unreasonably interfere with the rights of the other residents or disturb another resident's rest or quiet and peaceful enjoyment of his or her Unit or the common elements.
 - m. All pet(s) shall have such care and restraint so or not to be obnoxious or offensive on account of noise, odor, or unsanitary condition. No pet shall be permitted to bark, howl, whine, screech or make other loud noises for extended or repeated percent of time.
- H-3 *Violation Of Rules, Revocation Of Conditional Permission.* In the event that any resident violates any of the foregoing rules, or fails or refuses to maintain and care for his/her/their pets, or allows their pets to unreasonably interfere with the rights of the other residents, or such pets are determined to be offensive on account of noise, odor, or pose a threat to other residents, the Board, in its sole discretion, shall have the right to revoke the permission to keep any pet in violation of the rules and these provisions, and the resident shall be obligated to promptly remove and relocate any such animal determined by the Board to be in violation of these provisions. The Association shall have the right to pursue all available legal remedies to cause the owner/resident to remove any such pet, including, without limitation, a mandatory injunction.
- H-4 *Damage/Indemnity.* Each Resident shall be responsible for any property damage, injury, or disturbance his or her pet may cause or inflict. Each Resident shall compensate any person injured by his/her pet. Any resident who causes any animal to be brought or kept upon the premises of the condominium property shall indemnify and hold harmless the Association for any loss, damage, cost or liability which the Association may sustain as a result of the presence of such animal on the premises.

I. SATELLITE DISH(ES)

I-1. *Covered Antennas.* These rules shall cover the installation of any device used for the transmission and receipt of video or audio services, including direct broadcast satellite (DBS), telecommunication broadcast and multipoint distribution service (MDS), including conduits and wiring and other accessories necessary for the proper installation, maintenance, and use, all as covered by the Telecommunications Act of 1996 (the "FCC Rules"), and which includes the following:

- a) Antennas designed to receive Direct Broadcast Satellite (DBS) Service that are 39.4 inches (1 meter) or less in diameter; and
- b) Antennas designed to receive multipoint Distribution Service (MDS) Service that are 39.4 inches (1 meter) or less in diameter.

(collectively, the "Covered Antennas")

All other antennas, satellite dishes, receiving or transmitting devices shall be expressly prohibited unless wholly within a Unit or not visible to the exterior of the building.

These Rules shall not apply to the Roof-top Commercial Unit.

I-2 Installation Rules

- a) Owners may install Covered Antennas according to the following Guidelines provided that these Guidelines do not unreasonably delay the installation, maintenance or use of such Covered Antenna; do not unreasonably increase the cost of installation, maintenance or use of such Covered Antenna; or preclude reception of acceptable quality signals from Covered Antennas.
- b) No Antenna of any kind shall be permitted or installed on the exterior of any unit or building or that protrudes from the walls or out of the windows of the building save as are expressly in writing previously approved by the Association.
- c) Notwithstanding the foregoing general prohibition as to Antennas provided, Covered Antennas may be installed in accordance with these Rules. Satellite dishes which are designed to receive satellite signals which are larger than one meter (39 inches) are prohibited.
- d) The following provisions shall be applicable to a Covered Antennas:

- (i) *Location.* Covered Antennas may only be installed (i) wholly within a condominium unit, or (ii) wholly within the patio or balcony appurtenant to such condominium unit, which may be sometimes referred to as the "exclusive use area" for such respective unit. Limited Common Elements are defined in the Declaration. Installation of a Covered Antenna on a limited common element which is exclusively used by the owner does not convert such limited common element to individual property. Except as set forth above, installation of a Covered Antenna is never permitted on any common element (other than those portions of such common elements constituting a limited common element balcony or patio for the exclusive use of a respective unit), including, without limitation, any parking area, roof, exterior wall, or fence.
- e) Antennas shall not encroach upon any of the common elements of the Condominium, the common area air space, on the individually owned property of other Owners, or the airspace of another Owner's individually owned property. No Covered Antenna may protrude beyond the vertical or horizontal space forming the perimeter of the limited common element balcony or patio for the exclusive use of a respective unit. Due to, among other considerations, safety concerns, no Covered Antenna may be attached or affixed in any way to the balcony railings.
- f) If Antennas can receive acceptable quality signals from more than one location, then Antennas must be located in the least visible preferred location. This section does not permit installation on the common elements.
- g) Covered Antennas shall be neither larger nor installed higher than is absolutely necessary for reception of an acceptable quality signal.
- h) All installations shall be completed so that same do not damage any common elements, limited common elements, or void any warranties of the Association or in any way impair the integrity of any building.
- i) All cable/conduit must be hidden and located in those areas as designated by the Board of Directors as the area where wiring and conduits are to be located.
- j) Any installer of an Antenna, including an Owners, shall provide the Association with an insurance certificate listing the Association as a named insured prior to installation. Insurance shall meet the following minimum limits:
 - (i) Contractor's General Commercial Liability (including completed operations): \$1,000,000.00.
 - (ii) Worker's Compensation: Statutory limits.

The purpose of this rule is to ensure that Antennas are installed in a manner that complies with all applicable building and safety codes and manufacturer's instructions. Improper installation could cause damage to structures, posing a potential safety hazard to residents at the Condominium.

- k) No liens in connection with the installation or maintenance of any Covered Antenna shall be filed against the common elements of the Condominium.
- l) Antennas must be secured so they do not jeopardize the soundness or safety of any structure or the safety of any person at or near antennas, including but not limited to, damage from wind velocity. A Covered Antenna must be securely mounted to a base so as to be able to withstand the effects of high winds or other extraordinary weather conditions. No guy wires or similar mounting apparatus will be allowed. No Covered Antennas may be attached to a balcony railing.
- m) Only one Covered Antenna per unit may be installed by an Owner.
- n) Installation of Antennas shall only occur between the hours of 8:00 a.m. and 6:00 p.m.

I-3 *Maintenance*

- (a) Owners who install or maintain Antennas are responsible for all associated costs, including but not limited to costs to:
 - (i) Install, repair, maintain, replace, move or remove Antennas;
 - (ii) Repair damage to any property caused by Antennas installation, maintenance or use;
 - (iii) Pay medical expenses incurred by person injured by Antenna installation, maintenance or use;
 - (iv) Reimburse other Owners and residents of the Association for damage caused by Antenna installation, maintenance or use; and
 - (v) Restore Antenna installation sites to their original condition.
- b) Owners shall not permit their Antennas to fall into disrepair or to become a safety hazard. Owners shall be responsible for Antenna maintenance repair and replacement and the correction of any safety hazard.
- c) If Antennas become detached, Owners shall repair such detachment or remove the Antenna within 72 hours of the detachment. If the detachment threatens safety, the Association may remove the Antenna

without liability and at the sole cost and expense of the Owner. The Association is not liable for any damage to the Antenna caused by the Association's removal.

I-4 *Safety*

- a) Antennas shall be installed and secured in a manner that complies with all applicable state and local laws, ordinances and regulations, and manufacturer's instructions. Prior to installation, Owners shall provide the Association with a copy of any applicable government permit if required for safety reasons.
- b) Antennas shall not obstruct access to or exit from any condominium unit, walkway, ingress or egress from an area, electrical service equipment or any other areas necessary for the safe operation of the Condominium. The purpose of this requirement is to ensure the safety of the Association residents, personnel and safe and easy access to the Condominium.
- c) Installation must comply with all applicable codes, take aesthetic conditions into account and minimize the impact to the exterior and structure of the Owner's condominium unit.
- d) To prevent electrical and fire damaged, Antennas shall be permanently grounded.
- e) Exterior wiring shall not be installed so as to hang in mid air. The purpose of this requirement is to protect persons near and around the Antennas and such exterior wiring from injury.

I-5 *Antenna Camouflaging*

- a) Antennas shall be painted to match to color of the structure to which they are installed or attached, provided that such painting does not interfere with reception or impair the ability to receive a signal.
- b) If Antennas are visible from the street or other condominium units, camouflaging said Antennas through inexpensive screening is required, provided that such screening does not interfere with reception or impair the ability to receive a signal; provided however, that said screening must be approved in accordance with the architectural control provisions of the Declaration.
- c) Exterior wiring shall be installed so as to be minimally visible and meet the requirements of set forth in Section 2, Paragraph (i) and Section 4, Paragraph (e) herein above.

I-6 *Antenna Removal*

- a) Covered Antennas removal requires restoration of the installation location to its original condition. Owners shall be responsible for all costs relating to the restoration of this location.

I-7 *Association Maintenance of Locations upon which Antennas are Installed*

- a) If Antennas are installed on limited common elements which are maintained by the Association the Owner(s) retain responsibility for maintenance of the Covered Antenna. Covered Antennas must not be installed in a manner which will result in increased maintenance costs for the Association or for other residents. If increased maintenance or damage occurs, the Owners are responsible for all such costs.
- b) If maintenance requires the temporary removal of the Covered Antenna, the Association shall provide Owners with reasonable written notice. Owners shall be responsible for removing or relocating Covered Antennas before maintenance begins and replacing Covered Antennas afterwards, if an Owner so desires. If the Covered Antennas is not removed in the required time, then the Association may do so at the Owner's expense. The Association is not liable for any damage to the Covered Antennas caused by Association removal.

I-8 *Notification Procedures*

- a) Prior to the installation of any Covered Antenna, the Owner or resident must have executed an agreement, whereby such Owner or resident shall expressly agree to: (i) be responsible for all damages or loss caused by the installation or use of the Covered Antenna, (ii) indemnify and hold harmless the Association for all such damage or loss, and (iii) provide the Association with a certificate of insurance showing that the Owner or resident has the appropriate amount of liability insurance to cover any such damage or loss.

I-9 *Enforcement*

- a) If these Guidelines are violated or if Antenna installation poses a serious, immediate safety hazard, the Association, after ten (10) days written notice to the Owner, may bring action for declaratory judgment and/or injunctive relief with any court of competent jurisdiction or the Federal Communication Commission. The Association shall be entitled to recover reasonable attorneys' fees, costs and expenses incurred in the enforcement of these Guidelines. In addition, the Association may levy and enforce the collection of fines pursuant to the then existing policy for fines of the Association, if any, if these Guidelines are violated. **In any event, the Association shall be entitled to seek and collect reasonable attorney fees, costs, and expenses incurred in the enforcement of this policy.**

I-10 *General*

- a) No advertising slogans, logos, banners, signs, or other printing or illustration whatsoever shall be permitted upon or be attached to any Antenna.
- b) No Antenna shall ever be used for the transmission of any signal whatsoever and same Antenna shall be for the purpose of necessary only normal signals through airwaves for television viewing purposes only.
- c) No Antenna shall be permitted to cause any distortion or interference whatsoever with respect to any other electronic device on the condominium property.

I-11 Severability

- a) If any of these Guidelines are determined to be invalid, the remainder of these Guidelines shall remain in full force and effect.

J. MISCELLANEOUS

- J-1. *Security.* The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents, and employees, shall not in any way be considered an insurer or guarantor of security within the Condominium, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Resident, guest, and invitee on the Condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit, and to any other of his or her property on the Condominium. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.
- J-2. *Right to Hearing.* An Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of these Rules by the Owner or a Resident of the Owner's Unit. The Board of Directors will schedule a hearing within 30 days of receiving the Owner's written request. At the hearing, the Board of Directors will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- J-3. *Mailing Address.* An Owner who receives mail at any address other than the address of his or her Unit shall be responsible for maintaining with the Association his or her current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Condominium Documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner

- J-5. *Revision.* These Rules are subject to being revised, replaced, or supplemented. Owners and Residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until 10 days after the Association mails notice of an amendment or revocation of these Rules to an Owner of each Unit. Provided, however, that after the termination of the period of Declarant Control, no amendment to these Rules may materially or adversely affect the rights or obligations of the Owner of the Commercial Unit shall be valid unless such amendment is also approved by the Owner of the Commercial Unit.
- J-6. *Other Rights.* These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Articles of Incorporation, and the laws of the State of Texas.
- J-7. *Effective Date.* These Rules are Rules of the Trade Winds/The Beach Club Condominium Association, Inc. and shall become effective the First of March, 2010.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the Rules of the Trade Winds/The Beach Club Condominium Association, Inc., a Texas nonprofit corporation and condominium association, as adopted by the Board of Directors at its organization meeting on the Twenty-Fifth day of February, 2010.

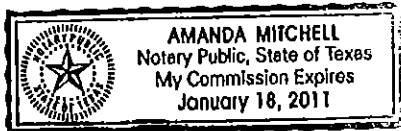
IN WITNESS WHEREOF, I hereunto set my hand this the Twenty-Fifth day of February, 2010.

TRADE WINDS/THE BEACH CLUB
CONDOMINIUM ASSOCIATION, INC.

By: Meherwan P. Boyce

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Before me, the undersigned authority, on this Twenty-Fifth day of 2010, personally appeared Meherwan P. Boyce, President of the Trade Winds/The Beach Club Condominium Association, Inc., known to me to be the person whose name is subscribed to the foregoing Instrument, and acknowledged to me that he executed the same on behalf of the Association.



Amanda Mitchell
Notary Public, The State of Texas

TradeWinds/BeachClub Condominium Association
Galveston
Complimentary Services

Life Safety and Exterior:

- Inspect fire alarms and change batteries every six months.
- Clean dryer filters located in the walls every three months.
- Place balcony furniture in units upon immediate threat of a hurricane.
- Security/Fire Alarm monitoring daily.
- Change exterior light bulbs upon request of owner.
- Clean and/or repair balcony door once every 2 months.

Engineering:

- Change water filter on fridge upon request, filter provided by owner.
- Inspect air conditioning drains and lines and add algae tablets upon request.
- Adjust and calibrate air conditioning temperature controls upon request.
- Change air conditioning filters upon request, filters will be provided by the association and the cost charged to the homeowner.
- Replace light bulbs upon request. Standard Bulbs will be provided by the association and the cost for the bulbs charged to the homeowner.
- Provide assistance to vehicles, i.e.: boost battery, air tires, etc.
- Adjust and repair entry door at owner's request, owner to provide parts.
- Minor repairs and adjustments not to exceed 30 minutes in a month.
- Perform minor plumbing repairs, such as unclogging drains with owner providing parts.
- Good will unit inspections during absences.
- Basic appliance operational questions.

Other Services:

- Daily newspaper delivery to vestibule.
- Help with luggage and groceries from car to units.
- Dry cleaning pickup and delivery.
- Send/receive local faxes.
- Federal Express/UPS package collection for pickup and receiving
- Comcast Basic Service

The above services will be reviewed at the end of 2009 and may be adjusted if necessary

EXHIBIT "B": CONDOMINIUM PLAN

**PART IV: Percentage Interests Allocated to
Each Condominium Unit for Purposes of
Ownership, Voting and Assessments**

Re: Method of Calculating Area
Trade Winds/Beach Club Condominium at Palsade Palms
Condominium Information Statement
Exhibit B: Condominium Plan – Part IV

The Declarant has specified the following method for calculating area for the express, exclusive and sole purpose of establishing the percentage ownership interest to be allocated to each condominium unit for purposes of ownership, voting, and assessment rights, responsibilities and obligations:

from the center lines of demising or party walls separating one unit from another unit, the exterior surface of all exterior walls including walls that butt up to elevators or stairwells, and the exterior surface of the corridor wall enclosing and abutting the unit.

Please note that floor plan areas were calculated on the middle floor, with the result that units on lower floors may have less floor space due to thicker structural members, while units on higher floors may, inversely, have more floor space. Moreover, the area associated with balconies or terraces that are intended for the exclusive use of a Unit owner have been calculated separately from the outside surface of any wall or partition that separates the balcony terrace area from the Unit to the outside edge of the balcony.

Importantly, any area calculations taken in the absence of and prior to the building being constructed and without any opportunity to verify dimensions based upon a Unit survey are preliminary and may vary from the as-built conditions. Moreover, areas calculated under the method given above are based entirely on dimensions taken from preliminary architectural plans; areas calculated based upon plans issued for building permits or, later, as-built conditions or dimensions obtained from a Unit survey may vary, for example, by 5% and result in precise square footage calculations that are either greater or smaller than those given herein. Accordingly, any area calculations made hereunder are approximate and shown for descriptive purposes only and do not necessarily reflect or represent the precise square footage of any specific portion of the Condominium, and no warranties, representations or guarantees are given or made regarding the specific area calculations.

Sincerely,

Scott Evans, AIA
Vice President

PALISADE PALMS TRADE WINDS

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0104 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | | |
| TW0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | | TW55 |
| TW0108 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | | TW49 |
| TW0110 | Pompano Beach | 1,304 | 1,424 | 2,728 | 0.2699% | 0.2728% | | |
| TW0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW02 |
| TW0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW44 |
| TW0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0210 | Pompano Beach | 1,304 | 460 | 1,764 | 0.2699% | 0.2728% | | |
| TW0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW39 |
| TW0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW56 |
| TW0310 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| TW0400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0500 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0502 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW33 |
| TW0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0600 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0602 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | A38 | |
| TW0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B37 | TW13 |
| TW0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0700 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0702 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW32 |
| TW0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW11 |
| TW0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A38 | TW22 |
| TW0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0800 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0802 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW24 |
| TW0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0900 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0902 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW07, TW08 |
| TW0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1000 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1002 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | T9A, T9B | TW30 |
| TW1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | A35 | TW37 |
| TW1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1100 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1102 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1200 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1202 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | T2A, T2B | TW40 |
| TW1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW23 |
| TW1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | T7A, T7B | |
| TW1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | T8A, T8B | TW16 |
| TW1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|---------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW04 |
| TW1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1812 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW23 |
| TW1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T1A, T1B, T1C | TW34 |
| TW1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1912 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW35 |
| TW2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2012 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2103 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2105 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A44 | TW45 |
| TW2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2112 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2203 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2205 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | B44 | TW61 |
| TW2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2212 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A15, A16, A17 | TW15 |
| TW2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| TW2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | C13 | |
| TW2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A14 | TW48 |
| TW2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| TW2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | B19 | TW38 |
| TW2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| TW2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | T14A, T14B, M17, M18, M19 | TW51 |
| TW2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | A40, A41 | |
| TW2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A42, A43 | |
| TW2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 237,357 | 56,815 | 294,172 | 49.1237% | 49.6532% | | |

PALISADE PALMS BEACH CLUB

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|--|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC0102 | Pompano Beach | 1,304 | 1,581 | 2,885 | 0.2699% | 0.2728% | | |
| BC0104 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | T6A, T6B | TW75 |
| BC0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | B46A, B46B, S1, T16A, T16B, T16C, D201 | TW76 |
| BC0108 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | D110 | BC25 |
| BC0200 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | T10A, T10B | TW05, TW06 |
| BC0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A12 | |
| BC0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0300 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | | |
| BC0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| BC0400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW27 |
| BC0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC24 |
| BC0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW09 |
| BC0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | B25 | |
| BC0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | BC39 |
| BC0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | A13 | BC08 |
| BC0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T15A, T15B | BC49 |
| BC1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | C14A, C14B | BC44 |
| BC1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | B26 | TW12 |
| BC1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW28 |
| BC1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW46 |
| BC1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW01 |
| BC1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B48 | BC23 |
| BC1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC34 |
| BC1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW42 |
| BC1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW29 |
| BC1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | B43 | |
| BC1910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW41 |
| BC2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|-------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC2012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T11A, T11B | BC52 |
| BC2104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | M13 | TW14 |
| BC2110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC29 |
| BC2206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | B47 | |
| BC2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC02 |
| BC2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| BC2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A19 | BC53 |
| BC2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T5A, T5B | |
| BC2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW10 |
| BC2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | | TW69 |
| BC2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | B45 | TW43 |
| BC2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A50 | BC06 |
| BC2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A39, A45, A46, B41, B42 | BC19, BC20 |
| BC2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 239,764 | 56,974 | 296,738 | 49.6219% | 50.1567% | | |

PALISADE PALMS COMMERCIAL UNITS

| Suite | Designation | Total sq.ft. | Assessment by Area @ 15% Ratio sq.ft. | Ownership/ Voting | Assess. (by AREA) | Parking Space(s) | Storage Space(s) |
|---------------|----------------|-------------------|--|----------------------|----------------------|---------------------|---------------------|
| R-TW | Roof TW | 2,509 s.f. | 376 s.f. | 0.5193% | 0.0787% | | |
| R-BC | Roof BC | 2,509 s.f. | 376 s.f. | 0.5193% | 0.0787% | | |
| SC-BC | SalesCenter BC | 1,043 s.f. | 156 s.f. | 0.2159% | 0.0327% | | |
| | | | | | | | |
| TOTALS | | 6,061 s.f. | 909 s.f. | 1.2544% | 0.1902% | | |

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2010024644

May 25, 2010 10:06:54 AM

FEE: \$160.00

Mary Ann Daigle, County Clerk
Galveston County, TEXAS



**FOURTH AMENDMENT TO
DECLARATION OF CONDOMINIUM FOR
TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS**

This Amendment amends: "The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms," recorded under County Clerk's File No. 2005047091, as amended by the Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2008024938, as further amended by Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2009018520, as further amended by Third Amendment and Correction to Third Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, recorded under County Clerk's File Nos. 2010024644 and 2010026103, respectively, all in the Official Public Records of Galveston County, Texas.

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

This Fourth Amendment to The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, dated as of the date shown below, is made and executed by the undersigned Declarant (as hereinafter defined) for Trade Winds/The Beach Club Condominium at Palisade Palms, pursuant to Article 20 of the Declaration to-wit:

WITNESSETH:

WHEREAS, East Beach Project Phase I, Ltd., a Texas limited partnership, as Declarant, heretofore executed that certain "Declaration of Condominium for Trade Winds/The Beach Club at Palisade Palms" dated July 8, 2005 recorded July 12, 2005 under County Clerk's File No. 2005047091 of the Real Property Records of Galveston County, Texas (hereinafter called "the Initial Declaration"); and

**FOURTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS**

WHEREAS, said Declarant heretofore executed that certain "Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated May 2, 2008, recorded May 5, 2008, under County Clerk's File No. 2008024938 of the Real Property Records of Galveston County, Texas (hereinafter called "Amended and Restated Declaration"); and

WHEREAS, the Declarant further executed that certain "Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated April 6, 2009, recorded April 7, 2009, under County Clerk's File No. 2009018520 of the Real Property Records of Galveston County, Texas (hereinafter the "Second Amendment to Declaration"); and

WHEREAS, on or about February 25, 2010, the Rules of the Trade Winds/The Beach Club Condominium Association, Inc. (the "Association") (set forth in the Declaration as Exhibit 1 to the Bylaws), were amended by the Board of Directors of the Association in accordance with Section 8.F. of the Declaration and, to reflect the current Rules of the Association as provided in Section 20D(iii) of the Declaration, Declarant executed that certain "Third Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" and "Correction to Third Amendment," such Third Amendment dated May 24, 2010 and recorded May 25, 2010, under County Clerk's File No. 2010024644 of the Real Property Records of Galveston County, Texas (the "Third Amendment") and such Correction to Third Amendment (to correct a typographical error) dated June 1, 2010 and recorded June 2, 2010, under County Clerk's File No. 2010026103

FOURTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

of the Real Property Records of Galveston County, Texas (the "Correction to Third Amendment"); and

WHEREAS, the Initial Declaration, the Amended and Restated Declaration, the Second Amendment to Declaration, the Third Amendment and Correction to Third Amendment (all collectively referred to as the "Declaration") cover those residential and commercial units described in and set forth in such instruments, constituting the development known and described herein as "Trade Winds/The Beach Club Condominium at Palisade Palms"; and

WHEREAS, Article 20, Section D(iii) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration to make it comply with the mandatory provisions of the Texas Uniform Condominium Act; and

WHEREAS, Article 20, Section D(iv) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration for the purpose of changing the assignment and allocation of parking spaces or storage spaces and other matters set forth in such Article; and

WHEREAS, pursuant to Article 20, Sections D(iii) and (iv) of the Declaration, the undersigned Declarant agrees that the Declaration shall be amended in the manner hereinafter set forth:

FOURTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

NOW, THEREFORE, for and in consideration of the premises, the Declarant hereby amends the Declaration as follows:

Part III of Exhibit "B" to the Declaration (Plan of Each Floor) is amended to reflect the actual location of the parking spaces on Garage Levels "A" and "B", (previously referred to in the Declaration as "Presentation Plan" for such garage levels) such locations being different in minor respect due to the actual striping and final "as-built" locations of columns and piers in such garages. These changes are reflected on the attached revised "Presentation Plans" for Garage Level A and Garage Level B, respectively.

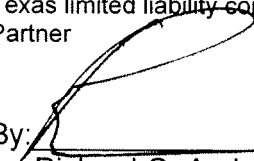
Part IV of Exhibit "B" to the Declaration is amended to show the assignment of appurtenant parking spaces and storage spaces for respective individual residential Units. This change is reflected on the attached Revised Part IV of Exhibit "B" to the Declaration.

The foregoing amendments, having been approved, verified and accepted by the undersigned Declarant, the Declaration, as modified and amended hereby, is hereby ratified and confirmed as originally filed amended and restated.

FOURTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

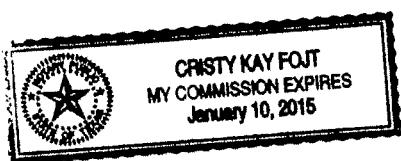
IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 24th day of January, 2012.

DECLARANT:
EAST BEACH PROJECT PHASE I, LTD., a
Texas limited partnership
By: East Beach Project Holdings L.L.C., a
Texas limited liability company, Its sole General
Partner

By: 
Richard G. Anderson, Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 25th day of January, 2012, by Richard G. Anderson, Vice President of East Beach Project Holdings, L.L.C., a Texas limited liability company, the general partner of East Beach Project Phase I, Ltd., on behalf of said limited partnership.




Notary Public - State of Texas

RECORD AND RETURN TO:
Charles S. Turet, Jr.
Frank, Elmore, Lievens,
Chesney & Turet, L.L.P.
9225 Katy Freeway, Suite 250
Houston, Texas 77024-1564

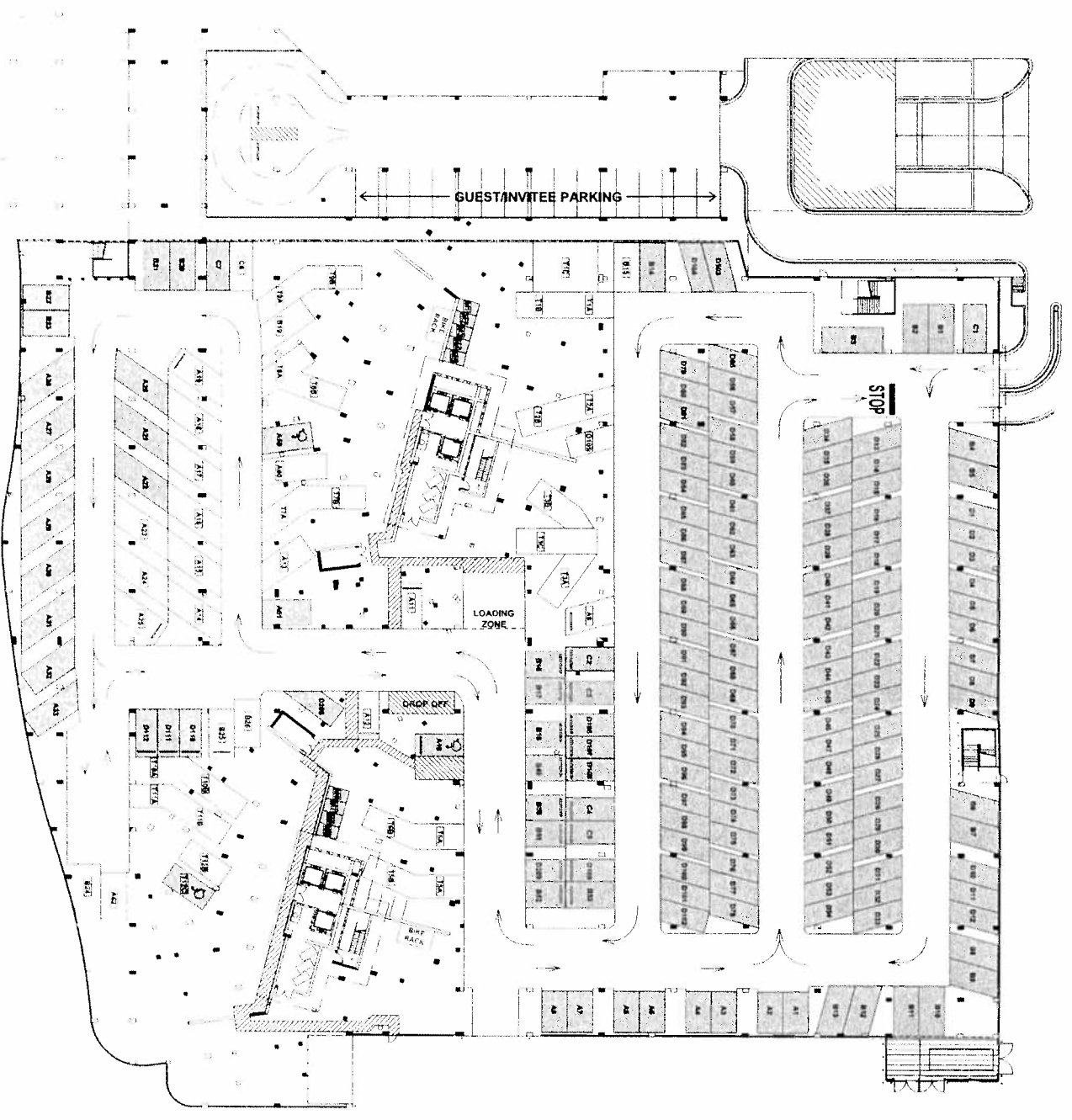
FOURTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

EXHIBIT "B": CONDOMINIUM PLAN









PART III: Plan of Each Floor (revised as to Garage Levels A and B)

PALISADE PALMS

PRESENTATION PLAN - GARAGE LEVEL A



LEGEND

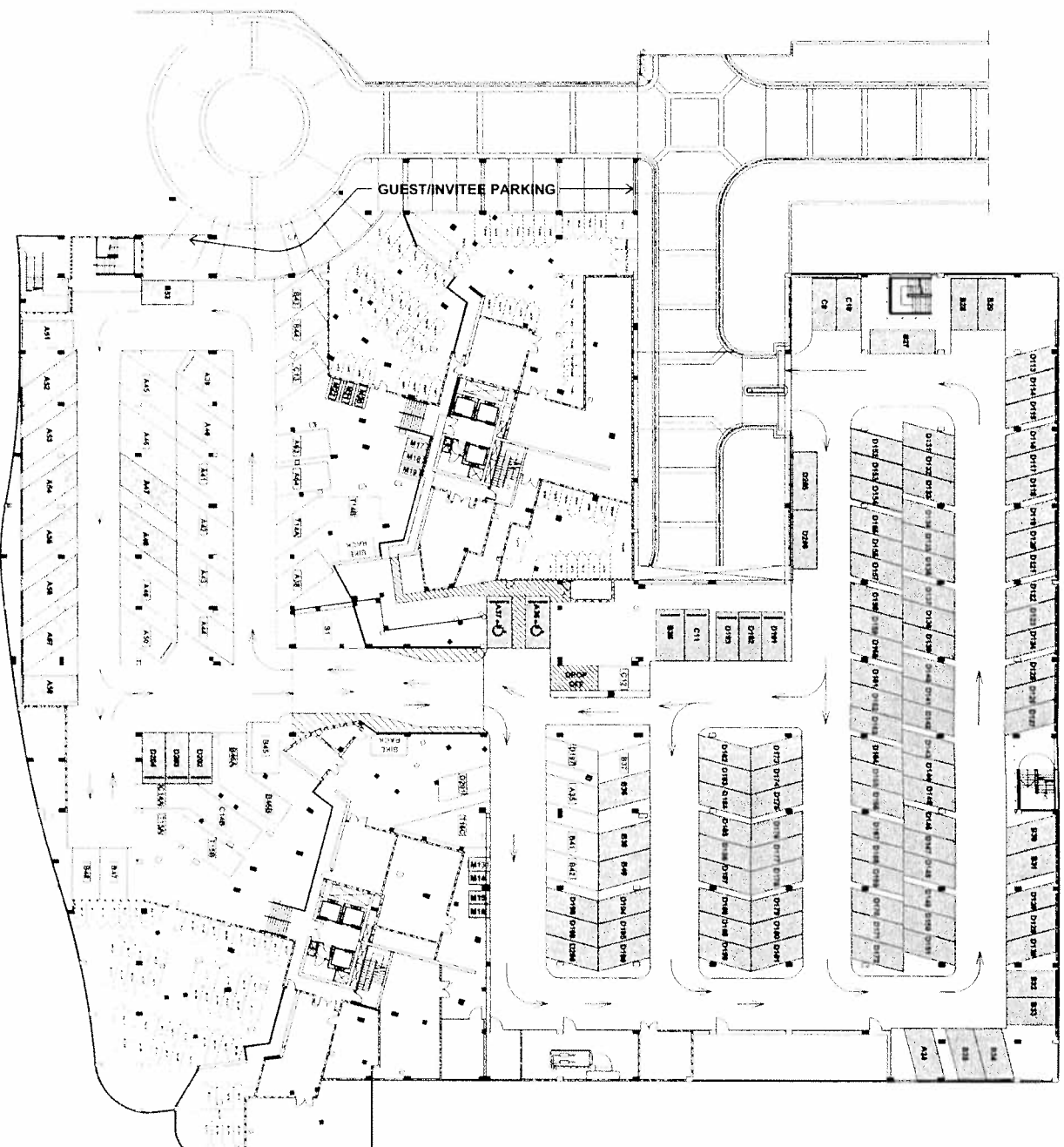
-  SPACES NOT FOR SALE
 -  UNASSIGNED - STANDARD SINGLE SPACES = 168 SPACES
 -  SPACES FOR SALE
 -  SINGLE SPACES = 23 SPACES
 -  DOUBLE TANDEM SPACES = 8 SPACES
 -  TRIPLE TANDEM SPACES = 2 SPACES
 -  TOTAL PARKING SPACES = 201 SPACES
- SPACE DESIGNATION:
M - MOTORCYCLE SPACE
T - TANDEM SPACE
A, B, C, D & S1 - DENOTE DIFFERENT SIZE SPACES
-  MOTORCYCLE PARKING SPACES = 9 SPACES












12/01/11

PALISADE PALMS

PRESENTATION PLAN - GARAGE LEVEL B



LEGEND

-  SPACES NOT FOR SALE
-  UNASSIGNED - STANDARD SINGLE SPACES = 122 SPACES
-  SPACES FOR SALE
-  SINGLE SPACES = 27 SPACES
-  DOUBLE TANDEM SPACES = 4 SPACES
-  TOTAL PARKING SPACES = 154 SPACES
- SPACE DESIGNATION:**
- M - MOTORCYCLE SPACE
- T - TANDEM SPACE
- A, B, C, D & S1 - DENOTE DIFFERENT SIZE SPACES
-  MOTORCYCLE PARKING SPACES = 4 SPACES
-  MOTORCYCLE PARKING SPACES = 6 SPACES
-  STORAGE SPACES
- TW1 THRU TW6
- BC1 THRU BC58



12/01/11

JLS

EXHIBIT "B": CONDOMINIUM PLAN

**PART IV: Percentage Interests Allocated to
Each Condominium Unit for Purposes of
Ownership, Voting and Assessments**

***Revised to Reflect Current Parking and Storage
Space Assignment as of the Date of this Fourth
Amendment.**

Re: Method of Calculating Area
Trade Winds/Beach Club Condominium at Palisade Palms
Condominium Information Statement
Exhibit B: Condominium Plan - Part IV

The Declarant has specified the following method for calculating area for the express, exclusive and sole purpose of establishing the percentage ownership interest to be allocated to each condominium unit for purposes of ownership, voting, and assessment rights, responsibilities and obligations:

from the center lines of demising or party walls separating one unit from another unit, the exterior surface of all exterior walls including walls that butt up to elevators or stairwells, and the exterior surface of the corridor wall enclosing and abutting the unit.

Please note that floor plan areas were calculated on the middle floor, with the result that units on lower floors may have less floor space due to thicker structural members, while units on higher floors may, inversely, have more floor space. Moreover, the area associated with balconies or terraces that are intended for the exclusive use of a Unit owner have been calculated separately from the outside surface of any wall or partition that separates the balcony terrace area from the Unit to the outside edge of the balcony.

Importantly, any area calculations taken in the absence of and prior to the building being constructed and without any opportunity to verify dimensions based upon a Unit survey are preliminary and may vary from the as-built conditions. Moreover, areas calculated under the method given above are based entirely on dimensions taken from preliminary architectural plans; areas calculated based upon plans issued for building permits or, later, as-built conditions or dimensions obtained from a Unit survey may vary, for example, by 5% and result in precise square footage calculations that are either greater or smaller than those given herein. Accordingly, any area calculations made hereunder are approximate and shown for descriptive purposes only and do not necessarily reflect or represent the precise square footage of any specific portion of the Condominium, and no warranties, representations or guarantees are given or made regarding the specific area calculations.

Sincerely,

Scott Evans, AIA
Vice President

PALISADE PALMS
Trade Winds Building

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0104 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | | |
| TW0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | | TW55 |
| TW0108 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | | TW49 |
| TW0110 | Pompano Beach | 1,304 | 1,424 | 2,728 | 0.2699% | 0.2728% | | |
| TW0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW02 |
| TW0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW44 |
| TW0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0210 | Pompano Beach | 1,304 | 460 | 1,764 | 0.2699% | 0.2728% | | |
| TW0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW39 |
| TW0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW56 |
| TW0310 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| TW0400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0500 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0502 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW66 |
| TW0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW33 |
| TW0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0600 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0602 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B37, B43 | TW13 |
| TW0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0700 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0702 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW32 |
| TW0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A38, D197 | TW22 |
| TW0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0800 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0802 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW24 |
| TW0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0900 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0902 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW07, TW08 |
| TW0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | TW35 |
| TW1000 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1002 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|--------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | T9A, T9B | TW30 |
| TW1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | A35 | TW37 |
| TW1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1100 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1102 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1200 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1202 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC09 |
| TW1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | T2A, T2B | TW40 |
| TW1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A13 | |
| TW1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | T7A, T7B | |
| TW1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | T8A, T8B | TW16 |
| TW1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW04 |
| TW1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1812 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW23 |
| TW1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T1A, T1B, T1C, B15 | TW31, TW34, BC01 |
| TW1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A9 | |
| TW1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1912 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A60 | |
| TW2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW20 |
| TW2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2012 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A11 | TW18 |
| TW2103 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2105 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A44 | TW45 |
| TW2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|------------------------------------|-----------------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW2112 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2203 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2205 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | B44 | TW61 |
| TW2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2212 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A25 | |
| TW2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A15, A16, A17 | TW15 |
| TW2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| TW2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW60 |
| TW2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T3A,T3B,T3C | TW26 |
| TW2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | C13 | |
| TW2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A18 | TW17 |
| TW2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A14 | TW48 |
| TW2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | C6 | TW36 |
| TW2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| TW2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | B19 | TW38 |
| TW2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | D105 | TW68 |
| TW2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | T14A, T14B, M17, M18, M19,A63, A64 | TW50, TW51,TW52, TW53, TW54 |
| TW2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | A40, A41 | |
| TW2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A42, A43 | TW25 |
| TW2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 237,357 | 56,815 | 294,172 | 49.1237% | 49.6532% | | |

PALISADE PALMS

Beach Club Building

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|----------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC0102 | Pompano Beach | 1,304 | 1,581 | 2,885 | 0.2699% | 0.2728% | | |
| BC0104 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | T6A, T6B | TW75 |
| BC0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | B46A, B46B, S1, D201 | TW69, TW76 |
| BC0108 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | A24 | BC25 |
| BC0200 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | T10A, T10B | TW05, TW06 |
| BC0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A12 | TW19 |
| BC0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW21 |
| BC0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0300 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | | |
| BC0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| BC0400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | TW71 |
| BC0500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW27 |
| BC0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC24 |
| BC0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW09 |
| BC0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | B25 | |
| BC0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW13 |
| BC0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | BC08 |
| BC0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | T12B | TW67 |
| BC0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T15A, T15B, C14A, C14B | BC49; BC44 |
| BC1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW63 |
| BC1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | B26 | TW12 |
| BC1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW28 |
| BC1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW46 |
| BC1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW01 |
| BC1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B48 | BC23 |
| BC1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC34 |
| BC1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW11 |
| BC1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | C12 | |
| BC1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A23 | |
| BC1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW42 |
| BC1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW29 |
| BC1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|-------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | BC35 |
| BC2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW41 |
| BC2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T11A, T11B | BC52 |
| BC2104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | M13 | TW14 |
| BC2110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC29 |
| BC2206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | B24 | |
| BC2210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| BC2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| BC2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A19 | BC53 |
| BC2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T5A, T5B | |
| BC2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW10 |
| BC2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A62 | BC07 |
| BC2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | | |
| BC2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | B45 | TW43 |
| BC2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A50 | BC06 |
| BC2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A39, A45, A46, B41, B42 | BC19, BC20 |
| BC2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 239,764 | 56,974 | 296,738 | 49.6219% | 50.1567% | | |

1/15/2012

PALISADE PALMS COMMERCIAL UNITS

| Suite | Designation | Total sq.ft. | Assessment by Area @ 15% Ratio sq.ft. | Ownership/ Voting | Assess. (by AREA) | Parking Space(s) | Storage Space(s) |
|---------------|----------------|-------------------|---------------------------------------|-------------------|-------------------|------------------|------------------|
| R-TW | Roof TW | 2,509 s.f. | 376 s.f. | 0.5193% | 0.0787% | | |
| R-BC | Roof BC | 2,509 s.f. | 376 s.f. | 0.5193% | 0.0787% | | |
| SC-BC | SalesCenter BC | 1,043 s.f. | 156 s.f. | 0.2159% | 0.0327% | | |
| | | | | | | | |
| TOTALS | | 6,061 s.f. | 909 s.f. | 1.2544% | 0.1902% | | |

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Dwight D. Sullivan
2012004417

January 26, 2012 03:16:42 PM

FEE: \$80.00

Dwight D. Sullivan, County Clerk
Galveston County, TEXAS



**FIFTH AMENDMENT TO
DECLARATION OF CONDOMINIUM FOR
TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS**

This Amendment amends: "The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms," recorded under County Clerk's File No. 2005047091, as amended by the Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2008024938, as further amended by Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2009018520, as further amended by Third Amendment and Correction to Third Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, recorded under County Clerk's File Nos. 2010024644 and 2010026103, respectively, as further amended by Fourth Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2012004417, all in the Official Public Records of Galveston County, Texas.

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

This Fifth Amendment to The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, dated as of the date shown below, is made and executed by the undersigned Declarant (as hereinafter defined) for Trade Winds/The Beach Club Condominium at Palisade Palms, pursuant to Article 20 of the Declaration to-wit:

WITNESSETH:

WHEREAS, East Beach Project Phase I, Ltd., a Texas limited partnership, as Declarant, heretofore executed that certain "Declaration of Condominium for Trade Winds/The Beach Club at Palisade Palms" dated July 8, 2005 recorded July 12, 2005

FIFTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

under County Clerk's File No. 2005047091 of the Real Property Records of Galveston County, Texas (hereinafter called "the Initial Declaration"); and

WHEREAS, said Declarant heretofore executed that certain "Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated May 2, 2008, recorded May 5, 2008, under County Clerk's File No. 2008024938 of the Real Property Records of Galveston County, Texas (hereinafter called "Amended and Restated Declaration"); and

WHEREAS, the Declarant further executed that certain "Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated April 6, 2009, recorded April 7, 2009, under County Clerk's File No. 2009018520 of the Real Property Records of Galveston County, Texas (hereinafter the "Second Amendment to Declaration"); and

WHEREAS, on or about February 25, 2010, the Rules of the Trade Winds/The Beach Club Condominium Association, Inc. (the "Association") (set forth in the Declaration as Exhibit 1 to the Bylaws), were amended by the Board of Directors of the Association in accordance with Section 8.F. of the Declaration and, to reflect the current Rules of the Association as provided in Section 20D(iii) of the Declaration, Declarant executed that certain "Third Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" and "Correction to Third Amendment," such Third Amendment dated May 24, 2010 and recorded May 25, 2010, under County Clerk's File No. 2010024644 of the Real Property Records of Galveston County, Texas (the "Third Amendment") and such Correction to Third Amendment (to correct a typographical error)

FIFTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

dated June 1, 2010 and recorded June 2, 2010, under County Clerk's File No. 2010026103 of the Real Property Records of Galveston County, Texas (the "Correction to Third Amendment"); and

WHEREAS, the Declarant further executed that certain "Fourth Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated January 24, 2012, recorded January 26, 2012, under County Clerk's File No. 2012004417 of the Real Property Records of Galveston County, Texas (hereinafter the "Fourth Amendment to Declaration"); and

WHEREAS, the Initial Declaration, the Amended and Restated Declaration, the Second Amendment to Declaration, the Third Amendment and Correction to Third Amendment and Fourth Amendment to Declaration (all collectively referred to as the "Declaration") cover those residential and commercial units described in and set forth in such instruments, constituting the development known and described herein as "Trade Winds/The Beach Club Condominium at Palisade Palms"; and

WHEREAS, Article 20, Section D(iii) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration to make it comply with the mandatory provisions of the Texas Uniform Condominium Act; and

WHEREAS, Article 20, Section D(iv) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration for the purpose of changing the assignment and allocation of parking spaces or storage spaces and other matters set forth in such Article; and

FIFTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

WHEREAS, pursuant to Article 20, Sections D(iii) and (iv) of the Declaration, the undersigned Declarant agrees that the Declaration shall be amended in the manner hereinafter set forth:

NOW, THEREFORE, for and in consideration of the premises, the Declarant hereby amends the Declaration as follows:


Part IV of Exhibit "B" to the Declaration is amended to show the assignment of appurtenant parking spaces and storage spaces for respective individual Units. This change is reflected on the attached Revised Part IV of Exhibit "B" to the Declaration.

The foregoing amendments, having been approved, verified and accepted by the undersigned Declarant, the Declaration, as modified and amended hereby, is hereby ratified and confirmed as originally filed, amended and restated.

FIFTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 22nd
day of June, 2012.

DECLARANT:
EAST BEACH PROJECT PHASE I, LTD., a
Texas limited partnership
By: East Beach Project Holdings L.L.C., a
Texas limited liability company, Its sole General
Partner

By: 
Richard G. Anderson, Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 22nd day of June, 2012,
by Richard G. Anderson, Vice President of East Beach Project Holdings, L.L.C., a Texas
limited liability company, the general partner of East Beach Project Phase I, Ltd., on behalf
of said limited partnership.




Notary Public – State of Texas

RECORD AND RETURN TO:
Charles S. Turet, Jr.
Frank, Elmore, Lievens,
Chesney & Turet, L.L.P.
9225 Katy Freeway, Suite 250
Houston, Texas 77024-1564

FIFTH AMENDMENT TO
DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

EXHIBIT "B": CONDOMINIUM PLAN

**PART IV: Percentage Interests Allocated to
Each Condominium Unit for
Purposes of Ownership, Voting and
Assessments**

***Revised to Reflect Current Parking and Storage
Space Assignments as of the Date of this Fifth
Amendment.**

A handwritten signature in blue ink, located in the bottom right corner of the page. The signature is stylized and appears to be a single name.

Re: Method of Calculating Area
Trade Winds/Beach Club Condominium at Palsade Palms
Condominium Information Statement
Exhibit B: Condominium Plan – Part IV

The Declarant has specified the following method for calculating area for the express, exclusive and sole purpose of establishing the percentage ownership interest to be allocated to each condominium unit for purposes of ownership, voting, and assessment rights, responsibilities and obligations:

from the center lines of demising or party walls separating one unit from another unit, the exterior surface of all exterior walls including walls that butt up to elevators or stairwells, and the exterior surface of the corridor wall enclosing and abutting the unit.

Please note that floor plan areas were calculated on the middle floor, with the result that units on lower floors may have less floor space due to thicker structural members, while units on higher floors may, inversely, have more floor space. Moreover, the area associated with balconies or terraces that are intended for the exclusive use of a Unit owner have been calculated separately from the outside surface of any wall or partition that separates the balcony terrace area from the Unit to the outside edge of the balcony.

Importantly, any area calculations taken in the absence of and prior to the building being constructed and without any opportunity to verify dimensions based upon a Unit survey are preliminary and may vary from the as-built conditions. Moreover, areas calculated under the method given above are based entirely on dimensions taken from preliminary architectural plans; areas calculated based upon plans issued for building permits or, later, as-built conditions or dimensions obtained from a Unit survey may vary, for example, by 5% and result in precise square footage calculations that are either greater or smaller than those given herein. Accordingly, any area calculations made hereunder are approximate and shown for descriptive purposes only and do not necessarily reflect or represent the precise square footage of any specific portion of the Condominium, and no warranties, representations or guarantees are given or made regarding the specific area calculations.

Sincerely,

Scott Evans, AIA
Vice President



**PALISADE PALMS
TRADE WINDS**

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0104 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | | |
| TW0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | | TW55 |
| TW0108 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | | TW49 |
| TW0110 | Pompano Beach | 1,304 | 1,424 | 2,728 | 0.2699% | 0.2728% | | |
| TW0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW02 |
| TW0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW44 |
| TW0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0210 | Pompano Beach | 1,304 | 460 | 1,764 | 0.2699% | 0.2728% | | |
| TW0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW39 |
| TW0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW56 |
| TW0310 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| TW0400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0500 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0502 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW66 |
| TW0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW33 |
| TW0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0600 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0602 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B37, B43 | TW13 |
| TW0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0700 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0702 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW32 |
| TW0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A38, D197 | TW22 |
| TW0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0800 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0802 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW24 |
| TW0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0900 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0902 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW07, TW08 |
| TW0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | TW35 |
| TW1000 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1002 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | T9A, T9B | TW30 |
| TW1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | A35 | TW37 |
| TW1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1100 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1102 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW59 |
| TW1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1200 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1202 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC09 |
| TW1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | T2A, T2B | TW40 |
| TW1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A13 | TW41 |
| TW1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | T7A, T7B | |
| TW1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | T8A, T8B | TW16 |
| TW1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW04 |
| TW1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1812 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW23 |



| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|-------------------------------------|------------------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T1A, T1B, T1C, B15 | TW31, TW34, BC01 |
| TW1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A9 | |
| TW1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1912 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A60 | |
| TW2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW20 |
| TW2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2012 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A11 | TW18 |
| TW2103 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2105 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A44 | TW45 |
| TW2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2112 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2203 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2205 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | B44 | TW61 |
| TW2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2212 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A25 | |
| TW2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A15, A16, A17 | TW15 |
| TW2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| TW2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW60 |
| TW2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T3A, T3B, T3C | TW26 |
| TW2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | C13 | |
| TW2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW47 |
| TW2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A18 | TW17 |
| TW2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A14 | TW48 |
| TW2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | C6 | TW36 |
| TW2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| TW2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | B19 | TW38 |
| TW2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | D105 | TW68 |
| TW2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | T14A, T14B, M17, M18, M19, A63, A64 | TW50, TW51, TW52, TW53, TW54 |
| TW2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | A40, A41 | |
| TW2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A42, A43 | TW25 |
| TW2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 237,357 | 56,815 | 294,172 | 49.1237% | 49.6532% | | |

PALISADE PALMS BEACH CLUB

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|----------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC0102 | Pompano Beach | 1,304 | 1,581 | 2,885 | 0.2699% | 0.2728% | | |
| BC0104 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | | |
| BC0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | B46A, B46B, S1, T16C, D201 | TW69, TW76 |
| BC0108 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | A24 | BC25 |
| BC0200 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | T10A, T10B | TW05, TW06 |
| BC0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A12 | TW19 |
| BC0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | T6A, T6B | TW21 |
| BC0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0300 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | | |
| BC0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| BC0400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | TW71 |
| BC0500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW27 |
| BC0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC24 |
| BC0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | B25 | |
| BC0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW13 |
| BC0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | BC08 |
| BC0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | T12B | TW67 |
| BC0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC1000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T15A, T15B, C14A, C14B | BC44, BC49 |
| BC1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B24 | |
| BC1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | BC04 |
| BC1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW63 |
| BC1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | B26 | TW12 |
| BC1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW28 |
| BC1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW75 |
| BC1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW46 |
| BC1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW01 |
| BC1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B48 | BC23 |
| BC1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC34 |
| BC1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW11 |
| BC1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | C12 | |
| BC1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A23 | |
| BC1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW42 |
| BC1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW29 |
| BC1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | BC02 |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|-------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | BC11 |
| BC2012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T11A, T11B | BC52 |
| BC2104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | M13 | TW14 |
| BC2110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC29 |
| BC2206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | B24 | |
| BC2210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| BC2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW57 |
| BC2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| BC2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A19 | BC53 |
| BC2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T5A, T5B | |
| BC2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW10 |
| BC2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A62 | BC07 |
| BC2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | | |
| BC2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | B45 | TW43 |
| BC2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A50 | BC06 |
| BC2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | TW74 |
| BC2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A39, A45, A46, B41, B42 | BC19, BC20 |
| BC2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 239,764 | 56,974 | 296,738 | 49.6219% | 50.1567% | | |

PALISADE PALMS COMMERCIAL UNITS

| Suite | Designation | Total sq.ft. | Assessment by Area @ 15% Ratio sq.ft. | Ownership/ Voting | Assess. (by AREA) | Parking Space(s) | Storage Space(s) |
|---------------|----------------|-------------------|---------------------------------------|-------------------|-------------------|------------------|------------------|
| R-TW | Roof TW | 2,509 s.f. | 376 s.f. | 0.5193% | 0.0787% | | |
| R-BC | Roof BC | 2,509 s.f. | 376 s.f. | 0.5193% | 0.0787% | | |
| SC-BC | SalesCenter BC | 1,043 s.f. | 156 s.f. | 0.2159% | 0.0327% | | TW09 |
| TOTALS | | 6,061 s.f. | 909 s.f. | 1.2544% | 0.1902% | | |

RECORDER'S MEMORANDUM

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blackouts, additions and changes were present at the time the instrument was filed and recorded.

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Dwight D. Sullivan
2012032990

June 25, 2012 04:45:51 PM

FEE: \$68.00

Dwight D. Sullivan, County Clerk
Galveston County, TEXAS

**SIXTH AMENDMENT TO
DECLARATION OF CONDOMINIUM FOR
TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS**

This Amendment amends: "The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms," recorded under County Clerk's File No. 2005047091, as amended by the Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2008024938, as further amended by Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2009018520, as further amended by Third Amendment and Correction to Third Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, recorded under County Clerk's File Nos. 2010024644 and 2010026103, respectively, as further amended by Fourth Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2012004417, as further amended by Fifth Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms recorded under County Clerk's File No. 2012032990, all in the Official Public Records of Galveston County, Texas.

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

This Sixth Amendment to The Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, dated as of the date shown below, is made and executed by the undersigned Declarant (as hereinafter defined) for Trade Winds/The Beach Club Condominium at Palisade Palms, pursuant to Article 20 of the Declaration to-wit:

SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

CG:Palisade Palms:Sixth Amend Declaration

After Recording Return To:
Riverway Title Company
5 Riverway, Suite 300
Houston, Texas 77056

Courtesy Recording

Page 1



WITNESSETH:

WHEREAS, East Beach Project Phase I, Ltd., a Texas limited partnership, as Declarant, heretofore executed that certain "Declaration of Condominium for Trade Winds/The Beach Club at Palisade Palms" dated July 8, 2005 recorded July 12, 2005 under County Clerk's File No. 2005047091 of the Real Property Records of Galveston County, Texas (hereinafter called "the Initial Declaration"); and

WHEREAS, said Declarant heretofore executed that certain "Amended and Restated Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated May 2, 2008, recorded May 5, 2008, under County Clerk's File No. 2008024938 of the Real Property Records of Galveston County, Texas (hereinafter called "Amended and Restated Declaration"); and

WHEREAS, the Declarant further executed that certain "Second Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated April 6, 2009, recorded April 7, 2009, under County Clerk's File No. 2009018520 of the Real Property Records of Galveston County, Texas (hereinafter the "Second Amendment to Declaration"); and

WHEREAS, on or about February 25, 2010, the Rules of the Trade Winds/The Beach Club Condominium Association, Inc. (the "Association") (set forth in the Declaration as Exhibit 1 to the Bylaws), were amended by the Board of Directors of the Association in accordance with Section 8.F. of the Declaration and, to reflect the current Rules of the Association as provided in Section 20D(iii) of the Declaration, Declarant executed that certain "Third Amendment to Declaration of Condominium for Trade Winds/The Beach

SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

Club Condominium at Palisade Palms" and "Correction to Third Amendment," such Third Amendment dated May 24, 2010 and recorded May 25, 2010, under County Clerk's File No. 2010024644 of the Real Property Records of Galveston County, Texas (the "Third Amendment") and such Correction to Third Amendment (to correct a typographical error) dated June 1, 2010 and recorded June 2, 2010, under County Clerk's File No. 2010026103 of the Real Property Records of Galveston County, Texas (the "Correction to Third Amendment"); and

WHEREAS, the Declarant further executed that certain "Fourth Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated January 24, 2012, recorded January 26, 2012, under County Clerk's File No. 2012004417 of the Real Property Records of Galveston County, Texas (hereinafter the "Fourth Amendment to Declaration"); and

WHEREAS, the Declarant further executed that certain "Fifth Amendment to Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms" dated June 22, 2012, recorded June 25, 2012 under County Clerk's File No. 2012032990 of the Real Property Records of Galveston County, Texas (hereinafter the "Fifth Amendment to Declaration"); and

WHEREAS, the Initial Declaration, the Amended and Restated Declaration, the Second Amendment to Declaration, the Third Amendment and Correction to Third Amendment, Fourth Amendment to Declaration and Fifth Amendment to Declaration (all collectively referred to as the "Declaration") cover those residential and commercial units described in and set forth in such instruments, constituting the development known and described herein as "Trade Winds/The Beach Club Condominium at Palisade Palms"; and

SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

WHEREAS, Article 20, Section D(iii) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration to make it comply with the mandatory provisions of the Texas Uniform Condominium Act; and

WHEREAS, Article 20, Section D(iv) of the Declaration provides that the Declarant shall have the continuing right to amend the Declaration for the purpose of changing the assignment and allocation of parking spaces or storage spaces and other matters set forth in such Article; and

WHEREAS, pursuant to Article 20, Sections D(iii) and (iv) of the Declaration, the undersigned Declarant agrees that the Declaration shall be amended in the manner hereinafter set forth:

NOW, THEREFORE, for and in consideration of the premises, the Declarant hereby amends the Declaration as follows:

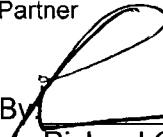
Part IV of Exhibit "B" to the Declaration is amended to show the assignment of appurtenant storage spaces and storage spaces for respective individual Units. This change is reflected on the attached Revised Part IV of Exhibit "B" to the Declaration.

The foregoing amendments, having been approved, verified and accepted by the undersigned Declarant, the Declaration, as modified and amended hereby, is hereby ratified and confirmed as originally filed, amended and restated.

SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

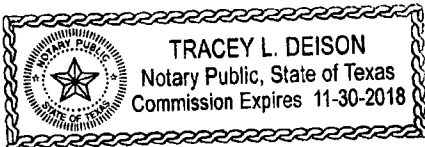
IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 22nd day of September, 2015.

DECLARANT:
EAST BEACH PROJECT PHASE I, LTD., a
Texas limited partnership
By: East Beach Project Holdings L.L.C., a
Texas limited liability company, Its sole General
Partner

By: 
Richard G. Anderson, Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was ACKNOWLEDGED before me, on the 22nd day of September, 2015, by Richard G. Anderson, Vice President of East Beach Project Holdings, L.L.C., a Texas limited liability company, the general partner of East Beach Project Phase I, Ltd., on behalf of said limited partnership.




Notary Public – State of Texas

RECORD AND RETURN TO:
Charles S. Turet, Jr.
Frank, Elmore, Lievens,
Chesney & Turet, L.L.P.
9225 Katy Freeway, Suite 250
Houston, Texas 77024-1564

SIXTH AMENDMENT TO DECLARATION OF CONDOMINIUM
FOR TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

EXHIBIT "B": CONDOMINIUM PLAN

**PART IV: Percentage Interests Allocated to
Each Condominium Unit for
Purposes of Ownership, Voting and
Assessments**

***Revised to Reflect Current Parking and Storage
Space Assignments as of the Date of this Sixth
Amendment.**

A handwritten signature or mark, possibly a stylized 'P' or a similar character, located in the bottom right corner of the page.

Re Method of Calculating Area
Trade Winds/Beach Club Condominium at Palisade Palms
Condominium Information Statement
Exhibit B Condominium Plan – Part IV

The Declarant has specified the following method for calculating area for the express, exclusive and sole purpose of establishing the percentage ownership interest to be allocated to each condominium unit for purposes of ownership, voting, and assessment rights, responsibilities and obligations

from the center lines of demising or party walls separating one unit from another unit, the exterior surface of all exterior walls including walls that butt up to elevators or stairwells, and the exterior surface of the corridor wall enclosing and abutting the unit

Please note that floor plan areas were calculated on the middle floor, with the result that units on lower floors may have less floor space due to thicker structural members, while units on higher floors may, inversely, have more floor space. Moreover, the area associated with balconies or terraces that are intended for the exclusive use of a Unit owner have been calculated separately from the outside surface of any wall or partition that separates the balcony terrace area from the Unit to the outside edge of the balcony

Importantly, any area calculations taken in the absence of and prior to the building being constructed and without any opportunity to verify dimensions based upon a Unit survey are preliminary and may vary from the as-built conditions. Moreover, areas calculated under the method given above are based entirely on dimensions taken from preliminary architectural plans, areas calculated based upon plans issued for building permits or, later, as-built conditions or dimensions obtained from a Unit survey may vary, for example, by 5% and result in precise square footage calculations that are either greater or smaller than those given herein. Accordingly, any area calculations made hereunder are approximate and shown for descriptive purposes only and do not necessarily reflect or represent the precise square footage of any specific portion of the Condominium, and no warranties, representations or guarantees are given or made regarding the specific area calculations

Sincerely,

Scott Evans, AIA
Vice President



PALISADE PALMS TRADE WINDS

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0104 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | | |
| TW0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | | TW55 |
| TW0108 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | | TW49 |
| TW0110 | Pompano Beach | 1,304 | 1,424 | 2,728 | 0.2699% | 0.2728% | | |
| TW0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW02 |
| TW0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW44 |
| TW0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0210 | Pompano Beach | 1,304 | 460 | 1,764 | 0.2699% | 0.2728% | | |
| TW0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW39 |
| TW0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW56 |
| TW0310 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| TW0400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A14 | |
| TW0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0500 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0502 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW66 |
| TW0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW33 |
| TW0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0600 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0602 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | B44 | TW62 |
| TW0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B37, B43 | TW13 |
| TW0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW03 |
| TW0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0700 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0702 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW32 |
| TW0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A38, D197 | TW22 |
| TW0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0800 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0802 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW24 |
| TW0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0900 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW0902 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW07, TW08 |
| TW0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | TW35 |
| TW1000 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1002 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | T9A, T9B | TW30 |
| TW1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | A35 | TW37 |
| TW1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW48 |
| TW1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1100 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1102 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW59 |
| TW1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1200 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1202 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC09 |
| TW1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | T2A, T2B | TW40 |
| TW1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1402 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A13 | TW41 |
| TW1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | T7A, T7B | |
| TW1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW16 |
| TW1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| TW1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| TW1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T8A, T8B | |
| TW1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW04 |
| TW1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW1812 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW23 |
| TW1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A9 | |
| TW1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|-------------------------------------|------------------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW1912 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A60 | |
| TW2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW20 |
| TW2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| TW2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2012 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A11 | TW18 |
| TW2103 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2105 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A44 | TW45 |
| TW2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2112 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2203 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| TW2206 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | B15 | |
| TW2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2212 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A25 | |
| TW2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A15, A16, A17 | TW15 |
| TW2306 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| TW2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW60 |
| TW2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T3A, T3B, T3C | TW26 |
| TW2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | C13 | |
| TW2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW47 |
| TW2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| TW2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | A18 | TW17 |
| TW2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | TW61 |
| TW2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| TW2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | C6 | TW36 |
| TW2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| TW2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | B19 | TW38 |
| TW2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | D105 | TW68 |
| TW2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | T14A, T14B, M17, M18, M19, A63, A64 | TW50, TW51, TW52, TW53, TW54 |
| TW2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TW2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | A40, A41 | |
| TW2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A42, A43 | TW25 |
| TW2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 237,357 | 56,815 | 294,172 | 49.1237% | 49.6532% | | |

PALISADE PALMS BEACH CLUB

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|---------------------|-----------------|----------------------|-------|--|------------------------|-------------------------------|---------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC0102 | Pompano Beach | 1,304 | 1,581 | 2,885 | 0.2699% | 0.2728% | | |
| BC0104 | Malibu Beach | 1,430 | 967 | 2,397 | 0.2960% | 0.2992% | T10A, T10B | TW05, TW06 |
| BC0106 | South Beach | 1,687 | 1,223 | 2,910 | 0.3492% | 0.3529% | B46A, B46B, S1, T16C, D201 | TW69, TW76 |
| BC0108 | Malibu Beach | 1,430 | 979 | 2,409 | 0.2960% | 0.2992% | A24 | BC25 |
| BC0200 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | | |
| BC0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | A12 | TW19 |
| BC0206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | T6A, T6B | TW21 |
| BC0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0300 | Newport Beach | 2,494 | 460 | 2,954 | 0.5162% | 0.5217% | | |
| BC0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0306 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0.2475% | 0.2502% | | |
| BC0400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW73 |
| BC0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | TW71 |
| BC0500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW27 |
| BC0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC24 |
| BC0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | B25 | |
| BC0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW13 |
| BC0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | BC08 |
| BC0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | T12B | TW67 |
| BC0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC0900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | BC49 |
| BC1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | B24 | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|---------------------|-----------------|----------------------|-------|--|------------------------|---------------------|---------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | BC04 |
| BC1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW63 |
| BC1206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | B26 | TW12 |
| BC1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1400 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1406 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW28, TW70 |
| BC1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1500 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW75 |
| BC1506 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | TW46 |
| BC1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1600 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW01 |
| BC1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1606 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | BC23 |
| BC1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1700 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW09 |
| BC1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC34 |
| BC1706 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW72 |
| BC1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1800 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | C12 | |
| BC1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1806 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1810 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC1900 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW42 |
| BC1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW29 |
| BC1906 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC1910 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC1912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | BC02 |
| BC2000 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2006 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2010 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | TW31, BC11 |
| BC2012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|-----------------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC2100 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | T11A, T11B | BC52 |
| BC2104 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2106 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | M13 | TW14 |
| BC2110 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | BC01 |
| BC2200 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2204 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | BC29 |
| BC2206 | South Beach | 1,687 | 452 | 2,139 | 0.3492% | 0.3529% | | |
| BC2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | B24 | |
| BC2210 | Pompano Beach | 1,296 | 460 | 1,756 | 0.2681% | 0.2710% | | |
| BC2212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0.2161% | 0.2184% | | |
| BC2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | B47 | TW11 |
| BC2305 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2312 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | TW57 |
| BC2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | | |
| BC2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | A19 | BC53 |
| BC2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | |
| BC2412 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | | |
| BC2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0.5788% | T5A, T5B | |
| BC2505 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0.5625% | | |
| BC2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0.2992% | | TW10 |
| BC2512 | Newport Beach | 2,342 | 609 | 2,951 | 0.4847% | 0.4899% | A62 | BC07 |
| BC2604 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0.6120% | 0.6186% | T15A, T15B, C14A, C14B, B48 | |
| BC2608 | Boca Raton | 2,659 | 864 | 3,523 | 0.5503% | 0.5562% | | |
| BC2704 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | B45 | TW43 |
| BC2706 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A50 | BC06 |
| BC2708 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| BC2804 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | A23 | TW74 |
| BC2806 | Palm Beach | 2,957 | 571 | 3,528 | 0.6120% | 0.6186% | A39, A45, A46, B41, B42 | BC19, BC20 |
| BC2808 | Boca Raton | 2,659 | 550 | 3,209 | 0.5503% | 0.5562% | | |
| TOTALS | | 239,764 | 56,974 | 296,738 | 49.6219% | 50.1567% | | |

PALISADE PALMS COMMERCIAL UNITS

| Suite | Designation | Total sq.ft. | Assessment by Area | | Ownership/ Voting | Assess. (by AREA) | Parking Space(s) | Storage Space(s) |
|---------------|----------------|-------------------|-----------------------|--|----------------------|----------------------|---------------------|---------------------|
| | | | @ 15% Ratio sq.ft. | | | | | |
| R-TW | Roof TW | 2,509 s.f. | 376 s.f. | | 0.5193% | 0.0787% | | |
| R-BC | Roof BC | 2,509 s.f. | 376 s.f. | | 0.5193% | 0.0787% | | |
| SC-BC | SalesCenter BC | 1,043 s.f. | 156 s.f. | | 0.2159% | 0.0327% | T1A, T1B, T1C | TW34 |
| TOTALS | | 6,061 s.f. | 909 s.f. | | 1.2544% | 0.1902% | | |



FILED AND RECORDED

Instrument Number: *2015060686*

Recording Fee: 78.00

Number Of Pages: 15

Filing and Recording Date: 09/23/2015 3:24PM

I hereby certify that this instrument was FILED on the date and time stamped hereon and RECORDED in the OFFICIAL PUBLIC RECORDS of Galveston County, Texas.



A handwritten signature in black ink that reads "Dwight D. Sullivan". The signature is written in a cursive style and is positioned above a horizontal line.

Dwight D. Sullivan, County Clerk
Galveston County, Texas

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**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM**

FOR

TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS

May 2, 2008

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EXHIBITS TO DECLARATION

Exhibit "A"

- Part I Articles of Incorporation of Trade Winds/The Beach Club Condominium Association, Inc.
- Part II Bylaws of Trade Winds/The Beach Club Condominium Association, Inc.

Exhibit "B"

- Part I Legal Description
- Part II Plat/Site Exhibit
- Part III Plan of Each Floor
- Part IV Percentage (%) Interests Allocated to Each Condominium Unit for Ownership, Voting and Assessment

Exhibit "C" Easements and Licenses

**AMENDED AND RESTATED
DECLARATION OF CONDOMINIUM
FOR
TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS**

This Amended and Restated Declaration of Condominium (this "**DECLARATION**") is made and executed this 2nd day of May, 2008, by East Beach Project Phase I, Ltd., a Texas Limited Partnership ("Declarant"), in lieu of and to replace in its entirety that certain Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, recorded under County Clerk's File No. 2005047091 of the Official Records of Galveston County, Texas, pursuant to and in accordance with the provisions of the Texas Uniform Condominium Act, as now existing or hereafter amended, the same being Chapter 82 of the Property Code, Vernon's Texas Code Ann. (the "Act"), for the purpose of submitting the hereinafter described real property and the improvements located or to be located thereon to a condominium regime.

WITNESSETH

WHEREAS, Declarant is the owner of certain real property (the "Land") and the improvements constructed thereon (collectively, the "Trade Winds/The Beach Club Condominium at Palisade Palms" or the "Condominium"), situated in the County of Galveston, State of Texas, consisting of or to consist of two (2) buildings containing up to 298 individual residential units, certain commercial units (as herein described), and certain other improvements located thereon more particularly described in the Condominium Plan (hereinafter defined); and

WHEREAS, Declarant desires by recording this Declaration to establish a condominium under the provisions of the Act with respect to the Condominium, and has on or about the date hereof caused to be incorporated, a Texas nonprofit corporation known as the Trade Winds/The Beach Club Condominium Association, Inc.;

NOW, THEREFORE, Declarant does upon the recording hereof establish **the Trade Winds/The Beach Club Condominium at Palisade Palms** as a condominium and does declare that the Trade Winds/The Beach Club Condominium at Palisade Palms shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manner utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration, all of which shall be deemed to run perpetually with all or any portion of the Condominium unless terminated as provided herein and shall be a burden and a benefit to, and binding on, Declarant and any persons or entities acquiring or owning any interest in the Condominium, and their respective heirs, devisees, legal and personal representatives, successors and assigns. In furtherance of the establishment of the Condominium, it is provided as follows:

1. **Definitions.** Unless the context otherwise specifies or requires, the following words and phrases when used herein shall have the following meanings:

A. *Act* shall have the meaning set forth in the introductory paragraph of this Declaration.

B. *Articles* mean the Articles of Incorporation of the Association, and all amendments thereto. A copy of the Articles, as filed (or which will be filed) in the Office of the Secretary of State, is attached hereto as Exhibit A, Part I.

C. *Assessment*. A share of the funds required for the payment of Common Expenses which from time to time are assessed against any Owner, including Regular Assessments, Special Assessments, dues, fees, charges, interest, late fees, fines, collection costs, attorneys fees, and any other amounts due to the Association by the Owner or levied against the Unit by the Association.

D. *Association*. The Trade Winds/The Beach Club Condominium Association, Inc., a non-profit corporation organized pursuant to the Texas Non-Profit Corporation Act, its successors and assigns, of which all Owners shall be members, which corporation shall be the governing and administrative body for the protection, preservation, upkeep, maintenance, repair, operation and replacement of the Common Elements, save and except the Shared Facilities, and the government, operation and administration of the Condominium and the Condominium hereby established. The Association may be described herein or elsewhere as a "Sub-Association", or "Neighborhood Association".

E. *Balcony* means a balcony or terrace, if any, attached or contiguous to the Building and appurtenant to a Unit.

F. *Board or Board of Directors*. The Board of Directors of the Association, as established in the Articles and the Bylaws.

G. *Building(s)*. The term "Building", in the singular shall be a reference to either one of the two residential high-rise tower improvements; and the term "Buildings" shall be a reference to both of the residential high-rise tower improvements situated on the Land. The Buildings consist of (i) one (1) residential high-rise tower improvement known and referred to as "The Trade Winds" situated on the Land containing up to 145 Residential Units and certain commercial units (as hereinafter described), and (ii) one (1) residential high-rise tower improvements known and referred to as "The Beach Club" situated on the Land containing up to 142 Residential Units and certain commercial units (as hereinafter described).

H. *Bylaws*. The Bylaws of the Association attached hereto as Exhibit "A", Part II and incorporated herein by reference for all purposes, which shall govern the administration of the Association, as such Bylaws may be from time to time hereafter lawfully amended.

I. *Casualty*. A fire, storm, earthquake, flood, natural disaster or other occurrence of any kind or nature which causes damage or destruction to any part of the Condominium.

J. *Commercial Parking Space Unit* shall have the meaning set forth in paragraph 1.L.

K. *Commercial Storage Space Unit* shall have the meaning set forth in paragraph 1.L.

L. *Commercial Unit* shall mean the following:

- (i) That portion of the roof and or antenna spire of the Trade Winds Building and that portion of the roof and or antenna spire of The Beach Club Building, which, (i) as to the Trade Winds Building, is designated on the Condominium Plan as Commercial Unit R-TW (or Roof TW) and shall constitute a "Roof-top Commercial Unit"; and (ii) as to the Beach Club Building, is designated on the Condominium Plan as Commercial Unit R-BC (or Roof BC) and shall constitute a "Roof-top Commercial Unit". The dimensions of each of the Roof-top Commercial Units are shown on the Condominium Plan and generally include the interior of such unit and the spire or antenna structure on the top of such Commercial Unit. Except for the spires or antenna and the structural members attaching same to the roof, the roof and the exterior of the units shall be Common Elements. Each of the Roof-top Commercial Units shall also have the use of the equipment rooms located on the roof of the respective Building, and an easement over, across, and through the Common Elements for the purposes of installing cable and conduit for power, telecommunication, or other uses; provided, however, that the use of the equipment room and location and manner and method of installation of any such cable or conduit shall be subject to the prior approval of the Declarant during the Declarant Control Period, and thereafter, by the Association, acting through the Board of Directors.
- (ii) That portion of The Beach Club Building on the "ground level" of the building designated on the Condominium Plan as Commercial Unit SC-BC (or Sales Center BC) shall constitute a "Commercial Unit" for the purpose of office, retail, or other commercial uses. The owner(s) of such unit may utilize such unit for any purpose, so long as such purpose is consistent with the restrictions, if any, created by the Declarant with respect to such unit.
- (iii) The Declarant reserves the right, during the Declarant Control Period, to designate, by an instrument in writing and recorded as an amendment to this Declaration, (i) any of the Unit(s) on the "ground floor" level of the Trade Winds Building, and (ii) any of the Unit(s) on the "ground floor" level of The Beach Club Building, as Commercial Units for the purpose of office, retail, or other commercial use. These Units, if so designated or created as Commercial Units, shall be referred to as "Converted Commercial Unit(s)". In the event that the Declarant designates any such unit(s) as Commercial Units, the recorded amendment to this Declaration so designating same shall include the specific uses which such units may be utilized, and specific restrictions

prohibiting other uses of such units. Any such designation by the Declarant shall be perpetual; provided, however, that the owner of such unit(s) may thereafter utilize such unit(s) for any purpose, so long as such purpose is consistent with the restrictions, if any, created by the Declarant with respect to such units and not inconsistent with other restrictions contained in this Declaration. Following the expiration of the Declarant Control Period, if such units have not been designated by the Declarant for commercial use, the Association shall have the right to do so in accordance with the above provisions.

- (iv) The Declarant reserves the right, during the Declarant Control Period, to designate, by an instrument in writing and recorded as an amendment to this Declaration, certain of or all of the enclosed parking spaces, locker and/or storage spaces located in the Parking/Garage Facility as additional condominium units. These units, if so designated or created, shall be referred to as "Commercial Parking Space Unit(s)", or "Commercial Storage Space Unit(s)". In the event that the Declarant designates any such units as such commercial units, the recorded amendment to this Declaration so designating same shall include the specific uses which such units may be utilized, and specific restrictions prohibiting other uses of such Units. Any such designation by the Declarant shall be perpetual.

Unless otherwise specifically stated or the context provides otherwise, reference to "Units" shall specifically include the Commercial Units, and reference to Commercial Units shall specifically include all of the Commercial Units (Roof-top Commercial Unit, Converted Commercial Unit, Commercial Parking Space Unit, or Commercial Storage Space Unit).

M. *Common Element Costs* shall have the meaning set forth in Paragraph 14.B hereof.

N. *Common Elements* shall constitute all of the General Common Elements and all of the Limited Common Elements of the Condominium, exclusive of the Units, as more particularly described in Paragraph 3 hereof.

O. *Common Expenses*. Expenses incurred after the date the first Deed conveying a Unit is recorded in the Real Property Records of Galveston County, Texas, for the improvement, maintenance, repair, operation, management and administration of the Condominium; expenses declared Common Expenses either by the provisions of this Declaration or the Bylaws; and all sums lawfully assessed against the Common Elements by the Board. Common Expenses shall include sums assessed to maintain a reserve fund for the repair and replacement of the Common Elements. Provided, however, that certain of the foregoing Common Expenses shall be due to the Master Association for those items which relate to the improvement, maintenance, repair, operation, management, and administration of the Shared Facilities, and the management, administration, and operation of the Master Association.

P. *Common Expense Fund* shall mean the fund into which Regular Assessments for Common Expenses are collected, and out of which Common Expenses are paid. Those portions of the Common Expense Fund due and payable to the Master Association may be invoiced directly by the Master Association to an Owner to be paid by each Owner to the Master Association; or may be invoiced directly by the Association to each Owner, to be paid by each Owner to the Association, which in turn shall be obligated to pay the Master Association its respective share.

Q. *Condominium*. The Trade Winds/The Beach Club Condominium at Palisade Palms, as a Condominium established in conformance with the provisions of the Act, including the Land, and improvements, buildings, structures, facilities, fixtures and equipment constructed, placed or erected therein or thereon and to be renovated, and all easements, rights, hereditaments and appurtenances thereto in any wise belonging or appertaining thereto, subject to the reservations herein contained.

R. *Condominium Documents*: (i) this Declaration; (ii) the Articles; (iii) the Bylaws; (iv) the Rules and Regulations and (v) the Condominium Plan.

S. *Condominium Plan*. The plans or plats of the Condominium attached hereto as Exhibit "B", comprised of the following parts:

- (i) Part I - a legal description of the Land;
- (ii) Part II - a plat/site Exhibit of the Condominium showing the location of the Buildings and related improvements;
- (iii) Part III - a plat of each floor of Buildings showing, among other matters, each Unit, its boundaries (horizontal and vertical), area, floor and Unit number, and a plat of each floor of the Buildings and the location of the parking spaces, and storage spaces in the Garage/Parking facility; and
- (iv) Part IV - Percentage (%) interests allocated to each Condominium Unit (Ownership, Voting, Assessments).

T. *Condominium Unit*. A Unit together with the undivided share of or ownership interest in the Common Elements appurtenant thereto which interest in General Common Elements corresponds to its Percentage of Common Interest Ownership as more particularly described in Paragraph 6.E. hereof, together with the rights of that Unit in any Limited Common Elements designated for that Unit, whether exclusively or in conjunction with one or more of the Units.

U. *Converted Commercial Unit*. Shall have the meaning set forth in the Paragraph hereof wherein Commercial Units are defined.

V. *Declarant*. East Beach Project Phase I, Ltd., a Texas Limited Partnership, its successors and assigns (insofar as any rights or obligations of Declarant are expressly assigned by it in whole, in part or by operation of law), including, but not limited to, a person, firm, corporation, limited liability company, partnership, association, trust or other legal entity, or any combination thereof, who or which

acquires all or substantially all of the Units then owned by Declarant, together with its rights hereunder, by conveyance or assignment from Declarant, or by judicial or nonjudicial foreclosure.

W. *Declarant Control Period.* Shall have the meaning set forth in Paragraph 8H hereof.

X. *Declaration.* This Declaration of Condominium.

Y. *Deed.* Each Deed by which Units are conveyed by Declarant to Owners other than Declarant.

Z. *Director.* A member of the Board.

AA. *Eligible Mortgagee.* A Mortgagee holding a mortgage on a Unit, which has submitted a written request that the Association notify it on any proposed action requiring the consent of a specified percentage of Eligible Mortgagees.

BB. *Entry/Podium Property.* Shall mean and refer to the real property, subject to the Declarant's right, to develop into additional condominium regime(s) or other uses, as provided elsewhere in this Declaration, which property is more particularly described as Lot 5, of Palisade Palms.

CC. *First Mortgage* shall mean a mortgage, deed of trust, or other security interest on a Condominium Unit which has priority over all other mortgagees, deeds of trust, or security interests on the Condominium Unit.

DD. *First Mortgagee* shall mean and refer to any person named as a mortgagee or beneficiary under any First Mortgage, or any successor to the interest of any such person under such First Mortgage.

EE. *Future Development Property* shall mean and refer to additional real property subject to Declarant's right, with the joinder of the then owner of the Future Development Property, or by an entity other than the Declarant, to develop into additional condominium regime(s) or other uses, as provided elsewhere in this Declaration, which property is more particularly described as Lot1, of Replat of Palisade Palms.

FF. *General Common Elements* shall mean the Land and all buildings and other improvements thereon except the Units and Limited Common Elements, and shall include, without limiting the generality of the foregoing, all of these items described or referenced in Paragraph 3 hereof.

GG. *Guest Suite Unit* shall mean the Unit located within The Beach Club building as shown in the Condominium Plan attached as Exhibit "B" hereto, which may be utilized in accordance with the provisions applicable to same set forth in Paragraph 15 hereof. For purposes of ownership, voting, and assessments, the Guest Suite Unit

shall be deemed to constitute a Residential Unit as defined herein.

HH. *Land*. A Tract of land constituting all of Lot 1 and all of Lot 2 of PALISADE PALMS, a subdivision in Galveston County, Texas, according to the Map or Plat thereof recorded in Volume 2004A, Page 69 (County Clerk's File No. 2004031335) of the Map Records of Galveston County, Texas.

II. *Limited Common Elements* shall mean those Common Elements which are either limited to and reserved for the exclusive use of one Owner, or limited to and reserved for the common use of more than one, but fewer than all, of the Owners, and shall include, but not be limited to, all of those items described or referenced in Paragraph 3 hereof.

JJ. *Maintenance Manual* shall mean the Maintenance Manual prepared by Declarant with respect to the Condominium.

KK. *Majority of Unit Owners* means the Owner or Owners of Units whose aggregate undivided Percentages of Common Interest Ownership in the Common Elements is in excess of fifty percent (50%).

LL. *Managing Agent* shall mean any professional manager (whether a person or firm) who contracts with the Board to manage the Condominium for an agreed compensation.

MM. *Master Association* means Palisade Palms Master Association, Inc., a Texas non-profit Corporation organized pursuant to the Texas Non-Profit Corporation Act, its successors and assigns, of which all Owners (among others) shall be Members, which Corporation shall be the governing and administrative body for the protection, preservation, upkeep, maintenance, repair, operation and replacement of the Shared Facilities, the PBA Parking Area, the PBA Pedestrian Routes, and the Dune Walk-over Property.

NN. *Master Policy*. The master insurance policy maintained by the Association or the Master Association pursuant to Paragraph 13 hereof.

OO. *Mortgagee*. A bank, savings and loan association, insurance company, mortgage company, real estate investment trust, recognized institutional-type lender or its loan correspondent, agency of the United States government, person, corporation, limited liability company, partnership, association, trust corporation or other legal entity (including, without limitation, Declarant) which owns, holds, is the beneficiary of or collateral assignee of the beneficiary of a mortgage, deed of trust, a security interest encumbering a Condominium Unit.

PP. *Neighborhood Association* (sometimes referred to as a "Sub- Association") shall mean any association or sub-association created or to be created to administer specific portions of any property within The Properties and common areas or Common Elements lying within such portions pursuant to a declaration of condominium or declaration of covenants and restrictions affecting such portions. The Trade Winds/The

Beach Club Condominium Association shall be deemed a Neighborhood Association hereunder. Neighborhood Associations may also be created to administer portions of any property within Palisade Palms or portions of any buildings on the Condominium or other property within Palisade Palms such as, without limitation, on individual floors, or groups of floors. Provided, however, that the creation of any such Neighborhood Association (other than the Trade Winds/The Beach Club Association) shall require the consent of all owners subject to the jurisdiction of such Neighborhood Association shall require the approval of any Sub-Association having jurisdiction over such Neighborhood Association (i.e. such as the Trade Winds/The Beach Club Association), and shall require approval by the Master Association.

QQ. *Owner.* A person or persons (or their estate(s), firm, corporation, limited liability company, partnership, association, trust or other legal entity, or any combination thereof) who or which jointly or collectively own aggregate fee simple record title to one (1) or more Units, including, without limitation, Declarant, but does not include a person or entity having an interest in a Unit solely as security for an obligation, or a person or entity having an equitable interest in a Unit by virtue of, without limitation, an installment land contract, a contract for deed, a lease with an option to purchase, or purchase option.

RR. *Palisade Palms.* Palisade Palms is the name of the overall development in which the Condominium, and any other properties may be included, all pursuant to the Palisade Palms Restrictions.

SS. *Palisade Palms Restrictions* means the Declaration of Covenants, Conditions, Restrictions, and Easements for Palisade Palms, which encumbers and effects the Condominium property or any amendments thereto or restatements thereof.

TT. *Parking/Garage Facility.* That two (2) level parking/garage structure which is constructed on the Land, which shall include General and Limited Common Element parking spaces appurtenant to the respective Residential Units, and Limited Common Element storage spaces appurtenant to the respective Residential Units, and parking areas for visitors, guests, and invitees, all as shown on the Condominium Plan. Pursuant to certain development rights set forth herein in favor of the Declarant, the Declarant has the right, but not the obligation, during the Declarant Control Period, to create or designate certain of such parking spaces, or storage spaces, into Commercial Units. Further, during the Declarant Control Period, the Declarant has the right, but not the obligation, to make certain parking spaces, or locker/storage spaces available for the exclusive use of individual unit owners pursuant to a license agreement or lease agreement. A portion of the Parking/Garage Facility is located on the adjoining Entry/Podium Property, and all of such Parking/Garage Facility shall be administered, managed, and maintained by the Master Association.

UU. *Percentage of Common Interest Ownership.* The percentage of common interest ownership assigned to each Unit pursuant to Paragraph 6.E. hereof.

VV. *Person.* A natural individual, corporation, limited liability company, partnership, trustee, association, personal representative or other legal entity capable of holding title to real estate.

WW. *President.* The President of the Board.

XX. *Record of Mortgages* shall have the meaning set forth in Paragraph 18.A.

YY. *Regular Assessments.* Assessments which are described in Paragraph 11.A hereof.

ZZ. *Roof-top Commercial Unit.* Shall have the meaning set forth in Paragraph 1.L hereof.

AB. *Rules and Regulations.* The Rules and Regulations of the Association, the initial version of which are attached to the Bylaws as Schedule "A", as from time to time amended by the Board in accordance with the provisions of this Declaration and the Bylaws, concerning the use by Owners of the Buildings and the administration of the Condominium. The Owners shall also be subject to Rules and Regulations adopted and enforced by the Master Association which shall govern the use by the Owners of the Shared Facilities.

AC. *Secretary.* The Secretary of the Board.

AD. *Shared Facilities* shall mean all of the components of the Condominium (and other properties subject to the jurisdiction of the Master Association) which are intended for use by and/or enjoyment of all of the Owners of Units in the Condominium (and other properties subject to the jurisdiction of the Master Association) and their guests, tenants, and invitees, whether or not such Shared Facilities are located in one or more Buildings, all subject to such regulations and restrictions as may be imposed from time to time by the Master Association. The Shared Facilities specifically include all exterior sidewalks, all exterior landscaping, all common amenities, including, without limitation, pool(s), weight/fitness health facilities, tennis court(s), and other recreational improvements, all main lobby areas (serving all buildings), all driveways, all paths, all other common areas (serving all buildings), all parking areas, the parking/garage facility, all common utility, mechanical, electrical, telephonic, telecommunication, plumbing, and other systems serving all of the properties subject to the jurisdiction of the Master Association, including without limitation all wires, conduits, pipes, ducts, transformers, cables, and other appurtenances used on the delivery of the utility, mechanical, telephonic, telecommunications, electrical, plumbing, and/or other services.

As more fully provided in the Palisade Palms Restrictions, the Declarant named in the Palisade Palms Restrictions shall have the right (but not the obligation), by an amendment or supplement to the Palisade Palms Restrictions, to supplement the Shared Facilities by adding additional facilities (whether from the Future Development Property or otherwise), or to designate additional portions of The Properties (as defined in the Palisade Palms Restrictions) as Shared Facilities. Notwithstanding the designation of the Shared Facilities, the Declarant named in the Palisade Palms Restrictions, shall have the right from time to time, to expand, alter, relocate, and/or eliminate the Shared Facilities, or any portion thereof without requiring the consent or approval of the Master Association, the Association, any Owner, any Neighborhood Association (or any member thereof), or any mortgagee.

In the event of any ambiguity or dispute as to whether any item, component, or facility is a Shared Facility, such ambiguity or dispute shall be resolved by (i) the Declarant named in the Palisade Palms Restrictions, during the Declarant Control Period established in the Palisade Palms Restrictions, whose determination shall be binding and conclusive, and (ii) upon the expiration of the Declarant Control Period, by the Board of Directors of the Master Association, whose determination shall be binding and conclusive.

AE. *Special Assessments.* Assessments other than those described Paragraph 11.A. hereof.

AF. *Suite.* Any reference to "suite" shall mean a Residential Unit.

AG. *The Beach Club Building.* The residential high-rise tower improvements situated on the Land (on Lot 2) and being a part of the Condominium containing up to 142 Residential Units (including the Guest Suite Unit) and certain Commercial Units. For purposes of documenting the legal description of any Unit in The Beach Club Buildings, it shall be deemed sufficient for such legal description to include the designation "BC-(Unit No.)".

AH. *The Trade Winds Building.* The residential high-rise tower improvements situated on the Land (on Lot 1) and being a part of the Condominium containing up to 145 Residential Units and certain Commercial Units. For purposes of documenting the legal description of any unit within the Trade Winds Building, it shall be deemed sufficient for such legal description to include the designation "TW-(Unit No.)".

AI. *Unit.* (a) Residential Unit: One of the separate and individual units of space into which the Buildings are divided for individual and separate use and ownership, as provided for in the Act and described in this Declaration and the plats attached hereto, including the air space encompassed by the boundaries of the Units, and interior surfaces contained within the demising walls, closed doors and closed windows of the Unit and the structural floor and ceiling of such Unit as shown on the Condominium Plan, also including all fixtures and improvements therein contained, but not any of the structural components of the Buildings, and certain other construction and elements thereof or therein which are to be individually and separately owned, as hereinafter defined, described and established in this Declaration, encompassing an enclosed air space and one (1) or more rooms occupying all or part of one (1) or more floors in the Building and having direct access to a hallway or other thoroughfare, as such space may be further described and delineated in the Condominium Plan.

(b) Commercial Units are defined or described in Paragraph 1.L hereof.

AJ. *Unit Costs* shall have the meaning ascribed thereto in Paragraph 14.B. hereof.

2. **The Condominium.**

A. *Units.* The individual Units, more particularly described in Paragraph 6 hereof, are to be used only for the purposes permitted in Paragraph 15 hereof. Each Owner shall own title in fee simple to his or her Unit and shall have the exclusive right to the use and occupancy of his or her Unit, subject to the provisions of this Declaration. There shall be appurtenant to each Unit:

- (i) An undivided share of the General Common Elements corresponding to its Percentage of Common Interest Ownership and the exclusive right to use such Limited Common Elements as are appurtenant to such Unit; and
- (ii) Membership of the Owner in the Association.

B. *Development Rights.* Subject to the provisions of Paragraph 6.F., the Declarant reserves the right to (i) create Units, Common Elements, or Limited Common Elements within the Condominium, (ii) subdivide Units, combine Units or convert Units into Common Elements, (iii) add additional Units by increasing the number of floors in one or both Buildings, (iv) convert Common Elements into Units and (v) modify or reconfigure any parking spaces or storage spaces owned by Declarant, and modify or reconfigure any portion of a Commercial Unit owned by Declarant within such Unit boundaries. Provided, however, no exercise of the foregoing rights by Declarant shall change the Percentage of Common Interest Ownership for units not a part of said subdivision, combination or conversion, except in the event that Units are added by way of increasing the number of floors.

C. *Development Rights as to Entry/Podium Property and Future Development Property.* The Declarant, in conjunction with the then owner of the Future Development Property, reserves the right to either (i) create one or more separate condominium projects on all or portions of the Future Development Property, which may be administered by a separate condominium association(s), or (ii) develop all or portions of the Future Development Property into any use whatsoever as may be allowed by then applicable zoning regulations affecting such property. Declarant expressly reserves the option to (i) annex and merge all or portions of the Entry/Podium Property with the Condominium (including, in conjunction with such merger, the reservation of the right to create one or more buildings containing additional commercial or residential units to be located on the Entry/Podium Property); and (ii) after or simultaneously with the annexation and merger of the Condominium with the Entry/Podium Property, to annex any or all of the Future Development Property with the Condominium such that all condominium regimes so merged shall constitute one condominium regime. If the Declarant elects to annex and merge the Condominium with the Entry/Podium Property, so as to create one condominium, the weight assigned to a unit owners vote at a meeting of the condominium association and the percentage share of a individual ownership of each respective unit owner in the general Common Elements will be modified to reflect the merger/annexation, such modification to be on the same basis or formula as such vote and percentage ownership was calculated and/or determined for the Condominium. Further, if the Declarant and the then owner of the Future Development Property elect to expand the Condominium (as expanded to include all or portions of the Entry/Podium Property) by annexation of all or portions of the Future

Development Property so that same becomes part of the merged Condominium, the weight assigned to a unit owner's vote at a meeting of the condominium association and the percentage share of individual ownership of each respective unit owner in the general Common Elements will be further modified accordingly to reflect the merger of that portion of the Future Development Property so annexed into the merged Condominium (as expanded to include all or portions of the Entry/Podium Property), such modification to be on the same basis or formula as such vote and percentage ownership was calculated and/or determined for the Condominium.

D. *Development Rights as to Merger/Annexation.* In the event that the Declarant intends to merge the Condominium to include all or portions of the Entry/Podium Property) and thereafter or simultaneously (provided that same has been expanded to include all or portions of the Entry/Podium Property) annex all or portions of The Future Development Property as provided in Section 2C above, such merger and annexation shall be governed by the provisions of this subparagraph D. Further, the Declarant expressly reserves the option and right but not the obligation, to merge and annex all or portions of the Entry/podium Property with the Condominium. Thereafter or simultaneously, subject to this Declaration and the Act, upon the joinder of the owner of the Future Development Property, the Declarant reserves the option and right, but not the obligation, to submit (by further merger and annexation) to the Condominium, as merged, all or any portion of the Future Development Property, including any improvements thereon. Except as contained in this Section, there are no limitations upon this option to expand.

- (i) The option to merge with all or portions of the Entry/Podium Property, and expand any such merged regime with all or portions of the Future Development Property shall expire ten (10) years from the date of recording this Declaration, unless all the Future Development Property shall have been added to the Condominium before that time; provided that the time may be extended by the affirmative vote or written consent, or any combination of affirmative vote and written consent, of two-thirds (2/3) of the total votes of the Association, (excluding any votes held by Declarant at any time during the year preceding the time the option would otherwise expire).
- (ii) The Future Development Property may be annexed as a portion of the Condominium Regime only if the Condominium Regime shall have first been expanded to include the Entry/Podium Property, in whole or part.
- (iii) The Future Development Property may be added as a whole at one time or in one or more portions at different times, or it may never be added, and there are no limitations upon the order of such additional portions or boundaries thereof. The parcels submitted to the Condominium need to be contiguous, and the exercise of the option as to any portion of the Future Development Property shall not bar the further exercise of the option as to any other portions of the Future Development Property.
- (iv) There are no limitations on the locations or dimensions of improvements to be located on the Future Development Property. No assurances are

made as to what, if any, further improvements will be made by Declarant on any portion of the Future Development Property.

- (v) There is no limit on the number of units that may be created on the Future Development Property, and such units may be residential or commercial.
- (vi) If the option to expand the Condominium is exercised, the undivided interest in the Common Elements, the liability for common expenses, and votes in the Association shall all be reallocated so that the interest, liability, and vote of each unit is calculated the same as every other unit in the Condominium, as expanded.
- (vii) This option reserved shall be exercisable by the Declarant, its successors and/or assigns, his or her heirs, executors, or assigns, and the consent of unit owners or any mortgagee shall not be required. Declarant shall have

the unilateral right to reallocate percentages of undivided interests in the Common Elements, liability for payment of common expenses, and allocation of votes in the Association, all to be done in accordance with the limitations above described. The Declarant shall exercise the option by its adoption, execution, and recordation of an amendment to this Declaration and by recording such plats, certifications, and plans as may be required by the Act.

3. **Common Elements.** The Common Elements of the Condominium are as follows:

- A. *General Common Elements.* The General Common Elements consist of:
 - (i) The Land, including all drives, driveways, sidewalks, outside walkways, controlled access facilities, landscaping and parking areas;
 - (ii) The foundations, main, common and bearing walls, girders, slabs, beams and columns (including any windows and doors therein), exterior walls to interior of studs, structural and supporting parts of the Buildings, roofs, ceilings, floors, halls, lobbies, mailroom, managerial offices, boiler rooms, mechanical rooms, areas used for storage of maintenance and janitorial equipment and materials, thoroughfares such as stairways, entrances, elevators, exits or communications ways, storage areas, service easements and any other portion of the Buildings not included within any Unit or designated hereby as a Limited Common Element;
 - (iii) The elevators and elevator shafts, utilities and, in general, all devices or installations existing for common use by the Owners;
 - (iv) Parking spaces, whether in a parking garage, open or underground, which are not designated Limited Common Elements, Commercial Garage Space Units, Commercial Parking Space Units, or Commercial Storage Space Units, on the Condominium Plan;

- (v) The premises, facilities and tangible personal property, if any, used for the common storage, maintenance, operation or repair of the Condominium;
- (vi) The fire protection system, controlled access system, and other mechanical or other systems, and components relating thereto;
- (vii) To the extent that they serve more than one Unit, cable receivers, other telephone, cable, video and fiber optic facilities and all equipment appurtenant thereto (if any);
- (viii) The components or installation of equipment and materials comprising central services such as electrical power, gas, cold and hot water, refrigeration, central air conditioning and central heating, reservoirs, waste collection, water tanks and pumps, and all similar devices and installations which serve more than one Unit;
- (ix) All other elements necessary to the existence, upkeep and safety of the Condominium including any portion of the Buildings and the Land not specifically a Unit, appurtenant to a Unit or a Limited Common Element;
- (x) All other structures, facilities and equipment not part of or serving the Unit(s) and located in the Condominium; and
- (xi) All replacements and additions to any of the foregoing.

B. *Limited Common Elements.* The Limited Common Elements, being those Common Elements which are hereby designated as reserved for the use by specified Owners to the exclusion of others, consist of the following:

- (i) If any air handlers, pipes, ducts, electrical wiring, communication equipment, conduits, chutes, flues, ducts, wires, plumbing fixtures, bearing walls, bearing column or other fixtures are partially within and/or partially outside the designated boundaries of a Unit, that portion serving only that Unit is a Limited Common Element allocated solely to that Unit, and that portion serving more than one Unit or the Common Elements is a part of the General Common Elements;
- (ii) Parking spaces designated as Limited Common Elements and by number on the Condominium Plan and assigned as an appurtenance to a Unit as shown in the Condominium Plan, and/or each Deed, and/or in any supplement or amendment to this Declaration;
- (iii) Parking areas designated on the Condominium Plan assigned as an appurtenance to two or more or a group of units for parking on a first come/first serve basis as shown in the Condominium Plan, and/or each Deed, and/or in any supplement or amendment to this Declaration;
- (iv) Each locker and/or storage space assigned as an appurtenance to a Unit

as shown in the Condominium Plan, and/or each Deed, and/or in any supplement or amendment to this Declaration; and

- (v) Each Terrace and/or Balcony assigned as an appurtenance to a Unit as shown in the Condominium Plan (designated by "LCE"), and/or each Deed, and/or in any supplement or amendment to this Declaration.

A parking space, locker and/or storage space may be reallocated by amendment to this Declaration, executed by the Owners whose use of such parking space, or locker and/or storage space is or may be directly affected by the reallocation, and without the consent or joinder of any other Owner not directly affected by such reallocation. The Owners executing the amendment shall deliver it to the Association, which shall record it at the expense of the reallocating Owners.

During the Declarant Control Period, the Declarant, and thereafter, the Association (acting by and through its Board of Directors), shall have the right to designate any then existing unassigned parking space, unassigned parking areas, or unassigned locker and/or storage spaces as limited Common Elements appurtenant to a specific unit or available to a specific unit by virtue of a lease, license, or easement agreement on whatever terms, provisions, and consideration set by the Declarant and/or the Association in its/their sole judgment and discretion.

During the Declarant Control Period, the Declarant, and thereafter, the Association (acting by and through its Board of Directors), shall have the authority to allow, subject to such conditions, terms and provisions acceptable to the Declarant and/or the Association as may be applicable, the enclosure of a parking space assigned as a Limited Common Element allocated solely to a specific unit by the placement and/or construction of a back wall, side walls, and a garage door as to such space. Such approval shall be subject to, and may be specifically conditioned upon (i) there being adequate space in which to place and/or construct such walls/partition so that the adjacent parking spaces are not unreasonably comprised in area, (ii) that the owner requesting such approval shall be obligated to pay the total expense of such construction, repair, replacement, and maintenance; (iii) that the ACC as provided in the Rules and Regulations shall have the absolute right to review and approve any such proposed enclosure (and the materials, method and manner of construction, etc.); and (iv) such other terms, conditions, and provisions deemed necessary by the Declarant and/or Association, as applicable.

C. *Use of the Common Elements.* Each Owner shall have the right and non-exclusive easement to use and enjoy the Common Elements, in common with all other Owners, for the purposes for which they are intended and as may be required for the purposes of access and ingress and egress to and the use and occupancy and enjoyment of the respective Units owned by such Owners without hindering or encroaching upon the lawful rights of other Owners; provided, however, that the Association may temporarily suspend an Owner's rights under the easement granted herein, other than for ingress and egress, for the failure to pay Assessments or to abide by the Rules and Regulations for use of the Common Elements. Such right to use and enjoy the Common Elements shall extend to each Owner, the members of his and/or

her immediate family, the tenants or other lawful occupants of each Unit and their guests, visitors, invitees or permittees, and all such other persons as may be invited or permitted by the Board or its representative to use or enjoy the Common Elements or any part thereof. Such right to use the Common Elements shall be subject to and governed by the provisions of the Act, the Palisade Palms Restrictions, and the Condominium Documents. The Common Elements are not subject to partition and any purported conveyance, judicial sale or other voluntary or involuntary transfer of an undivided interest in the Common Elements without the Unit to which such interest is allocated is void. Each Owner shall be deemed to have an easement in the interest of all other Owners in the Common Elements for the installation, maintenance, repair or replacement of all individually owned fixtures, equipment and appliances which are in any way affixed to, supported by or located in any space or structure constituting part of the Common Elements, and the cost of such installation, maintenance, repair or replacement shall be borne by such Owner. The costs and expenses for the maintenance, repair, upkeep, operation and replacement of the Common Elements shall be a common expense of all Owners in proportion to their respective Percentages of Common Interest Ownership.

Certain designated parking spaces, certain designated parking areas, certain designated lockers/storage units, and balconies and/or terraces shall be Limited Common Elements for the exclusive use of the Owner of the Unit to which they are appurtenant pursuant to this Declaration but only as and to the extent indicated in the Condominium Plan, and/or each Deed, and/or in any amendment or supplement to this Declaration indicating same. Any conveyance or encumbrances of a Unit shall be deemed to convey or encumber such Unit and all appurtenances thereto as set forth in Paragraph 2 hereof without specifically or particularly referring to any such appurtenances. Parking spaces, if any, designated as guest parking spaces or service parking on the Condominium Plan shall be under the control of the Board which shall promulgate rules and regulations for the use thereof. Until all of the Units have been conveyed by Declarant, Declarant expressly reserves the right at any time, and from time to time, to assign any unassigned parking spaces or storage spaces, to prohibit the use of any parking spaces or storage spaces appurtenant to unsold Units, to rent the same and to retain any rental received therefor.

The Declarant further reserves the right to modify or reconfigure any or all storage spaces and parking spaces not assigned to an Owner. In such event Declarant will amend the condominium plans to reflect such modifications or reconfiguration.

D. *Transfer of Interest in Common Elements.* Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of an individual interest in the Common Elements will be void unless the Unit to which that interest is allocated is also transferred.

4. Maintenance Responsibilities.

A. Owners' Responsibilities.

- (1) *As to Residential Units, the Commercial Unit (other than a Roof-top Commercial Unit), and a Converted Commercial Unit:* Each Owner shall

bear the cost of maintenance, repair and replacement of the following items within such Owner's Unit: Any and all lath, furring, wallboard, sheetrock, plasterboard, plaster, paneling, tiles, wallpaper, paint, or other materials constituting a part of the interior surfaces of the perimeter walls and ceilings; interior surfaces of all structural or load bearing interior walls; interior surfaces of all floors (including carpeting, tile, finished flooring, wood flooring, and all other portions of the floors constituting a part of the finished surfaces); nonstructural or non-load-bearing interior walls; heating, cooling and ventilation systems; garbage disposals, ranges, refrigerators, dishwashers and any and all other appliances of any nature whatsoever; interior and exterior doors; cleaning of interior glass surfaces, cleaning of exterior glass surface facing onto balconies, window panes, mullions and light bulbs; plumbing and other fixtures of any nature whatsoever from the point at which the plumbing or other fixtures commences service to the individual unit (whether within the Unit boundary or not); "built-in" features; any decorative features; and any furniture and furnishings. All of the exteriors of the doors and all glass in windows and doors will remain in conformity with the original installation. In particular, each Owner shall perform the inspections recommended in the Maintenance Manual for the property for which the Owner is responsible for maintenance, and all necessary maintenance when recommended as a result of inspections must be timely performed. THE OWNER HEREBY WAIVES ALL CLAIMS IT MIGHT OTHERWISE HAVE AGAINST THE ASSOCIATION, THE DECLARANT, ITS CONTRACTOR AND SUBCONTRACTORS, AND DESIGN CONSULTANTS AND SUBCONSULTANTS WITH RESPECT TO THE PROPERTY AS TO WHICH SUCH INSPECTIONS ARE NOT TIMELY PERFORMED, OR AS TO WHICH MAINTENANCE IS RECOMMENDED IF THE RECOMMENDATIONS FOR MAINTENANCE ARE NOT IMPLEMENTED. Should an Owner fail to maintain or repair its Unit or any portion of the Limited Common Elements appurtenant to such Unit, the Board may effectuate same and assess the Owner for the cost thereof.

- (ii) *As to the Roof-top Commercial Units:* The Owners of the Roof-top Commercial Units shall bear the cost of maintenance, repair, and replacement of the interior of such commercial unit. The Owners of the Roof-top Commercial Units shall not be responsible for maintenance, repair or replacement of the roof or the exterior of such commercial unit.

B. *Common Elements.* Except for the Shared Facilities, which shall be maintained by the Master Association, the Common Elements shall be maintained in good condition by the Association, subject to reasonable wear and tear and Casualty. The costs and expense for the upkeep and maintenance of the Common Elements shall be a Common Expense of the Owners of the Units, and shall be included in the Assessments applicable to the Units for the usual and ordinary costs and expenses for the maintenance, repair, upkeep and operation of the Common Elements, and each Owner of the Units shall pay his or her pro-rata share thereof. Provided, however, that the Owners pro rata share of the expense of the maintenance, repair, upkeep, and operation of the Shared Facilities shall be paid to the Master Association. In particular,

the Association shall have performed the inspections recommended in the Maintenance Manual for the property for which the Association is responsible for maintenance, and all necessary maintenance when recommended as a result of these inspections. The Association shall indemnify, defend and hold harmless Declarant, its contractors and subcontractors, and design consultants and sub-consultants with respect to all claims made concerning the property as to which such inspections are not timely performed, or as to which maintenance is recommended if the recommendations for maintenance are not implemented.

C. *Utilities.* Each Owner shall bear the cost of any utility service for his or her Unit which is individually metered and billed directly by the utility company furnishing such service to such Owner, or which is sub-metered by the Association. Telephone, water, electricity, and cable and/or satellite television service shall be made available to each Unit and each Unit shall be individually metered or charged for such service. Except to the extent such costs are borne by each Owner as set forth in the preceding sentence, the cost of water, electricity, gas, trash removal, any "basic" cable or satellite television service, and any other utility service shall be a Common Expense of the Owners of the Residential Units. With the exception of common ownership with other Owners, no Owner shall be deemed to own the utilities which run through his or her Unit and serve one or more other Units.

5. **Easements and Licenses.** In addition to the easements and licenses recited in Exhibit "C" hereto, the ownership of each Condominium Unit shall be subject to the easements and licenses which are described in this Section 5.

A. *For Residential Unit Owners, Commercial Unit Owners (other than a Roof-top Commercial Unit Owner), and Converted Commercial Unit Owners.* Each Residential Unit Owner, Commercial Unit Owner (other than a Roof-top Commercial Unit Owner), and Converted Commercial Unit Owner shall have the following easements to, through and over the Common Elements to the extent necessary for such Residential Unit Owner's maintenance responsibilities:

- (i) to paint, remove and replace any finish on the interior surface of any Common Element within his or her Unit;
- (ii) to install, repair, maintain, remove and/or replace any plumbing, heating, cooling, lighting, cooking or other fixture or equipment which is a part of his or her Unit or which would become a part thereof when installed in any bearing wall, floor, ceiling or roof, provided, however, that such installation, repair, maintenance, removal and/or replacement shall not impair the structural integrity of the Building(s), nor shall it adversely affect any adjacent Unit, nor shall it alter the external appearance of the Building(s), nor shall it be visible from the outside of the Building(s), nor shall it be performed on the roof of the Building(s) of the Condominium without the written permission of the Association and consent of Owner of the Roof-top Commercial Unit; and
- (iii) to drive and remove nails, screws, bolts and the like into and from bearing walls, floors, ceiling and roof; provided, however, that such action shall

not impair the structural integrity of the Building(s), nor shall it adversely affect any adjacent Unit, nor shall it alter the exterior appearance of the Building(s), nor shall it be performed on the roof of the Building(s) of the Condominium without the written permission of the Association.

In addition, such Residential Unit Owner has an unrestricted right of ingress and egress, subject to the reasonable rules and regulations promulgated by the Board, to his or her Unit. Such right of ingress and egress is perpetual and passes with the transfer of ownership of the Unit.

For the Roof-top Commercial Unit Owners, such Roof-top Commercial Unit Owners shall have an easement to, through, and over the Common Elements to the extent necessary for (i) the placement of conduit, cable, or other companies reasonably required for the use of the Roof-top Commercial Units (provided however that the method, manner, and location of such installation of any such conduit, cable, or other companies shall be subject to the approval of the Declarant, during the Declarant Control Period, and thereafter, by the Association, acting by and through the Board of Directors, (ii) the use of the equipment rooms located on the roof of the building (provided however that the use of the equipment room shall be subject to the approval of the Declarant, during the Declarant Control Period, and thereafter, the approval by the Association, acting by and through the Board of Directors) which approval shall not be unreasonably withheld or delayed, and (iii) for such Commercial Unit Owners repair, maintenance, and replacement responsibilities.

In addition, there is hereby reserved to the Owners of the Roof-top Commercial Unit(s), an easement over, across, on and through the general common element areas immediately adjacent to the Roof-top Commercial Unit(s), including, without limitation, the columns supporting the roof of the Building(s) for the installation, placement, repair and maintenance of antennas, cameras, conduits, receivers, transmitters, dishes, and other communication devices; provided, however, that such Roof-top Commercial Unit Owner shall be responsible for adding any bracing or other structural improvements to support any such installation and to assure that such installation does not impair the structural integrity of such easement areas or materially alter the exterior appearance of such easement areas.

B. For Utilities. Municipalities and authorized public utilities (or private companies) furnishing services, lines, pipes, wires, conduits, facilities and equipment to the Condominium for common use such as water, electricity, gas, cable television or similar services, and/or telephone shall have access to the Common Elements and each Unit as may be necessary or desirable for the installation, repair, maintenance, removal and/or replacement of such services, and any costs incurred in opening and repairing any wall of the Condominium to install, repair, maintain, remove or replace such authorized services (except as otherwise provided herein) shall be a Common Expense. However, installed utility lines, public or private, shall be considered to be located in a valid easement and may remain in the installed location and be repaired and/or replaced in such location.

C. For the Declarant and the Association. Declarant and the Association (and their duly authorized representatives and agents) shall have a reasonable right of entry

into any Unit to (i) make emergency repairs, (ii) enforce the terms of the Condominium Documents, (iii) protect the property rights and welfare of other Owners, (iv) do other work reasonably necessary for the proper maintenance or operation of the Condominium, (v) perform any of the duties and obligations of Declarant and the Association which are set forth in the Condominium Documents, (vi) prevent or terminate waste of water purchased by the Association as a Common Expense, and (vii) perform maintenance and repairs of the Unit that, if not performed, may result in increased damage by water to components of the Condominium that the Association maintains. Except in the event of an emergency, or in the event the Board or its agents are unable to contact any Owner or occupant of a Unit after reasonable effort, such right of entry shall be exercised only in the presence of the Owner or other occupant of the Unit entered. Such right of entry shall be exercised in a manner as to avoid unreasonable interference with the possession, use or enjoyment of the Unit and shall, whenever reasonably possible, be preceded by reasonable notice to the Owner or occupant thereof. In the event any damage is caused by such entry such damage shall be a Common Expense. If the Association, acting through its Board of Directors, shall require (without any obligation to so require), the Association shall have and hold duplicate keys sufficient to permit access to all sprinkler areas within each Unit. The Association shall have the right to grant permits, licenses and easements on, over, under and across the Common Elements for utility, access and other purposes reasonably necessary or useful for the proper maintenance, enjoyment and operation of the Condominium.

D. *For the Master Association.* The Declarant as named in the Palisade Palms Restrictions and the Master Association (and their duly authorized representatives and agents) shall have a reasonable right of entry onto the Common Elements and common areas of the Condominium to perform any of the duties and obligations of the Declarant as named in the Palisade Palms Restrictions and the Master Association which are set forth in the Palisade Palms Restrictions.

E. *For Encroachments.* If any portion of the Common Elements shall be situated or encroach upon any Unit, or if any Unit shall actually encroach upon any portion of the Common Elements, as the Units and Common Elements actually and physically exist, or as shown by the Condominium Plan, then there shall be deemed to be mutual valid easements for such encroachments and for the maintenance of same so long as such encroachments exist; provided, however, such easement or easements shall not relieve an Owner of liability in case of the Owner's willful misconduct or failure to adhere to the Condominium Plan. In the event the Building or other structure is totally or partially damaged or destroyed and then repaired, restored or rebuilt, the Owners agree that all encroachments of or upon the Common Elements due to repair or reconstruction shall be permitted and that all valid easement for such encroachments and maintenance thereof shall exist.

F. *For Reciprocal Access (Vehicular and Pedestrian).* The Declarant, the Association, and all Owners (and their respective guests, invitees, authorized agents and representatives), shall have a non-exclusive easement to use all of the driveways, parking areas, and common areas for vehicular and pedestrian access on all of Lots 1, 2, and 5 of Palisade Palms, all subject to the Palisade Palms Restrictions and the rules and regulations of the Master Association.

6. Units.

A. *Designation and Percentage Ownership of Units.* On the Condominium Plan, the Units located in the Buildings are numbered by Unit number (sometimes referred to on the Condominium Plans as a "Suite" number), and the Percentage of Common Interest Ownership attributable to each such respective unit is shown (Exhibit B, Part IV). The Declarant has calculated the Percentage of Common Interest Ownership attributable to each such residential unit (including any such residential unit later converted into a "Converted Commercial Unit") BASED UPON THE RESPECTIVE SQUARE FOOTAGE OF EACH UNIT COMPARED WITH THE TOTAL OR AGGREGATE SQUARE FOOTAGE OF ALL OF THE UNITS, ALL SUCH UNITS BEING MEASURED FOR PURPOSES OF CALCULATING SUCH SQUARE FOOTAGE ON THE SAME OR IDENTICAL BASIS, AS FOLLOWS: FROM THE CENTER LINES OF DEMISING OR PARTY WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT, THE EXTERIOR SURFACE OF ALL EXTERIOR WALLS INCLUDING WALLS THAT BUTT UP TO ELEVATORS OR STAIRWELLS, AND THE EXTERIOR SURFACE OF THE CORRIDOR WALL ENCLOSING AND ABUTTING THE UNIT. The Percentage of Common Interest Ownership assigned to the Roof-top Commercial Units has been calculated and/or determined as constituting the square footage of the actual dimensions of the Roof-top Commercial Units as shown in the Condominium Plan. Further, in the event that the Declarant creates or designates any Commercial Garage Space Unit, Commercial Parking Space Unit, or Commercial storage Space Unit, the respective Percentage of Common Interest Ownership assigned to such Units shall be calculated and/or determined by the Declarant on the basis of the square footage of the actual dimensions of such units, as calculated on the same or identical basis.

B. (a) *Description of Residential Units and Commercial Unit.* Each Residential Unit and the Commercial Unit (except the Roof-top Commercial Units) shall consist of the following portions of the Building: (i) the interior surface of each Unit's perimeter walls; (ii) the interior surface of the ceiling; (iii) the upper surface of the concrete floor of each Unit; (iv) the interior surface (including all glass or glass substitutes) of the windows and doors set in each Unit's perimeter walls; (v) any and all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring and other materials constituting part of the interior surfaces of (i) through (iv) above; (vi) the air space enclosed within the area described and delineated in (i) through (iv) above; (vii) any and all walls, ceilings, floors, partitions, dividers, fixtures and improvements wholly within such air space (but excluding any pipes, ducts, wires, cables, conduits, bearing beams or supports contained within such walls, ceilings, floors, partitions and dividers, or between chase walls or within such air space as per Paragraph 3.A. hereof); and (viii) all plumbing, heating, ventilating, air conditioning, lighting, cooking and other fixtures and equipment wholly within a Unit and serving only such Unit (exclusive of pipes, ducts, wires, cables or conduits located within such air space as per Paragraph 3.B. hereof).

(b) *Description of the Roof-top Commercial Units.* The Roof-top Commercial Units shall consist of: the interior surface of each unit's perimeter walls, ceiling, floor and windows (if any), and the spire or antenna and structural components supporting same, as part of the original construction of the Building, all as shown in the

Condominium plan. The roof (except for the spire/antenna and supporting structure) and the exterior of the Units shall constitute Common Elements.

(c) In the event that the Declarant creates or designates any Commercial Garage Space Unit, Commercial Parking Space Unit, or Commercial Storage Space Unit, the Declarant shall include a description of the unit boundaries applicable to such Units in the recorded amendment to this Declaration.

C. *Approximate Measurements.* It is expressly stipulated, and each and every Owner, his or her heirs, devisees, legal and personal representatives, and successors and assigns accepting title to a Condominium Unit subject to this Declaration acknowledge that the square footage, size and linear dimensions of each Unit (as shown on the Condominium Plan), and each area constituting any part of the Common Elements as set out and shown in this Declaration or the plans and documents attached hereto, are approximate and are shown for descriptive purposes only and do not necessarily reflect or represent the precise percentage of square footage of any specific portion of the Condominium, and that Declarant does not warrant, represent or guarantee that any Unit actually contains the square footage, size and linear dimensions and elevation reflected thereon or herein. Each Owner further acknowledges that he or she shall have had full opportunity and is under a duty to inspect and examine his or her Unit prior to the purchase thereof and agrees that the Unit is purchased as actually and physically existing, and expressly waives any claim or demand of any kind which he or she may have against Declarant or any person whomsoever by reason of any difference, shortage or discrepancy between such Owner's Unit as actually and physically existing and as reflected on the Condominium Plan, and further waives any requirement for adjustments to the percentage ownership of interest shown in the Condominium Plan unless approved by the requisite percentage of Owners and Mortgagees.

D. *Boundaries of Units.* In interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Units or of any Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be the boundaries, regardless of settling, rising, or lateral movement of the Building, and regardless of variances between the boundaries shown on the Condominium Plan and those of the Building.

E. *Percentages of Common Interest Ownership.* The Percentage of Common Interest Ownership assigned to each Unit is set forth in Part IV of the Condominium Plan attached hereto as Exhibit "B", and shall be determinative of the weight assigned to such Owner's vote at meetings of the Association and the proportionate share of ownership of each respective Owner in the General Common Elements. The Percentage of Interest for the allocation of payment of Common Expenses applicable to each Unit is set forth in Part IV of the Condominium Plan attached as Exhibit "B", and shall be determinative of the proportionate share of Common Expenses/assessments allocated to each Unit.

The Percentages shown on Exhibit "B", Part IV, "Ownership" are the total of the Percentages of Common Interest Ownerships assigned to all Residential Units,

Commercial Unit, and the Roof-top Commercial Units totaling one hundred percent (100%). The percentages shown on Exhibit B, Part IV, "Assessments", are the total of the percentages of interests for the allocation of payment of Common Expenses for the maintenance, repair and replacement of the General Common Elements for the entire Condominium. The Roof-top Commercial Unit Owners shall be solely responsible for the maintenance, repair, and replacement of the Roof-top Commercial Unit in its entirety. In addition, the Owners of the Roof-top Commercial Unit shall be obligated to contribute, as its/their sole contribution to the payment of Common Expenses, the allocation set forth in Exhibit "B", Part IV, "Assessments". The allocation of payment of Common Expenses for the Roof-top Commercial Units, as set forth in Exhibit B, Part IV is a percentage which equals fifteen percent (15%) per square foot of the common Expenses allocation, on a per square foot basis, applicable to the Residential Units, excepting special assessments.

Each Percentage of Common Interest Ownership in the Common Elements so allocated pursuant to the foregoing paragraph was assigned by Declarant to the designated Unit solely for purposes of this Declaration and, regardless of any other matter, such Percentage of Common Interest Ownership shall remain fixed and constant and, except as provided herein, the *same* cannot be changed except by the written consent of each and every Owner and Mortgagee of such Unit, duly executed, acknowledged and filed for record as a partial amendment to this Declaration. The ownership interests in the Common Elements shall be undivided interests and the Common Elements shall remain undivided and shall not be the object of an action for partition or division of the ownership, so long as such ownership interests are suitable in the context of a condominium; and, in any event, all Mortgagees must be paid prior to the bringing of an action for partition, or the consent of all Mortgagees to such action must be obtained. The percentage of the Common Elements allocated to each Unit shall not be separated from such Unit or separately sold, conveyed, encumbered or otherwise separately disposed of, and each interest in the Common Elements shall follow the respective Unit to which it is allocated, and shall be deemed to be conveyed and/or encumbered with its respective Unit to which it is allocated even though the description in the instrument of conveyance or encumbrance shall refer only to the Unit.

Provided however, that in the event that Declarant adds or creates additional units as is allowed and provided by this Declaration, including the designation or creation of any Commercial Parking Space Units, or Commercial Storage Space Units, the Percentages and Common Interest Ownership in the Common Elements shall be adjusted to reflect the additional units so added, and Part IV of the Condominium Plan attached hereto as Exhibit "B" may be amended by the Declarant, without joinder of any Owner or Mortgagee, to reflect the addition of such additional units.

THE PERCENTAGE OF COMMON INTEREST OWNERSHIP IN THE COMMON ELEMENTS SO ALLOCATED PURSUANT TO THIS PARAGRAPH 6E AS TO THE RESIDENTIAL UNITS HAS BEEN CALCULATED BY THE DECLARANT BASED UPON THE RESPECTIVE SQUARE FOOTAGE OF EACH UNIT COMPARED WITH THE TOTAL OR AGGREGATE SQUARE FOOTAGE OF ALL OF THE UNITS, ALL OF SUCH UNITS BEING MEASURED FOR PURPOSES OF CALCULATING SUCH SQUARE FOOTAGE ON THE SAME OR IDENTICAL BASIS AS FOLLOWS: FROM THE CENTER LINES OF DEMISING OR PARTY WALLS SEPARATING ONE UNIT FROM ANOTHER UNIT, THE EXTERIOR SURFACE OF ALL EXTERIOR WALLS INCLUDING WALLS THAT BUTT UP TO ELEVATORS OR

STAIRWELLS, AND THE EXTERIOR SURFACE OF THE CORRIDOR WALL ENCLOSING AND ABUTTING THE UNIT. THE DIMENSIONS OF SUCH UNITS UTILIZED BY THE DECLARANT IN CALCULATING SUCH SQUARE FOOTAGE FOR THE PURPOSES OF ALLOCATING SUCH PERCENTAGE OF COMMON INTEREST OWNERSHIP IS NOT BASED UPON THE UNIT BOUNDARIES AS MAY BE DESCRIBED IN PARAGRAPH 1 AH, PARAGRAPH 6B, OR AS OTHERWISE MAY BE SHOWN IN THIS DECLARATION.

F. *Maximum Units.* The maximum number of Units that Declarant reserves the right to create within the Condominium shall be, (i) in the Trade Winds Building: 149 Residential Units, one (1) Roof-top Commercial Unit, four (4) Converted Commercial Units, and one or more (each) of Commercial Garage Space Units, Commercial Parking Space Units, and Commercial Storage Space Units; and (ii) in The Beach Club Building: 149 Residential Units, one (1) Commercial Unit, one (1) Roof-top Commercial Unit, four (4) Converted Commercial Units, and one or more (each) of Commercial Garage Space Units, Commercial Parking Space Units, and Commercial Storage Space Units. Subject to Declarant's right to subdivide or combine units set forth in Section 2.B above, the Condominium Plan contained in Exhibit "B" currently provides for 145 residential units in the Trade Winds Building and 142 residential units in The Beach Club Building. Provided, however, the Declarant has reserved the right, during the Declarant Control Period, to subdivide units and increase the number of floors to add Units and thereby create additional units by virtue of any such subdivision or addition. Provided, however, no exercise of the foregoing rights by Declarant shall change the Percentage of Common Interest Ownership for Units not a part of such subdivision, addition or combination, except in the event units are added by way of increasing the number of floors in a Building.

G. *Adjustment of Percentage of Common Interest Ownership.* In the event that the Association acquires ownership of any condominium Unit (the Guest Suite Unit, a Residential Unit, or a Commercial Unit), the Association acting through its Board of Directors shall have the right to convert such Unit into general Common Elements. In such event, the Association, acting by and through its Board of Directors, shall have the right to unilaterally amend this Declaration without the joinder of any other owner or lienholder (except the lienholder, if any, of the Unit sought to be converted into Common Elements, which lienholder must release its lien covering same) to evidence the conversion of such Unit into a common element and to readjust the Percentage of Common Interest Ownership of the remaining Units in accordance with the formula described in this Section 6.

7. **Membership in the Association and Master Association.** Membership in the Association and voting by Owners in the affairs of the Association shall be in accordance with Bylaws of the Association. Membership in the Master Association and voting by Owner in the affairs of the Master Association shall be in accordance with the By-Laws of the Master Association.

8. **Association Administration and Management.**

A. *Books and Records.* The Association or Managing Agent shall keep or cause to be kept detailed books and records showing all expenditures and receipts of the administration of the Condominium which shall specify the maintenance and repair

expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Owners. Such books and records shall be open for inspection by Owners during reasonable working hours on weekdays and shall be audited annually by qualified independent auditors in accordance with generally accepted accounting principals within ninety (90) days after the end of any fiscal year of the Condominium, or as soon thereafter as practicable. Unless the Board shall determine otherwise, the fiscal year of the Association shall be the calendar year. The cost of such audit shall be an expense of the administration of the Condominium, and copies of any such audit shall be made available to all Owners.

B. *Mortgagee Access to Books and Records.* A Mortgagee shall, upon written request, be entitled to: (i) inspect the Condominium Documents and the books and records of the Condominium, (ii) receive, free of charge, an annual financial statement of the Condominium, as soon as the same is available to the Owners, (iii) written notice of all meetings of the Association and (iv) be permitted to designate a representative to attend all meetings of the Association.

C. *Association Records.* In addition to the financial records described in Paragraph 8A, the Association or Managing Agent shall keep or cause to be kept: (i) the plans and specifications used to renovate the Condominium, to the extent furnished by the Declarant; (ii) the condominium information statement and any amendments thereto, (iii) the name and address of each Owner, (iv) voting records, proxies and correspondence relating to amendments to the Declaration, and (v) minutes of meetings of the Association and the Board of Directors. All financial and other records of the Association shall be available at its principal office for examination by an Owner and/or the Owner's authorized agent.

D. *Association Costs and Expenses.* All costs incurred by the Association, including, but not limited to, any costs (including attorneys' fees) incurred in satisfaction of any liability arising herein, caused by or in connection with the Association's operation, maintenance or use of the Condominium, shall be an Association expense. All sums received by the Association, including, but not limited to, all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association, shall be the receipts of the Association.

E. *Bylaws.* The governance and administration of the Condominium shall be in accordance with the Bylaws which have been initially adopted by Declarant as sole Owner of the Condominium, and which are attached hereto as Exhibit "A". The Bylaws may be amended by Declarant as hereafter provided and from time to time by the Association in accordance with the provisions thereof.

F. *Administration by Association/Managing Agent.* The affairs of the Condominium shall be administered by the Association. Unless otherwise expressly stated in this Declaration or the Bylaws, the Association, acting through its Board of Directors, may:

- (i) adopt and amend the Bylaws;
- (ii) adopt and amend budgets for revenues, expenditures, and reserves, and collect Assessments from Owners;

- (iii) borrow money, and grant liens or security interests in properties owned by the Association (which excludes Common Elements and/or Units unless such Units are owned by the Association) as security therefor, including the Association's right to future income from common expense assessments;
- (iv) hire and terminate Managing Agents and other employees, agents, and independent contractors, provided that any agreement for professional management of the Condominium, or any other contract providing for services of the Declarant, may not exceed three years and must provide for termination by either party without cause and without payment of a termination fee on 90 days or less prior written notice;
- (v) institute, defend, intervene in, settle, or compromise litigation or administrative proceedings in its own name on behalf of itself or two or more Owners on matters affecting the Condominium;
- (vi) make contracts and incur liabilities relating to the operation of the Condominium;
- (vii) regulate the use, maintenance, repair, replacement, modification, and appearance of the Condominium;
- (viii) adopt and amend rules regulating the use, occupancy, leasing or sale, maintenance, repair, modification, and appearance of Units and Common Elements, to the extent the regulated actions affect Common Elements or other Units;
- (ix) cause additional improvements to be made as a part of the Common Elements;
- (x) acquire, hold, encumber, and convey in its own name any right, title, or interest to real or personal property, except Common Elements;
- (xi) acquire, lease, encumber, exchange, sell, or convey a Unit;
- (xii) grant easements, leases, licenses, and concessions through or over the Common Elements;
- (xiii) impose and receive payments, fees, or charges for the use, rental or operation of the Common Elements and for services provided to Owners;
- (xiv) impose interest and late charges for late payments of assessments, returned check charges, and, if notice and an opportunity to be heard are given, reasonable fines for violations of the Declaration, Bylaws, and Rules and Regulations;
- (xv) adopt and amend rules regulating the collection of delinquent Assessments and the application of payments;

- (xvi) adopt and amend rules regulating the termination of utility service to a Unit, the Owner of which is delinquent in the payment of an Assessment that is used, in whole or in part, to pay the cost of that utility;
- (xvii) impose reasonable charges for preparing, recording, or copying declaration documents, resale certificates, or statements of unpaid Assessments;
- (xviii) enter a Unit for bona fide emergency purposes when conditions present an imminent risk of harm or damage to the Common Elements, another Unit, or the occupants;
- (xix) assign its right to future income, including the right to receive Regular Assessments, but only to the extent this Declaration so provides;
- (xx) suspend the voting privileges of or the use of certain Common Elements by an Owner delinquent for more than thirty (30) days in the payment of Assessments;
- (xxi) purchase insurance and fidelity bonds it considers appropriate or necessary;
- (xxii) exercise any other powers conferred by this Declaration, the Articles or Bylaws;
- (xxiii) exercise any other powers that may be exercised in the State of Texas by a corporation of the same type as the Association;
- (xxiv) collect and remit, for the benefit of The Master Association, any sum or amount due and payable by any Owner due to the Master Association, for services provided by the Master Association pursuant to The Beach Club Restrictions; and
- (xxv) exercise any other powers necessary and proper for the government and operation of the Association.

Any of the duties, powers and functions of the Board may be delegated to the Managing Agent.

G. *Board of Directors.* The affairs of the Association shall be managed by a Board of Directors. At or as soon as convenient after the First Meeting of the Association, the Association shall elect the first Board of Directors which shall consist of not less than five (5) members, all of whom shall serve without pay or compensation (except as provided in the Bylaws), for such term as specified in the Bylaws.

H. *Declarant Control of the Association.* There shall be a period of Declarant control ("Declarant Control Period") of the Association during which the Declarant, or persons designated by the Declarant, may appoint and remove the officers and

members of the Board of Directors. The period of Declarant control terminates not later than the earlier of the 120th day after conveyance of seventy-five percent (75%) of the Units that may be created to Owners other than the Declarant or three (3) years after the first Unit is conveyed. No later than the 120th day after conveyance of fifty percent (50%) of the Units that may be created to Owners other than the Declarant, not less than one-third of the members of the Board of Directors must be elected by Owners other than the Declarant. Not later than the termination of the period of Declarant control, the Owners shall elect a Board of Directors of at least five (5) members (which may include the Declarant), all of whom shall be Owners. If any Unit is owned by a partnership or corporation, any officer, partner or employee of that Owner shall be eligible to serve as a Director and shall be deemed to be an Owner for purposes of the preceding sentence. The Board of Directors shall elect the officers of the Association before the 31st day after the date the period of Declarant control terminates. The persons elected shall take office on election.

I. *Termination of Contracts and Leases of Declarant.* The Association may terminate, without penalty, contracts or leases between the Association and the Declarant or an affiliate of Declarant if:

- (i) the contract or lease is entered into by the Association when the Association is controlled by the Declarant;
- (ii) the Association terminates the contract or lease before the first anniversary of the date a Board of Directors elected by the Owners takes office; and
- (iii) the Association gives at least ninety (90) days' notice of its intent to terminate the contract or lease to the other party.

J. *Management Certificate.* The Association shall record in the Office of the County Clerk of Galveston County, Texas, a certificate, signed and acknowledged by an officer of the Association, stating: (i) the name of the Condominium, (ii) the name of the Association, (iii) the location of the Condominium, (iv) the recording date of this Declaration, and (v) the mailing address of the Association, or the name and mailing address of the Managing Agent. The Association shall record an updated management certificate within thirty (30) days after the date the Association has notice of a change in any of the information set forth in (i) through (v) above as set forth in the recorded management certificate.

K. *Resale Certificate.* In connection with the sale of any Unit (other than a sale by Declarant), the Association shall furnish to the selling Owner or the Owner's agent, within ten (10) days after the date of receiving a written request from the Owner, a resale certificate containing the following information: (i) the current operating budget of the Association; (ii) any right of first refusal or other restraint contained in the Declaration that restricts the right to transfer a Unit; (iii) the amount of the periodic Regular Assessments and the unpaid Regular Assessments or Special Assessments currently due and payable by the selling Owner; (iv) other unpaid fees or amounts payable to the Association by the selling Owner; (v) capital expenditures, if any, approved by the Association for the next twelve (12) months; (vi) the amount of

reserves, if any, for capital expenditures and of portions of those reserves designated by the Association for a specified project; (vii) any unsatisfied judgments against the Association; (viii) the nature of any pending suits against the Association; (ix) whether the Board of Directors has knowledge that any alterations or improvements to the Unit or the Limited Common Elements assigned to that Unit violate the Declaration, the Bylaws or the Rules and Regulations; (x) whether the Board of Directors has received notice from a governmental authority concerning violations of health or building codes with respect to the Unit, the Limited Common Elements assigned to that Unit, or any other portion of the Condominium; (xi) the remaining term of any leasehold estate that affects the Condominium and the provisions governing an extension or renewal of the lease; (xii) the name, mailing address, and telephone number of the Managing Agent, if any; and (xiii) such other information as the Association may deem appropriate. The Association shall not be liable to a selling Owner or such Owner's prospective purchaser for delay or failure to furnish a resale certificate, and an officer or agent of the Association is not liable for a delay or failure to furnish a resale certificate unless the officer or agent willfully refuses to furnish the resale certificate or is grossly negligent in not furnishing the resale certificate.

In the event that a properly executed resale certificate incorrectly states the total of delinquent sum owed by the selling Owner to the Association, the purchaser shall not be liable for payment of additional delinquencies that are unpaid on the date the resale certificate is prepared and that exceed the total sum stated in the resale certificate; provided, however, in no event shall a resale certificate affect: (i) the Association's right to recover debts, claims, or amounts that are due by the Seller which became due prior to the date the certificate was prepared, regardless of whether the resale certificate correctly stated the total of the delinquent sum owed by the selling Owner to the Association; (ii) the Association's right to recover debts or claims that arise or become due after the date the certificate is prepared; or (iii) the Association's lien on a Unit securing payment of future Assessments.

L. *Maintenance Manual.* In connection with the sale of any Residential Unit (other than a sale by Declarant), the Association shall furnish to the purchasing Owner, within ten (10) days after the date of receiving a written request from the Owner, a copy of the Maintenance Manual.

M. *Restrictions on Alienation of Common Elements.* Notwithstanding any other provision of this Declaration, the Association may not seek to abandon, partition, subdivide, encumber, sell or transfer the Common Elements, or any part thereof, by act or omission, without first receiving the prior written approval thereof by Owners holding at least sixty-seven percent (67%) of the Common Interest Ownership (other than that held by the Declarant) or First Mortgagees holding sixty-seven percent (67%) of the First Mortgages (based on one vote for each First Mortgage held). Nothing in this Paragraph 8.M. shall limit the authority of the Association to grant an easement for the use of any public utility(ies) or for any other public purpose(s) consistent with the intended use of the Common Elements by the Condominium.

9. Meetings of Owners.

A. *First Meeting.* The First Meeting of Owners shall be held not later than (i) one hundred twenty (120) days following the conveyance by Declarant of more than seventy-five percent (75%) of the Units or (ii) three (3) years after the first Unit is conveyed by Declarant. Until the First Meeting of Owners, the affairs of the Association shall be managed by the first Board named in the Articles or their successors, and during such period it shall have the right to exclusively represent, act as and constitute the Board of Directors, and shall have the right to exclusively exercise and perform all of the rights, powers, authority, functions and duties herein or in the Act or Bylaws given to the Association or the Board; provided, however, not later than one hundred twenty (120) days following the conveyance by Declarant of more than fifty percent (50%) of the Units, not less than one-third of the members of the Board of Directors shall be elected by Owners other than the Declarant at a meeting called for such limited purpose. No other business may be conducted at such limited purpose meeting, and the calculation of the quorum requirement shall be made so as to exclude the then unsold units owned by Declarant; the votes associated therewith being considered "ineligible".

B. *Annual Meetings.* Following the first meeting of Owners, there shall be an annual meeting of Owners at which the Board, or a portion thereof, shall be elected, and other meetings as provided for herein or in the Bylaws. Special meetings of Owners shall be called by the President, a majority of the Directors or any individual Owner or collection of Owners having twenty percent (20%) of the Percentages of Common Interest Ownership entitled to be cast at such special meeting. Notice of time, place and subject matter of all meetings shall be personally delivered or mailed to each Owner or to the individual representative designated by such Owner at the last address given by such Owner to the Association. If any Owner shall fail to give an address to the Association for the mailing of notices, all notices shall be personally delivered or mailed to the Unit of such Owner, and such Owner shall be deemed to have been given notice of any such meeting irrespective of the actual receipt of the same.

10. Directors.

A. *Number of Directors.* The initial number of Directors has been set by the Articles at three (3), which shall continue until the First Meeting of the Owners after the expiration of the Declarant Control Period. Thereafter, there shall be five (5) Directors.

Any expansion or subsequent contraction (to not less than five (5)) of the number of Directors shall be effected by an amendment to the Bylaws. Each Director must be an Owner with the exception of the first Board (and any replacement Directors selected by Declarant prior to the first meeting of Owners) designated in the Articles, which Board and any replacement Directors selected by Declarant may remain or be reelected as Directors following the first meeting of Owners. If any Unit is owned by a partnership, corporation, limited liability company, or trust, any officer, partner, trustee, or employee of that Owner shall be eligible to serve as a Director and shall be deemed to be an Owner for purposes of the preceding sentence. Notwithstanding anything contained herein to the contrary, this Paragraph 10 may not be amended without the prior written consent of Declarant, until one hundred twenty (120) days following the

conveyance by Declarant of more than seventy-five percent (75 %) of the Units.

B. *Terms of Directors.* At the First Meeting of Owners after the expiration of the Declarant Control Period, two (2) Directors shall be elected for an initial term of three (3) years, two (2) Directors shall be elected for an initial term of two (2) years and one (1) Director shall be elected for an initial term of one (1) year. The Directors so elected at such First Meeting shall be deemed to take office as of the date of such First Meeting; however, these initial staggered terms shall not be deemed to commence until the first annual meeting of the Owners following the date of such First Meeting, so that the terms shall thereafter expire as of the dates of the annual meetings. Thereafter, at the annual meetings of Owners, the Owners shall elect Directors to serve for a term of three (3) years to fill the position of the Directors whose terms have expired at the time of such respective annual meeting.

C. *Election of Officers.* The officers of the Association shall be elected by the Board.

D. *Indemnity of Board.* The Association shall indemnify each member of the Board and each of its officers against expenses and liabilities (including the cost and expenses of defending against any such alleged liability) as and to the extent set forth in the Bylaws. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which a Director, officer, or employee may be entitled by law or under any Bylaw, agreement, vote of members or otherwise.

E. *Contracts.* The Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association whether or not a Director or such officer is interested in the transaction (as and to the extent set forth in the Bylaws). Such authority may be general or confined to specific instances. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or agent of the Association and in such manner as shall, from time to time, be determined by resolution of the Board. All funds of the Association shall be deposited, from time to time, to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

11. **Assessments.**

A. *As to the Residential Units: Regular Monthly Assessments for Common Expenses.* There shall be monthly assessments (the "Regular Assessments") as to each Residential Unit Owner for payments to the Common Expense Fund for the general purpose(s) of maintenance, repair, and replacement of the Common Elements. The Regular Assessments shall not be applicable to any Commercial Parking Space Unit, or Commercial Storage Space Unit. The Commercial Unit (other than the Roof-top Commercial Units) and any Converted Commercial Unit shall be treated as a Residential Unit for purposes of payment to the Common Expense Fund. Both Regular Assessments and Special Assessments shall be computed on the basis of the individual Residential Unit Owner's Percentage of Interest for allocation of Common Expenses/Assessments shown in Exhibit "B", Part IV. The Regular Assessments shall commence as to each Owner on the date of delivery of a Deed to the Condominium Unit

from Declarant to the purchaser thereof, and Regular Assessments shall be due on the first (1st) day of each subsequent calendar month thereafter, without notice.

As to the Roof-top Commercial Units: The Owner(s) of the Roof-top Commercial Units shall be responsible to maintain, repair, and replace the spires or antenna and supporting structure which are attached to the roof or the building and the interiors of the units. The Owner(s) of the Roof-top Commercial Units shall not be required to maintain or repair the roof or the exterior of the perimeter walls of the units. In addition, the Owner(s) of the Roof-top Commercial Units shall maintain any and all installations of equipment, antenna, communication devices, or other components installed on the roof or within the equipment room located on the roof (as shown in the Condominium Plans) and used in conjunction with the Roof-top Commercial Units at his/her/its sole expense. Further, and in addition to such costs of maintenance, repair and replacement of such Roof-top Commercial Units, the Owner(s) of the Roof-top Commercial Units shall pay a Regular Monthly Assessment to the Association as such unit owner's sole contribution toward the maintenance, repair, and/or replacement of the Common Elements. Such Regular Monthly assessment shall be computed on the basis of the individual Roof-top Commercial Unit Owners Percentage of Interest for Allocation of Common expenses/Assessments as shown in Exhibit "B", Part IV. The Association may not increase the basis of the calculation of the assessment attributable to the Roof-top Commercial Units without the approval of the Roof-top Commercial Unit Owners. The assessment as provided by this paragraph shall be deemed an "assessment" for purposes of paragraph 11 E H of this Declaration.

As to any Commercial Parking Space Unit, or Commercial Storage Space Unit: In the event that the Declarant elects to designate or create any such units during the Declarant Control Period, the Declarant shall include the basis upon which the Owner of any such Unit shall contribute toward the Common Expense Fund within the amended document to this Declaration so creating or designating such Unit(s).

B. *Common Expenses, Assessments.* Each Residential Unit Owner shall be bound and obligated and agrees to pay, as assessments therefor are made during his tenure of ownership, (i) his or her pro-rata part and share of the utilities and the expenses of administration, maintenance, repair, upkeep, protection, replacement, and operation of the Common Elements, (ii) assessments made by the Board of Directors and/or the Association, and (iii) any other expenses lawfully agreed to by the Association or the Board, as authorized by the Act, this Declaration or the Bylaws, all of which expenses are included in the term "Common Expenses." Those Common Expenses constituting "Shared Facilities" shall be due and payable to the Master Association, whether billed directly by the Master Association to each Owner or billed by the Master Association to the Association for collection from each Owner. The Board of Directors shall be responsible for levying and collecting Special Assessments and Regular Assessments for the Common Expenses. The Roof-top Commercial Unit Owners shall be bound and obligated and agrees to pay the annual assessments during the tenure of his ownership, his pro rata share, as described in subparagraph A above, of the expenses of repair, maintenance, and replacement of the Common Elements.

The Board shall establish an annual budget in advance for each fiscal year and such budget shall project all Common Expenses for the forthcoming year which

may be required for the proper operation, management and maintenance of the Condominium, together with a reasonable allowance for contingencies and reserves. The Assessments for each year shall be established by the adoption of an annual budget by the Board. Copies of the budget shall be delivered to each Owner, although the delivery of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future Assessments. Should the Board at any time determine, in the sole discretion of the Board, that the Assessments levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium in any fiscal year (including a deficiency resulting from the nonpayment of Assessments by certain Owners) or in the event of a casualty loss, then the Board shall have the authority at any time and from time to time in the Board's sole discretion to levy an additional Assessment in an amount it shall deem to be necessary for that purpose.

C. *Reserves for Assessments.* The annual budget to be established by the Board shall include a reasonable allowance for contingencies and reserves. Such reserves shall include, without limitation, an adequate reserve fund for the maintenance, repair and replacement of those Common Elements that must be replaced on a periodic basis, and shall be payable in regular installments fixed by the Board rather than by Special Assessments. Upon purchasing a Unit, each Residential Unit Owner shall deliver to the Association an amount equal to two (2) month's of the then existing monthly Assessment applicable to such Unit, which will be added to the replacement reserve. Such payment into the replace reserve shall be non-refundable, and shall not be used as a credit toward regular monthly accruing assessments. Provided, however, that such Reserve Fund contribution shall not be payable in conjunction with the sale of a Unit where a working capital fund contribution has been collected as set forth in Section 18G or in connection with the sale or conveyance pursuant to a judicial or nonjudicial foreclosure by a mortgagee of Units or interests owned by Declarant.

D.1. *Special Assessments.* Special Assessments may be made by the Board at any time, and from time to time, to meet other needs or requirements of the Association and the Condominium including, but not limited to, costs of capital improvements. However, any Special Assessment of more than five percent (5%) of the annual budget, whether in one sum or in total, during any calendar year (except for repair or replacement following casualty, as contemplated in Paragraph 14.B. (iv), as to which no Owner approval shall be necessary), shall not be levied without the prior approval of more than fifty percent (50%) of the Percentages of Common Interest Ownership of all Owners. Notice of Special Assessments shall be sent by the Association to each Owner. The due date and method and manner of payment of any Special Assessments shall be determined by the Board, provided, however, that such due date shall in no event be less than thirty (30) days subsequent to such notice. Special Assessments shall not be assessed against the Owner of the Roof-top Commercial Unit unless approved by the Owner(s) of the Roof-top Commercial Units.

2. *Individual Purpose Assessments.* In addition to Regular and Special Assessments as hereinabove provided for, the Association may, at any time, and from time to time, determine, levy and collect assessments against any one or more, but fewer than all, of the Units, for any matters of maintenance of repair, replacement or improvement reasonably applicable only to such Units (or Limited Common Elements

appurtenant exclusively to such Units) and not all the Units, or to reimburse the Association for all or portions of the Association's insurance deductible applicable to such Unit(s). Such individual purpose assessments may be levied against individual Units to pay or reimburse the Association for any costs, expenses, fees, and other charges, incurred or reasonably anticipated to be incurred by the Association, for maintenance, repair, replacement and improvement, or any other purpose, of or with respect to the Unit against which such individual purpose assessment is levied which are not applicable to all the Units. The amounts determined, levied and assessed pursuant to this paragraph shall be due and payable as determined by the Association provided that written notice setting forth the amount of such individual purpose assessment for each Unit and the due date(s) for payment thereof shall be given to the Owners of the affected Units not less than thirty (30) days prior to the due date. All individual purpose assessments shall be considered Special Assessments for purposes of the other provisions of this Declaration besides this Paragraph 11.D.

E. *Assessments as Capital Contributions.* Assessments levied by the Association against each Owner pursuant to this Paragraph 11 which are expended on capital expenditures, or which are set aside as a reserve for future repairs of improvements within the Condominium (whether or not such repairs or improvements would otherwise be considered capital in nature pursuant to Section 263 of the Internal Revenue Code of 1986, as amended, the "Code"), shall be treated as capital contributions by such Owner to the Association and shall be shown on the books of the Association as such. The Association may elect to be governed by the provisions of Section 528 of the Code for a taxable year by filing Form 1120-H (U.S. Income Tax Return for Home Owners Association) if such election would allow the Association to reduce its federal income tax liability for such taxable year. The provisions of this Paragraph 11.E. may be amended by a majority of the Board if, in the sole discretion of the Board, such action is necessary to conform to any change in the Code, or any Treasury regulation or ruling promulgated thereunder. Notwithstanding anything contained in this Declaration to the contrary, any amendment to this Paragraph 11.E. duly authorized by the Board shall not require the consent of any Owner or Mortgagee.

F. *Computation and Apportionment of Assessments.* Except as otherwise provided in this Declaration, all Assessments levied against Owners to cover expenses of the Association and the Condominium and the Association's respective share of reimbursement expenses to the Master Association, shall be computed and apportioned among and paid by Owners in accordance with Exhibit B IV without increase or decrease for the existence of any rights with respect to the use, existence or lack of existence of Limited Common Elements appurtenant to such Unit. The amount of Common Expenses assessed against each Unit shall be a personal debt and obligation of the Owner of said Unit at the time the Assessment is made, and the subsequent transfer of his or her ownership of said Unit shall not terminate the outstanding obligation. Assessments shall be due and payable at such times as the Association shall determine, commencing (as to Owners other than Declarant) on the date of delivery of a Deed to a Condominium Unit from Declarant to the purchaser thereof. From and after the date Declarant control terminates, Declarant shall bear all Assessments levied against Units owned by Declarant in accordance with the aggregate Percentage of Common Interest Ownership assigned thereto.

G. *Payments by Declarant in Lieu of Assessments.* From the date of the initial Assessment until the period of Declarant Control terminates, the Declarant shall periodically pay to the Association either (i) the amount equal to all Actual Operating Expenses (as hereinafter defined) of the Association, less the Actual Operating Expense portion of the Assessments paid by Owners other than Declarant and any other revenue received by the Association (e.g. from Unit rentals managed by the Association, if any), or (ii) the Common Expense liability allocated to each Unit owned by the Declarant. For purposes of this Paragraph 11.G., the term "Actual Operating Expenses" shall mean those expenses reasonably necessary for the normal maintenance and operation of the Condominium in order to provide the level and quality of services set forth in the budget initially prepared by Declarant and shall include capital expenditures, reserves, prepaid items, inventory items or similar expenses to the extent attributable to periods after the initial fiscal year, or any increase in the level and/or quality of services set forth in such initial budget prepared by Declarant.

H. *Default for Failure to Pay Assessments.* An Owner shall be in default for failure to pay a Regular Assessment or a Special Assessment if the same, or any part thereof, is not paid to the Association in full on or before ten (10) days after the due date for such payment, and such Owner shall be subject to a late fee as determined by the Board. In addition, Regular Assessments and Special Assessments in default shall bear interest at the lesser of the maximum lawful rate or the rate of eighteen percent (18%) per annum from the date due until paid. Each Owner shall be, and remain, personally liable for the payment of all Regular Assessments and Special Assessments which may be levied against such Owner by the Association in accordance with the Condominium Documents, and any unpaid Regular Assessments and Special Assessments, together with late fees and accrued interest thereon, owed with respect to a Condominium Unit may, at the option of the Association, be collected out of the sale proceeds of such Condominium Unit in accordance with the Act. No successor in title to a Unit shall be deemed to have assumed personal liability for any obligation to pay Regular Assessments or Special Assessments which were due and owing at the time of conveyance to such successor unless such successor agreed to assume such obligation, but this shall not affect or impair the validity of the lien hereinafter provided for.

The personal obligation of the Unit Owner to pay the Assessments levied by the Association (Regular, Special, or otherwise) shall be and are secured by a continuing lien on the Unit and on the rents and insurance proceeds received by the Unit Owner relating to the Owners Unit, such continuing lien being created and reserved herein in accordance with Section 82.113 of the Texas Property Code in favor of the Association, and being reserved by the Declarant and granted and assigned to the Association without recourse. The Association's lien for assessments is created by the recordation of this Declaration, which constitutes record notice and perfection of the lien. No other recordation of a lien or notice of a lien shall be required. The lien in favor of the Association may be enforced by power of sale as provided in such Section 51.002 of the Texas Property Code, and the expenses incurred in connection therewith, including late fees, interest, costs and attorneys' fees, shall be chargeable to the Owner in default. In no event shall the Association foreclose a lien securing the payment of Assessments consisting solely of fines. Each Owner, by acceptance of the Deed to his or her Condominium Unit, agrees that the Association and its designated agents have the

authority, right and power to enforce the above-described liens for Assessments by all legal methods available for the enforcement of liens, including nonjudicial foreclosure pursuant to Section 51.002 of the Texas Property Code, as amended. By acceptance of the Deed to his or her Condominium Unit, a Unit Owner grants to the Association a power of sale in connection with the Association's lien. By written resolution, the Board may appoint, from time to time, an officer, agent, trustee, or attorney of the Association to exercise the power of sale on behalf of the Association. The Association shall exercise its power of sale pursuant to Section 51.002 of the Texas Property Code. Such liens shall be subordinate, secondary and inferior to: (i) assessments, liens and charges in favor of the State of Texas and any political subdivision thereof for taxes that are due and unpaid on such Condominium Unit; (ii) any First Mortgage filed for record prior to the date payment of such Assessment for Common Expenses became due and payable provided they become due and payable prior to the date the holder of the First Mortgage acquires title to the Condominium Unit; and (iii) all liens securing any loan (including loans made by Declarant) made to a purchaser for any part of the purchase price of any Unit when such Unit is purchased from Declarant. The Board or Managing Agent may, but shall not be obligated to, elect to prepare and execute a notice of assessment (a "Notice of Assessment") which sets forth the amount of the unpaid indebtedness, the name of the Owner, and a description of the Condominium Unit, and may record the Notice of Assessment in the Real Property Records of Galveston County, Texas. Notice of an unpaid Regular Assessment or Special Assessment and such lien in favor of the Association, may be recorded in the Official Records of Galveston County, Texas.

The lien for Common Expenses herein provided for may be enforced by the Association by non-judicial foreclosure of and on the Condominium Unit owned by the defaulting Owner, without prejudice and subject to the aforesaid prior and superior liens, in the same manner as nonjudicial foreclosures under mortgages on real property located in the State of Texas; provided, however, at any time prior to the foreclosure sale, the Owner of the Condominium Unit to be sold at such foreclosure sale may avoid foreclosure by paying all amounts due to the Association. No foreclosure suit or sale thereunder shall affect or unpair any of the prior liens above mentioned. The Board of Directors or any person authorized by it, acting on behalf of the Association, shall have power to bid on the Condominium Unit being foreclosed at the foreclosure sale, and to acquire, hold, lease, mortgage or convey the same on behalf of the Association. All funds realized from any foreclosure sale shall be applied first to the costs and expenses of filing and prosecuting the foreclosure, including all trustee's and attorneys' fees, and then towards payment of the indebtedness, and the remainder, if any, shall be paid over to the Owner or Owners as their interest may appear. Upon the foreclosure by the Association of the lien provided for herein, the Owner shall be deemed to constitute a Tenant at sufferance of the purchaser of the Unit at such foreclosure sale, and such purchaser shall be entitled to pursue the eviction of such Owner by virtue of forcible entry and detainer proceedings if such Owner fails or refuses to vacate the Unit upon demand. In the event the proceeds realized from the foreclosure sale, applied as aforesaid, shall be insufficient to pay off and discharge the whole amount of the assessments sued on, then the purchaser acquiring title to such Condominium Unit at such foreclosure sale, whoever he or she may be, other than the Owner sued, shall not be liable for the deficiency, but such deficiency shall be deemed a Common Expense, collectible from all Owners, including the purchaser at the foreclosure sale, on a pro-

rata basis as in the case of other Common Expenses. The defaulting Owner shall remain personally liable to the other Owners paying such deficiency, and the Association may pursue recovery of such deficiencies from the defaulting Owner.

I. *Right of Redemption.*

- (i) *Association as Purchaser:* The Owner of a Condominium Unit purchased by the Association at the foreclosure sale may redeem the Condominium Unit within ninety (90) days after the date of the foreclosure sale in accordance with Section 82.113(g) of the Act, or same may be amended or re-codified from time to time.

- (ii) *Third party as Purchaser:* Further provided, and to the extent not expressly prohibited by applicable law, the Owner of a Condominium Unit may redeem the Condominium Unit within ninety (90) days of the Association's foreclosure sale irrespective whether the purchaser was the Association or a third party. To redeem the Unit purchased at the Association's foreclosure sale by a person other than the Association, the Unit Owner: (a) must pay to the Association: all amounts due the Association at the time of such foreclosure sale, less the foreclosure sales price received by the Association from the purchaser, interest from the date of foreclosure to the date of redemption at the rate provided in this Declaration for delinquent assessments, reasonable attorneys fees and costs incurred by the Association in foreclosing the lien, and any unpaid assessments levied against the Unit by the Association after the foreclosure sale to the date of redemption; and (b) must pay to the person who purchased the Unit at the foreclosure sale: any assessments levied against the property by the Association after the date of foreclosure sale and paid by the purchaser; the purchase price paid by the purchaser at the foreclosure sale; and any reasonable costs incurred by the purchaser at the foreclosure sale as Owner of the Unit until the date of redemption, including the costs of maintenance and leasing. If a Unit Owner redeems the Unit under this paragraph, the purchaser of the Unit at foreclosure shall immediately execute and deliver to the Owner a deed transferring the property to the redeeming Unit Owner, free and clear of any encumbrances other than those which existed as of the date such purchaser purchased the Unit or those created by the Unit Owner. If a purchaser fails to comply with this paragraph, the Unit Owner may file a cause of action against the purchaser and may recover reasonable attorneys fees from the purchaser if the Unit Owner is the previously party in the action. A Unit that is redeemed remains subject to all liens and encumbrances on the Unit before foreclosure. Any lease entered into by the purchaser of a Unit at a sale foregoing an assessed lien is subject to the right of redemption provided by this Section and the Unit Owner's right to re-occupy the Unit immediately after the redemption. A purchaser of a Unit at such foreclosure sale may not transfer ownership of the Unit during the redemption period to a person other than the redeeming Owner.

J *Additional Remedies.* The Association may, in addition to its rights under Paragraph 11.11. above and the Act, enforce collection of delinquent Assessments by suit at law for a money judgment, and the expenses incurred in collecting unpaid Assessments, including interest, costs and attorneys' fees shall be chargeable to the Owner default. The Board may resolve that an Owner in default shall not be entitled to vote at any meeting of the Association so long as such default is in existence, unless otherwise provided in the Act.

K. *No Exemptions From Liability for Common Expenses.* No Owner may be exempt from liability for his or her contribution toward the Common Expenses of the Association and the Condominium by waiver of the use or enjoyment of any of the Common Elements or any part thereof, by reason of any grievance against the Association, Declarant, or any other Owner, or by the abandonment of such Owner's Condominium Unit or his or her interest therein.

L. *Statement of Assessments.* The Association or its representative shall, upon payment to the Association of a reasonable fee as set by the Board from time to time, furnish to any prospective purchaser or Mortgagee of any Unit, at the written request of the Owner, a written statement as to the amount of the assessments for Common Expense which have become due and are unpaid up to a given date with respect to the Unit to be sold or mortgaged; and, in the case of a sale, the purchaser shall not be liable nor shall the Unit purchased be subject to any lien for any unpaid assessment which has become due and is not shown on such statement for the period of time covered thereby; however, the selling Owner shall remain liable for same.

M. *Common Expense Fund.* The Common Expense Fund shall be based upon the aggregate sum which the Board shall from time to time determine is to be paid by all of the Owners (including Declarant) to pay the estimated Common Expenses, and may also include the Association's proportionate share of the maintenance obligations and insurance due and payable to the Master Association in accordance with The Beach Club Restrictions.

N. *Failure to Provide Notice of Regular Assessments.* In the event of a failure of the Board to issue the annual notice setting forth the amount of the Regular Assessments, the Regular Assessments then in effect shall continue until the Board issues a new notice of Regular Assessments, and said failure shall not be deemed a waiver of any of the provisions of this Paragraph 11 nor shall it operate to release any Owner from his or her obligations to pay the assessments provided for hereunder.

O. *Notice to Owners.* Notwithstanding anything to the contrary contained in this Declaration, before the Association may charge an Owner for property damage for which such Owner is liable, or levy a fine for violation of this Declaration, the Bylaws or Rules and Regulations, the Association shall give such Owner a written notice that:

- (i) describes the violation or property damage and states the amount of the proposed fine or damage charge;
- (ii) states that not later than the 30th day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or

damage charge; and

- (iii) allows the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding year.

The above described notice may be given by the Association delivering a copy of the notice to an occupant of the Unit. In addition, the Association shall give notice of a levied fine or damage charges to the Owner within thirty (30) days after the date of levy.

12. **Obligations of Owners and Owner Action.**

A. *Owner's Obligations.* Without limiting the obligations of an Owner, each Owner shall: (i) pay all Assessments, late fees, interest, and other charges properly levied by the Association against the Owner or the Owner's Unit, and shall pay all Regular Assessments without demand by the Association; (ii) comply with this Declaration, the Bylaws, the Rules and Regulations, and any amendments thereto; (iii) pay for damage to the Condominium caused by the negligence or willful misconduct of the Owner, an occupant of the Owner's Unit, or the Owner's or occupant's family, guests, employees, contractors, agents or invitees; and (iv) be liable to the Association for violations of the Declaration, the Bylaws, the Rules and Regulations, and any amendments thereto, by the Owner, an occupant of the Owner's Unit, or the Owner's or occupant's family, guests, employees, agents, or invitees, and for costs incurred by the Association to obtain compliance, including attorneys' fees, whether or not suit is filed.

B. *Legal Action.* Without limiting the other legal rights of any Owner or the Association, legal action may be brought by the Association, in its sole discretion, on behalf of two (2) or more Owners as their respective interests may appear with respect to any cause of action relating to the Common Elements appurtenant to more than one Condominium Unit. All costs incurred by the Association as a result of such legal action shall be borne in their entirety by the Association.

C. *Notification Obligations.* Within thirty (30) days after the date of acquiring an interest in a Unit, the Owner shall provide the Association with: (a) the Owner's mailing address, telephone number and driver's license number, if any; (b) the name and address of the holder of any lien against the Unit and any loan number; (c) the name and telephone number of any Person occupying the Unit other than the Owner or Owners; and (d) the name, address and telephone number of any Person managing the Unit as agent for the Owner. An Owner shall notify the Association within thirty (30) days after the Owner has notice of a change of any of the information set forth in (a) through (d) above, and shall provide that information on request by the Association from time to time.

13. Insurance.

A. *Owner's Insurance.* Each Owner shall be responsible, at his or her cost and expense, for his or her own personal insurance on the contents of his or her Unit and his or her additions and improvements thereto, and his or her decorations and furnishings and personal property therein to the extent not covered by the insurance obtained by the Association, as well as his or her personal liability to the extent not covered by the liability insurance for all of the Owners which may be obtained by the Association as a Common Expense.

B. *Association's Insurance.* The Association or the Master Association shall purchase and maintain policies of insurance and fidelity bond coverage in accordance with the requirements of the Act, as same may be amended from time to time. To the extent not inconsistent with the foregoing, the Association or the Master Association shall obtain and continuously keep in effect, to the extent reasonably available, the Master Policy of fire and extended coverage, vandalism, malicious mischief and liability insurance, and, if required by law or deemed necessary or desirable by the Board, worker's compensation insurance, with respect to the Condominium and the Association's administration thereof in accordance with the following provisions:

- (i) *Parties Covered.* The Master Policy shall be purchased by the Association or the Master Association for the benefit of the Association, the Master Association, Managing Agent (if any), and each and every Owner and their respective Mortgagees, as their interests may appear (subject to the provisions of the Condominium Documents and the Act), the cost of which shall be a Common Expense, and provision shall be made for the issuance of appropriate mortgagee endorsements to Mortgagees.
- (ii) *Coverage.*
 - (a) To the extent such insurance is reasonably available, the Building and all Common Elements shall be insured against fire, vandalism and malicious mischief, and other perils covered by a standard extended coverage endorsement (with appropriate endorsement to cover fixtures, installations or additions comprising a part of the Building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual Units initially installed, or replacements thereof, in accordance with the original plans and specifications for the Condominium, specifically referring to and including the interior walls of each Unit), in an amount equal to the replacement cost thereof, excluding the costs of excavations, foundations and footings, as determined annually by the Board. The Board may obtain an appraisal in determining insurable value and the cost thereof shall be an expense of the Association. The Association may, in its sole discretion, elect to carry insurance to cover such other perils as from time to time shall be customarily covered with respect to buildings and improvements similar in construction, location and use.

- (b) The Association or Master Association shall also maintain, to the extent reasonably available, commercial general liability insurance, including medical payments insurance, in an amount determined by the Board of Directors, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Common Elements and shall contain, if available, cross-liability endorsements or appropriate provisions for the benefit of Owners, individually and as a group, Directors, and Managing Agent (if any) insuring each insured against liability to each other insured.
- (c) If the property insurance and/or the liability insurance described above is not reasonably available, the Association or Master Association shall cause notice of that fact to be delivered or mailed to all Owners and Mortgagees.
- (d) The property and liability insurance policies obtained by the Association or Master Association shall provide that: (i) each Owner is an insured Person under the policy with respect to liability arising out of such Owner's Percentage of Common Interest Ownership or membership in the Association; (ii) the insurer waives its right to subrogation under the policy against an Owner, the Association or the Master Association; (iii) no action or omission of an Owner, unless within the scope of the Owner's authority on behalf of the Association or Master Association, will void the policy or be a condition to recovery under the policy; (iv) if, at the time of a loss under the policy, there is other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy shall provide the primary insurance; and (v) the insurer issuing the policy may not cancel or refuse to renew the policy less than thirty (30) days after written notice of the proposed cancellation or non-renewal has been mailed to the Association.
- (e) The Association or Master Association shall also carry, if available, fidelity coverage against dishonest acts on the part of Directors, Owners, the Managing Agent (if any), security officers, and any other person (including volunteers, with an appropriate endorsement if required) handling funds belonging to or administered by the Association.
- (f) If available, the insurance coverages above described shall be in the following amounts:
 - 1. *Commercial General Liability.*
 - a. Bodily Injury and Property Damage Liability \$1,000,000.00 per occurrence, with a \$2,000,000.00 annual aggregate.

- b. Personal Injury Liability & Advertising Injury Liability.
 - c. Fire Damage Legal Liability: \$100,000.00 per occurrence.
 - d. Non-owned Auto: \$1,000,000.00 combined single limit.
2. *Umbrella Liability Coverage.* \$50,000,000.00 umbrella liability coverage; however, we are not providing liability coverage for accidents or occurrences that occur within the individual units.
 3. *Directors and Officers' Liability.* \$1,000,000 with a \$5,000 deductible per occurrence.
 4. *Fidelity Coverage.* \$200,000.00 Employee Dishonesty.
 5. *Income Exposure to Loss.*
 - a. Business Income Insurance
 - b. Assessment Fees Receivable Insurance. Lost assessments because of a covered loss to the Property.
 6. *Personnel Exposure to Loss.*
 - a. Workers Compensation Employers Liability Insurance.
 7. *Additional Areas Not Covered.* Because of the exclusions in the master policy, you should consult with your own agent about purchasing a policy to cover the following exposures:
 - a. Value of the household and personal property.
 - b. Improvements and betterments to the unit installed by the Owner
 - c. Additional living expense.
 - d. Personal injury.
 - e. Loss assessment coverage.
 - f. Value of jewelry, furs, silverware, fine art.
 - g. Business interruptions.
 - h. Liabilities arising or resulting from occurrences within individual units.

with the Association or the Master Association in regard to such matters (other than exercising any voting rights in determining whether to repair or reconstruct). The Association or the Master Association shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Unit (except to the extent available by endorsement as herein provided) or covering the liability of any Owner for occurrences not caused by or connected with the Association's or Master Association's operation, maintenance or use of the Condominium.

- (vi) *Priority as to Proceeds.* Notwithstanding anything contained herein to the contrary, no provision contained herein or in the Condominium Documents shall give an Owner or any other party priority over any Mortgagee with respect to the distribution of proceeds of insurance to which such Owner or other party would not otherwise be entitled.
- (vii) *Waiver of Subrogation.* The Association, Master Association, and the Owners shall use their best efforts to see that all insurance carried by an Owner or the Association shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against Owners or the Association and the respective tenants, servants, agents, and guests of Owners, the Association, or the Master Association, as the case may be, and the Association, Master Association, and the Owners, by their acceptance or recordation of a Deed, hereby waive any and all claims and rights of subrogation against each other to the extent of any damage or injury for which insurance is required to be maintained under this Declaration.
- (viii) *Deductible.* In certain circumstances, an Owner may be liable for payment of all or portion of the deductible as may be determined in accordance with this Declaration, the rules, or policies adopted by the Board.

14. Termination of Condominium; Reconstruction or Repair; Condemnation

A. Termination of Condominium Project.

- (i) The Condominium shall continue indefinitely unless and until it is terminated as provided in this Declaration or by agreement of the Owners holding at least eighty percent (80%) of the votes in the Association (other than those held by the Declarant, or successor to Declarant), and First Mortgagees holding eighty percent (80%) of the First Mortgages (based on one vote for each First Mortgage held). The agreement of the Owners and First Mortgagees to terminate (and, if the Project is to be sold, the terms of sale) must be evidenced by their execution of a Termination Agreement (or a ratification thereof) in the same manner as a deed, by the requisite number of Owners and First Mortgagees. The Termination Agreement and all ratification thereof must be recorded in the Real Property Records of the County of Galveston and is effective only upon recordation. After the recording of the Termination Agreement, the Project may be sold, and the Association, on behalf of the Owners, may contract for such sale, on the terms set forth in the Termination Notice.

The Association has all power necessary and appropriate to affect the sale and until the sale has concluded and the proceeds have been distributed, the Association continues in existence with all the powers it had before termination. Proceeds of the sale must be distributed to the Owners and lienholders as their interest may appear, in accordance the provisions set forth below. Unless otherwise specified in the Termination Agreement, until title to the Project has been transferred pursuant to a sale, each Owner and its successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the Unit. During the period of that occupancy, each Owner and the Owner's successors in interest remain liable for all assessments and other obligations imposed upon the Owners by the Act or this Declaration. Following termination of the Condominium, the proceeds of any sale of real estate, together with any insurance proceeds (if the termination occurs in connection with a damage or destruction) and the assets of the Association are held by the Association as trustee for the Owners and the holders of the liens on the Condominium Units as their interest may appear. If the Project is not to be sold following termination, on termination title to the Project vests in the Owners as tenants in common in proportion to their respective interests, and liens on the Units shift accordingly. While the tenancy in common exists, an Owner and the Owner's successors in interest have an exclusive right to occupy the portion of the Project that formerly constituted the Owner's Unit.

- (ii) The respective interests of the Owners are as follows:
 - (a) except as provided in subparagraph (b) immediately below, the respective interests of the Owners are the fair market values of their Units, interest in the General Common Elements, and any Limited Common Elements before termination, as determined by one or more independent appraisers selected by the Association. The decision of the independent appraisers shall be distributed to the Owners and becomes final unless disapproved within 30 days after distribution by Owners holding at least 25% of the total votes in the Association. The proportion of any Owner's interest to that of all Owners is determined by dividing the fair market value of that Owner's Condominium Unit by the fair market value of all Condominium Units;
 - (b) if any Unit or any Limited Common Element is destroyed to the extent that an appraisal of the fair market value thereof prior to destruction cannot be made, the proportionate interest of each Owner shall be their Common Interest Ownership immediately before termination.
- (iii) The proceeds available for distribution to the holders of interests in the Condominium Units after a termination shall be allocated to each Condominium Unit in accordance with its proportionate interest as provided above and each Condominium Unit's share of such proceeds

shall be deposited into a separate account identified by the Condominium Unit designation and the name of the Owner and First Mortgagee thereof. From each separate account, the Association, as attorney-in-fact, shall forthwith use and disburse the total amount of such account, without contribution from one account to another, toward payment of the liens encumbering the Condominium Unit represented by such separate account, in the following order: (a) for the payment of taxes and special assessment liens in favor of any assessing entity; (b) for the payment of any Association common expense assessments which take priority over the lien of a First Mortgage pursuant to Paragraph 11.H. of this Declaration and the Act; (c) for the payment of the lien of any First Mortgage; (d) for the payment of unpaid Association common expense assessments, other assessments, charges and fees, and all cost, expenses and fees incurred by the Association, including customary expenses of sale; (e) for payment of junior liens and encumbrances in the order of and to the extent of their priority; and (f) the balance remaining, if any, shall be paid to the Owner(s) of the Condominium Unit.

B. *Damage or Destruction.* "Repair and Reconstruction" of the improvements, as used in the succeeding subparagraphs, means restoring the improvement(s) to substantially the same condition in which they existed prior to their damage or destruction, with each Condominium Unit and the General and Limited Common Elements having substantially the same vertical and horizontal boundaries as before, and all improvements being reconstructed or repaired in substantial conformance with the Project's original architectural plan and scheme, to the extent then reasonably and economically feasible. The proceeds of any insurance collected shall be available to the Association for the purpose of repair, reconstruction, restoration, or replacement, in accordance with the provisions hereinafter set forth:

- (i) Any loss covered by the property insurance policy maintained by the Association must be adjusted with the Association, and the insurance proceeds will be paid to the Association or an insurance trustee designated for such purpose and not to the holder of any Security Interest. The insurance trustee or the Association shall hold such insurance proceeds in trust for the Owners and lienholders as their interest may appear. Subject to the provisions of subparagraph (ii) immediately below, the proceeds must be disbursed first to the repair or restoration of the damaged property, and the Association. Owners and lienholders shall not be entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or restored or the Condominium is terminated in accordance with Paragraph 14.A, in either of which events the surplus shall be distributed as provided in Paragraph 14.A.iii. The Association may adopt and establish written nondiscriminatory policies and procedures relating to the submission of claims, and such other matters of claims adjustment. The Association shall have full authority, right and power as attorney-in-fact to cause the repair and reconstruction of the improvements. Assessments for common expenses shall not be abated during the period of insurance adjustments and repair and reconstruction.

- (ii) Any portion of the Project for which insurance is required under this Declaration must be repaired or replaced promptly by the Association unless (a) the Condominium Project is terminated in accordance with Paragraph 14.A., in which case the provisions of that Paragraph apply; or (b) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety.
- (iii) *Estimates.* As soon as possible after the occurrence of a casualty which causes damage to any part of the Condominium for which the Association has insurance coverage, the Association shall obtain reliable and detailed cost estimates of the following:
 - (a) The cost of restoring all damage caused by the casualty to the Common Elements (collectively, the "Common Element Costs"); and
 - (b) The cost of restoring that part of the damage caused by the Casualty to each Unit which is or would be covered by insurance held by the Association, without regard to the policy limits of such insurance (collectively, the "Unit Costs").
- (iv) If the insurance proceeds are insufficient to repair and reconstruct the improvements, such damage or destruction shall be promptly repaired and reconstructed by the Association as attorney-in-fact, using the proceeds of insurance and the proceeds of a Special Assessment. Such Special Assessment (to be known as an "Allocation Assessment") shall be assessed against all Condominium Units in accordance with Paragraph 11.D. hereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair, replacement or restoration of the improvements, using all of the insurance proceeds for such purpose, notwithstanding the failure of an Owner to pay the aforesaid Allocation Assessment. Notwithstanding the foregoing, the Association shall have authority to assess negligent Unit Owners causing any loss all deductibles paid by the Association and any amount by which the insurance proceeds are insufficient to pay the costs of repair and reconstruction, as further set forth in the second sentence of Paragraph 14.B.(v).
- (v) *Owner's Responsibilities.* Each Owner shall be responsible for the reconstruction, repair or replacement of the interior of his or her Unit, including, but not limited to, furniture, furnishings, floor coverings, wall coverings, window shades, draperies, interior walls, decorative light fixtures, all appliances located therein, and other items of personal property within the Unit, unless such item(s) are covered by the Association's insurance policy. Each Owner shall also be responsible for the costs not otherwise covered by insurance carried by such Owner or the Association for any reconstruction, repair or replacement of any portion of the Condominium necessitated by his or her negligence or misuse, or the negligence or misuse by his or her family, tenants, guests,

agents, servants, employees or contractors, as determined by the Board, in its sole discretion (whether or not a Special Assessment is made against other Owners initially to cover such costs). In the event damage to all or any part of the interior of an Owner's Unit is covered by insurance held by the Association for the benefit of such Owner, then such Owner shall, subject to the provisions of subsection (iv) immediately above, begin construction or repair of such damage upon receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association and such Unit's First Mortgagee to supervise, approve or disapprove such reconstruction or repair during the course thereof. In the event damage to all or any part of the interior of any Owner's Unit is not covered by insurance held by the Association for the benefit of such Owner, then such Owner shall, subject to the provisions of subsection (iv) immediately above, begin reconstruction or repair of his Unit within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve or disapprove such reconstruction or repair during the course thereof.

C. *Obsolescence.* Owners holding at least eighty percent (80%) of the votes in the Association (other than those held by the Declarant, or any successor to the Declarant) or First Mortgagees holding eighty percent (80%) of the First Mortgages (based on one vote for each First Mortgage held) may agree that the Common Elements are obsolete and adopt a plan for the renewal and reconstruction thereof. If a plan for renewal or reconstruction is adopted, notice of such plan shall be recorded in Real Property Records of Galveston County, Texas, and the expenses of renewal and reconstruction shall be payable by all of the Owners as a Common Expense, whether or not they have previously consented to the plan of renewal and reconstruction. The aforesaid Common Expense assessment for the renewal and reconstruction of the Common Elements shall be a debt of each Owner and a lien on its Condominium Unit, and may be enforced and collected as provided in Paragraph 11 hereof.

D. *Condemnation.* If at any time during the continuance of condominium ownership pursuant to this Declaration, all or any part of the Project shall be taken or condemned by any public authority, or sold or otherwise disposed of in lieu of or in avoidance thereof, the provisions of this Paragraph 14.D. shall apply:

- (i) All compensation, damages or other proceeds therefrom, the sum of which is hereafter called the "Condemnation Award" shall be payable to the Association.
- (ii) In the event that the entire Condominium is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership pursuant to this Declaration shall terminate. The Condemnation Award shall be apportioned among the Owners by the Board the same as if there had been a termination of the Condominium Project under Paragraph 14.A.; provided, however, that if a standard different from the value of the Condominium as a whole is employed as the measure of the Condemnation Award in the negotiation, judicial decree or otherwise, then in determining such shares the same standard shall be employed to the

extent it is relevant and applicable. The Association shall, as soon as practicable, determine the share of the Condemnation Award to which each Owner is entitled. Such shares shall be paid into separate accounts and disbursed, as soon as practicable, in the same manner as provided in Paragraph 14.A. hereof.

- (iii) Subject to the rights of First Mortgagees provided in this Declaration, in the event that less than the entire Project is taken, condemned, sold or otherwise disposed of in lieu of or in avoidance thereof, the condominium ownership hereunder shall not terminate. Each Owner shall be entitled to a share of the Condemnation Award, to be determined in the following manner: As soon as practicable, the Association shall reasonably, and in good faith, allocate the Condemnation Award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners, as follows: (a) the total amount allocated to taking of or injury to the Common Elements (less any portion used for restoration or repair of the remaining Common Elements) shall be apportioned among the Owners in accordance with the Common Interest Ownership assigned to each Unit (but the portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Owners of the Units to which that Limited Common Element was allocated at the time of acquisition); (b) the total amount allocated to severance damages shall be apportioned to those Units which were not taken or condemned and which in the sole judgment of the Association were damaged; (iii) the respective amounts allocated to the taking of or damage to a particular Unit, and to the improvements an Owner has made within his Condominium Unit, shall be apportioned to the particular Unit involved; and (iv) the total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable in the circumstances, or as determined by the judicial decree. Notwithstanding anything to the contrary contained in this Declaration except the preceding sentence, the allocation of the Condemnation Award to each affected Unit shall be based on the comparative values of the affected Units as they existed immediately prior to the condemnation, using such evidence of the appraised values as is then available, including, but not limited to, recent MAI appraisals of the affected property or comparable property. If the allocation of the Condemnation Award is already established in negotiations, judicial decree or otherwise, then in allocating the Condemnation Award, the Association shall employ such allocation to the extent it is relevant and applicable. Apportioned proceeds shall be disbursed, as soon as practicable, in the same manner as provided in Paragraph 14.B. hereof.
- (iv) Any reconstruction and repair necessitated by condemnation shall be governed by the procedures specified in Section 14.B. hereof
- (v) If a Unit is acquired by eminent domain or part of a Unit is acquired by eminent domain leaving the Owner with a remnant which may not practically or lawfully be used for any purpose permitted by the

Declaration, the Owner(s) thereof shall automatically cease to be a member(s) of the Association, shall cease to hold any right, title or interest in the remaining Common Elements, and shall execute any and all documents necessary to accomplish the same and the award will include compensation to the Owner for that Unit and its undivided interest in the Common Elements whether or not any Common Elements are acquired. The Condemnation Award as to each such completely taken Condominium Unit shall be paid into a separate account and disbursed, as soon as practicable, to the Owner of such Condominium Unit and its First Mortgagee in the same manner as provided in Paragraph 14.A. hereof. Upon acquisition, unless the decree otherwise provides, that Unit's undivided interest in the Common Elements shall be reallocated to the remaining Units in proportion to the respective Common Elements of those Units before the taking. Any remnant of a Unit remaining after a part of a Unit is taken pursuant to this subsection (vi) is thereafter a Common Element.

- (vi) Except as provided in subsection (vi) above, if part of a Unit is acquired by eminent domain, the award must compensate the Owner for the reduction in value of the Unit and its undivided interest in the Common Elements whether or not any Common Elements are acquired. Upon acquisition, unless the decree otherwise provides, the Unit's interest in the Common Elements shall be reduced and determined by dividing the square footage of the remainder of the Unit by the total square footage of all Units in the Project after the taking, but the Unit's vote and share of assessments for common expenses shall remain the same. The reallocation of Common Elements pursuant to this Section shall be confirmed by an Amendment to this Declaration prepared, executed and recorded by the Association.

E. *Notice to First Mortgagees.* In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, any First Mortgagee shall be entitled to timely written notice of any such damage or destruction at the address appearing in the Record of Mortgages, and no provision hereof shall entitle an Owner or any other party to the priority granted to such First Mortgagee with respect to the distribution of any insurance proceeds attributable thereto. In the event any Unit or portion thereof, or the Common Elements or any portion thereof, is made the subject matter of any condemnation or eminent domain proceedings or is otherwise sought to be acquired by a condemning authority, any First Mortgagee shall be entitled to timely written notice of any such proceeding or proposed acquisition at the address appearing in the Record of Mortgages, and no provision hereof shall entitle an Owner or any other party to the priority granted to such First Mortgagee with respect to the distribution of the proceeds of any award or settlement attributable thereto.

15. **Restrictions on Use.** The property constituting the Condominium and each Unit is subject to the Palisade Palms Restrictions. In addition thereto, the Board may and is authorized to, from time to time, institute, invoke, amend, and terminate nondiscriminatory Rules and Regulations which the Board may deem necessary or convenient to insure compliance with the general guidelines of this Declaration.

In that regard, the following restrictions, covenants and conditions are placed upon each Unit in the Condominium as a general plan or scheme of restrictions for the benefit of each Unit.

A. *Permitted Uses of Units.*

- (i) Residential Units. After the initial sale or transfer by Declarant, the primary use of each Unit shall be single-family residence purposes, with occupancy not to exceed two (2) adult persons per bedroom, unless higher occupancy is mandated by public agencies that enforce compliance with the familial status protection of the Fair Housing Act; provided, however, the Owner, Owners or tenants of a Unit may use such Unit for a limited business purpose consistent with the Rules and Regulations. Notwithstanding anything contained to the contrary in this Paragraph 15.A., the use of a Unit for the maintenance of a personal or professional library; for the keeping of personal, business or professional records of accounts; or for the handling of personal business or professional telephone calls or correspondence shall not be deemed to be a violation of these provisions. Consultation with clients or customers for business purposes at a Unit shall not be permitted.
- (ii) Commercial Unit. The Commercial Unit may be used or utilized for office, retail, or other commercial uses, which may include business, leasing, or sales offices.
- (iii) Roof-top Commercial Units. After the initial sale or transfer by Declarant, the primary use of the Roof-top Commercial Units shall be for: the placement of antenna(s), receiver(s), transmitter(s), communication dish(es), or other communication devices by or on behalf of the owner of the Roof-top Commercial Units. There shall be no restriction on leasing or subleasing all or portions of the Roof-top Commercial Unit for the foregoing purposes. The Owner of the Roof-top Commercial Unit or the operator of any equipment placed therein shall be responsible to maintain and keep in force and effect insurance (liability and casualty loss) covering all such equipment or components installed in the Roof-top Commercial Unit to the reasonable satisfaction of the Board. The use of the Roof-top Commercial Units shall be exclusive to the owner(s) of the Roof-top Commercial Unit(s). Except for any easements expressly retained and reserved to Roof-top Commercial Unit Owners, no portion of the roof(s) or exteriors of the building or any other portion of the General or Limited Common Elements or Residential Units may be used in any manner by the Association or any other party other than the owners of the Roof Top Commercial Units which interferes with or competes with the use and operation of the Roof-top Commercial Units.
- (iv) Guest Suite Unit. Within thirty (30) days after the first sale by the Declarant of a Residential Unit to a Unit Owner, the Declarant shall convey the "Guest Suite" Unit to the Association for the sales price of \$250,000.00, and the Association shall own the "Guest Suite" Unit. The

sales price of the "Guest Suite" Unit purchased by the Association shall be funded to the Declarant as follows: at the closing of the initial sale of each Residential Unit from the Declarant (as seller) to a Unit Owner (as purchaser), such Unit Owner (as purchaser) shall pay to Declarant (as seller) at such closing, and Declarant (as seller) shall thereupon deliver to the Association, an amount equal to two (2) months of the amount of the then existing assessment fees at the time of such closing, to be contributed toward the working capital fund (and not monthly assessments) as provided in Section 18G hereof. This contribution shall be non-refundable and shall not be applied toward the regular monthly assessments accruing thereafter. At each such closing, the amount of \$1,000.00 out of such working capital fund contribution shall be paid, on behalf of the Association, to the Declarant (as seller) at the time of such closing, as a portion of the Association's purchase price of the "Guest Suite" Unit, which shall be purchased, owned, used, and operated by the Association pursuant to the terms hereof. The Association may utilize such Guest Suite Unit for such purpose as the Association (acting by and through its board of directors) may desire, including, without limitation, utilizing same as a "guest suite", with or without charge, for the daily, weekend, or weekly use of guests, or invitees of the respective Owners pursuant to such rules and regulations as the Association (acting through its Board of Directors) may designate; or investment use, including the sale or leasing of same. In the event that the Association sells the Guest Suite Unit to a purchaser for use as a Unit, such Guest Suite Unit shall thereafter be treated as a Residential Unit for all purposes and shall be restricted to use as a Residential Unit. Provided, however, that during the Declarant Control Period, the Declarant may utilize the "Guest Suite" Unit for any use, purpose, or function desired by Declarant, including, without limitation, business, leasing, or sales office use, sales facilities, storage, or for overnight, daily, weekend, weekly, or monthly residents use by tenants, guests, or invitees of the Declarant.

- (v) All Units. Notwithstanding the generality of the foregoing, so long as Declarant owns any of the Units which are for sale, Declarant and its employees, representatives and agents may maintain business, leasing and/or sales offices, sales models and other sales facilities within the Condominium or rent the parking or storage spaces to Unit Owners or others, as Declarant shall deem appropriate. In addition, Declarant or its nominees may temporarily use the Common Elements and unsold Units to facilitate the renovation of the Building.

B. *Alterations, Additions and Improvements.* Unless otherwise provided in this Declaration, no alterations of any portion of the Common Elements or additions or improvements thereon shall be made by any Owner without the prior written approval of the Board of Directors or the Association. No Owner shall make any structural modification or substantial improvement to or alteration of or to his or her Unit, except in a manner authorized in writing by the Board or the Association, provided, however, Declarant may make alterations within the boundaries of the Commercial Units owned by it without the necessity of Board or Association authorization. In that respect, to the

extent deemed necessary by the Board, all payment and performance bonds required by the Association or Declarant, names of all contractors, subcontractors and other parties which will be involved therewith, plans, specifications, mechanical and engineering drawings and renderings for any proposed structural modification or substantial alteration, improvement to or modification of a Unit must be submitted, no less than thirty (30) days prior to the date of commencement of such work, by such Owner to the Board for review and approval. The Board may impose such specifications and requirements as it may reasonably deem necessary in connection therewith, including, without limitation, the right to require (but having no duty to so require) that the Owner provide assurances that the alterations, additions, improvements, and modifications comply with all applicable governmental requirements. Further, the Board has the right to approve or deny any of such alterations, additions, modifications or improvements, or the contractors, subcontractors or other personnel performing same, so that, among other reasons, the quality, integrity and safety of the Condominium can be promoted and in order to ensure that the alterations, additions, improvements and modifications (i) are consistent and compatible with the existing Building, and (ii) do not encourage or involve a violation of the Condominium Documents. In the event any Owner constructs or causes to be constructed any alteration, addition, improvement or other modification to his or her Unit which encroaches on any Common Element or any other Unit, the Board may require such Owner, at his or her sole cost and expense, to remove such encroachment and to restore and repair any damage caused by same or attributable thereto. No approval by the Board of any such alterations, additions, modifications or improvements, or the plans, specifications, mechanical and engineering drawings and renderings, or the contractors, subcontractors or other personnel performing same, will be or constitute any representation or warranty by the Board as to the adequacy or sufficiency thereof, or of the compliance of same with any applicable laws, codes or ordinances. All alterations, additions, modifications or improvements must be performed in a prompt, diligent and professional manner, must comply with the plans, specifications, mechanical and engineering drawings and renderings submitted to the Board (with any requisite changes, additions, modifications or alterations thereto, which may be imposed by the Board), and must comply with all applicable codes, ordinances, laws and regulations applicable thereto.

No Owner shall erect antenna(s), aerials, or satellite dish(es), in the window of a Unit or on the Balcony, or on the patio thereof except as expressly permitted in writing by the Association or as may be expressly provided by any applicable Rule or Regulation duly adopted by the Association, acting by and through the Directors. Further, no Owner shall erect or place any awnings or other exterior attachments, or place any reflective material in the windows of a Unit or on the Balcony thereof except as expressly provided herein. Unless otherwise provided in this Declaration, no Unit shall be altered, remodeled, subdivided or converted into more than one dwelling unit. All draperies, blinds or shutters installed in a Unit shall be subject to the Rules and Regulations. No Owner shall install colored lights or light fixtures presenting the same effect which are visible from outside the Building. No Owner shall make any alteration or modification involving plumbing, electricity and fire protection systems, and/or heating, ventilating, air conditioning systems, or the mechanical or structural systems within such Owner's Unit or the Common Elements, without first ensuring that any proposed alteration or modification complies with all

applicable governmental requirements, submitting plans and specifications therefor and the name, address and telephone number of any contractor to the Association and securing the prior written approval of the Association. Such prior written approval is required to ensure that the alterations or modifications: (i) are consistent and compatible with the existing Building, and (ii) do not encourage or involve a violation of the Condominium Documents. No Owner shall enclose or make any alteration or modification of any nature whatsoever to such Owner's Balcony which shall alter the external appearance of the Balcony. The furnishings on each Balcony shall be subject to the approval of the Association so as to insure a uniform appearance of the Building. No objects or things shall be stored on a Balcony and no item shall be placed temporarily on or hung from a Balcony which shall impair the uniform appearance of the Building. No outside clothes or drying lines shall be installed or permitted to be installed from a Balcony or the Common Elements. No Owner may alter the floor assembly, which is designed to mitigate sound transmission, without approval of the Board and, in the Board's sole discretion, certification by a qualified engineer that such alternative floor system has equal or greater sound transmission mitigation properties (as measured by the STC Rating of the alternative floor system as that originally installed by the Declarant). Any wood, tile or other hard surface flooring within a Unit shall have such sub-flooring as the Association may require to ensure that such wood, tile or other hard surface flooring shall not create a nuisance or disturbance to other Owners.

C. *Leases.*

(i) Rules and Regulations for Leasing.

Prior to the leasing of any Unit, each Owner must comply with the provisions of this Section and with the then existing Rules and Regulations established by the Board of Directors of the Association, if any, governing leasing. Provided, however, that the Rules and Regulations governing the Roof-top Commercial Unit any Commercial Unit, or converted Commercial Unit, cannot be materially or adversely modified by the Board of Directors or the Association without the consent of the Owner of the Roof-top Commercial Unit or converted Commercial Unit. Further provided, that in the event any Unit is designated a Converted Commercial Unit, at the time of such designation, the Declarant (or the Association, as the case may be) shall establish Rules and Regulations governing such Converted Commercial Units.

Notwithstanding any contrary provision herein, the Bylaws or the Rules of the Association, the Association may operate or manage a unit rental program, and a Unit Owner may participate in such a program, so long as such program shall not contain any agreement with the developer or another third party in which a Unit Owner receives a share of the income from the aggregate net income produced from rental of other Units in the Condominium or from other commercial activities in the Condominium (a so-called "rental pool").

(ii) Form and Content of Proposed Lease Agreements.

Any and all lease or rental agreements must be in writing.

Except for the Roof-top Commercial Units, Units may be leased only in their entirety; no fraction or portion may be leased. Except for the Roof-top Commercial Units, no subleases or subleasing shall be allowed. Each Lease shall specify, by name, those persons intending to occupy the unit pursuant to the Lease.

All leases must be for a term no less than one (1) week.

Maximum occupancy requirements for Residential Units are a maximum of two (2) individuals per bedroom.

Any lease of a Residential Unit in the Condominium Project shall be deemed to contain the following provisions, whether or not expressly therein stated, and each Owner covenants and agrees that any lease of a Unit shall contain the following language and agrees the if such language is not expressly contained therein, then, such language shall be incorporated into such lease by virtue of the existence of this covenant. Any lessee, by occupancy in a Unit, agrees to the applicability of this covenant and incorporation of this covenant and the following language into the lease:

(a) Lessee acknowledges that certain promises made to Lessor are made for the benefit of the Trade Winds/The Beach Club Condominium Association, Inc. (the "Association") relating to Lessee's compliance with the Declaration of Condominium ("Declaration"), Bylaws of the Association ("Bylaws") and Rules and Regulations of the Association ("Rules"). In order to enforce the provisions of this Agreement made for the Association's benefit, Lessee agrees and acknowledges, and Lessor authorizes, that in the event of Lessee's breach or violation of any of the provisions of the Declaration, Bylaws, or Rules, as they may be amended from time to time, such breach shall constitute a breach or violation of the Lease and the lessee shall be in default thereunder, and the Association shall be authorized, without joinder or authorization from the Owner of the Unit, to take any and all action against the Lessee available at law or equity, including, but not limited to, all remedies available to a landlord upon breach or default of a lease agreement by the Lessee, including the eviction of the Lessee by forcible entry and detainer action brought by the Association. Failure by the Association to enforce any of its rights shall in no event be deemed a waiver of the right to do so thereafter.

(b) Lessee shall comply strictly with all provisions of the Declaration, By-Laws and Rules as any of the foregoing may be lawfully amended from time to time. Lessee shall control the conduct of his or her family and guests in order to assure compliance with the foregoing and shall indemnify and hold Lessor and the Association harmless for any such person's failure to comply. Lessee acknowledges that the violation by Lessee or any occupant or person living with Lessee of any provision of the Declaration, By-Laws or Rules shall constitute a default under this lease.

It shall be the obligation of the Owner to provide the lessee of such Owner's unit with copies of the Declaration, Bylaws and Rules prior to entry unto any lease covering

such unit; such copies to be made available to such Owners and Lessees for such purpose by the Association for reproduction cost.

(iii) Bond or Security Deposit required. As a condition precedent to the leasing of any Unit, any Owner desiring to lease his/her/its Unit shall be required to provide a bond or security deposit in an amount deemed necessary and reasonable by the Board of Directors of the Association from time to time, in favor of the Association and/or to be held by the Association upon such terms, provisions, and conditions as the Board of Directors shall require (and/or as may be provided by the Rules and Regulations, as same may be amended from time to time), for the purpose of, without limitation, securing the Association as to any damage to the Common Elements or costs and expenses of enforcing this Declaration or the Rules and Regulations as to any violation of same.

(iv) Remedies of the Association.

The Owner of the Unit shall be jointly and severally liable with the lessee of his Unit for any and all violation of the Declaration, Bylaws and Rules for any fines levied against any such lessee by the Association, for any attorneys fees, costs, court costs, or other amounts incurred as a result of any violation and for any damages to the common area or property caused by such lessee. Provided, however, that an Owner shall not be liable for, or responsible for any criminal acts of such lessee.

Further, in the event the Association proceeds to evict a lessee, any costs, including attorney's fees and court costs, associated with the eviction shall be collected and paid from the bond or security deposit, if any, and/or specially assessed against the Unit and the Owner thereof, such being deemed hereby as an expense which benefits the leased Unit and the owner thereof.

The Association shall have the authority to enforce any violations of the Declaration, or Rules and Regulations by appropriate judicial relief, including injunctions and suit for damages. In any such lawsuit, the Association shall be entitled to reasonable attorneys fees and costs.

D. *Offensive Activities.* No unlawful, noxious or offensive activity shall be conducted or carried on in any Unit, or upon the Common Elements or anywhere else in the Condominium, nor shall anything be done therein or thereon which may be or become an annoyance or a nuisance to other Owners or the neighborhood or cause unreasonable noise or disturbance to others, or which shall interfere in any manner with any Owner's quiet enjoyment of his or her Unit. No Owner shall do or permit anything to be done or keep anything or permit anything to be kept in his or her Unit or on the Common Elements that would increase the rate of or invalidate the coverage afforded by insurance on the Condominium. No Owner shall store any environmentally hazardous, dangerous, explosive or flammable liquids or other like materials either in his or her Unit or upon the Common Elements.

E. *Storage/Refuse/Obstructions.* The Common Elements shall not be used for storage of supplies, personal property, garbage or refuse of any kind (except common

garbage receptacles, storage spaces which are Limited Common Elements, storage buildings or other similar structures which may from time to time be placed upon the Common Elements at the discretion of the Declarant or the Board), nor shall the Common Elements or Balconies be used in any way for the drying, shaking or airing of clothing or other items. Stairs, entrances, hallways, sidewalks, drives and parking areas shall not be obstructed in any way nor shall unauthorized persons or animals play therein or thereon or use such areas for other than their intended purposes. In general, no activities shall be conducted nor conditions maintained by any Owner either in his or her Unit or upon the Common Elements which detracts from the uniform appearance of the Condominium.

F. *Maintenance.* Each Owner shall maintain his or her Unit and any Limited Common Elements appurtenant thereto in a clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, cable, television, plumbing, power or other utility systems throughout the Condominium and each Owner shall be responsible for his or her negligence or misuse of any of the Common Elements or his or her own facilities resulting in damage to the Common Elements.

G. *Compliance with Laws.* Each Owner shall promptly and fully comply with all applicable laws, rules, ordinances, statutes, regulations, or requirements or any governmental agency or authority with respect to the occupancy and use of his or her Unit.

H. *No Right of First Refusal.* Any Owner (including Declarant) may sell, transfer or otherwise convey such Owner's Condominium Unit free from, and such sale, transfer or other conveyance shall not be subject to, any right of first refusal or any similar restriction in favor of the Association.

I. *Fireworks.* The use or discharge of firearms, firecrackers or fireworks is expressly prohibited within or from the Condominium.

J. *Uses by Declarant and Association.* Notwithstanding any contrary provision contained herein, or in the Bylaws or Rules and Regulations of the Association either currently promulgated or amended in the future, so long as Declarant or its successors or assigns, owns any Units in the Condominium, none of the restrictions contained in this Paragraph 15 including, without limitation, leasing or signage restrictions, shall apply to the business, management, marketing, sales and/or leasing office or offices, sales and/or leasing model Units, leasing of Units, other commercial activities, or signs or billboards, if any, of Declarant during t period that Declarant owns any Units in and/or is conducting sales, leasing or marketing activities in the Condominium (it being understood that Declarant may maintain a sales/leasing/marketing office including, advertising and/or directional signs to such office in the lobby or entry-way of the Building or elsewhere on the Condominium (including, without limitation, a monument sign near East Beach Drive) and one or more sales/leasing/marketing model Units in the Condominium during such period and the number, size, location and relocation of such offices and models shall be entirely within the discretion of Declarant, and that the Declarant may lease units owned by Declarant for any period of time whatsoever in Declarant's sole discretion) or of the Association in furtherance of its power and

purposes set forth herein and in the Condominium Documents, as the same may be amended from time to time, including, without limitation, the power of the Association to own a Unit for the use and enjoyment of a resident manager of the Condominium.

16. Sale and Ownership.

A. *Condominium.* The elements of each Condominium Unit shall be inseparable, and may be sold, assigned, leased, devised or encumbered only as a single Condominium.

B. *Deed/Description of Unit.* Every deed, lease, mortgage, deed of trust, will or other instrument may legally describe a Condominium Unit by its identifying Building designation (either "TW" or "BC") followed by the Unit number followed by the words the "Trade Winds/The Beach Club Condominium at Palisade Palms", and reference to the volume and beginning page number of the Condominium Records of Galveston County, Texas, in which this Declaration and any amendments thereto are recorded. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit but also the Common Elements appurtenant thereto. The initial Deeds conveying each Condominium Unit to each Owner may contain reservations, restrictions, exceptions and exclusions which Declarant deems to be consistent with and in the best interests of all Owners (including Declarant) and the Association.

C. *Capacity of Owners.* A Condominium Unit may be held and owned by more than one person in any real property relationship recognized under the laws of the State of Texas.

17. Uniform Applicability of Condominium Documents. In general, each Owner shall be subject to all the rights and duties assigned to Owners in general under the terms of the Condominium Documents. To the extent there are unsold Units owned by Declarant, Declarant shall enjoy the same rights and assume the same duties as any other Owner would as they relate to each individual unsold Unit. So long as Declarant owns one or more Units, Declarant shall be subject to the provisions of the Condominium Documents.

18. Mortgages and Mortgagee Protections.

A. *Record of Mortgages.* Any Owner who mortgages his or her interest in a Condominium Unit shall, within ten (10) days after the execution of such mortgage, give notice to the Association in writing of the name and address of his or her Mortgagee and of any eligible insurer, guarantor, or collateral assignee of his or her Mortgagee, and the amount secured by the mortgage, and the Association shall maintain such information in its records (the "Record of Mortgages") entitled "Mortgages of Condominium Units." The Record of Mortgages shall be separately maintained by the Association or by a person designated by the Association. Each Owner shall, in the same manner, notify the Association as to the release or discharge of any such mortgage.

B. *Notices to Mortgagees.* The Association shall, at the written request of any Mortgagee, insurer, guarantor, or collateral assignee of a Mortgagee appearing in the Record of Mortgages, notify such Mortgagee, insurer, guarantor, or collateral assignee of a Mortgagee of (i) any unpaid assessments due from the Owner of such Condominium Unit to the Association, (ii) the name of each company insuring the Condominium under the Master Policy and the amounts of the coverages thereunder, and of any lapse, cancellation or material modification thereof, (iii) any monetary default by an Owner, (iv) the Association's intent to foreclose its lien in accordance with Paragraph 11. H., (v) any proposed action that requires the consent of a specified percentage of Eligible Mortgage Holders, and (vi) any casualty to, or taking of, either a material portion of the Condominium or the Condominium Unit securing its loan.

C. *Effect on Mortgagees.* Any First Mortgagee, upon foreclosure of its lien on a Condominium Unit, or upon acceptance of a deed in lieu of foreclosure thereon, shall not be required to pay any unpaid assessments owing thereon which accrue after the date of recordation of its First Mortgage and prior to the acquisition of title to such Condominium Unit by any such First Mortgagee, but shall be liable for such unpaid assessments accruing from and after the date that such First Mortgagee or its assignee acquires title to such Condominium Unit. Any assessment lien created or claimed hereunder as to any Condominium Unit shall be subject and subordinate to the rights of any holder of any duly recorded First Mortgage upon such Condominium Unit made in good faith and of value as to assessments due and payable after the date of recordation of such mortgage and prior to the date such First Mortgagee acquires title to such Condominium Unit. Except as expressly set forth herein, no lien created under the provisions of this Declaration shall in any way defeat, invalidate or impair the rights of any First Mortgagee under any such duly recorded First Mortgage unless such First Mortgagee thereunder shall expressly subordinate its interest, in writing, to such lien.

D. *Subordination Agreements.* Notwithstanding anything contained in this Declaration to the contrary, the Association may, upon the affirmative vote of Owners entitled to vote and holding in the aggregate more than fifty percent (50%) of the Percentages of Common Interest Ownership assigned to all Units, execute a subordination agreement or agreements to extend the benefits of the two preceding paragraphs to mortgages, deeds of trust and Mortgagees not otherwise entitled thereto.

E. *Binding on Mortgagees.* No breach of any provision of this Declaration shall impair or invalidate the lien of any duly recorded mortgage or deed of trust made in good faith and for value encumbering one (1) or more Condominium Units; provided, however, that all the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges and equitable servitude contained in this Declaration shall be binding upon and effective against any person who acquires title to or any beneficial interest in any Condominium Unit by way of foreclosure or otherwise.

F. *Financial Statements.* To the extent the Association does not have an audited financial statement, any First Mortgagee shall have the right to have an audited financial statement prepared at its own expense.

G. **Working Capital Requirements.** Declarant shall establish a working capital fund to meet unforeseen expenditures or to purchase any additional equipment or services. The working capital fund established by Declarant shall be in an amount that is equal to two (2) months of estimated Common Expenses for each Unit. The Declarant's obligation to establish such fund shall be satisfied either at the time the sale of the Unit is closed or when control of the Condominium is transferred to the Owners, whichever is earlier. The Declarant shall be entitled to reimburse itself from each purchaser of a Unit upon the closing of the sale of each Unit from the Declarant to a purchaser. Any amounts paid into the working capital fund shall not be considered as advance payments of regular Common Expense assessments and shall be non-refundable. The working capital fund (less deductions therefrom for purchase of the Guest Suite Unit and provided in Section 15A(iv) hereof) shall be transferred to the Association for deposit to a segregated fund when control of the Association is transferred to the Owners.

Declarant shall not use working capital funds to defray any of its expenses, reserve contributions, or construction costs or to make up any budget deficits while it is in control of the Association. Upon the sale of any unsold Unit, Declarant shall be entitled to reimburse itself for any funds it paid to the Association for any unsold Unit's share of the working capital fund by using funds collected at closing when the Unit is sold.

Notwithstanding any contrary provision contained herein, any mortgagee of a Unit or interest owned by Declarant shall not be liable for any unpaid working capital contribution of Declarant in connection with a sale or conveyance of such Unit pursuant to a judicial or nonjudicial foreclosure.

19. **Boundaries.** In the event that any portion of a Unit or a Common Element changes boundaries and thereby encroaches upon another Unit or Common Element due to the shifting, settling or moving of the Building, such changed boundaries shall be deemed to constitute the boundaries of the Units and the Common Elements so affected.

20. **Amendments and Modifications.**

A. **Amendments.** No purported amendment of any Condominium Document or any action or inaction of the Association shall:

- (i) vacate, waive, revoke, abandon or terminate, (other than by fire or other casualty or a taking of all Units by condemnation) the Condominium or the Declaration;
- (ii) be deemed to have changed the Percentage of Common Interest Ownership assigned to any Unit, except as provided in Paragraphs 6G, 14 or 20.B. or D. hereof, or the dimensions or boundaries of any Unit (including, without limitation, any change resulting from subdivision or partition), except pursuant to Paragraph 19 hereof; or

- (iii) be deemed to have changed or amended any material provision of the Condominium Documents (with the express exception of the provisions of the Bylaws which may be amended in accordance therewith or unless such change or amendment is done pursuant to Paragraphs 20.B. or 20.D. including, but not limited to, voting rights, Assessments, reserves, insurance or fidelity bonds, rights to use of or interests in, or sale or transfer (apart from the Units to which they relate), abandonment, partition, subdivision or encumbrance of, the Common Elements (the granting by the Association of easements for public utilities or other public purposes consistent with the intended use of the Common Elements not being deemed a transfer within the meaning of the foregoing) the Common Elements, responsibility for the maintenance and repair of the Condominium, expansion or contraction or merger of the Condominium or the addition, annexation or withdrawal of property to or from the Condominium, convertibility of Units into Common Elements or vice versa, leasing of Units, imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey such Owner's Condominium Unit, or any other provision which is for the express benefit of any Mortgagee, insurer or guarantor of any first mortgage or deed of trust secured by a lien on any Condominium Unit, including, without limitation, provisions concerning the disposition of insurance proceeds and condemnation awards;

unless: (a) as to item (ii) above, all Owners or Eligible Mortgagees vote pursuant to Paragraph 6E, above, for such action at a meeting of the Association duly called and reflected in an instrument to such effect duly recorded in the Real Property Records of Galveston County, Texas; or (b) as to items (i) and (iii) above, Owners (other than Declarant) holding in the aggregate at least sixty-seven percent (67%) of the Percentages of Common Interest Ownership assigned to all Units (other than those owned by Declarant) and Eligible Mortgagees which represent at least sixty-seven percent (67%) of the votes of Units that are subject to mortgages held by Eligible Mortgagees vote or otherwise agree to such action at a meeting of the Association duly called and reflected in an instrument to such effect duly recorded in the Real Property Records of Galveston County, Texas; provided, however, unanimity of each Owner and each Eligible Mortgagee shall be required to the extent set forth in the Act and that no amendment shall discriminate against any Owner or against any Unit or against any group or class of Owners or Units without the prior written consent of such Owners, nor shall any amendment make any change in, the provisions herein, relating to insurance and/or repair or reconstruction in the event of casualty or damage without the prior written consent of all Eligible Mortgagees secured by a lien upon one (1) or more of the Units affected. In addition, the Limited Common Elements and the provisions of this Declaration relating to the right to use the Limited Common Elements may not be altered without the consent of each affected Owner and the Eligible Mortgagee, if any, holding a mortgage lien on such Unit. Further, after the termination of the period of Declarant Control, no amendment of this Declaration, the Bylaws, or the Rules materially or adversely affecting the rights or obligations of the Owners of the Roof-top Commercial Unit shall be valid, unless such amendment is also approved by the Owner of the Roof-top Commercial Unit.

Any other amendment to the Declaration (other than those described in i, ii, or iii above or 20B or D hereof) may be amended by a vote or agreement of the Unit Owners to which at least 67 percent of the votes of the Association are allocated, and may be adopted (a) by written ballot that states the exact wording or substance of the amendment and that specifies the date by when a ballot must be received to be counted, or (b) at a special meeting of the members of the association after written notice of the meeting has been delivered to the Unit Owners setting forth the purpose of the meeting and the proposed amendment in the manner set forth in the Bylaws.

Notwithstanding any contrary provision contained herein, no amendment shall be made to this Declaration without the prior written consent of any Mortgagee holding a first priority mortgage on any of the Declarant's interests in the Land, Units or Declarant's rights hereunder, which consent shall not be unreasonably withheld or delayed.

B. *Subdivision of Units.* Except as provided in Paragraph 20.D. hereof, no Unit shall be subdivided or partitioned unless: (i) the Owner of such Unit, (ii) the Eligible Mortgagee, if any, holding a mortgage lien on such Unit and (iii) the Association agree to such subdivision by an instrument to such effect duly recorded in the Real Property Records of Galveston County, Texas. In the event of a subdivision pursuant to this Paragraph 20.B., the Owner so dividing a Unit shall bear all costs and expenses of amending this Declaration to reflect the same. The Association may not subdivide or partition any Unit unless it otherwise has a legal right to subdivide or partition said Unit and the Association has received the approval of Owners holding at least sixty-seven percent (67%) of the Common Interest Ownership assigned to all Units (other than those owned by the Declarant, any other Declarant or builder) or that of First Mortgagees holding sixty-seven percent (67%) of the First Mortgages (based on one vote for each First Mortgage held)

C. *Approval by Mortgagees of Amendments.* Any Mortgagee who receives by certified or registered mail, with a "return receipt" requested, a written request to approve an amendment, modification or supplement hereto, and who does not deliver or post to the Association a negative response within thirty (30) days thereafter, shall, to the extent permitted by the Act, be deemed to have approved such request.

D. *Amendments by Declarant.* Notwithstanding the generality of the foregoing, and notwithstanding anything in this Declaration to the contrary, Declarant expressly retains the right and shall at all times have the right, to the extent permitted by the Act, to amend this Declaration without the consent or approval of any other person in order to:

- (i) correct survey or other errors made herein prior to the first meeting of Owners;
- (ii) change the Percentage of Common Interest Ownership assigned to, and the dimensions of, Units owned by Declarant so long as, except as permitted by the Declaration such changes do not affect the Percentage of Common interest Ownership assigned to, or the dimensions of, the Units not owned by Declarant;

- (iii) make this Declaration comply with the mandatory provisions of the Act, if it be deficient in any such respect, or, as long as Declarant owns any Unit which has not been occupied, conform this Declaration to the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Housing Administration or the Veterans Administration, with respect to condominium documentation;
- (iv) change the assignment and allocation of parking spaces or storage spaces which are assigned to Units owned by Declarant; each by written instrument to such effect executed by Declarant, only and duly recorded in the Real Property Records of Galveston County, Texas;
- (v) amend the Declaration in any way deemed necessary or desirable to reflect the expansion of the Condominium and/or the merger of the Condominium and construction of additional units, buildings and/or parking/garage facilities on the Entry/Podium Property or Future Development Property, which shall constitute a portion of this Condominium and change the percentage of Common Interest Ownership of all units as a result thereof.

The right of Declarant to change the Percentage of Common Interest Ownership assigned to, and the dimensions of, Units owned by Declarant shall include, without limitation, the following rights: (i) to physically combine the space within one (1) Unit with the space within one (1) or more laterally or vertically adjoining Units; (ii) to combine a part of the space within one (1) or more laterally or vertically adjoining Units; (iii) to combine a part of the space within one (1) Unit with part of the space within one (1) or more laterally or vertically adjoining Units; (iv) to divide into separate Units the space of one (1) or more Units; (v) to modify or remodel one (1) or more Units into larger or smaller Units, or any combination thereof; (vi) to expand the Condominium, annex the Future Development Property and construct additional buildings, units and parking/garage facilities thereon; and (vii) to assign and reassign parking spaces and add additional Common Elements. In any such event, Declarant may construct, alter, relocate or remove any walls or floors or do any other work which may be necessary to complete such combination, division, modification or remodeling. Such combined, divided, modified and remodeled Units shall be subject to the terms and provisions of this Declaration, and the total of the Percentages of Common Interest Ownership assigned to all Units as they may be adjusted by Declarant as provided above, shall continue to equal one hundred percent (100%).

Declarant expressly retains the right to make such amendments without permission of the Association or any other person or entity, whether said amendment or amendments occur before or after the Association takes over administration of the Condominium. Each Owner, by acceptance of a deed covering his or her Unit, authorizes and empowers Declarant, as such Owner's agent and attorney-in-fact for said purposes only, to execute, deliver and record any such amendment or amendments either in the name of Declarant, or in the name and as the act of such Owner and all other Owners, and this power and authorization shall be irrevocable.

E. *Special Rights Applicable When All Units on Floor Owned by Same Owner.* Notwithstanding anything in this Declaration to the contrary, if and for so long as any Owner owns all of the Units on a floor (except the first floor) of the Building:

- (i) Upon approval of the Association (which shall not be denied if the structural integrity, the mechanical, electric and plumbing systems and all Common Elements that pass through the floor and benefit other Units are not adversely affected and all other reasonable requirements of the Association generally applicable and consistently required with respect to construction in the Building are met), the Owner may remove any or all of the non-load-bearing walls on the floor that separate Units from each other and from Common Elements such as hallways, and the flooring, entrances and other improvements or fixtures located in such hallways, provided such work is accomplished in a good and workmanlike manner and in a manner designed to create the look and feel of one single unit of space as if all of the Units and hallways were combined as one unit.
- (ii) The hallways and walls on such floor, to the extent constituting General Common Elements otherwise, and other General Common Elements located on such floor that benefit only the Units located on such floor, shall be considered Limited Common Elements without the necessity of amending this Declaration.
- (iii) To the extent the Owner has taken any of the actions described in (i) above, then prior to conveying any Unit on the floor to another party with the result that all Units on the floor shall no longer be owned by the same Owner, such Owner shall undertake such work as shall be necessary to place in their original condition and position those improvements or fixtures that were removed or altered as a result of such actions. In the case of improvements and fixtures that were never installed but would be required to be installed for scheme of Common Elements on the floor to be consistent with the scheme of Common Elements on each of the floors in the building other than the first floor in which the Units are owned by separate Owners, prior to conveying any Unit on the floor to another party with the result that all Units on the floor shall no longer be owned by the same Owner, such Owner shall install such improvements and fixtures. All work required pursuant to this subparagraph (iii) shall be done in a good and workmanlike manner, and so as not to adversely affect the structural integrity, the mechanical, electric and plumbing systems or any Common Elements that pass through the floor and benefit other Units. All such work shall be subject to the approval of the Association, which shall not be withheld if the foregoing standards and all other reasonable requirements of the Association generally applicable and consistently required with respect to construction in the Building are met.

F. *Amendments To Merge With Adjoining Condominium Regime(s); Merger of Association.* After the expiration of the Declarant Control Period, the Condominium

may be merged with or annexed to any one or more adjoining condominium regimes so as to form or constitute one condominium regime, and in the event of such merger or annexation, the Trade Winds/The Beach Club Condominium Association, Inc. shall be merged with the respective condominium association(s) which administer the respective condominium regimes subject to such merged and annexation. Any such merger or annexation shall be deemed a "material" amendment subject to Paragraph 20A(iii) above, and shall be effective upon the amendment of this Declaration in accordance with Section 20 of this Declaration and the amendment of the declaration of the adjoining condominium regime subject to such merger.

21. Taxation.

A. *Of Units After Separate Assessment.* Each Unit shall be assessed and taxed for all purposes as a separate parcel of real estate entirely independent of the Building, and independent of the Condominium or the Common Elements thereof, and each Owner shall be solely responsible for the payment of all taxes, municipal claims, charges and assessments of any nature whatsoever assessed against such Unit. The valuation of the General Common Elements and the Limited Common Elements shall be assessed separately to each Owner in accordance with his or her Percentage of Common Interest Ownership in the Common Elements. Such payment shall be made prior to the due date of such taxes, municipal claims, charges and assessments.

B. *Of Units Prior to Separate Assessment.* Prior to the time the respective taxing authorities shall have assessed and taxed each Unit as a separate parcel of real estate as provided above, any such taxes, municipal claims, charges and assessments assessed against the Condominium as a whole shall be an expense of the then existing owner(s) of the Condominium (including owners of units then conveyed), apportioned among such owners on the same basis as the percentage of Common Interest Ownership of the Common Elements, and pro-rated among such Owners to reflect their respective period of ownership for which such tax levy is effective.

22. Remedies.

In the event any default is made by any Owner under the Act, this Declaration, the Bylaws, or the Rules or Regulations, the Board or the Association or their representative shall have all of the rights and remedies which may be provided by the Act, this Declaration, or the Bylaws, or which may be available at law or in equity, and may prosecute any action or other proceeding against any defaulting Owner and/or Owners for enforcement of any lien or to enforce compliance with the matter with respect to which default has been made, by injunctive relief or otherwise, or for the collection of any sums, debts, or damages in default or arising from any default. The Board or its authorized representative shall be further empowered and authorized to correct and cure any matter in default and to do whatever may be necessary for such purpose. All expenses incurred in connection with any such action or proceeding shall be a part of the Common Expenses of this condominium and collectible from each Owner as in the case of other Common Expenses. Notwithstanding the foregoing, in the enforcement by Declarant or the Association of restrictions against a Unit or its use, the party seeking to enforce the restriction must institute judicial proceedings before any items of construction may be altered or demolished.

23. **Miscellaneous.**

A. *Effect of Accordance or Recordation of a Deed.* The acceptance or recordation of a Deed to a Condominium Unit or the entering into occupancy of a Unit shall constitute an agreement by the Owner and his or her tenants, servants, visitors or occupants that: (i) this Declaration and the Condominium Documents, as they may be amended from time to time, and all items affecting title to the Land are accepted, agreed to and ratified by the Association and each such Owner, tenant, visitor, servant or occupant, and their respective heirs, executors, administrators, successors, legal representatives, assigns, purchasers, grantees, mortgagees and all others having or claiming an interest in any Unit, and all of such provisions shall be deemed to be covenants running with the land to bind any person having at any time any interest or estate in such Condominium Unit, as though such provisions were cited and stipulated in each and every Deed to a Condominium Unit, and (ii) violations of the terms of the Condominium Documents by any such person shall be deemed to be a substantial violation of the duties of the Owner.

B. *Severability, Interpretation.* If any provision of this Declaration or the Bylaws, or any section, sentence, paragraph, clause, phrase or word, or the application thereof in any circumstance shall be invalid or unenforceable, the validity or enforceability of the remainder of the Condominium Documents and the application of any such provisions, section, sentence, paragraph, clause, phrase, or word in any other circumstance shall not be affected thereby. If anything in the Condominium Documents shall be susceptible to two or more interpretations, then the interpretation which shall most nearly be in accord with the intent of the Act, and the general purposes and intent of the Condominium Documents, shall govern.

C. *No Waiver.* No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

D. *Separation of Estates.* The separate and common estates created by this Declaration shall continue until this Declaration is terminated in the manner and to the extent as is provided herein.

E. *No Gift or Dedication.* Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Land or the Building to the public or for any public use.

F. *Mechanic's and Materialman's Liens.* No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of an Owner or his or her agent or his or her contractor or subcontractor shall be the basis for the filing of a lien against the Condominium or the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold harmless the Condominium and each of the other Owners from and against any loss, cost or expense in connection with construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such

Owner's request.

G. *Security.* THE TERM "DECLARANT" AS USED IN THIS PARAGRAPH 23G SHALL HAVE THE MEANING SET FORTH IN PARAGRAPH 1W HEREOF AND SHALL FURTHER INCLUDE, WITHOUT LIMITATION, THE DECLARANT, ITS GENERAL PARTNER(S), PARTNERS, DIRECTORS, MANAGERS, OFFICERS, EMPLOYEES, AGENTS, CONTRACTORS, SUB-CONTRACTORS, DESIGN CONSULTANTS, ARCHITECTS, ADVISORS, BROKERS, SALES PERSONNEL, AND MARKETING AGENTS. THE TERM [ASSOCIATION] AS USED IN THIS PARAGRAPH 23G SHALL HAVE THE MEANING SET FORTH IN PARAGRAPH 1D HEREOF AND SHALL FURTHER INCLUDE, WITHOUT LIMITATION, THE ASSOCIATION, ITS DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, AND AGENTS. THE DECLARANT AND THE ASSOCIATION SHALL NOT IN ANY WAY BE CONSIDERED AN INSURER OR GUARANTOR OF SECURITY WITHIN THE PROPERTY. NEITHER SHALL THE DECLARANT OR THE ASSOCIATION BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OF FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. THE DECLARANT AND THE ASSOCIATION DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES, OR OTHER SECURITY SYSTEMS (IF ANY ARE PRESENT) WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP OR OTHERWISE, NOR THAT FIRE PROTECTION, BURGLAR, ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. THE DECLARANT AND THE ASSOCIATION ARE NOT AN INSURER AND EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND ACKNOWLEDGES THAT THE DECLARANT AND THE ASSOCIATION HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS THE DECLARANT AND THE ASSOCIATION, ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE PROTECTION, BURGLAR ALARM SYSTEMS, ACCESS CONTROL SYSTEMS, PATROL SERVICES, SURVEILLANCE EQUIPMENT, MONITORING DEVICES OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTY.

Without limitation of any other provision of this Declaration, each Owner and their occupants, family, guests and invitees, covenant and agree with respect to any and all security services, systems and facilities provided directly or indirectly by the Declarant and/or Association as follows:

1. Security is the sole responsibility of local law enforcement agencies and individual Owners, their occupants, and their respective guests and invitees. It is acknowledged that the Declarant and Association have no obligation whatsoever to provide security. Security services, systems and facilities, if any, may be provided at the sole discretion of the Board of Directors. The providing of any security services, systems and facilities at

any time shall in no way prevent the Board thereafter electing to discontinue or temporarily or permanently remove such security service, systems and facilities or any part thereof.

2. Any third party providers of security services (including those providing maintenance and repair of security systems and facilities) shall be independent contractors, the acts or omissions of which shall not be imputed to the Declarant, Association or its officers, directors, committee members, Manager, agents or employees.
3. Providing of any security services, systems and facilities shall never be construed as an undertaking by the Declarant and Association to provide personal security or as a guarantee or warranty that the presence of any security service, systems or facilities will in any way increase personal safety or prevent personal injury or property damage due to negligence, criminal conduct or any other cause.

EACH OWNER, BY HIS ACCEPTANCE OF A DEED TO A UNIT, SHALL BE DEEMED TO HAVE WAIVED, ON BEHALF OF SUCH OWNER AND SUCH OWNER'S OCCUPANTS, AND THEIR RESPECTIVE FAMILY MEMBERS, GUESTS, TENANTS AND INVITEES, ANY AND ALL CLAIMS, NOW OR HEREAFTER ARISING AGAINST THE DECLARANT AND THE ASSOCIATION ARISING OUT OF OR RELATING TO ANY INJURIES, LOSS OR DAMAGES WHATSOEVER, INCLUDING, WITHOUT LIMITATION ANY INJURY OR DAMAGES CAUSED BY THEFT, BURGLARY, TRESPASS, ASSAULT, VANDALISM OR ANY OTHER CRIME, TO ANY PERSON OR PROPERTY ARISING, DIRECTLY OR INDIRECTLY, FROM THE PROVIDING OR FAILURE TO PROVIDE ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, OR THE DISCONTINUATION, DISRUPTION, DEFECT, MALFUNCTION, OPERATION, REPAIR, REPLACEMENT OR USE OF ANY SECURITY SERVICES, SYSTEMS AND FACILITIES, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT OR THE ASSOCIATION.

To the extent the release in this Paragraph 23G is not deemed effective as to any occupant, or any family member, guest or invitee of an Owner or occupant of a Unit, the Owner of each Unit hereby indemnifies and agrees to defend and hold harmless the Declarant and the Association, and their respective officers, directors, committee members, Manager, managing agents, and employees from and against any and all claims, actions, suits, judgments, damages, costs and expenses (including attorney fees and court costs) arising from bodily injury (including, without limitation, mental anguish, emotional distress and death) and/or loss or damage to property suffered or incurred by any such occupant of such Unit, or any family member, guest or invitee of the Owner or occupant of such Unit, as a result of criminal activity within or in the vicinity of the Property, WHETHER CAUSED OR ALLEGEDLY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF THE DECLARANT, THE ASSOCIATION OR THEIR RESPECTIVE OFFICERS, DIRECTORS,

COMMITTEE MEMBERS, AGENTS, CONTRACTORS OR EMPLOYEES.

Any obligation or liability of the Association which is borne by the Association because of an Owner not abiding by such waiver, release and indemnity obligations under this Article shall be assessed by the Association against the Unit of the Owner who failed to perform such obligation giving rise to such liability, as an Assessment against such Unit and its Owner. Nothing herein shall make any Owner of a Unit liable to the Association or any other Unit Owner for any bodily injury (defined above) and/or loss or damage to property of the occupant, family member, guest or invitee of any other Unit Owner.

H. *Waiver of Environmental Conditions.* The term "Declarant" as used in this Paragraph 23H shall have the meaning set forth in paragraph 1W hereof and shall further include, without limitation, the Declarant, its general partner(s), partners, directors, managers, officers, employees, agents, contractors, sub-contractors, design consultants, architects, advisors, brokers, sales personnel and marketing agents. The term "Association" as used in this paragraph 23H shall have the meaning set forth in Section 1D hereof and shall further include, without limitation, the Association, its Directors, managers, employees, and agents. The Declarant and the Association shall not in any way be considered an insurer or grantor of environmental conditions or indoor air quality within the Condominium. Neither shall the Declarant or the Association be held liable for any loss or damage by reason of or failure to provide adequate indoor air quality or any adverse environmental conditions. The Declarant and the Association do not represent or warrant that any construction materials, air filters, mechanical, heating, ventilating or air conditioning systems and chemicals necessary for the cleaning or pest control of the condominium will prevent the existence or spread of biological organisms, cooking odors, animal dander, dust mites, mold, fungi, pollen, tobacco smoke, dust or the transmission of interior or exterior noise levels. The Declarant and the Association are not an insurer and each Owner and occupant of any Unit and each tenant, guest and invitee of any Owner assumes all risks for indoor air quality and environmental conditions and acknowledges that the Declarant and the Association have made no representations or warranties nor has the Declarant and the Association, any Owner, occupant, tenant, guest or invitee relied upon any representations or warranties, expressed or implied, including any warranty or merchantability or fitness for any particular purpose, relative to the air quality within the Condominium.

I. *Claims against Declarant.* Each Owner, by acceptance of his/her/its deed to a Condominium Unit, individually and as a member of the Association, expressly agrees that any dispute, controversy, claim or other matter in question between such Owner and/or the Association asserted against the Declarant (including its general partner(s), partners, directors, managers, officers, employees, agents, contractors, sub-contractors, design consultants, architects, advisors, brokers, sales personnel and marketing agents) arising out of or related in any way to such Owner's acquisition of such Condominium Unit, this Declaration (or any amendment hereto), or any claim or cause of action brought or asserted by the Association on behalf of the Owners, to any alleged act or omission of the Declarant (including its general partners, partners,

directors, managers, officers, employees, agents, contractors, subcontractors, design consultants, architects, advisors, brokers, sales personnel and marketing agents) shall be resolved and settled only through binding Arbitration, in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then currently in effect. Notice of demand for arbitration shall be filed in writing with the other party and with the American Arbitration Association. A demand for arbitration shall be made within a reasonable time after the Claim has arisen and in no event shall it be made after the expiration of any applicable statute of limitations period. No arbitration arising out of or relating to this paragraph shall include, by consolidation, joinder or in any other manner, any person or entity other than Owner or the Association and Declarant, unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question of fact or law, (2) the presence of such person or entity is required if complete relief is to be accorded in arbitration, and (3) the interest or responsibility of such person or entity in the matter is not insubstantial.

A party who files a notice of demand for arbitration must assert in the demand all Claims then known to that party. When a party fails to include a Claim through oversight, inadvertence or excusable neglect, or when a Claim has matured or been acquired subsequently, the arbitrator may permit amendment.

This agreement to arbitrate shall be specifically enforceable under applicable law in any court having jurisdiction thereof. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

J. *Exhibits.* All exhibits, attachments, annexed instruments and addenda referred to herein shall be considered a part hereof for all purposes with the same force and effect as if copied verbatim herein.

K. *Notices.* Notices provided for in the Act, this Declaration or the Bylaws shall be in writing and shall be addressed to the Board or the Association at the address of the Board, the Association or their respective representatives which may be established from time to time and of which the Owners shall be notified. Notice to the Owners may be sent to the mailing address of their respective Units or to such other address which any Owner may in writing designate by notice thereof to the Board, the Association or their respective representatives. Any notice which is required to be sent, given or delivered pursuant to the terms of this Declaration, the Bylaws or the Rules and Regulations shall be deemed sent, given and delivered on the earlier of (i) the date actually received or (ii) three (3) business days after deposit for delivery by the U.S. Postal Service, postage prepaid, certified mail, return receipt requested.

L. *Omissions.* In the event of the omission from the Condominium Documents of any word, sentence, clause, provision or stipulation which shall be necessary for the accomplishment of the intent and purposes hereof or any part hereof, then such omitted matter shall be applied by inference and/or by reference to the Act.

M. *Captions and Exhibits.* Captions used in the various articles and sections of this Declaration are for convenience only and they are not intended to modify or affect

the meaning of any of the substantive provisions hereof.

N. *Use of Number and Gender.* Wherever used herein and unless the content shall otherwise provide, the singular number shall include the plural, the plural number shall include the singular, and the use of any gender shall include all genders.

O. *Conflicting or Inconsistent Provisions.* If at any time, a provision of the Rules and Regulations or Bylaws, as then existing, conflicts with or is inconsistent with the provisions of this Declaration, the provisions of this Declaration shall control. If at any time, a provision of the Rules and Regulations conflicts with or is inconsistent with the provisions of the Bylaws, the provision of the Bylaws shall control.

P. *Governing Law.* THE CONDOMINIUM DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS. VENUE FOR ANY ACTION BROUGHT IN CONNECTION WITH THE CONDOMINIUM SHALL BE IN GALVESTON COUNTY, TEXAS.

Q: *Use of Names, Proprietary Information.* The names "Palisade Palms" "Trade Winds", "The Beach Club" as used within this document and related documents referenced herein which relate to the Palisade Palms Subdivision, and the Trade Winds/The Beach Club Condominium at Palisade Palms located in Galveston, Galveston County, Texas are proprietary to Declarant and may not be used by any person or entity for any commercial use, pecuniary gain, or profit; and may not be used for any personal use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites, or other methods or manner of communication without the prior written consent or authorization of the Declarant. The violation of the foregoing provisions shall be subject to injunctive relief. Similarly, the use of the names Trade Winds/The Beach Club Condominium Association, and Palisade Palms Master Association shall be proprietary to the respective associations and may not be used by any person or entity for any commercial use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites or other methods or manner of communication without the prior consent of or authority of the Association. The violation of the foregoing shall be subject to injunctive relief.

R. *Mortgagee Not Liable For Obligations Of Declarant.* The Declarant shall have the right to assign for collateral purposes its rights as the Declarant hereunder to a third party which holds a mortgage lien upon all or a portion of the Declarant's interests in The Properties, Units or its rights hereunder. In the event of such an assignment, if the assignee thereof (or another party obtaining such rights as a result of a foreclosure or other transfer at the direction of the assignee following a default by the Declarant) succeeds (a "Successor Declarant") to the interests of the Declarant, then the Successor Declarant shall have no liability or responsibility for any default or failure of the initial Declarant to have met its obligations hereunder, and such Successor Declarant shall be responsible only for the obligations of the Declarant which accrue from and after such transfer of rights to the Successor Declarant.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed the day and year first written above.

DECLARANT

EAST BEACH PROJECT PHASE I, LTD., a
Texas Limited Partnership

By: East Beach Project Holdings L.L.C., a Texas
Limited Liability Company
its sole General Partner

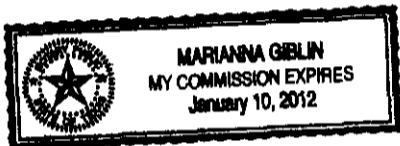
By: [Signature]
Name: Richard G. Anderson
Its: Vice President / Manager

STATE OF TEXAS

§
§
§

COUNTY OF Harris

This instrument was acknowledged before me on the 2nd day of May, 2008, by Richard G. Anderson, Vice President / Manager of East Beach Project Holdings L.L.C., a Texas Limited Liability Company, the sole General Partner of East Beach Project Phase I, Ltd., a Texas Limited Partnership, on behalf of said Partnership.



Marianna Giblin
Notary Public - State of Texas

SUBORDINATION

The undersigned, , in consideration of \$10 00 and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, by signing below does hereby consent to the filing of the Amended and Restated Declaration Of Condominium for Trade Winds/The Beach Club at Palisade Palms ("Amended and Restated Declaration") and agrees that (i) the Deed of Trust dated July 8, 2005, filed for record on July 12, 2005, under Galveston County Clerk's File No. 2005047085, executed by East Beach Project Phase I, Ltd., a Texas limited partnership, to David Mendez, Trustee for the benefit of JP Morgan Chase Bank, N.A., as agent for itself and certain other lenders ("Mortgagee") and (ii) the Deed of Trust and Security Agreement dated April 11, 2008, filed for record on April 14, 2008, under Galveston County Clerk's File No. 2008020352, executed by East Beach Project Phase I, Ltd., a Texas limited partnership, to Randall B. Durant, Trustee for the benefit of Mortgagee, are hereby subordinated to and made subject to the Amended and Restated Declaration. The Mortgagee makes no representation or warranty of any kind concerning the Amended and Restated Declaration, any of its terms or provisions, or the legal sufficiency thereof, and does not assume, and is not responsible for, any of the obligations or liabilities of Declarant in the Amended and Restated Declaration

JPMorgan Chase Bank, N.A., as agent for itself and certain other lenders

By: Erik S. Larson
Name: Erik S. Larson
Title: Assistant Vice President

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was executed before me on May 1 2008, by Erik S. Larson, a Asst. Vice President of JPMorgan Chase Bank, N.A., a national banking association, on behalf of said association

Debbie J. Smith
Notary Public - State of Texas



EXHIBIT "A"
(to the Declaration)

PART I: ARTICLES OF INCORPORATION



Office of the Secretary of State

**CERTIFICATE OF INCORPORATION
OF**

Trade Winds/The Beach Club Condominium Association, Inc.
Filing Number: 800516278

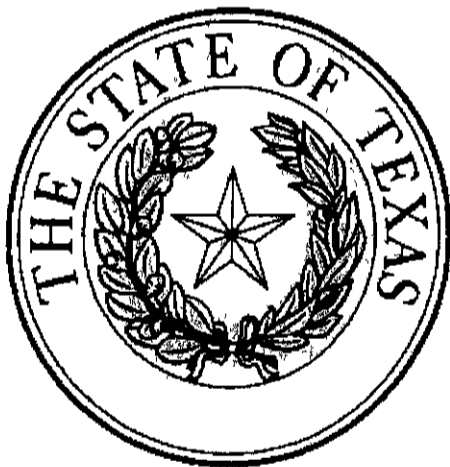
The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Incorporation for the above named corporation have been received in this office and have been found to conform to law.

Accordingly, the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Incorporation

Issuance of this Certificate of Incorporation does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law

Dated: 07/08/2005

Effective 07/08/2005



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State

JUL 08 2005

**ARTICLES OF INCORPORATION
OF**

Corporations Section

TRADE WINDS/THE BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

The undersigned, a natural person over the age of eighteen years, acting as Incorporator of the Trade Winds/The Beach Club Condominium Association, Inc. (the "**Association**") under the Texas Non-Profit Corporation Act (the "**Act**"), does hereby adopt the following Articles of Incorporation (these "**Articles**") for the Association:

ARTICLE I

Condominium Association

The Association shall be, mean, and constitute a unit owners' association organized under Section 82. 101 of the Uniform Condominium Act (Texas Property Code, Chapter 82) (the "**Condominium Act**"), as more specifically described in the Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms, recorded in the Real Property Records of Galveston County, Texas, as amended from time to time (the "**Declaration**"), with respect to certain real property located in the City of Galveston, Galveston County, Texas, and described in the Declaration.

ARTICLE II

Name

The name of the Association is Trade Winds/The Beach Club Condominium Association, Inc.

ARTICLE III

Nonprofit Corporation

The Association is a nonprofit corporation.

ARTICLE IV

Duration

The duration of the Association shall be perpetual.

ARTICLE V

Purposes

The purposes for which the Association is formed are the following:

1. To provide an organization consisting of the owners of units in the Trade Winds/The Beach Club Condominium at Palsade Palms as described in the Declaration (the "**Condominium**");
2. To provide for the management, maintenance, preservation, and architectural control of the Condominium;
3. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and Bylaws of the Association;
4. To fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and to pay all expenses in connection with such charges or assessments, all office expenses and all other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association;
5. To acquire (by gift, purchase, or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association;
6. To borrow money, to mortgage, to pledge, to deed in trust, or to hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred;
7. To act in the capacity of principal, agent, joint venture, partner or otherwise; and notwithstanding any of the above statements of purposes, the Association shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the Association.

ARTICLE VI

Powers

In furtherance of its purposes, the Association shall have the following powers which, unless otherwise provided in these Articles, the Declaration, the Bylaws, or the laws of the State of Texas, may be exercised by the board of directors:

1. All rights and powers conferred upon nonprofit corporations by the laws of the State of Texas in effect from time to time;

2. All rights and powers conferred upon condominium associations by the laws of the State of Texas, including the Condominium Act, as amended from time to time; and
3. All powers necessary, appropriate, or advisable to perform any purpose or duty of the Association as set out in these Articles, the Declaration, the Bylaws, or the laws of the State of Texas.

ARTICLE VII

Membership

The Association shall be a non-stock membership corporation. The members of the Association shall consist solely of the owners of units of the condominium created by the Declaration. The Declaration and Bylaws shall determine the number and qualifications of members of the Association; the classes of membership, if any; the voting rights and other privileges of membership; and, the obligations and liabilities of members. Cumulative voting is not allowed.

ARTICLE VIII

Management by Board of Directors

The management and affairs of the Association shall be vested in the board of directors, except for those matters expressly reserved to the members in the Declaration and Bylaws. The Bylaws shall determine the number and qualifications of directors; the term of office of directors; the methods of electing, removing, and replacing directors; and, the methods of holding board meetings and obtaining consents.

ARTICLE IX

Limitations on Liability

An officer or director of the Association shall not be liable to the Association or any unit owner for monetary damages for an act or omission in the officer's or director's capacity as an officer or director, except that this Article IX does not eliminate or limit the liability of an officer or director to the extent the officer or director is found liable for: (1) a breach of the officer's or director's duty of loyalty to the Association; (2) an act or omission not in good faith that constitutes a breach of duty of the officer or director to the Association or an act or omission that involves intentional misconduct or a knowing violation of the law; (3) a transaction from which the officer or director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the officer's or director's office; or (4) an act or omission for which the liability of the officer or director is expressly provided by statute.

If the Texas Miscellaneous Corporation Laws Act, the Condominium Act, or the Act is amended after the date of adoption of this Article IX to authorize action further eliminating or limiting the personal liability of officers or directors, then the liability of an officer or director of the Association shall be eliminated or limited to the fullest extent permitted by such statutes, as so amended. Any repeal or modification of the foregoing paragraph shall not affect adversely any right of protection of an officer or director of the Association existing at the time of such repeal or modification.

ARTICLE X

Amendment of Articles

These Articles may be amended in accordance with the requirements of the Act; *provided however*, that:

1. An amendment shall not conflict with the Declaration or the Condominium Act; and
2. An amendment shall not impair or dilute a right granted to a person by the Declaration, without that person's written consent.

ARTICLE XI

Amendment of Bylaws

The Bylaws of the Association shall be amended or repealed according to the amendment provision of the Bylaws, which may reserve those powers to the members, exclusively.

ARTICLE XII

Dissolution

The Association may be dissolved only as provided in the Declaration, the Bylaws, and the laws of the State of Texas. On dissolution, the assets of the Association shall be distributed in accordance with the Declaration provision for distribution upon termination; if the Declaration has no such provision, then in accordance with the termination provision of the Condominium Act.

ARTICLE XIII

Action By Non-Unanimous Consent Without Meeting

Unless otherwise restricted by law, these Articles, or the Bylaws, any action required or permitted to be taken at any meeting of the members, directors, or members of a committee of the board of directors may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of members, directors, or members of a committee of the board of directors as would

be necessary to take that action at a meeting at which all of the members, directors, or members of a committee of the board of directors were present and voted. Such written consent shall bear the date of the signature of each member, director, or committee member who signs the consent, and such written consent shall not be effective unless, within sixty (60) days after the date of the earliest dated consent, a consent or consents signed by the required number of members, directors, or committee members is delivered to the Association. Delivery shall be by hand or certified or registered mail, return receipt requested. Prompt notice of the taking of any action by members, directors, or committee members without a meeting by less than unanimous written consent shall be given to all members, directors, or committee members who did not consent in writing to the action.

ARTICLE XIV

Use of Names, Proprietary Information

The names "Palisade Palms" "Trade Winds", "The Beach Club" as used within this document and related documents referenced herein which relate to the Palisade Palms Subdivision and the Trade Winds/The Beach Club Condominium at Palisade Palms located in Galveston, Galveston County, Texas are proprietary to Declarant and may not be used by any person or entity for any commercial use, pecuniary gain, or profit; and may not be used for any personal use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites, or other methods or manner of communication without the prior written consent or authorization of the Declarant. The violation of the foregoing provisions shall be subject to injunctive relief. Similarly, the use of the names Trade Winds/The Beach Club Condominium Association and Palisade Palms Master Association shall be proprietary to the respective associations and may not be used by any person or entity for any commercial use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites or other methods or manner of communication without the prior consent of or authority of the respective Association. The violation of the foregoing shall be subject to injunctive relief.

ARTICLE XV

Initial Board of Directors

The number of directors constituting the board of directors of the Association and their qualifications shall be fixed or determined by, or in the manner provided in, the Bylaws of the Association; *provided, however*, that the number of directors may never be less than three (3). In the absence of a bylaw providing for the number of directors, or should the Association fail to determine the number of directors in the manner provided in the Bylaws, the number of directors constituting the board of directors shall be three (3). The number of directors constituting the initial board of directors is three (3), and the names and addresses of the persons who are to serve as the initial directors of the Association are:

| Name | Address |
|---------------------|--|
| Arnold C. Tauch | 5225 Katy Freeway, Suite 520 Houston, Texas 77007 |
| Richard G. Anderson | 5225 Katy Freeway, Suite 520 Houston, Texas 77007 |
| Jack C. Moss | 5225 Katy Freeway, Suite 520 Houston, Texas 77007 |

ARTICLE XVI

Initial Registered Office and Registered Agent

The address of the initial registered office of the Association is 808 Travis Street, Suite 2600, Houston, Texas 77002, and the name of the initial registered agent at such address is Richard C. Lievens.

ARTICLE XVII

Incorporation

The name and street address of the incorporator are as follows:

Richard C. Lievens
Frank, Elmore, Lievens, Chesney & Turet
808 Travis Street, Suite 2600
Houston, Texas 77002

I execute these Articles of Incorporation on this 8TH day of JULY, 2005.



 Richard C. Lievens

EXHIBIT "A"
(to the Declaration)

PART II: BYLAWS

BYLAWS
Of
TRADE WINDS/THE BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

BYLAWS
OF
TRADE WINDS/THE BEACH CLUB CONDOMINIUM ASSOCIATION, INC.
(a Texas nonprofit corporation)
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BYLAWS
OF
TRADE WINDS/THE BEACH CLUB CONDOMINIUM ASSOCIATION, INC.
(a Texas nonprofit corporation)

ARTICLE I

Purposes; Defined Terms

Section 1.1 *Purposes of Association.* The Trade Winds/The Beach Club Condominium Association, Inc., a Texas nonprofit corporation and condominium association (the "**Association**"), is organized exclusively to exercise the rights and powers and to perform the duties and obligations of the Association in accordance with the Declaration of Condominium for The Trade Winds/The Beach Club Condominium at Palisade Palms, to be recorded in the Real Property Records of Galveston County, Texas (the "**Declaration**"), the Articles of Incorporation of the Association (the "**Articles**"), these bylaws (these "Bylaws"), and the laws of the State of Texas, as each may be amended from time to time.

Section 1.2 *Purpose of Bylaws.* These Bylaws provide for the governance of the Condominium known as TRADE WINDS/THE BEACH CLUB CONDOMINIUM AT PALISADE PALMS located in the City of Galveston, Galveston County, Texas, subject to and more fully described in the Declaration.

Section 1.3 *Offices.* The principal office of the Association shall be located at 5225 Katy Freeway, Suite 530, Houston, Texas 77007. The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may, but need not, be identical with the principal office of the Association in the State of Texas, and the registered office and registered agent may be changed from time to time by the Board of Directors. The Association may have such other offices, either within or outside of the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require from time to time. The Board of Directors may change the location of any office of the Association.

Section 1.4 *Definitions.* Capitalized terms not defined herein or in the Declaration shall have the meaning specified or used in the Uniform Condominium Act (Texas Property Code, Chapter 82) (the "Act").

ARTICLE II

Members

Section 2.1 *Membership*. Upon becoming an Owner, each Owner shall automatically become a member ("Member") of the Association, and shall remain a Member thereof until such time as his or her ownership ceases for any reason, at which time his or her membership in the Association shall also automatically cease, and no other person or entity shall be entitled to membership in the Association, except as expressly provided herein or in the Declaration. No Owner shall be required to pay any consideration whatsoever solely for his or her membership in the Association. Upon any transfer of ownership of any Unit, the new Owner acquiring or succeeding to such ownership interest shall likewise automatically succeed to such membership in the Association.

Section 2.2 *Annual Meeting*. An annual meeting of the Members of the Association shall be held at a location designated by the Board of Directors during the month of January of each year, or at such other time and place as the Board of Directors of the Association shall determine. At the annual meeting of the Members, the following shall be the order of business:

- a) Determine member present by roll call or check-in procedure;
- b) Announcement of Quorum;
- c) Proof of Notice of Meeting;
- d) Reading and Approval (or correction) of the minutes from the last annual meeting of the Members;
- e) President's report;
- f) Report from the Board of Directors containing, but not limited to, a summary of the principal activities and actions of the Board of Directors since the last annual meeting of Members, including any urgent issues before the Board of Directors;
- g) Summarized report from the Treasurer, including a Board of Directors approved, detailed budget for the upcoming fiscal year;
- h) Introduction of the newly elected directors of the Association for the ensuing year to replace directors whose terms have expired;
- i) Other business that may be properly brought before the meeting; and
- j) Adjournment

Section 2.3 *Limitation as to Voting at Annual Meeting of Members.* The only matters which are authorized to be voted on at any annual meeting of the Members shall be the following: (i) the matter of Members approving (and/or correcting) the minutes of the last prior annual meeting of the Members; (ii) the matter of Members voting on any proposed amendment to the Articles of Incorporation (as currently referred to in Article 1396-4.02 of the Texas Non-Profit Corporation Act [hereafter referred to in this paragraph as the "Act"]); (iii) the matter of Members voting on any amended or supplemented restated Articles of Incorporation (as currently referred to in Article 1396-4.06 of the Act); (iv) the matter of Members voting on any proposed merger or consolidation of the corporation with some other domestic corporation (as currently referred to in Article 1396-5.03 of the Act); (v) the matter of Members voting on any proposed merger or consolidation of the corporation with any foreign corporation (as currently referred to in Article 1396-5.07 of the Act); (vi) the matter of Members voting on any proposed sale, lease or exchange of all, or substantially all, the property and assets of the corporation (as currently provided for in Article 1396-5.09 of the Act); (vii) the matter of Members voting on any proposed voluntary dissolution of the corporation (as currently provided for in Article 1396-6.01. of the Act); (viii) the matter of Members voting on any proposed adoption of a plan providing for the distribution of assets of the corporation if the corporation is in the process of dissolution (as currently provided for in Article 1396-6.03 of the Act); (ix) the matter of Members voting on any proposed revocation of voluntary dissolution proceedings of the corporation (as currently provided for in Article 1396-6.04 of the Act); or (x) any matter which the current Declaration provides may or shall be voted on by Members at a meeting of Members. Except as stated in the preceding sentence, no other matter (including, without limitation, unfinished business and new business) may validly be voted on at any annual meeting of the Members. No matter is authorized to be voted on at any special meeting of the Members except such matters as are described in Items (ii) through (x) of the first sentence of this paragraph.

Matters of business (other than the matter of approval and/or correction of the minutes of an annual meeting of the Members as referred to in Item (i) of the first sentence of the preceding paragraph and other than such other matters as are described in Items (ii) through (x) of the first sentence of the preceding paragraph) may validly be voted on only by written ballot of the Members (under the provisions of Article III [entitled "Elections and Balloting"] of these By-Laws) without an annual meeting of the Members and without a special meeting of the Members.

Section 2.4 *Special Meetings.* Except as otherwise provided by law or the Declaration, a special meeting of the Association may be called by the President, by a majority of the members of the Board of Directors, or by Owners having in the aggregate at least twenty percent (20%) of the Percentages of Common Interest Ownership entitled to be cast at such meeting. Such meeting shall be held within 30 days after being called. No more than one special meetings may be held during any 90-day period. Business transacted at any special meeting of Members shall be limited to the purposes stated in the notice of the meeting given in accordance with the terms of Section 2.5.

Section 2.5 *Order of Business at Special Meetings.* Unless the notice of meeting states otherwise, the order of business at special meetings of the Association shall be as

follows:

- (1) Determine members present by roll call or check-in procedure
- (2) Announcement of quorum
- (3) Proof of notice of meeting
- (4) Reading and approval of minutes of preceding meeting
- (5) Reports
- (6) New business
- (7) Special Business (if any)
- (8) Adjournment

Section 2.6 *Open Meetings, Place of Meetings.* All meetings of the Members shall be open to all Owners, and shall be held at the Condominium or at a suitable place convenient to the Members, as determined by the Board of Directors.

Section 2.7 *Notice of Meetings; Waiver.* Except as otherwise provided herein, notice of each meeting of Members, stating the place, day, and hour of any meeting and, in case of a special meeting of Members, the purpose or purposes for which the meeting is called, shall be given at least ten (10) days but not more than 60 days prior to such meeting. Notices shall also set forth any other items of information deemed appropriate by the Board of Directors. If a Unit is owned by more than one person, notice to one Co-Owner shall be deemed notice to all co-Owners. Notice may be given either personally, by facsimile transmission, electronically by "E-Mail", or by mail, by or at the direction of the persons calling the meeting, to each Member. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at the address shown on the Association's records. If transmitted by facsimile, notice shall be deemed delivered on successful transmission of the facsimile or e-mail. Whenever any notice is required to be given to a Member, a written waiver of the notice, signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, shall be equivalent to the giving of such notice. Attendance by a Member, whether in person or by proxy, at any meeting of the Association shall constitute a waiver of notice by such Member of the time, place, and purpose of such meeting. If all Members are present at any meeting of the Association, no notice shall be required and any business may be transacted at such meeting.

Section 2.8 *Ineligibility.* The Board of Directors may determine that no Member may (i) vote at meetings of the Association or (ii) be elected to serve as a Director if the Member's financial account with the Association is in arrears on the record dates provided below, provided each ineligible Member shall be given notice of the arrearage and an opportunity to become eligible. The Board of Directors may specify the manner, place, and time for payment for purposes of restoring eligibility.

Section 2.9 *Record Dates.*

- (a) ***Determining Voting Eligibility.*** The Board of Directors shall fix a date as the record date for determining the Members entitled to vote at a meeting of the Association. The record date may not be more than sixty (60) days before the date of a meeting of the Association at which Members will

vote.

- (b) *Determining Rights Eligibility.* The Board of Directors shall fix a date as the record date for determining the Members entitled to exercise any rights other than those described in the preceding paragraph. The record date may not be more than sixty (60) days before the date of the action for which eligibility is required, such as nomination to the Board of Directors.
- (c) *Adjournments.* A determination of Members entitled to notice of or to vote at a meeting of the Association is effective for any adjournment of the meeting unless the Board of Directors fixes a new date for determining the right to notice or the right to vote. The Board of Directors must fix a new date for determining the right to notice or the right to vote if the meeting is adjourned to a date more than 90 days after the record date for determining Members entitled to notice of the original meeting.

Section 2.10 *Voting Members List.* The Board of Directors shall prepare and make available a list of the Association's voting Members in accordance with Art. 1396-2.1 1B of the Texas Non-Profit Corporation Act.

Section 2.11 *Quorum.* At any meeting of the Association, the presence in person or by proxy of Members entitled to cast and eligible to vote at least ten percent of the Percentages of Common Interest Ownership that may be cast shall constitute a quorum. Members present at a meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal, during the course of the meeting, of Members constituting a quorum.

Section 2.12 *Votes.* Each Member shall be entitled to a vote, the value of which shall equal the total of the Percentages of Common Interest Ownership assigned to the Units owned by such Owner as set forth in Part IV of Exhibit B of the Declaration; *provided, however,* that a Member shall not be entitled to a vote if such Member is determined to be ineligible to vote by the Board of Directors pursuant to Section 2.6 of these Bylaws. The vote of a majority of the Percentages of Common Interest Ownership entitled to be cast by Members present, whether in person or by proxy, at a meeting at which a quorum is present shall be binding upon all Members for all purposes, unless the vote of a greater number is required by the Declaration, these Bylaws or by law. The right of a Member to vote at any meeting of the Association is subject to the following limitations:

- (a) *Co-Owned Units.* If only one of the multiple Owners of a Unit is present at a meeting of the Association, that person may cast the vote or votes allocated to that Unit, and such vote shall be binding on such Owners who are not present at such meeting unless written notice to the contrary has been received by the Association in which case the unanimous action of all such Owners (in person or by written proxy) shall be required to cast their vote as Owners. If more than one of the multiple Owners is present, the vote or votes allocated to that Unit may be cast only in accordance with the Owners' unanimous agreement. Multiple Owners are in unanimous

agreement if one of the multiple Owners casts the votes allocated to a Unit and none of the other Owners of the Unit makes prompt protest to the person presiding over the meeting.

- (b) *Corporation-Owned Units.* If a Unit is owned by a corporation, the vote appurtenant to that Unit may be cast by any officer of the corporation in the absence of express notice of the designation of a specific person by the board of directors or bylaws of the owning corporation. The vote of a partnership may be cast by any general partner of the owning partnership in the absence of express notice of the designation of a specific person by the owning partnership. The person presiding over a meeting or vote may require reasonable evidence that a person voting on behalf of a corporation or partnership is qualified to vote.
- (c) *Association-Owned Units.* Votes allocated to a Unit owned by the Association may not be cast.

Section 2.13 Proxies. Votes allocated to a Unit may be cast in person or by written proxy. To be valid, each proxy shall (i) be signed and dated by a Member or his or her attorney-in-fact; (ii) identify the Unit to which the vote is appurtenant; (iii) name the person in favor of whom the proxy is granted, such person having agreed to exercise the proxy; (iv) identify the purpose or meeting for which the proxy is given; (v) not purport to be revocable without notice; and (vi) the original (or, an original delivered by legible facsimile transmission) must be delivered to the Secretary or to the person presiding over the Association meeting for which the proxy is designated. Unless the proxy specifies a shorter or longer time, it shall terminate one year after its date. To revoke a proxy, the granting Member must give actual notice of revocation to the person presiding over the Association meeting for which the proxy is designated. A proxy bearing a later date shall be deemed to be a revocation of any prior proxy. Unless revoked, any proxy designated for a meeting which is adjourned, recessed, or rescheduled shall be valid when such meeting reconvenes.

Section 2.14 Conduct of Meetings. The President, or any person designated by the Board of Directors, shall preside over meetings of the Association. The Secretary shall keep, or cause to be kept, the minutes of the meeting which shall record all resolutions adopted and all transactions occurring at the meeting, as well as a record of any votes taken at the meeting. The person presiding over the meeting may appoint a parliamentarian. The then-current edition of Robert's Rules of Order shall govern the conduct of all meetings of the Association when not in conflict with the Condominium Documents. Votes shall be tallied by tellers appointed by the person presiding over the meeting.

Section 2.15 Adjournment of Meeting. At any meeting of the Association, the vote of a majority of the Percentages of Common Interest Ownership entitled to be cast by Members present, whether in person or by proxy, at a meeting at which a quorum is present, may adjourn the meeting to another time.

ARTICLE III

Elections and Balloting

Section 3.1 *Nomination of Candidates for the Board of Directors.* Within a reasonable time prior to each annual meeting of the Members, the Board of Directors will announce by written notice (given in the matter subsequently stated in this sentence) that nominations of candidates for the Board of Directors will be accepted during a specific time period prior to the annual meeting (such written notice previously referred to in this sentence to be given to the Members by means of any one or more newsletters, bulletins posted on or about the building, written notice mailed or delivered to each Unit Owner, by facsimile, by e-mail, or in any other reasonable manner). Nominations of candidates for the Board of Directors are required to be made within the time period set forth by the Board by submitting in writing the name of the candidate. Candidates may nominate themselves or be nominated by the Nominating Committee.

In addition, it is recommended, but not mandatory, that the candidate submit a short autobiography to the Association, in care of its managing agent. By resolution of the Board of Directors, the Board of Directors may designate a mandatory cut-off date for submission of such autobiography by each candidate for the Board of Directors.

Section 3.2 *Presentation of Candidates for the Board of Directors.* Nominated candidates for the Board of Directors (whose nominations shall have been submitted in accordance with the requirements of these By-Laws) will be presented to the Owners in such manner determined by the Board of Directors prior to the annual meeting of the Association. The Board of Directors shall determine the general format of such presentation(s), and shall cause written notice of the date, time and place of each of such presentation(s) to be given to the Members by such means determined by the Board.

Section 3.3 *Advance Submission of Election/Balloting Materials.* Not later than fourteen (14) days prior to the annual meeting of the Association, the Board of Directors shall cause ballots, envelopes (as more particularly described in Section 4 below), proxies and other election materials to be distributed to all Members of the Association eligible to vote. Such other election materials shall include (but are not necessarily limited to) the names of those directors whose terms are expiring, the names of all candidates for the Board of Directors, information as to the number of positions on the Board of Directors to be filled, a copy of any proposed amendments to the Declaration or proposed amendments to the By-Laws or rules and regulations and a copy of the text of any other proposal or other matter being voted on by ballot accompanied, in each such case, by some related explanatory material, information as to possible issues expected to be discussed and considered at the annual meeting and information as to the time and place at which ballots which are cast for the election of directors (as well as ballots which are cast with respect to any other matters being voted on in such balloting) are to be deposited. For purposes of providing for the security and authenticity of ballots and proxies, the Board of Directors is authorized to

use special stationery, rubber stamps and/or other reasonable means.

Section 3.4. *Method of Election of Directors by Ballot and Method of Voting on Other Matters by Ballot.* Voting on candidates for the Board of Directors and voting on other matters by ballot (not at any annual meeting or special meeting of the Members) shall be by secret written ballot of each Member voting personally or through a proxy.

For purposes of these By-Laws, the phrase "secret written ballot" means a written ballot on which there is marked the Member's (or proxy's) preference as to the candidates being voted on and the Member's (or proxy's) preference as to any other matters being voted on and which is not signed by the Member voting (personally or through a proxy) by means of such ballot and does not otherwise identify the Member (or proxy) voting or the Residence Unit owned by such Member (and which is not read by any counter of votes in the election or party other than the voter himself or herself prior to the time that all votes in the election are counted as hereafter provided).

Each of such secret written ballots is to be delivered (by the Member voting personally or through proxy or is to be delivered by such proxy) to the place designated by the Board of Directors (in the notice referred to in Section 3 of the Article not later than the time indicated by the Board of Directors in the information distributed to Members by the Board of Directors pursuant to preceding Section 3 of this Article; and, in the case of ballots pertaining to the election of directors (irrespective of whether any other matter is then being voted on), such required time of delivery of such ballots is to be not less than the scheduled time of the relevant annual meeting.

Each of such ballots being cast shall be contained in an inner envelope (distributed pursuant to preceding Section 3) which does not identify the name of the Member (or proxy) voting and does not identify the Residence Unit owned by such Member and which is sealed when delivered to the place designated by the Board of Directors. Each of the sealed inner envelopes containing such ballot shall itself be contained in an outer envelope which identifies the Residence Unit number of the Owner casting such ballot (personally or by proxy) and, in those circumstances where any matter being voted on requires for its adoption the approval of a particular percentage of the Percentage Ownership Interests, each such outer envelope shall also contain a statement of such Owner's Percentage Ownership Interest associated with such Residence Unit; and each such outer envelope shall contain, in addition to such sealed inner envelope (containing such ballot), the written proxy, if any, granted by such Owner; and such outer envelope shall also be sealed at the time of delivery to the place designated by the Board of Directors. Promptly following receipt of such sealed outer envelope, the Managing Agent (or other representative of the Board of Directors) shall check each such sealed outer envelope against the list of Members and other pertinent records of the Association for the purpose of determining that the party casting such ballot (or for whom such ballot is being cast by a proxy) is eligible to vote as a Member and shall check each such proxy, if any, to determine that such proxy complies with these By-Laws and the current Declaration. In cases of ineligibility of a Member to vote (or non-compliance of a proxy), the Managing Agent or Secretary (or other party appointed by the Board of Directors) shall give prompt written notice to the

owner of the applicable Residence Unit that, according to the records of the Association, such owner is not eligible to vote (and/or that any such proxy does not comply with these By-Laws and/or the current Declaration).

In the case of ballots submitted by Members (or proxies) who are eligible to vote, the Managing Agent (or other party appointed by the Board of Directors) shall open the outer envelope and dispose of it and then place the inner sealed envelope with the other inner sealed envelopes and deliver all of such inner sealed envelopes to the Managing Agent (or other party appointed by the Board of Directors) prior to or at the annual meeting at which the ballots are to be counted.

In order for the results of an election of directors or vote on any other matter to be valid, ballots must be cast by Members (or proxies) having at least fifty-one percent (51%) of the total number of votes of all Members eligible to vote in such election.

Expiring terms on the Board of Directors will be filled by the candidates receiving the highest number of votes, regardless of percentage, provided that Members (or proxies) having at least fifty-one percent (51%) of the total number of votes of all Members eligible to vote in such election have, in fact, voted.

Section 3.5 Counting of Ballots. Ballots shall be opened and counted during the annual meeting of the Members, and such process shall be monitored by an attorney for the Association. The Board of Directors, by resolution, may also require that one or more other parties monitor and assist with such process.

Section 3.6 Adoption and Implementation of Rules The Board of Directors may adopt and implement reasonable rules, policies, or procedures from time to time to implement the election and balloting procedures authorized above.

ARTICLE IV

Board of Directors

Section 4.1 Powers and Duties. The Board of Directors shall have all the powers and duties necessary for the administration of the Association and for the operation and maintenance of the Condominium. The Board of Directors may do all such acts and things except those which, by law or the Condominium Documents, are reserved to the Members and may not be delegated to the Board of Directors.

Section 4.2 Number and Term of Office. During the period of Declarant Control, as set forth in Article XII hereof, the number of directors shall be three (3) and shall serve at the pleasure of the Declarant. At the First Meeting of Owners after the expiration of the Declarant Control Period, the Owners shall elect the Board of Directors consisting of five (5) members as follows: Two (2) Directors shall be elected for a term of three (3) years, two (2) Directors shall be elected for a term of two (2) years, and one (1) director shall be elected for a term of one (1) year, respectively. Such three

(3) year term, two (2) year term, and one (1) year term shall be determined based upon the Director receiving, the highest number of votes (3 year term), second highest number of votes (2 year term), and third highest number of votes (1 year term). However, these initial staggered terms shall not be deemed to commence until the first annual meeting of the owners following the date of such First Meeting. Thereafter, at the annual meeting of Owners, the Owners shall elect a Director to serve a term of three (3) years to fill the position of the Directors whose terms have expired at the time of the annual meeting. A Director takes office upon the adjournment of the meeting or balloting at which he or she is duly elected or appointed and, absent death, ineligibility, resignation, or removal, will hold office until his or her successor is duly elected or appointed. The number of Directors may be changed by amendment of these Bylaws, but shall not be less than three.

Section 4.3 *Qualification.* No person shall be eligible for election or appointment to the Board of Directors unless such person is a Member. If any Unit is owned by a partnership, corporation, limited liability company, or trust, any officer, partner, trustee, or employee of that Owner shall be eligible to serve as a Director and shall be deemed to be an Owner for purposes of the preceding sentence. Co-Owners of a single Unit may not serve on the Board of Directors at the same time. Co-Owners of more than one Unit may serve on the Board of Directors at the same time, provided the number of co-Owners serving at one time does not exceed the number of Units they co-own. No Member may be elected or appointed as a Director if any assessment against the Member or such Member's Unit is delinquent at the time of election or appointment. No Member may continue to serve as a Director if any assessment against the Member or such Member's Unit is delinquent more than sixty (60) days.

Section 4.4 *Vacancies.* Vacancies on the Board of Directors caused by any reason, except the removal of a Director by a vote of the Association, shall be filled by a vote of the remaining Directors, even though less than a quorum, at any meeting of the Board of Directors. Each Director so elected shall serve out the remaining term of his or her predecessor.

Section 4.5 *Removal of Directors.* At any special meeting of the Association, any one or more of the Directors may be removed with or without cause by the vote of at least seventy-five percent (75%) of the Percentages of Common Interest Ownership (set forth in Part IV B of Exhibit B to the Declaration) entitled to be cast by Members present, whether in person or by proxy, at such meeting at which a quorum is present, and a successor shall immediately be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

Section 4.6 *Annual Organizational Meeting of the Board Of Directors.* An annual organizational meeting of the Board of Directors shall be held each year following the annual meeting of the Members, including following the first such annual meeting, at the place of such annual meeting of Members, for the purpose of electing officers and the transaction of such business as may be properly be brought before it. No notice of an annual meeting need be given to either old or new members of the Board of Directors.

Section 4.7 *Regular Meetings of the Board of Directors.* Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by the Board of Directors; however, such meetings shall be held at least quarterly. No notice of regular meetings of the Board of Directors is required other than a resolution of the Board of Directors adopted at a duly called meeting of the Board of Directors stating the time and place of the regular meetings.

Section 4.8 *Special Meetings of the Board of Directors.* Special meetings of the Board of Directors may be called by the President or, if he or she is absent or refuses to act, the Secretary, or by any Director. At least three days' notice shall be given to each Director, personally or by telephone or written communication, which notice shall state the place, time, and purpose of such meeting.

Section 4.9 *Conduct of Meetings.* The Board of Directors, at each organizational meeting, shall appoint one of their number as Chairperson of the Board of Directors and President of the Association. The Chairperson of the Board of Directors shall preside over all meetings of the Board of Directors and the Secretary shall keep, or cause to be kept, a record of all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. When not in conflict with law or the Condominium Documents, the then-current edition of Robert's Rules of Order shall govern the conduct of the meetings of the Board of Directors.

Section 4.10 *Quorum.* At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. The President may not vote at any meeting of the Board of Directors, except to make or break a tie pursuant to Roberts Rules of Order. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If less than a quorum is present at any meeting of the Board of Directors, the majority of those present may adjourn the meeting from time to time. At any such reconvened meeting at which a quorum is present, any business which might have been transacted at the meeting as originally called may be transacted without further notice. Directors may not designate a proxy to attend and participate in their respective behalf at board meetings.

Section 4.11 *Presumption of Assent.* Any Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting and unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 4.12 *Open Meetings.* Regular and special meetings of the Board of

Directors shall be open to Members of the Association, but Members who are not Directors may not participate in any deliberations or discussions unless the Board of Directors expressly so authorizes such participation at the meeting. The Board of Directors may adjourn any meeting and reconvene in closed executive session to discuss and vote upon actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Owners, or matters that are to remain confidential by request of the affected parties and agreement of the Board of Directors. The nature of any and all business to be considered in closed executive session shall first be announced in open session.

Section 4.13 *Ex-officio Directors.* The Board of Directors may designate anyone or more persons as ex-officio members of the Board of Directors. A person designated as an ex-officio member of the Board of Directors shall be entitled to notice of and to attend meetings of the Board of Directors. The ex-officio member shall not be entitled to vote unless otherwise provided in the Declaration or these Bylaws.

Section 4.14 *Void or Voidable Contracts.* No contract or other transaction between the Association and any Director, or between the Association and any corporation, firm or Association (including Developer) in which any Director is peculiarly or otherwise interested (including, without limitation, any management contract), is either void or voidable because any such Director is present at the meeting of the Board of Directors which authorizes or approves the contract or transaction, or because his or her vote is counted for such purpose, if (i) the fact of the common interest is disclosed or known to a majority of the Board of Directors or noted in the minutes and the Board of Directors authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; (ii) the fact of the common interest is disclosed to at least a majority of the Members and the Members approve or ratify the contract or transaction in good faith by a vote sufficient for the purpose; or (iii) the contract or transaction is commercially reasonable to the Association at the time it is authorized, approved, ratified, or executed. Any interested Director may be counted in determining the presence of a quorum of any meeting of the Board of Directors which authorizes, approves, or ratifies any contract or transaction and may vote with like force and effect as if such Director was not so interested.

Section 4.15 *Master Association Directors.* The Directors who are elected or appointed (as the case may be) to serve on the Board of Directors of the Association shall also serve on the Board of Directors of The Palisades Master Association, a Texas non-profit Corporation, "Master Association" named in that certain "Declaration of Covenants, Conditions, Restrictions and Easements for The Palisades", reference thereto being hereby made for all purposes.

ARTICLE V

Committees

Section 5.1 *Appointment of Committees.* The Board of Directors may, by resolution passed by a majority of the entire Board of Directors, establish one or more committees, delegate specified authority to a committee, and appoint or remove members of a committee. Unless otherwise provided in the Declaration, each

committee of the Association shall consist of one (1) or more Directors, and such other persons appointed from among the Owners as the Board of Directors may determine. The establishment of a committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual Director, of any responsibility imposed by these Bylaws or otherwise imposed by law. Any such committee shall have and may exercise all of the delegated authority of the Board in the management of the business and affairs of the Association, except where action of the full Board is required by statute or by the Condominium Documents. All committees shall keep regular minutes of their proceedings and shall report the same to the Board when requested to do so.

Section 5.2 *Nominating Committee.* One of the three standing committees of the Association shall be the Nominating Committee. The Nominating Committee shall consist of three (3) or more Directors of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall have the duties and functions described in these Bylaws.

Section 5.3 *Residential Committee.* One of the three (3) standing Committees shall be the Residential Committee. The Residential Committee shall consist of three (3) members, two (2) of which shall be directors of the Association elected from Owners of Units used for residential purposes and one (1) of which shall be a non-director member appointed from among the Owners of Units used for residential purposes and shall be appointed by the Board of Directors at its first regular meeting after the annual meeting. Generally, the Residential Committee shall be responsible for providing input to the Board on matters primarily affecting the Owners of Units used for residential purposes (e.g. budgets, rules, assessments, enforcement) by way of recommending resolutions regarding same which shall then be considered for adoption by the Board of Directors; provided however, any such matters materially affecting both Units used for residential purposes and the Commercial Unit, shall be decided by the Board of Directors.

Section 5.4 *Commercial Committee.* One of the three (3) standing Committees shall be the Commercial Committee. The Commercial Committee shall consist of three (3) members, one (1) of which shall be a director of the Association or appointed from Owner of one of the Commercial Units and two (2) of which shall be non-director members appointed by the Owner of one of the Commercial Units and shall be appointed by the Board of Directors at its first regular meeting after the annual meeting. Generally, the Commercial Committee shall be responsible for providing input to the Board on matters primarily affecting the Owners of the Commercial Units (e.g. rules, assessments, enforcement) by way of recommending resolutions regarding same which shall then be considered for adoption by the Board of Directors; provided however, any such matters materially affecting both Units used for residential purposes and the Commercial Units, shall be decided by the Board of Directors

ARTICLE VI

Officers

Section 6.1 *Designation*. The principal officers of the Association shall be the President, the Secretary, and the Treasurer. The Board of Directors may appoint one or more Vice Presidents and such other officers and assistant officers as it deems necessary. All officers shall be Members. Any two offices may be held by the same person, except the offices of President and Secretary. If an officer is absent or unable to act, the Board of Directors may appoint a Director to perform the duties of that officer and to act in place of that officer, on an interim basis.

Section 6.2 *Election of Officers*. The officers shall be elected no less than annually by the Directors and shall hold office at the pleasure of the Board of Directors. The President shall be elected from among the members of the Board of Directors.

Except for resignation or removal, officers shall hold office until their respective successors have been designated by the Board of Directors.

Section 6.3 *Removal and Resignation of Officers*. A majority of Directors may remove any officer, with or without cause, at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors called for that purpose. A successor may be elected at any regular or special meeting of the Board of Directors called for that purpose. An officer may resign at any time by giving written notice to the Board of Directors. Unless the notice of resignation states otherwise, it is effective when received by the Board of Directors and does not require acceptance by the Board of Directors. The resignation or removal of an officer who is also a Director does not constitute resignation or removal from the Board of Directors.

Section 6.4 *President*. As the chief executive officer of the Association, the President shall: (i) preside at all meetings of the Association; (ii) have all the general powers and duties which are usually vested in the office of President of a corporation organized under the laws of the State of Texas; (iii) have general supervision, direction, and control of the business of the Association, subject to the control of the Board of Directors; (iv) be an *ex-officio* member of all standing committees; and (v) see that all orders and resolutions of the Board of Directors are carried into effect.

Section 6.5 *Vice President*. In the absence of the President, or in the event of his or her inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any action taken by a Vice President in the performance of the duties of the President shall be conclusive evidence of the absence or inability of the President to act at the time such action was taken. Any Vice President shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

Section 6.6 *Secretary*. The Secretary shall: (i) keep or cause to be kept, the

minutes of all meetings of the Board of Directors and of the Association; (ii) have charge of such books, papers, and records as the Board of Directors may direct; (iii) maintain or cause to be maintained, a record of the names and addresses of the Members for the mailing of notices; and (iv) in general, perform all duties incident to the office of Secretary.

Section 6.7 *Treasurer.* The Treasurer shall: (i) be responsible for Association funds; (ii) keep or cause to be kept, full and accurate financial records and books of account showing all receipts and disbursements; (iii) cause an annual audit of the Association's books to be made by a certified public accountant; (iv) prepare or cause to be prepared all required financial data and tax returns; (v) deposit all monies or other valuable effects in the name of the Association in such depositories as may from time to time be designated by the Board of Directors; (vi) prepare or cause to be prepared the annual and supplemental budgets of the Association; (vii) review the accounts of the managing agent on a monthly basis in the event such managing agent is responsible for collecting and disbursing Association funds; and (viii) perform all the duties incident to the office of Treasurer.

Section 6.8 *Authorized Agents.* Except when the Condominium Documents require execution of certain instruments by certain individuals, the Board of Directors may authorize any person to execute instruments on behalf of the Association. In the absence of Board of Directors designation, the President and the Secretary shall be the only persons authorized to execute instruments on behalf of the Association.

ARTICLE VII

Rules

Section 7.1 *Rules.* The Board of Directors (based upon resolutions recommended by the Commercial and Residential Committees, if applicable) shall have the right to establish and amend, from time to time, reasonable rules and regulations for: (i) the administration of the Association and the Condominium Documents; (ii) the maintenance, management, operation, use, conservation, and beautification of the Condominium; and (iii) the health, comfort, and general welfare of the occupants of Units, whether or not any such occupant is an Owner (each such occupant, a "Resident"); *provided, however,* that such rules may not be in conflict with law or the Condominium Documents. The Board of Directors shall, at all times, maintain the then-current and complete rules in a written form which can be copied and distributed to the Members. Unless required by applicable law, Rules need not be recorded in the county's real property records.

Section 7.2 *Adoption and Amendment.* The initial Rules as adopted by the initial Board are attached to these Bylaws as Exhibit "1". Any rule may be adopted, amended, or terminated by the Board of Directors, provided that the rule and the requisite Board of Directors approval are properly recorded as a resolution in the minutes of the meeting of the Board of Directors.

Section 7.3 *Notice and Comment.* The Board of Directors shall give written notice to an Owner of each Unit of any amendment, termination, or adoption of a rule

as required by §82.070 of the Texas Property Code, as may be amended from time to time. The Board of Directors may, but shall not be required, to give similar notice to Residents who are not Members.

Section 7.4 *Distribution*. Upon request from any Member or Resident, the Board of Directors shall provide a current and complete copy of rules at the cost of the requesting party. Additionally, the Board of Directors shall, from time to time, distribute copies of the current and complete rules to an Owner of each Unit and, if the Board of Directors so chooses, to non-Member Residents.

ARTICLE VIII

Enforcement

Section 8.1 *Enforcement*. The violation of any provision of the Condominium Documents shall give the Board of Directors the right, after notice and hearing, except in case of an emergency, In addition to any other rights set forth in the Condominium Documents:

- (a) to enter the Unit or Limited Common Element in which, or as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing, or condition (except for additions or alterations of a permanent nature that may exist in that Unit) that is existing and creating a danger to the Common Elements contrary to the intent and meaning of the provisions of the Condominium Documents. The Board of Directors shall not be deemed liable for any manner of trespass by this action;
- (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach; or
- (c) to impose fines after notice and hearing.

ARTICLE IX

Obligations of the Owners

Section 9.1 *Proof of Ownership*. Except for those Owners who initially purchase a Unit from Declarant, any person, on becoming an Owner of a Unit, shall furnish to the Board of Directors evidence of ownership in the Unit, in form and substance as may be required by the Board of Directors from time to time and acceptable to the Board of Directors, which evidence shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor be entitled to vote at any annual or special meeting of the Association unless this requirement is first met.

Section 9.2 *Owners' Addresses*. Not later than the 30th day after the date of acquiring an interest in a Unit, the Owner shall provide the Association with: (i) the Owner's mailing address, telephone number, and driver's license number, if any; (ii) the name and address of the holder of any lien against the Unit, and any loan number; (iii) the name and telephone number of any person occupying the Unit other than the

Owner; and (iv) the name, address, and telephone number of any person managing the Unit as agent of the Owner. An Owner shall notify the Association not later than the 30th day after the date the Owner has notice of a change in any of the foregoing information, and shall provide the information on request by the Association from time to time. If an Owner fails to maintain a current mailing address with the Association, the address of that Owner's Unit shall be deemed to be his or her mailing address.

Section 9.3 *Registration of Mortgagees*. An Owner who mortgages his or her Unit shall furnish the Board of Directors with the name and mailing address of his or her mortgagee.

Section 9.4 *Assessments*. Each Member is obligated to pay to the Association and/or Master Association Regular Assessments and Special Assessments. A Member shall be deemed to be in good standing and entitled to vote at any meeting of the Association if he or she is current in the Assessments made or levied against him or her and his or her Unit.

Section 9.5 *Compliance With Condominium Documents*. Each Owner shall comply with the provisions and terms of the Condominium Documents, and any amendments thereto. Further, each Owner shall always endeavor to observe and promote the cooperative purposes for which the Condominium was established.

ARTICLE X

Association Records

Section 10.1 *Records*. The Association shall use its best efforts to keep the following records:

- (a) Minutes or a similar record of the proceedings of meetings of the Association.
- (b) Minutes or a similar record of the proceedings of meetings of the Board of Directors.
- (c) The name and mailing address of each Member, the currency and accuracy of the information being the responsibility of the Members.
- (d) The name and mailing address of each mortgagee, the supply of, and the currency and accuracy of, the information being the responsibility of each Member and such Member's mortgagee.
- (e) Financial records and books of account for the Association that comply with generally accepted accounting principles and that are sufficiently detailed to enable the Association to prepare a resale certificate as provided for in the Act. Such financial records and books of account shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and

Owners.

- (f) The plans and specifications used to renovate the Condominium.
- (g) The plans and specifications acquired by the Association over time for improvements to the Condominium as provided to the Association by the Declarant or the Owners.
- (h) The Condominium Information Statement and any amendments thereto.
- (i) Copies of income tax returns prepared for the Internal Revenue Service,
- (j) Copies of the Condominium Documents and all amendments to any of these. Also, for at least four (4) years, all voting records, proxies, and correspondence by which amendments to the Condominium Documents were approved.

Section 10.2 *Inspection of Books and Records.* An Owner, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the Association relevant to that purpose, at the expense of the Owner. The Board of Directors shall have the authority to determine, in their reasonable discretion, a "proper purpose". Provided, however, and without limitation, the following books and records shall not be made available for inspection: books and records or other information involving personnel matter, pending litigation matters, matters involving invasion of privacy of individual unit owners, or matters that are to remain confidential by request of the affected parties and agreement of the board.

Section 10.3 *Annual Audit.* The books and records of the Association shall be audited annually by qualified independent auditors in accordance with generally accepted accounting principals within ninety (90) days after the end of the fiscal year of the Association, or as soon thereafter as practicable. The cost of such audit shall be a Common Expense, and copies of any such audit shall be made available to all Owners.

Section 10.4 *Resale Certificates.* The Managing Agent, if any, or any officer of the Association may prepare, or cause to be prepared, certify, and execute resale certificates in accordance with Section 82.157 of the Act. The Association may charge a reasonable fee for preparing a resale certificate. The Association may refuse to finish a resale certificate until the fee is paid. Any unpaid fees may be assessed against the Unit for which the resale certificate is furnished.

ARTICLE XI

Indemnification and Insurance

Section 11. 1 *Indemnification.* Each person who is or was a Director, officer, or committee member of the Association, or any person who, while a Director, officer, or committee member of the Association, is or was serving at the request of the Association as a Director, officer, committee member, partner, venturer, proprietor,

employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, and the heirs, executors, or administrators or estate of such person, shall be indemnified by the Association to the fullest extent permitted or authorized by the Act or any successor provision, as amended from time to time, against any liability, cost, or expense incurred by such person in his or her capacity as a Director, officer, or committee member, or arising out of his or her status as a Director, officer, or committee member. Provided, however, that the foregoing indemnity obligations shall not apply to acts or omission of a Director which are deemed criminal, as a result of willful misconduct, or outside the scope or capacity of his or her duties and/or office. The rights granted pursuant to this Article XI shall be deemed contract rights, and no repeal or amendment of this Article XI shall have the effect of limiting or denying any such rights with respect to actions taken or proceedings arising prior to any such amendment or repeal.

Section 11.2 *Advance Payments.* The Association may, but shall not be obligated to, pay expenses incurred in defending a civil or criminal act, suit or proceeding arising out of a Director's, officer's, or committee member's capacity or status as Director, officer, or committee member in advance of the final disposition of such action, suit, or proceeding, without any determination as to the person's ultimate entitlement to indemnification; *provided, however,* that the payment of such expenses incurred by any such person in advance of the final disposition of a proceeding shall be made only upon delivery to the Association of both a written affirmation by such person of his or her good-faith belief that he or she has met the standard of conduct necessary for indemnification under this Article XI and a written undertaking, by or on behalf of such person, to repay all amounts so advanced if it is ultimately determined that such person is not entitled to be indemnified under this Article XI or otherwise.

Section 11.3 *Appearance as a Witness.* Notwithstanding any other provision of this Article XI, the Association may, but shall not be obligated to, pay or reimburse expenses incurred by a Director, officer or committee member in connection with his or her appearance as a witness or other participation in a proceeding at a time when he or she is not a named defendant or respondent in the proceeding.

Section 11.4 *Indemnification of Employees and Agents.* The Association, by adoption of a resolution of the Board of Directors, may, but shall not be obligated to, indemnify and advance expenses to an employee or agent of the Association to the same extent and subject to the same conditions under which the Association may indemnify and advance expenses to Directors, officers and committee members under this Article XI

Section 11.5 *Non-Exclusive.* The indemnification provided by this Article XI shall not be exclusive of any other rights to which those seeking indemnification may be entitled as a matter of law or under any agreement or otherwise.

Section 11.6 *Insurance.* The Association may, but shall not be obligated to, maintain Insurance at its expense, to protect itself and any person who is or was a Director, officer, committee member, employee, or agent of the Association or is or was serving at the request of the Association as a Director, officer, committee member,

partner, venturer, proprietor, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise against any liability asserted against him or her and any liability, cost, or expense incurred by him or her in such capacity or arising out of his or her status as such a person, whether or not the Association would have the power to indemnify such person against that liability under this Article XI or the Act.

ARTICLE XII

Declarant Provisions

Section 12.1 *Conflict*. The provisions of this Article XII shall control over any provision to the contrary elsewhere in these Bylaws.

Section 12.2 *Board of Directors*. During the period of Declarant control, Section 10 of the Declaration shall govern the number, qualification, and appointment of Directors. The initial Directors shall be appointed by Declarant and need not be Owners or Residents. Directors appointed by Declarant may not be removed by the Owners and may be removed by Declarant only. Declarant has the right to fill vacancies in any directorship vacated by a Declarant appointee.

Section 12.3 *Declarant Control; First Meeting of Owners*. The first meeting of Owners shall be held not later than (i) one hundred twenty (120) days following the conveyance by Declarant of more than seventy-five percent (75%) of the Units or (ii) three (3) years after the first Unit is conveyed by Declarant. Until the first meeting of Owners, the affairs of the Association shall be managed by the first Board of Directors named in the Articles or their successors, and during such period it shall have the right to exclusively represent, act as and constitute the Board of Directors, shall have the protection referenced under Article XI hereof and shall have the right to exclusively exercise and perform all of the rights, powers, authority, functions and duties herein or in the Act or these Bylaws given to the Association or the Board of Directors; *provided, however,* not later than one hundred twenty (120) days following the conveyance by Declarant of more than fifty percent (50%) of the Units, not less than one-third of the members of the Board of Directors shall be elected by Owners other than the Declarant.

ARTICLE XIII

Amendment of Bylaws

Section 13.1 *Proposals*. The Association shall provide an Owner of each Unit with any proposed amendment of these Bylaws in accordance with the requirements of §82.070 of the Texas Property Code, as same may be amended from time to time. Such description shall be included in the notice of any annual or special meeting of the Association if such proposed amendment is to be considered at said meeting.

Section 13.2 *Consents*. Except as otherwise provided by law or the Declaration, an amendment shall be adopted by the affirmative vote of at least fifty-one percent (51%) of the Percentages of Common Interest Ownership entitled to be cast by the Members.

Section 13.3 *Effective*. To be effective, each amendment must be in writing, reference the names of the Condominium and the Association, be signed by at least two officers acknowledging the requisite approval of Members, and be delivered to an Owner of each Unit at least 10 days before the amendment's effective date. Further, if these Bylaws are publicly recorded, the amendment must recite the recording data for the Bylaws, be in a form suitable for recording as a real property record, and be delivered to the county clerk for recordation.

Section 13.4 *Declarant Protection*. As long as the Declarant owns a Unit in the Condominium, no amendment of these Bylaws may affect the Declarant's rights herein without the Declarant's written and acknowledged consent. Specifically, this Section 12.4 may not be amended without prior written approval of the Declarant. The Declarant's written consent shall be part of the amendment instrument.

Section 13.5 *Commercial Units Owner Protection*. After the termination of the period of Declarant Control, no amendment to the Declaration, these Bylaws or the Rules materially adversely affecting the rights or obligations of the Owners of the Commercial Units (including the Roof-top Commercial Units) shall be valid unless such amendment is also approved by the Owners of the Commercial Units (including the Roof-top Commercial Units).

ARTICLE XIV

Dissolution

Section 14.1 *Dissolution*. The Association may be dissolved with the consent given in writing and signed by Members entitled to cast at least ninety percent (90%) of the Percentages of Common Interest Ownership; *provided, however*, that no such agreement to dissolve shall be effective unless made at least 120 days in advance of the effective date of such dissolution, and unless written notice of the proposed dissolution is sent to every Member at least thirty (30) days in advance of any action taken. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE XV

General Provisions

Section 15.1 *Contracts*. The President shall have the power and authority to execute, on behalf of the Association, contracts or instruments in the usual and regular course of business, and in addition the Board of Directors may authorize any officer or officers, agent or agents, of the Association to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the

Board of Directors or these Bylaws, no officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit or to render it peculiarly liable for any purpose or in any amount.

Section 15.2 *Checks, Drafts, etc.* All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officers, employees or agents of the Association as shall from time to time be authorized pursuant to these Bylaws or by resolution of the Board of Directors.

Section 15.3 *Depositories.* All funds of the Association shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may from time to time designate, and upon such terms and conditions as shall be fixed by the Board of Directors. The Board of Directors may from time to time authorize the opening and maintaining within any such depository as it may designate, of general and special accounts, and may make such special rules and regulations with respect thereto as it may deem expedient.

Section 15.4 *Corporate Seal.* The corporate seal, if any, shall be in such form as the Board of Directors shall approve, and such seal, or a facsimile thereof, may be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature required to be executed by officers of the Association.

Section 15.5 *Compensation.* A Director, officer, Member, or Resident shall not be entitled to receive any pecuniary profit from the operation of the Association, and no funds or assets of the Association may be paid as a salary or as compensation to, or be distributed to, or inure to the benefit of, a Director, officer, Member, or Resident; *provided, however, that:*

- (a) reasonable compensation may be paid to a Director, officer, Member, or Resident for services rendered to the Association;
- (b) a Director, officer, Member, or Resident may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred on behalf of the Association in connection with the administration of the affairs of the Association, provided such expense has been approved by the Board of Directors; and this provision does not apply to distributions to Owners permitted or required by the Declaration or the Act.

Section 15.6 *Delegation of Responsibilities.* Except as otherwise provided by the Declaration, the Articles, these Bylaws, or the laws of the State of Texas, the Board of Directors may delegate certain of its responsibilities or the responsibilities of Officers of the Association to a manager or to a managing agent.

Section 15.7 *Action by Non-Unanimous Written Consent.* Unless otherwise restricted by law, the Articles or these Bylaws, any action required or permitted to be taken at any meeting of the Members, members of the Board of Directors, or members of any committee of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action to be so taken, is signed by a sufficient number of

Members, members of the Board of Directors, or committee members as would be necessary to take that action at a meeting at which all of the Members, members of the Board of Directors, or committee members were present and voted. Such written consent shall bear the date of the signature of each Member, member of the Board of Directors, or committee member who signs the consent, and such written consent shall not be effective unless, within sixty (60) days after the date of the earliest dated consent, a consent or consents signed by the required number of Members, members of the Board of Directors, or committee is delivered to the Association. Delivery shall be by hand or certified or registered mail, return receipt requested. Prompt notice of the taking of any action by Members, members of the Board of Directors, or committee members without a meeting by less than unanimous written consent shall be given to all Members, members of the Board of Directors or committee members who did not consent in writing to the action. This Section may not be used to avoid the requirement of an annual meeting.

Section 15.8 *Meetings by Conference Telephone.* The Members, members of the Board of Directors, or members of any committee of the Board of Directors may participate in and hold a meeting of the Members, members of the Board of Directors, or committee members by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in such meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 15.9 *Conflicting Provisions.* If any provision of these Bylaws conflicts with any provision of the laws of the State of Texas, such conflicting Bylaws provision shall be null and void, but all other provisions of these Bylaws shall remain in full force and effect. In the case of any conflict between the Articles and these Bylaws, the Articles shall control. In the case of any conflict between, the Declaration and these Bylaws, the Declaration shall control.

Section 15.10 *Severability.* Invalidation of any provision of these Bylaws, by judgment or court order, shall in no wise affect any other provision which shall remain in full force and effect. The effect of a general statement shall not be limited by the enumerations of specific matters similar to the general.

Section 15.11 *Fiscal Year.* The fiscal year of the Association shall be set by resolution of the Board of Directors, and is subject to change from time to time as the Board of Directors shall determine. In the absence of a resolution by the Board of Directors, the fiscal year shall be the calendar year.

Section 15.12 *Waiver.* No restriction, condition, obligation, or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

Section 15.13. *Use of Names, Proprietary Information.* The names "Palisade

Palms" "Trade Winds", and "The Beach Club" as used within this document and related documents referenced herein which relate to the Palisade Palms Subdivision and the Trade Winds/The Beach Club Condominium at Palisade Palms located in Galveston, Galveston County, Texas are proprietary to Declarant and may not be used by any person or entity for any commercial use, pecuniary gain, or profit; and may not be used for any personal use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites, or other methods or manner of communication without the prior written consent or authorization of the Declarant. The violation of the foregoing provisions shall be subject to injunctive relief. Similarly, the use of the names Trade Winds/The Beach Club Condominium Association, and Palisade Palms Master Association shall be proprietary to the respective associations and may not be used by any person or entity for any commercial use whatsoever, including, without limitation, the creation, publication, or distribution of newsletters, publications, internet websites or other methods or manner of communication without the prior consent of or authority of the respective Association. The violation of the foregoing shall be subject to injunctive relief.

EXHIBIT 1 TO THE BYLAWS

RULES

OF

TRADE WINDS/THE BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

These Rules have been adopted by the Board of Directors of Trade Winds/The Beach Club Condominium Association, Inc., a Texas nonprofit corporation and condominium association (the "**Association**"), in accordance with the provisions of Section 8F of the Declaration of Condominium for the Trade Winds/The Beach Club Condominium at Palisade Palms (the "**Declaration**"), and the Bylaws of the Association, to be recorded in the Real Property Records of Galveston County, Texas.

These Rules apply to the Units and Common Elements of the Trade Winds/The Beach Club Condominium at Palisade Palms (the "**Condominium**"). By owning or occupying a Unit in the Condominium, each Owner and Resident agrees to abide by these Rules, as well as the obligations of Owners and Residents provided in the Declaration and Bylaws.

For the convenience of Owners and Residents of the Condominium, these Rules restate some of the rules and covenants contained in the Declaration. Most of these Rules, however, are in addition to the restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules. In the event of a conflict between Condominium Documents (as defined herein), the hierarchy of authority shall be as follows: Declaration (highest), Articles of Incorporation, Bylaws, these Rules, the community policies promulgated by the Board (lowest).

A. COMPLIANCE

A-1. *Compliance.* Each Owner shall comply with the provisions of these Rules, the Declaration, the Bylaws, and community policies promulgated by the Board of Directors to supplement these Rules, as any of these may be revised from time to time (collectively, the "**Condominium Documents**"). Each Owner, additionally, shall be responsible for compliance with the Condominium Documents by the occupants of his or her Unit, and his or her or their respective families, invitees, tenants, agents, employees, or contractors. Use of "Owner" or "Resident" in these Rules shall be deemed to include and apply to the Owner of a Unit in the Condominium and to all persons for whom the owner is responsible. An Owner should contact the Board of Directors if he or she has a question about these Rules.

- A-2. *Additional Rules.* Each Resident shall comply with all rules and signs posted from time to time on the Condominium by the Association, any recreational facilities, and the Common Elements. Such posted rules are incorporated in these Rules by reference. Each Resident shall comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Condominium. Such temporary rules are incorporated in these Rules by reference.
- A-3. *Waiver.* Certain circumstances may warrant waiver or variance of these Rules. An Owner must make written application to the Board of Directors for such waiver or variance. If the Board of Directors deems the waiver or variance warranted, the Board of Directors may condition its approval, which must be in writing to be effective. Any consent or approval given under these Rules by the Board of Directors shall be revocable at any time.
- A-4. *Fines.* The Association may levy a fine, not to exceed One Hundred and No/100 Dollars (\$100.00) per occurrence or per day (as the case may be), for violations of these Rules.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. *Safety.* Each Resident is solely responsible for his or her own safety and for the safety, well-being and supervision of his or her guests and any person on the Condominium to whom the Resident has a duty of care, control, or custody.
- B-2. *Damage.* Each Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other Residents or their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible. Each Owner shall close all exterior windows and doors when necessary to avoid possible damage from storms or the elements. All damage to the Condominium caused by construction or repair activities within an Owner's Unit, or by the moving of any article therefrom or by the carrying of any article thereto, shall be paid for by the Owner responsible for such construction or repair activities or the presence of such article.
- B-3. *Association Does Not Insure.* Each Resident is solely responsible for insuring his or her personal property in the Unit and on the Condominium and/or property not covered by the Association's insurance, including his or her furnishings, automobile, and items kept in storage areas. Personal property placed in or on the Condominium shall be solely at the risk of the owner of such personal property. Each Resident is also solely responsible for such Resident's liability to third parties for occurrences within the Resident's Unit. **The Association urges Owners and Residents to purchase property insurance on their personal belongings and liability insurance for occurrences within their Units and incidental damage resulting therefrom.**

- B-4. *Risk Management.* No Resident shall permit anything to be done or kept in his or her Unit or the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.
- B-5. *Reimbursement for Enforcement.* An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the Condominium Documents against the Owner, his or her Unit, or persons for whom the Owner is responsible.
- B-6. *Reimbursement for Damage.* An Owner shall promptly reimburse the Association for the cost of damage to the Condominium caused by the negligent or willful conduct of the Owner or the persons for whom the Owner is responsible.

C. OCCUPANCY STANDARDS

- C-1. *Numbers.* A Residential Unit may be occupied by no more than two (2) persons per bedroom, unless higher occupancy is mandated by public agencies that enforce compliance with the familial status protection of the Fair Housing Act.
- C-2. *Danger.* The Association may prohibit occupancy by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others, pursuant to the Fair Housing Act.
- C-3. *Occupancy Defined.* Occupancy of a Residential Unit for purposes of these Rules, shall mean occupancy of at least seven (7) continuous days or 30 noncontinuous days in any 12 month period.
- C-4. *Term of Lease.* A Residential Unit may not be leased for hotel purposes or for a term of less than one (1) week. Less than the entire Residential Unit may not be leased.
- C-5. *Leases.* As to the Residential Units: Each lease must be in writing for a minimum of a one (1) week, and shall be subject in all respects to the provisions of the Condominium Documents, as amended from time to time, these Rules and Regulations, as amended from time to time, and all instruments affecting title to the condominium property. Any failure by a tenant to comply with the terms of any such documents shall constitute a default under such lease enforceable by the Association as the intended third-party beneficiary of the same. An Owner shall provide the Board of Directors with a copy of each lease of that Owner's Unit.
- C-6. *No Rental Pool.* Neither a Unit Owner nor the Association may be a party to any agreement with the Declarant or any third party in which the Unit Owner receives a share of income from the aggregate net income produced from rental of other Units or from other commercial activities in the Condominium (a so called "rental pool").

- C-7. *Sales.* The Association may not act as listing or selling agent for any Unit sales in the condominium; provided, however, the Association may operate or manage a program for Unit rentals, subject to Rule C-6 above. The Declarant or an affiliate of Declarant shall have the exclusive right to establish a sales office on the Condominium premises for either original sales or resales. Any listing agent or broker must accompany all prospective buyers during any Unit tours or showings and must register with the Association's management agent to conduct such tours or showings.

D. GENERAL USE AND MAINTENANCE OF RESIDENTIAL UNITS

- D-1. *Residential Use.* Each Unit must be used solely for Residential use, and may not be used for commercial or business purposes. This restriction shall not prohibit a Resident from using his or her Unit for a limited business purpose, provided that: (i) such use is incidental to the Unit's Residential use; (ii) such use conforms to all applicable laws and ordinances; and (iii) there is no external evidence of such use. In no event shall such limited business use unreasonably interfere with the quiet enjoyment of the other Owners of their Unit or involve the sale of goods or merchandise to the public. In addition, consultation with clients or customers at a Unit shall not be permitted. Notwithstanding the foregoing, the use of a Unit for the maintenance of a personal or professional library; for the keeping of personal, business or professional records of accounts; or for the handling of personal business or professional telephone calls or correspondence shall not be deemed to be a violation of these provisions.
- D-2. *Annoyance.* No Unit may be used in any way that: (i) may reasonably be considered annoying to occupants of neighboring Units; (ii) may be calculated to reduce the desirability of the Condominium as a residential community; (iii) may endanger the health or safety of other Residents; or (iv) may violate any law or any provision of the Condominium Documents.
- D-3. *Maintenance.* Each Owner, at his or her sole cost and expense, shall maintain his or her Unit and any Limited Common Elements appurtenant thereto in a clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, cable, television, plumbing, power or other utility systems throughout the Condominium and each Owner shall be responsible for his or her negligence or misuse of any of the Common Elements or his or her own facilities resulting in damage to the Common Elements.
- D-4. *Flooring.* No Owner may alter the floor assembly, which is designed to mitigate sound transmission, without approval of the Board and, in the Board's sole discretion, certification by a qualified engineer that such alternative floor system has equal or greater sound transmission mitigation properties (as measured by the STC Rating of the alternative floor system) as that originally installed by the Declarant. Any wood, tile or other hard surface flooring within a Unit shall have such sub-flooring as the Association may require to insure that such wood, tile or other hard surface flooring shall not create a nuisance or disturbance to other Owners.

- D-5. *Patio/Balcony/Terrace.* Each Resident shall keep his or her Unit and patio, balcony, or terrace in a good state of cleanliness, taking care that the cleaning of his or her patio, balcony, or terrace does not annoy or inconvenience other Residents. No plants shall be watered on a patio, balcony, or terrace such that water overflows onto any other patio, balcony, terrace, or the exterior surface of the Building. No animal shall be fed on or from any patio, balcony, or terrace. Each Owner shall be responsible and liable for any item which falls or is thrown from such Owner's patio, balcony, or terrace by any person for whom the Owner is responsible. A patio/balcony/terrace may not be enclosed or used for storage purposes. If the Board of Directors determines that a patio/balcony/terrace is unsightly, the Owner shall be given notice by the Board of Directors to correct the problem within 5 days, after which the Board of Directors may take corrective action at the Owner's expense.
- D-6. *Water Closets.* Water closets and other water apparatus in the Units shall not be used for any purposes other than those for which they were constructed nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse or clogging of any water closet or other apparatus shall be paid for by the Owner in whose Unit it shall have been caused. All clothes washers shall use a low sudsing detergent.
- D-7. *Glass.* Each Owner, at his or her sole cost and expense, shall promptly repair and replace any broken or cracked glass in his or her Unit's windows and doors.
- D-8. *Air Conditioning Equipment.* Each Owner, at his or her sole cost and expense, shall maintain, repair, and replace the heating and cooling equipment/system serving his Unit.
- D-9. *Combustibles.* No Owner shall use or permit to be brought into or stored in the Condominium (including within a Unit) any flammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the prior written consent of the Board of Directors or the Condominium manager.
- D-10. *Barbecue Grills/fires on Balcony/Terrace.* The use of outside grills on Patio(s) and Terrace(s) and/or the placement of any fixture, item, or apparatus for the containment of fires (i.e. fireplace, "chiminea", etc.) shall be governed by this paragraph. The use of any outside/outdoor grills on any Balcony or Terrace shall be expressly limited to electric grills of the type, and having the specifications approved by the Declarant during the Declarant Control Period, and after the expiration of the Declarant Control Period, by the Association, acting by and through its Board of Directors. The use of gas, propane, charcoal or open fires for grilling on Balcony(ies) or Terrace(s) shall be expressly prohibited. Permitted electrical grills must be supervised at all times during use, may not be used near combustible materials, and must be in full compliance with all applicable governmental codes (including the City of Galveston fire code). No open fires or contained fires (whether in fireplaces, "chimineas", or the like) shall be permitted on any Patio or Balcony.

- D-11. *Obligation to Report Malfunctions.* A Resident shall immediately report to the Board of Directors his or her discovery of any leak, break, or malfunction in any portion of his or her Unit or the adjacent Common Elements for which the Association has a maintenance responsibility. The failure to report promptly a problem may be deemed negligence by the Resident, who may be liable for any additional damage caused by the delay.
- D-12. *Utilities.* Each Resident shall endeavor to conserve the use of utilities furnished through the Association, including water consumption within his or her Unit.
- D-13. *Frozen Water Pipes.* Because the Condominium is constructed with water lines in exterior walls, it is the duty of every Owner and Resident to protect such water lines from freezing during winter months. Between November 1 and March 25 of any year, no Unit may be left unheated. During periods of anticipated below-freezing temperatures, water lines in exterior walls should be allowed to drip continuously, and cabinets enclosing plumbing lines should be left ajar. Dishwashers on exterior walls should not be used during and immediately after periods of extreme cold. Failure by an Owner or Resident to monitor the local weather and take appropriate precautions shall be deemed negligence.
- D-14. *Moving.* Trunks, furniture, appliances and heavy baggage shall be taken in or out of the Condominium by the designated route to and through the designated elevator and at the time designated by the Board of Directors for that purpose, and through the designated entrance only. All moving shall require prior reservation of the elevator with the Condominium manager.

E. COMMUNITY ETIQUETTE

- E-1. *Courtesy.* Each Resident shall endeavor to use his or her Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.
- E-2. *Annoyance.* No unlawful, noxious or offensive activity shall be conducted or carried on in any Unit, or upon the Common Elements or anywhere else in the Condominium, nor shall anything be done therein or thereon which may be or become an annoyance or a nuisance to other Owners or the neighborhood or cause unreasonable noise or disturbance to others, or which shall interfere in any manner with any Owner's quiet enjoyment of his or her Unit.
- E-3. *Noise and Odors.* Each Resident shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Residents of other Units. The use or discharge of firearms, firecrackers or fireworks is expressly prohibited within or from the Condominium.
- E-4. *Reception Interference.* Each Resident shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Condominium.

- E-5. *No Personal Service.* The Association's employees and agents are not permitted or authorized to render personal services to Residents. Each Resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Resident.
- E-6. *Compliance with Law.* Residents may not use the Condominium for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of the City of Galveston, Texas. A Resident who violates this provision shall hold the Association and other Owners and Residents harmless from all fines, penalties, costs, and prosecutions for the Resident's violation or noncompliance.

F. ARCHITECTURAL CONTROL AS TO RESIDENTIAL UNITS

F-1. *Alterations, Additions and Improvements.*

There is hereby established an Architectural Control Committee (sometimes referred to as the "ACC"). For so long as the Declarant owns any Unit in the Condominium, the Declarant shall act as the Committee, and shall appoint one (1) or more committee member(s) to serve in such capacity at the direction and pleasure of the Declarant. The Declarant shall have the right, at any time, to transfer control of the ACC to the Board of Directors of the Association by an instrument in writing; however, such control shall automatically be transferred to the Board of Directors of the Association at such time that the Declarant does not own any Units in the Condominium. When ACC control is assigned to the Board of Directors of the Association, the Board shall appoint a committee of not less than three (3) members, all of which shall be members of the Association, to act as the ACC. Members of the ACC so approved by the Board shall serve for such periods as directed by the Board at the pleasure of the Board. Any members of the ACC may be removed by the Board within or without cause and the Board shall approve a successor.

When the ACC is controlled or constituted by the Declarant or the Board of Directors, the ACC shall act as the decision making body concerning any matter set forth in this Section. Decisions of the ACC shall be enforced by the Association, acting through the Board. Provided however, that decisions of the Declarant controlled ACC may be enforced by the Declarant if the Association fails or refuses to enforce same.

No alterations of any portion of the Common Elements or additions or improvements thereon shall be made by any Owner without the prior written approval of the ACC. No alteration of any portion of the Common Elements or any additions or improvements therein which are visible from the exterior of the building shall be made by any Owner without the prior written approval of the Master Association. No Owner shall make any structural modification or substantial improvement to or alteration of or to his or her Unit or the Common Elements, including any alteration or modification involving plumbing, electricity,

fire protection and security systems, heating, ventilating, air conditioning systems or any mechanical or structural systems, except in a manner authorized in writing by the ACC. To the extent deemed necessary by the ACC, all payment and performance bonds required by the ACC, names of all contractors, subcontractors and other parties which will be involved therewith, plans, specifications, mechanical and engineering drawings and renderings for any proposed structural modification or substantial alteration, improvement to or modification of a Unit must be submitted, no less than thirty (30) days prior to the date of commencement of such work, by such Owner to the ACC for review and approval. The ACC may impose such specifications and requirements as it may reasonably deem necessary in connection therewith, including, without limitation, the right to require (but having no duty to so require) that the Owner provide assurances that the alterations, additions, improvements, and modifications comply with all applicable governmental requirements. Further, the ACC has the right to approve or deny any of such alterations, additions, modifications or improvements, or the contractors, subcontractors or other personnel performing same, so that, among other reasons, the quality, integrity and safety of the Condominium can be promoted and in order to ensure that the alterations, additions, improvements and modifications (i) are consistent and compatible with the existing Building, and (ii) do not encourage or involve a violation of the Condominium Documents. In the event any Owner constructs or causes to be constructed any alteration, addition, improvement or other modification to his or her Unit which encroaches on any Common Element or any other Unit, the ACC may require such Owner, at his or her sole cost and expense, to remove such encroachment and to restore and repair any damage caused by same or attributable thereto. No approval by the ACC of any such alterations, additions, modifications or improvements, or the plans, specifications, mechanical and engineering drawings and renderings, or the contractors, subcontractors or other personnel performing same, will be or constitute any representation or warranty by the ACC as to the adequacy or sufficiency thereof, or of the compliance of same with any applicable laws, codes or ordinances. All alterations, additions, modifications or improvements must be performed in a prompt, diligent and professional manner, must comply with the plans, specifications, mechanical and engineering drawings and renderings submitted to the ACC (with any requisite changes, additions, modifications or alterations thereto which may be imposed by the ACC), and must comply with all applicable codes, ordinances, laws and regulations applicable thereto.

The foregoing provisions may not be amended or modified without the consent and joinder of the Declarant for so long as the Declarant owns any Unit in the Condominium.

F-2. *Prohibited Acts.* No person may:

- a. Post or inscribe signs, notices, or advertisements on the Common Elements or in a Unit if visible from outside his Unit, including "For Sale" signs.
- b. Place or hang an object in, on, from, or above any window, interior window sill, balcony, terrace, or patio that, in the opinion of the Board of Directors, detracts from the appearance of the Condominium.
- c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies, patios, or passageways.
- d. Erect or install exterior horns, lights, speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof.
- e. Place decorations on exterior walls, windows, or doors, or on the General Common Elements.

F-3. *Window Treatments and Exterior Shutters.* An Owner may install window treatments inside his or her Unit, at his or her sole expense, provided:

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

An Owner may install exterior shutters (roll up/down type, sliding, etc.) on the exterior windows and doors provided that (i) same are installed in accordance with the then applicable rules and regulations of the Master Association, and approved in writing by the ACC, (ii) that same are installed so as to not damage any part of the common elements or adversely affect the common elements (including causing or permitting water penetration), (iii) that the Association shall not have the responsibility to maintain or repair same; and (iv) to maintain uniformity of appearance, the shutters are kept open at all times except within three days prior to any announced storm warnings or watches (affecting the City of Galveston) and during any such storm.

- F-4. *Board of Directors Approval.* To obtain the Board of Directors' written consent for a modification, an Owner must submit to the Board of Directors complete plans and specifications showing the nature, kind, shape, size, materials, colors, and location for all proposed work, and any other information reasonably requested by the Board of Directors. The Board of Directors' failure to respond to the Owner's written request within 45 days after it receives the Owner's request shall be construed as no objection to the proposed changes.

G. TRASH DISPOSAL

- G-1. *General Duty.* Resident shall not litter Common Elements, shall endeavor to keep the Condominium clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose. No garbage, trash, rubbish, waste, or waste bins or receptacles therefore shall be permitted to remain on any portion of the Common Elements, except on those days specifically scheduled for collection thereof and in areas specifically designated therefore. All garbage, trash, rubbish, and other waste shall be kept only in sanitary containers.
- G-2. *Hazards.* Resident may not store trash inside or outside his or her Unit in a manner that encourages vermin, causes odors, or may permit the spread of fire. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, Resident shall ensure that the debris is thoroughly cold.
- G-3. *Excess Trash.* Resident shall place trash entirely within a trash container within the designated trash room, and may not place trash outside, next to, or on top of trash container. If a trash container is full, Resident should locate another trash container or hold his or her trash. Boxes and large objects should be crushed or broken down before placed in trash container. Trash container doors are to be closed at all times when not in use. Resident shall arrange privately for removal of discarded furnishings or any unusually large volume of debris. Owner and Owner's contractors, subcontractors, agents, employees and other parties involved in any construction to or on such Owner's Unit shall confirm that any and all refuse, waste, trash, garbage, rubbish, remains, scraps, and other materials and supplies which are brought onto the Condominium by such parties, or any of them, is removed, at such Owner's expense, at such times, manners and locations as may be required by the Association or the Managing Agent (if any).

H. PETS

- H-1 *Conditional Permission To Keep Or Maintain Pets.* Pet(s) shall be conditionally permitted in accordance with the provisions of this paragraph H. Provided that, and as conditions precedent, all of the following rules are met and maintained at all times, each resident shall be permitted, on a conditional basis, to keep or maintain pet(s) in compliance with the following rules (conditional permission). If any of the following rules are violated, the conditional permission to keep or maintain any pet in violation of such rules shall be subject to being revoked by the Board in the Boards' sole and absolute discretion.

H-2. *Restrictions As To Pet(s)*. The following rules shall apply to all residents and their pet(s). Violation of any of the following rules may be the basis for revocation of the conditional permission to keep such pet(s).

- a. No animals shall be kept except normal and customary household domestic pets (i.e. dogs, cats, fish, birds, etc.). Reptiles, exotic species, and endangered species are expressly prohibited.
- b. A resident may keep up to two (2) animals within a Unit. There shall be no restriction on the number of fish within the Unit.

Permitted pets may also include specifically trained animals that serve as physical aids to handicapped residents.

- c. All residents shall provide the Association with a list of the household pets kept or maintained in their unit (i.e. number, species, breed, etc.) and/or otherwise register their household pets with the Association on such forms, and provide such information, as the Association shall reasonably require. The Association shall be authorized to collect or levy a registration fee in connection with such registry.
- d. No pets may be kept or bred for any commercial purpose.
- e. No pet shall be kenneled or tethered unattended for any period of time on any balcony, patio, or any part of the limited or general common elements of the property.
- f. ALL PETS MUST BE ON A LEASH OR CONTAINED AND MAINTAINED UNDER THE CONTROL OF THEIR OWNER WHILE ON THE COMMON AREA. THERE SHALL BE NO EXCEPTIONS (the City of Galveston leash law also mandates this). No pet shall be allowed to run loose within the property. Animals being transported from a unit to an automobile or another unit must be on a leash, securely carried, or carried within a pet carrier.
- g. No savage or dangerous animal shall be kept, or any animal deemed by the Board of Directors to be a potential threat to the well being of other Residents or visitors or animals.
- h. Each resident who maintains a pet shall be responsible to pick up and dispose of any defecation by such pet on the property.

- i. Except as provided herein, PETS ARE NOT ALLOWED IN THE SWIMMING POOL OR IN THE POOL ENCLOSURE AREA AT ANY TIME.
 - j. Residents are not permitted to bathe dogs and/or cats outside or in the common area. All animals must be bathed inside the resident's unit.
 - k. Cats are not allowed to roam on or about the property. Cat traps may be set out periodically and any stray cat caught in any such trap will be turned over to the City of Galveston department of Animal Registration and Care (or its then existing equivalent).
 - l. Residents who keep or maintain pet(s) in accordance with these rules must be responsible pet owners and not allow their pet(s) to unreasonably interfere with the rights of the other residents or disturb another resident's rest or quiet and peaceful enjoyment of his or her Unit or the common elements.
 - m. All pet(s) shall have such care and restraint so or not to be obnoxious or offensive on account of noise, odor, or unsanitary condition. No pet shall be permitted to bark, howl, whine, screech or make other loud noises for extended or repeated percent of time.
- H-3 *Violation Of Rules, Revocation Of Conditional Permission.* In the event that any resident violates any of the foregoing rules, or fails or refuses to maintain and care for his/her/their pets, or allows their pets to unreasonably interfere with the rights of the other residents, or such pets are determined to be offensive on account of noise, odor, or pose a threat to other residents, the Board, in its sole discretion, shall have the right to revoke the permission to keep any pet in violation of the rules and these provisions, and the resident shall be obligated to promptly remove and relocate any such animal determined by the Board to be in violation of these provisions. The Association shall have the right to pursue all available legal remedies to cause the owner/resident to remove any such pet, including, without limitation, a mandatory injunction.
- H-4 *Damage/Indemnity.* Each Resident shall be responsible for any property damage, injury, or disturbance his or her pet may cause or inflict. Each Resident shall compensate any person injured by his/her pet. Any resident who causes any animal to be brought or kept upon the premises of the condominium property shall indemnify and hold harmless the Association for any loss, damage, cost or liability which the Association may sustain as a result of the presence of such animal on the premises.

I. SATELLITE DISH(ES)

I-1. *Covered Antennas.* These rules shall cover the installation of any device used for the transmission and receipt of video or audio services, including direct broadcast satellite (DBS), telecommunication broadcast and multipoint distribution service (MDS), including conduits and wiring and other accessories necessary for the proper installation, maintenance, and use, all as covered by the Telecommunications Act of 1996 (the "FCC Rules"), and which includes the following:

- a) Antennas designed to receive Direct Broadcast Satellite (DBS) Service that are 39.4 inches (1 meter) or less in diameter; and
- b) Antennas designed to receive multipoint Distribution Service (MDS) Service that are 39.4 inches (1 meter) or less in diameter.

(collectively, the "Covered Antennas")

All other antennas, satellite dishes, receiving or transmitting devices shall be expressly prohibited unless wholly within a Unit or not visible to the exterior of the building.

These Rules shall not apply to the Roof-top Commercial Unit.

I-2 *Installation Rules*

- a) Owners may install Covered Antennas according to the following Guidelines provided that these Guidelines do not unreasonably delay the installation, maintenance or use of such Covered Antenna; do not unreasonably increase the cost of installation, maintenance or use of such Covered Antenna; or preclude reception of acceptable quality signals from Covered Antennas.
- b) No Antenna of any kind shall be permitted or installed on the exterior of any unit or building or that protrudes from the walls or out of the windows of the building save as are expressly in writing previously approved by the Association.
- c) Notwithstanding the foregoing general prohibition as to Antennas provided, Covered Antennas may be installed in accordance with these Rules. Satellite dishes which are designed to receive satellite signals which are larger than one meter (39 inches) are prohibited.
- d) The following provisions shall be applicable to a Covered Antennas:

- (i) *Location.* Covered Antennas may only be installed (i) wholly within a condominium unit, or (ii) wholly within the patio or balcony appurtenant to such condominium unit, which may be sometimes referred to as the "exclusive use area" for such respective unit. Limited Common Elements are defined in the Declaration. Installation of a Covered Antenna on a limited common element which is exclusively used by the owner does not convert such limited common element to individual property. Except as set forth above, installation of a Covered Antenna is never permitted on any common element (other than those portions of such common elements constituting a limited common element balcony or patio for the exclusive use of a respective unit), including, without limitation, any parking area, roof, exterior wall, or fence.
- e) Antennas shall not encroach upon any of the common elements of the Condominium, the common area air space, on the individually owned property of other Owners, or the airspace of another Owner's individually owned property. No Covered Antenna may protrude beyond the vertical or horizontal space forming the perimeter of the limited common element balcony or patio for the exclusive use of a respective unit. Due to, among other considerations, safety concerns, no Covered Antenna may be attached or affixed in any way to the balcony railings.
- f) If Antennas can receive acceptable quality signals from more than one location, then Antennas must be located in the least visible preferred location. This section does not permit installation on the common elements.
- g) Covered Antennas shall be neither larger nor installed higher than is absolutely necessary for reception of an acceptable quality signal.
- h) All installations shall be completed so that same do not damage any common elements, limited common elements, or void any warranties of the Association or in any way impair the integrity of any building.
- i) All cable/conduit must be hidden and located in those areas as designated by the Board of Directors as the area where wiring and conduits are to be located.
- j) Any installer of an Antenna, including an Owners, shall provide the Association with an insurance certificate listing the Association as a named insured prior to installation. Insurance shall meet the following minimum limits:
 - (i) Contractor's General Commercial Liability (including completed operations): \$1,000,000.00.
 - (ii) Worker's Compensation: Statutory limits.

The purpose of this rule is to ensure that Antennas are installed in a manner that complies with all applicable building and safety codes and manufacturer's instructions. Improper installation could cause damage to structures, posing a potential safety hazard to residents at the Condominium.

- k) No liens in connection with the installation or maintenance of any Covered Antenna shall be filed against the common elements of the Condominium.
- l) Antennas must be secured so they do not jeopardize the soundness or safety of any structure or the safety of any person at or near antennas, including but not limited to, damage from wind velocity. A Covered Antenna must be securely mounted to a base so as to be able to withstand the effects of high winds or other extraordinary weather conditions. No guy wires or similar mounting apparatus will be allowed. No Covered Antennas may be attached to a balcony railing.
- m) Only one Covered Antenna per unit may be installed by an Owner.
- n) Installation of Antennas shall only occur between the hours of 8:00 a.m. and 6:00 p.m.

I-3 *Maintenance*

- (a) Owners who install or maintain Antennas are responsible for all associated costs, including but not limited to costs to:
 - (i) Install, repair, maintain, replace, move or remove Antennas;
 - (ii) Repair damage to any property caused by Antennas installation, maintenance or use;
 - (iii) Pay medical expenses incurred by person injured by Antenna installation, maintenance or use;
 - (iv) Reimburse other Owners and residents of the Association for damage caused by Antenna installation, maintenance or use; and
 - (v) Restore Antenna installation sites to their original condition.
- b) Owners shall not permit their Antennas to fall into disrepair or to become a safety hazard. Owners shall be responsible for Antenna maintenance repair and replacement and the correction of any safety hazard.
- c) If Antennas become detached, Owners shall repair such detachment or remove the Antenna within 72 hours of the detachment. If the detachment threatens safety, the Association may remove the Antenna without liability and at the sole cost and expense of the Owner. The Association is not liable for any damage to the Antenna caused by the

Association's removal.

I-4 Safety

- a) Antennas shall be installed and secured in a manner that complies with all applicable state and local laws, ordinances and regulations, and manufacturer's instructions. Prior to installation, Owners shall provide the Association with a copy of any applicable government permit if required for safety reasons.
- b) Antennas shall not obstruct access to or exit from any condominium unit, walkway, ingress or egress from an area, electrical service equipment or any other areas necessary for the safe operation of the Condominium. The purpose of this requirement is to ensure the safety of the Association residents, personnel and safe and easy access to the Condominium.
- c) Installation must comply with all applicable codes, take aesthetic conditions into account and minimize the impact to the exterior and structure of the Owner's condominium unit.
- d) To prevent electrical and fire damaged, Antennas shall be permanently grounded.
- e) Exterior wiring shall not be installed so as to hang in mid air. The purpose of this requirement is to protect persons near and around the Antennas and such exterior wiring from injury.

I-5 Antenna Camouflaging

- a) Antennas shall be painted to match to color of the structure to which they are installed or attached, provided that such painting does not interfere with reception or impair the ability to receive a signal.
- b) If Antennas are visible from the street or other condominium units, camouflaging said Antennas through inexpensive screening is required, provided that such screening does not interfere with reception or impair the ability to receive a signal; provided however, that said screening must be approved in accordance with the architectural control provisions of the Declaration.
- c) Exterior wiring shall be installed so as to be minimally visible and meet the requirements of set forth in Section 2, Paragraph (i) and Section 4, Paragraph (e) herein above.

I-6 Antenna Removal

- a) Covered Antennas removal requires restoration of the installation location to its original condition. Owners shall be responsible for all costs relating to the restoration of this location.

I-7 *Association Maintenance of Locations upon which Antennas are Installed*

- a) If Antennas are installed on limited common elements which are maintained by the Association the Owner(s) retain responsibility for maintenance of the Covered Antenna. Covered Antennas must not be installed in a manner which will result in increased maintenance costs for the Association or for other residents. If increased maintenance or damage occurs, the Owners are responsible for all such costs.
- b) If maintenance requires the temporary removal of the Covered Antenna, the Association shall provide Owners with reasonable written notice. Owners shall be responsible for removing or relocating Covered Antennas before maintenance begins and replacing Covered Antennas afterwards, if an Owner so desires. If the Covered Antennas is not removed in the required time, then the Association may do so at the Owner's expense. The Association is not liable for any damage to the Covered Antennas caused by Association removal.

I-8 *Notification Procedures*

- a) Prior to the installation of any Covered Antenna, the Owner or resident must have executed an agreement, whereby such Owner or resident shall expressly agree to: (i) be responsible for all damages or loss caused by the installation or use of the Covered Antenna, (ii) indemnify and hold harmless the Association for all such damage or loss, and (iii) provide the Association with a certificate of insurance showing that the Owner or resident has the appropriate amount of liability insurance to cover any such damage or loss.

I-9 *Enforcement*

- a) If these Guidelines are violated or if Antenna installation poses a serious, immediate safety hazard, the Association, after ten (10) days written notice to the Owner, may bring action for declaratory judgment and/or injunctive relief with any court of competent jurisdiction or the Federal Communication Commission. The Association shall be entitled to recover reasonable attorneys' fees, costs and expenses incurred in the enforcement of these Guidelines. In addition, the Association may levy and enforce the collection of fines pursuant to the then existing policy for fines of the Association, if any, if these Guidelines are violated. **In any event, the Association shall be entitled to seek and collect reasonable attorney fees, costs, and expenses incurred in the enforcement of this policy.**

I-10 *General*

- a) No advertising slogans, logos, banners, signs, or other printing or illustration whatsoever shall be permitted upon or be attached to any Antenna.

- b) No Antenna shall ever be used for the transmission of any signal whatsoever and same Antenna shall be for the purpose of necessary only normal signals through airwaves for television viewing purposes only.
- c) No Antenna shall be permitted to cause any distortion or interference whatsoever with respect to any other electronic device on the condominium property.

I-11 *Severability*

- a) If any of these Guidelines are determined to be invalid, the remainder of these Guidelines shall remain in full force and effect.

J. MISCELLANEOUS

- J-1. *Security.* The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents, and employees, shall not in any way be considered an insurer or guarantor of security within the Condominium, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Resident, guest, and invitee on the Condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit, and to any other of his or her property on the Condominium. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.
- J-2. *Right to Hearing.* An Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of these Rules by the Owner or a Resident of the Owner's Unit. The Board of Directors will schedule a hearing within 30 days of receiving the Owner's written request. At the hearing, the Board of Directors will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- J-3. *Mailing Address.* An Owner who receives mail at any address other than the address of his or her Unit shall be responsible for maintaining with the Association his or her current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Condominium Documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner fails to provide a forwarding address, the address of that Owner's Unit shall be deemed effective for purposes of delivery.
- J-4. *Complaints.* Complaints regarding the service of the Condominium and grounds or regarding action of other Owners shall be made in writing to the Board.

- J-5. *Revision.* These Rules are subject to being revised, replaced, or supplemented. Owners and Residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until 10 days after the Association mails notice of an amendment or revocation of these Rules to an Owner of each Unit. Provided, however, that after the termination of the period of Declarant Control, no amendment to these Rules may materially or adversely affect the rights or obligations of the Owner of the Commercial Unit shall be valid unless such amendment is also approved by the Owner of the Commercial Unit.
- J-6. *Other Rights.* These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Articles of Incorporation, and the laws of the State of Texas.
- J-7. *Effective Date.* These Rules are the initial Rules of the Trade Winds/The Beach Club Condominium Association, Inc. and shall become effective _____, 200__.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete, and correct copy of the initial Rules of the Trade Winds/The Beach Club Condominium Association, Inc., a Texas nonprofit corporation and condominium association, as adopted by the initial Board of Directors at its organization meeting on the _____ day of _____, 200__.

IN WITNESS WHEREOF, I hereunto set my hand this the _____ day of _____, 200__.

TRADE WINDS/THE BEACH CLUB
CONDOMINIUM ASSOCIATION, INC.

By: _____

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

Before me, the undersigned authority, on this _____ day of _____, 200__, personally appeared _____, Secretary of the Trade Winds/The Beach Club Condominium Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of the Association.

Notary Public, The State of Texas

EXHIBIT "B"
(to the Declaration)

CONDOMINIUM PLAN

| | |
|-----------|---|
| Part I: | Legal Description |
| Part II: | Plat/Site Exhibit |
| Part III: | Plan of each floor |
| Part IV: | Percentage (%) interests allocated to each Condominium Unit for purposes of Ownership, Voting, and Assessments. |

CERTIFICATION

The undersigned hereby certifies this 2 day of MAY, 2008 that the plat or site exhibit and plans attached hereto as Parts II and III contain all the information required by Section 82.059 of the Uniform Condominium Act of the State of Texas.



[Signature] (PART II ONLY)
[Signature] TX REGISTRATION #18420, AS TO
(Certification of Surveyor/Engineer/Architect),
THE PLANS CONTAINED IN PART III
ONLY, WHICH COMPLY WITH SECTION
82.059 (d).

EXHIBIT "B": CONDOMINIUM PLAN

PART I – LEGAL DESCRIPTION OF THE LAND

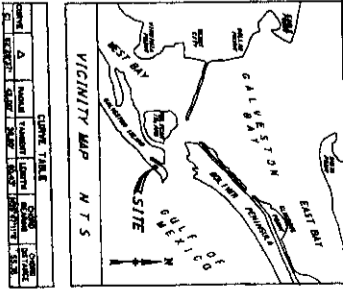
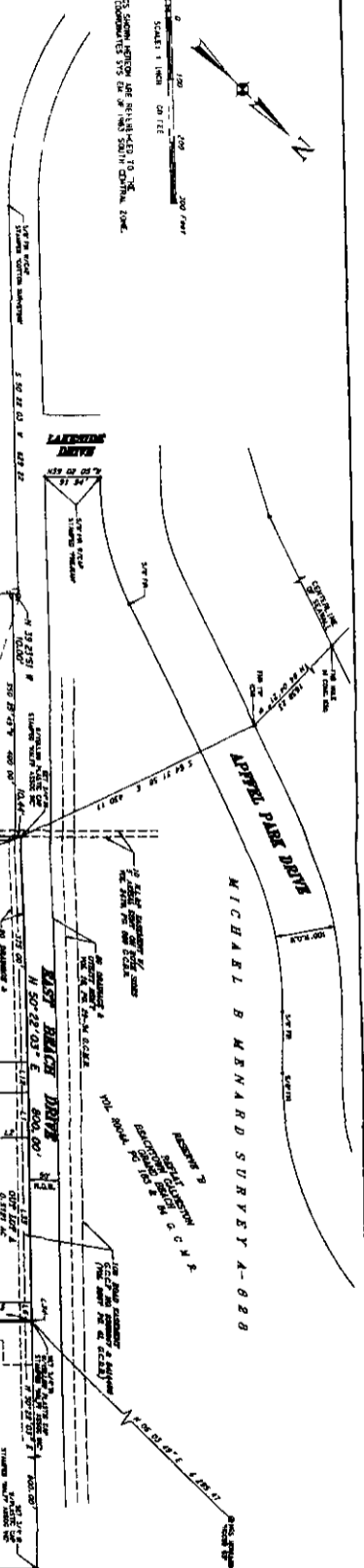
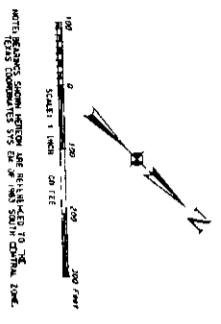
All of Lot Two (2) of REPLAT OF PALISADE PALMS, a subdivision described and/or set forth in the map or plat filed in Volume 2007A, Page 139 (County Clerk's File No. 2007062931) of the County Clerk's Map Records of Galveston County, Texas.

EXHIBIT "B": CONDOMINIUM PLAN

PART II – PLAT/SITE EXHIBIT

Notes to Plat/Site Exhibit:

- The Declarant reserves the right to modify and/or replat the plat prior to or after the recording of the Declaration. Any such modification or replatting may change the dimensions of the various Lot(s) and/or Out lot(s), or combine and/or configure some or all of the Out lot(s) shown, and appropriate modifications shall be made to the Condominium Declaration to reflect any such modifications/replat.



| Block | Subdivision | Area | Acres | Owner |
|---------|----------------|--------|-------|-----------------|
| Block 3 | Palmsade Palms | 16.477 | 0.37 | Half Associates |
| Block 4 | Gull of Mexico | 16.477 | 0.37 | Half Associates |

STATE OF TEXAS
COUNTY OF GALVESTON

DAVID B. STEIN, Surveyor
My Commission Expires 08/15/2024

THIS IS A TRUE AND CORRECT COPY OF THE ORIGINAL RECORD AS FILED IN THE PUBLIC RECORDS OF GALVESTON COUNTY, TEXAS, ON 08/15/2024 AT 10:00 AM. THE ORIGINAL RECORD IS FILED IN THE PUBLIC RECORDS OF GALVESTON COUNTY, TEXAS, UNDER THE INSTRUMENT NUMBER 2024-08-15-1000.

PROPERTY AND INTERESTS OF ALL OWNERS
AND INTERESTS OF ALL PARTIES
TO THIS INSTRUMENT

THE UNDERSIGNED, DAVID B. STEIN, Surveyor, do hereby certify that the foregoing is a true and correct copy of the original record as filed in the Public Records of Galveston County, Texas, on 08/15/2024 at 10:00 AM. The original record is filed in the Public Records of Galveston County, Texas, under the instrument number 2024-08-15-1000.

CERTIFICATE FOR PLANNING COMMISSION

This is to certify that the Planning Commission of the City of Galveston, Texas, has reviewed the subdivision map for the subdivision of the property described in the instrument above and has approved the same for filing in the Public Records of Galveston County, Texas, on 08/15/2024 at 10:00 AM. The original record is filed in the Public Records of Galveston County, Texas, under the instrument number 2024-08-15-1000.

CERTIFICATE FOR PLANNING COMMISSION

This is to certify that the Planning Commission of the City of Galveston, Texas, has reviewed the subdivision map for the subdivision of the property described in the instrument above and has approved the same for filing in the Public Records of Galveston County, Texas, on 08/15/2024 at 10:00 AM. The original record is filed in the Public Records of Galveston County, Texas, under the instrument number 2024-08-15-1000.

DAVID B. STEIN, Surveyor
My Commission Expires 08/15/2024

HALF ASSOCIATES, L.P.
16000 GALVESTON BLVD, SUITE 100
GALVESTON, TEXAS 77558

HALF ASSOCIATES, L.P.
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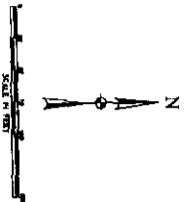
**REPLAT OF
PALSADE PALMS**

RECORDED IN VOL. 20094 PG. 69-70, G.C.M.R.
A SUBDIVISION OF 16.477 ACRES
BEING A REPLAT OF A PORTION
OF RESERVE "H" IN GRAND BEACH,
VOLUME 18, PAGE 29-34 G.C.M.R.,
MICHAEL MENARD SURVEY, A-628
GALVESTON COUNTY, TEXAS

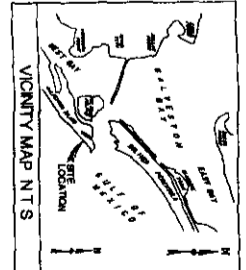
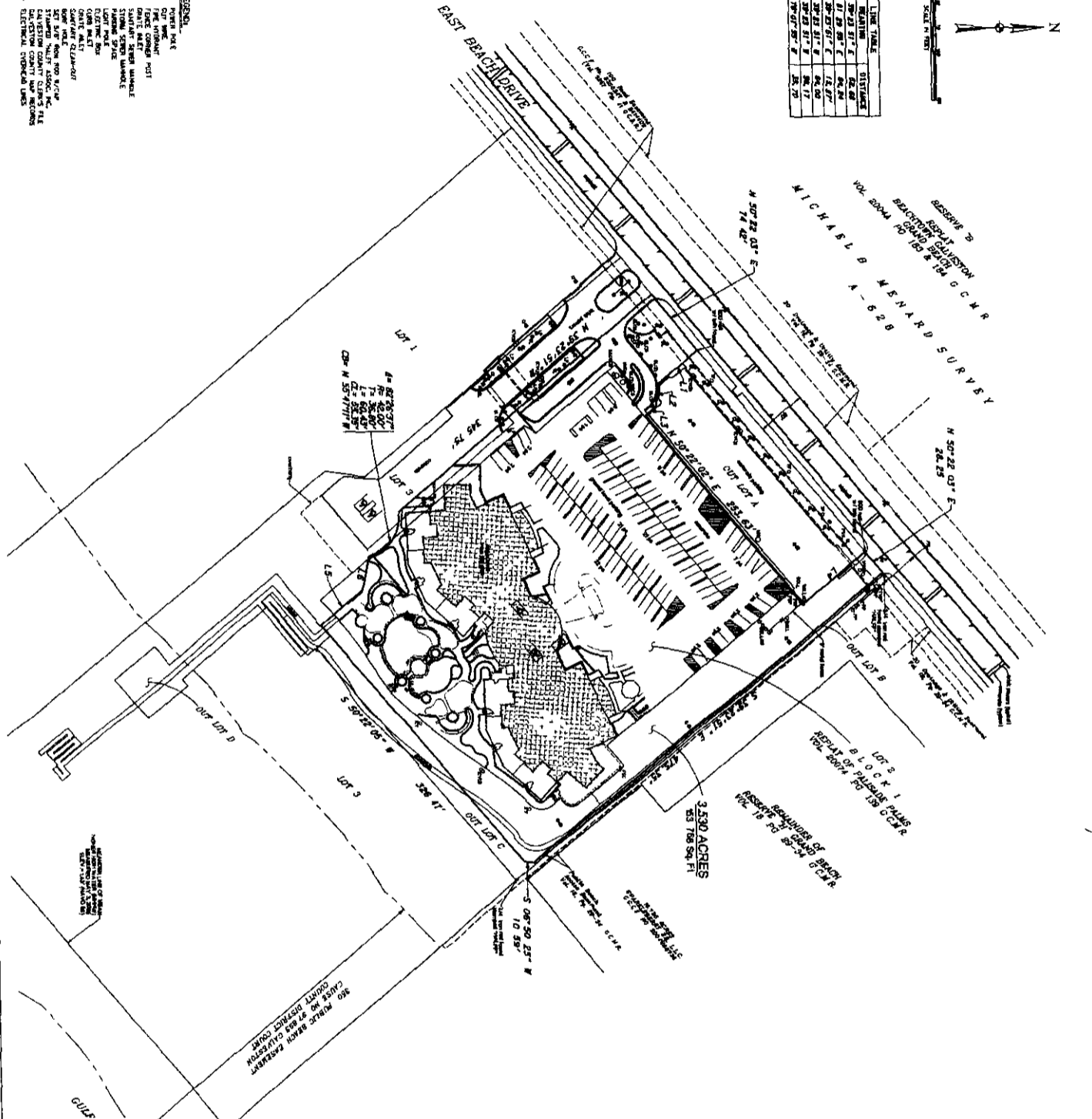
1 BLOCK 3 LOTS 4 DUT LOTS

Half Associates
16000 GALVESTON BLVD, SUITE 100
GALVESTON, TEXAS 77558

| LINE | BEARING | DISTANCE |
|------|---------------|----------|
| L1 | S 29°23'57" E | 106.00 |
| L2 | S 81°29'59" E | 762.00 |
| L3 | S 29°23'57" E | 106.00 |
| L4 | N 89°27'00" E | 106.00 |
| L5 | N 29°23'57" E | 106.00 |
| L6 | N 89°27'00" E | 106.00 |



- LEGEND**
- 10' POWER POLE
 - 12" FIRE HYDRANT
 - 2" FIRE WYHOUST
 - 3" WATER MAIN
 - 4" WATER MAIN
 - 6" WATER MAIN
 - 8" WATER MAIN
 - 10" WATER MAIN
 - 12" WATER MAIN
 - 14" WATER MAIN
 - 16" WATER MAIN
 - 18" WATER MAIN
 - 20" WATER MAIN
 - 24" WATER MAIN
 - 30" WATER MAIN
 - 36" WATER MAIN
 - 42" WATER MAIN
 - 48" WATER MAIN
 - 54" WATER MAIN
 - 60" WATER MAIN
 - 66" WATER MAIN
 - 72" WATER MAIN
 - 78" WATER MAIN
 - 84" WATER MAIN
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 - 630" WATER MAIN
 - 636" WATER MAIN
 - 642" WATER MAIN
 - 648" WATER MAIN
 - 654" WATER MAIN
 - 660" WATER MAIN
 - 666" WATER MAIN
 - 672" WATER MAIN
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 - 750" WATER MAIN
 - 756" WATER MAIN
 - 762" WATER MAIN
 - 768" WATER MAIN
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 - 780" WATER MAIN
 - 786" WATER MAIN
 - 792" WATER MAIN
 - 798" WATER MAIN
 - 804" WATER MAIN
 - 810" WATER MAIN
 - 816" WATER MAIN
 - 822" WATER MAIN
 - 828" WATER MAIN
 - 834" WATER MAIN
 - 840" WATER MAIN
 - 846" WATER MAIN
 - 852" WATER MAIN
 - 858" WATER MAIN
 - 864" WATER MAIN
 - 870" WATER MAIN
 - 876" WATER MAIN
 - 882" WATER MAIN
 - 888" WATER MAIN
 - 894" WATER MAIN
 - 900" WATER MAIN
 - 906" WATER MAIN
 - 912" WATER MAIN
 - 918" WATER MAIN
 - 924" WATER MAIN
 - 930" WATER MAIN
 - 936" WATER MAIN
 - 942" WATER MAIN
 - 948" WATER MAIN
 - 954" WATER MAIN
 - 960" WATER MAIN
 - 966" WATER MAIN
 - 972" WATER MAIN
 - 978" WATER MAIN
 - 984" WATER MAIN
 - 990" WATER MAIN
 - 996" WATER MAIN
 - 1000" WATER MAIN



LOCAL OBSERVATIONS
 ALL INFORMATION ON THIS MAP WAS OBTAINED FROM THE RECORDS OF THE PUBLIC RECORDS OFFICE OF GALVESTON COUNTY, TEXAS, AND FROM THE FIELD SURVEY OF THE SURVEYOR.

NOTES

1. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.
2. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.
3. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.
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6. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.
7. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.
8. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.
9. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.
10. The survey was conducted in accordance with the provisions of the Texas Constitution and the laws of the State of Texas, and the rules and regulations of the State Board of Surveyors.

STATEMENTS

I, the undersigned, being a duly qualified and licensed Surveyor in the State of Texas, do hereby certify that the foregoing is a true and correct copy of the original and true plat of the survey as the same appears on the records of the Public Records Office of Galveston County, Texas.

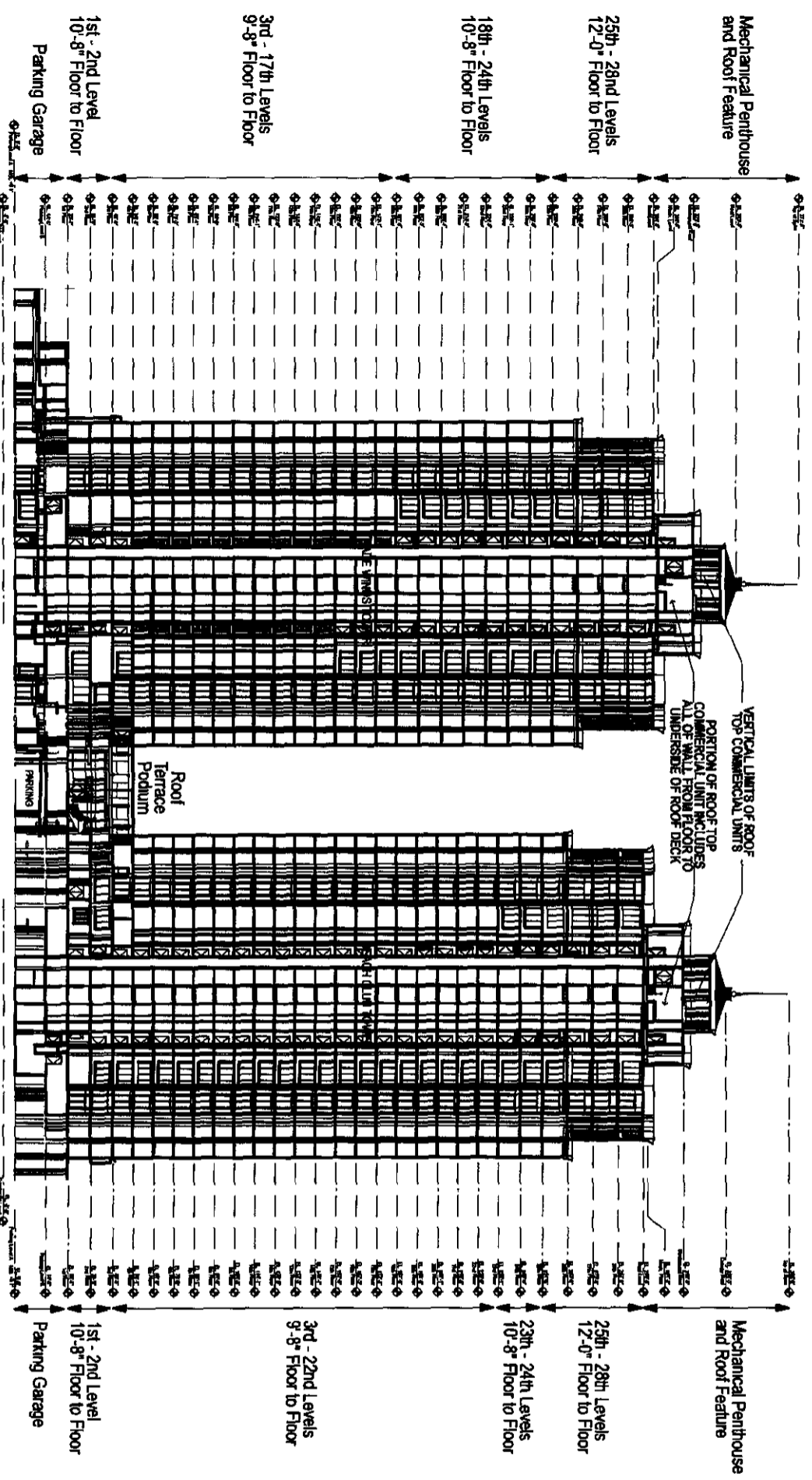
Michael B. Menard
 Surveyor

| | | | |
|--|--|---|--|
| | | <p>CLIENT</p> <p>PALISADE PALMS <small>DAVE AND BARBARA LIVING</small></p> | <p>ALTA SURVEY</p> <p>OF A 3,530 ACRE TRACT OF LAND LOCATED IN THE MICHAEL B MENARD SURVEY A-628 GALVESTON, GALVESTON COUNTY TEXAS</p> |
| <p>Sheet Number</p> <p style="text-align: center; font-size: 24pt;">01</p> | | | |

EXHIBIT "B": CONDOMINIUM PLAN

PART III – PLAN OF EACH FLOOR

Palisade Palms

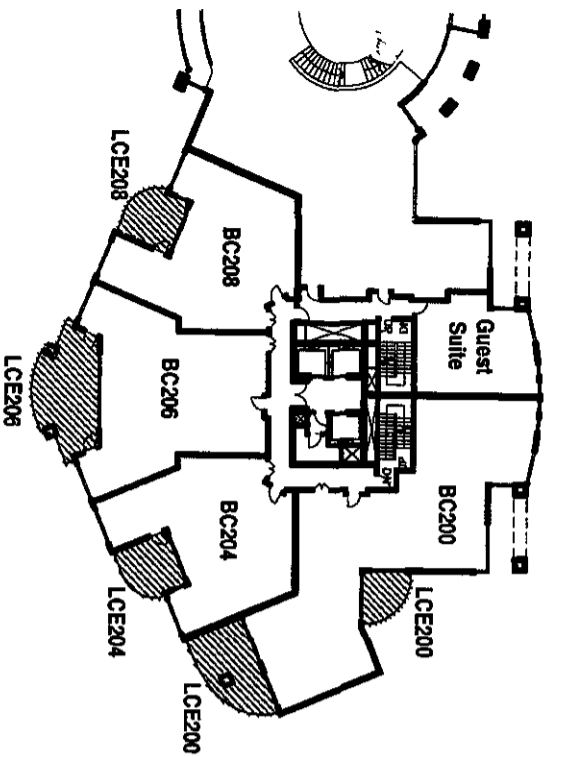


Building Section
01 May 2008

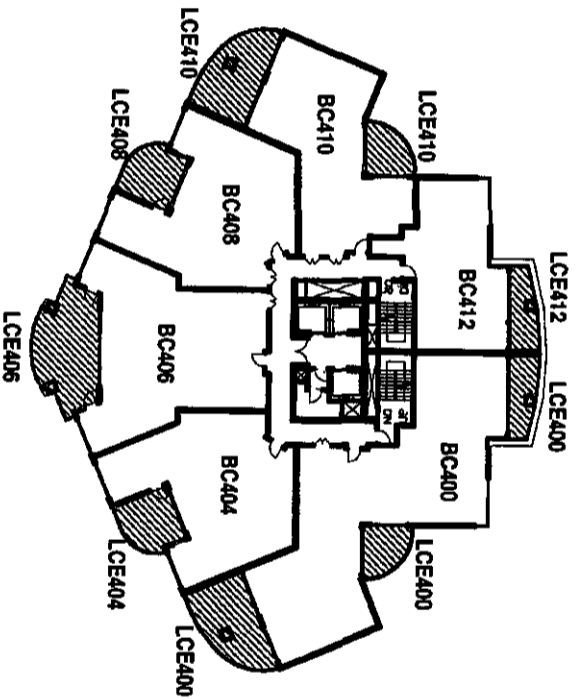
Overall Building Section

Figures indicating size, square footage and other dimensions are estimates. After completion of construction, actual dimensions and areas may vary from original estimates. Plans, prints, descriptions and amendments are subject to change without notice. Please refer to the Property Report and Condominium Information Statement for complete information and disclosures regarding the project and Units.

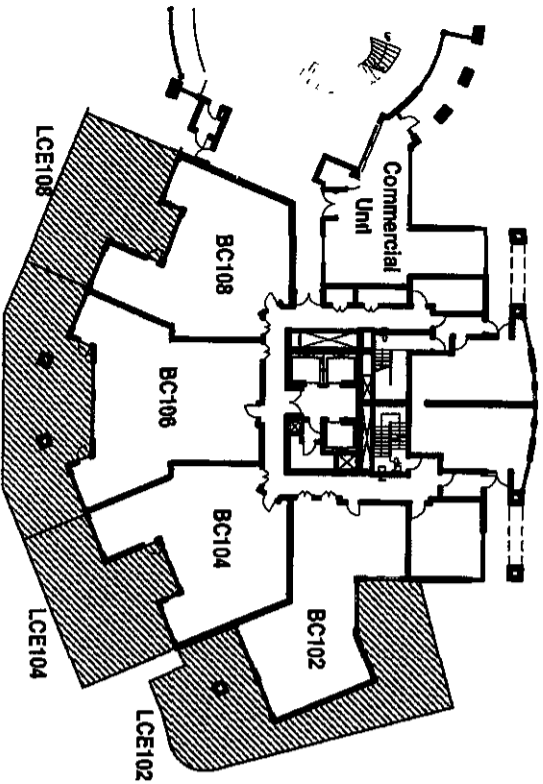
Palisade Palms



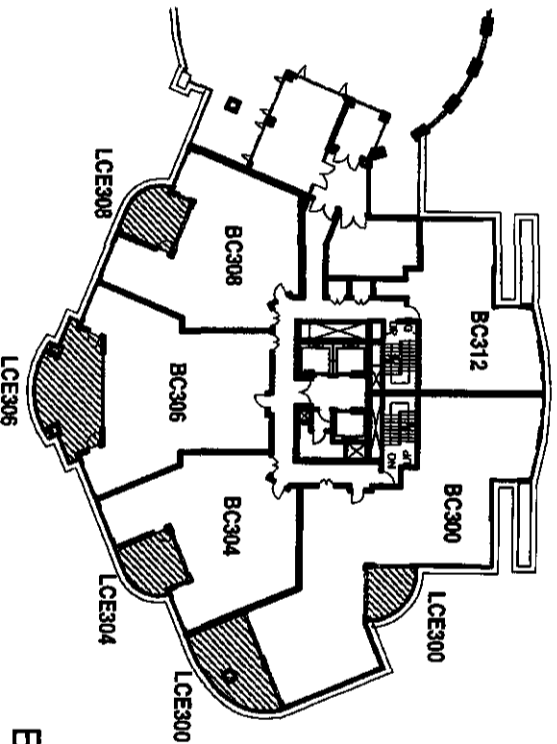
Beach Club Level 2



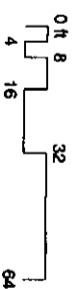
Beach Club Level 4



Beach Club Level 1



Beach Club Level 3



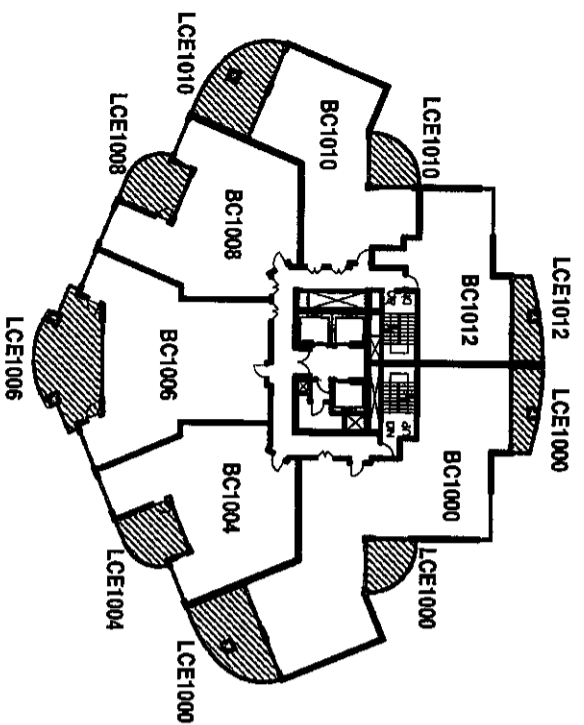
Beach Club Tower
16 Feb 2005

Key Plans 1st-4th

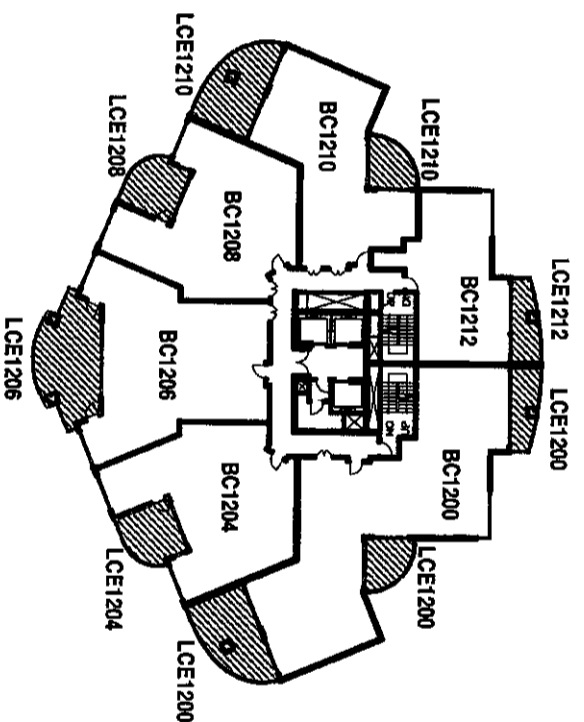
[C Docs]

Figures reflecting size, square footage and other dimensions are estimates. After completion of construction, actual dimensions and areas may vary from original estimates. Plans, prices, descriptions and amenities are subject to change without notice. Please refer to the Property Report and Condominium Information Statement for complete information and disclosures regarding the project and Units.

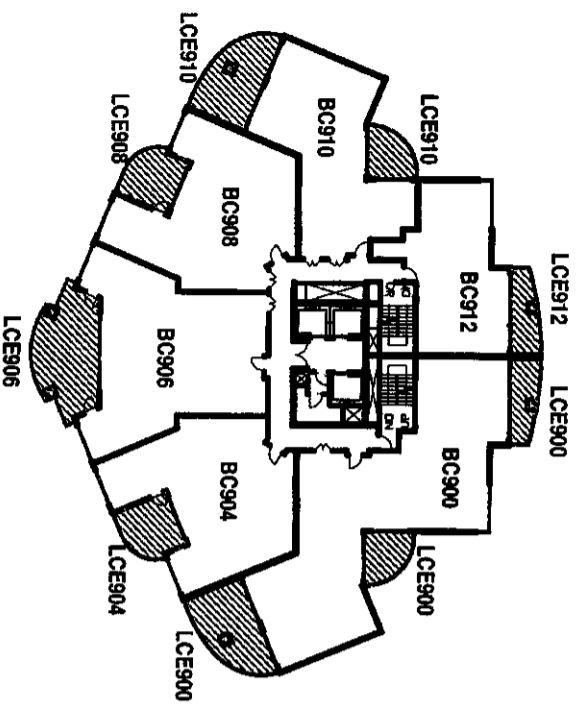
Palisade Palms



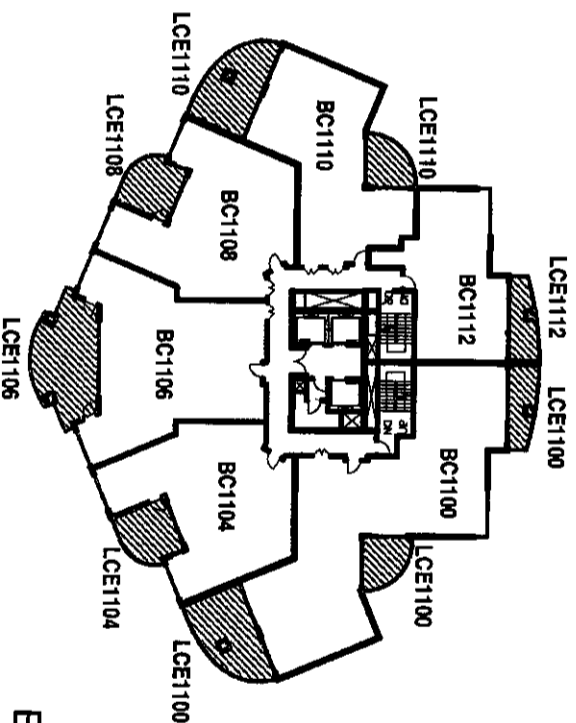
Beach Club Level 10



Beach Club Level 12



Beach Club Level 9



Beach Club Level 11



Beach Club Tower

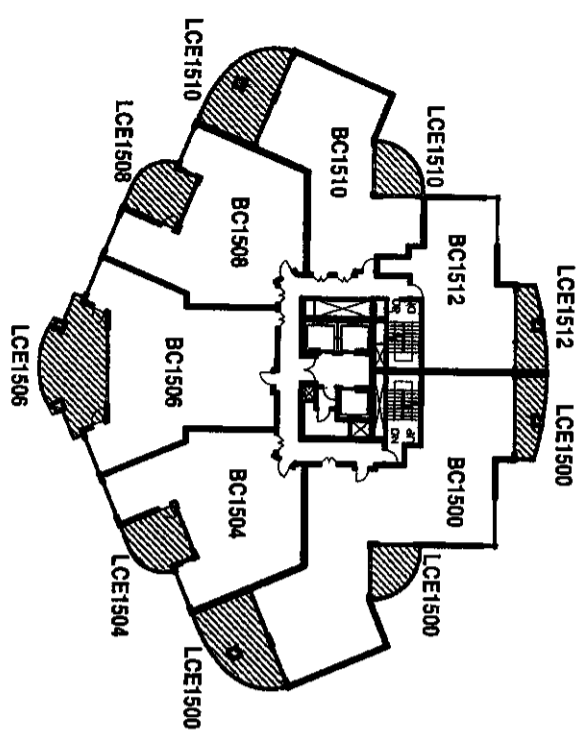
16 Feb 2005

Key Plans 9th-12th

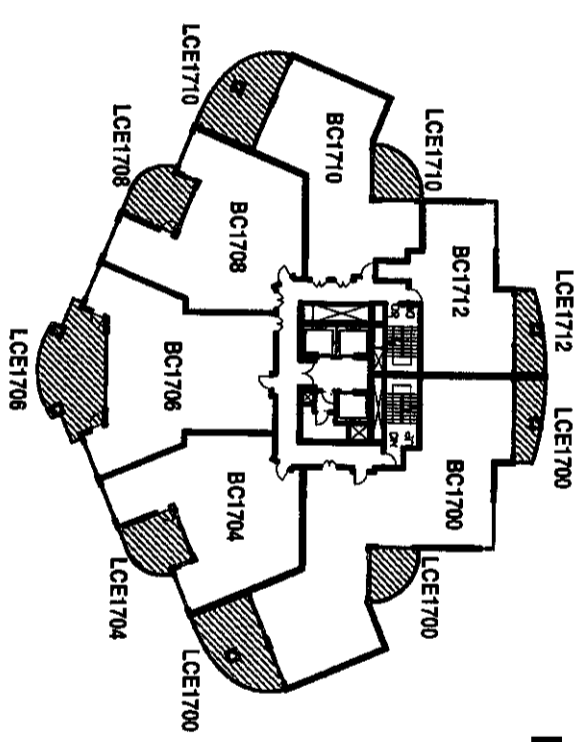
[C Docs]

Figures reflecting size, square footage and other dimensions are estimates. After completion of construction, actual dimensions and areas may vary from original estimates. Plans, prices, descriptions and amenities are subject to change without notice. Please refer to the Property Report and Condominium Information Statement for complete information and disclosures regarding the project and Units.

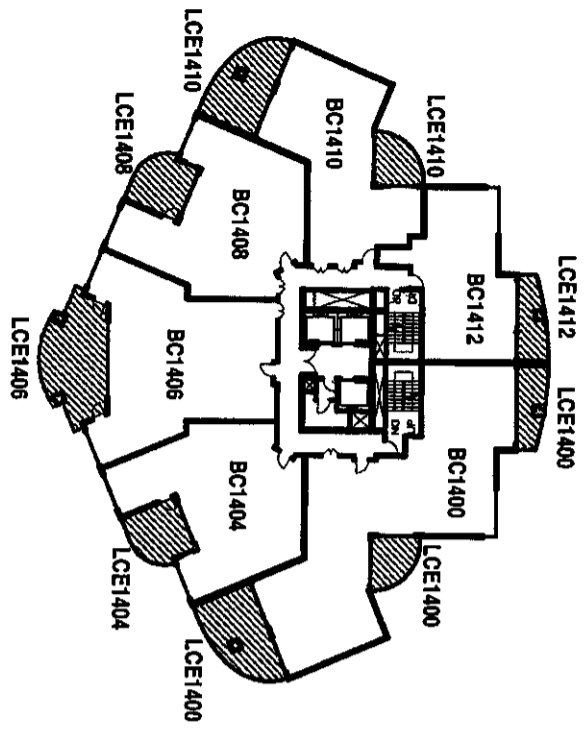
Palisade Palms



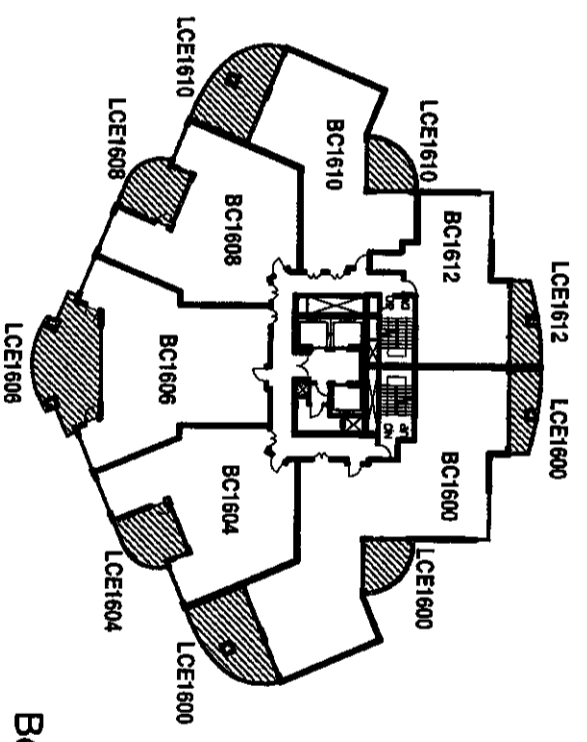
Beach Club Level 15



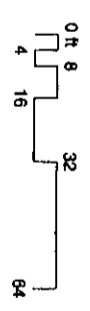
Beach Club Level 17



Beach Club Level 14



Beach Club Level 16



Beach Club Tower

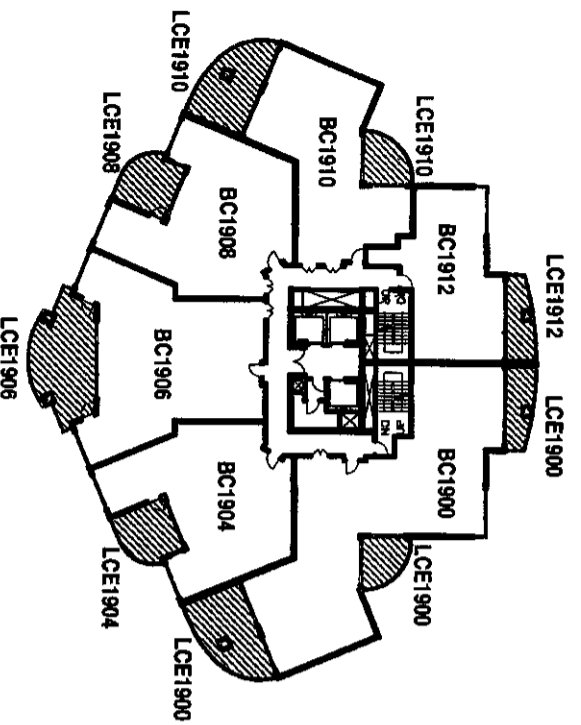
16 Feb 2005

Key Plans 14th-17th

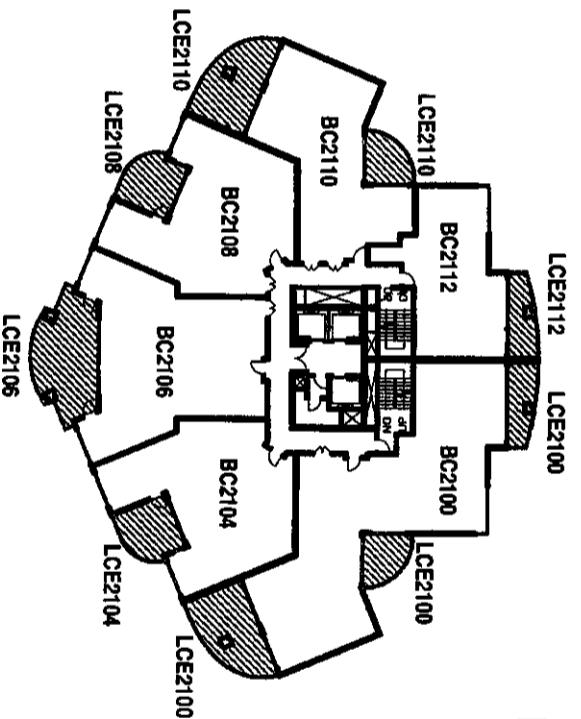
[C Docs]

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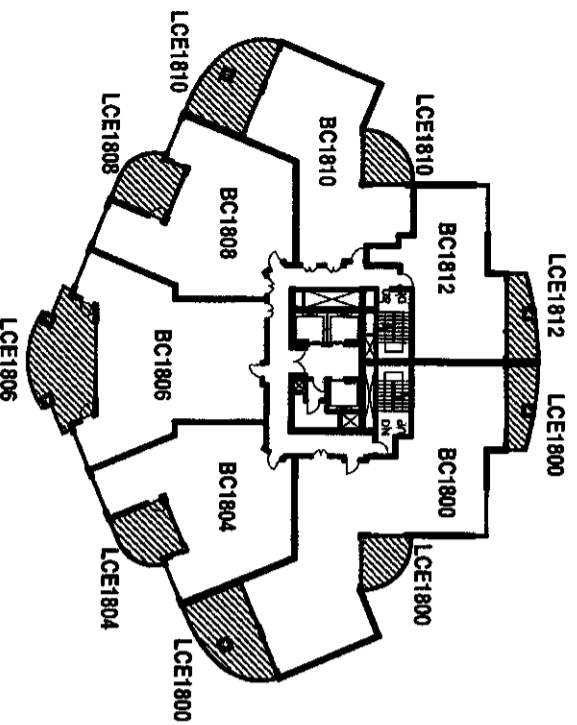
Palisade Palms



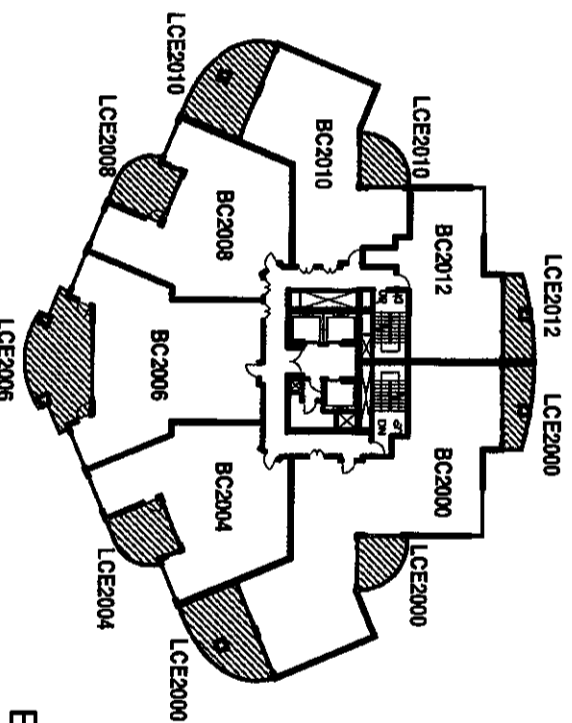
Beach Club Level 19



Beach Club Level 21



Beach Club Level 18



Beach Club Level 20



Beach Club Tower

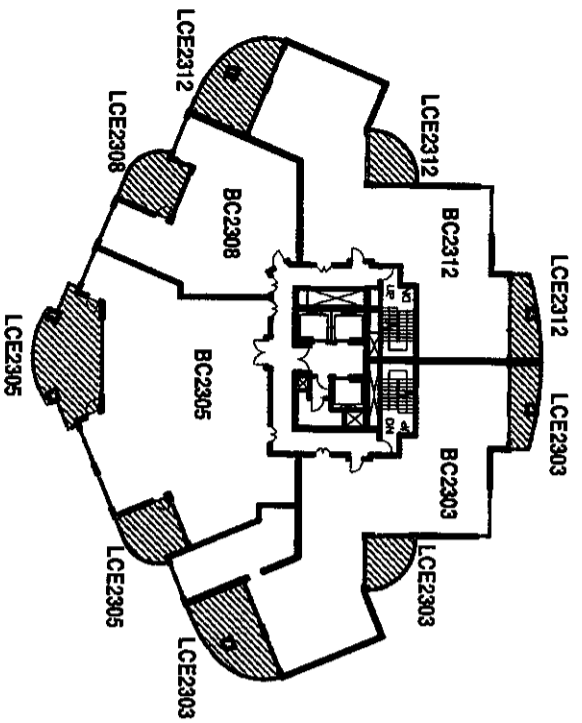
16 Feb 2005

Key Plans 18th-21st

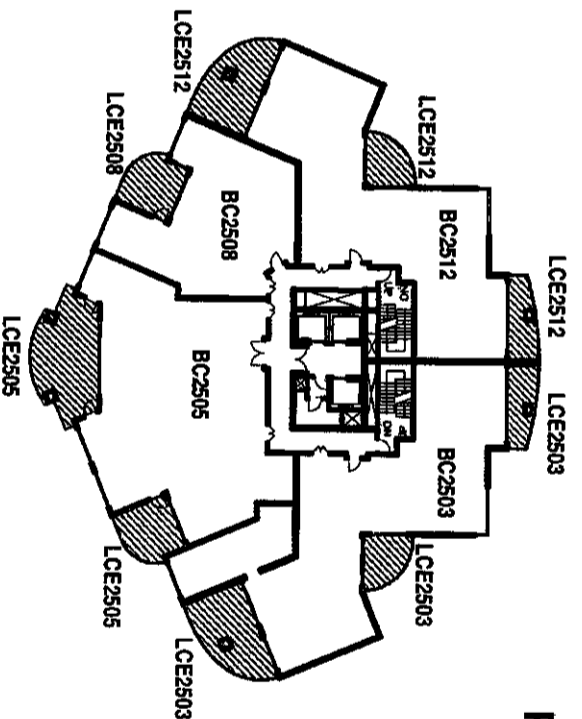
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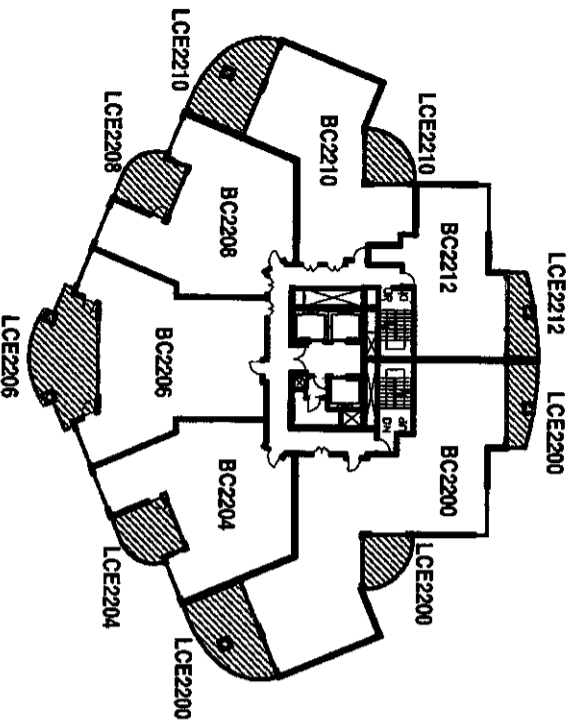
Palisade Palms



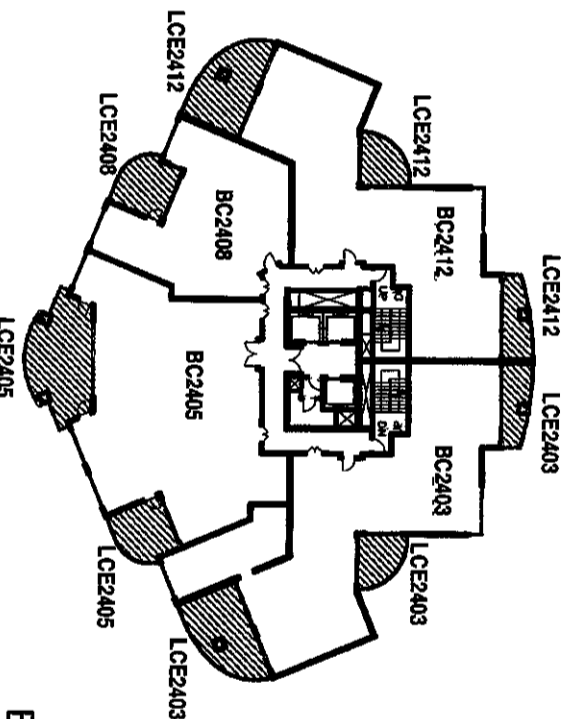
Beach Club Level 23



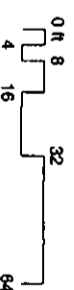
Beach Club Level 25



Beach Club Level 22



Beach Club Level 24



Beach Club Tower

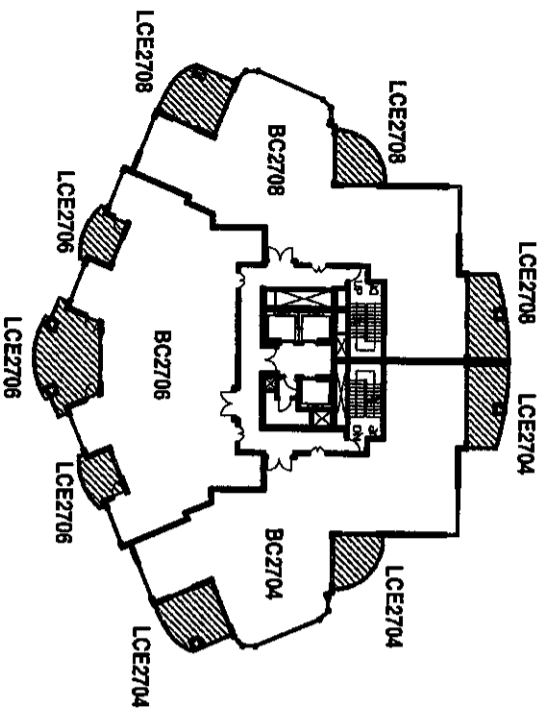
16 Feb 2005

Key Plans 22nd-25th

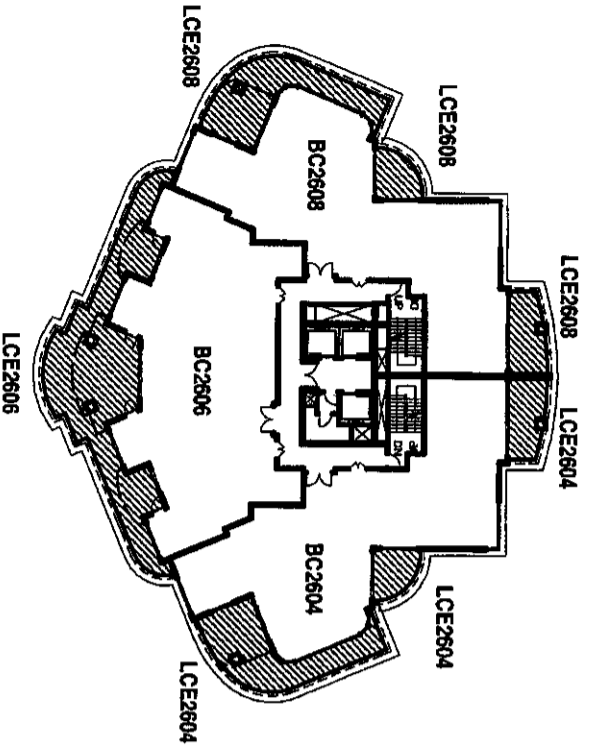
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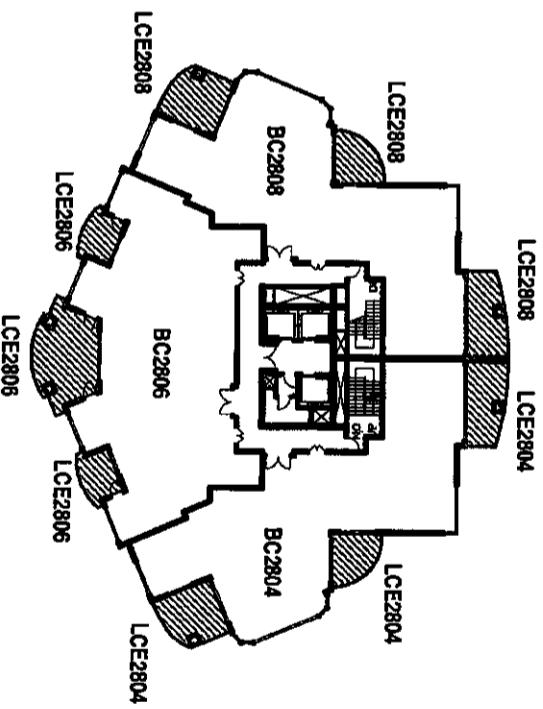
Palisade Palms



Beach Club Level 27



Beach Club Level 26



Beach Club Level 28

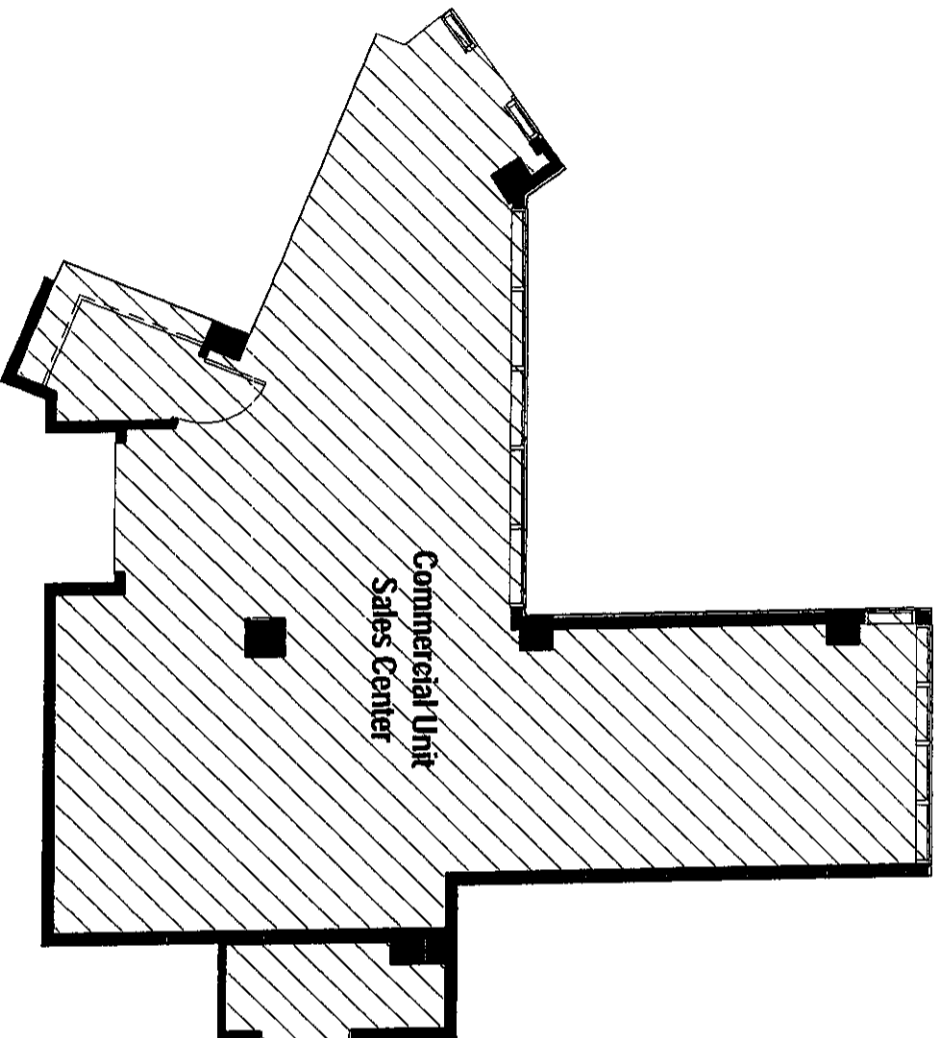
Beach Club Tower 16 Feb 2005

Key Plans 26th-28th

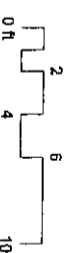
[C Docs]

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Palisade Palms



Beach Club Level 1



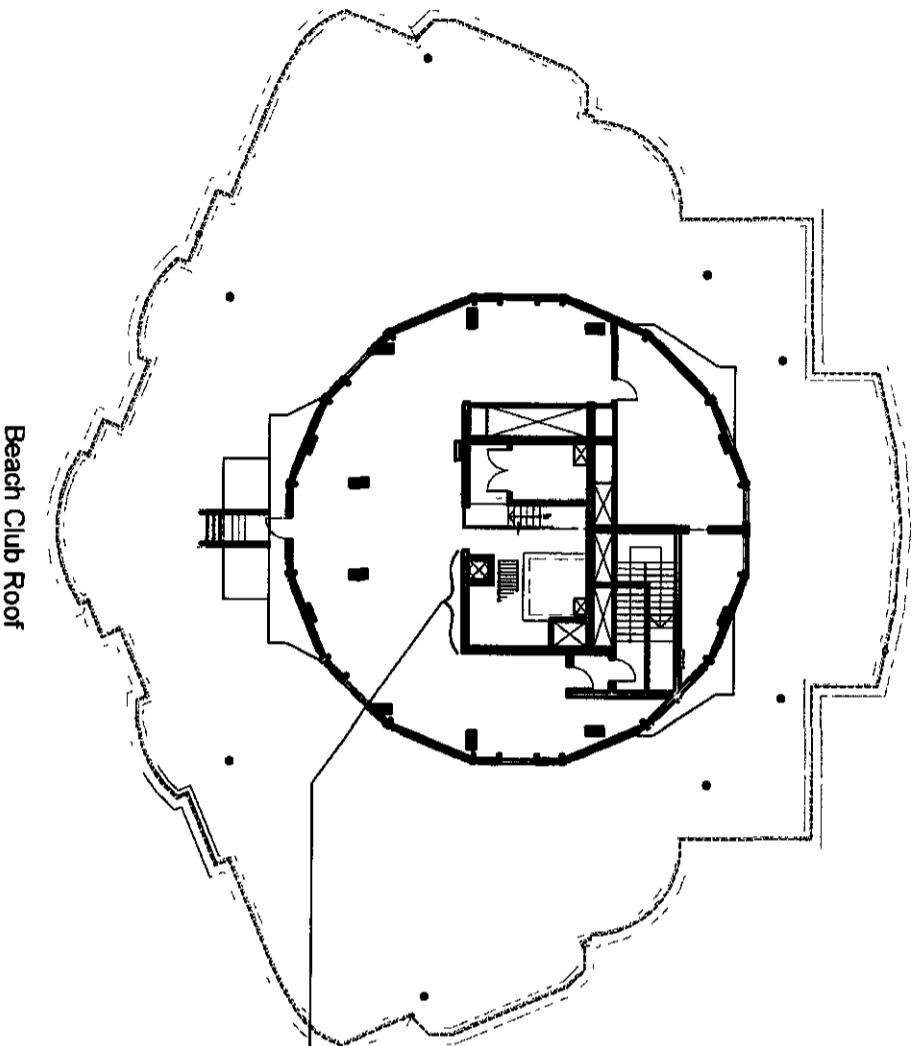
Commercial Plan
3 August 2004

Beach Club Tower Sales Center

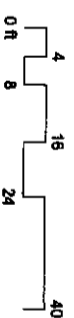
[C Docs]

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Palisade Palms



PORTION OF ROOF TOP
COMMERCIAL UNIT -
(INCLUDING ALL OF WALL
FROM FLOOR TO UNDERSIDE
OF ROOF DECK)



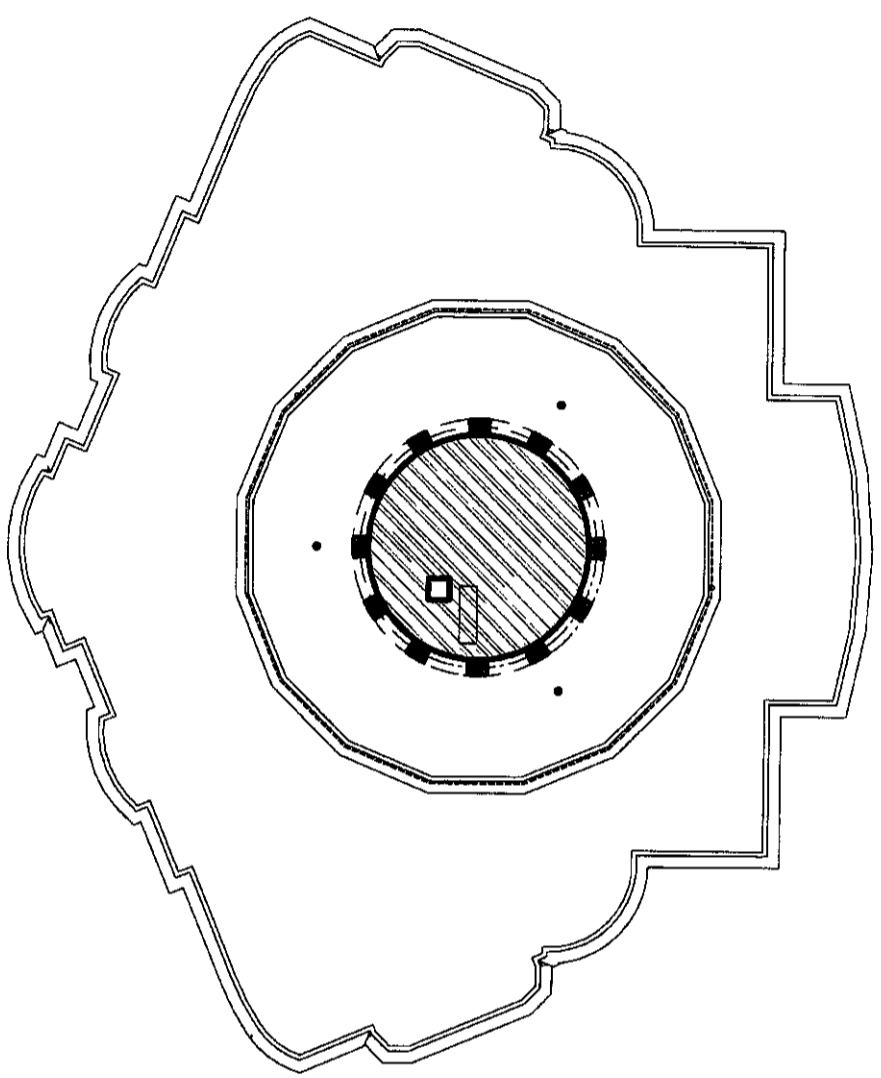
Commercial Plan
01 May 2008


Beach Club Mechanical Floor

[C Docs]

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Palisade Palms



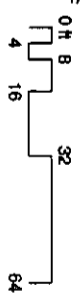
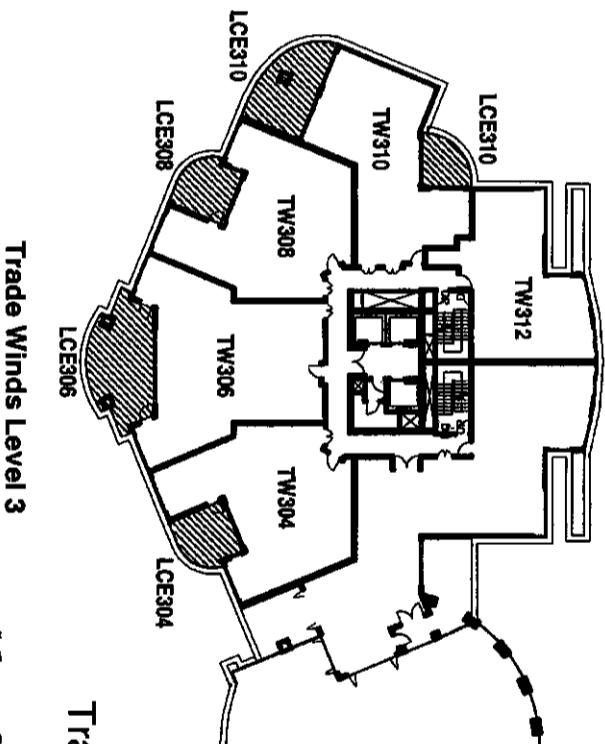
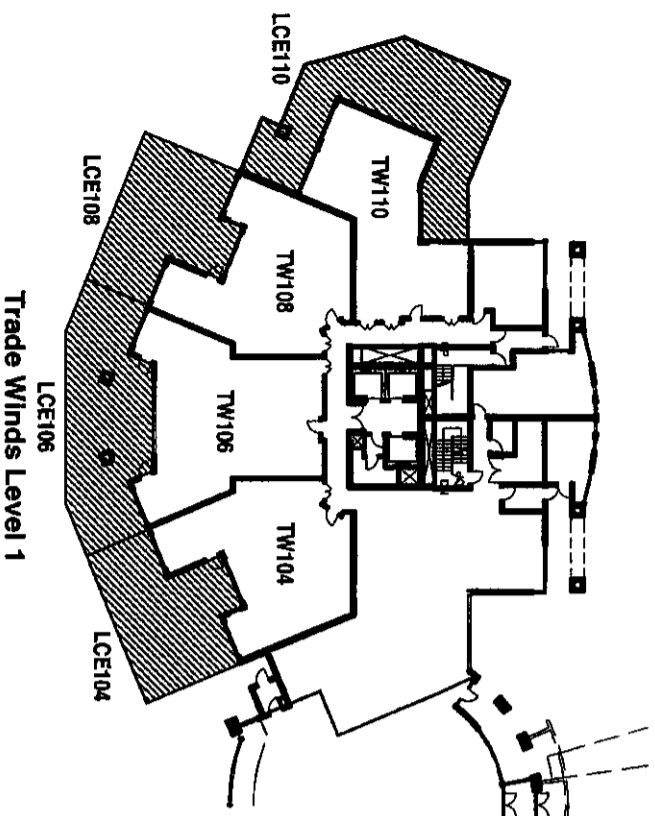
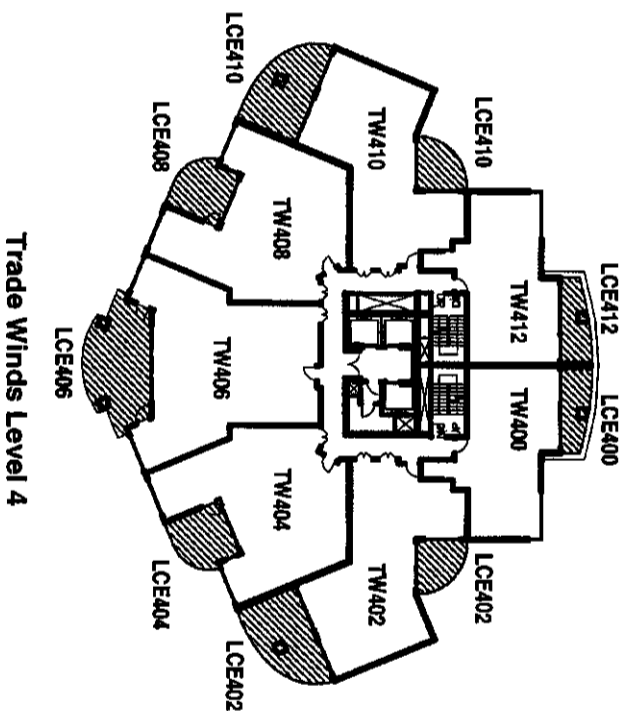
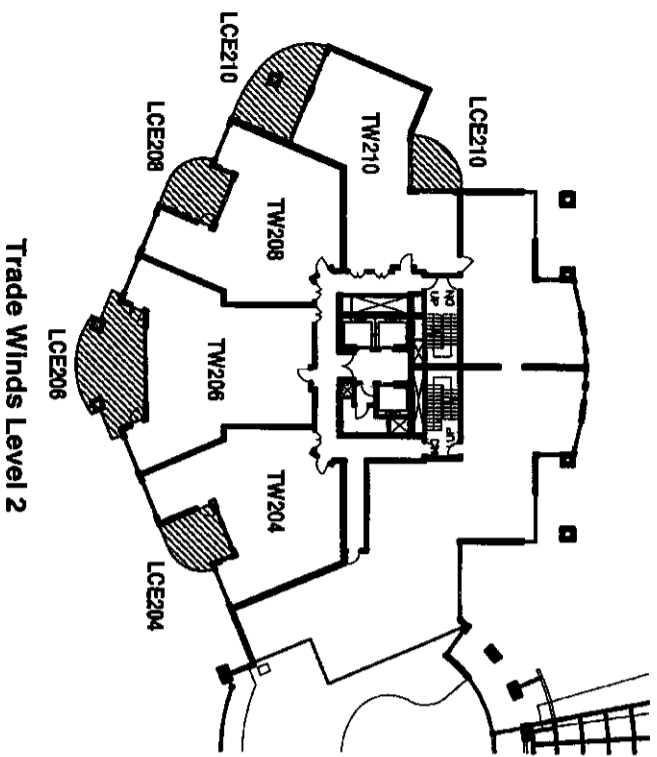
 Roof Top Commercial Unit
01 May 2008

Beach Club Architectural Floor Plan

[C Docs]

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Palisade Palms



Trade Winds Tower

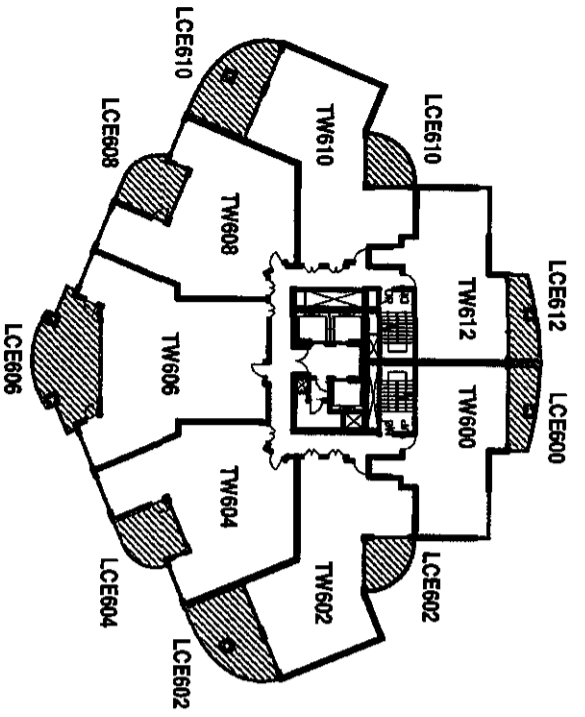
16 Feb 2005

Key Plans 1st-4th

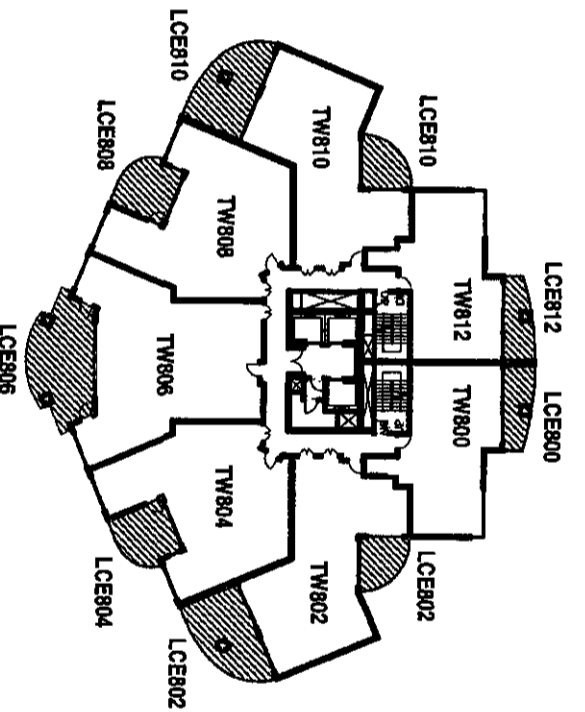
[C Docs]

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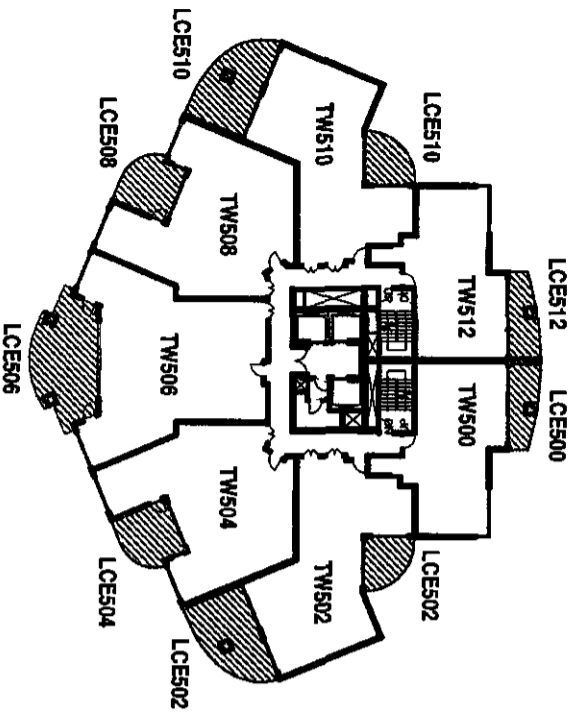
Palisade Palms



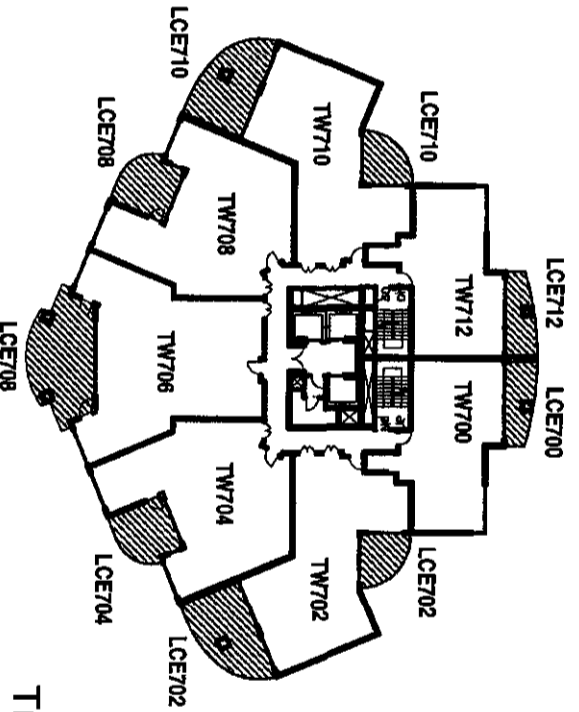
Trade Winds Level 6



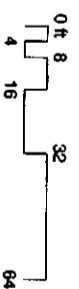
Trade Winds Level 8



Trade Winds Level 5



Trade Winds Level 7



Trade Winds Tower

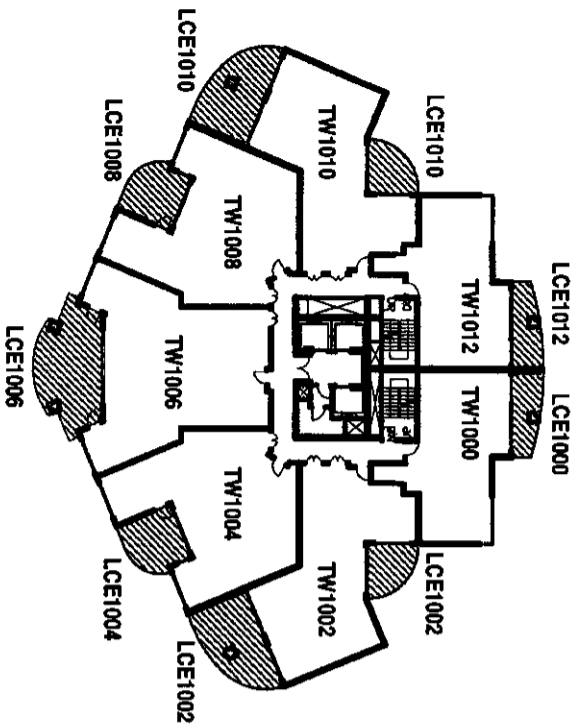
16 Feb 2005

Key Plans 5th-8th

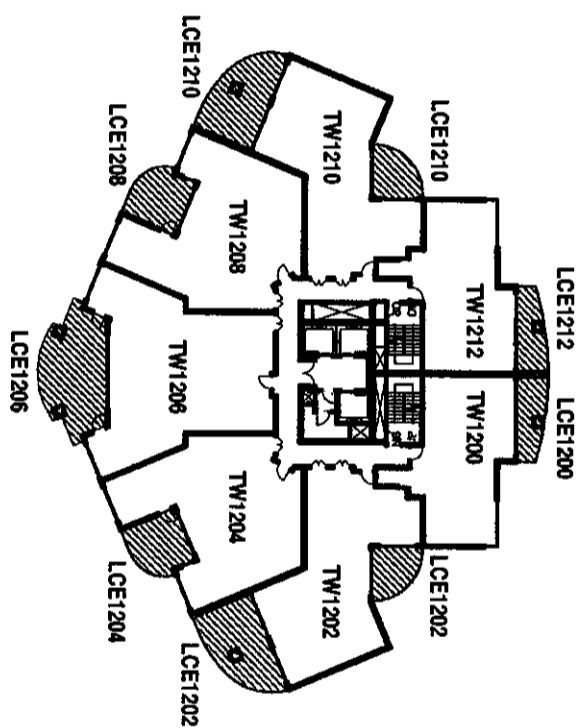
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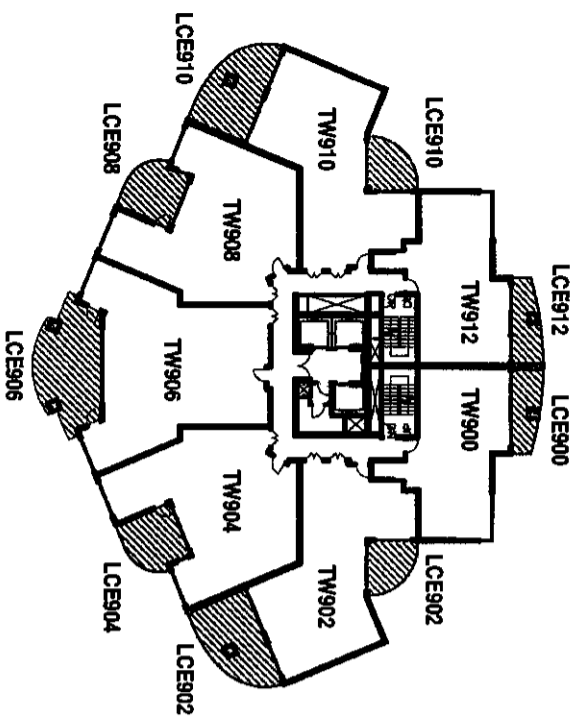
Palisade Palms



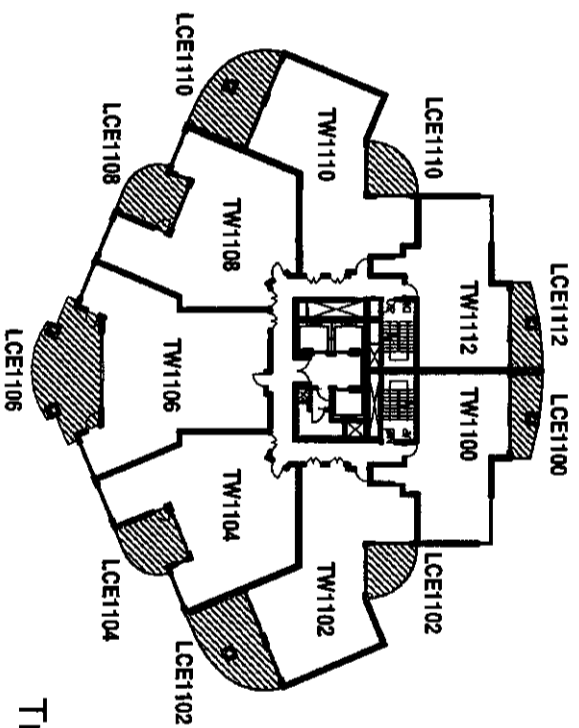
Trade Winds Level 10



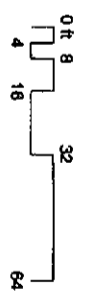
Trade Winds Level 12



Trade Winds Level 9



Trade Winds Level 11

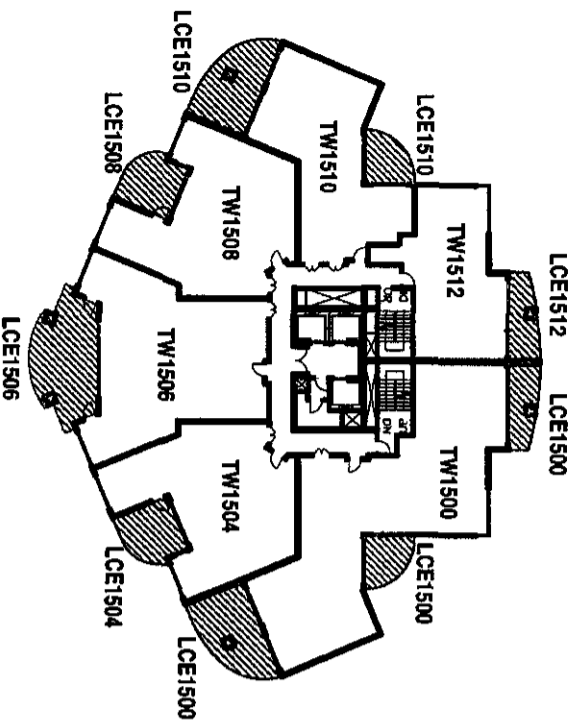


Trade Winds Tower
16 Feb 2005

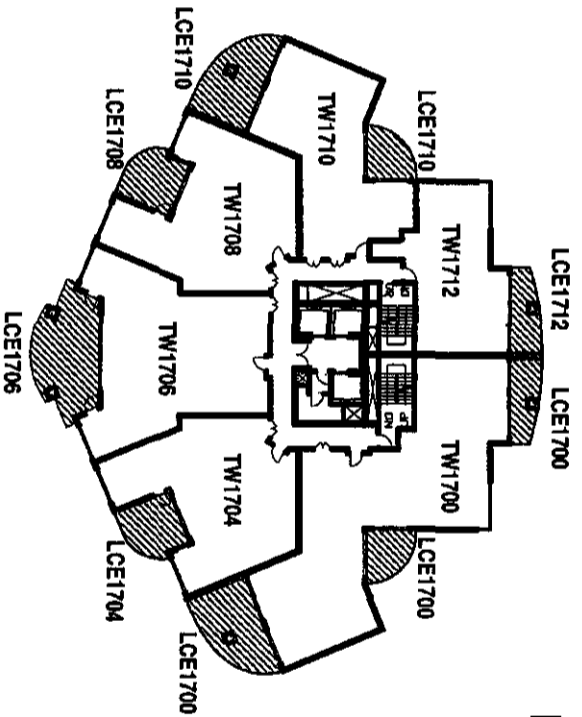
Key Plans 9th-12th

Figures reflecting size, square footage and other dimensions are estimates. After completion of construction, actual dimensions and areas may vary from original estimates. Plans, photos, descriptions and amenities are subject to change without notice. Please refer to the Property Report and Condominium Information Statement for complete information and disclosures regarding the project and Units.

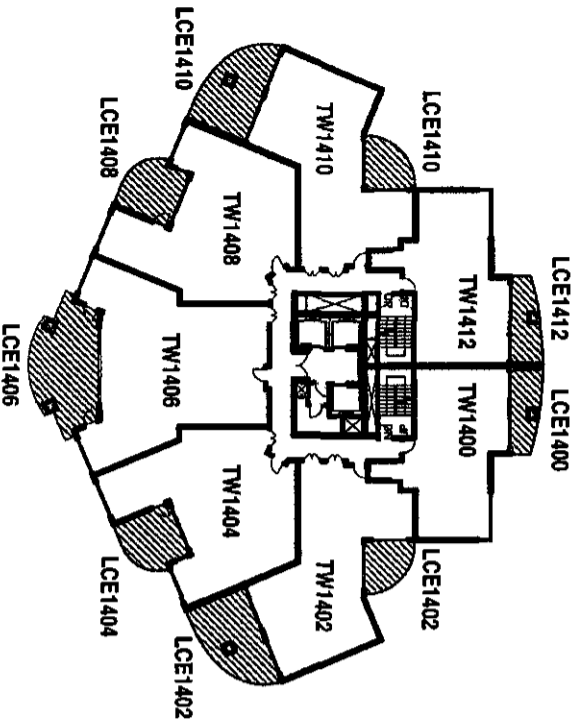
Palisade Palms



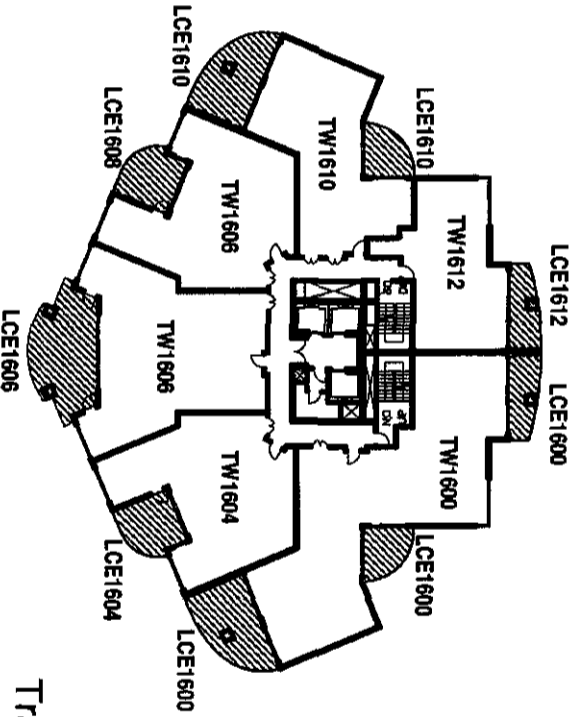
Trade Winds Level 15



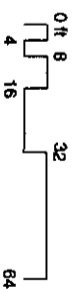
Trade Winds Level 17



Trade Winds Level 14



Trade Winds Level 16

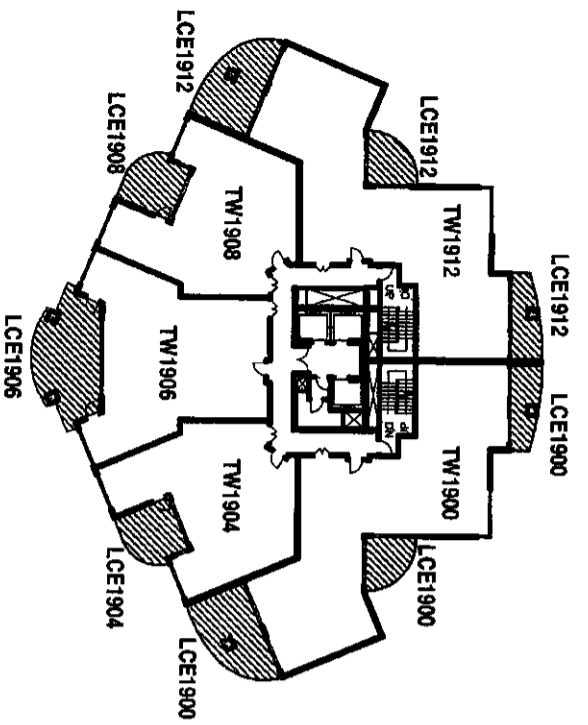


Trade Winds Tower
16 Feb 2005

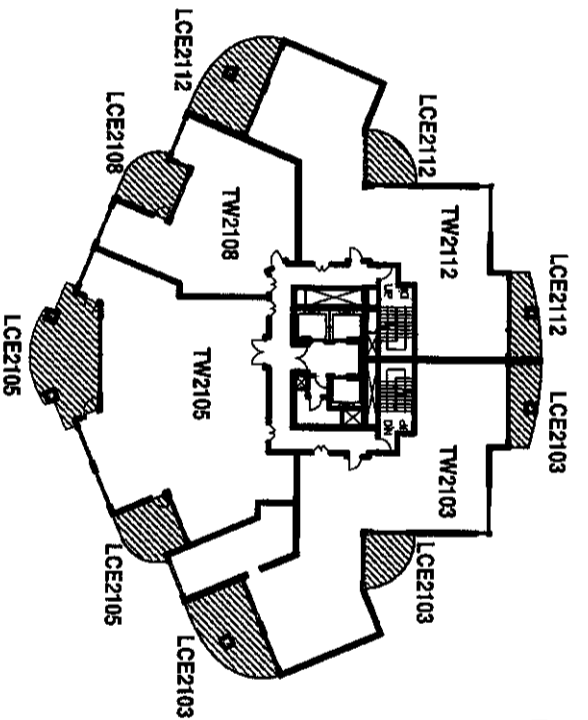
Key Plans 14th-17th

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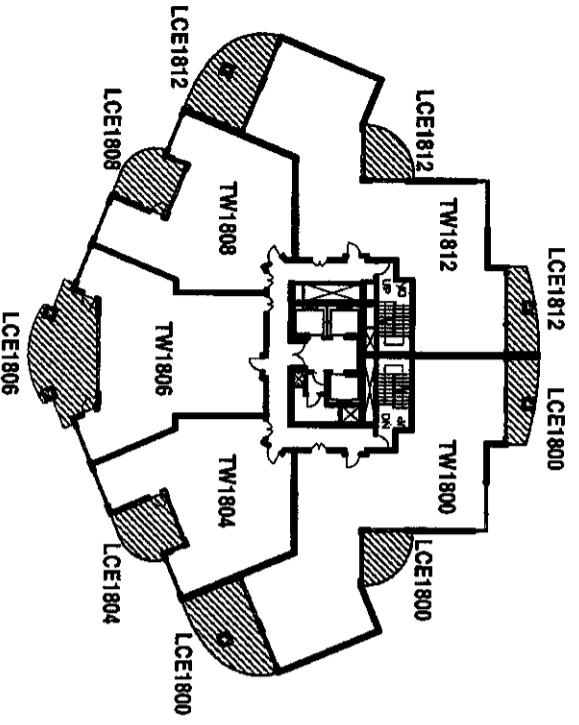
Palisade Palms



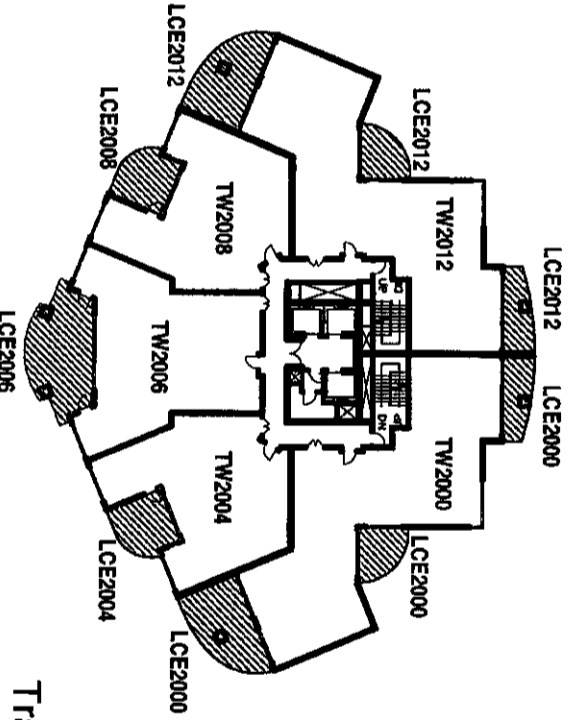
Trade Winds Level 19



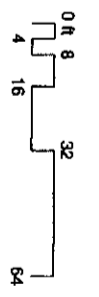
Trade Winds Level 21



Trade Winds Level 18



Trade Winds Level 20



Trade Winds Tower

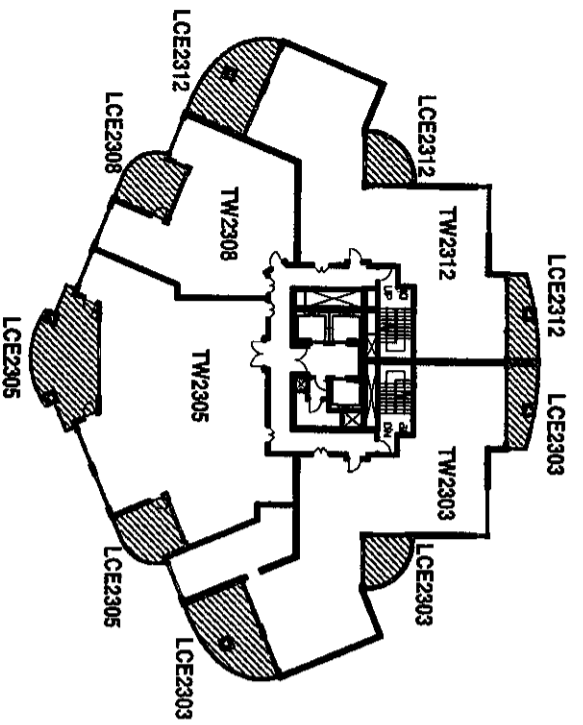
16 Feb 2005

Key Plans 18th-21st

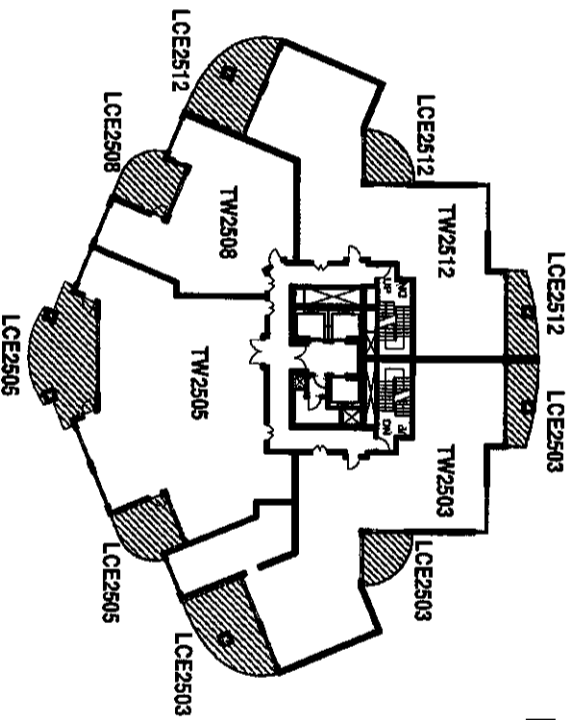
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[C Docs]

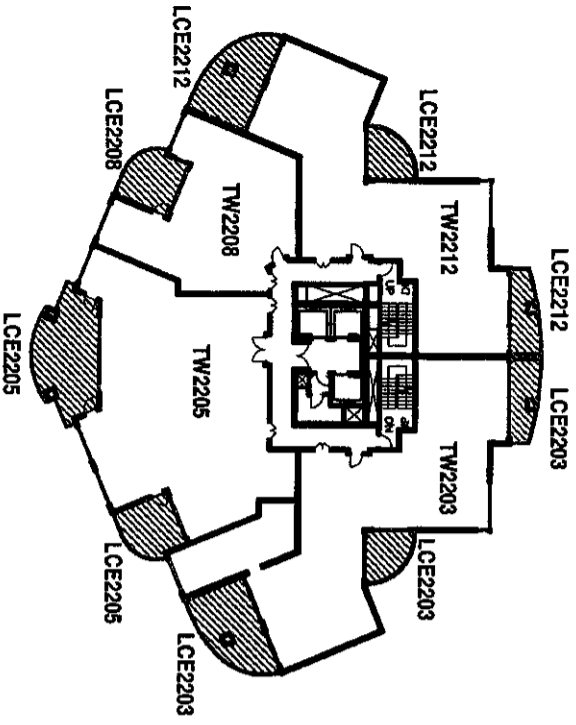
Palisade Palms



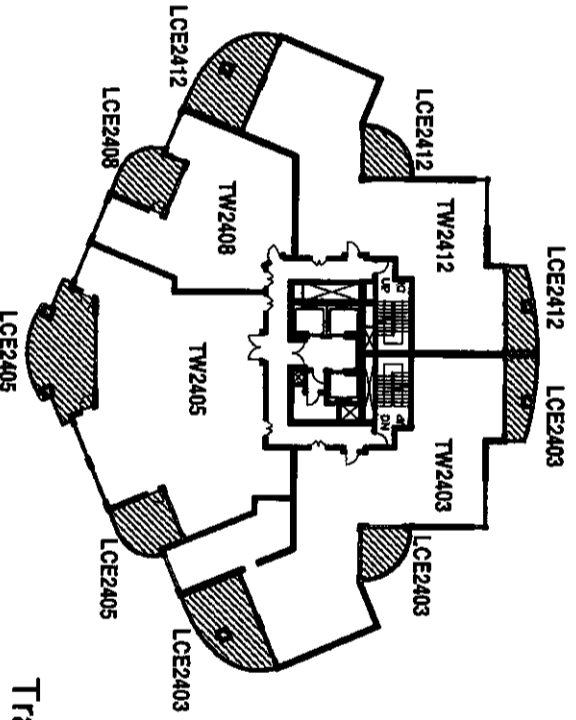
Trade Winds Level 23



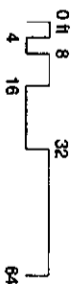
Trade Winds Level 25



Trade Winds Level 22



Trade Winds Level 24

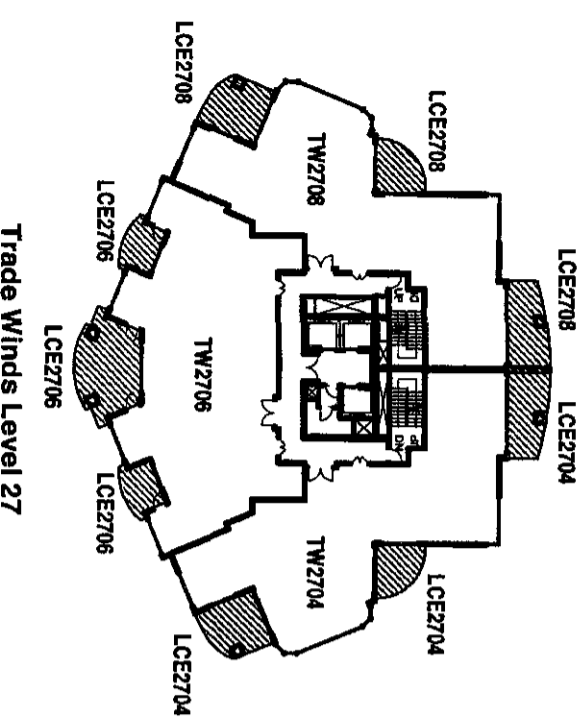


Trade Winds Tower
16 Feb 2005

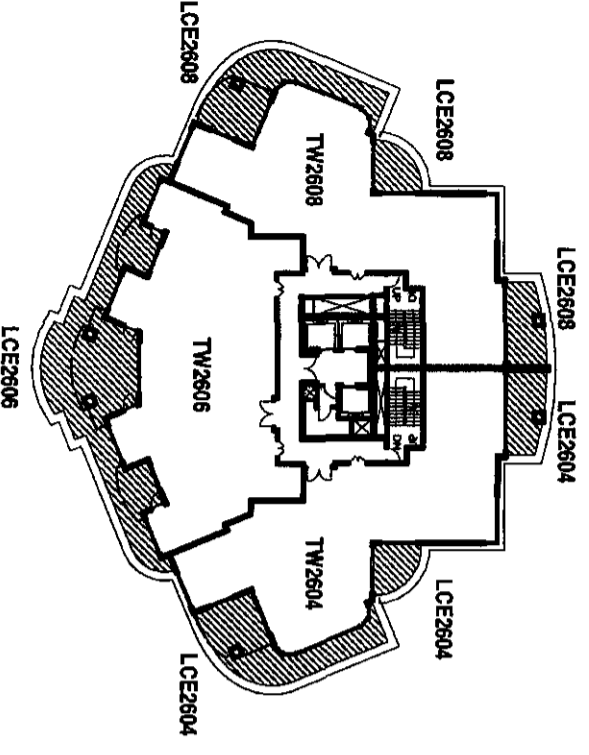
Key Plans 22nd-25th

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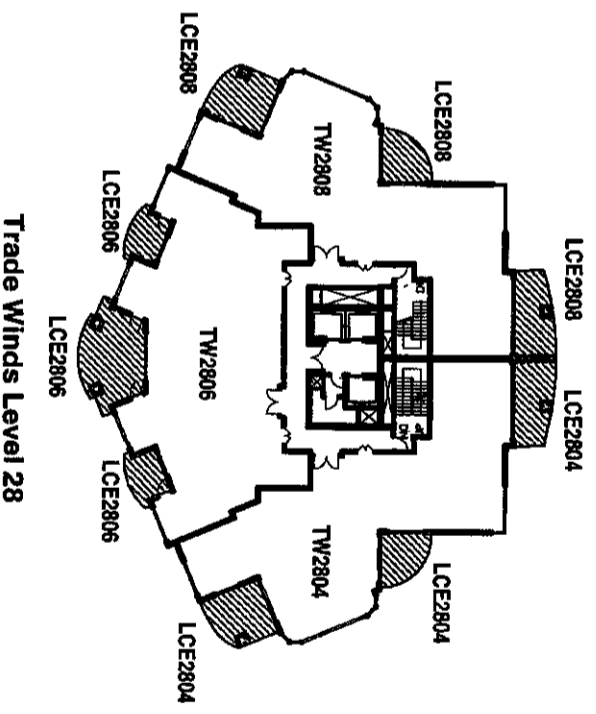
Palisade Palms



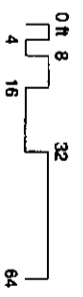
Trade Winds Level 27



Trade Winds Level 26



Trade Winds Level 28



Trade Winds Tower

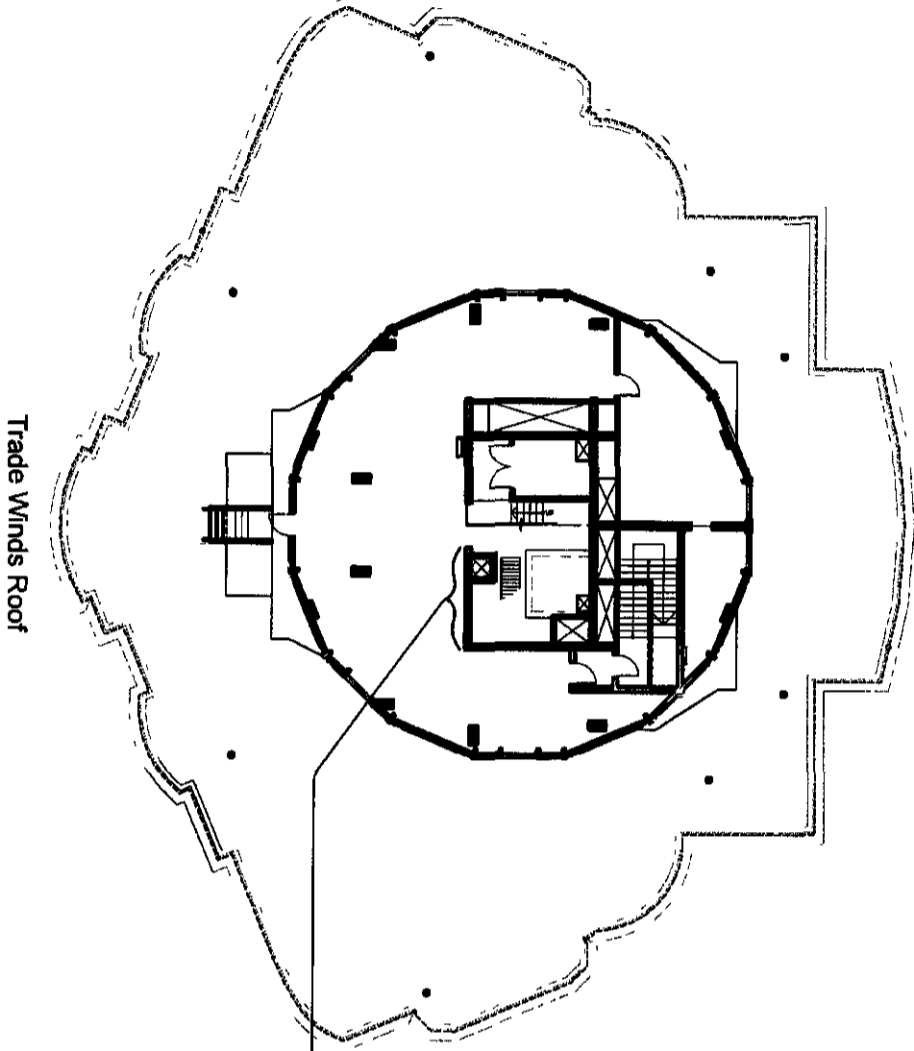
16 Feb 2005

Key Plans 26th-28th

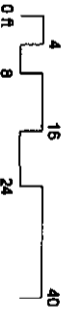
[C Docs]

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Palisade Palms



PORTION OF ROOF TOP
COMMERCIAL UNIT -
(INCLUDING ALL OF WALL
FROM FLOOR TO UNDERSIDE
OF ROOF DECK)



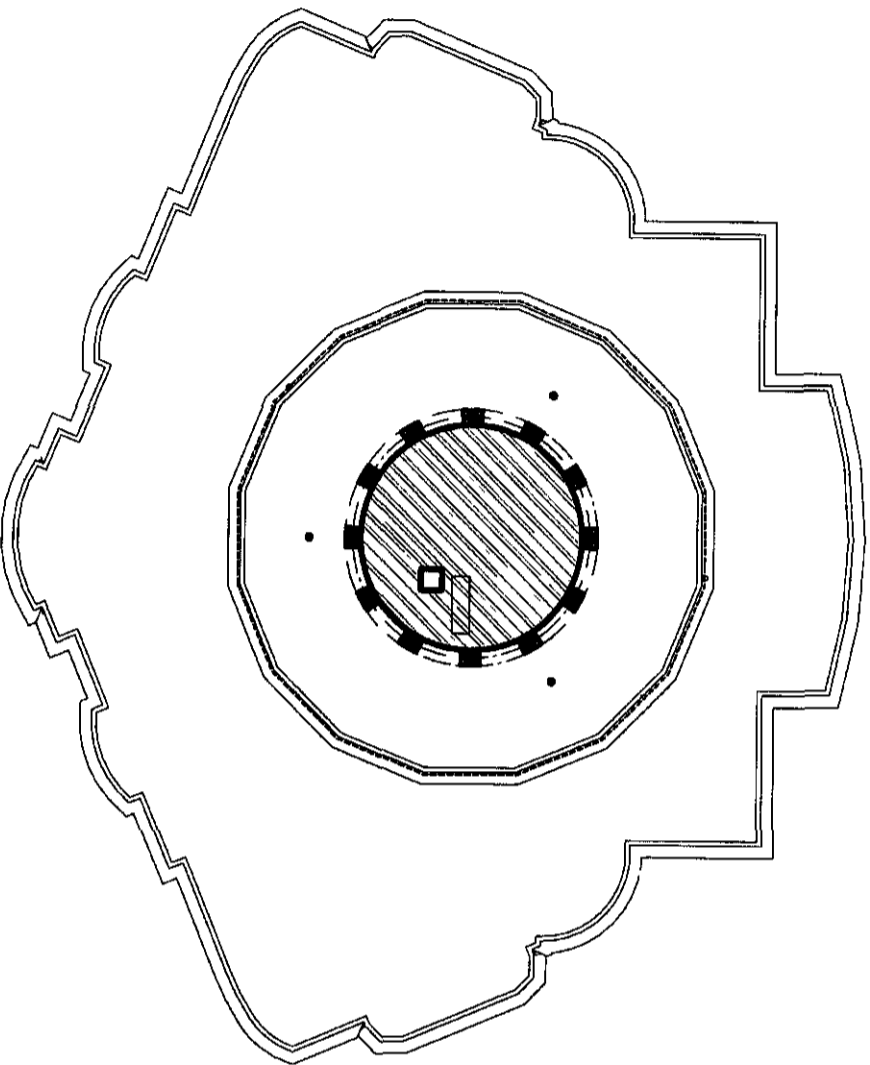
Commercial Plan
01 May 2008

Trade Winds Mechanical Floor

[C Docs]

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Palisade Palms



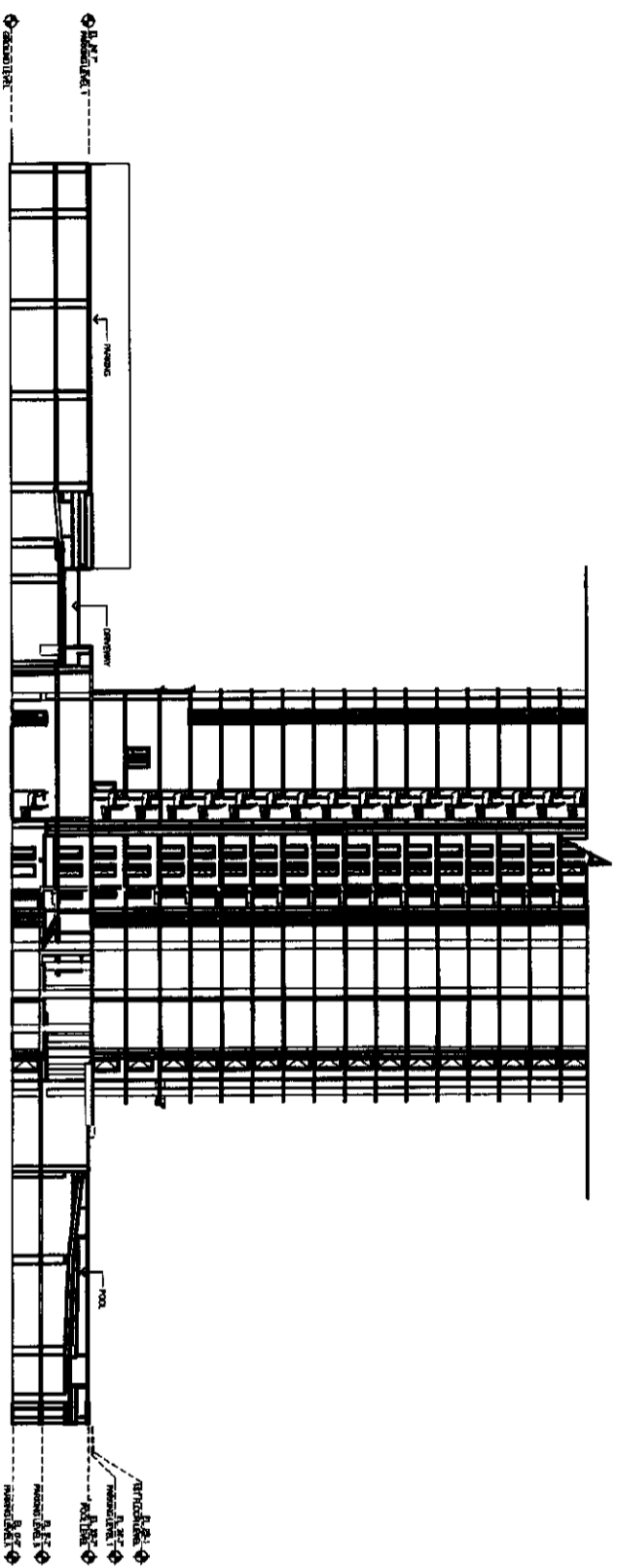
Roof Top Commercial Unit
01 May 2008

Trade Winds Architectural Floor Plan

[C Doosj

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Palisade Palms



Partial Building Section

01 May 2008

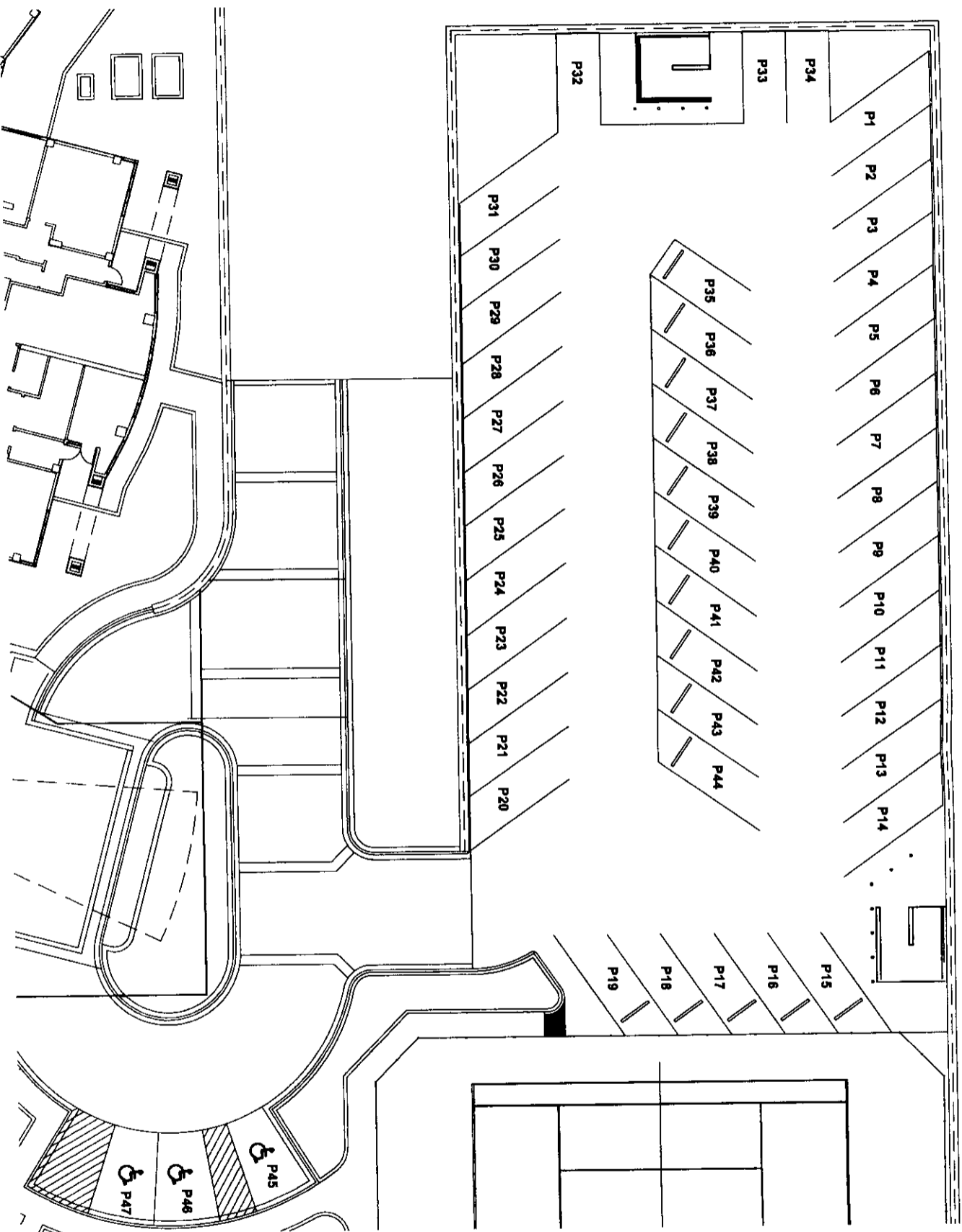
Parking Section

[C Docs]

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PALISADE PALMS

LEGAL PLAN - LEVEL 1



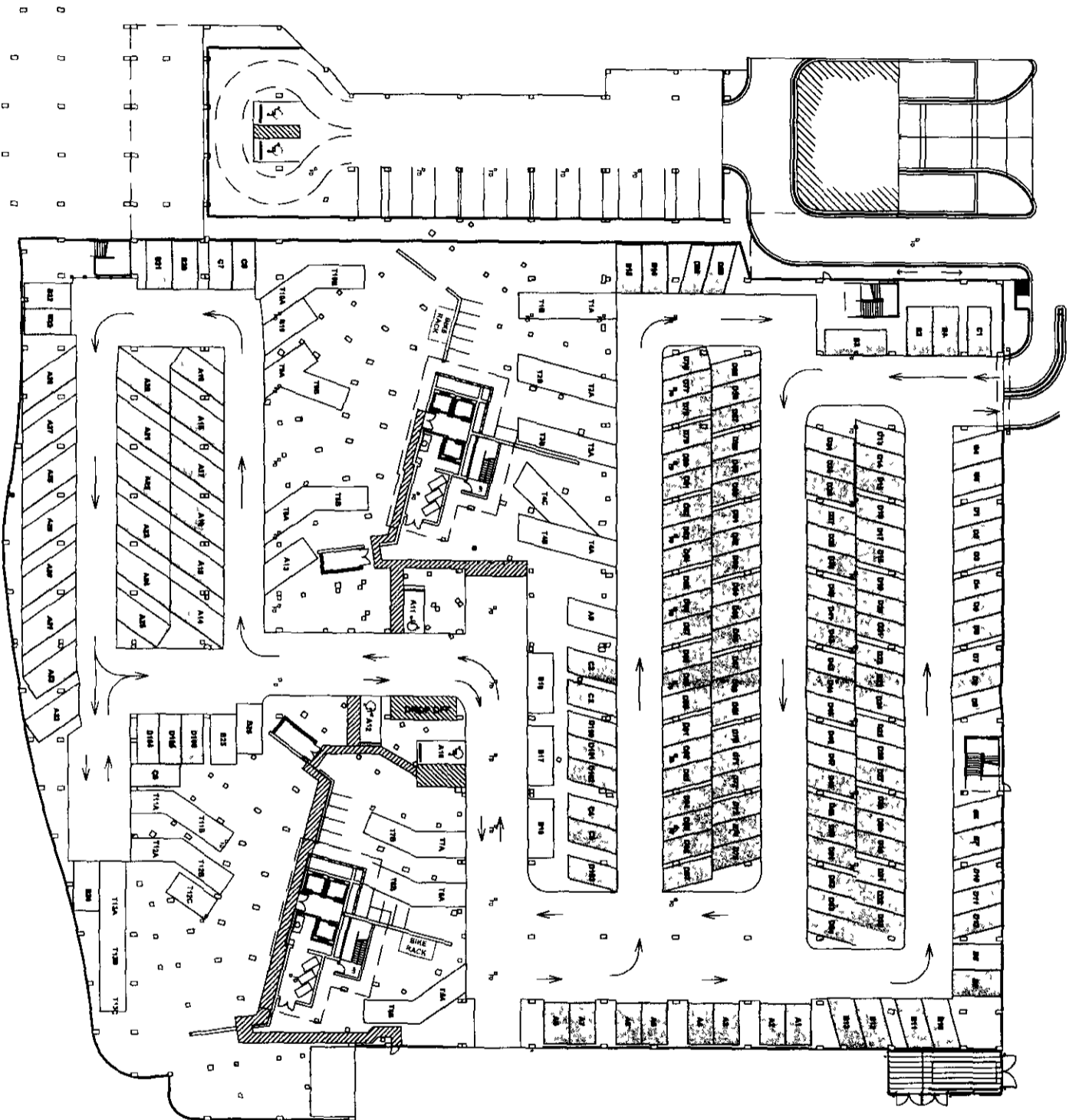
LEGEND

| | | |
|---|---------------------------------------|-------------|
|  | GENERAL COMMON ELEMENT SPACES (CCE) | |
|  | UNASSIGNED - STANDARD SINGLE SPACES | = 44 SPACES |
|  | UNASSIGNED - ACCESSIBLE SINGLE SPACES | = 3 SPACES |
| | TOTAL SINGLE SPACES | = 47 SPACES |



PALISADE PALMS

PRESENTATION PLAN



LEGEND

 BIKE RACK
 BICYCLE RACK

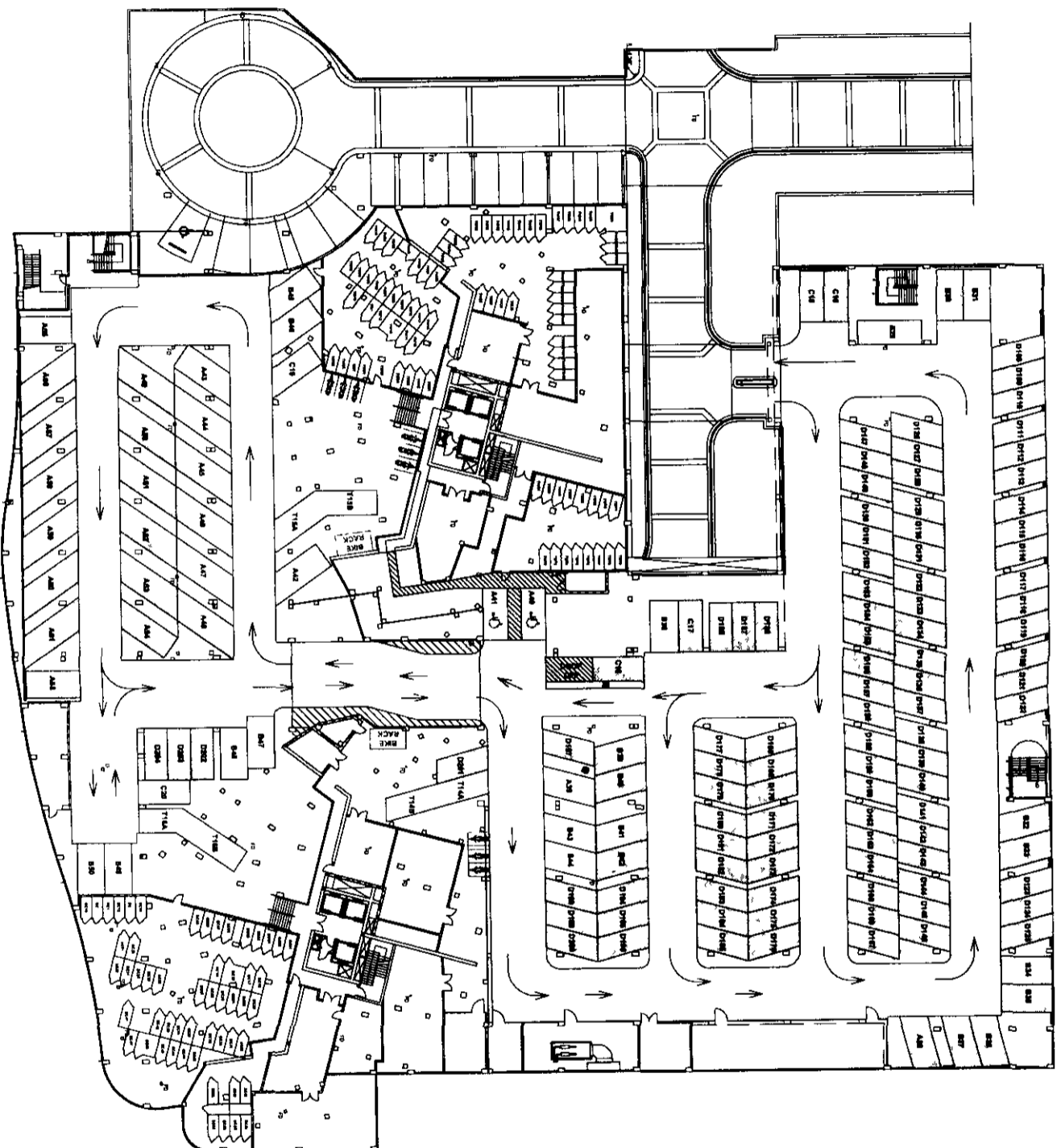
 NOT FOR SALE 164 SPACES

 FOR SALE 39 SPACES

 TOTAL 203 SPACES

PALISADE PALMS

PRESENTATION PLAN



LEGEND



MOTORCYCLE
PARKING
9 SPACES



BICYCLE RACK

NOT FOR SALE

124 SPACES

FOR SALE

27 SPACES

TOTAL

160 SPACES

EXHIBIT "B": CONDOMINIUM PLAN

**PART IV: Percentage Interests Allocated to
Each Condominium Unit For Purposes of
Ownership, Voting and Assessments**

Re Method of Calculating Area
Trade Winds/Beach Club Condominium at Palisade Palms
Condominium Information Statement
Exhibit B Condominium Plan – Part IV

The Declarant has specified the following method for calculating area for the express, exclusive and sole purpose of establishing the percentage ownership interest to be allocated to each condominium unit for purposes of ownership, voting, and assessment rights, responsibilities and obligations

from the center lines of demising or party walls separating one unit from another unit, the exterior surface of all exterior walls including walls that butt up to elevators or stairwells, and the exterior surface of the corridor wall enclosing and abutting the unit

Please note that floor plan areas were calculated on the middle floor, with the result that units on lower floors may have less floor space due to thicker structural members, while units on higher floors may, inversely, have more floor space. Moreover, the area associated with balconies or terraces that are intended for the exclusive use of a Unit owner have been calculated separately from the outside surface of any wall or partition that separates the balcony terrace area from the Unit to the outside edge of the balcony.

Importantly, any area calculations taken in the absence of and prior to the building being constructed and without any opportunity to verify dimensions based upon a Unit survey are preliminary and may vary from the as-built conditions. Moreover, areas calculated under the method given above are based entirely on dimensions taken from preliminary architectural plans, areas calculated based upon plans issued for building permits or, later, as-built conditions or dimensions obtained from a Unit survey may vary, for example, by 5% and result in precise square footage calculations that are either greater or smaller than those given herein. Accordingly, any area calculations made hereunder are approximate and shown for descriptive purposes only and do not necessarily reflect or represent the precise square footage of any specific portion of the Condominium, and no warranties, representations or guarantees are given or made regarding the specific area calculations.

Sincerely,

Scott Evans, AIA
Vice President

PALISADE PALMS BEACH CLUB

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC0102 | Pompano Beach | 1,304 | 1,581 | 2,885 | 0 2699% | 0 2728% | | |
| BC0104 | Malibu Beach | 1,430 | 967 | 2,397 | 0 2960% | 0 2992% | | |
| BC0106 | South Beach | 1,687 | 1,223 | 2,910 | 0 3492% | 0 3529% | | |
| BC0108 | Malibu Beach | 1,430 | 979 | 2,409 | 0 2960% | 0 2992% | | |
| BC0200 | Newport Beach | 2,494 | 460 | 2,954 | 0 5162% | 0 5217% | | |
| BC0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0300 | Newport Beach | 2,494 | 460 | 2,954 | 0 5162% | 0 5217% | | |
| BC0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0306 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0 2475% | 0 2502% | | |
| BC0400 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0500 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0600 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0700 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0800 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0806 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC0900 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC0906 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1000 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1006 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1100 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1106 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1200 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1400 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1500 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1600 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1700 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC1800 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1806 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1810 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| BC1900 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1906 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC1910 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC1912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC2000 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2006 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2010 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC2012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC2100 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC2104 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2106 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2110 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC2112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC2200 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC2204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| BC2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2210 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| BC2212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| BC2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0 5727% | 0 5788% | | |
| BC2305 | Venice Beach | 2,689 | 649 | 3,338 | 0 5565% | 0 5625% | | |
| BC2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2312 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0 5727% | 0 5788% | | |
| BC2405 | Venice Beach | 2,689 | 649 | 3,338 | 0 5565% | 0 5625% | | |
| BC2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2412 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0 5727% | 0 5788% | | |
| BC2505 | Venice Beach | 2,689 | 649 | 3,338 | 0 5565% | 0 5625% | | |
| BC2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| BC2512 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| BC2604 | Boca Raton | 2,659 | 864 | 3,523 | 0 5503% | 0 5562% | | |
| BC2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0 6120% | 0 6186% | | |
| BC2608 | Boca Raton | 2,659 | 864 | 3,523 | 0 5503% | 0 5562% | | |
| BC2704 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| BC2706 | Palm Beach | 2,957 | 571 | 3,528 | 0 6120% | 0 6186% | | |
| BC2708 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| BC2804 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| BC2806 | Palm Beach | 2,957 | 571 | 3,528 | 0 6120% | 0 6186% | | |
| BC2808 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| TOTALS | | 239,764 | 56,974 | 296,738 | 49.6219% | 50.1567% | | |

**PALISADE PALMS
TRADE WINDS**

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0104 | Malibu Beach | 1,430 | 979 | 2,409 | 0 2960% | 0 2992% | | |
| TW0106 | South Beach | 1,687 | 1,223 | 2,910 | 0 3492% | 0 3529% | | |
| TW0108 | Malibu Beach | 1,430 | 967 | 2,397 | 0 2960% | 0 2992% | | |
| TW0110 | Pompano Beach | 1,304 | 1,424 | 2,728 | 0 2699% | 0 2728% | | |
| TW0204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0210 | Pompano Beach | 1,304 | 460 | 1,764 | 0 2699% | 0 2728% | | |
| TW0304 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0306 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0308 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0310 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0312 | Cocoa Beach | 1,196 | 0 | 1,196 | 0 2475% | 0 2502% | | |
| TW0400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0402 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0500 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0502 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0600 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0602 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0700 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0702 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0800 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0802 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0806 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0808 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0810 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|--------|------------------|---------------|-------------------|-------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW0812 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0900 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW0902 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0904 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0906 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW0908 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW0910 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW0912 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1000 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1002 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1004 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1006 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1008 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1010 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1012 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1100 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1102 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1104 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1106 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1108 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1110 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1112 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1200 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1202 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1204 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1206 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1210 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1212 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1400 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1402 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1404 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1406 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1408 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1410 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1412 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1500 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1504 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1506 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1510 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1512 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1600 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1604 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1606 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1608 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1610 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1612 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1700 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1704 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |

| Suite | Model Suite Type | AREA (sq.ft.) | | | Interior A/C* Area Basis PERCENTAGE (%) FOR | | Parking Space(s) | Storage Space(s) |
|---------------|------------------|----------------|-------------------|----------------|---|---------------------|------------------|------------------|
| | | Interior A/C | Balcony / Terrace | TOTAL | Ownership/ Voting | Assess. ("by AREA") | | |
| TW1706 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1708 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1710 | Pompano Beach | 1,296 | 460 | 1,756 | 0 2681% | 0 2710% | | |
| TW1712 | Cocoa Beach | 1,044 | 148 | 1,192 | 0 2161% | 0 2184% | | |
| TW1800 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1804 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1806 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1808 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1812 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1900 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW1904 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1906 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW1908 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW1912 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2000 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2004 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW2006 | South Beach | 1,687 | 452 | 2,139 | 0 3492% | 0 3529% | | |
| TW2008 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW2012 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2103 | Laguna Beach | 2,767 | 609 | 3,376 | 0 5727% | 0 5788% | | |
| TW2105 | Venice Beach | 2,689 | 649 | 3,338 | 0 5565% | 0 5625% | | |
| TW2108 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW2112 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2203 | Laguna Beach | 2,767 | 609 | 3,376 | 0 5727% | 0 5788% | | |
| TW2205 | Venice Beach | 2,689 | 649 | 3,338 | 0 5565% | 0 5625% | | |
| TW2208 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW2212 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2303 | Laguna Beach | 2,767 | 609 | 3,376 | 0 5727% | 0 5788% | | |
| TW2305 | Venice Beach | 2,689 | 649 | 3,338 | 0 5565% | 0 5625% | | |
| TW2308 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW2312 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2403 | Laguna Beach | 2,767 | 609 | 3,376 | 0.5727% | 0 5788% | | |
| TW2405 | Venice Beach | 2,689 | 649 | 3,338 | 0.5565% | 0 5625% | | |
| TW2408 | Malibu Beach | 1,430 | 196 | 1,626 | 0.2960% | 0 2992% | | |
| TW2412 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2503 | Laguna Beach | 2,767 | 609 | 3,376 | 0 5727% | 0 5788% | | |
| TW2505 | Venice Beach | 2,689 | 649 | 3,338 | 0 5565% | 0 5625% | | |
| TW2508 | Malibu Beach | 1,430 | 196 | 1,626 | 0 2960% | 0 2992% | | |
| TW2512 | Newport Beach | 2,342 | 609 | 2,951 | 0 4847% | 0 4899% | | |
| TW2604 | Boca Raton | 2,659 | 864 | 3,523 | 0 5503% | 0 5562% | | |
| TW2606 | Palm Beach | 2,957 | 1,260 | 4,217 | 0 6120% | 0 6186% | | |
| TW2608 | Boca Raton | 2,659 | 864 | 3,523 | 0 5503% | 0 5562% | | |
| TW2704 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| TW2706 | Palm Beach | 2,957 | 571 | 3,528 | 0 6120% | 0 6186% | | |
| TW2708 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| TW2804 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| TW2806 | Palm Beach | 2,957 | 571 | 3,528 | 0 6120% | 0 6186% | | |
| TW2808 | Boca Raton | 2,659 | 550 | 3,209 | 0 5503% | 0 5562% | | |
| TOTALS | | 237,357 | 56,815 | 294,172 | 49.1237% | 49.6532% | | |

PALISADE PALMS COMMERCIAL UNITS

| | | | Assessment by Area @ 15% Ratio sq.ft. | | | | |
|---------------|--------------------|-------------------------|--|------------------------------|------------------------------|-----------------------------|-----------------------------|
| Suite | Designation | Total sq ft. | | Ownership/ Voting | Assess. (by AREA) | Parking Space(s) | Storage Space(s) |
| R-TW | Roof TW | 2,509 s f | 376 s f. | 0 5193% | 0 0787% | | |
| R-BC | Roof BC | 2,509 s f | 376 s f | 0 5193% | 0 0787% | | |
| SC-BC | SalesCenter BC | 1,043 s f | 156 s.f. | 0 2159% | 0 0327% | | |
| | | | | | | | |
| TOTALS | | 6,061 s.f. | 909 s.f. | 1.2544% | 0.1902% | | |

EXHIBIT "C"
(to the Declaration)

EASEMENTS AND LICENSES

1. The following restrictive covenants of record itemized below:

See Item 5A below.
2. Any discrepancies, conflicts or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.
3. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
 - a) to tidelands, or land comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
 - b) to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
 - c) to filled-in lands, or artificial islands, or
 - d) to statutory water rights, including riparian rights, or
 - e) to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
4. Standby fees, taxes and assessments by any taxing authority for the year 2008, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, *Texas Tax Code*, or because of improvements not assessed for a previous tax year.
5. The following matters and all terms of the documents creating or offering evidence of the matters:
 - a. Those recorded under County Clerk's File No. 2004033074, 2005047088 and 2005047091 of the Official Records in Volume 2007A, Page 139 of the Map records of Galveston County, Texas.
 - b. Maintenance Charge/Assessments as provided for in instrument(s) recorded in under County Clerk's File No. 2005047088, of the Official Records of Galveston County, Texas. Subordination to purchase money and/or improvement liens contained therein.
 - c. Maintenance Charge/Assessments as provided for in instrument(s) recorded in under County Clerk's File No. 2005047091, of the Official Records of Galveston County, Texas. Subordination to first lien of record contained therein.
6. Visible and apparent easements on or across the property.
7. Any portion of subject property lying within the boundaries of a public or private

roadway whether dedicated or not.

8. Easement as shown on the recorded plat and dedication:
Purpose: Drainage and Utility
Location: Twenty (20') feet wide along the most northerly property lines of Lots 2, 3 and Out Lot "A".
9. Easement as shown on the recorded plat and dedication:
Purpose: Public Beach
Location: of varying width along the southerly property lines of Lot 3 and Out Lot "D".
10. Easement as shown on the recorded plat and dedication:
Purpose: Roadway
Location: a portion of One Hundred (100') road easement along the most northerly property lines of Lots 2, 3 and Out Lot "A".
11. Mineral or royalty interest:
Recorded: In under County Clerk's File No., 8444601, of the Official records, of Galveston County, Texas.
12. Terms, conditions and stipulations of Judgment rendered in suit styled "John L. Hill, Attorney General of the State of Texas, et al vs. West Beach Encroachment, et al," Cause No. 108156, in the 122nd District Court of Galveston County, Texas, confirming the location of the public right of use and easement under the Texas Open Beaches Act with respect to the property and the prohibition of structures within the easement area and confirming the location of the boundary of subject property as of October 20, 1975. Said easement and boundary are subject to change after such time because of subsequent changes in the location of the line of vegetation and mean high tide.
13. Easement:
To: James C. Shindler, Trustee
Recorded: in Volume 3257, Page 41 of the Deed records and under County Clerk's File No. 8350247 and 84144 of the Official records of Galveston County, Texas.
Purpose: Road
Location: Being more particularly described by metes and bounds contained therein.
14. Easement:
To: CenterPoint Energy Houston Electric, LLC
Recorded: in under County Clerk's File No. 2005026936, of the Official records of Galveston County, Texas.
Purpose: Electric distribution and communication facilities
Location: Location not determined by instrument.
15. Easement:
To: Comcast of Houston, LLC
Recorded: in under County Clerk's File No. 2007039113, of the Official records of Galveston County, Texas.
Purpose: Communication facilities
Location: Location not determined by instrument

16. Terms, conditions, provisions, easements, reservations and other matters:
 Document: Declaration of Covenants, Conditions, Easements and Restrictions for Palisade Palms
 Recorded: in under County Clerk's File No. 2004033074, of the Official records of Galveston County, Texas.
17. Terms, conditions, provisions, easements, reservations and other matters:
 Document: Declaration of Covenants, Conditions, Easements and Restrictions for Palisade Palms
 Recorded: in under County Clerk's File No. 2005047088, of the Official records of Galveston County, Texas.
18. Terms, conditions, provisions, easements, reservations and other matters.
 Document: Declaration of Condominium for Trade Winds/The Beach Club Condominium at Palisade Palms
 Recorded: in under County Clerk's File No. 2005047091, of the Official records of Galveston County, Texas.

Together with but not limited to ingress and egress for installation, maintenance, repairs and removal of public utilities; encroachments created by construction settling and overhang of improvements and public/private utilities, streets, driveways, walkways, sewers, access and drainage over and across the common areas.

19. All terms, provisions, conditions and stipulations of the Declaration and By-Laws:
 Recorded: under County Clerk's File No. 2005047091, of the Official records of Galveston County, Texas.
20. Easement:
 Purpose: Drainage
 Location: Thirty (30') feet wide on each side of the center line of all gullies, ravines and other natural drainage courses on the herein described property.
21. Any right, title, interest or claim (valid or invalid) of any character had or asserted by the State of Texas or by any other Government or Governmental authority or by the public generally; (1) in and to portions of the above described property which may be within the bed, shore, or banks of a perennial stream or lake navigable in fact or by law; or within the bed or shore or the beach adjacent thereto of a body of water affected by the ebb and flow of the tide; and (2) in and to portions of the above described property which may be between the water's edge and a line of vegetation on the upland or for any claim or right for ingress thereto or egress therefrom.
22. Inclusion within Galveston Grand Beach Management District.

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

Mary Ann Daigle

2008024938

May 05, 2008 02 06 22 PM

FEE \$752 00

Mary Ann Daigle, County Clerk
 Galveston County, TEXAS

EXHIBIT 1 TO THE BYLAWS

RULES

OF

TRADE WINDS/THE BEACH CLUB CONDOMINIUM ASSOCIATION, INC.

These Rules have been adopted by the Board of Directors of Trade Winds/The Beach Club Condominium Association, Inc., a Texas nonprofit corporation and condominium association (the "**Association**"), in accordance with the provisions of Section 8F of the Declaration of Condominium for the Trade Winds/The Beach Club Condominium at Palisade Palms (the "**Declaration**"), and the Bylaws of the Association, to be recorded in the Real Property Records of Galveston County, Texas.

These Rules apply to the Units and Common Elements of the Trade Winds/The Beach Club Condominium at Palisade Palms (the "**Condominium**"). By owning or occupying a Unit in the Condominium, each Owner and Resident agrees to abide by these Rules, as well as the obligations of Owners and Residents provided in the Declaration and Bylaws.

For the convenience of Owners and Residents of the Condominium, these Rules restate some of the rules and covenants contained in the Declaration. Most of these Rules, however, are in addition to the restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules. In the event of a conflict between Condominium Documents (as defined herein), the hierarchy of authority shall be as follows: Declaration (highest), Articles of Incorporation, Bylaws, these Rules, the community policies promulgated by the Board (lowest).

A. COMPLIANCE

- A-1. *Compliance.* Each Owner shall comply with the provisions of these Rules, the Declaration, the Bylaws, and community policies promulgated by the Board of Directors to supplement these Rules, as any of these may be revised from time to time (collectively, the "**Condominium Documents**"). Each Owner, additionally, shall be responsible for compliance with the Condominium Documents by the occupants of his or her Unit, and his or her or their respective families, invitees, tenants, agents, employees, or contractors. Use of "Owner" or "Resident" in these Rules shall be deemed to include and apply to the Owner of a Unit in the Condominium and to all persons for whom the owner is responsible. An Owner should contact the Board of Directors if he or she has a question about these Rules.

- A-2. *Additional Rules.* Each Resident shall comply with all rules and signs posted from time to time on the Condominium by the Association, any recreational facilities, and the Common Elements. Such posted rules are incorporated in these Rules by reference. Each Resident shall comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Condominium. Such temporary rules are incorporated in these Rules by reference.
- A-3. *Waiver.* Certain circumstances may warrant waiver or variance of these Rules. An Owner must make written application to the Board of Directors for such waiver or variance. If the Board of Directors deems the waiver or variance warranted, the Board of Directors may condition its approval, which must be in writing to be effective. Any consent or approval given under these Rules by the Board of Directors shall be revocable at any time.
- A-4. *Fines.* The Association may levy a fine, not to exceed One Hundred and No/100 Dollars (\$100.00) per occurrence or per day (as the case may be), for violations of these Rules.

B. OBLIGATIONS OF OWNERS AND RESIDENTS

- B-1. *Safety.* Each Resident is solely responsible for his or her own safety and for the safety, well-being and supervision of his or her guests and any person on the Condominium to whom the Resident has a duty of care, control, or custody.
- B-2. *Damage.* Each Owner is responsible for any loss or damage to his or her Unit, other Units, the personal property of other Residents or their guests, or to the Common Elements and improvements, if such loss or damage is caused by the Owner or by any person for whom the Owner is responsible. Each Owner shall close all exterior windows and doors when necessary to avoid possible damage from storms or the elements. All damage to the Condominium caused by construction or repair activities within an Owner's Unit, or by the moving of any article therefrom or by the carrying of any article thereto, shall be paid for by the Owner responsible for such construction or repair activities or the presence of such article.
- B-3. *Association Does Not Insure.* Each Resident is solely responsible for insuring his or her personal property in the Unit and on the Condominium and/or property not covered by the Association's insurance, including his or her furnishings, automobile, and items kept in storage areas. Personal property placed in or on the Condominium shall be solely at the risk of the owner of such personal property. Each Resident is also solely responsible for such Resident's liability to third parties for occurrences within the Resident's Unit. **The Association urges Owners and Residents to purchase property insurance on their personal belongings and liability insurance for occurrences within their Units and incidental damage resulting therefrom.**

- B-4. *Risk Management.* No Resident shall permit anything to be done or kept in his or her Unit or the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which may be in violation of any law.
- B-5. *Reimbursement for Enforcement.* An Owner shall promptly reimburse the Association for any expenses incurred by the Association in enforcing the Condominium Documents against the Owner, his or her Unit, or persons for whom the Owner is responsible.
- B-6. *Reimbursement for Damage.* An Owner shall promptly reimburse the Association for the cost of damage to the Condominium caused by the negligent or willful conduct of the Owner or the persons for whom the Owner is responsible.

C. OCCUPANCY STANDARDS

- C-1. *Numbers.* A Residential Unit may be occupied by no more than two (2) persons per bedroom, unless higher occupancy is mandated by public agencies that enforce compliance with the familial status protection of the Fair Housing Act.
- C-2. *Danger.* The Association may prohibit occupancy by a person who constitutes a direct threat to the health or safety of other persons, or whose occupancy would result in substantial physical damage to the property of others, pursuant to the Fair Housing Act.
- C-3. *Occupancy Defined.* Occupancy of a Residential Unit for purposes of these Rules, shall mean occupancy of at least seven (7) continuous days or 30 noncontinuous days in any 12 month period.
- C-4. *Term of Lease.* A Residential Unit may not be leased for hotel purposes or for a term of less than one (1) week. Less than the entire Residential Unit may not be leased.
- C-5. *Leases.* As to the Residential Units: Each lease must be in writing for a minimum of a one (1) week, and shall be subject in all respects to the provisions of the Condominium Documents, as amended from time to time, these Rules and Regulations, as amended from time to time, and all instruments affecting title to the condominium property. Any failure by a tenant to comply with the terms of any such documents shall constitute a default under such lease enforceable by the Association as the intended third-party beneficiary of the same. Prior to occupancy by a tenant ("Tenant"), each Owner shall provide each Tenant with a copy of the Rules and Regulations ("Rules") applicable to the Condominium, Unit and occupants. An Owner shall provide the Management with a copy of each lease of that Owner's Unit prior to occupancy by the Tenant. Units participating in the Condominium Association's ("Association") rental program are excluded from the prior two requirements. The board reserves the right to deny access to unregistered tenants and to set up access points to attempt to ensure the integrity of the building and the Owners and residents.

Pets are not allowed in rental units.

- C-6. *No Rental Pool.* Neither a Unit Owner nor the Association may be a party to any agreement with the Declarant or any third party in which the Unit Owner receives a share of income from the aggregate net income produced from rental of other Units or from other commercial activities in the Condominium (a so called "rental pool").
- C-7. *Sales.* The Association may not act as listing or selling agent for any Unit sales in the condominium; provided, however, the Association may operate or manage a program for Unit rentals, subject to Rule C-6 above. The Declarant or an affiliate of Declarant shall have the exclusive right to establish a sales office on the Condominium premises for either original sales or resales. Any listing agent or broker must accompany all prospective buyers during any Unit tours or showings and must register with the Association's management agent to conduct such tours or showings.

D. GENERAL USE AND MAINTENANCE OF RESIDENTIAL UNITS

- D-1. *Residential Use.* Each Unit must be used solely for Residential use, and may not be used for commercial or business purposes. This restriction shall not prohibit a Resident from using his or her Unit for a limited business purpose, provided that: (i) such use is incidental to the Unit's Residential use; (ii) such use conforms to all applicable laws and ordinances; and (iii) there is no external evidence of such use. In no event shall such limited business use unreasonably interfere with the quiet enjoyment of the other Owners of their Unit or involve the sale of goods or merchandise to the public. In addition, consultation with clients or customers at a Unit shall not be permitted. Notwithstanding the foregoing, the use of a Unit for the maintenance of a personal or professional library; for the keeping of personal, business or professional records of accounts; or for the handling of personal business or professional telephone calls or correspondence shall not be deemed to be a violation of these provisions.
- D-2. *Annoyance.* No Unit may be used in any way that: (i) may reasonably be considered annoying to occupants of neighboring Units; (ii) may be calculated to reduce the desirability of the Condominium as a residential community; (iii) may endanger the health or safety of other Residents; or (iv) may violate any law or any provision of the Condominium Documents.
- D-3. *Maintenance.* Each Owner, at his or her sole cost and expense, shall maintain his or her Unit and any Limited Common Elements appurtenant thereto in a clean, safe and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements, including, but not limited to, telephone, water, gas, cable, television, plumbing, power or other utility systems throughout the Condominium and each Owner shall be responsible for his or her negligence or misuse of any of the Common Elements or his or her

own facilities resulting in damage to the Common Elements.

- D-4. *Flooring.* No Owner may alter the floor assembly, which is designed to mitigate sound transmission, without approval of the Board and, in the Board's sole discretion, certification by a qualified engineer that such alternative floor system has equal or greater sound transmission mitigation properties (as measured by the STC Rating of the alternative floor system) as that originally installed by the Declarant. Any wood, tile or other hard surface flooring within a Unit shall have such sub-flooring as the Association may require to insure that such wood, tile or other hard surface flooring shall not create a nuisance or disturbance to other Owners.
- D-5. *Patio/Balcony/Terrace.* Each Resident shall keep his or her Unit and patio, balcony, or terrace in a good state of cleanliness, taking care that the cleaning of his or her patio, balcony, or terrace does not annoy or inconvenience other Residents. No plants shall be watered on a patio, balcony, or terrace such that water overflows onto any other patio, balcony, terrace, or the exterior surface of the Building. No animal shall be fed on or from any patio, balcony, or terrace. Each Owner shall be responsible and liable for any item which falls or is thrown from such Owner's patio, balcony, or terrace by any person for whom the Owner is responsible. A patio/balcony/terrace may not be enclosed or used for storage purposes. If the Board of Directors determines that a patio/balcony/terrace is unsightly, the Owner shall be given notice by the Board of Directors to correct the problem within 5 days, after which the Board of Directors may take corrective action at the Owner's expense.
- D-6. *Water Closets.* Water closets and other water apparatus in the Units shall not be used for any purposes other than those for which they were constructed nor shall any sweepings, rubbish, rags, paper, ashes, or any other article be thrown into the same. Any damage resulting from misuse or clogging of any water closet or other apparatus shall be paid for by the Owner in whose Unit it shall have been caused. All clothes washers shall use a low sudsing detergent.
- D-7. *Glass.* Each Owner, at his or her sole cost and expense, shall promptly repair and replace any broken or cracked glass in his or her Unit's windows and doors.
- D-8. *Air Conditioning Equipment.* Each Owner, at his or her sole cost and expense, shall maintain, repair, and replace the heating and cooling equipment/system serving his Unit.
- D-9. *Combustibles.* No Owner shall use or permit to be brought into or stored in the Condominium (including within a Unit) any flammable oils or fluids such as gasoline, kerosene, naphtha, benzine, or other explosives or articles deemed extra hazardous to life, limb, or property without in each case obtaining the prior written consent of the Board of Directors or the Condominium manager.
- D-10. *Barbecue Grills/fires on Balcony/Terrace.* The use of outside grills on Patio(s) and Terrace(s) and/or the placement of any fixture, item, or apparatus for the

containment of fires (i.e. fireplace, "chiminea", etc.) shall be governed by this paragraph. The use of any outside/outdoor grills on any Balcony or Terrace shall be expressly limited to electric grills of the type, and having the specifications approved by the Declarant during the Declarant Control Period, and after the expiration of the Declarant Control Period, by the Association, acting by and through its Board of Directors. The use of gas, propane, charcoal or open fires for grilling on Balcony(ies) or Terrace(s) shall be expressly prohibited. Permitted electrical grills must be supervised at all times during use, may not be used near combustible materials, and must be in full compliance with all applicable governmental codes (including the City of Galveston fire code). No open fires or contained fires (whether in fireplaces, "chimineas", or the like) shall be permitted on any Patio or Balcony.

- D-11. *Obligation to Report Malfunctions.* A Resident shall immediately report to the Board of Directors his or her discovery of any leak, break, or malfunction in any portion of his or her Unit or the adjacent Common Elements for which the Association has a maintenance responsibility. The failure to report promptly a problem may be deemed negligence by the Resident, who may be liable for any additional damage caused by the delay.
- D-12. *Utilities.* Each Resident shall endeavor to conserve the use of utilities furnished through the Association, including water consumption within his or her Unit.
- D-13. *Frozen Water Pipes.* Because the Condominium is constructed with water lines in exterior walls, it is the duty of every Owner and Resident to protect such water lines from freezing during winter months. Between November 1 and March 25 of any year, no Unit may be left unheated. During periods of anticipated below-freezing temperatures, water lines in exterior walls should be allowed to drip continuously, and cabinets enclosing plumbing lines should be left ajar. Dishwashers on exterior walls should not be used during and immediately after periods of extreme cold. Failure by an Owner or Resident to monitor the local weather and take appropriate precautions shall be deemed negligence.
- D-14. *Moving.* Trunks, furniture, appliances and heavy baggage shall be taken in or out of the Condominium by the designated route to and through the designated elevator and at the time designated by the Board of Directors for that purpose, and through the designated entrance only. All moving shall require prior reservation of the elevator with the Condominium manager. Access is limited to Mon – Fri (excluding Holidays) 9:00AM- 5:00 PM. UNDER SPECIAL CIRCUMSTANCES ARRANGEMENTS CAN BE MADE WITH THE MANAGEMENT TO MOVE ON A HOLIDAY.
- D-15. *Unit Warranties.* All warranties associated with the Owner's Units must be handled directly between the Owner and the developer or the appropriate manufacturer. The developer has a special manual that they presented to all the Owners at closing which outlines all the Warranty procedures. The primary responsibility regarding warranties is the Owner and not the Association.

- D-16. *Common Area Warranties.* All warranties associated with the Common Areas, including balconies and sliding balcony doors, are handled directly between the Association and the Developer or the appropriate manufacturer.
- D-17. *Unit Maintenance.* Each Owner is responsible for the maintenance of his or her Unit and Limited Common Elements. The Association maintenance personnel will provide minor maintenance services to Owners upon written request (work order), and all such services will be billed to the Owner as an assessment on their monthly bill. The exception to this is the complimentary services provided by the Association. Complimentary Services will not be provided to any Unit owners in arrears with respect to any amount owed to the Association (assessments, fees, work orders, etc.)
- D-18. *Common Area Maintenance.* The Association is responsible for all maintenance, decorations and accessories in the Common Areas, and sliding balcony doors and exterior windows in all Units.

E. COMMUNITY ETIQUETTE

- E-1. *Courtesy.* Each Resident shall endeavor to use his or her Unit and the Common Elements in a manner calculated to respect the rights and privileges of other Residents.
- E-2. *Annoyance.* No unlawful, noxious or offensive activity shall be conducted or carried on in any Unit, or upon the Common Elements or anywhere else in the Condominium, nor shall anything be done therein or thereon which may be or become an annoyance or a nuisance to other Owners or the neighborhood or cause unreasonable noise or disturbance to others, or which shall interfere in any manner with any Owner's quiet enjoyment of his or her Unit.
- E-3. *Noise and Odors.* Each Resident shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or noxious odors that are likely to disturb Residents of other Units. The use or discharge of firearms, firecrackers or fireworks is expressly prohibited within or from the Condominium.
- E-4. *Reception Interference.* Each Resident shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Condominium.
- E-5. *No Personal Service.* The Association's employees and agents are not permitted or authorized to render personal services to Residents. Each Resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Resident.

- E-6. *Compliance with Law.* Residents may not use the Condominium for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of the City of Galveston, Texas. A Resident who violates this provision shall hold the Association and other Owners and Residents harmless from all fines, penalties, costs, and prosecutions for the Resident's violation or noncompliance.
- E-7. *Dress Code for Indoor Common Areas.* (Coffee area, Party room, Elevators, Game room, Hallways, Kids room, Lanai area, Library and Lobby)
Footwear must be worn at all times. Women are required to wear cover-ups; men are required to wear shirts. Proper attire should be worn in the Exercise room so that injury to all is mitigated.
- E-8. *Dress Code for Pool and Spa Areas.* No nude swimming or sunbathing is allowed.
- E-9. *Smoking* is forbidden in all Indoor Common Areas (Coffee area, Party room, Elevators, Game room, Hallways, Kids room, Exercise room, Library and Lobby) and within 25 ft of all entrances. Smoking is also not allowed on the Pool Deck and Lanai area.

F. ARCHITECTURAL CONTROL AS TO RESIDENTIAL UNITS

F-1. *Alterations, Additions and Improvements.*

There is hereby established an Architectural Control Committee (sometimes referred to as the "ACC"). For so long as the Declarant owns any Unit in the Condominium, the Declarant shall act as the Committee, and shall appoint one (1) or more committee member(s) to serve in such capacity at the direction and pleasure of the Declarant. The Declarant shall have the right, at any time, to transfer control of the ACC to the Board of Directors of the Association by an instrument in writing; however, such control shall automatically be transferred to the Board of Directors of the Association at such time that the Declarant does not own any Units in the Condominium. When ACC control is assigned to the Board of Directors of the Association, the Board shall appoint a committee of not less than three (3) members, all of which shall be members of the Association, to act as the ACC. Members of the ACC so approved by the Board shall serve for such periods as directed by the Board at the pleasure of the Board. Any members of the ACC may be removed by the Board within or without cause and the Board shall approve a successor.

When the ACC is controlled or constituted by the Declarant or the Board of Directors, the ACC shall act as the decision making body concerning any matter set forth in this Section. Decisions of the ACC shall be enforced by the Association, acting through the Board. Provided however, that decisions of the

Declarant controlled ACC may be enforced by the Declarant if the Association fails or refuses to enforce same.

No alterations of any portion of the Common Elements or additions or improvements thereon shall be made by any Owner without the prior written approval of the ACC. No alteration of any portion of the Common Elements or any additions or improvements therein which are visible from the exterior of the building shall be made by any Owner without the prior written approval of the Master Association. No Owner shall make any structural modification or substantial improvement to or alteration of or to his or her Unit or the Common Elements, including any alteration or modification involving plumbing, electricity, fire protection and security systems, heating, ventilating, air conditioning systems or any mechanical or structural systems, except in a manner authorized in writing by the ACC. To the extent deemed necessary by the ACC, all payment and performance bonds required by the ACC, names of all contractors, subcontractors and other parties which will be involved therewith, plans, specifications, mechanical and engineering drawings and renderings for any proposed structural modification or substantial alteration, improvement to or modification of a Unit must be submitted, no less than thirty (30) days prior to the date of commencement of such work, by such Owner to the ACC for review and approval. The ACC may impose such specifications and requirements as it may reasonably deem necessary in connection therewith, including, without limitation, the right to require (but having no duty to so require) that the Owner provide assurances that the alterations, additions, improvements, and modifications comply with all applicable governmental requirements. Further, the ACC has the right to approve or deny any of such alterations, additions, modifications or improvements, or the contractors, subcontractors or other personnel performing same, so that, among other reasons, the quality, integrity and safety of the Condominium can be promoted and in order to ensure that the alterations, additions, improvements and modifications (i) are consistent and compatible with the existing Building, and (ii) do not encourage or involve a violation of the Condominium Documents. In the event any Owner constructs or causes to be constructed any alteration, addition, improvement or other modification to his or her Unit which encroaches on any Common Element or any other Unit, the ACC may require such Owner, at his or her sole cost and expense, to remove such encroachment and to restore and repair any damage caused by same or attributable thereto. No approval by the ACC of any such alterations, additions, modifications or improvements, or the plans, specifications, mechanical and engineering drawings and renderings, or the contractors, subcontractors or other personnel performing same, will be or constitute any representation or warranty by the ACC as to the adequacy or sufficiency thereof, or of the compliance of same with any applicable laws, codes or ordinances. All alterations, additions, modifications or improvements must be performed in a prompt, diligent and professional manner, must comply with the plans, specifications, mechanical and engineering drawings and renderings submitted to the ACC (with any requisite changes, additions, modifications or alterations thereto which may be imposed by the ACC), and must comply with all applicable codes, ordinances, laws and regulations applicable thereto.

The foregoing provisions may not be amended or modified without the consent and joinder of the Declarant for so long as the Declarant owns any Unit in the Condominium.

F-2. *Prohibited Acts.* No person may:

- a. Post or inscribe signs, notices, or advertisements on the Common Elements or in a Unit if visible from outside his Unit, including "For Sale" signs.
- b. Place or hang an object in, on, from, or above any window, interior window sill, balcony, terrace, or patio that, in the opinion of the Board of Directors, detracts from the appearance of the Condominium.
- c. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies, patios, or passageways.
- d. Erect or install exterior horns, lights, speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof.
- e. Place decorations on exterior walls, windows, or doors, or on the General Common Elements.

F-3. *Window Treatments and Exterior Shutters.* An Owner may install window treatments inside his or her Unit, at his or her sole expense, provided:

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

An Owner may install exterior shutters (roll up/down type, sliding, etc.) on the exterior windows and doors provided that (i) same are installed in accordance with the then applicable rules and regulations of the Master Association, and approved in writing by the ACC, (ii) that same are installed so as to not damage any part of the common elements or adversely affect the common elements (including causing or permitting water penetration), (iii) that the Association shall not have the responsibility to maintain or repair same; and (iv) to maintain uniformity of appearance, the shutters are kept open at all times except within three days prior to any announced storm warnings or watches (affecting the City of Galveston) and during any such storm.

- F-4. *Board of Directors Approval.* To obtain the Board of Directors' written consent for a modification, an Owner must submit to the Board of Directors complete plans and specifications showing the nature, kind, shape, size, materials, colors, and location for all proposed work, and any other information reasonably requested by the Board of Directors. The Board of Directors' failure to respond to the Owner's written request within 45 days after it receives the Owner's request shall be construed as no objection to the proposed changes.

G. TRASH DISPOSAL

- G-1. *General Duty.* Resident shall not litter Common Elements, shall endeavor to keep the Condominium clean, and shall dispose of all refuse in receptacles provided specifically by the Association for that purpose. No garbage, trash, rubbish, waste, or waste bins or receptacles therefore shall be permitted to remain on any portion of the Common Elements, except on those days specifically scheduled for collection thereof and in areas specifically designated therefore. All garbage, trash, rubbish, and other waste shall be kept only in sanitary containers.
- G-2. *Hazards.* Resident may not store trash inside or outside his or her Unit in a manner that encourages vermin, causes odors, or may permit the spread of fire. Before discarding coals, ashes, logs, or other materials used in barbecue grills or fireplaces, Resident shall ensure that the debris is thoroughly cold.
- G-3. *Excess Trash.* Resident shall place trash entirely within a trash container within the designated trash room, and may not place trash outside, next to, or on top of trash container. If a trash container is full, Resident should locate another trash container or hold his or her trash. Boxes and large objects should be crushed or broken down before placed in trash container. Trash container doors are to be closed at all times when not in use. Resident shall arrange privately for removal of discarded furnishings or any unusually large volume of debris. Owner and Owner's contractors, subcontractors, agents, employees and other parties involved in any construction to or on such Owner's Unit shall confirm that any and all refuse, waste, trash, garbage, rubbish, remains, scraps, and other materials and supplies which are brought onto the Condominium by such parties, or any of them, is removed, at such Owner's expense, at such times, manners and locations as may be required by the Association or the Managing Agent (if any).

H. PETS

- H-1 *Conditional Permission To Keep Or Maintain Pets.* Pet(s) shall be conditionally permitted in accordance with the provisions of this paragraph H. Provided that, and as conditions precedent, all of the following rules are met and maintained at all times, each resident shall be permitted, on a conditional basis, to keep or maintain pet(s) in compliance with the following rules (conditional permission). If any of the following rules are violated, the conditional permission to keep or maintain any pet in violation of such rules shall be subject to being revoked by

the Board in the Boards' sole and absolute discretion.

H-2. *Restrictions As To Pet(s)*. The following rules shall apply to all residents and their pet(s). Violation of any of the following rules may be the basis for revocation of the conditional permission to keep such pet(s).

a. No animals shall be kept except normal and customary household domestic pets (i.e. dogs, cats, fish, birds, etc.). Reptiles, exotic species, and endangered species are expressly prohibited.

b. A resident may keep up to two (2) animals within a Unit. There shall be no restriction on the number of fish within the Unit.

Permitted pets may also include specifically trained animals that serve as physical aids to handicapped residents.

c. All residents shall provide the Association with a list of the household pets kept or maintained in their unit (i.e. number, species, breed, etc.) and/or otherwise register their household pets with the Association on such forms, and provide such information, as the Association shall reasonably require. The Association shall be authorized to collect or levy a registration fee in connection with such registry.

d. No pets may be kept or bred for any commercial purpose.

e. No pet shall be kenneled or tethered unattended for any period of time on any balcony, patio, or any part of the limited or general common elements of the property.

f. ALL PETS MUST BE ON A LEASH OR CONTAINED AND MAINTAINED UNDER THE CONTROL OF THEIR OWNER WHILE ON THE COMMON AREA. THERE SHALL BE NO EXCEPTIONS (the City of Galveston leash law also mandates this). No pet shall be allowed to run loose within the property. Animals being transported from a unit to an automobile or another unit must be on a leash, securely carried, or carried within a pet carrier.

g. No savage or dangerous animal shall be kept, or any animal deemed by the Board of Directors to be a potential threat to the well being of other Residents or visitors or animals.

h. Each resident who maintains a pet shall be responsible to pick up and dispose of any defecation by such pet on the property.

- i. Except as provided herein, PETS ARE NOT ALLOWED IN THE SWIMMING POOL OR IN THE POOL ENCLOSURE AREA AT ANY TIME. PETS ARE NOT ALLOWED IN COMMON AREAS WHERE AND WHEN FOOD IS SERVED.
- j. Residents are not permitted to bathe dogs and/or cats outside or in the common area. All animals must be bathed inside the resident's unit.
- k. Cats are not allowed to roam on or about the property. Cat traps may be set out periodically and any stray cat caught in any such trap will be turned over to the City of Galveston department of Animal Registration and Care (or its then existing equivalent).
- l. Residents who keep or maintain pet(s) in accordance with these rules must be responsible pet owners and not allow their pet(s) to unreasonably interfere with the rights of the other residents or disturb another resident's rest or quiet and peaceful enjoyment of his or her Unit or the common elements.
- m. All pet(s) shall have such care and restraint so or not to be obnoxious or offensive on account of noise, odor, or unsanitary condition. No pet shall be permitted to bark, howl, whine, screech or make other loud noises for extended or repeated percent of time.

H-3 *Violation Of Rules, Revocation Of Conditional Permission.* In the event that any resident violates any of the foregoing rules, or fails or refuses to maintain and care for his/her/their pets, or allows their pets to unreasonably interfere with the rights of the other residents, or such pets are determined to be offensive on account of noise, odor, or pose a threat to other residents, the Board, in its sole discretion, shall have the right to revoke the permission to keep any pet in violation of the rules and these provisions, and the resident shall be obligated to promptly remove and relocate any such animal determined by the Board to be in violation of these provisions. The Association shall have the right to pursue all available legal remedies to cause the owner/resident to remove any such pet, including, without limitation, a mandatory injunction.

H-4 *Damage/Indemnity.* Each Resident shall be responsible for any property damage, injury, or disturbance his or her pet may cause or inflict. Each Resident shall compensate any person injured by his/her pet. Any resident who causes any animal to be brought or kept upon the premises of the condominium property shall indemnify and hold harmless the Association for any loss, damage, cost or liability which the Association may sustain as a result of the presence of such animal on the premises.

I. SATELLITE DISH(ES)

I-1. *Covered Antennas.* These rules shall cover the installation of any device used for the transmission and receipt of video or audio services, including direct broadcast satellite (DBS), telecommunication broadcast and multipoint distribution service (MDS), including conduits and wiring and other accessories necessary for the proper installation, maintenance, and use, all as covered by the Telecommunications Act of 1996 (the "FCC Rules"), and which includes the following:

- a) Antennas designed to receive Direct Broadcast Satellite (DBS) Service that are 39.4 inches (1 meter) or less in diameter; and
- b) Antennas designed to receive multipoint Distribution Service (MDS) Service that are 39.4 inches (1 meter) or less in diameter.

(collectively, the "Covered Antennas")

All other antennas, satellite dishes, receiving or transmitting devices shall be expressly prohibited unless wholly within a Unit or not visible to the exterior of the building.

These Rules shall not apply to the Roof-top Commercial Unit.

I-2 Installation Rules

- a) Owners may install Covered Antennas according to the following Guidelines provided that these Guidelines do not unreasonably delay the installation, maintenance or use of such Covered Antenna; do not unreasonably increase the cost of installation, maintenance or use of such Covered Antenna; or preclude reception of acceptable quality signals from Covered Antennas.
- b) No Antenna of any kind shall be permitted or installed on the exterior of any unit or building or that protrudes from the walls or out of the windows of the building save as are expressly in writing previously approved by the Association.
- c) Notwithstanding the foregoing general prohibition as to Antennas provided, Covered Antennas may be installed in accordance with these Rules. Satellite dishes which are designed to receive satellite signals which are larger than one meter (39 inches) are prohibited.
- d) The following provisions shall be applicable to a Covered Antennas:

- (i) *Location.* Covered Antennas may only be installed (i) wholly within a condominium unit, or (ii) wholly within the patio or balcony appurtenant to such condominium unit, which may be sometimes referred to as the "exclusive use area" for such respective unit. Limited Common Elements are defined in the Declaration. Installation of a Covered Antenna on a limited common element which is exclusively used by the owner does not convert such limited common element to individual property. Except as set forth above, installation of a Covered Antenna is never permitted on any common element (other than those portions of such common elements constituting a limited common element balcony or patio for the exclusive use of a respective unit), including, without limitation, any parking area, roof, exterior wall, or fence.
- e) Antennas shall not encroach upon any of the common elements of the Condominium, the common area air space, on the individually owned property of other Owners, or the airspace of another Owner's individually owned property. No Covered Antenna may protrude beyond the vertical or horizontal space forming the perimeter of the limited common element balcony or patio for the exclusive use of a respective unit. Due to, among other considerations, safety concerns, no Covered Antenna may be attached or affixed in any way to the balcony railings.
- f) If Antennas can receive acceptable quality signals from more than one location, then Antennas must be located in the least visible preferred location. This section does not permit installation on the common elements.
- g) Covered Antennas shall be neither larger nor installed higher than is absolutely necessary for reception of an acceptable quality signal.
- h) All installations shall be completed so that same do not damage any common elements, limited common elements, or void any warranties of the Association or in any way impair the integrity of any building.
- i) All cable/conduit must be hidden and located in those areas as designated by the Board of Directors as the area where wiring and conduits are to be located.
- j) Any installer of an Antenna, including an Owners, shall provide the Association with an insurance certificate listing the Association as a named insured prior to installation. Insurance shall meet the following minimum limits:
 - (i) Contractor's General Commercial Liability (including completed operations): \$1,000,000.00.
 - (ii) Worker's Compensation: Statutory limits.

The purpose of this rule is to ensure that Antennas are installed in a manner that complies with all applicable building and safety codes and manufacturer's instructions. Improper installation could cause damage to structures, posing a potential safety hazard to residents at the Condominium.

- k) No liens in connection with the installation or maintenance of any Covered Antenna shall be filed against the common elements of the Condominium.
- l) Antennas must be secured so they do not jeopardize the soundness or safety of any structure or the safety of any person at or near antennas, including but not limited to, damage from wind velocity. A Covered Antenna must be securely mounted to a base so as to be able to withstand the effects of high winds or other extraordinary weather conditions. No guy wires or similar mounting apparatus will be allowed. No Covered Antennas may be attached to a balcony railing.
- m) Only one Covered Antenna per unit may be installed by an Owner.
- n) Installation of Antennas shall only occur between the hours of 8:00 a.m. and 6:00 p.m.

I-3 *Maintenance*

- (a) Owners who install or maintain Antennas are responsible for all associated costs, including but not limited to costs to:
 - (i) Install, repair, maintain, replace, move or remove Antennas;
 - (ii) Repair damage to any property caused by Antennas installation, maintenance or use;
 - (iii) Pay medical expenses incurred by person injured by Antenna installation, maintenance or use;
 - (iv) Reimburse other Owners and residents of the Association for damage caused by Antenna installation, maintenance or use; and
 - (v) Restore Antenna installation sites to their original condition.
- b) Owners shall not permit their Antennas to fall into disrepair or to become a safety hazard. Owners shall be responsible for Antenna maintenance repair and replacement and the correction of any safety hazard.
- c) If Antennas become detached, Owners shall repair such detachment or remove the Antenna within 72 hours of the detachment. If the detachment threatens safety, the Association may remove the Antenna

without liability and at the sole cost and expense of the Owner. The Association is not liable for any damage to the Antenna caused by the Association's removal.

I-4 *Safety*

- a) Antennas shall be installed and secured in a manner that complies with all applicable state and local laws, ordinances and regulations, and manufacturer's instructions. Prior to installation, Owners shall provide the Association with a copy of any applicable government permit if required for safety reasons.
- b) Antennas shall not obstruct access to or exit from any condominium unit, walkway, ingress or egress from an area, electrical service equipment or any other areas necessary for the safe operation of the Condominium. The purpose of this requirement is to ensure the safety of the Association residents, personnel and safe and easy access to the Condominium.
- c) Installation must comply with all applicable codes, take aesthetic conditions into account and minimize the impact to the exterior and structure of the Owner's condominium unit.
- d) To prevent electrical and fire damaged, Antennas shall be permanently grounded.
- e) Exterior wiring shall not be installed so as to hang in mid air. The purpose of this requirement is to protect persons near and around the Antennas and such exterior wiring from injury.

I-5 *Antenna Camouflaging*

- a) Antennas shall be painted to match to color of the structure to which they are installed or attached, provided that such painting does not interfere with reception or impair the ability to receive a signal.
- b) If Antennas are visible from the street or other condominium units, camouflaging said Antennas through inexpensive screening is required, provided that such screening does not interfere with reception or impair the ability to receive a signal; provided however, that said screening must be approved in accordance with the architectural control provisions of the Declaration.
- c) Exterior wiring shall be installed so as to be minimally visible and meet the requirements of set forth in Section 2, Paragraph (i) and Section 4, Paragraph (e) herein above.

I-6 *Antenna Removal*

- a) Covered Antennas removal requires restoration of the installation location to its original condition. Owners shall be responsible for all costs relating to the restoration of this location.

I-7 Association Maintenance of Locations upon which Antennas are Installed

- a) If Antennas are installed on limited common elements which are maintained by the Association the Owner(s) retain responsibility for maintenance of the Covered Antenna. Covered Antennas must not be installed in a manner which will result in increased maintenance costs for the Association or for other residents. If increased maintenance or damage occurs, the Owners are responsible for all such costs.
- b) If maintenance requires the temporary removal of the Covered Antenna, the Association shall provide Owners with reasonable written notice. Owners shall be responsible for removing or relocating Covered Antennas before maintenance begins and replacing Covered Antennas afterwards, if an Owner so desires. If the Covered Antennas is not removed in the required time, then the Association may do so at the Owner's expense. The Association is not liable for any damage to the Covered Antennas caused by Association removal.

I-8 Notification Procedures

- a) Prior to the installation of any Covered Antenna, the Owner or resident must have executed an agreement, whereby such Owner or resident shall expressly agree to: (i) be responsible for all damages or loss caused by the installation or use of the Covered Antenna, (ii) indemnify and hold harmless the Association for all such damage or loss, and (iii) provide the Association with a certificate of insurance showing that the Owner or resident has the appropriate amount of liability insurance to cover any such damage or loss.

I-9 Enforcement

- a) If these Guidelines are violated or if Antenna installation poses a serious, immediate safety hazard, the Association, after ten (10) days written notice to the Owner, may bring action for declaratory judgment and/or injunctive relief with any court of competent jurisdiction or the Federal Communication Commission. The Association shall be entitled to recover reasonable attorneys' fees, costs and expenses incurred in the enforcement of these Guidelines. In addition, the Association may levy and enforce the collection of fines pursuant to the then existing policy for fines of the Association, if any, if these Guidelines are violated. **In any event, the Association shall be entitled to seek and collect reasonable attorney fees, costs, and expenses incurred in the enforcement of this policy.**

I-10 General

- a) No advertising slogans, logos, banners, signs, or other printing or illustration whatsoever shall be permitted upon or be attached to any Antenna.
- b) No Antenna shall ever be used for the transmission of any signal whatsoever and same Antenna shall be for the purpose of necessary only normal signals through airwaves for television viewing purposes only.
- c) No Antenna shall be permitted to cause any distortion or interference whatsoever with respect to any other electronic device on the condominium property.

I-11 Severability

- a) If any of these Guidelines are determined to be invalid, the remainder of these Guidelines shall remain in full force and effect.

J. MISCELLANEOUS

- J-1. *Security.* The Association may, but shall not be obligated to, maintain or support certain activities within the Condominium designed to make the Condominium less attractive to intruders than it otherwise might be. The Association, its directors, committees, members, agents, and employees, shall not in any way be considered an insurer or guarantor of security within the Condominium, and shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. Each Owner, Resident, guest, and invitee on the Condominium assumes all risk for loss or damage to his or her person, to his or her Unit, to the contents of his or her Unit, and to any other of his or her property on the Condominium. The Association expressly disclaims and disavows any and all representations or warranties, expressed or implied, including any warranty of merchantability or fitness for any particular purpose, relative to any security systems, equipment or measures recommended, installed or undertaken within the Condominium.
- J-2. *Right to Hearing.* An Owner may request in writing a hearing by the Board of Directors regarding an alleged breach of these Rules by the Owner or a Resident of the Owner's Unit. The Board of Directors will schedule a hearing within 30 days of receiving the Owner's written request. At the hearing, the Board of Directors will consider the facts and circumstances surrounding the alleged violation. The Owner may attend the hearing in person, or may be represented by another person or written communication.
- J-3. *Mailing Address.* An Owner who receives mail at any address other than the address of his or her Unit shall be responsible for maintaining with the Association his or her current mailing address. Notifications of change of name or change of address should be clearly marked as such. All notices required to be sent to Owners by the Condominium Documents shall be sent to an Owner's most recent address as shown on the records of the Association. If an Owner

- J-5. *Revision.* These Rules are subject to being revised, replaced, or supplemented. Owners and Residents are urged to contact the management office to verify the rules currently in effect on any matter of interest. These Rules shall remain effective until 10 days after the Association mails notice of an amendment or revocation of these Rules to an Owner of each Unit. Provided, however, that after the termination of the period of Declarant Control, no amendment to these Rules may materially or adversely affect the rights or obligations of the Owner of the Commercial Unit shall be valid unless such amendment is also approved by the Owner of the Commercial Unit.
- J-6. *Other Rights.* These Rules are in addition to and shall in no way whatsoever detract from the rights of the Association under the Declaration, Bylaws, Articles of Incorporation, and the laws of the State of Texas.
- J-7. *Effective Date.* These Rules are Rules of the Trade Winds/The Beach Club Condominium Association, Inc. and shall become effective the First of March, 2010.