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PORT AUX PRINCES  
DECLARATION OF CONDOMINIUM  
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THIS DECLARATION, made this 9<sup>th</sup> day of May, 1973, by PORT AUX PRINCES JOINT VENTURE, a Texas joint venture comprised of Galveston Yacht Basin, Inc., a Texas corporation, and Guaranty Service Corporation, a Texas corporation, (hereinafter referred to as "Developer"), pursuant to and in accordance with the provisions of the Condominium Act of the State of Texas for the purpose of establishing a condominium regime in respect to the hereinafter described property and improvements thereon,

W I T N E S S E T H:

WHEREAS, in pursuance of a plan for the development of a condominium project to be known and designated as Port Aux Princes, Developer is the sole owner in fee simple of that certain real property situated in Galveston County, Texas, being more particularly on Exhibit "A" which is attached hereto and made a part hereof for all purposes; and

WHEREAS, the aforementioned real property is improved and developed with an eight-unit, two-story apartment building thereon, hereinafter more particularly described, together with certain other improvements, structures and facilities and appurtenances thereto; and

WHEREAS, Developer has executed plans for the construction of four additional two-story buildings and improvements appurtenant thereto on the aforementioned real property which when completed shall contain a total of sixty-eight (68) separately designated individual condominium apartments together with certain improvements, structures and facilities and appurtenances thereto; and

WHEREAS, the Developer intends by this declaration to submit said real property and all the aforementioned improvements thereon to the provisions of and the condominium regime established by the Condominium Act of the State of Texas, so as to thereby establish a condominium regime under said act in respect to the real property as hereinafter defined and described;

NOW, THEREFORE, the Developer does hereby submit the real property described on attached Exhibit "A," together with all improvements thereon, to the provisions of the Condominium Act of the State of Texas and this Condominium Regime, and does hereby make the following Declarations as to the definitions, divisions, descriptions, restrictions, covenants, limitations, conditions, rights, privileges, obligations and liabilities which shall apply to, govern, control, and regulate the sale, resale or other disposition, encumbrance, acquisition, ownership, use, occupancy and enjoyment of the project property and all parts thereof and the separate freehold estates hereby established, hereby specifying and agreeing that the provisions and contents of this Declaration shall be and constitute covenants to run with the land and shall be binding on the Developer, its successors and assigns and grantees and all subsequent owners of all or any part of the herein described real property and their grantees, successors, heirs, devisees, executors, administrators or assigns, to-wit:

ARTICLE I

DEFINITIONS

Section 1.1 Definition of Terms. When used in this Declaration of Condominium, the words set out below shall have the following meanings:

- (a) Articles of Incorporation - The Articles of Incorporation of the Port Aux Princes Council of Co-Owners.
- (b) Balcony - A balustraded platform projecting from a wall of a Building and having restricted access to and from a Residence Unit, as provided for and as described in this Declaration and as depicted on the attached Condominium Plat by the letter "B" followed by a number corresponding to the appropriate Residence Unit number.
- (c) Board - The Board of Directors of the Port Aux Princes Council of Co-Owners.
- (d) Buildings - The existing two-story residential building containing eight Residence Units, together with the four multi-story, multi-unit buildings to be constructed on the Land as more particularly depicted on the attached Condominium Plat, together with all other improvements now or hereafter placed on the Land.

- (e) By-Laws - The By-Laws of The Port Aux Princes Council of Co-Owners.
- (f) Common Elements - The Common Elements shall be and include all of the Land and Buildings and other improvements thereon except the Residence Units as defined herein, and shall include without limiting the generality of the foregoing:
- (1) The foundations, bearing walls, supporting columns, girders, beams, slabs, supports, common dividing walls between two or more residence units, or between Residence Units and Common Elements;
  - (2) The windows, doors, exterior surfaces, chimneys, roofs, halls, walkways, stairways, and entrances or exits or communication ways;
  - (3) The grounds, yards, gardens, swimming pool, tennis courts, club-rooms, managerial offices, mail rooms, unassigned parking areas, fences, unassigned storage areas, streets, service drives, walks, service easements, recreation areas, laundry rooms, boiler rooms, mechanical rooms, and areas used for storage of maintenance and janitorial equipment and materials, if any;
  - (4) The installations consisting of the equipment and materials making up central services such as power, light, gas, water, waste collection, and the like which are serving more than one specific Residential Unit;
  - (5) All other structures, facilities and equipment located on the property necessary or convenient to its existence, maintenance and safety, or normally in common use;
  - (6) Remaining parking spaces as provided for in Section 1.3 hereof, except as otherwise herein provided; and
  - (7) All repairs, replacements and additions to any of the foregoing.
- (g) Common Expense Charge - The Assessment made and levied against each Owner and his Residence Unit for maintenance and operation of the Condominium and the Condominium Regime and for repairs, maintenance and operation of the Common Elements (including reserves for replacements), in accordance with the provisions hereof.

- (h) Common Expense Fund - The accumulated Common Expense Charges collected or received by and due and payable to the Council for use in the administration and operation of the condominium, maintenance, repair, additions, alterations, or reconstructions of all or any portion of the Common Elements and Limited Common Elements.
- (i) Condominium - The Land, the Buildings and all other improvements erected upon and rights appurtenant to the land and improvements. The components of the Condominium are further herein classified as "Common Elements", "Limited Common Elements" and "Residence Units", as defined herein. The legal rights and duties of ownership, use, and administration created by the terms of the Texas Condominium Act, this Declaration of Condominium, and the By-Laws and Rules promulgated thereunder are also a part of the Condominium and are sometimes referred to as the Condominium Regime.
- (j) Condominium Plat - The plat which is attached hereto as Exhibit "D" and made a part hereof for all purposes. Such plat consists of and sets forth: (1) the legal description of the surface of the land; (2) the linear measurements and location, with reference to the exterior boundaries of the Land, of the Buildings and all other improvements presently built or presently planned to be built on said Land by Developer; and (3) floor plans and elevations plans of the Buildings built or to be built thereon showing the location, the Building designation, the Residence Unit designation and the linear dimensions of each Residence Unit, and the Limited Common Elements. Developer expressly reserves the right to amend the plat, from time to time, to conform the same according to the actual location of any of the improvements and to establish, vacate, and relocate easements, access road easements and on site parking areas, and to reflect any expansion of this Condominium pursuant to Article XI hereof.
- (k) Council - The Fort Aux Princes Council of Co-Owners, a Texas non-profit corporation, the Members of which shall be the Owners of Residence Units within the Condominium Regime during the period of their respective ownerships, and the successors and assigns of such Owners. The term

"Council" shall have the same meaning as the term "Council of Co-Owners" in the Texas Condominium Act.

- (l) Developer - The Port Aux Princes Joint Venture, a Texas joint venture, and its successors or assigns, provided such successors and assigns are designated in writing by Port Aux Princes as a successor or assign of the rights of Developer set forth herein.
- (m) Easement - An exclusive right to use a particular part of the Common Elements for the purposes for which they were designed and in compliance with the terms of this Declaration, the By-Laws and the Rules and Regulations.
- (n) Land - The real property more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes.
- (o) Limited Common Elements - Those portions of the Common Elements reserved for the exclusive use of the Owners of certain Residence Units to the exclusion of the Owners of all other Residence Units, including:
  - (1) compartments or installations of central services, if any, such as power, light, electricity, telephone, gas, cold and hot water, plumbing, reservoirs, water tanks and pumps, incinerators, and all similar devices and installations; and
  - (2) Walkways.

Any conveyance of a Residence Unit shall be deemed to convey also all of the Limited Common Elements which have been assigned to such Residence Unit as depicted on the Condominium Plat attached hereto.

- (p) Mortgage - A pledge of a security interest in a Residence Unit given to a creditor as security for the repayment of a loan made to an Owner.
- (q) Mortgagee - The person or entity who holds a pledge of or a security interest in a Residence Unit to secure the payment of a debt.
- (r) Owner - Any person or persons, firm, corporation or other entity which owns, of record, a Residence Unit in Port Aux Princes, or legal interest therein, including the Developer, but the term "Owner" shall not include any Mortgagee. The term "Member" shall be synonymous with the term "Owner" whenever used in this Declaration, the By-Laws or the Rules and Regulations.



- (s) Parking Spaces - The separate and individual spaces into which the covered and open parking areas are divided for individual and separate use and ownership as provided for and as described in this Declaration and as depicted in the attached Condominium Plat by the letter "P" preceded by a number corresponding to the appropriate Residence Unit number.
- (t) Patio - The fenced area, if any, adjacent and contiguous to a Residence Unit and having restricted access thereto from such Residence Unit, as provided for in this Declaration and as depicted on the attached Condominium Plat by the letter "PA" followed by a number corresponding to the appropriate Residence Unit number.
- (u) Percentage Ownership Interest - The undivided interest in and to the Common Elements associated with and appurtenant to each Residence Unit for the purpose of fixing the proportionate interest of the Owner of each Residence Unit in the Common Elements, the proportionate voting power of each Owner in the Council and the proportionate share of each Owner in the proceeds and expenses of administration of this Condominium. The Percentage Ownership Interests initially assigned to each of the Residence Units are more fully described in Section 2.1 and are set forth in Exhibit "C" which is attached hereto and made a part hereof for all purposes. The Percentage Ownership Interests are subject to modification under the provisions of Article XI hereof.
- (v) Proposed Expansion - The contemplated construction by Developer on adjacent land owned by it, or which may hereafter be acquired by it, of one or more additional buildings of comparable style, floor plan, size and quality as those Buildings depicted on the attached Condominium Plat. Such land (hereinafter referred to as the "Adjacent Land") shall include the real property described in Exhibit "B" attached hereto. Developer wishes to provide for expansion of the Condominium to include any such land and additional buildings if and when constructed so that, if Developer shall in its sole discretion decide to so include such Adjacent Land in the Condominium, then such Adjacent Land and additional buildings and the initial Condominium shall be treated as integral parts of a single condominium ownership project. Such expansion is further described in Article XI hereof. Adjacent Land shall include land on opposite sides of the same street or road. Nothing herein or in the Articles or By-Laws shall mean or

be construed as obligating Developer to expand the Condominium as aforesaid or to develop the Adjacent Land, but rather such development and such expansion as solely within the discretion and control of Developer.

- (w) Residence Units - The eight existing condominium units designated on the attached Condominium Plat, together with the sixty-eight condominium units to be developed in accordance with the plans set forth on said plat, the boundaries of which shall be as described in Section 1.2 herein. The term "Residence Units" shall have the same meaning as the term "Apartment" as used in the Texas Condominium Act.
- (x) Rules and Regulations - The Rules adopted by the Port Aux Princes Council of Co-Owners concerning the management and administration of the Condominium Regime and the use of the Common Elements in order to assure Owners the pleasures and benefits of ownership of a Residence Unit and the use of the Common Elements.
- (y) Special Assessment - Any assessment over and above the Common Expense Charge necessary for the preservation, management and administration of the Condominium.
- (z) Storage Spaces - Those areas designed for the storage of personal property as provided for in this Declaration and as depicted on the attached Condominium Plat by the letter "S" followed by a number corresponding to the appropriate Residence Unit number.
- (aa) Texas Condominium Act - Article 1301a of the Texas Revised Civil Statutes enacted in 1963, as amended from time to time, which permits the creation of condominium regimes and provides the basic rules for their operation.
- (bb) Walkways - Special corridors, stairways, sidewalks and entrance ways designed to serve certain Residence Units to the exclusion of all other Residence Units as provided for in this Declaration and as depicted on the attached Condominium Plat by the letter "W" followed by a number corresponding to the appropriate Residence Unit number.

Section 1.2 Definitions of Rights and Responsibilities

(a) The boundaries of each Residence Unit, as shown on the attached Condominium Plat, are and shall be the interior finished surfaces of the perimeter walls, floors and ceilings and the exterior surfaces of balconies or patios, if any, and the boundary definition herein stated shall control over the definitions contained on the attached exhibits. Each Residence Unit includes both the portions of the Building so described and the air space so encompassed, excepting the Common Elements. The individual description and ownership of each Residence Unit shall further include the interior construction, utility pipes, lines, systems, fixtures, equipment and appliances (whether or not within the boundaries of that Residence Unit) which are designed and intended solely for the benefit of and to exclusively serve the particular Residence Unit in or to which the same are located or attached, and which are not designed or intended for the benefit, support, service, use or enjoyment of any other Residence Unit, such as, for example, the interior room walls and other non-bearing and non-supporting interior partitions, the interior floor finish (including carpeting and other floor covering), the finished walls and ceilings, the closets, the cabinets and shelves, the individual interior lighting and electrical fixtures and appliances, the individual kitchen and bathroom and fixtures, equipment, and appliances, the individual air handling units wherever located, including, on the roof, in the attic, or affixed to, supported by or located on any common element for heating and cooling the Residence Unit, and all interior doors of the Residence Unit. Unless otherwise provided by law, the "exterior surfaces of Balconies and Patios" as used in this definition shall mean the area enclosed by (i) those horizontal planes being the top of the concrete floor surface of the Balcony or Patio in question and the plane of the ceiling of the Residence Unit of which such Balcony or Patio is a part, and by (ii) those vertical planes being the vertical exterior surfaces of the Building and those planes adjacent to the vertical exterior edges of the Balcony or Patio. This boundary definition shall be conclusively presumed to state the boundaries of each Residence Unit regardless of settling, rising or lateral movement of the Buildings and regardless of variances between boundaries shown on the plat and those of the Buildings. It is specifically agreed that 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

Residence Units or of any Residence 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 plat and those of the Building.

(b) A valid easement shall exist in each Residence Unit and in each portion of the Common Elements for the benefit of each Owner, the municipality and each utility company for the installation, maintenance, repair, removal or replacement of any and all utility lines, pipes, wires, conduits, the facilities and equipment, serving the Residence Unit Building as a whole or any individual Residence Unit, and the ownership of the Residence Unit and all interests in the Common Elements shall be subject to such easements.

(c) Each Owner shall have the exclusive ownership of his respective Residence Unit and shall have the common right to share, with all other Owners, in the Common Elements in accordance with the purposes for which they are intended and the provisions hereof, without hindering or encroaching upon the lawful rights of other Owners. Furthermore, each Owner shall have the right to share in the Common Elements for the purposes of access and ingress and egress and use and occupancy and enjoyment of the respective Residence Units owned by such Owner, without hindering or encroaching upon the lawful rights of other Owners. Such rights to use the Common Elements shall extend to each Owner, the members of the immediate family of each Owner, the lawful occupants of each Residence Unit and the guest visitors of each Owner and/or authorized occupant of each Residence Unit and all such other persons as may be invited or permitted by the Board or its representatives to use or enjoy such Common Elements or any part thereof. Such right to use the Common Elements shall be subject to and governed by the provisions of the Texas Condominium Act and of this Declaration, and by the By-Laws hereinafter mentioned and the rules, regulations and resolutions lawfully made or adopted by the Board pursuant to the authority set forth in the By-Laws or the Articles of Incorporation of the Council. Each Owner shall be further deemed to have an easement common with all other Owners in, upon, across, over, through and with respect to the Common Elements to the extent of such right to use the Common Elements.

(d) The Limited Common Elements shall be exclusively used by the Owner of the Residence Unit to which they are adjacent or in which they are located, or which are benefited thereby.

(e) The area designated and shown as "pool" on the attached Condominium Plat and the grounds, washrooms, walks, driveways, and other improvements thereon are part of the Common Elements of this Condominium and shall be subject to and under the control, management and supervision of the Board or its authorized representative, and shall be used and enjoyed in accordance with the rules and regulations from time to time adopted by such Board or its authorized representative. Such Board or its authorized representative may conduct, permit or authorize any lawful use or activity of or on such area, including the improvements thereon, as it may deem to be in furtherance of the convenience, benefit, or enjoyment of the Owners and their guests, invitees or permittees.

Section 1.3 Parking Spaces. There are covered and uncovered areas containing an aggregate of 126 Parking Spaces (covered and open) as shown on the attached Condominium Plat. The size, location, dimensions, and other descriptive data of each Parking Space is shown and depicted on said Condominium Plat which is attached hereto, and all of such information and data is incorporated herewith and made a part hereof. The individual Parking Spaces are numbered for identification; however, it is not intended by such numerical designation to hereby or thereby assign any of the Parking Spaces to any of the Residence Units having similar numerical designations, and the fact that a Parking Space and a Residence Unit may have the same numerical designation on their respective plats does not necessarily mean or indicate that Parking Spaces will be conveyed with Residence Units having the same numerical designation. It is contemplated that some Parking Spaces will be conveyed with the Residence Units having the same numerical designation, but there will be various exceptions to this. Therefore, no assignment of Parking Spaces to any of the Residence Units is made in this Declaration, but such assignment shall be made in the deed of conveyance for each Residence Unit. Also, Developer may convey more than one Parking Space with some Residence Units. If, after Developer has sold and conveyed all of the Residence Units, there remain any Parking Spaces which have not been conveyed with any of the Residence Units, then such Parking Spaces so remaining

shall become and constitute a part of the Common Elements of the Condominium. Any conveyance of any Residence Units shall be deemed to convey also such Parking Spaces as have been assigned to such Residence Unit by the Developer, even though such conveyance of the Residence Unit may be made without specifically or particularly referring to the Parking Spaces.

After obtaining the written approval of his first lien mortgagee, an Owner may assign and transfer his exclusive right to use a Parking Space which has been assigned to his Residence Unit but only to another Owner or the Council, and such transfer of assignment may be made for a term or perpetually as such Owners and/or the Council may agree between them. In the event of any such assignment of transfer, the Owners and/or the Council involved shall cause an appropriate instrument of amendment to this Condominium Declaration to be prepared and executed by such Owners and/or the Council, which instrument shall be joined in by the President of the Board and recorded. Such instrument of amendment shall recite the term of any assignment or transfer between the Owners and/or the Council and shall designate the Parking Spaces, the exclusive use of which was assigned or transferred. With respect to any such Parking Space transferred or assigned by any Owner to the Council, the Council shall have the right to assign, use or lease such Parking Spaces on such terms and conditions as the Board may determine, from time to time, as set forth in written rules and regulations therefor. Any provision of this paragraph to the contrary notwithstanding, at least one Parking Space must always be assigned to each Residence Unit for that Residence Unit's individual use.

## ARTICLE II

### GENERAL PROVISIONS

Section 2.1 Delineation of Residence Units. In the Condominium Plat attached hereto as Exhibit "D," the Buildings in the Condominium are lettered alphabetically and the Residence Units located therein are each numbered numerically. In determining dimensions and area, each Residence Unit shall be measured from interior finished surfaces of the perimeter walls, and each Patio and/or Balcony, if any, in such Residence Unit shall be measured to the exterior surface of its retaining fence or rail.

It is expressly stipulated, and each and every purchaser of a Residence Unit, his heirs, executors, administrators, assigns, successors and grantees hereby agree, that

the square footage, size and dimensions of each unit as set out and shown in the Exhibits, this Declaration or in the said survey plats attached as Exhibits hereto, are approximate and are shown for descriptive purposes only, and that the Developer does not warrant, represent or guarantee that any Residence Unit actually contains the area, square footage or dimensions shown by the plat thereof. Each purchaser and owner of a Residence Unit or interest therein, has had full opportunity and is under a duty to inspect and examine the Residence Unit purchased by him prior to the purchase thereof, and agrees that the Residence Unit is purchased as actually and physically existing. Each purchaser of a Residence Unit hereby expressly waives any claim or demand which he may have against the Developer on account of any difference, shortage or discrepancy between the Residence Unit as actually and physically existing and as it is shown on the respective plat thereof, which is attached as an Exhibit hereto.

The Ownership Percentage Interests assigned to each Residence Unit in the Condominium are set forth on attached Exhibit "C" and are arbitrary figures based upon the approximate size of each Residence Unit in relation to the others, but nevertheless shall be determinative in computing the undivided interests of Owners in the Common Elements and in determining the proportionate share of each respective Owner in the proceeds and expenses of administration and the value of such Owner's vote at meetings of the Council. The total value of the Condominium is 100%.

Section 2.2 Use Restrictions.

(a) All Residence Units shall be used only for residential purposes. For the purpose of this provisions, a Residence Unit shall be deemed to be used for residential purposes when it is used to house persons and their belongings, without regard to whether the persons are owners of the Residence Unit or occupy the Residence Unit pursuant to a rental, leasing or other arrangement.

(b) No noxious or offensive activities of any sort shall be permitted, nor shall anything be done in any Residence Unit or in any Common Element which shall be or may become an annoyance or nuisance to the other Owners.

(c) Notwithstanding any other provisions of this Article, the Developer may make such temporary use of the Common Elements and Residence Units as is reasonably necessary to facilitate and complete the improvement of the Land,

construction of the Buildings, the operation of Developer's sales efforts and the showing of the Condominium and any unsold Residence Units therein; the provisions of this Article shall not prohibit the use by the Council of all Common Elements in any reasonable manner necessary in connection with the operation and maintenance of the Condominium.

(d) Nothing shall be done in or kept in or on any Residence Unit, Balcony, Patio, Storage Space, Parking Space or Common Element which will increase the rate of insurance on the Condominium or any other Residence Unit over that applicable to residential buildings, or would result in uninsurability of the Condominium or any part hereof, or the cancellation, suspension, modification or reduction of insurance in or on or covering the Condominium or any part thereof. If, by reason of the occupancy or use of any Residence Unit by any Owner, the rate of insurance on all or any portion of the Condominium shall be increased, such Owner shall be personally liable to the Council for such increase caused thereby and such sum shall be payable to the Council at the same time and in the same manner as provided for in the payment of the Common Expense Charge, but in no event shall such obligation to pay preclude the Council from obtaining an injunction to enforce the terms and provisions of this paragraph.

(e) No Owner shall install, attach, or hang or allow to be installed, attached or hung any equipment or wiring or electrical installations, television or radio transmitting or receiving antennas, air conditioning units or any other like equipment or wiring in or across any portion of any Common Elements, protruding from any balcony or through any wall, floor, ceiling, window or door which is a Common Element, except as approved by the Council. All radios, televisions, electrical equipment or appliances of any kind or nature and the wiring therefor installed or used in a Residence Unit shall fully comply with all rules, regulations or requirements of all state and local public authorities having jurisdiction.

(f) Each Owner shall promptly and fully comply with any and all applicable laws, rules, ordinances, statutes, regulations or requirements of any governmental agency or authority with respect to the occupancy and use of his Residence Unit and with the provisions hereof, and the By-Laws and Rules and Regulations promulgated hereunder.



Section 2.3 Decoration, Maintenance and Repairs of Residence Units. Any Owner may decorate and redecorate his Residence Unit and may make any improvements or alterations within his Residence Unit (but not to Common Elements) and shall have the right to paint, repaint, tile, wax, paper, or otherwise furnish or decorate any interior surfaces of walls, partitions, ceilings and floors within the Residence Unit. The fences of the Patio Areas are Common Elements and shall be maintained by the Council. All other parts of the Patio Areas are Limited Common Elements and shall be maintained by the Owner of the Residence Unit who has use of such Patio Area.

Each Owner, at his own cost and expense, shall maintain his Residence Unit and all Common Elements servicing only his Residence Unit (whether or not within the boundaries of the Residence Unit) in good condition and repair. By way of example, but without limiting the Owner's responsibility for maintenance and repairs as herein set forth, each Owner shall bear the cost of maintenance, repair and replacement of the following items within or serving such Owner's Residence Unit, Patio or Balcony, and Walkway: interior surfaces of all perimeter and interior walls, ceiling and floors (including carpeting, tile, wall paper, paint or other covering); garbage disposals, ranges, refrigerators, dishwashers, washing machines, dryers, light fixtures, and any and all other appliances of any nature whatsoever; heating, ventilating and air conditioning equipment serving such Residence Unit (although such equipment may be located in part outside such Residence Unit); interior and exterior doors, including all hardware thereon; window panes and light bulbs; plumbing and other fixtures of any nature whatsoever; "built-in" features; and decorative features; fireplaces, if any; and, any furniture and furnishing.

The cost of maintenance, repair and replacement of the Common Elements (except to the extent such costs are borne by each Owner as set forth above) shall be an expense of administration of the Condominium to be assessed in accordance with the provisions of this Declaration and the By-Laws.

Section 2.4 Responsibility for Utility Charges. Each Owner shall bear the cost of electricity separately metered to his Residence Unit, telephone and/or cable television installation and service, and any other utility charge separately metered or billed directly by the utility company furnishing such service to such Owner.

Section 2.5 Balconies and Patios. No owner shall paint, remodel or enclose any Balcony or Patio or store objects or things on such Balcony or Patio or dry clothing or place other materials on such Balcony or Patio in any manner which is likely to impair the uniform appearance of the exterior of the Building. An Owner may furnish a Balcony or Patio with outdoor furniture in keeping with the provisions of this Declaration and the Rules and Regulations promulgated thereunder.

Section 2.6 Alterations to Common Elements. No Owner shall do any act or permit any act to be done in, on or to any Residence Unit, Balcony, Patio, Parking Space, Storage Space or Common Element which will impair the structural integrity, weaken the support or otherwise adversely affect the Buildings or any Common Element.

Decorative wall items such as lights, shelves and art work may be affixed to or installed on the interior walls, floors, doors and ceilings of any Residence Unit which are Common Elements without prior approval of the Council provided such affixation or installation is done in a good and workmanlike manner. Except for such affixation or installation of decorative wall items, no Owner shall make any alterations to any of the Common Elements (including walls, windows and doors which are Common Elements) nor install, attach, paste or nail any article thereto without the prior approval of the Council.

Section 2.7 Additional Provisions. The Board, by provisions of its By-Laws or by Rules and Regulations enacted pursuant to the provisions hereof, may provide such additional rules and regulations for use of the Common Elements, the Parking Spaces, the Storage Spaces, and the Residence Units as are necessary or desirable in the judgment of the Board for the operation of the Condominium, provided such Rules and Regulations and By-Laws are not in conflict with the provisions of this Declaration of Condominium. Such By-Laws and Rules and Regulations shall be applicable to the Common Elements and the Residence Units as though set forth herein at length.

### ARTICLE III

#### COUNCIL OF CO-OWNERS

Section 3.1 Authority to Manage. There has been or will be formed a Council having the name "Port Aux Princes Council of Co-Owners," a Texas non-profit

corporation. The Council shall have all rights, powers and duties of the "Council of Co-Owners," as that term is used in the Texas Condominium Act. The Council shall have the right, power and obligation to provide for the maintenance, repair, replacement, administration and operation of the Condominium and Condominium Regime as provided herein, in the By-Laws, and in the Rules and Regulations. The business affairs of the Council shall be managed by its Board of Directors. The Council shall not be deemed to be conducting a business of any kind. All activities undertaken by the Council shall be for the sole benefit of the Owners, and all funds received by the Council shall be held and applied by it for the use and benefit of the Owners in accordance with the provisions of this Declaration and the By-Laws.

Section 3.2 Board's Determination Binding. In the event of any dispute or any disagreement between any Owners relating to the Condominium, or any questions of interpretation or application of the provisions of the Declaration or By-Laws, such dispute or disagreement shall be submitted to the Board. The determination of such dispute or disagreement by the Board shall be binding on each and all of such Owners, subject to the right of Owners to seek other remedies provided by law after such determination by the Council.

Section 3.3 Initial Administration of the Council. Until such time as the Developer has sold and conveyed seventy-five percent (75%) of the Residence Units, or until such time as the Developer's designees sooner shall resign from the Board, whichever event occurs earliest, the Developer's designees (as set forth in the Articles of Incorporation and any replacement designees selected by Developer during the initial administration of the Council) exclusively shall represent, act as and constitute the sole members of the Board and shall exclusively have, exercise and perform all of the rights, powers, authority, functions and duties which herein or in said By-Laws or by said Texas Condominium Act are given to the members of the Board. During the period of administration of this Condominium Regime by the Developer's designees as the sole members of the Board, as above provided, the Board may employ or designate a temporary managing agent who shall have and possess all of the rights, powers, authority, functions and duties to maintain, repair and manage the Common Elements and to sell the Residence Units as may be specified in the contract of employment or as may be delegated and assigned to him by the Developer. The Board may pay said

temporary managing agent such compensation as it may deem reasonable for the services to be rendered, which compensations shall constitute a part of the common expenses of this Condominium Regime and shall be paid out of the Common Expense Fund herein provided for.

Section 3.4 Membership in the Council. Each Owner (and only an Owner) shall be a member of the Council so long as he shall be an Owner and such membership shall automatically terminate when he ceases to be an Owner. Upon the transfer of ownership of a Residence Unit, the new Owner succeeding to such ownership shall likewise automatically succeed to membership in the Council. The Council may issue certificates evidencing membership therein.

Section 3.5 Voting of Members. After the initial administration of the Council by the Developer pursuant to Section 3.3 above comes to an end, there shall be a vote in the affairs and management of the Council for each Residence Unit. The value to be assigned each vote shall be equal to the Percentage Ownership Interest assigned to the applicable Residence Unit, as set forth in Exhibit "C" hereto. In the event that the ownership interest in a Residence Unit is owned by more than one member of the Council, the members who own fractional interests in such Residence Unit aggregating more than fifty percent of the whole ownership thereof shall appoint one member who shall be entitled to vote the one vote of that Residence Unit at any meeting of the Council. Such designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual notice to the Board or upon the death or the judicially declared incompetence of any of the members. In the event that a Residence Unit is owned by more than one member and no single member is designated to vote on behalf of the members having an ownership interest in such Residence Unit, then none of such members shall be allowed to vote. All members of the Council may be present at any meeting of the Council and may act at such meetings, either in person or by proxy, but all proxies must be filed with the Secretary of the Council at or before the appointed time of the meeting of the Council.

Section 3.6 Meetings of the Members.

(a) The first meeting of the members of the Council shall be held when called by the initial Board upon ten (10) days written notice to the members. Such written notice may be given at any time but must be given not later than thirty (30) days after

seventy-five percent (75%) of the Residence Units have been sold by the Developer, a deed therefore recorded, and the purchase price paid.

(b) Thereafter, an annual meeting of the members of the Council shall be held in the Buildings, or at such other place as may be designated by the Board, at eight o'clock (8:00) p.m. on the third Tuesday in January of each calendar year (or the first business day thereafter if such day is a governmental or religious holiday observed by any members of the Council). At the discretion of the Board, the annual meeting of the members of the Council may be held at such other reasonable time (not more than sixty (60) days prior to or subsequent to the aforesaid date) as may be designated by written notice of the Board delivered to the members not less than ten (10) nor more than sixty (60) days prior to the date fixed for said meeting.

(c) Except as otherwise provided by statute, this Declaration or the By-Laws, the presence in person or by proxy of fifty-one percent (51%) of the Percentage Ownership Interests assigned to the members qualified to vote shall constitute a quorum for holding any meeting of the members of the Council. If, however, such quorum shall not be present or represented at any meeting of the Council, the members present in person or represented by proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. If a quorum shall be present or represented by proxy at such meeting held in lieu of the adjourned meeting(s), any business may be transacted at such meeting as originally notified.

(d) When a quorum is present at any meeting of the Council, the vote of fifty-one percent (51%) or more of the Percentage Ownership Interests assigned to those members qualified to vote and actually present in person or by proxy at such meeting shall decide any question brought before such meeting, unless the question is one upon which by express provision of any statute, this Declaration, the Articles of Incorporation of the Council or the By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

(e) At the annual meeting, the Board shall present a certified audit of the Common Expense Fund, itemizing receipts and disbursements for the preceding calendar year, the allocation thereof to each Owner and the estimated Common Expense Charges for the ensuing fiscal year. Within thirty (30) days after the annual meeting, the statements and estimates presented at the annual meeting by the Board shall be delivered to all Owners.

(f) Special meetings of the members of the Council may be called by the President or any Vice-President at any time, or may be called upon petition to the President by members possessing ten percent (10%) of the Percentage Ownership Interests assigned to those members qualified to vote at a meeting of the Council, or may be called by a majority of the then qualified and acting members of the Board of Directors. Written or printed notice stating the place, day and hour of such special meeting and the purpose or purposes for which the meeting is called should be delivered to each member not less than three (3) nor more than twenty-one (21) days before the date of such meeting.

(g) For the purpose of determining the members entitled to notice of a meeting and to vote at any meeting, the membership of the Council shall be determined at the close of business on the twenty-fifth (25) day preceding such meeting.

Section 3.7 Board of Directors. The Board of Directors shall consist of five (5) persons who are members of the Council, spouses of members, or in the event that a Residence Unit is owned by a corporation or other business entity, an officer or director of such entity who resides in the Residence Unit owned by such entity. The Directors shall be elected by the members at the first meeting of the members of the Council and at each annual meeting thereafter. At the initial meeting of the members of the Council, three (3) Directors shall be elected for a term of two (2) years and two (2) Directors shall be elected for a term of one (1) year. Thereafter, at the annual meeting of the members of the Council, the members shall elect either three (3) or two (2) Directors, as the case may be, each to serve for a term of two (2) years, in order to fill the positions of the Directors whose terms have expired at the time of the annual meeting. The candidates receiving the highest number of votes, up to the number of Directors to be elected, shall be deemed elected. All votes shall be cast by

written ballot. Members shall not vote cumulatively for the election of Directors. Directors, once appointed or elected, shall continue to serve until they resign or are replaced pursuant to the provisions of this Declaration and the By-Laws.

The annual meeting of the Board of Directors shall be held each year immediately following the annual meeting of the members of the Council, at the place of such annual meeting of the members, for the election of officers and the consideration of any other business that may properly be brought before such meeting. Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors shall determine by a majority vote of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Special meetings of Board of Directors shall be held at any time upon the call of the President or upon call by two (2) Directors. Notice of such special meeting shall be in writing. The presence of a majority of Directors then qualified and acting at a meeting of Directors shall constitute a quorum for the transaction of business. The action of a majority of Directors present at the meeting at which there is a quorum shall be the act of the Board of Directors.

The Directors (other than members of the initial Board) shall serve for a term of two (2) years commencing at the time of their election until their death, resignation, removal or until they are no longer members of the Council, whichever is earlier. Any Director may be removed from membership on the Board, with or without cause, by the affirmative vote of two-thirds or more of the Percentage Ownership Interests assigned to those members of the Council qualified to vote and present in person or by proxy at a meeting of the members of the Council called to consider such action.

Section 3.8 Actions without Meetings. Any action required by this Declaration or by law to be taken at a meeting of the members of the Council or at a meeting of the Board may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the members of the Council entitled to vote with respect to the subject matter thereof or signed by all of the members of the Board, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting.

Section 3.9 Officers. The Officers of the Council shall be elected by the Board and shall consist of a President, a Vice-President, a Secretary and a Treasurer and such other Vice-Presidents, Assistant Secretaries, and Assistant Treasurers as may be

convenient or necessary in the judgment of the Board for the administration and operation of the Condominium. The officers shall be elected from among any of the members of the Council.

Section 3.10 Administration of the Condominium. The Council, acting through its Board of Directors, its officers or other duly authorized management representatives, shall manage the business and affairs of the Condominium and shall, without limitation, have the powers of collection and enforcement set forth herein, and for the benefit of all of the Owners in the Condominium shall provide, perform, cause to be performed, maintained, acquired, contracted and paid for out of the Common Expense Fund the following:

- (a) Utility services used in or for the Common Elements, water and sewer services used by or consumed by the Residence Units if not separately metered or charged, and such other utility services for the Residence Units as are not separately metered or charged.
- (b) The insurance required by Article V hereof and such other policies of casualty, liability and/or other insurance covering persons, property and risks as are in the best interest of the Condominium, as determined by the Board.
- (c) The services of a Manager and such other persons as the Board shall from time to time determine are necessary or proper to the daily management, operation and maintenance of the Condominium.
- (d) All supplies, tools and equipment reasonably required for use in the management, operation, maintenance, cleaning and enjoyment of the Condominium.
- (e) The cleaning, maintenance, repairing, reconstruction and replacement of the Common Elements as the Board shall determine is necessary.
- (f) The services of gardeners, security guards, and such other persons to the extent necessary for the operation of the Condominium in the manner desired by the Members of the Council.
- (g) The removal of all trash, garbage and rubbish from the central garbage receptacle or receptacles of the Buildings, including the employment of the services of a garbage collection company or agency, public or private.



- (h) Costs of bookkeeping of the accounts of the Council and the annual audit provided for herein; legal and accounting services and fees of the Council; premiums of fidelity bonds; taxes or assessments of whatever type assessed or imposed which are not the obligation of the Residence Unit Owners pursuant to the provisions of this Declaration.

The Board shall not, without the prior authorization of the members of the Council at a meeting of the members, contract for or pay for out of the Common Expense Fund for any one (1) item of capital addition or improvement (other than replacement of existing Common Elements) at a cost in excess of Three Thousand Five Hundred and No/100 Dollars (\$3,500.00).

Nothing herein shall authorize the Board to furnish to any person services primarily for the benefit or convenience of any Owner or Owners or any occupant or occupants of Residence Units. The Board shall have the exclusive right and obligation to contract for all goods, services and insurance in connection with the administration of the Condominium, payment for which is to be made from the Common Expense Fund.

Section 3.11 Accounting and Audit. The Board of Directors shall keep or caused to be kept books of detailed account of the receipts and expenditures affecting the Condominium and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Condominium or the Council. Both the books of accounts and all vouchers supporting the entries made therein shall be available for examination at the office of the Council by all Owners at convenient hours on working days and the Board shall cause to be established and announced for general knowledge the days and hours within which such books shall be available for inspection. All such books and records shall be kept in accordance with accepted accounting procedures, consistently applied, and shall be audited at least once a year by an outside auditor as may be provided for in the terms and provisions of the By-Laws of the Council. The fiscal year of the Council shall be the calendar year unless another period is established by an amendment of the By-Laws.

Section 3.12 Right of Entry. The Council, or its duly authorized representatives shall have the right and authority to enter any Residence Unit for the purposes of:

- (a) Making repairs therein, other than repairs for which the Owner is responsible and which do not affect others;
- (b) Performing necessary maintenance or repairs to the Common Elements, for which the Council is responsible;
- (c) Abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such Residence Unit;
- (d) Protecting the property rights and welfare of other Owners; and
- (e) Enforcing the provisions of this Declaration of Condominium, the By-Laws or the Rules and Regulations promulgated thereunder.

Except in the event of an emergency, such right of entry shall be exercised only in the presence of the Owner or other occupant of the Residence Unit which is entered. In all events, such right of entry shall be exercised in such manner as to avoid any unreasonable or unnecessary interference with the possession, use or enjoyment of the Residence Unit by the Owner or occupant thereof and shall, whenever possible, be preceded by reasonable notice to the Owner or occupant thereof. In the event that any damage is caused to the property of any Owner in connection with the exercise of any such right of entry, such damage shall be repaired at the expense of the Council and the Board is authorized to expend Common Expense Funds therefor.

#### ARTICLE IV

##### COMMON EXPENSE FUND; ASSESSMENTS; COLLECTION

Section 4.1 Common Expense Charges. Except as provided in Section 4.2 hereof, all Owners are bound to contribute, in proportion to their Percentage Ownership Interests, to the Common Expense Fund, as a Common Expense Charge, the expenses of administration of the Condominium Regime and the administration, maintenance and repairs of the Common Elements, and other expenses provided by the terms hereof to be paid by the Council or those expenses agreed upon to be assumed by the Council pursuant to this Declaration, its By-Laws and Rules and Regulations. No Owner shall be exempt from the obligation to make such contribution to the Common Expense Fund by waiver of the use or enjoyment of the Common Elements, either

general or limited, or by abandonment of the Residence Unit belonging to him, or under any other circumstances.

Section 4.2 Payment of Common Expense Charges by Developer. Recognizing that, to some degree, the cost of administration and maintenance of the Condominium and the Common Elements is related to the use of the Common Elements which is in turn related to the number of Residence Units which are occupied, the Developer shall pay to the Council, until such time as the initial administration of the Council as provided for in Section 3.3 hereof comes to end, in lieu of any Common Expense Charge or Special Assessment with respect to all Residence Units which the Developer continues to own, an amount, if any, by which the "Actual Operating Expenses" (as hereinafter defined) incurred for any fiscal year of the Council (or portion thereof) exceed the aggregate of the Common Expense Charges payable by other Owners of Residence Units. In the event that the amounts collected as Common Expense Charges from Owners other than the Developer exceed such Actual Operating Expenses for such period, then within a reasonable time after the expiration of such period, an amount equal to such excess shall be refunded to the Owners who shall have paid such Common Expense Charges, in proportion to their respective contributions. For the purposes of this provision, the term "Actual Operating Expenses" shall mean those expenses reasonably necessary for the normal maintenance and operation of the Condominium and shall not include capital expenditures, reserves, prepaid items, inventory items or similar expenses to the extent attributable to periods after such fiscal year. After the initial administration of the Council by the Developer comes to an end pursuant to the provisions of Section 3.3 hereof, the Common Expense Charge to be paid by each Owner (including the Developer) shall be determined as provided in this Article IV. The Developer, by notice in writing to the Council, may waive the benefits of this provision, and in the event of such waiver, shall thereafter be bound to contribute to the Common Expense Fund the Common Expense Charges in proportion to the Percentage Ownership Interest attributable to the Residence Units owned by the Developer.

Section 4.3 Budgets, Establishment of Common Expense Charges and Special Assessments. Until the commencement of the first full fiscal year after the first meeting of the Members of the Council is held, the Developer shall have the right and obligation to establish the annual budgets and determine the Common Expense Charges

to be paid by the Owners of each of the Residence Units in accordance with their Percentage Ownership Interest (excluding those Units owned by the Developer) for each fiscal year, projecting all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium and Condominium Regime, including any reasonable allowance for contingencies and reserves for repairs to or replacements of Common Elements. The fiscal year of the Condominium shall be the calendar year, unless the Board otherwise provides.

Commencing with the first full fiscal year after the first meeting of the members of the Council is held, the Board of Directors of the Council shall establish an annual budget in advance for each calendar year and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium, including a reasonable allowance for contingencies, and reserves for repairs to or replacements of Common Elements. The Common Expense Charge for such year shall be established by the adoption of such annual budget by the Board of Directors of the Council. Copies of each such budget shall be delivered to each Owner by such reasonable means as the Board of Directors may provide. In the event that the Board of Directors at any time determines that the Common Expense Charges so levied are or may prove to be insufficient to pay the costs of operation and management of the Condominium for such fiscal year or in the event of casualty losses, condemnation losses or other events (including non-payment of Common Expense Charges by some Owners) which require additional funds be supplied for preservation and operation of the Condominium, the Board of Directors shall have the authority at any time or from time to time to levy such Special Assessments as it shall deem necessary for that purpose. Except as otherwise expressly set forth in this Declaration, such Special Assessments shall not be levied, however, without the prior approval of Owners having at least a majority of the votes in the Council, unless a greater number of votes is required by law.

The failure or delay of the Board to prepare any annual budget or to deliver copies of such budgets to each Owner shall not constitute a waiver or release in any manner of any Owner's obligation to pay Common Expense Charges whenever the same shall be determined, and in the event of any delay or failure to establish any annual budget each Owner shall continue to pay the Common Expense Charge, monthly, at the rate established for the previous period until a new annual budget is established.

Section 4.4 Payment of Common Expense Charges and Special Assessments.

Common Expense Charges shall be due and payable monthly in advance. In addition, at the time of the initial sale of each Residence Unit, either the Developer or purchaser of such Unit shall deposit a sum equal to at least two (2) months' estimated maintenance assessment for each such Residence Unit into the Common Expense Fund for the initial operation of the Condominium. Special Assessments shall be payable on or before ten (10) days after Owners are invoiced therefor. Payment of Common Expense Charges and Special Assessments shall be in default if such Common Expense Charges or Special Assessments, or any part thereof, are not paid to the Council on or before the due date for such payment. Common Expense Charges and Special Assessments in default shall bear interest at a rate of ten percent (10%) per annum from the date of delinquency until paid. Each Owner (whether one or more persons) shall be personally liable for the payment of all Common Expense Charges and Special Assessments which may be levied against such Owner and his Residence Unit pursuant to the provisions hereof. Notice of any unpaid assessment, regular or special, may be recorded by the Council in the Condominium Records of Galveston County, Texas.

Section 4.5 Enforcement. In order to secure the payment of the Common Expense Charges and Special Assessments levied hereunder, a Vendor's Lien shall be and is hereby reserved in and to each Residence Unit, and assigned to the Council, without recourse, which lien shall also secure penalties and interest, if any, which may be due on the amount of any delinquent assessment owing to the Council, and which lien also secures all costs and expenses, including a reasonable attorney's fee, which may be incurred by the Council in enforcing this lien upon said Residence Unit and its appurtenant undivided interest in the Common Elements. The lien granted hereby to the Council shall further secure such advances for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Council in order to preserve and protect its lien, and the Council shall further be entitled to interest at the highest rate allowed by law or by contract under the laws of the State of Texas, on any such advances made for such purpose. All persons who shall acquire, by whatever means, any interest in the ownership of any Residence Unit, or who may be given or acquire a mortgage, lien or any encumbrance thereon, are hereby placed on notice of the lien rights granted to the Council, and shall acquire such interest in any such Residence Unit expressly subject to such lien rights; except that

such lien rights hereby granted to the Council shall be subordinate, secondary and inferior, and the same are hereby expressly rendered and made subordinate, secondary and inferior to (1) all liens for past due and unpaid ad valorem taxes or special assessments, excluding income taxes and franchise taxes, levied by the city, county and state governments or any political subdivision or special district thereof within the boundaries of which the Condominium is located, and (2) all amounts due or to become due under any Mortgage instruments duly recorded securing loans made in good faith by any insurance company, bank, savings and loan association, or other institutional lender, or securing loans made by any individual lender where such individual lender lent money in good faith for the purchase or improvement of any Residence Unit. In the event that Council shall institute foreclosure proceedings of any lien granted herein to it, it shall give thirty (30) days written notice prior to its commencement of such proceedings to any Mortgagee holding a recorded superior lien on the Residence Unit which is the subject of such proceedings. Such notice shall be delivered to such Mortgagee by the United States Certified or Registered Mail, postage paid, or by personal service, but failure to give such notice shall not invalidate such proceedings.

Each Owner by his acceptance of a deed to a Residence Unit, hereby vests in the Council or its agents, the right and power to bring all actions to enforce the aforesaid lien by all methods available for the enforcement of such liens, including non-judicial foreclosure pursuant to Article 3810 of the Revised Civil Statutes of Texas and each such Owner hereby expressly grants to the Council a power of sale in connection with the lien and the Council shall have the power to name a Trustee.

Such lien for the payment of the Common Expense Charges and Special Assessments herein provided for may be foreclosed, without prejudice and subject to the aforesaid prior and superior liens, by suit by the Council or any authorized officer or member thereof, acting in behalf of all Owners or by sale in like manner as mortgages on real property in the State of Texas. No foreclosure suit or sale thereunder shall affect or impair any of the prior and superior liens above mentioned. All funds realized from any foreclosure sale shall be applied first to the costs and expenses of prosecuting suit, including all costs of court and a reasonable amount for attorney's fees, and then towards payment of the indebtedness sued upon, and the remainder, if any, shall be paid over to the defendant or defendants in the suit as their interest may appear. In the event the proceeds realized from the foreclosure sale,

applied as aforesaid, shall be insufficient to payoff and discharge the whole amount of the assessment for Common Expense Charges and Special Assessments sued on, then the purchaser acquiring title to such Residence Unit at such foreclosure sale, whoever he may be, other than the Owners sued, shall not be liable for the deficiency, but such deficiency, if any, shall be deemed to be a common expense, collectible from all of the Owners of the Residence Units in this project, including such purchaser at the foreclosure sale, on a pro rata basis as in the case of other common expenses. In the event that any Mortgagee accepts a conveyance of any Residence Unit in lieu of foreclosure, the acquisition of such Residence Unit by such Mortgagee shall be treated in the same manner as though said Mortgagee acquired said Residence Unit at foreclosure or other judicial sale. Nothing herein contained shall be construed as releasing the defaulting Owner of the unit foreclosed on, however, from being personally liable to the Residence Unit Owners for such deficiency, including interest, costs, and attorney's fees, and the same shall be chargeable to and a personal obligation of such defaulting Owner.

The original Trustee may be named, and in the case of absence, death, inability, refusal, resignation, or failure of the Trustee named to act, a successor and substitute may be named by the Council, without formality other than an appointment and designation in writing, and this conveyance shall vest in him as Trustee, the estate and title and all said Residence Units and he shall thereupon hold, possess and execute all the title, rights, powers and duties herein conferred on said Trustee named, and his conveyance to the Purchaser at foreclosure shall be valid and effective; in such right to appoint a successor or substitute Trustee shall exist as often as, and whenever from any of said causes, any Trustee, original or substitute, cannot or will not act. The right of sale hereunder shall not be exhausted by want of any sale, but the Trustee or substitute Trustee may make other and successive sales and the power of such sale herein contained shall survive each such successor sale as to amounts of assessments for Common Expense Charges and Special Assessments accruing after the date of the sale and each successive sale.

Nothing herein contained shall preclude the Council from enforcing 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 in default. Furthermore, the Council may pursue any and all remedies available under the Texas Condominium Act.

Section 4.6 Statement of Assessments. The Council shall furnish to any prospective purchaser, lessee or prospective Mortgagee of any Residence Unit, at the written request of the Owner or prospective purchaser, lessee or Mortgagee, a statement as to the amount of the unpaid assessments for the Common Expense Charges and Special Assessments up to a given date against the Residence Unit to be sold or encumbered; and, in the case of the sale, such purchaser shall not be liable, nor shall the Residence Unit sold or mortgaged be liable, or subject to any lien for any unpaid assessments not shown on such statement for the period of time covered thereby; however, the selling Owner shall remain personally liable for the same, and in the case of his failure or refusal to pay, then the same shall be collectible from all other Owners on a pro rata basis in proportion to the Percentage Ownership Interest attributable to each Residence Unit Owner, and they shall have recourse against said selling owner; and in the event of a mortgage, then any unpaid assessments not shown on said statement for the period of time covered thereby shall remain the obligation of the Owner mortgaging said Residence Unit, but the assessment lien securing the same as provided for in this Declaration shall be and remain secondary, subordinate and inferior to the mortgage and liens held by the Mortgagee to whom or for whose information said statement was furnished.

Section 4.7 Common Expense Fund. The Common Expense Charges collected shall be paid into the Common Expense Fund to be held and used for the benefit, directly or indirectly, of the Condominium; and such Common Expense Fund may be expended by the Board for the purposes set forth herein, including, without limitation, providing for the enforcement of the provisions of this instrument, the By-Laws of the Council and the Rules and Regulations promulgated thereunder, for the maintenance, operation, repair, benefit and welfare of the Common Elements and generally for doing those things necessary or desirable in the opinion of the Board to maintain or improve the Condominium. The use of the Common Expense Fund for any of these purposes, except as provided herein, is permissive and not mandatory, and the decision of the Board with respect thereto shall be final, so long as made in good faith.



Section 5.1 Insurance Requirements Generally. The Council shall obtain and maintain in full force and effect at all times a master policy of casualty, liability and other insurance as hereinafter provided. All such insurance shall be purchased and obtained by the Council from recognized responsible companies duly authorized to do insurance business in the State of Texas. All such insurance, to the extent possible, shall name the Council or its authorized representative as the insured, in its individual capacity and also either as attorney-in-fact or trustee for all Owners and their Mortgagees as their interests may appear.

To the extent possible, such Master Policy shall:

- (a) provide for a waiver of subrogation by the insurer as to claims against the Council, its directors, officers, employees and agents and against each Owner and each Owner's employees, agents and Guests;
- (b) provide that the insurance cannot be cancelled, invalidated or suspended on account of the conduct of the Council, its officers, directors, employees and agents or of any Owner or such Owner's employees, agents or Guests;
- (c) provide that any "no other insurance" clause in the insurance policy shall exclude any policies of insurance maintained by any Owner or Mortgagee and that the insurance policy shall not be brought into contribution with insurance maintained by any Owner or Mortgagee;
- (d) contain a standard mortgage clause endorsement in favor of the Mortgagee of any Residence Unit or part of the Condominium;
- (e) provide that the policy of insurance shall not be terminated, cancelled or substantially modified without at least thirty (30) days' prior written notice to the Council and to each Owner and to each Mortgagee covered by any standard mortgage clause endorsement;
- (f) provide that the insurer shall not have the option to restore the premises of the Condominium without the prior written approval of the Council which shall be subject to the Fire and Casualty provisions of Article VI herein;
- (g) provide for coverage of any cross liability claims of Owners against the Council or other Owners and of the Council against Owners without right of subrogation; and

- (h) provide coverage for such other risks as are customarily covered in similar projects.

Certificates of insurance coverage or copies of insurance policies shall be issued to each Owner and each Mortgagee who makes written request to the Council for any such certificate or copy. A copy of each insurance policy and of all endorsements thereon shall be furnished by the Council to each Mortgagee not less than 10 days prior to the beginning of the term of the policy or not less than 10 days prior to the expiration of each preceding policy which is being renewed or replaced, whichever date shall first occur.

The costs and expenses of all insurance obtained by the Council, except insurance covering additions, alterations or improvements made to a Residence Unit by an Owner or other insurance obtained at the request of and specifically benefitting any particular Owner, shall be a Common Expense to be covered by Assessments as elsewhere provided in this Declaration, and except further that the amount of increase over the annual premium occasioned by the use, misuse, occupancy or abandonment of a Residence Unit or its appurtenances or of the Common Elements by a Residence Unit Owner shall be assessed against that Owner. Not less than 10 days prior to the date when a premium is due, evidence of such payment shall be furnished by the Council to each Mortgagee.

Section 5.2 Casualty Insurance. The Council shall obtain and maintain casualty insurance covering the Condominium and each Residence Unit insuring against loss or damage by fire and such other hazards as are covered under standard extended coverage policies (with appropriate endorsements to cover fixtures, installations or additions comprising a part of each Building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of individual Residence 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 Residence Unit, together with coverage of all personal property acquired by the Council for the use and benefit of the Council and the Owners of the Residence Units and their Mortgagees), including vandalism and malicious mischief and, if available, and if deemed appropriate by the Council, war risk, as well as flood insurance. The Council shall maintain such extended coverage in an amount not less than one hundred percent (100%) of the insurable value based on current replacement

cost (exclusive of land, foundation, excavation and other items normally excluded from coverage) at any given point in time. At the option of the Council such insurance may also cover additions, alterations, or improvements to a Residence Unit made by an Owner if the Owner reimburses the Council in advance for any additional premiums attributable to such coverage. The Council shall not be obligated to apply any insurance proceeds to restore a Residence Unit to a condition better than the conditions existing prior to the making of additions, alterations or improvements by an Owner in the absence of insurance covering such additions, alterations or improvements as aforesaid.

Section 5.3 Public Liability and Property Damage Insurance. The Council shall maintain a comprehensive public liability and property damage insurance policy protecting against claims for personal injury or death or property damage suffered by the public or any Owner, the family, agent, employee or invitee of any Owner, occurring in, on or about the Common Elements or upon, in or about the private driveways, roadways, walkways, and passageways, on or adjoining the Condominium, which public liability and property damage insurance shall afford protection to such limits as the Board shall deem desirable, but in no event shall such coverage be in an amount less than One Million Dollars (\$1,000,000.00) covering all claims for personal injury arising out of a single occurrence. Such liability and property damage insurance policy shall contain a cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not prejudice his, her or their action or actions against another named insured.

Section 5.4 Workmen's Compensation and Employer's Liability Insurance. The Council shall obtain and maintain workmen's compensation and employer's liability insurance as may be necessary to comply with applicable laws.

Section 5.5 Fidelity Insurance. The Council shall also carry fidelity coverage against dishonest acts on the part of the members of the Board, Owners, the management company, if any, and any other persons (including volunteers, with an appropriate endorsement, if required) handling funds belonging to or administered by the Council. Such fidelity coverage shall be in an amount equal to at least One Hundred Fifty Percent (150%) of the estimated annual operating expenses of the Condominium, including reserves, unless a greater amount is determined to be necessary by the Board. Such fidelity coverage shall name the Council as an obligee

and provide for no cancellation or substantial modification of the coverage without at least thirty (30) days prior written notice to the Council and all Mortgagees.

Section 5.6 Insurance by Owners. Except to the extent coverage therefor may be obtained by the Council and be satisfactory to an Owner, each Owner shall be responsible for obtaining insurance he deems desirable, and it shall be each Owner's sole responsibility to provide for adequate insurance covering his furnishings and personal property and covering personal liability of him and his employees, agents and guests. Any insurance policy obtained by an Owner shall be such that it will not diminish or adversely affect or invalidate any insurance or insurance recovery under policies carried by the Council and shall, to the extent possible, contain a waiver of the rights of subrogation by the insurer as to any claim against the Council, its officers, directors, agents and employees and against other Owners and their employees, agents and guests.

Section 5.7 Receipt and Application of Insurance Proceeds. Except as some particular person shall have a legal right to receive insurance proceeds directly, all insurance proceeds and recoveries shall be paid to and received by the Council. All insurance proceeds or recoveries received by the Council shall be applied by the Council as follows: first as expressly provided elsewhere in this Declaration and the By-Laws; second to the Owners and their Mortgagees as their interests may appear; and third, the balance, if any, to Owners in proportion to their respective interests in the Common Elements. Furthermore, all policies shall provide that the Council or its authorized representative shall have the complete power and authority to compromise, settle and adjust any and all claims arising under such policy or policies of insurance.

Section 5.8 Other Insurance by the Council. The Council shall also have the power or authority to obtain and maintain other and additional insurance coverage as it shall deem desirable, including casualty insurance covering personal property of the Council, or insurance covering employees and agents of the Council and the Board and insurance indemnifying officers, directors, employees and agents of the Council and the Board. So long as the Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), or Governmental National Mortgage Association (GNMA) is a Mortgagee of a Residence Unit in the Condominium, or owns a Residence Unit therein, the Council shall maintain in effect at least such casualty, flood and liability insurance and a fidelity bond, and other insurance meeting standards

established by FNMA, FHLMC and GNMA for Condominiums as published in the FNMA, FHLMC and GNMA "Servicer's Guide," or otherwise, except to the extent such requirements shall have been waived in writing by FNMA, FHLMC or GNMA.

## ARTICLE VI

FIRE OR CASUALTY; REBUILDING

Section 6.1 Determination of Loss. In the event of a fire or other casualty causing damage or destruction to any one or more of the Buildings, the Board shall determine whether such loss comprises the whole or more than two-thirds of the total Buildings. Unless otherwise provided by law, such determination shall be made by determining whether the cost of necessary repair or reconstruction would exceed two-thirds of the cost of reconstructing the Building or Buildings as they existed prior to such fire or other casualty. In the event of fire or other casualty which does not comprise more than two-thirds of the Buildings, unless otherwise unanimously agreed to by the Owners and their Mortgagees, the Buildings shall be repaired and reconstructed substantially in accordance with the original Plans and Specifications for the Buildings and in accordance with the provisions hereof.

In the event that fire or other casualty comprises the whole or more than two-thirds of the Buildings, unless otherwise unanimously agreed to by the Owners and their Mortgagees, the Land shall be sold and such sale proceeds along with all proceeds of insurance policies carried by the Council and all accrued and collected Common Expense Charges shall be delivered to the Owners or their Mortgagees, as their interests may appear, in proportion to the Percentage Ownership Interest of each Owner, and the Condominium Regime established by this Declaration of Condominium shall terminate. Each Owner hereby appoints Council, or its authorized representative, as its attorney-in-fact for the purpose of effecting the provisions of this Article VI, and the power hereby granted to Council shall be, and is, a power coupled with an interest and is irrevocable. Such power includes the right to enter into any contracts, deeds or other instruments which may be necessary or appropriate to effectuate the provisions of this Article VI.

Section 6.2 Rebuilding. In the event that it is determined that the Buildings shall be repaired and reconstructed, then all proceeds of insurance policies with respect to such fire or casualty, carried by the Council, shall be paid to the Bank

selected by the Board, as Trustee, insured by the Federal Deposit Insurance Company (or its successors) and located in Galveston County, Texas, to be held in trust for the benefit of the Owners and their Mortgagees as their respective interests may appear. The Board shall thereupon contract to repair or rebuild the damaged portions of all Residence Units, Buildings, and Common Elements in substantial accordance with the original Plans and Specifications therefor and the funds held in the Trust Fund in such depository bank shall be used for this purpose and disbursed by the Board in accordance with the terms of the contract of repair and rebuilding.

In the event that such insurance proceeds are insufficient to provide for such repair, restoration or rebuilding, the building costs in excess of the insurance proceeds shall be assessed against all of the Owners, in proportion to the Percentage Ownership Interest of each Owner, as set forth in this Declaration. Such Special Assessments shall not require the consent of the Members of the Council notwithstanding the provisions of Section 4.3 hereof. If any Owner shall fail to pay such Special Assessments when due, the Board may make up the deficiency by payment from the Common Expense Fund, which payment shall in no way release the Owner who has failed to make payment of such Special Assessment from liability therefor. Such assessments shall be enforceable as provided for other Special Assessments herein. The provisions of this Section may be changed only by unanimous resolution of the Owners, adopted subsequent to the date on which such fire or casualty loss occurs.

Section 6.3 Repair of Residence Units. Each Owner shall be responsible for the reconstruction, repair and replacement of all personal property and other property not a Common Element in or part of his Residence Unit, including, but not limited to the floorcoverings, wallcoverings, interior walls, furniture, furnishings, decorative light fixtures and appliances located therein irrespective of whether or not such appliances are "built-in" to the Residence Unit. Each Owner shall not be responsible for the reconstruction, repair or replacement of interior walls, fixtures, installations or additions comprising a part of the building within the unfinished interior surfaces of the perimeter walls, floors and ceilings of such Owners' Unit as initially installed, or replacements thereof, in accordance with the original plans and specifications of the Condominium Project, to the extent the same are covered by insurance maintained by the Council.

In the event damage to all or any part of the interior of an Owner's Residence Unit is covered by insurance held by the Council for the benefit of such Owner, then such Owner shall begin reconstruction or repair of such damage upon receipt of the insurance proceeds or any portion thereof from the Council, subject to the rights of the Council 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 an Owner's Residence Unit is not covered by insurance held by the Council for the benefit of such Owner, then such Owner shall begin reconstruction or repair of his Residence Unit within sixty (60) days after the date of such damage, subject to the right of the Council to supervise, approve or disapprove such reconstruction or repair during the course thereof.

Section 6.4 Indemnity of Council. Each Owner shall be responsible for the costs not otherwise covered by insurance carried by the Council caused by his negligence or misuse or by the negligence or misuse of his family, tenants, guests, agents, contractors or employees in the course of their duties, and shall, to the extent not covered by insurance collected by the Council, indemnify the Council and all Owners against any such costs of reconstruction, repair and replacement of any portion of the Building.

## ARTICLE VII

### EMINENT DOMAIN

Section 7.1 General Provisions. If all or any part of the Condominium is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary) the Board and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Board shall give notice of the existence of such proceeding to all Owners and to all Mortgagees known to the Board to have an interest in any Residence Unit. The expense of participation in such proceedings by the Board shall be borne by the Common Expense Fund. The Board is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Board in its discretion deems necessary or advisable to aid or advise it in matters relating to such proceedings. All damages or awards for any such

taking shall be deposited with the Board, acting as Trustee, and such damages or awards shall be applied or paid as provided herein.

Section 7.2 Taking of Common Elements. In the event that an action in eminent domain is brought to condemn a portion of the Common Elements (together with or apart from any Residence Unit), the Board, in addition to the general powers set out herein, shall have the sole authority to determine whether to defend or resist any such proceeding, to make any settlement with respect thereto; or to convey such property to the condemning authority in lieu of such condemnation proceeding. With respect to any such taking of Common Elements only, all damages and awards shall be determined for such taking as a whole and not for each Owner's interest therein. After the damages or awards for such taking are determined, such damages or awards shall be paid to each Owner in the manner prescribed in Section 7.4 herein and in proportion to his Percentage Ownership Interest in the Common Elements. The Board may, if it deems advisable, call a meeting of the Owners, at which meeting the Owners, by a majority vote, shall decide whether to replace or restore as far as possible the Common Elements so taken or damaged. In the event it is determined that such Common Elements should be replaced or restored by obtaining other land or building additional structures, this Declaration and the map attached hereto shall be duly amended by instrument executed by the Board of Directors on behalf of the Owners.

Section 7.3 Taking of Residence Units. In the event that such eminent domain proceeding results in the taking of or damage to one or more, but less than two-thirds of the total number of Residence Units, then the damages and awards for such taking shall be determined for each Residence Unit and the following shall apply:

(a) The Board shall determine which of the Residence Units damaged by such taking may be made tenantable for the purposes set forth in this Declaration, taking into account the nature of this Condominium and the reduced size of each Residence Unit so damaged.

(b) The Board shall determine whether it is reasonably practicable to operate the remaining Residence Units of the Condominium including those damaged units which may be made tenantable as a condominium in the manner provided in this Declaration.



(c) In the event that the Board determines that it is not reasonably practicable to operate the undamaged Residence Units and the damaged Residence Units which can be made tenantable as a Condominium, then the Land and the Buildings thereon shall be sold and such sale proceeds along with any condemnation awards or payments in lieu of condemnation and all accrued and collected Common Expense Charges shall be delivered to the Owners or their Mortgagees, as their interests may appear, in proportion to the Percentage Ownership Interest of each Owner, and the Condominium Regime established by this Declaration of Condominium shall terminate. Each Owner hereby appoints Council, or its authorized representative, as its attorney-in-fact for the purpose of effecting the provisions of this Article VII, and the power hereby granted to Council shall be, and is, a power coupled with an interest and is irrevocable. Such power includes the right to enter into any contracts, deeds or other instruments which may be necessary or appropriate to effectuate the provisions of this Article VII.

(d) In the event that the Board determines that it will be reasonably practicable to operate the undamaged Residence Units and the damaged Residence Units which can be made tenantable as a condominium, then the damages and awards made with respect to each Residence Unit which has been determined to be capable of being made tenantable shall be applied to repair and reconstruct such Residence Unit so that it is made tenantable. If the cost of such work exceeds the amount of the award, the additional funds required shall be assessed against the Owners of those Residence Units which are being repaired or reconstructed so as to be made tenantable. With respect to those Residence Units which may not be made tenantable, the award made with respect to such Residence Unit shall be paid to the Owner of such Residence Unit or his Mortgagee or Mortgagees, as their interests may appear, and the remaining portion of such Residence Units, if any, shall become a part of the Common Elements and repair and use of such Residence Units shall be determined by the Board. Upon the payment of such award for the account of such Owner as provided herein, such Residence Unit shall no longer be a part of the Condominium and the Percentage Ownership Interests in the Common Elements appurtenant to each remaining Residence Unit which shall continue as part of the Condominium shall be equitably adjusted to distribute the ownership of the undivided interests in the Common Elements among the reduced number of Owners.

If the entire Condominium is taken, or two-thirds or more of the Residence Units are taken or damaged by such taking, the Land and the Buildings thereon shall be sold and such sale proceeds along with any condemnation awards or payments in lieu of condemnation and all accrued and collected Common Expense Charges shall be delivered to the Owners or their Mortgagees, as their interests may appear, in proportion to the Percentage Ownership Interest of each Owner, and the Condominium Regime established by this Declaration of Condominium shall terminate. Each Owner hereby appoints the Council, or its authorized representative, as its attorney-in-fact for the purpose of effecting the provisions of this Article VII, and the power hereby granted to Council shall be, and is, a power coupled with an interest and is irrevocable. Such power shall include the right to enter into any contracts, deeds or other instruments which may be necessary or appropriate to effectuate the provisions of this Article VII.

Section 7.4 Payment of Awards and Damages. Any damages or awards provided in this Article to be paid to or for the account of any Owner by the Board, acting as Trustee, shall be applied first to the payment of any taxes or assessments by governmental authorities past due and unpaid with respect to that Residence Unit; secondly, to amounts due under any Mortgage instruments duly perfected; thirdly, to the payment of any Common Expense Charges or Special Assessments charged to or made against the Residence Unit and unpaid; fourthly, to the payment of any junior liens and encumbrances in the order of and to the extent of their priority; and finally to the Owner of such Residence Unit.

#### ARTICLE VIII

##### TRANSFER OF UNIT; RIGHT OF FIRST REFUSAL

Section 8.1 Right of First Refusal. Except as provided below, should the Owner of any Residence Unit be desirous of leasing or selling such Residence Unit, the Council is hereby given and granted the right of first refusal to lease or purchase such Residence Unit, as the case may be, on the terms and conditions herein stated, and no Owner of a Residence Unit shall lease or sell the same to any party without first giving the Council notice in writing of such proposed lease or sale as herein provided and giving the Council the opportunity to determine whether it will exercise the right of first refusal to lease or purchase said Residence Unit on the same terms and

conditions as those contained in any bona fide offer which the Owner of such Residence Unit may have received for the lease or purchase of his said Residence Unit. Any leasing or sale of a Residence Unit without compliance with the terms hereof shall be void and of no force or effect and shall confer no title or interest in a Residence Unit to the purported purchaser or lessee. The Board shall adopt such rules and regulations not inconsistent with the enumerated provisions herein, as may be necessary to implement and effectuate the provisions of this Article.

Section 8.2 Notice and Exercise of Option. Whenever the Owner of any Residence Unit has received a bona fide offer to lease or purchase his Unit and is desirous of accepting such bona fide offer, the Owner of such Residence Unit shall give the Board written notice of his desire to accept such offer for the lease or purchase of his Residence Unit, stating the name, address, business, occupation or employment of the offeror, and an executed copy of a bona fide offer for said lease or purchase. If the Council desires to exercise its option to lease or purchase said Residence Unit on the same terms and conditions as are contained in said offer, then the Board shall notify the Owner of said Residence Unit desiring to lease or sell the same of the exercise of its option, such notice to be in writing and delivered by registered or certified mail to said Owner within fourteen (14) days from the date of receipt by the Board of the Owner's notice to said Board as hereinabove required, or written notice may be personally delivered to said Owner within said period. If the Board has elected to lease or purchase said Residence Unit, then, within a reasonable time after the giving of notice to the Owner of such Residence Unit of its election to lease or purchase said Unit, the Board shall execute a lease or contract to purchase, and shall consummate such contract to purchase all on the same terms and conditions as those contained in said bona fide offer. When any Owner of a Residence Unit has notified the Council as above provided of his desire to lease or sell his Residence Unit, such Owner shall be free to consummate such lease or sale of his Residence Unit unless, within fourteen (14) days after receipt of Owner's notice by the Board, the Board has notified said Owner of its intention to exercise its right of first refusal as set out herein. In the event that the Council elects not to exercise its right of first refusal, the Owner of said Residence Unit shall be free to lease or sell said Residence Unit only to the party and only upon the terms described in the required notice. In the event that the proposed transaction with regard to which the Board has declined to

exercise its right of first refusal is not consummated within sixty (60) days of the date of the giving of the required notice, the Owner of said Residence Unit must again give notice to the Council and the Council shall again have a right of first refusal as herein provided. The right of first refusal to lease or purchase herein set forth shall be a continuing right and the non-exercise of the right in any instance shall not be deemed a waiver thereof in any other instance or against any other Owner or Lessee.

Section 8.3 Purchase by Nominee of Council. By the affirmative vote of seventy-five percent (75%) or more of the Percentage Ownership Interests assigned to those Owners qualified to vote and present in person or by proxy, the Council may cause its right of first refusal to lease or purchase any Residence Unit to be exercised in its name for itself or for a party approved by the Board, or the Board may elect to cause said Residence Unit to be leased or purchased directly in the name of a party approved by it, which party shall enter into a lease or contract to purchase and consummate such contract to purchase in the same manner as would the Board upon its exercise of said right of first refusal to lease or purchase the said Residence Unit.

Section 8.4 Terms of Lease. Notwithstanding that the Board may have declined to exercise its right of first refusal with respect to any leasing of any Residence Unit, no Residence Unit shall be leased unless the terms and provisions of such lease specifically provide that such Residence Unit may not be sublet to or be occupied by persons other than those named in the required notice provided for hereinabove without the prior written approval of the Board being first had and obtained, and any lease shall provide that the Lessee shall comply with and abide by all of the restrictions pertaining to the use of Residence Units and the Common Elements as set forth in this Declaration, the By-Laws, Rules and Regulations promulgated hereunder, and the laws of the State of Texas now or hereafter established governing the use of such Residence Units and the Common Elements. Should any Lessee or occupant not comply with such lease provision, then the Board shall be given the right to cancel and terminate such lease, without any obligation or liability imposed upon the Owner, and for such purpose, the Board shall be regarded as the Owner's agent fully authorized to take such steps as may be necessary to affect the cancellation and termination of such lease. All leases shall be in writing, and no Owner shall be permitted to lease his Residence Unit for transient or hotel purposes. No Owner may lease less than his entire Residence Unit.

Section 8.5 Exceptions to Right of First Refusal. The right of first refusal herein granted to the Council shall not apply to or be operative with respect to (i) transfers of ownership of any Residence Unit by one spouse to or for the benefit of the other spouse and/or member of the Owner's immediate family (which term includes descendants, parents, and siblings of the Owner and the spouses thereof); (ii) by one Owner to another Owner; (iii) in the event of transfers provided for in Section 8.3 or Article XI hereof; (iv) any foreclosure or other judicial sale of a Residence Unit; (v) the sale or leasing of a Residence Unit by the Council after the Council has acquired such Residence Unit or a leasehold estate therein pursuant to the terms of this Article; or (vi) to any conveyance made by the Owner of a Residence Unit to a bona fide Mortgagee in lieu of such foreclosure, or to a conveyance by such Mortgagee to a third party, provided that the title of a purchaser from such Mortgagee or purchaser obtained at any foreclosure or judicial sale shall thereafter be subject to the terms and provisions of this Article with respect to any further lease or sale of any such Residence Unit; (vii) to any lease, rental or occupancy arrangement for any Residence Unit the Owner of which is a corporation, limited partnership, trust or other legal entity other than a natural person or persons for the housing of its officers, directors, partners, trustees, beneficiaries or other designated agent or employee, provided that such entity is engaged in substantial business endeavors other than the renting or leasing of Residence Units in this Condominium; (viii) the creation of a security interest in or Mortgage encumbering a Residence Unit whereby a bank, insurance company, savings and loan association or other similar financial institution becomes the Mortgagee; or (ix) the lease, sublease or sale of any Residence Unit to or by Developer.

Section 8.6 Application of Proceeds of Sale. Upon the sale or conveyance of a Residence Unit by an Owner other than the Developer, the proceeds of such sale or conveyance shall be applied as follows:

- (a) First to assessments, liens and charges in favor of the state and any political subdivision thereof for taxes past due and unpaid on the Residence Unit;
- (b) Secondly, to amounts due under mortgage instruments duly recorded;
- (c) Thirdly, to the payment of all unpaid Common Expense Charges and Special Assessments against the Residence Unit and the Owner thereof; and
- (d) Fourthly, to the Owner of such Residence Unit.

If such unpaid Common Expense Charges or Special Assessments are not paid or collected at the time of sale or conveyance of a Residence Unit, the grantee of such sale or conveyance shall be jointly and severally liable with the selling Owner for all unpaid Common Expense Charges and assessments against the Residence Unit up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the selling Owner the amounts paid by the grantee therefor.

In the event of a foreclosure of a first and prior lien on any Residence Unit, the purchaser at such foreclosure sale and any successor in title to such residence unit from the purchaser at such foreclosure sale (except the Owner upon whom such lien was foreclosed) shall not be liable for the Common Expense Charges or Special Assessments chargeable to such Residence Unit which became due prior to such foreclosure or any conveyance in lieu thereof.

#### ARTICLE IX

##### PROTECTION OF MORTGAGEES

Section 9.1 Notice to Council. An Owner who mortgages his Residence Unit shall within ten (10) days after the execution of such Mortgage notify the Board giving the name and address of his Mortgagee. The Board shall maintain such information in a book entitled "Mortgagees of Residence Units." Such Owner shall, in the same manner, notify the Council as to the release or discharge of any such Mortgage.

Section 9.2 Notice of Default. The Council shall notify a First Lien Mortgagee in writing of any default by the mortgagor in the performance of such mortgagor's obligations as set forth in this Declaration, the By-Laws, or the Rules and Regulations which is not cured within thirty (30) days.

Section 9.3 Examination of Books. The Council shall permit First Mortgagees to examine the books and records of the Council during normal business hours.

Section 9.4 Reserve Fund. Pursuant to the provisions of Article IV herein, the Council shall maintain an adequate reserve fund for replacement of Common Elements components and fund the same by regular monthly payments as a part of the common expenses rather than by extraordinary special assessments.

Section 9.5 Annual Audits. The Council shall furnish each First Mortgagee, upon request of such mortgagee, an annual audited financial statement of the Council within ninety (90) days following the end of each fiscal year of the Council.

Section 9.6 Notice of Meetings. The Council shall furnish each First Mortgagee, upon request of such mortgagee, prior written notice of all meetings of the Council and permit the designation of a representative of such mortgagee to attend such meetings, one such request to be deemed to be a request for prior written notice of all subsequent meetings of the Council.

Section 9.7 Notice of Damage or Destruction. The Council shall furnish the First Mortgagees timely written notice of any substantial damage or destruction of the Condominium or any condemnation or eminent domain proceeding, if such loss to the Common Elements exceeds Ten Thousand and No/100 Dollars (\$10,000.00) or if such damage to a Residence Unit exceeds One Thousand and No/100 Dollars (\$1,000.00).

Section 9.8 Management Agreements. Any management agreement entered into by the Council will be terminable by either party, with or without cause, upon thirty (30) days' written notice, and the term of such management agreement will not exceed the period of one (1) year, renewable by agreement of the parties to such agreement for successive one (1) year periods. Any decision by the Council to terminate independent management and assume self-management of the Condominium shall require the prior written approval of all First Mortgagees of mortgages covering Residence Units.

Section 9.9 Notice of Insurance. The Council shall notify each First Mortgagee of the name of each company insuring the Condominium Project under the Master Policy and the amounts of the coverages thereunder.

Section 9.10 Taxes, Assessments and Charges. All taxes, assessments and charges which may become liens prior to the First Mortgage under local law shall relate only to the individual Residence Units and not to the Condominium Project as a whole.

Section 9.11 Exemption from Right of First Refusal. When any First Mortgagee or Purchaser at a foreclosure sale obtains title to a Residence Unit pursuant to the remedies provided in the Mortgage, such as foreclosure of the mortgage or deed of trust, or deed in lieu of foreclosure, such Mortgagee or Purchaser shall be exempt from any "right of first refusal" or other restrictions on the sale or rental of the mortgaged Residence Unit which the Council might have. All such restrictions, however, shall apply to any subsequent grantee or assignee of the Residence Unit.

Section 9.12 Claims for Unpaid Assessments. Any First Mortgagee, upon foreclosure of its lien on a Residence Unit, or upon acceptance of a deed in lieu of foreclosure thereon, shall not be required to pay any unpaid assessments owing on said Residence Unit which may have accrued prior to the time such mortgagee acquired title. In the event any such Residence Unit is subject to an assessment for maintenance pursuant to the provisions of this Declaration, then and in such event said charge shall be the liability of the prior Residence Unit Owner only, and the Council and/or any such prior Residence Unit Owner shall hold any such First Mortgagee and the Residence Unit subject thereto harmless from any and all liability therefor. Any assessment lien created or claimed under the provisions of this Declaration shall be subject and subordinate to the rights of any First Mortgagee with liens upon one or more Residence Units to secure loans made in good faith and for value. No lien created under any of 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 Mortgagee shall expressly subordinate its interest, in writing, to such lien. No amendment to this Declaration shall affect the rights of the Mortgagee of any such mortgage which is made in good faith and for value; provided that any such mortgage is recorded prior to the recordation of such amendment and written notice of delivery and recordation of said mortgage is given to the Council pursuant to the provisions of Section 9.1 herein.

Notwithstanding anything contained in this Declaration to the contrary, the Council may, upon the affirmative vote of the Owners otherwise entitled to vote and holding in aggregate at least fifty-one percent (51%) of the Percentage Ownership Interests assigned to all Residence Units in the Condominium Project, execute a subordination agreement or agreements to extend the benefits of the preceding paragraph to mortgages and mortgagees not otherwise entitled thereto.

Section 9.13 Survival of Liens and Covenants. No breach of any provision of this Declaration, the By-Laws, or Rules and Regulations shall impair or invalidate any lien of any duly recorded mortgage made in good faith and for value encumbering one or more Residence Units; provided, however, that all the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens,



charges and equitable servitudes contained in this Declaration shall be binding upon and effective against any person who acquires title to any beneficial interest in any Residence Unit by way of foreclosure, or otherwise.

Section 9.14 Priority as to Proceeds. If the Condominium is totally or partially damaged or destroyed, or totally or partially taken by eminent domain, the repair, reconstruction or disposition thereof shall be in accordance with the provisions of Articles VI and VII herein; provided, however, that no provision contained herein, in the By-Laws, or any other constituent document of the Condominium, shall give an Owner, or any other party, priority over any First Mortgagee with respect to the distribution of proceeds of insurance or condemnation awards.

Section 9.15 Establishment of Boundaries. In the event that any portion of a Residence Unit or a General or Limited Common Element changes boundaries and thereby encroaches upon another Residence Unit or such common element due to the shifting, settling or moving of a building or buildings in the Condominium, such changed boundaries shall be deemed to constitute the boundaries of the Residence Units and the General or Limited Common Elements so affected in accordance with Section 9 of the Texas Condominium Act and as provided for in Section 1.2 of this Declaration.

Section 9.16 Notice of Abandonment, Amendment, etc. The regime established for the Condominium hereby (a) shall not be vacated, waived, revoked, abandoned or terminated (except for abandonment provided by statute in case of substantial loss to the Residence Units and Common Elements), (b) nor shall the Percentage Ownership Interest assigned to any Residence Unit be changed (except as may be allowed in Section 12.4 or Article XI herein); (c) nor shall the Common Elements be abandoned, partitioned, subdivided, encumbered, sold, or transferred, (d) nor shall any material amendment be made to this Declaration or the By-Laws, unless the Owners possessing at least seventy-five percent (75%) of the Percentage Ownership Interests in the Condominium Project and all of the First Mortgagees of the mortgages covering the Residence Units agree in writing to such vacation, waiver, revocation, encumbrance, sale, transfer or amendment; provided, however, unanimity shall be required to the extent set forth in the Texas Condominium Act. Notwithstanding the generality of the foregoing, and notwithstanding anything in Section 9.12 to the contrary, Developer may amend this Declaration to whatever extent necessary in order to: (i) correct

survey or other errors made herein prior to the first annual meeting of the Council; (ii) conform with the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or any similar and duly constituted governmental authority with respect to Condominium documentation; and (iii) provide for the expansion of the project pursuant to the provisions of Article XI herein. Any amendment hereto shall be evidenced by written instrument to such effect executed by the Council (or when appropriate by the Developer only) and duly recorded in the Condominium Records of Galveston County, Texas.

Section 9.17 Modification of Provisions. All of the provisions of this Article IX shall be deemed supplemented by the other provisions of this Declaration to the extent such other provisions expressly deal with the same matters herein contained. Nothing herein, however, shall be deemed to limit any other rights which a Mortgagee might have under the law.

#### ARTICLE X

##### AMENDMENT OF DECLARATION AND BY-LAWS

Section 10.1 Amendment of Declaration. Except as otherwise provided by law or by any express provision to the contrary contained in this Declaration, the provisions of this Declaration may be amended only by an instrument in writing signed and acknowledged by Members possessing at least seventy-five percent (75%) of the Percentage Ownership Interests assigned to those Members qualified to vote on such amendment, and such amendment shall become effective upon its recordation in the Condominium Records of Galveston County, Texas.

Section 10.2 Amendment of By-Laws. The By-Laws of the Council, adopted pursuant to the provisions of this Declaration, may be amended from time to time by an instrument in writing signed and acknowledged by Members possessing at least sixty percent (60%) of the Percentage Ownership Interests assigned to those Members qualified to vote on such amendment, and such amendment shall become effective upon its recordation in the Condominium Records of Galveston County, Texas.

ARTICLE XI  
EXPANSION OF PROJECT

Section 11.1 Reservation of Right to Expand. Developer reserves the right to expand this Condominium to include an additional building or buildings of comparable style, floor plan, size and quality as the Buildings described on the attached Condominium Plat. Such buildings, if constructed, shall be located on other real property now or hereafter owned by Developer adjoining the Land, which other real property shall include the property described in Exhibit "B" attached hereto (herein referred to as the "Adjacent Land"). Such expansion may be accomplished by Developer no later than three (3) years from the date of the filing of record of this Declaration, without the consent or vote of the Council, the Board, any Owner or any Mortgagee; it being the intention of this instrument that such expansion may take place during said period at the sole discretion of Developer, without the consent of any other party whatsoever. The expansion may be accomplished either at one time or in stages by successive amendments.

Section 11.2 Recordation of Certificate. The provisions of this Article XI shall become effective on, but not before, the date on which there is filed for record in the office of the County Clerk of Galveston County, Texas, a certificate of annexation ("Certificate"), signed and acknowledged by Developer and the owner of record title to the Adjacent Land (if other than Developer), which Certificate shall describe the property which then constitutes the Condominium, refer to this Declaration, and declare that it is desired and intended that the provisions of this Article XI shall become effective and, therefore, that this Declaration shall apply to and affect the property described in the Certificate. Such Certificate shall contain all of the same information as was required to be contained in the original Condominium Map. The Certificate so recorded shall specify the number of Residence Units which are being added and annexed to the Condominium by reason of the filing for record of such Certificate. Any Certificate recorded in accordance with this Article XI shall set forth also the new Percentage Ownership Interests applicable to each Residence Unit within the expanded Condominium. Each Owner hereby appoints Developer as its attorney-in-fact for the purpose of effecting the provisions of this Article XI, and the power hereby granted to Developer shall be, and is, a power coupled with an interest and is irrevocable.

Section 11.3 Expansion of Definitions. In the event of such expansion, the definitions used in this Declaration automatically shall be expanded to encompass and refer to the Condominium as so expanded. Thus, for example, "Land" shall mean the real property described in Exhibits "A" and "B" hereto or any part thereof and/or any additional real property added by supplemental Declaration or by supplemental Declarations, and reference to this Declaration shall mean this Declaration as so supplemented. All conveyances of Residence Units after such expansion shall be effective to transfer rights in the Condominium as expanded, by use of the form of description set forth in Section 12.1 herein with additional references to the supplemental Declaration and the supplemental Condominium Map.

The filing for record in the office of the County Clerk of Galveston County, Texas, of a Certificate in compliance with the provisions of this Article XI shall operate automatically to grant, transfer and convey to the Owners of Residence Units in the Condominium as it existed before such expansion respective undivided interests in the new Common Elements added to the Condominium as a result of such expansion. Such recordation shall also operate to vest in any then Mortgagee of any Residence Unit in the Condominium as it existed before such expansion a security interest in the undivided interest so acquired by the Owner of the Residence Unit encumbering the new Common Elements added to the Condominium as a result of such expansion.

Section 11.4 Declaration Operative on New Buildings. Any such new building or buildings and all Owners of the Residence Units therein shall be subject to all the terms and conditions of this Declaration and any supplemental Declaration, as well as the By-Laws and the Rules and Regulations, and the Residence Units therein shall be subject to Condominium ownership with all the incidents pertaining thereto specified herein, upon filing of said Certificate in the office of the County Clerk of Galveston County, Texas.

Section 11.5 Computation of Percentage Ownership Interest in Common Elements. For the purpose of computing the Percentage Ownership Interest applicable to the Residence Units upon any expansion of the Condominium, each of the Residence Units in all of the Buildings as may exist after such expansion shall be assigned a new

Percentage Ownership Interest which shall be equal to the percentage obtained by dividing the total amount of square feet of floor space contained in such Residence Unit by the total number of square feet then existing in all of the Residence Units as so expanded (as determined by Developer in accordance with the provisions of Section 2.1 herein). Once any expansion of the Condominium is accomplished by compliance with the provisions of this Article XI, the newly assigned Percentage Ownership Interests shall be determinative in computing the undivided interests of the Owners in the Common Elements, and in determining the proportionate share of each respective Owner in the proceeds and expenses of administration and the value of such Owner's vote at meetings of the Council.

## ARTICLE XII

### MISCELLANEOUS

Section 12.1 Legal Description of Residence Units. The legal description of each Residence Unit shall consist of the identifying number of each Residence Unit as set out in this Declaration and shown on the attached exhibit. All reference to any Residence Unit by its identifying number shall also include and refer to the Parking Spaces, Storage Spaces, Patios or Balconies, if any, and the undivided Percentage Ownership Interest in the Common Elements assigned to and conveyed with such Residence Unit as depicted on the Condominium Plat, whether expressly mentioned or not.

Section 12.2 Termination of Mechanic's or Materialmen's Liens and Indemnification. Subsequent to the completion of the improvements described on the Condominium Plat, no labor performed or materials furnished and incorporated in a Residence Unit with the consent or at the request of the Owner thereof or his agents or his contractor or subcontractor shall be the basis for filing of a lien against the Common Elements owned by such other Owners. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Residence Unit of any other Owner or against the Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Residence Unit at such Owner's request.

Section 12.3 No Partition. The Common Elements shall remain undivided and shall not be subject to an action for partition or division of the co-ownership thereof so long as suitable for a Condominium Regime, and, in any event, all holders of Mortgages secured by an interest in the Common Elements must be paid in full prior to bringing any action for partition or the consent of all holders of such Mortgages must be obtained; provided, however, that if any Residence Unit shall be owned by two (2) or more Owners as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition of such Residence Unit as between such co-tenants.

Section 12.4 Alteration of Boundaries of Residence Units. If one person, firm or entity (including Developer) is the Owner of all or part of two (2) Residence Units which are adjoining, whether adjoining vertically (above and below each other) or horizontally (on the same floor of the Building), or if two (2) Owners of adjoining Residence Units so agree, then such Owner or Owners (upon the prior written approval of the First Mortgagees of such Residence Units) shall have the right to remove all or any part of any intervening partition or floor to create doorways or other openings in such partition or floor, notwithstanding the fact that such partition or floor may in whole or in part be a Common Element, so long as no portion of any bearing wall or bearing column is weakened or moved and no portion of any Common Element other than that partition is damaged, destroyed or endangered. In any of such events, the Owner or Owners involved may relocate the boundaries between the joining Residence Units by causing an appropriate instrument of amendment to this Condominium Declaration to be prepared and executed by such Owners, which instrument shall be joined in by the President of the Council and recorded. The instrument of amendment (i) shall show the boundaries between those Residence Units which are being relocated, (ii) shall recite the occurrence of any conveyancing between the Owners of such adjacent Residence Units and (iii) shall specify any reasonable reallocation as agreed upon between the Residence Units involved of the aggregate Percentage Ownership Interest in the Common Elements pertaining to those Residence Units. Such plats and floor plans as may be necessary to show the altered boundaries between the Residence Units involved shall be certified as to their accuracy by a registered architect or engineer.

Section 12.5 Limited Liability; Indemnification. Neither Developer, the Council, the Board, nor any officer, agent or employee of any of the same shall be liable to the Council or any Owner for any action or for any failure to act with respect to any matter so long as such person or entity is not guilty of fraud, gross negligence or bad faith in taking such action or failing to act. The Council shall indemnify Developer, each member of the Board, and any employee or agent of Developer or Board, against any loss or threat of loss as a result of any claim or legal proceeding relating to the performance or non-performance of any act concerning the activities of the Council; provided, however, that with respect to the subject matter of the claim or legal proceeding, the party against whom the claim is made or legal proceeding is directed was not guilty of fraud, gross negligence or bad faith in such performance or non-performance. The indemnification authorized by this Article 12.5 shall include payment of (i) reasonable attorney's fees or other expenses incurred in settling any claim or threatened action or incurred in any finally adjudicated legal proceeding; and (ii) expenses incurred in the removal of any liens affecting any property of the indemnitees. Indemnification shall be made first from any available insurance proceeds and then from assets of the Council, and no Owner shall be personally liable for any indemnity. This Article 12.5 shall inure to the benefit of the Developer, the Council, the members of the Board, the employees and agents of Developer and the Council, and their respective heirs, executors, administrators, successors and assigns.

Section 12.6 Taxes. Ad valorem taxes, assessments and other charges of the City, County, State or other political entities, or any special district thereof, shall be separately assessed, and each Residence Unit owner shall pay, at his own personal expense all tax assessments against his Residence Unit. Such taxes are not part of the common expenses. However, taxes on personal property owned by the Council as part of the Common Elements shall be paid by the Council as a Common Expense Charge.

Section 12.7 Limitation of Restrictions on Developer. Developer is undertaking the conversion of an apartment complex into individual Residence Units, as well as the construction of new buildings to contain additional Residence Units. The completion

of that work and the sale, rental and other disposal of Residence Units is essential to the establishment and welfare of the property as a residential community. In order that said work may be completed and said property be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

- (a) Prevent Developer, its contractors, or subcontractors, from doing on the property of any Residence Unit whatever is reasonably necessary or advisable in connection with the completion of said work in accordance with the terms, conditions and limitations of this Declaration; or
- (b) Prevent Developer or its representatives from erecting, constructing and maintaining on any part or parts of the property such structures as may be reasonable and necessary for the conduct of its business of completing said work and establishing said property as a residential community and disposing of the same as Residence Units by sale, lease or otherwise; or
- (c) Prevent Developer from conducting on any part of the property its business of completing said work and of establishing a plan of residential ownership and of disposing of said property as Residence Units by sale, lease or otherwise; or
- (d) Prevent Developer from maintaining such sign or signs on the property as may be necessary for the sale, lease or disposition thereof.

In addition to other provisions hereof and of the By-Laws dealing with control by Developer and the further development of the Proposed Expansion (set forth in Article XI herein), as to those portions of the Common Elements of this Condominium, a non-exclusive easement for the benefit of the Developer, its successors and assigns, does and shall continue to exist thereon for the maintenance, operation and development by Developer of this Condominium as well as for the development of any future Residence Units (pursuant to the Proposed Expansion) to be established by Developer and administered by the Council, and as a means of providing ingress and egress by Developer to other portions of the Common Elements in this Condominium and to such other Proposed Expansion and/or Adjacent Lands of the Developer, its successors and assigns.

Section 12.8 Remedies. In the event of any default by any Owner (either by his own conduct or by the conduct of any other occupant of his Residence Unit) under the provisions of the Texas Condominium Act, this Declaration or the By-Laws or the



Rules and Regulations, the Board, the Council, or either's authorized representative, or any aggrieved Residence Unit Owner, shall have each and all of the rights and remedies which may be provided by the Texas Condominium Act, this Declaration or said By-Laws or said Rules and Regulations or which may be available at law or in equity, and may prosecute any action or proceeding against any defaulting Owner and/or others for enforcement of any lien or to enforce compliance with a particular matter and respect to which default has been made, by injunctive relief, specific performance, or otherwise, or for the collection of any sums or debts or damages in default or arising from any such default; provided, however, that any action brought against an Owner for failure to pay any assessments which such Owner may be obligated to pay under any of the provisions of this Declaration or the By-Laws shall be brought only by the Council, the Board, or either's authorized representative. All expenses of the Board, the Council, or its authorized representative in connection with any such action or proceedings including attorney's fees, interest, and court costs, shall be a part of the common expenses and collectible as a Common Expense Charge of this Condominium Regime. The Board, the Council, or either's authorized representatives shall be further empowered and authorized to correct or cure any matter and default and to do whatever may be necessary for such purpose, and all expenses in connection therewith shall be charged to and assessed against such defaulting Residence Unit Owner and shall be secured in the same manner as assessments for Common Expense Charges.

Section 12.9 Rights and Obligations. The rights and obligations of the respective Owners under this Declaration and the By-Laws shall be deemed to be covenants running with the land, so long as the project remains property subject to the provisions of the Texas Condominium Act, and shall inure to the benefit of and be binding upon each and all other respective unit owners and their respective heirs, executors, administrators, legal representatives, successors, assigns, purchasers, lessees, grantees, mortgagees and others having or claiming an interest in any Residence Unit, subject to the provisions of the Texas Condominium Act and this Declaration and the By-Laws. Upon the acceptance or recordation of any deed to a Residence Unit, the Owner thereof shall be deemed to have accepted and agreed to and shall be bound and subject to each and all of the provisions of the Texas Condominium Act, this Declaration,

the By-Laws and the Rules and Regulations, now existing or hereafter lawfully amended or supplemented.

Section 12.10 Notices. Notices provided for in the Texas Condominium Act or this Declaration or the By-Laws shall be in writing and shall be addressed to the Council or Board at 7000 North Holiday Drive, Galveston, Texas, 77550 or at such other address of the Board or its representative which may be established from time to time, and of which the Residence Unit Owners shall be notified. Notice to the Owner shall be sent to the mailing addresses of their respective Residence Units, or to such other address which any Owner may in writing designate by a notice thereof to the Board or its representative. Where a notice is required to be given, but no specific provision of the Texas Condominium Act or this Declaration or By-Laws sets forth the manner in which such notice is to be given, then notice shall be deemed delivered when mailed by United States mail with postage prepaid, addressed as above, or delivered in person.

Section 12.11 Severability. If any provision of this Declaration, the By-Laws, or the Rules and Regulations, 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 this Declaration, the By-Laws, and the Rules and Regulations, and of the application of all other provisions, sections, sentences, paragraphs, clauses, phrases or words in any other circumstance shall not be affected thereby.

Section 12.12 Interpretation. If any provision, sentence, word or clause contained in this Declaration, the By-Laws, or the Rules and Regulations shall be susceptible to two or more interpretations, the interpretation which shall most nearly be in accord with the intent of the Texas Condominium Act and the general purposes and intent of this Declaration, the By-Laws, and the Rules and Regulations shall govern.

Section 12.13 Omissions. In the event of the omission from this Declaration of any provisions or stipulations which shall be necessary for the accomplishment of the intent and purposes of this Declaration or any part thereof, then such omitted matter shall be supplied by inference and/or by reference to the provisions of the Texas Condominium Act, under which this Condominium Regime is established. Any such omission may also be provided for by appropriate amendment to this Declaration in accordance with the applicable laws.

Section 12.14 Amendments to Act. If any amendment at any time hereafter made to the Texas Condominium Act would not otherwise apply to the Condominium Regime established by this Declaration, then with the written consent and approval of the Owners of Residence Units whose aggregate undivided Percentage Ownership Interest in the Common Elements is fifty-one percent (51%) or more, this Declaration may be amended to take the benefit or advantage of or to adopt and incorporate in this Declaration the provisions of the amendments to said Texas Condominium Act. The provisions of this paragraph shall be an exception to the provisions of Article X herein.

Section 12.15 Perpetuities. If any provision of this Declaration or the By-Laws attached hereto would otherwise violate the Rule Against Perpetuities or any other rule, statute or law imposing time limits, then notwithstanding anything herein, or in said By-Laws contained to the contrary, such provisions shall be deemed to remain in effect only until 21 years after the death of the survivor of the now living descendants of the President of the United States, Jimmy Carter, and Texas Governor, Bill Clements.

Section 12.16 Statutes and Laws of State of Texas. The provisions of this Declaration shall be in addition and supplemental to the Condominium Ownership Act of the State of Texas and to all other provisions of law.

Section 12.17 Number and Gender. That whenever used herein, unless the context provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

Section 12.18 Enforcement. The Council, its representative, or any Owner shall have the right to enforce, by any proceeding at law or in equity, all terms and provisions hereof. Failure by the Council or by any Owner to enforce any covenant or restriction shall in no event be deemed to be a waiver of the right to enforce such covenant or restriction thereafter.

Section 12.19 Captions and Headings. The captions and headings herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration, nor the intent or meaning of any provision hereof.

Section 12.20 Succession of Rights. In the event Developer shall sell, assign, transfer or convey, or in the event any other person, firm or corporation shall acquire

by foreclosure, deed in lieu thereof, or otherwise, Developer's interest in the property hereby covered including the Proposed Expansion (other than by and through the sale of individual Residence Units), then and in any such event any such subsequent Owner shall succeed to and be bound by all the rights, privileges, duties and obligations of the Developer.

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed this 9<sup>th</sup> day of May, 1979.

PORT AUX PRINCES JOINT VENTURE

BY: W R Parkey  
Vice President  
Guaranty Service Corporation

THE STATE OF TEXAS X

COUNTY OF GALVESTON X

BEFORE ME, the undersigned authority on this day personally appeared W. R. Parkey, Vice President, Guaranty Service Corporation, a Joint Venturer of Port Aux Princes Joint Venture, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL of office on this the 9th day of May, 1979.

Brenda Lera  
Notary Public in and for  
Galveston County, Texas  
Brenda Lera

PHASE I

All that certain tract or parcel of land in the City and County of Galveston, Texas, more fully described by metes and bounds as follows:

BEGINNING at the point of intersection of the North line of Albacore Avenue (70 feet wide) with the West line of Marine Street (50 feet wide);

THENCE North  $16^{\circ} 43'$  West, along the West line of Marine Street, a distance of 237.00 feet to a point for corner;

THENCE South  $73^{\circ} 17'$  West, parallel with the North line of Albacore Avenue, a distance of 379.88 feet to a point for corner;

THENCE North  $16^{\circ} 43'$  West, parallel with the West line of Marine Street, a distance of 38.34 feet to a point for corner;

THENCE South  $73^{\circ} 17'$  West, parallel with the North line of Albacore Avenue, a distance of 181.67 feet to a point for corner in the East line of Fourth Street;

THENCE South  $16^{\circ} 43'$  East, parallel with the West line of Marine Street and along the East line of Fourth Street, a distance of 275.34 feet to a point for corner in the North line of Albacore Avenue;

THENCE North  $73^{\circ} 17'$  East, along and with the North line of Albacore Avenue, a distance of 561.55 feet to the place of beginning.

EXHIBIT "B"

CONDOMINIUM RECORD  
VOL. 2112 PAGE 618

PHASE II (R. E. Smith Tract)

All that certain tract or parcel of land in the City and County of Galveston, Texas, more fully described by metes and bounds as follows:

BEGINNING at a point in the West line of Marine Street, which point is North 16° 43' West a distance of 237.00 feet from the point of intersection of the North line of Albacore Avenue (70 feet wide) with the West line of Marine Street (50 feet wide);

THENCE North 16° 43' West, along the West line of Marine Street, a distance of 387.28 feet to a point for corner;

THENCE North 61° 43' West a distance of 383.58 feet to a point for corner in the East right of way line of the U. S. Government South Jetty;

THENCE South 8° 35' West, along the East right of way line of said South Jetty, a distance of 679.20 feet to a point for corner;

THENCE South 16° 43' East, parallel with the West line of Marine Street, a distance of 6.11 feet to a point for corner which is North 16° 43' West a distance of 275.34 feet from the North line of Albacore Avenue;

THENCE North 73° 17' East, parallel with the North line of Albacore Avenue, a distance of 181.67 feet to a point for corner;

THENCE South 16° 43' East, parallel with the West line of Marine Street, a distance of 38.34 feet to a point for corner;

THENCE North 73° 17' East, parallel with the North line of Albacore Avenue, a distance of 379.88 feet to the place of beginning;

SAVE AND EXCEPT all that certain tract or parcel of land described in Vol. 1964, Page 670, in the office of the County Clerk of Galveston County.

CONDOMINIUM RECORD  
 VOL. 2112 PAGE 619

UNIT BUILDING LETTER AND  
 RESIDENCE UNIT ADDRESS

PERCENTAGE OWNERSHIP  
 INTEREST ASSIGNED

BLDG. E

7001	1.77
7002	1.77
7003	1.58
7004	1.58
7005	1.58
7006	1.58
7007	1.77
7008	1.77

BLDG. D

7009	1.06
7010	1.06
7011	1.32
7012	1.32
7013	1.06
7014	1.06
7015	1.17
7016	1.17
7017	1.17
7018	1.17
7019	1.06
7020	1.06
7021	1.32
7022	1.32
7023	1.06
7024	1.06

BLDG. C

7025	1.06
7026	1.06
7027	1.17
7028	1.17
7029	1.64
7030	1.64
7031	1.32
7032	1.32
7033	1.50
7034	1.50
7035	1.50
7036	1.50
7037	1.32
7038	1.32
7039	1.64
7040	1.64
7041	1.17
7042	1.17
7043	1.06
7044	1.06

BLDG. B

7045	1.17
7046	1.17
7047	1.06
7048	1.06
7049	1.32
7050	1.32
7051	1.17
7052	1.17
7053	1.17
7054	1.17
7055	1.32

UNIT BUILDING LETTER AND  
RESIDENCE UNIT ADDRESSPERCENTAGE OWNERSHIP  
INTEREST ASSIGNED

## BLDG. B

7056	1.32
7057	1.06
7058	1.06
7059	1.17
7060	1.17

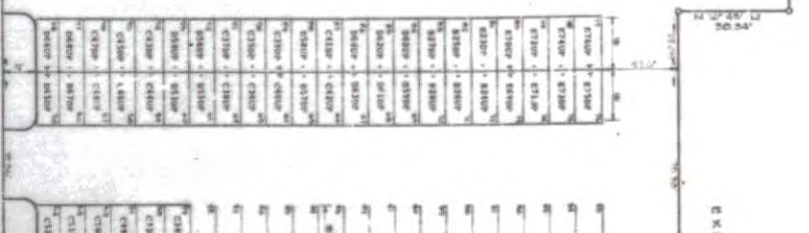
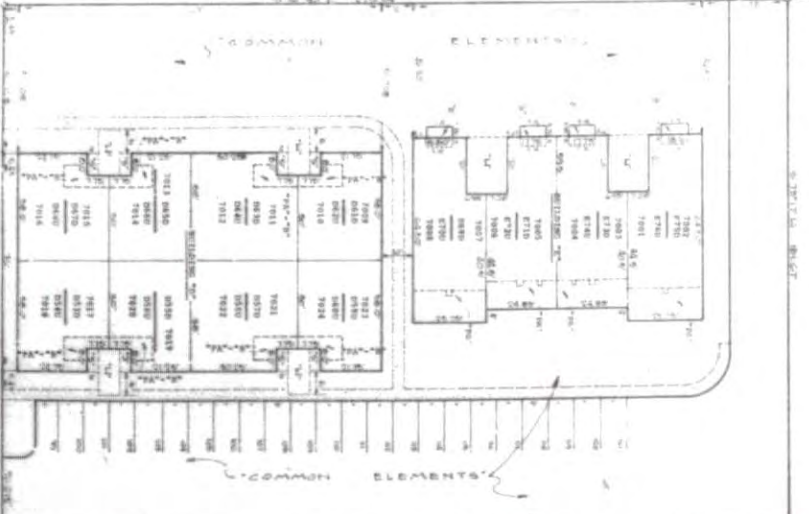
## BLDG. A

7061	1.17
7062	1.17
7063	1.64
7064	1.64
7065	1.32
7066	1.32
7067	1.50
7068	1.50
7069	1.50
7070	1.50
7071	1.32
7072	1.32
7073	1.64
7074	1.64
7075	1.17
7076	1.17

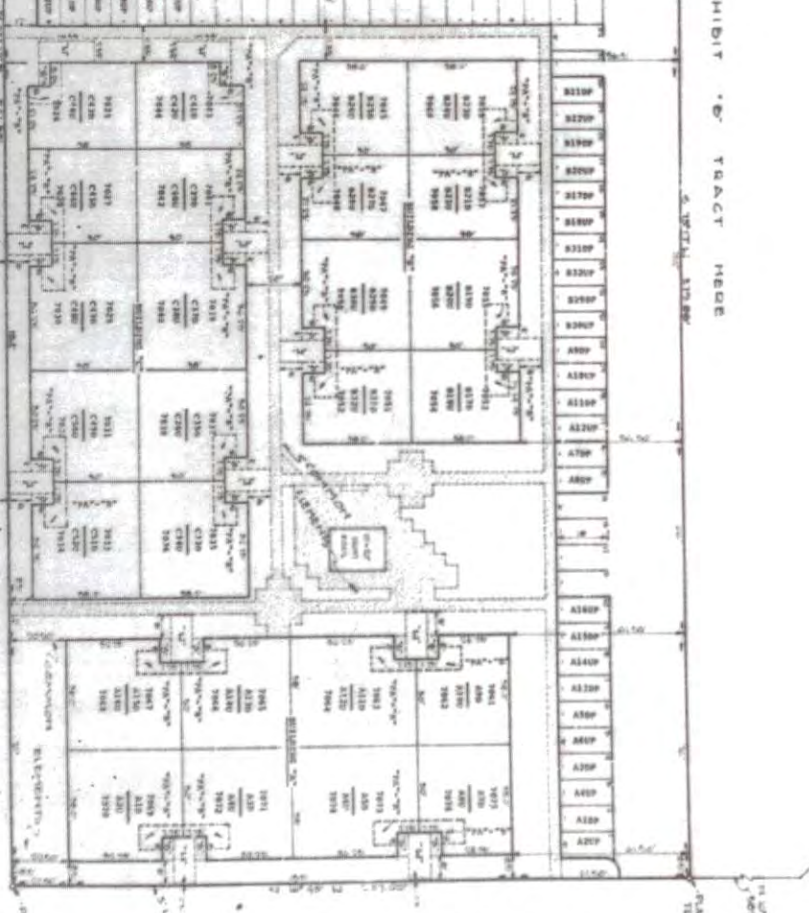


FOURTH STREET

2112 - 621



PORT AUX ALBACORE AVENUE PRINCES PHASE I



MARINE STREET (NO ROW)

EXHIBIT 'B' TRACT HERE

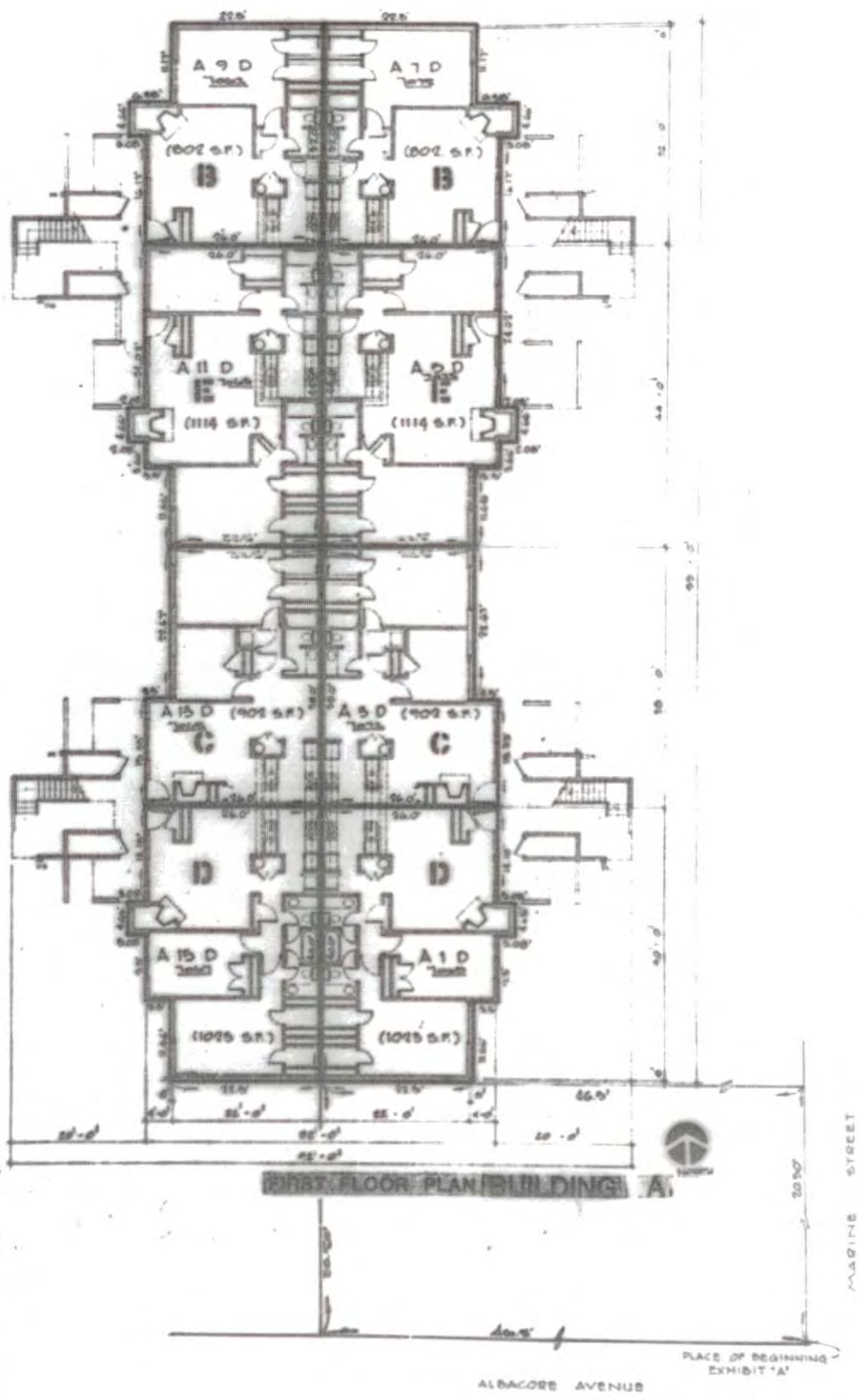
LEGEND:  
 1. EXISTING IMPROVEMENTS  
 2. EXISTING PROPOSED IMPROVEMENTS  
 3. EXISTING PROPOSED IMPROVEMENTS  
 4. EXISTING PROPOSED IMPROVEMENTS

**GULF COAST ENGINEERING AND SURVEYING**  
 #0 BOX 382 LA MARQUE, TEXAS 77568  
 JAMES W. GARTRELL, JR., P.E., P.S.  
 TELEPHONE: 758-2900  
 TEXAS CITY: 755-020-2600  
 HOUSTON: 713-408-0200

PORT AUX PRINCES PHASE ONE  
 CITY & COUNTY OF GALVESTON, TEXAS

DATE: REV: 11/20/11

SHEET NUMBER: 12  
 FLAT EXHIBIT: 12  
 DATE: 11/20/11

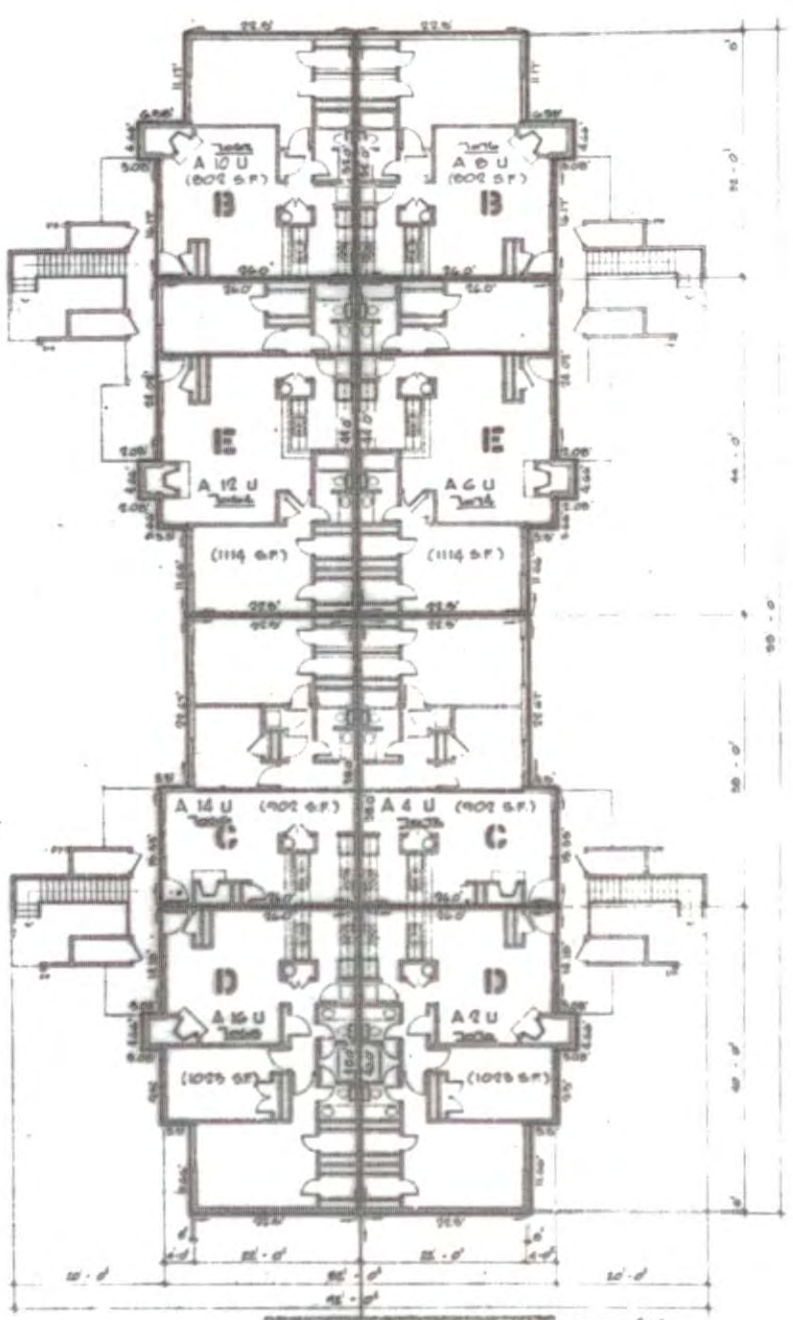


*Notes:  
 1. See General Notes  
 2. See General Notes  
 3. See General Notes*

**FIRST FLOOR PLAN BUILDING A**

	<b>GULF COAST ENGINEERING AND SURVEYING</b> P.O. BOX 382 LA MARQUE, TEXAS 77568		<b>PORT AUX PRINCES - PHASE ONE</b> (FIRST FLOOR PLAN BUILDING "A")
	JAMES W. GARTRELL, JR. P.E., R.P.S. REV. 1/1/78	TELEPHONE NUMBERS TEXAS CITY - 713-971-2447 HOUSTON - 713-488-8988	DATE: 1/1/78

2112 623



SECOND FLOOR PLAN BLDG "A"

Notes:  
 1. See Structural Engineer's  
 Report for dimensions  
 and notes  
 JWS

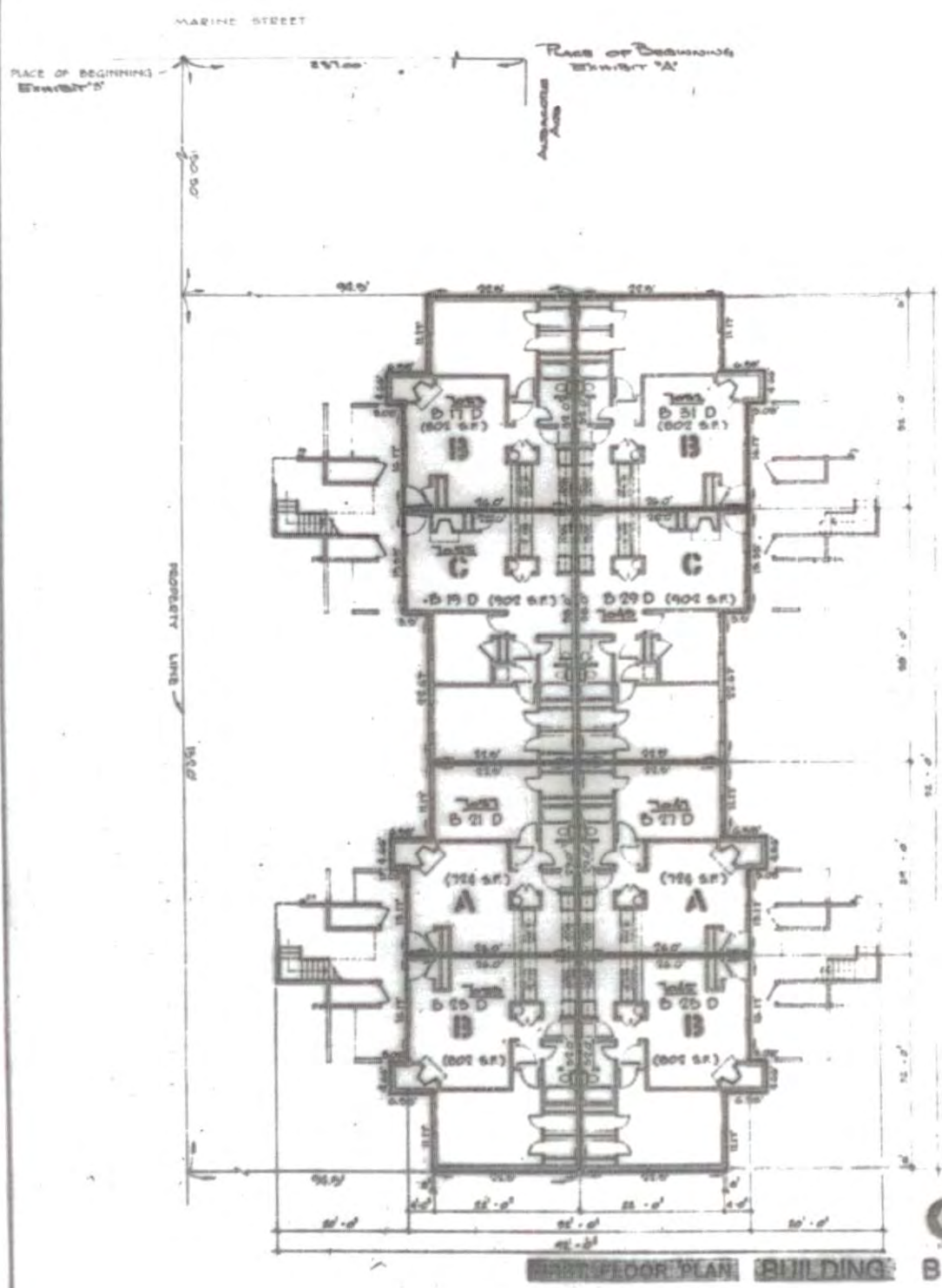
ALBACORE AVENUE

PLACE OF BEGINNING EXHIBIT "A"

**GULF COAST ENGINEERING AND SURVEYING**  
 PO BOX 382 LA MARQUE, TEXAS 77568  
 JAMES W. GARTNELL JR. P.E., R.P.S.  
 TELEPHONE NUMBERS  
 TEXAS CITY: 713-935-2442  
 HOUSTON: 713-488-6389

PORT AUX PRINCES - PHASE ONE  
 (Map of Port Aux Princes "A")

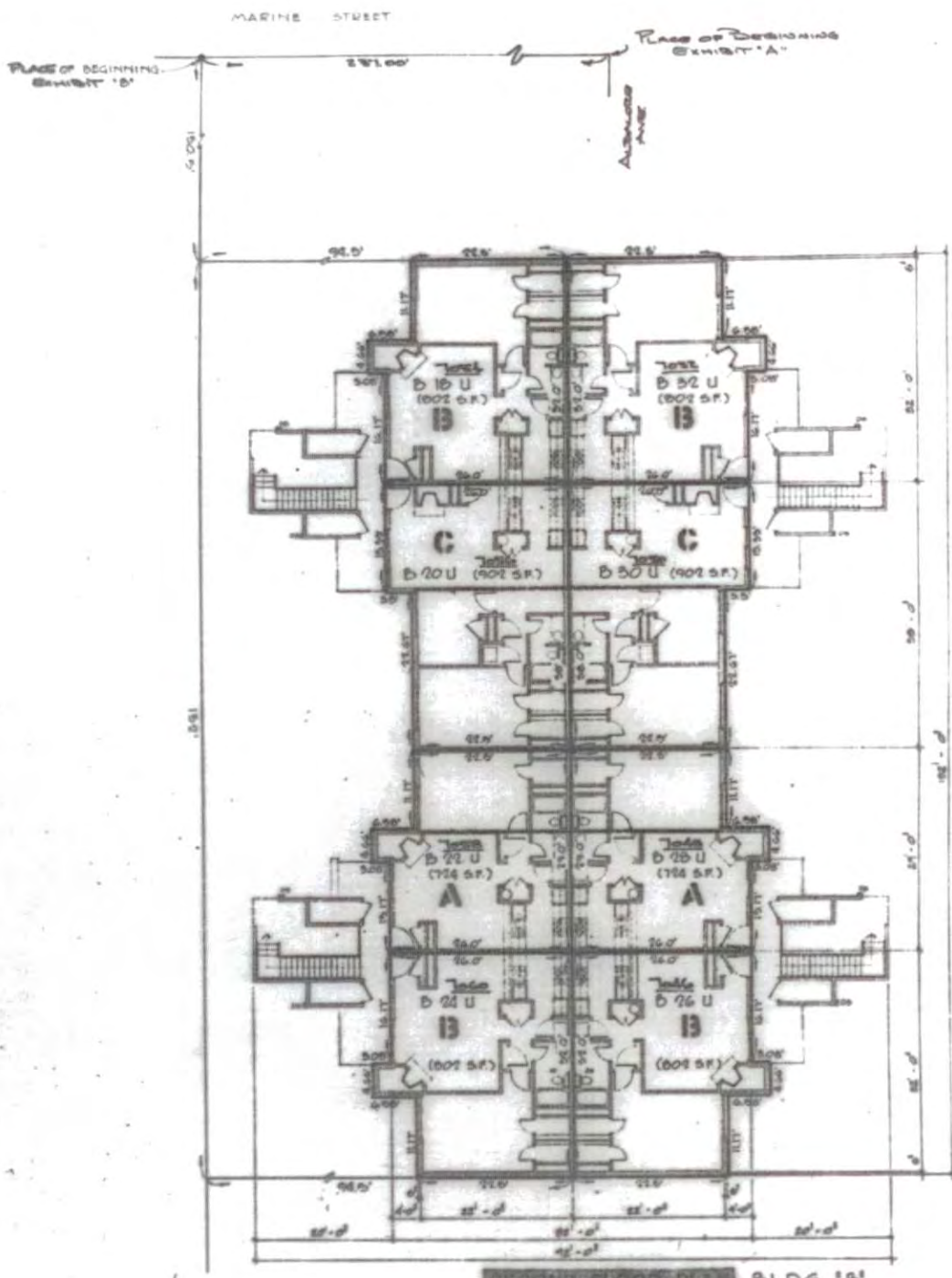
212-621



Note:  
 100 sq ft  
 800 sq ft  
 400 sq ft

	<b>GULF COAST ENGINEERING AND SURVEYING</b> PO BOX 382 LA MARQUE, TEXAS 77568 JAMES W. GARTRELL, JR. P.E., RPS	TELEPHONE NUMBERS TEXAS (409) 751-835 (2407) CLEVELAND (216) 488-6369	PORT AUX PRINCES - PHASE ONE (FIRST FLOOR PLAN Building "B")
	DATE: 10/1/68		SCALE: AS SHOWN

REVISIONS  
NO. 202 AND 203



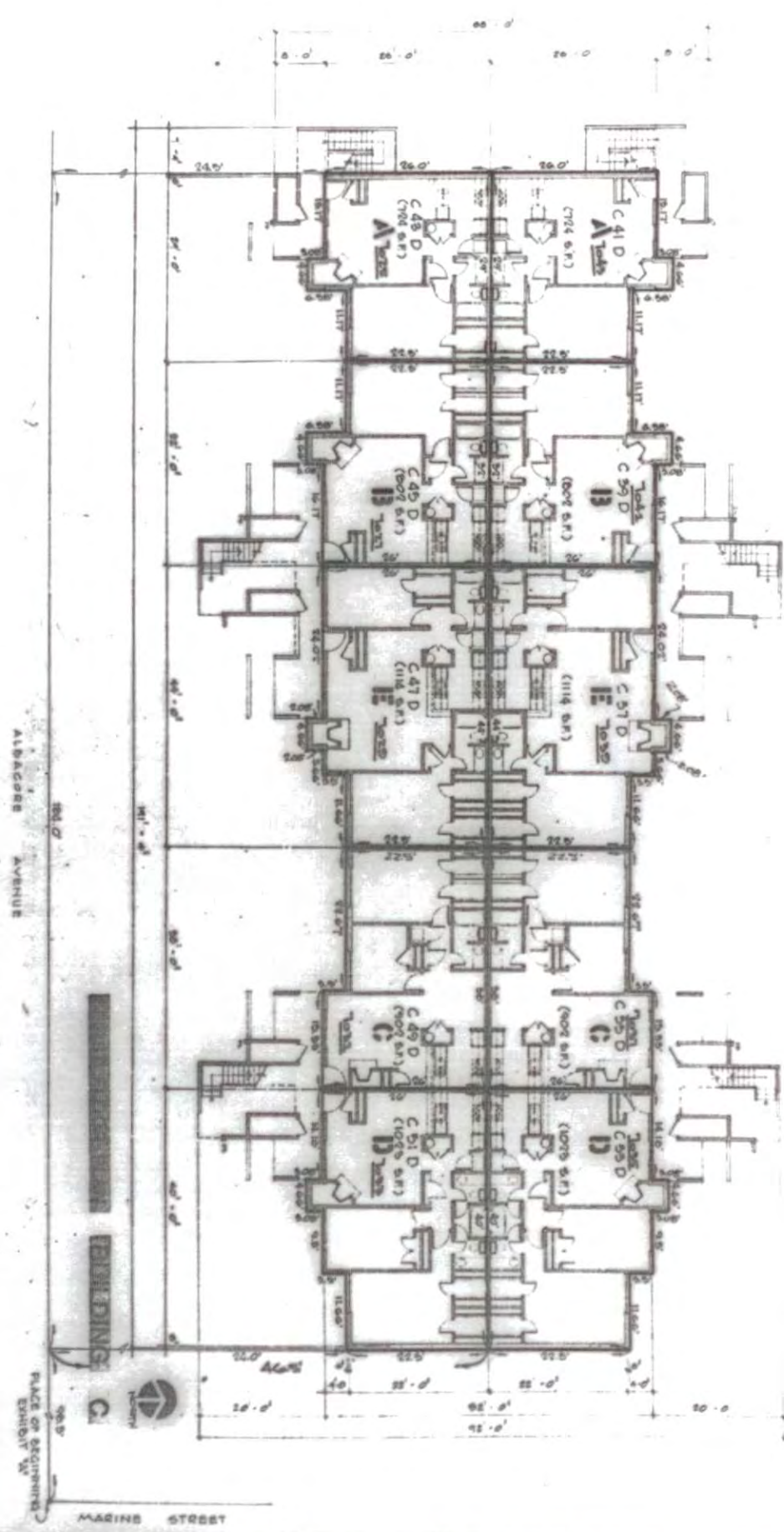
NOTE:  
See Structural Engineer's  
Plans for Foundation Work

**GULF COAST ENGINEERING  
AND SURVEYING**  
PO BOX 382 LA MARQUE, TEXAS 77568

JAMES W. GARTRELL JR. P.E., RPS  
TELEPHONE NUMBERS  
TEXAS CITY - 713-935-2462  
HOUSTON - 713-488-8969

PORT AUX PRINCES - PHASE ONE

1110 S. GARDNER ST., WAKE FOREST, TEXAS  
(Second Floor, This Building 'B')



Notes:  
 1. See Plans for Structural Details  
 2. See Specifications for Materials

ALBACORE AVENUE

MARINE STREET

**GULF COAST ENGINEERING AND SURVEYING**  
 P.O. BOX 382 LAMARQUE, TEXAS 77568

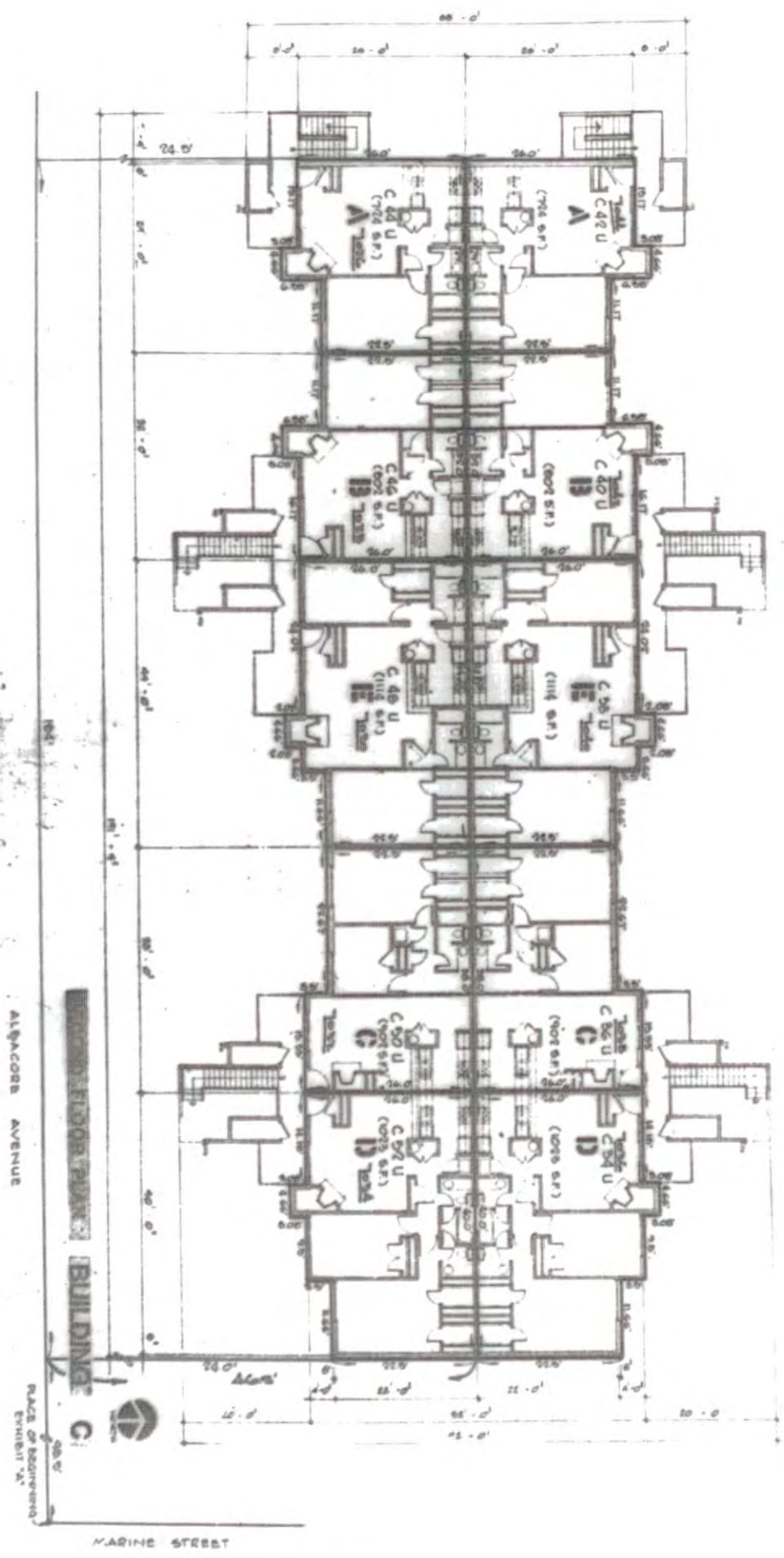
JAMES W. GARTRELL, JR. P.E., P.P.S.

TELEPHONE NUMBERS:  
 TEXAS CITY - 713-935-7467  
 HOUSTON - 713-489-6369

PORT AUX PRINCES - PHASE ONE  
 (First Floor Plan Building "C")



Sheet Number  
 of 200



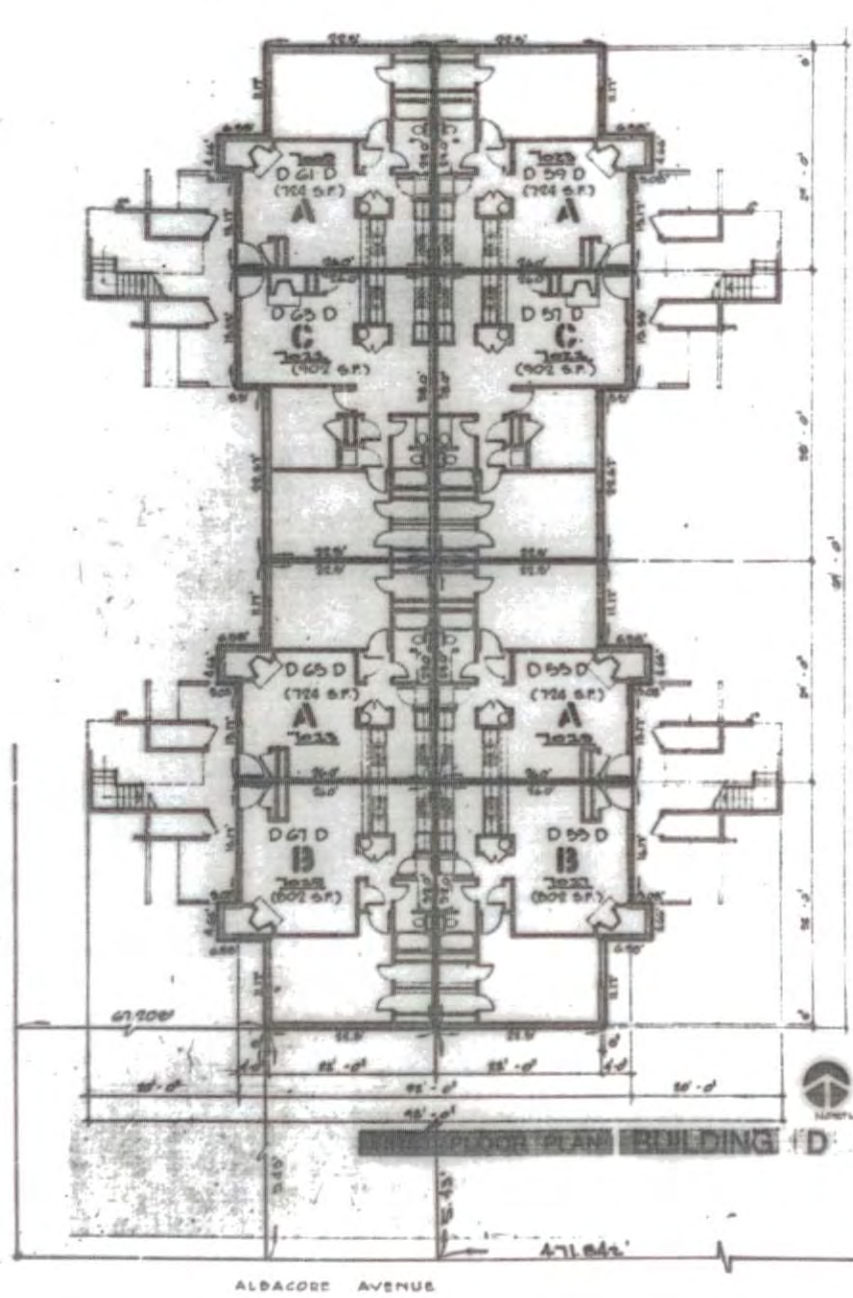
Office: Thomas Searns  
 Surveyor  
 State of Mississippi  
 Coast 13

**GULF COAST ENGINEERING AND SURVEYING**  
 PO BOX 382 LA MARQUE, TEXAS 77568

JAMES W. GARTNELL, JR. PE, RPS  
 TELEPHONE NUMBERS  
 HOUSTON 713 835 2402  
 DALLAS 713 488 8789

PORT AUX PRINCES - PHASE ONE  
 (SECOND FLOOR PLAN BUILDING "C")

7-20-20  
 100% COMPLETE



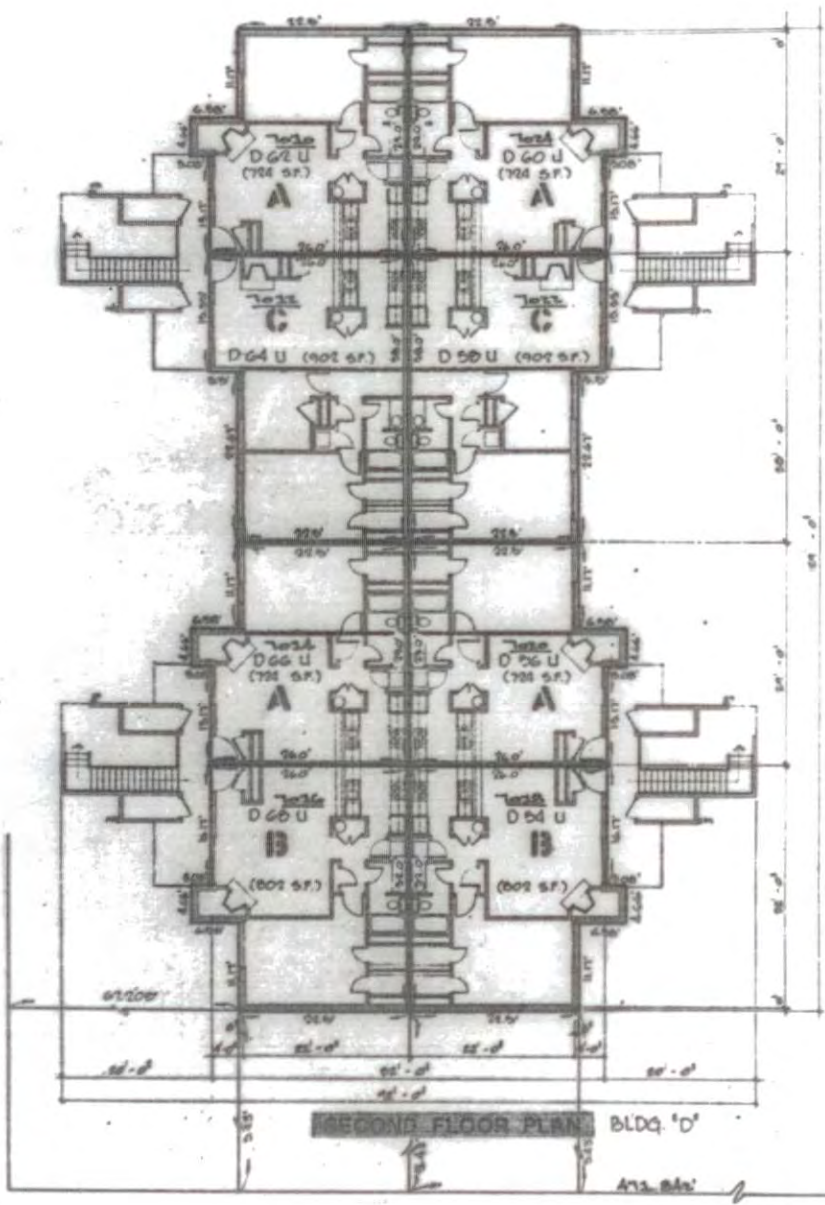
FOURTH STREET  
 ALBACORE AVENUE  
 Race of Beginnings Exhibit 'A'

North  
 Survey Station  
 Approximate Survey by  
 Date Approximate Cont. by

FIRST FLOOR PLAN BUILDING 'D'

	<b>GULF COAST ENGINEERING AND SURVEYING</b> P.O. BOX 382 LA MARQUE, TEXAS 77568		PORT AUX PRINCES - PHASE ONE (FIRST FLOOR PLAN BUILDING 'D')
	JAMES W. GARTRELL JR. P.E., RPS REV. 1/1/68	TELEPHONE NUMBERS TEXAS CITY 713-935-2447 HOUSTON 713-488-8988	





FOURTH STREET

Notes:  
 1. Review Foundation Section  
 2. Review Approximate Cont.  
 3. Review Approximate Cont.

ALBACORE AVENUE

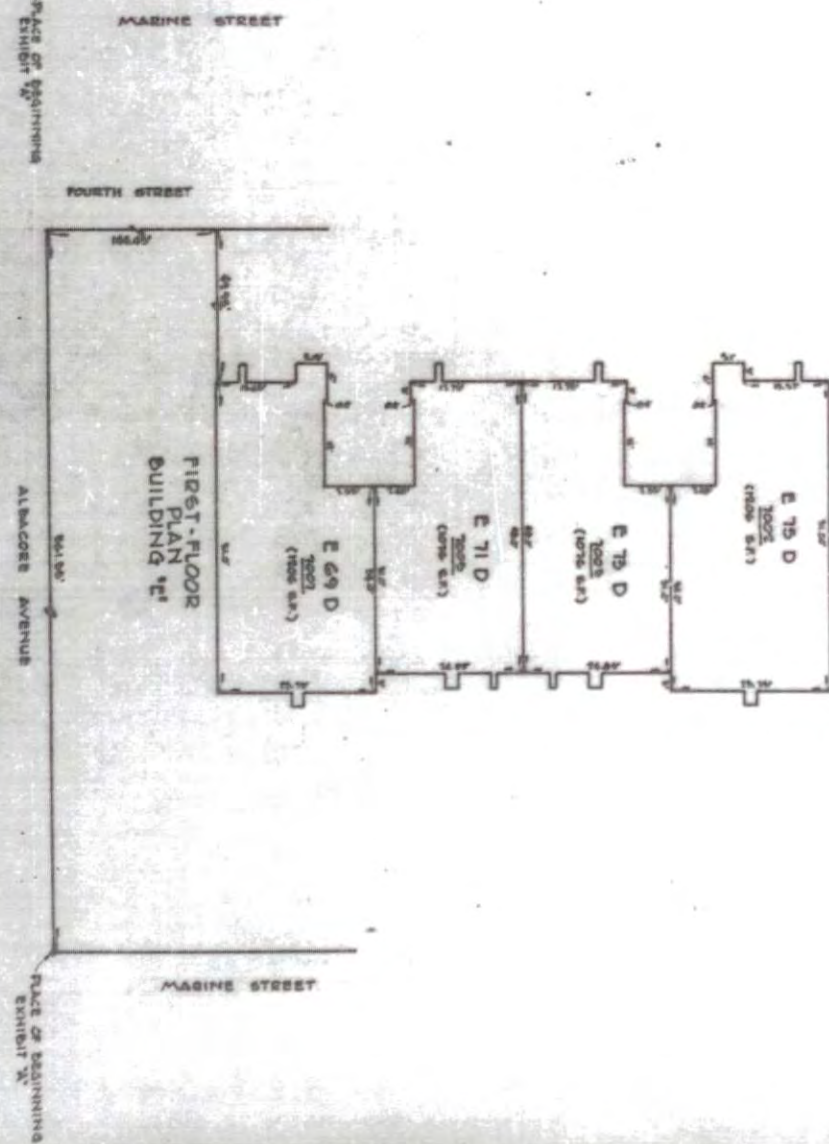
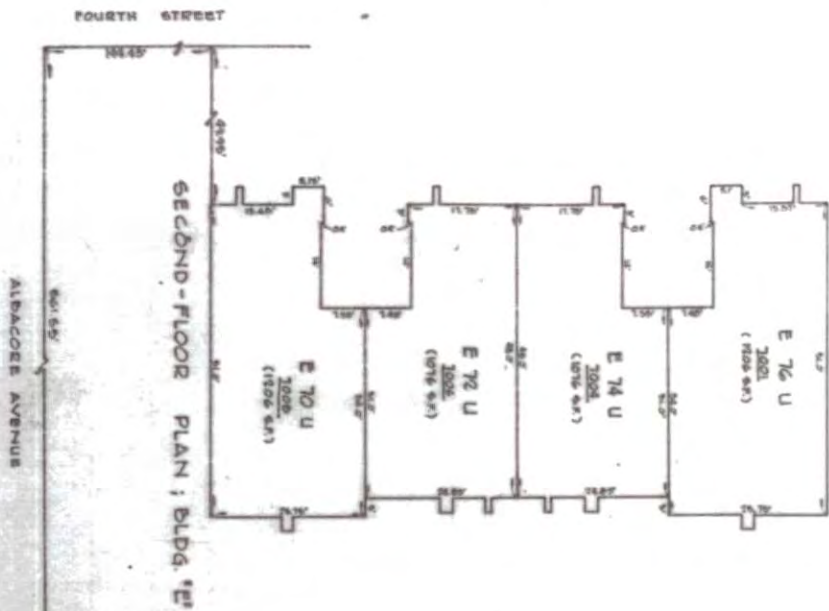
Face of Foundation  
 EXHIBIT 'A'



**GULF COAST ENGINEERING AND SURVEYING**  
 P.O. BOX 382 LA MARQUE, TEXAS 77568  
 JAMES W. GARTRELL, JR. PE, RPS  
 TELEPHONE NUMBERS  
 TEXAS CITY - 713-935-2467  
 HOUSTON - 713-488-6959

PORT AUX PRINCES - PHASE ONE  
 (SECOND FLOOR PLAN BUILDING 'D')

REVISION NO. 1  
DATE 11/18/58



Date: 11/18/58  
James Ferris Jones  
Asst. Architect  
Civil Engr.

SCALE: 1/4" = 1'-0"

**GULF COAST ENGINEERING AND SURVEYING**  
 P.O. BOX 382 LAMARQUE, TEXAS 77568  
 JAMES W. GARTRELL, JR., P.E., R.P.S.  
 TELEPHONE NUMBERS:  
 TEXAS CITY - 75-955-2462  
 HOUSTON - 75-488-8988

**PORT AUX PRINCES - PHASE ONE**  
 CITY & COUNTY OF GALVESTON, TEXAS  
 (FIRST & SECOND FLOOR PLANS - BUILDING 'E')



300 sq. ft. 10' x 10'

CONDOMINIUM RECORD

VOL. 2112 PAGE 631

STATE OF TEXAS

COUNTY OF GALVESTON

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Galveston County, Texas as stamped hereon by me.

MAY 31 1979



*Mary Jane Christensen*  
COUNTY CLERK, Galveston County, Texas

FILED FOR RECORD
At <u>2:35</u> o'clock <u>P</u> M
MAY 31 1979
<i>Mary Jane Christensen</i>
CLERK CO. CT. GALVESTON, TEX.

202052

P.O. BOX 382  
LA MARQUE, TEXAS 77568

JAMES W. GARTRELL, JR.  
GULF COAST ENGINEERING AND SURVEYING  
CONSULTING ENGINEER  
SURVEYOR

HOUSTON 713-488-6969  
TEXAS CITY 713-935-2462

PAID

205462

CONDOMINIUM RECORD

VOL. 2117 PAGE 651

BY-LAWS OF

THE PORT AUX PRINCES COUNCIL OF CO-OWNERS

THE PORT AUX PRINCES COUNCIL OF CO-OWNERS, a Texas non-profit corporation, is the corporation referred to in the Declaration of Condominium of The Port Aux Princes, a Condominium Regime in Galveston County, Texas created pursuant to the provisions of the Texas Condominium Act. This corporation is and shall have all of the powers of the "Council of Co-Owners" as authorized by the Texas Condominium Act. The terms used in these By-Laws shall have the same meanings given to them in the Declaration unless otherwise specifically provided.

ARTICLE I

OFFICES

The principal office of The Port Aux Princes Council of Co-Owners shall be at 7000 North Holiday Drive.

ARTICLE II

MEETINGS OF MEMBERS

Section 2.1 Order of Business and Annual Meeting. At the Annual Meeting of the Members as provided for in the Declaration of Condominium, the following shall be the order of business:

- (a) Reading of the minutes of the last Annual Meeting of the Members;
- (b) President's report;
- (c) Secretary and Treasurer's reports;
- (d) Election of Directors to replace Directors whose terms have expired in accordance with the terms of the Declaration of Condominium for the Council for the ensuing year;

(e) Other business that may be properly brought before the Meeting.

Section 2.2 Special Meetings. Special Meetings may be called in the manner provided for in the Declaration of Condominium.

Section 2.3 Notice of Meeting. Notice of Meetings shall be given as provided in the Declaration of Condominium. A Waiver of Notice signed by the person entitled to notice of such Special Meeting, whether before or after the Meeting, shall be equivalent to the giving of such notice.

Section 2.4 List of Members. The Secretary of the Council shall keep at all times a current and complete list of the members of the Council. Such list shall be arranged in alphabetical order, with the address of and the Percentage Ownership Interest of each such member. Such list shall be kept on file at the office of the Council and shall be subject to inspection by any member at any time during the usual business hours. Such list shall also be present and kept open at the time and place of all Meetings of members; shall be available for inspection of any member during the time of such meeting; and shall be prima facie evidence as to the identity of members.

Section 2.5 Method of Voting and Transaction of Business. Voting on any question, other than any election, may be by voice vote or show of hands unless the presiding officer shall order or any member of the Council shall demand that voting be by roll call or by written ballot. Except as otherwise provided by statute, the Declaration or these By-Laws, the presence in person or by proxy of fifty-one percent (51%) of the Percentage Ownership Interests assigned to the members of the Council qualified to vote shall constitute a quorum for holding any meeting of the members of the Council. If, however, such quorum shall not be present or represented at any meeting of the Council, the members present in person or represented by proxy, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting, until

a quorum shall be present or represented. If a quorum shall be present or represented by proxy at such meeting held in lieu of the adjourned meeting(s), any business may be transacted at such meeting as originally notified. When a quorum is present at any meeting of the Council, the vote of fifty-one percent (51%) or more of the Percentage Ownership Interests assigned to those members qualified to vote and actually present in person or by proxy at such meeting shall decide any question brought before such meeting, unless the question is one upon which by express provision of any statute, the Declaration, the Articles of Incorporation of the Council or these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question. The members present in person or by proxy at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

Section 2.6 Proxies. At all meetings of members of the Council, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Residence Unit.

Section 2.7 Actions without a Meeting. Notwithstanding any other provision of these By-Laws, any action required or permitted to be taken at a meeting of the members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members entitled to vote with respect to the subject matter thereof. Such consent shall have the same force and effect as a unanimous vote at a meeting.

ARTICLE III  
DIRECTORS

CONDOMINIUM RECORD  
VOL. 2112 PAGE 654

Section 3.1 Selection of Directors. Directors shall be nominated, elected and qualified as provided in the Declaration of Condominium.

Section 3.2 Removal. Any Director may be removed from his position as Director, either with or without cause, in the manner provided for in the Declaration of Condominium.

Section 3.3 Vacancies and Filling of Vacancies. A particular directorship shall be deemed to be vacant upon the removal of a Director as provided in this Article, upon the death of the person holding such directorship, upon the refusal or failure of a person elected to such directorship to serve, upon the resignation of the person holding such directorship, or upon the sale by the Director of his Residence Unit. Any vacancy occurring in the Board of Directors shall be filled at the next Meeting of the Board of Directors following the occurrence of such vacancy, or, if the vacancy occurs while a Directors Meeting is in progress, such vacancy shall be filled at such Meeting. Such vacancy shall be filled by the affirmative vote of a majority of the remaining Directors comprising no less than quorum. A Director who is elected to fill a vacancy shall serve for the unexpired term of his predecessor in such directorship.

Section 3.4 Meeting of Directors. Regular and Special Meetings of the Board of Directors shall be held in accordance with the terms of this Declaration of Condominium.

Section 3.5 Adjournment. Any Meeting of the Directors may be adjourned from time to time by those present, whether a quorum is present or not.

Section 3.6 Waiver of Notices. Notice of any Special Meeting of Directors may be waived in writing signed by the Director or Directors entitled to such notice; such waiver may be executed at any time before or after the time specified in the Declaration of

Condominium for the giving of such notice. Attendance of a Director at a Special Meeting shall constitute a waiver of notice of such Special Meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business or to notify the Board that the meeting is not properly called or convened in accordance with the terms of the Declaration or these By-Laws.

Section 3.7 Compensation. Directors, when acting in such capacity, shall not receive any stated salary for their services, but by Resolution of the Council a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board; provided that nothing contained herein shall be construed to preclude any Director from serving the Council in any other capacity or receiving compensation therefor where properly authorized by the Council.

Section 3.8 Actions without a Meeting. Notwithstanding any other provision of these By-Laws, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting.

Section 3.9 Powers and Duties. The Board of Directors shall have the following powers and duties:

- (a) To elect and remove the Officers of the Council as hereinafter provided;
- (b) to administer the affairs of the Council and the property;
- (c) to engage the services of an agent (hereinafter sometimes called the "managing agent") to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Residence Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided



herein, shall have authority to ratify and approve a management agreement between the Developer, on behalf of the Council, and a management corporation, which may be a corporation related to the Developer, to act as temporary managing agent for the property, as described in the Declaration of Condominium;

- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;
- (e) to adopt Rules and Regulations, with written notice thereof to all Residence Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such Rules and Regulations from time to time;
- (f) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or delegate such approval to the Officers or the Manager or managing agent;
- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the property and the Common Elements, and to delegate any such powers to the managing agent (and any such employees or other personnel who may be the employees of a managing agent);
- (h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the board;
- (i) to determine the fiscal year of the Council and to change said fiscal year from time to time as the Board deems advisable;

- (j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Residence Unit Owners their respective shares of such estimated expenses, as provided, for in the Declaration of Condominium;
- (k) unless otherwise provided herein or in the Declaration of Condominium, to comply with the instructions of the Residence Owners as expressed in a resolution duly adopted at any Annual or Special Meeting of the Residence Unit Owners;
- (l) to exercise all other powers and duties of the Council of Co-Owners or Unit Owners as a group referred to in the Texas Condominium Act, and all powers and duties of a Board of Directors referred to in the Declaration of these By-Laws.

Nothing in this section or elsewhere in these By-Laws shall be considered to grant to the Board, the Council or to the Officers of the Council any powers or duties which, by law or in the Declaration of Condominium, have been delegated to the Residence Unit Owners.

ARTICLE IV

OFFICERS

Section 4.1 President. The President shall be the principal executive officer of the Council and shall in general supervise and control all of the business and affairs of the Council. The President shall preside at all meetings of the members of the Council and all meetings of the Board of Directors. He shall sign, with the Secretary or an Assistant Secretary, certificates of membership, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of

Directors to some other officer or agent of the Council, or shall be required by law to be otherwise signed or executed; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. The President shall not have the authority to bind the Council to any employment agreement in behalf of the Council unless such employment agreement be expressly approved and authorized in advance by Resolution of the Board of Directors. In the event that any such employment agreement provides for the Council employing any person who at the time of such employment or at any time during the period of such employment is an officer of the Council, then no provision of such contract purporting to amplify the authority of such officer beyond the authority set forth in these By-Laws shall be valid or effective unless these By-Laws are amended in a manner consistent with such employment agreement, and the mere signing of such employment agreement in behalf of the Council and its approval at a meeting of the Board of Directors (and/or Members) shall not constitute an amendment of these By-Laws. In the event that any such employment agreement (whether or not these By-Laws be amended incident thereto) limits or qualifies the authority of any such officer in a manner inconsistent with these By-Laws or imposes on such officer duties not provided for under these By-Laws, then the provisions of such employment agreement limiting and qualifying such authority and imposing such duties shall be valid and effective notwithstanding any inconsistency between the provisions of such employment agreement and the provisions of these By-Laws.

Section 4.2 Vice Presidents. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated, or in the absence of any designation, then in the 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 Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 4.3 Secretary. The Secretary shall: (a) keep the minutes of the meetings of members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these By-Laws or as required by law; (c) be custodian of the Council's records and of the seal of the Council and see that the seal of the Council is affixed to all certificates of membership prior to the issuance thereof and to all documents, the execution of which on behalf of the Council under its seal is duly authorized in accordance with the provisions of these By-Laws; (d) keep a register of the post office address of each member of the Council; (e) keep and maintain accurate records of the names and addresses of all Mortgagees of Residence Units pursuant to the provisions of Article IX of the Declaration; (f) sign with the President certificates of membership, the issuance of which shall have been authorized by Resolution of the Board of Directors; (g) have general charge of the books of the Council; (h) in general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 4.4 Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall: (a) have charge and custody of and be responsible for all funds and securities of the Council, receive and give receipts for monies due and payable to the Council from any source whatsoever, and deposit all such monies in the name of the Council in such banks, trust companies or other depositories as shall be selected by the Board of Directors; (b) in general perform all the

duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Board of Directors.

Section 4.5 Additional Officers. Officers in addition to the President, Vice-President, Secretary and Treasurer may be appointed by the Board of Directors and shall hold the offices for such terms and shall have such authority and exercise such powers and perform such duties as shall be determined from time to time by the Board by Resolution not inconsistent with these By-Laws. The Assistant Secretaries as thereunto authorized by the Board of Directors may sign, with the President, certificates of membership, the issue of which shall have been authorized by a Resolution of the Board of Directors. The Assistant Treasurers shall respectively, if required by the President or Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the President or Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries, in general, shall perform such duties as shall be assigned to them by the Treasurer or the Secretary, respectively, or by the President or the Board of Directors.

Section 4.6 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each Annual Meeting of the members of the Council.

Section 4.7 Term. The Officers of this Council shall be elected annually by the Board and each shall hold office for one (1) year, unless he or she shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4.8 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless

otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 4.9 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4.5 of this Article.

Section 4.10 Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or otherwise of the officer previously filling such office, may be filled by the Board of Directors for the unexpired portion of the term.

#### ARTICLE V

##### CONTRACTS, LOANS, CHECKS, DEPOSITS AND TRANSACTIONS

Section 5.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Council, and such authority may be general or confined to the specific instances.

Section 5.2 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 Council shall be signed by such officer or officers, agent or agents of the Council and in such manner as shall, from time to time, be determined by Resolution of the Board of Directors.

Section 5.3 Deposits. All funds of the Council not otherwise employed shall be deposited, from time to time, to the credit of the Council in such banks, trust companies or other depositories as the Board of Directors may select.

Section 5.4 Transactions with Members, Directors and Officers. The Council may enter into contracts or transact business with one or more of its Directors, Officers, or

members, or with any firm of which one or more of its Directors, Officers or members are members, or with any corporation, association, company, organization or entity in which one or more of its Directors, Officers or members are directors, officers, trustees, shareholders, beneficiaries or are otherwise interested, and in the absence of fraud, such contract or transaction shall not be invalidated or anywise affected by the fact that such Directors, Officers or members having such adverse interest may have been necessary to obligate the Council upon such contract or transaction.

ARTICLE VI.

CORPORATE SEAL

The Council shall have a seal in circular form, having within its circumference the words: PORT AUX PRINCES COUNCIL OF CO-OWNERS.

ARTICLE VII.

AMENDMENT

Except as otherwise provided in the Declaration of Condominium, these By-Laws may be amended by an instrument in writing signed and acknowledged by members of the Council possessing at least sixty percent (60%) of the Percentage Ownership Interests assigned to those members qualified to vote on such amendment, and such amendment shall become effective upon its recordation in the Condominium Records of Galveston County, Texas.

ARTICLE VIII.

MISCELLANEOUS


Section 8.1 Supplemental Rights. The Council, its Officers and Directors, shall have such further rights, powers and duties as are set forth in the Declaration of

Condominium or as may be reasonable and necessary to enforce the provisions of these By-Laws and the Declaration of Condominium.

Section 8.2 Conflicts. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 8.3 Severability. The invalidity of any provision or provisions of these By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or affect of the remainder of these By-Laws, and in such event, all of the other provisions of these By-Laws shall continue in full force and effect as if such invalid provision had never been included herein.

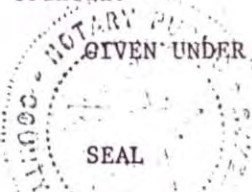
BY: William R. Parkey  
President

 William R. Parkey  
Secretary

THE STATE OF TEXAS           X  
COUNTY OF GALVESTON       X

BEFORE ME, the undersigned authority, on this day personally appeared William R. Parkey, President of Port Aux Princes Council of Co-Owners, known to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated and as the act and deed of this Council.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 27th day of June, 1979.

   
SEAL

Brenda Lera  
Brenda Lera, Notary Public in and for Galveston County, Texas

My Commission Expires August 15, 1979



205462

PAID

*Dr. Osseborn Springs  
Guarenty Judged  
21 12 of 77552  
Galveston*

CONDOMINIUM RECORD  
VOL. 2112 PAGE 664

FILED FOR RECORD  
JUN 28 2 27 PM 1979

*Mary Jane Christensen*  
COUNTY CLERK, GALVESTON COUNTY, TEXAS

STATE OF TEXAS

COUNTY OF GALVESTON

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the volume and page of the named records of Galveston County, Texas as stamped hereon by me.



JUN 28 1979

*Mary Jane Christensen*  
COUNTY CLERK, Galveston County, Texas





NOW, THEREFORE, know all men by these presents that said Declaration of Condominium is hereby amended as follows:

Article I. Developer, being the owner of that certain tract of real property situated in Galveston County, Texas, and being more particularly described on Exhibit "A" attached hereto, together with all improvements thereon, and being desirous of submitting such land and improvements to a condominium regime pursuant to the provisions of Article 1301(a) of the Texas Revised Civil Statutes and pursuant to Article 11 of the Declaration of Condominium for Port Aux Princes filed for record as hereinabove stated, does hereby establish and declare in accordance with the terms hereinafter set forth, such real property together with all improvements now or hereafter located thereon to be a condominium regime and a part and parcel of the condominium regime known as the Port Aux Princes. There will be seventy-two (72) Residence Units in the expansion of the project as designated on the supplemental condominium plat attached hereto as Exhibit "B". The project, as expanded, shall contain one hundred forty-eight (148) Residence Units.

Article II. The buildings submitted to and made a part of the condominium regime known as the Port Aux Princes are subject to all of the terms and conditions of the Declaration of Condominium for the Port Aux Princes and any amended declaration, and are subject to the jurisdiction of the Port Aux Princes Council of Co-Owners, and Residence Units in this amendment are subject to condominium ownership and all the incidents pertaining thereto as specified herein and in the original Declaration of Condominium.

Article III. The buildings annexed and made a part of the condominium regime pursuant to this certificate of annexation are buildings "F", "G", "H", "I" and "J", each of which are set forth on Exhibit "B".

Article IV The physical boundaries of the Residence Units, the Common Elements and the Limited Common Elements are as set forth on attached Exhibit "B", and as more specifically defined and described in said Declaration of Condominium.

Article V The new percentage ownership applicable to each Residence Unit within the expanded condominium regime are as set forth in Exhibit "C" attached hereto and filed for record with this amendment.

The Declaration of Condominium, as amended hereby, is in all other respects ratified and confirmed as well as the Exhibits attached thereto and as well as the Bylaws and Rules and Regulations of the Port Aux Princes Council of Co-Owners.

IN WITNESS WHEREOF, the Developer hereby files this Certificate of Annexation and amends the Declaration of Condominium of the Port Aux Princes as of the 5<sup>th</sup> day of MARCH, 1979.

PORT AUX PRINCES JOINT VENTURE  
GUARANTY SERVICE CORPORATION, MANAGER

By: W.R. Parkey  
W.R. Parkey, Vice President

First International Bank in Houston, the lienholder, joins into execution hereof for the purpose of subordinating the liens held by it against the property described in Exhibit "A" and does hereby consent and agree to the imposition of the foregoing reservations, restrictions, covenants and conditions of this amendment; and

First International Bank in Houston hereby agrees that a foreclosure shall not affect such reservations, restrictions, covenants and conditions or amendments.

EXECUTED this 6<sup>th</sup> day of March, 1979.

Alan B. Sadler  
Alan B. Sadler Vice-President  
Vice President

ATTEST:

Terrie G. Elkins  
Terrie G. Elkins, Assistant Cashier

STATE OF TEXAS §

COUNTY OF GALVESTON §

BEFORE ME, the undersigned authority, on this day personally appeared W.R. Parkey, Vice President, Guaranty Service, a Joint Venturer of Port aux Princes Joint Venture, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL of office this the 6<sup>th</sup> day of March, 1979.

Paul Tunnell  
Notary Public in and for Galveston County, Texas  
Notary Public in and for Galveston County  
PAUL TUNNELL



EXHIBIT "A"

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All that certain tract or parcel of land in the City and County of Galveston, Texas, more fully described by metes and bounds as follows:

COMMENCING at the point of intersection of the North line of Albacore Avenue (70 feet wide) with the West line of Marine Street (50 feet wide);

THENCE North  $16^{\circ} 43'$  West, along the West line of Marine Street, a distance of 237.00 feet to the place of beginning of the tract hereinafter described;

THENCE from said beginning point South  $73^{\circ} 17'$  West, parallel with the North line of Albacore Avenue, a distance of 379.88 feet to a point for corner;

THENCE North  $16^{\circ} 43'$  West, parallel with the West line of Marine Street, a distance of 38.34 feet to a point for corner;

THENCE South  $73^{\circ} 17'$  West, parallel with the North line of Albacore Avenue, a distance of 181.67 feet to a point for corner in the East line of Fourth Street;

THENCE North  $16^{\circ} 43'$  West, parallel with the West line of Marine Street and along the East line of Fourth Street, a distance of 6.11 feet to a point for corner in the Easterly line of the U.S. Government South Jetty (50 foot right of way);

THENCE North  $8^{\circ} 35'$  East, along the Easterly right of way line of the U.S. Government South Jetty, a distance of 121.66 feet to a point for corner;

THENCE in a Northeasterly direction around a curve to the left whose radius is 70.0 feet, a distance of 52.05 feet to a point for corner;

THENCE South  $62^{\circ} 18'$  East, a distance of 51.25 feet to a point for corner;

THENCE North  $27^{\circ} 42'$  East, a distance of 59.33 feet to a point for corner;

THENCE North  $4^{\circ} 19' 38''$  East, a distance of 125.83 feet to a point for corner;

THENCE North  $62^{\circ} 18'$  West, a distance of 28.81 feet to a point for corner;

THENCE North  $73^{\circ} 17'$  East, a distance of 89.97 feet to a point for corner;

THENCE South  $61^{\circ} 43'$  East, a distance of 171.63 feet to a point for corner;

THENCE North  $28^{\circ} 17'$  East, a distance of 104.67 feet to a point for corner;

THENCE North  $73^{\circ} 17'$  East, a distance of 75.00 feet to a point for corner in the West line of Marine Street;

THENCE South  $16^{\circ} 43'$  East, along the West line of Marine Street, a distance of 272.00 feet to the place of beginning and containing 2.76710 acres (120,535 square feet), more or less.

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PORT AUX PRINCES

## PHASE I

	UNIT BLDG ADDRESS AND RESIDENCE UNIT ADDRESS	MODEL	SQUARE FEET	PERCENTAGE OWNERSHIP INTEREST ASSIGNED
BUILDING E	7001	3b	1206	.90
	7002	3b	1206	.90
	7003	2b	1076	.80
	7004	2b	1076	.80
	7005	2b	1076	.80
	7006	2b	1076	.80
	7007	3b	1206	.90
	7008	3b	1206	.90
BUILDING D	7009	A	724	.54
	7010	A	724	.54
	7011	C	902	.66
	7012	C	902	.66
	7013	A	724	.54
	7014	A	724	.54
	7015	B	802	.60
	7016	B	802	.60
	7017	B	802	.60
	7018	B	802	.60
	7019	A	724	.54
	7020	A	724	.54
	7021	C	902	.66
	7022	C	902	.66
	7023	A	724	.54
	7024	A	724	.54
BUILDING C	7025	A	724	.54
	7026	A	724	.54
	7027	B	802	.60
	7028	B	802	.60
	7029	E	1114	.83
	7030	E	1114	.83
	7031	C	902	.66
	7032	C	902	.66
	7033	D	1023	.76
	7034	D	1023	.76
	7035	D	1023	.76
	7036	D	1023	.76
	7037	C	902	.66
	7038	C	902	.66
	7039	E	1114	.83
	7040	E	1114	.83
	7041	B	802	.60
	7042	B	802	.60
	7043	A	724	.54
	7044	A	724	.54
BUILDING B	7045	B	802	.60
	7046	B	802	.60
	7047	A	724	.54
	7048	A	724	.54
	7049	C	902	.66
	7050	C	902	.66
	7051	B	802	.60
	7052	B	802	.60
	7053	B	802	.60
	7054	B	802	.60
	7055	C	902	.66
	7056	C	902	.66
	7057	A	724	.54
	7058	A	724	.54
	7059	B	802	.60
	7060	B	802	.60

UNIT BLDG ADDRESS AND RESIDENCE UNIT ADDRESS	MODEL	SQUARE FEET	PERCENTAGE OWNERSHIP INTEREST ASSIGNED
<b>BUILDING A</b>			
7061	B	802	.60
7062	B	802	.60
7063	E	1114	.83
7064	E	1114	.83
7065	C	902	.66
7066	C	902	.66
7067	D	1023	.76
7068	D	1023	.76
7069	D	1023	.76
7070	D	1023	.76
7071	C	902	.66
7072	C	902	.66
7073	E	1114	.83
7074	E	1114	.83
7075	B	802	.60
7076	B	802	.60
<b>PHASE II</b>			
<b>BUILDING F</b>			
7077	D	1023	.76
7078	D	1023	.76
7079	C	902	.66
7080	C	902	.66
7081	C	902	.66
7082	C	902	.66
7083	D	1023	.76
7084	D	1023	.76
<b>BUILDING G</b>			
7085	B	802	.60
7086	B	802	.60
7087	A	724	.54
7088	A	724	.54
7089	C	902	.66
7090	C	902	.66
7091	A	724	.54
7092	A	724	.54
7093	A	724	.54
7094	A	724	.54
7095	C	902	.66
7096	C	902	.66
7097	A	724	.54
7098	A	724	.54
7099	B	802	.60
7100	B	802	.60
<b>BUILDING H</b>			
7101	B	802	.60
7102	B	802	.60
7103	A	724	.54
7104	A	724	.54
7105	C	902	.66
7106	C	902	.66
7107	B	802	.60
7108	B	802	.60
7109	B	802	.60
7110	B	802	.60
7111	C	902	.66
7112	C	902	.66
7113	A	724	.54
7114	A	724	.54
7115	B	802	.60
7116	B	802	.60



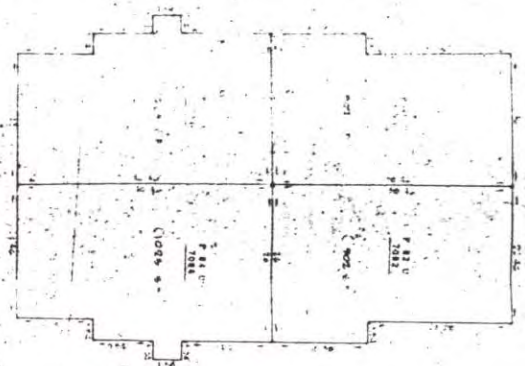
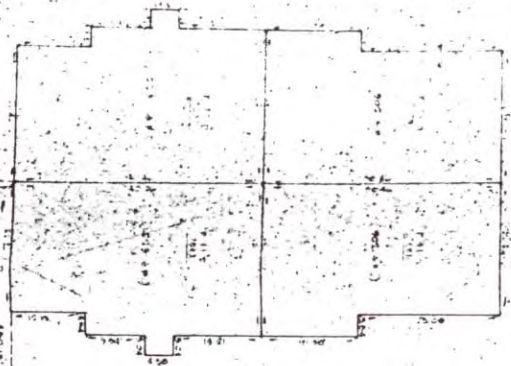
	UNIT BLDG ADDRESS AND RESIDENCE UNIT ADDRESS	MODEL	SQUARE FEET	PERCENTAGE OWNERSHIP INTEREST ASSIGNED
BUILDING I	7117	E	1114	.83
	7118	E	1114	.83
	7119	E	1114	.83
	7120	E	1114	.83
	7121	C	902	.66
	7122	C	902	.66
	7123	D	1023	.76
	7124	D	1023	.76
	7125	D	1023	.76
	7126	D	1023	.76
	7127	C	902	.66
	7128	C	902	.66
	7129	E	1114	.83
	7130	E	1114	.83
	7131	E	1114	.83
	7132	E	1114	.83
BUILDING J	7133	E	1114	.83
	7134	E	1114	.83
	7135	E	1114	.83
	7136	E	1114	.83
	7137	C	902	.66
	7138	C	902	.66
	7139	D	1023	.76
	7140	D	1023	.76
	7141	D	1023	.76
	7142	D	1023	.76
	7143	C	902	.66
	7144	C	902	.66
	7145	E	1114	.83
	7146	E	1114	.83
	7147	E	1114	.83
	7148	E	1114	.83
			<u>134,732</u>	<u>100.00 %</u>

CONDOMINIUM RECORD

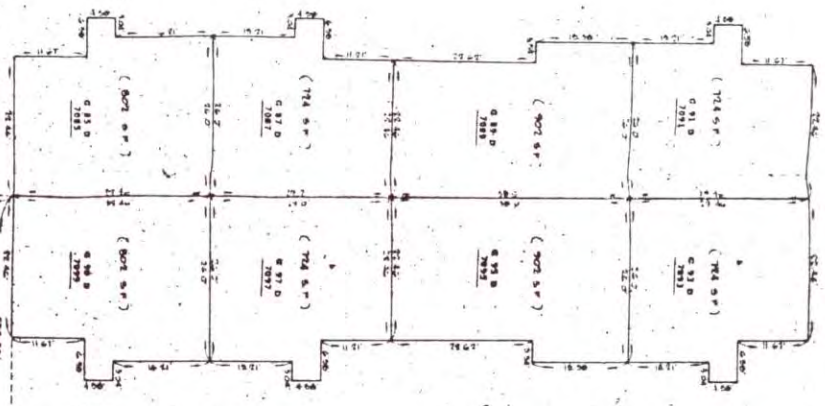
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2112 274

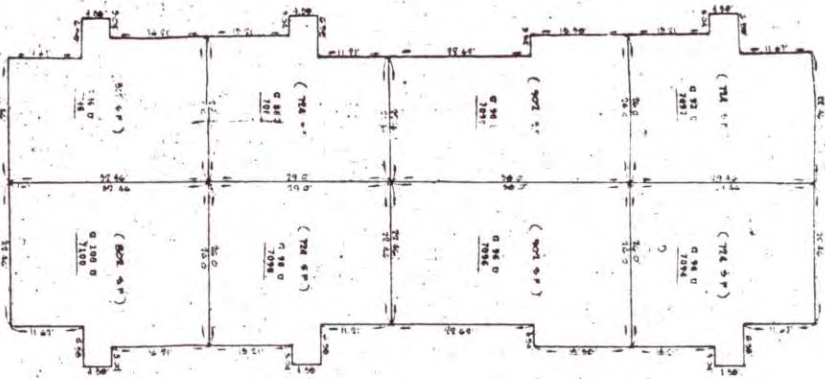


BUILDING 'P'  
FIRST FLOOR



FIRST FLOOR

BUILDING 'G'



SECOND FLOOR

NOTE - The square  
feet are approximate only.

DATE: 12-19-71  
REV: 1 (NO)

DATE: 12-19-71  
REV: 1 (NO)

DATE: 12-19-71  
REV: 1 (NO)

**GULF COAST ENGINEERING AND SURVEYING**  
P.O. BOX 382 LA MARQUE, TEXAS 77568

JAMES W. GARTRELL JR. PE, RPS

TELEPHONE NUMBERS  
TEXAS CITY - 713-835-2482  
HOUSTON - 713-688-8969

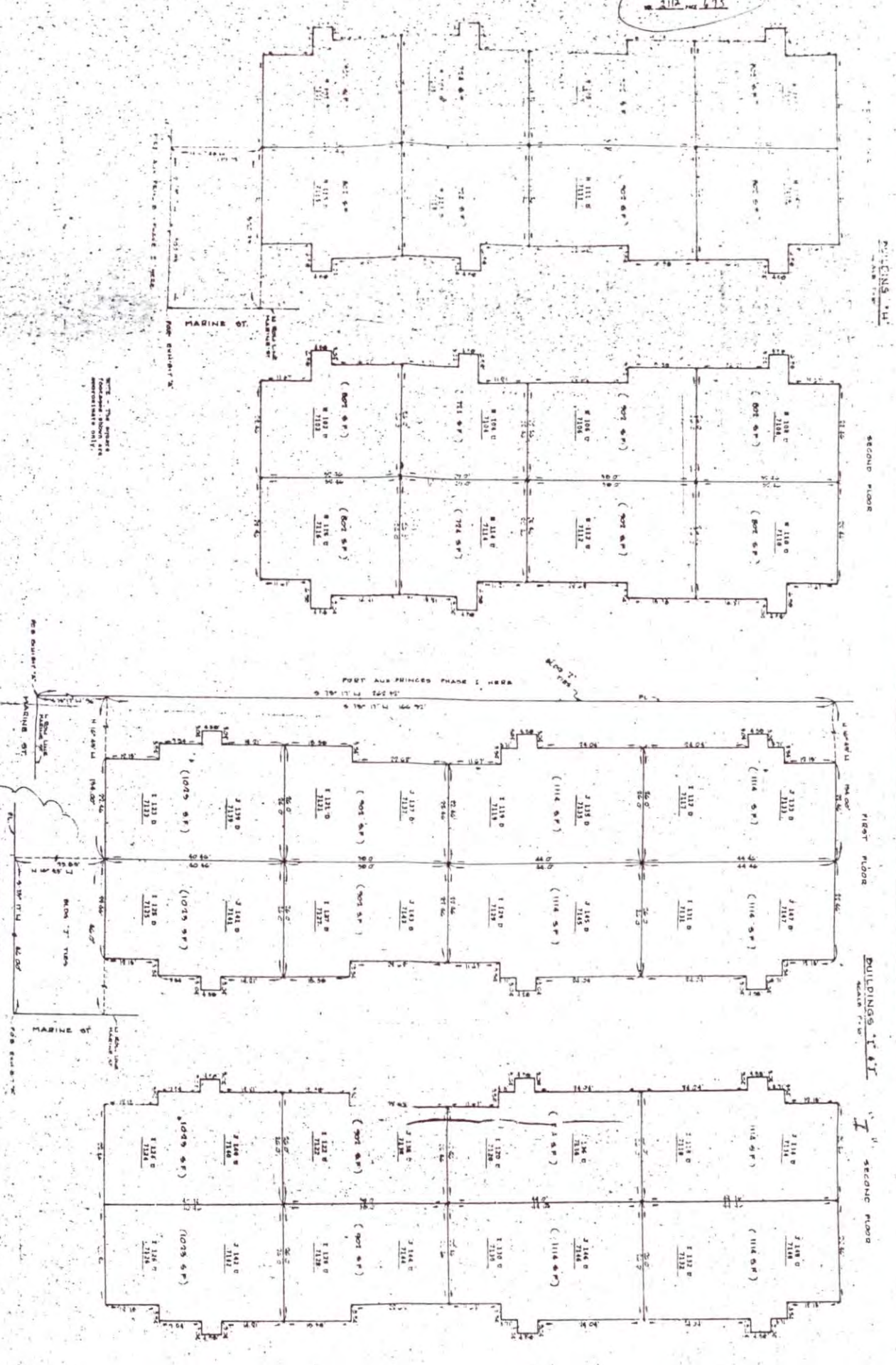
PORT AUX PRINCES PHASE II  
CITY & COUNTY OF GALVESTON, TEXAS  
FIRST & SECOND FLOOR PLANS - BUILDINGS 'P' & 'G'

DATE: 12-19-71  
REV: 1 (NO)

SHEET NUMBER  
SHEET 2 OF 5  
SUBMIT 'P'

JOB NO. 1033-A

CONCRETE FLOOR  
 NO. 2112 PAGE 6 OF 9



SHEET NUMBER  
 117 3 OF 3  
 DATE: 11/19/63

**GULF COAST ENGINEERING AND SURVEYING**  
 P.O. BOX 382 LA MARQUE, TEXAS 77568  
 JAMES W GARTRELL JR. PE, RPS  
 TELEPHONE NUMBERS  
 TEXAS CITY - 713-935-2467  
 HOUSTON - 713-488-8959

PORT AUX PRINCES PHASE II  
 CITY & COUNTY OF GALVESTON, TEXAS  
 FIRST & SECOND FLOOR PLANS - BUILDINGS 'H', 'I' & 'J'

232130

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FILED FOR RECORD  
MAR 11 4 03 PM 1980

*Mary Jane Christensen*  
COUNTY CLERK, GALVESTON COUNTY, TEXAS

STATE OF TEXAS COUNTY OF GALVESTON  
I hereby certify that this instrument was filed on the  
date and time stamped hereon by me and was duly recorded  
in the volume and page of the named records of Galveston  
County, Texas as stamped hereon by me.

MAR 11 1980



*Mary Jane Christensen*  
COUNTY CLERK, Galveston County, Texas

PLEASE RETURN TO:  
Guaranty Services Corp.  
2121 Magbuet  
Galveston, TX 77550  
COUNTY CLERK