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CONDOMINIUM RECORD
VOL. 2112 PAGE 865

CONDOMINIUM DECLARATION
FOR
CASA DEL MAR CONDOMINIUMS

Galveston, Texas

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CASA DEL MAR CONDOMINIUMS

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CONDOMINIUM DECLARATION

FOR

CASA DEL MAR CONDOMINIUMS

CONDOMINIUM RECORD
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THE STATE OF TEXAS §

COUNTY OF GALVESTON §

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS U.S. HOME CORPORATION, a Delaware Corporation, having its principal office at 8423 Wind Fall, Houston, Texas 77040, hereinafter called "Declarant", is the Owner of certain real property situated in the County of Galveston, State of Texas, being described more fully on Exhibit "A", which by this reference is made a part hereof; and

WHEREAS, Declarant desires to establish a Condominium Regime under the Condominium Act of the State of Texas, Article 1301a, Revised Civil Statutes of Texas, herein called the "Act"; and

WHEREAS, Declarant has prepared plans for the construction of one (1) multifamily Building and other improvements appurtenant thereto on the Property described in said Exhibit "A", which when completed shall consist of one hundred thirty-eight (138) separately designated Condominium Residential Units and three (3) separately designated Condominium Commercial Units which will be known as CASA DEL MAR CONDOMINIUMS; and

WHEREAS, Declarant does hereby establish a plan for the individual ownership in fee simple of estates consisting of the area or space contained in each of the Units, herein called the "Condominium Regime", in the Building and the co-ownership by the individual and separate Unit Owners thereof, as tenants-in-common, of all the remaining property, which includes both Limited Common Elements and General Common Elements, as hereinafter defined in Paragraph 1.1 hereof, and which are hereinafter collectively referred to as the "Common Elements" or "Common Areas".

NOW, THEREFORE, Declarant does hereby submit the real property described on the attached Exhibit "A", and all improvements thereon, to the provisions of the Act and the Condominium Regime, and does hereby publish and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land and shall be a burden and a benefit to Declarant, its successors and assigns and to any person acquiring or owning an interest in the real property and

improvements, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I
DEFINITIONS AND TERMS

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1.1 DEFINITIONS OF TERMS. As used in this agreement, the following terms shall have the following meanings unless the context shall expressly provide otherwise:

- a. "Board" or "Board of Directors" shall refer to the Board of Directors of CASA DEL MAR OWNERS ASSOCIATION, INC.
- b. "Common Assessment" means the charge against each Unit Owner and his Unit, representing a portion of the total costs to the Association of maintaining, improving, repairing, replacing, managing and operating the Property, which are to be paid uniformly and equally by each Unit Owner of the Association, as provided herein. This shall also include charges assessed against each Unit Owner to maintain a reserve for replacement fund and to cover costs incurred by the Association to participate in any condemnation suit, as provided in Paragraph 6.3 hereof.
- c. "Common Elements" means and includes all of the Property described in Exhibit "A", and all of the improvements thereto and thereon located, excepting all Units. Common Elements shall consist of the General Common Elements and the Limited Common Elements.
- d. "Common Expenses" means and includes:
 - (1) All sums lawfully assessed against the Common Elements by the Managing Agent or Board;
 - (2) All expenses of administration and management; maintenance, operation, repair or replacement of and addition to the Common Elements (including unpaid special assessments);
 - (3) Expenses agreed upon as Common Expenses by the Unit Owners; and
 - (4) Expenses declared to be Common Expenses by this Declaration or by the By-Laws.
- e. "Completed Unit" means a completely finished Unit, including, but not limited to, the installation of all appliances

and utilities, rendering it ready for occupancy by an Owner other than the Declarant.

f. "Condominium Commercial Unit" or "Commercial Unit" shall mean an individual Unit used for business or commercial purposes unless converted into a Condominium Residential Unit or Units by amendment to the Condominium Declaration. Each Condominium Commercial Unit shall have as its boundary lines the interior unpainted finished surfaces of the ceiling, floor and perimeter walls. All bearing walls located within a Condominium Commercial Unit constitute a part of the Common Elements up to the unpainted finished surface of said walls. All doors, be they glass or otherwise, which are in the perimeter walls of the Condominium Commercial Unit shall be deemed a part of the Condominium Commercial Unit up to the exterior unfinished surface thereof. Each Condominium Commercial Unit includes the undivided interest appurtenant to said Unit, it being understood that all conduits and wires up to their outlets and all other utility lines and pipes up to their outlets regardless of location constitute part of the Common Elements. These Units are separately submetered and charges are collected in accordance with Article V hereof.

g. "Condominium Owners Association" or "Association" means CASA DEL MAR OWNERS ASSOCIATION, INC., a Texas non-profit corporation, the By-Laws of which shall govern the administration of this Condominium Property and the membership of which shall be composed of all the Owners of the Condominium Units according to such By-Laws.

h. "Condominium Residential Unit" or "Residential Unit" shall mean a Unit used as a single-family residence. The boundaries of each such Unit space shall be and are the interior surfaces of the perimeter walls, floors, ceilings, windows, window frames, doors and door frames and trim and the exterior surfaces of balconies and terraces, and the space includes both the portions of the Building so described and the air space so encompassed, excepting the Common Elements. In interpreting deeds, mortgages, deeds of trust and other instruments, the existing physical boundaries of the Unit reconstructed in substantial accordance with the original

plans thereof shall be conclusively presumed to be its boundaries regardless of settling, rising or lateral movement of the Building and regardless of variances between boundaries shown on the Plat and those of the Building. The individual ownership of each apartment space herein defined shall further include the interior construction, partitions, appliances, fixtures and improvements which are intended to exclusively serve such Unit space, such as interior room walls, floor coverings or finish, closets, cabinets, shelving, individual bathroom and kitchen fixtures, plumbing and appliances, individual lighting and electrical fixtures and other separate items or chattels belonging exclusively to such Unit, any of which may be removed, replaced, disposed of or otherwise treated without affecting any other Unit space or the ownership, use or enjoyment thereof. None of the area in this Project on which any Unit space or balcony space is located shall be separately owned, as all such area in this Project shall constitute part of the "Common Elements" of the Property as herein defined, and shall be owned in common by the Owners of the Units in this Condominium Project.

i. "Condominium Unit" shall mean an individual Unit together with the interest in the Common Elements (General or Limited) appurtenant to such Unit.

j. "Construction Period" means that period of time during which Declarant is developing the Premises and selling the Condominium Units, which time period shall extend from the date hereof until such time as the Declarant transfers title to all of the Condominium Units, including all Units annexed to this Condominium Regime pursuant to the provisions of Paragraph 2.11 hereof.

k. "Declaration" shall mean this Condominium Declaration instrument as the same may be amended pursuant to Paragraph 2.11 hereof.

l. "General Common Elements" means a part of the Common Elements and includes:

- (1) The real property described in Exhibit "A" attached hereto;
- (2) The foundation, bearing walls and columns,

roof, halls, lobbies, stairways and entrances and exits or communicationways;

(3) The basement, roof, yards and gardens, except as otherwise herein provided or stipulated;

(4) The premises for the lodging of janitors or persons in charge of the Building, except as otherwise herein provided or stipulated;

(5) All compartments or installations of central services, such as power, light, gas, cold and hot water, refrigeration, central air conditioning and central heating reservoirs, water tanks and pumps, swimming pool and the like;

(6) All elevators and shafts, garbage incinerators and, in general, all devices or installations existing for common use; and

(7) All other elements of the Building desirably or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Regime established by this Declaration.

m. "Lienholder" and "First Mortgagee" shall mean the holder of a first mortgage lien on any Unit in the Condominium Project.

n. "Limited Common Elements" means and includes those Common Elements which are reserved for the exclusive use of an individual Owner of a Unit or a certain number of individual Owners of Units, for the exclusive use of those Owners, which may include:

(1) Parking Space(s) designated as an appurtenance to a Unit;

(2) Balcony or patio structures serving exclusively a single Unit or one (1) or more adjoining Units;

(3) "Air handlers", pipes, ducts, electrical wiring and conduits, located entirely within a Unit or adjoining Units and serving only such Unit or Units, and such portions of the perimeter walls, floors and ceilings, doors, vestibules, windows, entryways, and all associated fixtures and structures therein, as lie outside the Unit boundaries.

X

- o. "Majority of Unit Owners" means those Owners with fifty-one percent (51%) of the votes entitled to be cast.
- p. "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.
- q. "Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof, who owns, of Record, title to one (1) or more Condominium Units.
- r. "Plat", "Survey Map", "Map", or "Plans" means or includes the engineering survey of the land, locating thereon all of the improvements, the floor and elevation plans and any other drawing or diagrammatic plan depicting a part of, or all of, the improvements, same being herewith filed, consisting of 5 sheets, labeled Exhibit "B" and incorporated herein.
- s. "Premises", "Project", or "Property" means and includes the land, the Building and all improvements and structures thereon and all rights, easements and appurtenances belonging thereto.
- t. "Special Assessments". In addition to the common assessments described above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of deferring, in whole or in part:
 - (1) The cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto; or
 - (2) The expense of any other contingencies or unbudgeted costs; provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to the interest in the Common Elements owned by each. The Association, after due notice and hearing, shall also have the authority to establish and fix a special assessment upon any Unit to secure the liability of the Owner of such Unit to the Association for

any breach by such Owner of any of the provisions of this Declaration, which breach shall require an expenditure by the Association for repair or remedy. Special assessments may be billed or collected on a monthly basis. The above mentioned liability of any Owner is to be established as set forth in this Declaration.

ARTICLE II

CONDOMINIUM UNIT DESIGNATIONS AND DESCRIPTIONS

2.1 RECORDATION OF PLAT. The Plat shall be filed for Record simultaneously with the recording of this Declaration as a part hereof, and prior to the first conveyance of any Condominium Unit. Such Plat consists of and sets forth:

- a. The legal description of the surface of the land;
- b. The linear measurements and location, with reference to the exterior boundaries of the land, of the Building and all other improvements constructed, or to be constructed, on said land by Declarant;
- c. The exterior boundaries and number of each Unit, expressing its square footage, and any other data necessary for its identification, which information will be depicted by a Plat of such floor of the Building showing the number of the floor and the number of the Unit.
- d. The location of the Limited Common Elements.

2.2 DESIGNATION OF UNITS. The Property is hereby divided into one hundred thirty-eight (138) separately designated Condominium Residential and three (3) separately designated Condominium Commercial Units. Each Unit is identified by number. The remaining portion of the Premises, referred to as the Common Elements, shall be owned in common by the Owners. The Owners of each Unit shall own an undivided interest in said Common Elements, the percentage or fraction thereof for each Unit being as shown on the attached Exhibit "C".

2.3 LIMITED COMMON ELEMENTS. Portions of the Common Elements are set aside and reserved for the exclusive use of the individual Owners, such areas being Limited Common Elements. The Limited Common Elements reserved for the

exclusive use of the individual Owners may include the automobile parking spaces, patio and balcony structures. Such spaces and structures may be allocated and assigned by the Declarant to the respective Units. Such Limited Common Elements shall be used in connection with the particular Unit, to the exclusion of the use thereof by the other Owners, except by invitation.

2.4 REGULATION OF COMMON AREAS. Portions of the Common Areas are intended as recreation areas, and are improved with green areas, swimming pool and other facilities. Reasonable regulations governing the use of such facilities by Owners and by their guests and invitees shall be promulgated by the Declarant, or by the Board of Directors of the Association after the same has been elected. Such regulations shall be permanently posted at the office and/or elsewhere in said recreational areas, and all Owners shall be furnished with a copy thereof. Each Owner shall be required to strictly comply with said Rules and Regulations, and shall be responsible to the Association for the compliance therewith by the members of their respective families, relatives, guests or invitees, both minor and adult.

2.5 INSEPARABLE UNITS. Each Unit and its corresponding pro-rata interest in and to the Common Elements appurtenant thereto shall be inseparable and may not be conveyed, leased or encumbered separately, and shall at all times remain indivisible.

2.6 DESCRIPTIONS. Every deed, lease, mortgage, trust deed or other instrument may legally describe a Condominium Unit by its identifying Building letter and Unit number, as shown on the Map, followed by the words CASA DEL MAR CONDOMINIUMS and by reference to this recorded Declaration and Map. Every such description shall be deemed good and sufficient for all purposes to convey, transfer, encumber or otherwise affect the Common Elements.

2.7 ENCROACHMENTS. If any portion of the Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion or portions of a Unit or Units encroach upon the Common Elements, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. A valid easement also exists to that portion of the General Common Elements and of the Limited Common Elements occupied by any part of an Owner's Unit not contained within the physical boundaries of such

Unit, including, but not limited to, space occupied by heating and air conditioning equipment, utility lines and similar equipment which serves only one (1) Unit. For title or other purposes, such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or the individual Units.

2.8 GOVERNMENTAL ASSESSMENT. Declarant shall give written notice to the Assessor's Office of the creation of Condominium Ownership of this Property, as is provided by law, so that each Unit and its percentage or fraction of undivided interest in the Common Elements shall be deemed a separate parcel and subject to separate assessment and taxation.

2.9 USE AND OCCUPANCY RESTRICTIONS.

a. Subject to the provisions of this Declaration and By-Laws, no part of a Residential Unit may be used for purposes other than housing and the related common purposes for which the Unit was designed. Each Residential Unit or any two (2) or more adjoining Residential Units used together shall be used for residential purposes or such other uses permitted by this Declaration, and for no other purposes. The foregoing restrictions as to residence shall not, however, be construed in such manner as to prohibit a Unit Owner from:

- (1) Maintaining his personal professional library;
- (2) Keeping his personal business or professional records or accounts; or
- (3) Handling his personal business or professional telephone calls or correspondence, which uses are expressly declared customarily incidental to the principal residential use and not in violation of said restrictions.

b. Each Condominium Commercial Unit shall be occupied as an office or mercantile establishment by the Record Title Holder of said Unit and shall be used by the licensee and patrons. The use of the Condominium Commercial Unit shall at all times comply with the various ordinances and zoning regulations promulgated by the City of Galveston and the various rules and regulations promulgated by the Board of Directors of the Association. Neither the Record Title Holder of the Unit nor its agents, servants, invitees,

lessees, licensees and patrons shall use the Unit either on a permanent or temporary basis (to include one [1] night), as a sleeping accommodation. Except as reserved to Declarant, no Commercial Unit shall be divided or subdivided into smaller Units nor any portion sold or otherwise transferred. This Paragraph shall not prohibit a Condominium Commercial Unit Owner from leasing his Unit, provided the Unit Owner complies with this Article II.

c. That part of the Common Elements separating and located between and exclusively serving two (2) or more adjacent Units used together (including, without limitation, portions of any hallway and any walls) may be altered with written consent of the Board, as provided in Paragraph 3.8 herein, to afford ingress to and egress from such Units and to afford privacy to the Occupants of such Units when using such Common Elements, and that part of the Common Elements so altered may be used by the Unit Owner or Owners of such Units as a licensee pursuant to a license agreement with the Association, provided:

(1) The expense of making such alterations shall be paid in full by the Unit Owner or Owners making such alterations;

(2) Such Unit Owner or Owners shall pay in full the expense of restoring such Common Elements to their condition prior to such alteration in the event such Units shall cease to be used together, as aforesaid; and

(3) Such alteration shall not interfere with use and enjoyment of the Common Elements (other than the aforesaid part of the Common Elements separating such adjacent Units), including, without limitation, reasonable access and ingress to and egress from the other Units in the hallway affected by such alteration.

d. The Common Elements shall be used only by the Unit Owners and their agents, servants, tenants, family members, customers, invitees and licensees for access, ingress to and egress from the respective Units and for other purposes incidental to use of the Units; provided, however, receiving rooms, laundry room, swimming pool, and any other areas designed for specific use shall be used

for the purposes approved by the Board. The guests, invitees, patrons and occupants of Condominium Commercial Unit Owners shall not use or enjoy any recreational facilities of the Common Elements.

e. The use, maintenance and operations of the Common Elements shall not be obstructed, damaged or unreasonably interfered with by any Unit Owner, and may be subject to lease, concession or easement, presently in existence or entered into by the Board at some future time.

f. Without limiting the generality of the foregoing provisions of this Paragraph 2.9; use of the Property by the Unit Owners shall be subject to the following restrictions:

(1) Nothing shall be stored in the Common Elements without prior consent of the Board, except in storage areas or as otherwise herein expressly provided:

(2) Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance for the Property without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or the Common Elements which will result in the cancellation of insurance on any Unit, or any part of the Common Elements, or which will be in violation of any law;

(3) No waste shall be committed in or on the Common Elements;

(4) Subject to Declarant's rights under Paragraph 2.9f(14)(d) of this Declaration, no sign of any kind shall be displayed to the public view on or from any Unit or Common Elements without the prior written consent of the Board or the written consent of the Managing Agent acting in accord with the Board's direction;

(5) No noxious or offensive activity shall be carried on, in or upon the Common Elements, nor shall anything be done therein which may be or become an unreasonable annoyance or a nuisance to any other Unit Owner. No loud noises or noxious odors shall be permitted on the Property, and the Board shall have the

right to determine in accordance with the By-Laws if any such noise, odor or activity constitutes a nuisance. Without limiting the generality of any of the foregoing provisions, no exterior speakers, horns, whistles, bells or other sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, large power equipment or large power tools, unlicensed off-road motor vehicles or other items which may unreasonably interfere with television or radio reception of any Unit Owner in the Property, shall be located, used or placed on any portion of the Property or exposed to the view of other Unit Owners without the prior written approval of the Board;

(6) Except as expressly provided hereinabove, nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Board;

(7) No structure of a temporary character, trailer, tent, shack, garage, barn or other outbuildings shall be permitted on the Property at any time temporarily or permanently, except with the prior written consent of the Board; provided, however, that temporary structures may be erected for use in connection with the repair or rebuilding of the Building or any portion thereof;

(8) No rubbish, trash or garbage or other waste material shall be kept or permitted upon any Unit or the Common Elements, except in sanitary containers located in appropriate areas screened and concealed from view, and no odor shall be permitted to arise therefrom so as to render the Property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other Property in the vicinity thereof or to its Occupants. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles

designed in such a manner that no fire hazard is created. No clothing or household fabrics shall be hung, dried or aired in such a way in the Property as to be visible to other Property and no lumber, grass, shrub or tree clippings, plant waste, metals, bulk material, scrap, refuse or trash shall be kept, stored or allowed to accumulate on any portion of the Property, except within an enclosed structure or if appropriately screened from view;

(9) No Unit Owner shall park, store or keep any vehicle, except wholly within the Parking Space designated therefor, and any inoperable vehicle shall not be stored in a Parking Space or within the Common Elements in general. No Unit Owner shall park, store or keep within or adjoining the Property any large commercial-type vehicle (dump truck, cement-mixer truck, oil or gas truck, delivery truck and any other vehicle equipment, mobile or otherwise, deemed to be a nuisance by the Board), or any recreational vehicle (camper unit, motor home, truck, trailer, boat, mobile home or other similar vehicle deemed to be a nuisance by the Board). No Unit Owner shall conduct major repairs or major restorations of any motor vehicle, boat, trailer, aircraft or other vehicle upon any portion of the Common Elements. Parking Spaces shall be used for parking purposes only;

(10) Except within individual Units, no planting, transplanting or gardening shall be done, and no fences, hedges or walls shall be erected or maintained upon the Property, except as approved by the Board;

(11) Motorcycles, motorbikes, motor scooters or other similar vehicles shall not be operated within the Property except for the purpose of transportation directly from a Parking Space to a point outside the Property, or from a point outside the Property directly to a Parking Space;

(12) No animals of any kind shall be raised, bred or kept in any Unit or the Common Elements.

(13) Every such lease shall provide that the lessee shall be bound by and subject to all of the obligations under the Declaration and By-Laws, of the Unit Owner making such lease and failure to do so shall be a default thereunder. The Unit Owner making such lease shall not be relieved thereby from any of said obligations;

(14) In order that Declarant may establish the Property as a fully occupied Condominium, no Unit Owner nor the Association shall do anything to interfere with, and nothing in the Declaration shall be understood or construed to:

(a) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from doing in any Unit owned by them whatever they determine to be necessary or advisable in connection with the completion of any work thereon; or

(b) Prevent Declarant, its successors or assigns, or its or their representatives, from erecting, constructing and maintaining on the Common Elements or any Unit owned or controlled by Declarant, its successors or assigns, or its or their contractors or subcontractors, such structures as may be reasonably necessary for the conduct of its or their business of completing any work and establishing the Property as a Condominium and disposing of the same by sale, lease or otherwise; or

(c) Prevent Declarant, its successors or assigns, or its or their representatives, from maintaining a Sales Office and

maintaining and showing model Units to aid in the marketing of the Units during the Construction Period; or

(d) Prevent Declarant, its successors or assigns, or its or their contractors or subcontractors, from maintaining such sign or signs for marketing of Units in the Property.

2.10 RESERVATION OF VARIANCE. Notwithstanding any provision of this Declaration to the contrary, the Declarant reserves unto itself the exclusive right to amend the Condominium Plat and to vary the size, shape, physical lay-out or location of the unsold Units and to correspondingly adjust the sales price and the percentage or fraction of ownership of the Common Elements or the respective Units remaining unsold. Such adjustment in the percentage or fraction of ownership of the Common Elements will only affect those Units owned by the Declarant, and will not change or affect the percentage or fraction of ownership of any other Unit. This reservation shall be effective for any annexed and merged Condominium Regimes but shall not work to readjust or reallocate any vested interests in the Common Elements appurtenant to any sold Units.

2.11 RESERVATION OF RIGHT OF MERGER AND ANNEXATION.

a. For a period of five (5) years from the date of recordation of this Declaration, the Declarant reserves the right, authority and power to annex adjoining land described in the attached Exhibit "D" for the purpose of establishing, annexing and merging the additional Condominium Regime. The Regime, notwithstanding Paragraph 2.10 hereof, shall conform in basic respects to the general restrictions, limitations and benefits contained in this Declaration. Upon the recordation of a Condominium Declaration Supplement or Declaration of Annexation and Merger in compliance with Paragraph 2.11, this Declaration shall further apply to and affect all of the Property described in this Declaration and the Property described in such Declaration Supplement or Declaration of Annexation and Merger, and shall also bind all Owners of any part

of subsequent Regimes with the same effect as if these Regimes were originally subject to and described in this Declaration. Thereafter, the powers and responsibilities of the Board and Association shall be coextensive with regard to all Property included within the expanded Condominium and the Board and Association shall, pursuant to the provisions of this Declaration, constitute the Board and Association for the entire Condominium, as expanded. The rights, obligations and duties of each Owner shall be the same and identical to the rights, obligations and duties of the Owners prior to recordation of such Declaration Supplement or Declaration of Annexation and Merger, except as each Owner's percentage or fraction of ownership interest may be modified as herein provided.

b. The Association shall continue to maintain one (1) Common Expense Fund for the collection and disbursement of monies as required and permitted hereby for the maintenance, repair, replacement and operation of the expanded Condominium and in all respects and meanings, the Condominium, as expanded, shall be deemed to be a single Condominium Project for the purposes of and in accordance with the provisions of this Declaration and the Act.

c. Any annexation and merger shall entail Building, amenities and Units of comparable design, size and quality and shall be accomplished by the filing of appropriate Declaration Supplement or Condominium Declaration of Annexation and Merger. Said documents shall be recorded in the Condominium Record of Galveston County, Texas, which will, inter alia:

(1) Be executed by only the Declarant or its successors or assigns;

(2) Contain a legal description of the land to be annexed to the Condominium;

(3) Contain a sufficient description of the Units built or to be built on the annexed land;

(4) Contain a reallocation of percentage or fraction of ownership interest in the Common Areas (as expanded by annexation) among all Units in the Condominium; and

(5) Any other information required by law or necessary to effectuate the intent of this Article.

d. This Declaration, including, but not limited to this Paragraph 2.11, does not presently create any interest in or with respect to the Property shown as Exhibit "D" which may be annexed, and this Declaration shall not affect in any manner all or any part of such Property unless and until a Supplemental Declaration or Declaration of Annexation and Merger is filed thereto in accordance with this Paragraph 2.11.

ARTICLE III

RIGHTS AND OBLIGATIONS OF OWNERSHIP

3.1 OWNERSHIP. A Condominium Unit will be a fee simple estate and may be held and owned by any person, firm, corporation or other entity singularly, as joint tenants, as tenants-in-common, or in any real property tenancy relationship recognized under the laws of the State of Texas.

3.2 PARTITION. The Common Elements (both General and Limited) shall be owned in common by all of the Owners of the Condominium Units and shall remain undivided, and no Owner shall bring any action for partition or division of the Common Elements other than that as specifically provided for hereinafter in Paragraph 6.2, "Judicial Partition". Nothing contained herein shall be construed as limitation of the right of partition of a Condominium Unit between the Owners thereof, but such partition shall not affect any other Condominium Unit.

3.3 EXCLUSIVENESS OF OWNERSHIP. Each Owner shall be entitled to exclusive ownership and possession of his Unit. Each Owner may use the Common Elements in accordance with the purposes for which they are intended, without hindering or encroaching upon the lawful rights of the other Owners.

3.4 ONE-FAMILY RESIDENTIAL DWELLING. Each Condominium Residential Unit shall be occupied and used or leased by the Owner only as and for a residential dwelling for the Owner, his family, his social guests or his tenants.

3.5 MECHANIC'S AND MATERIALMAN'S LIENS. No labor performed or materials furnished and incorporated in a Unit, notwithstanding the consent or request of the Owner, his agent, 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 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 Unit at such Owner's request.

3.6 RIGHT OF ENTRY. The Association shall have the irrevocable right to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements therein or accessible therefrom, or at any time for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units.

3.7 OWNER MAINTENANCE. An Owner shall maintain and keep in repair the interior space of his own Unit, including the fixtures thereof. All fixtures and equipment installed with the Unit, commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit, shall be maintained and kept in repair by the Owner thereof; and an Owner shall be obliged to promptly repair and replace any broken or cracked glass in windows and doors.

3.8 ALTERATION. An Owner shall do no act nor any work that will impair the structural soundness and integrity of the Building or impair any easement or hereditament. No Owner shall in any way alter, modify, add to or otherwise perform any work whatever upon any of the Common Elements, Limited or General, without the prior written consent and approval in writing by the Board of Directors. Any such alteration or modification shall be in harmony with the external design and location of the surrounding structures and topography, and shall not be considered until submission to the Association of complete plans and specifications showing the nature, kind, shape, size, materials, color and location for all proposed work. The Board shall have the obligation to answer within thirty (30) days after receipt of notice of the proposed alterations. Failure to so answer within the stipulated time shall mean that there is no objection to the proposed alteration or modification. During the Construction Period, Declarant shall have the sole right to approve or reject any plans and specifications submitted for consideration by an Owner.

3.9 RESTRICTION OF OWNERSHIP. As a restriction of the ownership provisions set forth in Paragraphs 1.1e and 1.1g, an Owner shall not be deemed to own the unfinished surfaces of the perimeter walls, floors ceilings and roofs

surrounding his Unit, nor shall such Owner be deemed to own the utilities running through his Unit which are utilized for, or serve, more than one (1) Unit, except as a tenant-in-common with the other Owners. An Owner shall be deemed to own and shall maintain the inner, finished surfaces of the perimeter and interior walls, floors and ceilings, doors, windows and other such elements consisting of paint, wallpaper and other such finishing material.

3.10 LIABILITY FOR NEGLIGENT ACTS. In the event the need for maintenance or repair is caused through the willful or negligent act of an Owner, his family, guests or invitees, and is not covered or paid for by insurance either on such Unit or the Common Elements, the cost of such maintenance or repairs shall be added to and become a part of the Assessment to which such Unit is subject, pursuant to Article IV hereof.

3.11 SUBJECT TO DECLARATION AND BY-LAWS. Each Owner shall comply strictly with the provisions of this Declaration, the By-Laws and the decisions and resolutions of the Association adopted pursuant thereto, as the same may be lawfully amended from time to time. Failure to comply with any of the same shall be grounds for an action to recover sums due for damages or for injunctive relief, or both, maintainable by the Association on behalf of the Owners or, in proper case, by an aggrieved Owner.

ARTICLE IV

MANAGEMENT AND ADMINISTRATION

4.1 BY-LAWS. The administration of this Condominium Property shall be governed by the By-Laws of CASA DEL MAR ASSOCIATION, INC., a non-profit corporation, referred to herein as the "Association". An Owner of a Condominium Unit, upon becoming an Owner, shall be a Member of the Association and shall remain a Member for the period of his ownership. The Association shall be managed by a Board of Directors, duly appointed or elected, pursuant to the terms and conditions of the By-Laws. In addition, the Association shall enter into a management agreement upon the terms and conditions established in the By-Laws, and said management agreement shall be consistent with this Declaration.

4.2 DECLARANT CONTROL. Paragraph 4.1 notwithstanding, and for the benefit and protection of the Unit Owners and any First Mortgagees of Record for the sole purpose of insuring a complete and orderly buildout as well as a

timely sellout of the Condominium Project, including any annexations as provided in Paragraph 2.11, the Declarant will retain control of and over the Association for a maximum period not to exceed June 1, 1985, or when in the sole opinion of the Declarant, the Project becomes viable, self-supporting and operational, whichever occurs first. It is expressly understood, the Declarant will not use said control for any advantage over the Unit Owners by way of retention of any residual rights or interests in the Association.

4.3 TEMPORARY MANAGING AGENT. During the period of administration of this Condominium Regime by Declarant, the Declarant may employ or designate a temporary manager or managing agent, who shall have and possess all of the rights, powers, authority, functions and duties as may be specified in the contract of employment or as may be delegated by Declarant to him, except for the right to effect improvements or repairs. The Declarant may pay such temporary manager or managing agent such compensation as it may deem reasonable for the services to be rendered, which compensation shall constitute a part of the Common Expenses of this Condominium Regime and shall be paid out of the Association budget.

4.4 SPECIFIC POWER TO RESTRICT USE AND ENJOYMENT. Every Owner and the Declarant shall have a beneficial interest of use and enjoyment in the Common Elements subject to the following limitations, restrictions and provisions:

- a. The right of the Association to publish rules and regulations governing use of the Common Areas and the improvements and facilities located thereon, and to establish and enforce penalties for infractions thereof;
- b. The right of the Association to charge reasonable fees for the use of facilities within the Common Area, if such facilities are not used by all Members equally;
- c. The right of the Association, subsequent to the Declarant Control Period, to borrow money and mortgage the Common Area and improvements for the purpose of improving the Common Area and facilities and in aid thereof to mortgage said property; providing, however, that the rights of any such Mortgagee in such property shall be subordinate to the rights of the Owners hereunder, and in no event shall any such Mortgagee have the right to terminate the Condominium Regime established by this Declaration;
- d. The right and duty of the Association to suspend the

voting rights and right to the use of the recreational facilities by an Owner for any period during which any assessment against the Owner's Condominium Unit remains unpaid.

e. The right of Declarant during the Declarant Control Period, or the Association after the Declarant Control Period, to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for the purposes, and subject to the conditions, of such agency, authority or utility. No such dedication or transfer after the Declarant Control Period shall be effective unless approved by all First Mortgagees and two-thirds (2/3) vote of the quorum of Owners present at a meeting of the Association specifically called for the purpose of approving any such dedication or transfer, and unless an instrument signed by the Board of Directors reflecting such vote of the Owners agreeing to such dedication or transfer and First Mortgagee approval has been duly recorded in the Condominium Records of Galveston County, Texas;

f. The right of the Association to adopt, implement and maintain a private security system for the Premises consistent with applicable laws;

g. The right of the Association to establish rules and regulations governing traffic within the Common Area, and to establish sanctions for any violation or violations of such rules and regulations;

h. The right of the Association to regulate noise within the Premises, including, without limitation, the right of the Association to require mufflers on engines and to prohibit the use of devices producing excessive noise;

i. The right of the Association to control the visual attractiveness of the property, including, without limitation, the right to require Owners to eliminate objects which are visible from the Common Area and which, in the Association's judgment, detract from the visual attractiveness of the Property.

4.5 MEMBERSHIP, VOTING, QUORUM, PROXIES:

a. Membership. Any person on becoming an Owner of a Condominium Unit shall automatically become a Member of the Association. Such membership shall terminate without any formal

Association action whenever such person ceases to own a Condominium Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with CASA DEL MAR CONDOMINIUMS during the period of such ownership and membership of the Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors may, if it so elects, issue one (1) membership card to the Owner(s) of a Condominium Unit. Such membership card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon shall terminate.

b. Voting. Unit ownership shall entitle the Owner(s) to cast one (1) vote per Unit in the affairs of the Association, which vote will be weighted to equal the proportionate share of ownership of the Unit Owner in the Common Elements. Voting shall not be split among more than one (1) Unit Owner. The present number of votes that can be cast by the Unit Owners is one hundred forty-one (141). The combined weighted votes calculated in accordance with Exhibit "C" shall equal one hundred percent (100%). Should additional property be annexed in accordance with Paragraph 2.11 hereof, the total number of votes shall be increased accordingly, and the weighted average adjusted to total one hundred percent (100%).

c. Quorum. The majority of the Unit Owners as defined in Article I shall constitute a quorum.

d. Proxies. Votes may be cast in person or by proxy. Proxies may be filed with the Secretary before the appointed time of each meeting.

4.6 INSURANCE.

a. The Association shall obtain and maintain at all times insurance of the type and kind provided hereinafter, including such other risks, of a similar or dissimilar nature, as are or shall

hereafter customarily be covered with respect to the Condominium Building, fixtures, equipment and personal property, similar in construction, design and use, issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in blanket policy form naming the Association and all Mortgagees as the insured. In addition, each policy or policies shall identify the interest of each Condominium Unit Owner and shall provide for a standard, noncontributory mortgage clause in favor of each First Mortgagee. Further, the policy shall insure against loss or damage by fire, vandalism, malicious mischief or such other hazards as are covered under standard extended coverage provisions for the full insurable replacement cost of the Common Elements and the Units, and against such other hazards and for such amounts as the Board may deem advisable. Each Owner irrevocably designates the Owners Association, as Attorney-In-Fact, to administer and distribute such proceeds as is elsewhere provided in this Declaration. Such insurance policy shall also provide that it cannot be cancelled by either the insured or the insurance company until after thirty (30) days prior written notice to each First Mortgagee. The Board of Directors shall, upon request of any First Mortgagee, furnish a certified copy of each blanket policy and a separate certificate identifying the interest of the Mortgagor.

b. The Association shall keep a comprehensive policy or policies of public liability insurance covering the Common Elements of the Project and such policy or policies shall include a "Severability of Interest Endorsement" or equivalent coverage which will preclude the insurer from denying the claim of a Unit Owner because of negligent acts by the Association, its Board of Directors or a Unit Owner. Such policy or policies shall be in amounts of not less than One Hundred Thousand Dollars (\$100,000.00) per person, Three Hundred Thousand Dollars (\$300,000.00) per accident and Fifty Thousand Dollars (\$50,000.00) property damage, plus an umbrella policy for not less than One Million Dollars (\$1,000,000.00) for all claims for personal injury, including death, and/or property damage arising out of a single occurrence;

and the policy shall include water damage liability, liability for non-owned and hired automobiles, liability for property of others and such other coverage as is customarily deemed necessary with respect to projects similar in nature.

c. The Association shall keep a policy or policies of (i) liability insurance insuring the Board of Directors, Officers and employees of the Association against any claims, losses, liabilities, damages or causes of action arising out of, or in connection with, or resulting from any act done or omission to act by any such person or entities, (ii) workmen's compensation as required under the laws of the State of Texas, and (iii) such other insurance as deemed reasonable and necessary in order to protect the Project, the Unit Owners and the Association.

d. The Association shall be responsible for obtaining insurance upon the Units, including all fixtures, installations or additions thereto contained within the unfinished interior surfaces of the perimeter walls, floors and ceilings of such Unit, as initially installed or replacements thereof. The Association shall not be responsible for procurement or maintenance of any insurance covering the liability of any Unit Owner not caused by or connected with the Association's operation or maintenance of the Project. Each Unit Owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on the furnishings and other items of personal property belonging to a Unit Owner and casualty and public liability insurance coverage within each Unit are specifically made the responsibility of each Unit Owner, and each Unit Owner must furnish a copy of his insurance policy to the Association.

e. Any insurance obtained by the Association or a Unit Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Unit Owners, Association or their respective servants, agents or guests.

ARTICLE V

MAINTENANCE ASSESSMENTS

5.1 ASSESSMENTS FOR COMMON EXPENSES. All Owners shall be obligated to pay the estimated assessments imposed by the Association to meet the Common

Expenses. Assessments for the estimated Common Expenses shall be due monthly in advance on or before the first (1st) day of each month. Failure to pay by the fifteenth (15th) day of each month shall require the imposition and assessment of a late charge of Five Dollars (\$5.00). Contribution for monthly assessments shall be prorated if the ownership of a Condominium Unit commences on a day other than the first (1st) day of a month.

5.2 PURPOSE OF ASSESSMENTS. The assessments levied by the Association shall be used exclusively for the purposes of promoting the health, safety, welfare and recreation of the residents in the Property, and in particular for the improvement, maintenance and preservation of the Property, the services and the facilities devoted to said purposes that are related to the use and enjoyment of both the Common Elements and the Units situated upon the Property. Such uses may include, but are not limited to, the cost to the Association of the following: all insurance, repair, replacement and maintenance of the Common Elements; fire, extended coverage, vandalism, malicious mischief and liability insurance for the Condominium Units; management costs, taxes, legal and accounting fees as may from time to time be authorized by the Association; construction of other facilities; maintenance of easements upon, constituting a part of, appurtenant to or for the benefit of the Property; mowing grass, caring for the grounds and landscaping; caring for the swimming pool and equipment; roof and exterior surfaces of the Building and carports; garbage pickup; pest control; street maintenance; outdoor lighting; security service for the Property; water and sewer service furnished to the Property by or through the Association; discharge of any liens on the Common Elements; and other charges required by this Condominium Declaration, or other charges that the Association is authorized to incur. In addition, the Association shall establish a reserve for repair, maintenance and other charges as specified herein.

5.3 DETERMINATION OF ASSESSMENTS. Notwithstanding Paragraph 5.5 hereof, the assessments shall be determined by the Board of Directors based upon the cash requirements necessary to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Elements. This determination may include, among other items, taxes, governmental assessments, landscaping and grounds care, Common Area lighting, repairs and renovation, garbage collections, wages, water charges, legal and accounting fees, management costs and fees, expenses and liabilities incurred

by the Association under or by reason of this Declaration, expenses incurred in the operation and maintenance of recreation and administrative facilities, payment of any deficit remaining from a previous period and the creation of a reserve contingency fund. The omission or failure of the Board to fix the assessment for any month shall not be deemed a waiver, modification or a release of the Owners from the obligation to pay.

5.4 INITIAL ASSESSMENT AND MAXIMUM MONTHLY ASSESSMENT.

a. The monthly assessments shall be made according to each Owner's proportionate or percentage interest in and to the Common Elements provided in Exhibit "C" attached hereto.

b. As of January 1st of the year immediately following the conveyance of the first (1st) Condominium Unit to an Owner other than the Declarant, the Association may set the monthly assessment for the next succeeding twelve (12)-month period at an amount which shall not exceed one hundred twenty percent (120%) of the monthly assessment allowed for January of the preceding year. If the Board determines that a greater increase of the monthly assessment is required to adequately perform the duties and responsibilities of the Association and pay all expenses thereof, then the Board may call a special meeting of the Owners. By the assent of a two-thirds (2/3) vote of the quorum of Owners, present at such meeting, the monthly assessment may be set at whatever level such Owners approve. The new assessment shall become the basis for future annual increases, using the one hundred twenty percent (120%) formula, as above outlined.

c. The Board of Directors shall have authority to lower the monthly assessment, if it deems feasible.

5.5 OBLIGATION OF DECLARANT FOR ASSESSMENTS AND MAINTENANCE. During the Declarant Control Period, as provided in Paragraph 4.2 hereof, the Declarant shall be responsible for the difference between the cost of maintenance and assessments received from the Unit Owners of the Building until all Units in said Building have been completed, as defined herein, or until Declarant transfers responsibility for said maintenance to the Association, as provided in Paragraph 4.2 hereof, whichever first occurs. So long as Declarant is responsible for the maintenance of a Building, as provided herein, Declarant shall not be required to pay the monthly assessment for any Units owned by

Declarant in said Building. With respect to the Building which Declarant is responsible for maintaining, as provided herein, said maintenance shall be at the level of maintenance established in accordance with Paragraph 5.3 hereof. During the Declarant Control Period, Declarant shall provide any additional funds necessary to pay actual cash outlays required to fund current operating expenses of the Association. Declarant shall not be obligated to fund any reserve accounts until after the Declarant Control Period is terminated. After the Declarant Control Period is terminated, Declarant shall pay the regular monthly assessment for each Unit or Units it owns.

5.6 SPECIAL ASSESSMENTS FOR IMPROVEMENTS. In addition to the annual assessments authorized above, at any time the Association may levy in any calendar year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of improvements upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall be approved by a two-thirds (2/3) vote of the quorum of Owners voting in person or by proxy at a meeting duly called for this purpose. The Declarant will be treated as all other Unit Owners for purposes of special assessments.

5.7 COMMENCEMENT OF ASSESSMENTS. The monthly assessments provided for herein shall be due on the first (1st) day of the month. The assessments shall be prorated if the ownership of a Unit commences on a day other than the first (1st) day of the month. On Units owned by the Declarant, the assessment shall commence on the first (1st) day of the month after the Declarant Control Period is terminated, or the first (1st) day of the month following the transfer to the Association of the responsibility for maintenance of the Building in which the Unit is located in accordance with Paragraph 5.5 herein. The Board shall fix the amount of the monthly assessments against such Unit at least thirty (30) days prior to January 1st of each year; provided, however, that the Board shall have a right to adjust the monthly assessments, as long as any such adjustment does not exceed the maximum permitted hereunder, with thirty (30) days' written notice given to each Owner. Written notice of the monthly assessment adjustment shall be sent to every Owner subject thereto. The due date shall be established by the Board, and unless otherwise provided or unless otherwise agreed by the Association, the Board shall collect the assessments monthly in accordance with Paragraph

5.8 NO EXEMPTION. No Owner may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the General or Limited Common Elements or by abandonment of his Unit.

5.9 LIEN FOR ASSESSMENTS.

a. All sums assessed but unpaid by a Unit Owner for its share of Common Expenses chargeable to its respective Condominium Unit, including interest thereon at ten percent (10%) per annum, shall constitute a lien on such Unit superior (prior) to all other liens and encumbrances, except only for:

(1) All taxes and special assessments levied by governmental and taxing authorities, and

(2) All liens securing sums due or to become due under any mortgage vendor's lien or deed of trust filed for Record prior to the time such costs, charges, expenses and/or assessments become due.

b. To evidence such lien the Association may, but shall not be required to, prepare written notice setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such notice shall be signed by one (1) of the Board of Directors and may be recorded in the Office of the Clerk and Recorder of Galveston County, Texas. Such lien for the Common Expenses shall attach from the date of the failure of payment of the assessment. Such lien may be enforced by foreclosure of the defaulting Owner's Condominium Unit by the Association. Any such foreclosure sale is to be conducted in accordance with the provisions applicable to the exercise of powers of sale in mortgages and deeds of trust, as set forth in Article 3810 of the Revised Civil Statutes of the State of Texas, or in any manner permitted by law. Each Owner, by accepting a deed to his Unit, expressly grants to the Association a power of sale, as set forth in said Article 3810, in connection with the assessment lien. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Owner shall also be required to pay to the

Association a reasonable rental for the Condominium Unit during the period of foreclosure, and the Association shall be entitled to a receiver to collect same. The Association shall have the power to bid in the Condominium Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

c. The amount of the Common Expenses assessed against each Condominium Unit shall also be a debt of the Owner thereof at the time the assessment is made. Suit to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing or waiving the lien securing same.

d. In addition, to the extent permitted by law, Declarant reserves and assigns to the Association, without recourse, a vendor's lien against each Unit to secure payment of a common assessment or special assessment which is levied pursuant to the terms hereof. Said liens may be enforced by appropriate judicial proceedings and the expenses incurred in connection therewith, including, but not limited to, interest, costs and reasonable attorney's fees, shall be chargeable to the Owner in default. Such lien shall be subordinated and inferior to those liens listed in Subparagraphs 5.9a(1) and (2).

e. Any encumbrancer holding a lien on a Condominium Unit may pay any unpaid Common Expense payable with respect to such Unit, and upon such payment, such encumbrancer shall have a lien on such Unit for the amount paid of the same rank as the lien of his encumbrance.

5.10 SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of the assessments provided for herein shall be subordinate to the lien of any prior recorded mortgage or mortgages granted or created by the Owner of any Condominium Unit to secure the payment of monies advanced and used for the purpose of purchasing and/or improving such Unit. Sale or transfer of any Unit shall not affect the assessment lien; provided, however, that the sale or transfer of any Condominium Unit pursuant to a foreclosure, a deed in lieu of foreclosure, assignment in lieu of foreclosure under such purchase money or improvement mortgages or deeds of trust shall extinguish the lien of such assessments as to payments thereof coming due prior to such sale or transfer, except for

claims for its pro-rata share of such assessments resulting from a reallocation among all Units. No sale or transfer shall relieve such Condominium Unit, or the Owners thereof, from liability for any assessments thereafter becoming due or from the lien thereof.

5.11. STATEMENT OF ASSESSMENTS. Upon the written request of any Owner or any encumbrancer or prospective encumbrancer of a Condominium Unit, the Association, by its Board of Directors, shall issue a written statement setting forth the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessments, the date of such assessment and the due date, credit for advance payments or for prepaid items, including, but not limited to, insurance premiums, which shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid assessments which become due prior to the date of making of such request shall be subordinate to the lien of the person requesting such statement.

The Purchaser, Donee or other transferee of a Unit, by deed or other writing (herein called "Grantee"), shall be jointly and severally liable with the transferor of such Unit (herein called "Grantor") for all unpaid assessments against the latter for his proportionate share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the Grantee's right to recover from Grantor the amounts paid by the Grantee. The Grantee shall be entitled to a statement from the Board of Directors, setting forth the amount of the unpaid assessments, if any, with respect to the subject Unit, the amount of the current monthly assessment and the date such assessment becomes due, as well as any credit for advanced payments or for prepaid items, including, but not limited to, insurance premiums. This statement shall be conclusive upon the Association. Unless such request for a statement of indebtedness shall be complied with within ten (10) days of such request, such Grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien for, any unpaid assessments against the subject Condominium Unit accruing prior to such ten (10)-day period.

ARTICLE VI

DESTRUCTION OR OBSOLESCENCE OF IMPROVEMENTS

6.1 DESTRUCTION OR OBSOLESCENCE.

a. This Declaration hereby makes mandatory the irrevocable appointment of an Attorney-In-Fact to deal with the Property upon its destruction, obsolescence or condemnation. Title to any Condominium Unit is declared and expressly made subject to the terms and conditions hereof, and acceptance by any Grantee of a deed from the Declarant or from any Owner shall constitute appointment of the Attorney-In-Fact herein provided. All of the Owners irrevocably constitute and appoint CASA DEL MAR OWNERS ASSOCIATION, INC., or its successor non-profit corporation, if same be hereafter organized, their true and lawful Attorney in their name, place and stead, for the purpose of dealing with the Property upon its destruction, obsolescence or condemnation, as hereinafter provided. As Attorney-In-Fact, the Association, by its authorized officers shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of a Condominium Unit Owner which is necessary and appropriate to exercise the powers herein granted.

b. Repair and reconstruction of the improvement(s), as used in the succeeding subparagraphs; means restoring the improvement(s) to substantially the same condition in existence prior to the damage, with each Unit and Common Elements having the same vertical and horizontal boundaries as before. The proceeds of any insurance collected shall be made available to the Association for the purpose of repair, restoration or replacements, unless all of the Owners and all of the First Mortgagees agree not to rebuild in accordance with the provisions set forth hereinafter:

(1) In the event of damage or destruction due to fire or other disaster, the insurance proceeds, if sufficient to reconstruct the improvement(s), shall be applied by the Association, as Attorney-In-Fact, to such reconstruction, and the improvement(s) shall be promptly repaired and reconstructed.

(2) If the insurance proceeds are insufficient to repair and reconstruct the improvement(s), and if such damage is not more than sixty-six and two-thirds percent (66-2/3%) of all the Common Elements, not including land, such damage or destruction shall be promptly repaired and reconstructed by the Association, as Attorney-In-Fact, using the proceeds of insurance and the proceeds of an assessment to be made against all of the Owners and their Condominium Units. Such deficiency assessment shall be a special assessment made pro rata according to each Owner's proportionate interest in and to the Common Elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have the authority to cause the repair or restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided in Article V hereof. In addition thereto, the Association, as Attorney-In-Fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such deficiency of the assessment within the time provided; and, if not so paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from the sale of such Condominium Unit shall be used and disbursed by the Association, as Attorney-In-Fact, in the following order:

(a) For payment of taxes and special assessment liens in favor of any assessing entity;

(b) For payment of the balance of the lien of any first mortgage;

(c) For payment of unpaid Common Expenses;

(d) For payment of junior liens and encumbrances in the order and extent of their priority; and

(e) The balance remaining, if any, shall be paid to the Condominium Unit Owner.

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(3) If more than sixty-six and two-thirds percent (66-2/3%) of all of the Common Elements, not including land, are destroyed or damaged, and if the Owners representing the aggregate ownership of one hundred percent (100%) of the Common Elements, do not voluntarily, within one hundred (100) days thereafter, make provision for reconstruction, which plan must have the approval or consent of one hundred percent (100%) of the First Mortgagees, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary, the entire remaining Premises shall be sold by the Association, as Attorney-In-Fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Plat and the By-Laws. The insurance settlement proceeds shall be collected by the Association, and such proceeds shall be divided by the Association according to each Unit Owner's interest (as such interests appear on the policy or policies), and such divided proceeds shall be paid into one hundred forty-one (141) separate accounts, plus any annexed Units, each such account representing one (1) of the Condominium Units in the total Project. Each such account shall be in the name of the Association, and shall be further identified by the number of the Unit and the name of the Owner. From each separate account, the Association, as Attorney-In-Fact, shall use and disburse the total amount (of each) of such accounts, without contribution from any

one (1) account to another, toward the full payment of the lien of any first mortgage against the Condominium Unit represented by such separate account. There shall be added to each such account, the apportioned amount of the proceeds derived from the sale of the entire Property. Such apportionment shall be based upon each Condominium Unit Owner's proportionate interest in the Common Elements. The total funds of each account shall be used and disbursed, without contribution from one (1) account to another, by the Association, as Attorney-In-Fact, for the same purposes and in the same order as is provided in Subparagraphs b(2)(a) through (e) of Paragraph 6.1 hereof.

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(4) If the Owners representing a total ownership interest of one hundred percent (100%) of the Common Elements adopt a plan for reconstruction, which plan has the approval of one hundred percent (100%) of the First Mortgagees, then all of the Owners shall be bound by the terms and provisions of such plan. Any assessment made in connection with such plan shall be a Common Expense and made pro rata according to each Owner's proportionate interest in the Common Elements and shall be due and payable as provided by the terms of the plan. The Association shall have the authority to cause the repair and restoration of the improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium Unit and may be enforced and collected as is provided in Paragraph 5.9 hereof. In addition thereto, the Association, as Attorney-In-Fact, shall have the absolute right and power to sell the Condominium Unit of any Owner refusing or failing to pay such assessment within the time provided. If the assessment is not

paid, the Association shall cause to be recorded a notice that the Condominium Unit of the delinquent Owner shall be sold by the Association. The proceeds derived from sale of such Condominium Unit shall be used and disbursed by the Association, as Attorney-In-Fact, for the same purposes and in the same order as is provided in Subparagraphs b(2)(a) through (e) of Paragraph 6.1 hereof.

(5) The Owners representing an aggregate ownership interest of sixty-six and two-thirds percent (66-2/3%) of the Common Elements or more, may agree that the Common Elements of the Property are obsolete and that the same should be renewed or reconstructed. In such instance, the expenses thereof shall be payable by all of the Owners as Common Expenses.

(6) The Owners representing an aggregate ownership interest of one hundred percent (100%) of the Common Elements and all holders of first mortgages may agree that the Common Elements of the Property are obsolete and that the same should be sold. In such instance, the Association shall record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's authorized officers, the entire Premises shall be sold by the Association, as Attorney-In-Fact, for all of the Owners, free and clear of the provisions contained in this Declaration, the Plat and the By-Laws. The sales proceeds shall be apportioned between the Owners and First Mortgagees as their interests may appear on the basis of each Owner's percentage or fraction of interest in the Common Elements, and such apportioned proceeds shall be paid into one hundred forty-one (141) separate accounts, plus any annexed Units, each such account representing one (1) Condominium Unit. Each such account shall be

in the name of the Association, and shall be further identified by the number of the Unit and the name of the Owner. From each separate account, the Association, as Attorney-In-Fact, shall use and disburse the total amount of each of such funds, without contribution from (1) fund to another, for the same purposes and in the same order as is provided in Subparagraphs b(2)(a) through (e) of Paragraph 6.1 hereof.

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6.2 JUDICIAL PARTITION. There shall be no judicial partition of the Common Elements, nor shall Declarant or any person acquiring any interest in the Project or any part thereof seek any such judicial partition, until the happening of the conditions set forth in Paragraph 6.1 hereof in the case of damage or destruction or unless the Property has been removed from the provisions of the Texas Condominium Act; provided, however, that if any Condominium Unit shall be owned by two (2) or more co-tenants, as tenants-in-common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition between such co-tenants, but such partition shall not affect any other Condominium Unit.

6.3 CONDEMNATION.

a. If all or any part of the Property is taken or threatened to be taken by eminent domain or by power in the nature of eminent domain (whether permanent or temporary), the Association, as Attorney-In-Fact, and each Owner shall be entitled to participate in proceedings incident thereto at their respective expense. The Association shall give timely written notice of the existence of such proceedings to all Owners and to all First Mortgagees known to the Association to have an interest in any Condominium Unit. The expense of participation in such proceedings by the Association shall be borne by the Common Fund. The Association, as Attorney-In-Fact, is specifically authorized to obtain and pay for such assistance from attorneys, appraisers, architects, engineers, expert witnesses and other persons as the Association 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 Association, as Attorney-In-Fact, and such damages or awards shall be applied as provided herein. 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 Condominium Unit), the Association, as Attorney-In-Fact, 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.

b. With respect to any such taking, 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 the account of each Owner in proportion to his percentage or fractional ownership interest in the Common Elements to be applied or paid as set forth in Subparagraphs 6.1b(2)(a) through (e) hereof, unless restoration takes place as herein provided. The Association, if it deems advisable, may 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 Association, as Attorney-In-Fact, on behalf of the Owners. In the event that such eminent domain proceeding results in the taking of or damage to one (1) or more, but less than sixty-six and two-thirds percent (66-2/3%) of the total number of Condominium Units, then the damages and awards for such taking shall be determined for each Condominium Unit and the following shall apply:

(1) The Association shall determine which of the Condominium Units damaged by such taking may be made tenable for the purposes set forth in this Declaration, taking into account the nature of this Condominium Project and the reduced size of each Condominium

(2) The Association shall determine whether it is

reasonably practicable to operate the remaining Condominium Units of the Project, including those damaged Units which may be made tenantable, as a Condominium in the manner provided in this Declaration.

(3) In the event that the Association determines that it is not reasonably practicable to operate the undamaged Condominium Units and the damaged Units which can be made tenantable, then the Condominium Project shall be deemed to be regrouped and merged into a single estate owned jointly in undivided interest by all Owners, as tenants-in-common, in the proportionate ownership interest previously owned by each Owner in the Common Elements.

(4) In the event that the Association determines it will be reasonably practicable to operate the undamaged Condominium Units and the damaged Units which can be made tenantable as a Condominium Unit, then the damages and awards made with respect to each Unit which has been determined to be capable of being made tenantable shall be applied to repair and to reconstruct such Condominium 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 those Condominium Units which are tenantable. With respect to those Units which may not be tenantable, the award made shall be paid as set forth in Subparagraphs 6.1b(2)(a) through (e) hereof; and the remaining portion of such Units, if any, shall become part of the Common Elements. Upon the payment of such award for the account of such Owner as provided herein, such Condominium Unit shall no longer be a part of the Condominium Project, and the proportionate ownership interest in the Common Elements appurtenant to each remaining Condominium Unit which shall continue as part of the Condominium Project shall be equitably adjusted

to distribute the ownership of the undivided interest in the Common Elements among the reduced number of Owners. If sixty-six and two-thirds percent (66-2/3%) or more of the Condominium Units are taken or damaged by such taking, all damages and awards shall be paid to the accounts of the Owners of Units, as provided herein, in proportion to their percentage or fractional ownership interests in the Common Elements; and this Condominium Regime shall terminate upon such payment. Upon such termination, the Condominium Units and Common Elements shall be deemed to be regrouped and merged into a single estate owned in undivided interest by all Owners as tenants-in-common in the proportionate ownership interest previously owned by each Owner in the Common Elements. Any damages or awards provided in this paragraph to be paid to or for the account of any Owner by the Association shall be applied as set forth in Subparagraphs 6.1b(2)(a) through (e) hereof.

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ARTICLE VII

PROTECTION OF MORTGAGEE

7.1 NOTICE TO ASSOCIATION. An Owner who mortgages his Unit shall notify the Association, giving the name and address of his Mortgagee. Each Mortgagee shall be permitted to notify the Association of the fact that such Mortgagee holds a deed of trust or mortgage on a Condominium Unit. The Board shall maintain such information in a book entitled "Mortgagees of Condominium Units".

7.2 NOTICE OF DEFAULT. The Association shall notify a First Mortgagee in writing, upon request of such Mortgagee, of any default by the Mortgagor in the performance of such Mortgagor's obligations, as set forth in this Declaration, which is not cured within thirty (30) days.

7.3 EXAMINATION OF BOOKS. The Association shall permit First Mortgagees to examine the books and records of the Association upon request.

7.4 RESERVE FUND. The Association shall establish adequate reserve funds for replacement of Common Element components and fund the same by regular

monthly payments rather than by extraordinary special assessments. In addition, there shall be established a working capital fund for the initial operation of the Condominium Project equal to at least two (2) months' estimated Common Assessments charge for each Unit, said deposit to be collected at closing of Unit sale.

7.5 ANNUAL AUDITS. The Association shall furnish each First Mortgagee an annual audited financial statement of the Association within ninety (90) days following the end of each fiscal year of the Association.

7.6 NOTICE OF MEETINGS. The Association may furnish each First Mortgagee upon request of such Mortgagee, prior written notice of all meetings of the Association and permit the designation of a representative of such Mortgagee to attend such meetings, one (1) such request to be deemed to be a request for prior written notice of all subsequent meetings of the Association.

7.7 APPROVAL FOR AMENDMENTS TO DECLARATION, ETC. The prior written approval of First Mortgagees holding the mortgages on seventy-five percent (75%) of the mortgaged units shall be required for the following:

a. Abandonment or termination of CASA DEL MAR CONDOMINIUMS as a Condominium Regime, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

b. Any material amendment to the Declaration or to the By-Laws of the Association, including, but not limited to, any amendment which would change the percentage or fraction of interest of Unit Owners in the Common Elements, except as provided for under Paragraph 2.11 hereof; and

c. The effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Project.

7.8 NOTICE OF DAMAGE OR DESTRUCTION. The Association shall furnish the First Mortgagees timely written notice of any substantial damage or destruction of any Unit if such loss exceeds One Thousand Dollars (\$1,000.00) and of any part of the Common Elements if such loss exceeds Ten Thousand (\$10,000.00).

7.9 MANAGEMENT AGREEMENTS. Any management agreement entered into by the Association will be terminable by the Association for cause upon not more than thirty (30) days' written notice, and the term of such management agreements

will not exceed the period of three (3) years, renewable by agreement of the parties to such agreement for successive one (1)-year periods. In the event of the termination of the management agreement, as provided herein, the Association shall enter into a new management agreement with a new management agent prior to the effective date of the termination of old management agreement.

7.10 RIGHT TO PARTITION. No Unit may be partitioned or subdivided by the Owner thereof without the prior written approval of all First Mortgagees.

7.11 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 Condominium Units and not to the Condominium Project as a whole.

7.12 OTHER ACTS BY ASSOCIATION REQUIRING APPROVAL OF FIRST MORTGAGEES OR OWNERS. Unless all of the First Mortgagees (based upon one (1) vote for each first mortgage owned), and Owners of the individual Condominium Units have given their prior written approval, the Association shall not be entitled to:

a. By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer, the Common Elements, except as provided for in Paragraph 2.11 hereof, and

b. Use hazard insurance proceeds for losses to any Condominium Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units or as otherwise provided in this Declaration. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements by the Condominium Project shall not be deemed a transfer within the meaning of this Paragraph.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 AMENDMENT. Subject to the provisions of Paragraphs 2.10, 2.11 and 7.7 hereof, this Declaration shall not be revoked, nor shall any of the provisions herein be amended unless the Owners representing an aggregate ownership interest of seventy-five percent (75%) of the Common Elements, agree to such revocation or amendment by instruments duly recorded, but no amendment shall affect Declarant's right to exercise the duties and functions of the

Board of Directors, as allowed in Paragraph 4.1 hereof or alter or amend the rights given to Declarant in Paragraph 2.11 hereof.

8.2 CORRECTION OF ERROR. Declarant reserves, and shall have the continuing right, until the end of the Construction Period, without the consent of the other Owners or any Mortgagee to amend this Declaration or the By-Laws for the purpose of resolving or clarifying any ambiguities or conflicts herein, or correcting any inadvertent misstatements, errors or omissions herein, or to comply with the reasonable requirements of any mortgage lender, provided that no such amendment shall change the stated number of Units or proportionate ownership interest in the Common Elements attributable thereto, except as provided in Paragraph 2.11 hereof.

8.3 OWNERSHIP OF COMMON PERSONAL PROPERTY. Upon termination of the Construction Period, as defined herein, Declarant shall execute and deliver a bill of sale to the Association transferring all items of personal property located on the Premises, furnished by Declarant, and intended for the common use and enjoyment of the Condominium Unit Owners and occupants. No Owner shall have any other interest and right thereto, and all such right and interest shall absolutely terminate upon the Owner's termination of possession of his Condominium Unit.

8.4 CHANGE IN DOCUMENTS. The holder of any mortgage covering any of the Condominium Units shall be entitled to written notification from the Association thirty (30) days prior to the effective date of any change in the Condominium documents.

8.5 NOTICE. All notices, demands or other notices intended to be served upon an Owner shall be sent by ordinary or certified mail, postage prepaid, addressed in the name of such Owner in care of the Unit number and Building address of such Owner. All notices, demands or other notices intended to be served upon the Board of Directors of the Association or the Association, shall be sent by ordinary or certified mail, postage prepaid, to 6102 Seawall Boulevard, Galveston, Texas 77551, until such address is changed by a notice of address change duly recorded in the Galveston County Condominium Records.

8.6 CONFLICT BETWEEN DECLARATION AND BY-LAWS. Whenever the application of the provisions of this Declaration conflict with the application of any provision of the By-Laws adopted by the Association, the provisions or application of this Declaration shall prevail.

8.7 INVALIDATION OF PARTS. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration and the application of any provision, paragraph, sentence, clause, phrase or word in any other circumstance shall not be affected thereby.

8.8 OMISSIONS. In the event of the omission from this Declaration of any word, sentence, clause, provision or stipulation which shall be necessary for the accomplishment of the intent and purposes hereof, or any part hereof, then such omitted matter shall be supplied by inference and/or by reference to the Act.

8.9 TEXAS CONDOMINIUM ACT. 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.

8.10 GENDER. That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed, sealed and delivered by its proper corporate officers and its corporate seal to be affixed, this 11th day of July, 1980.

U.S. HOME CORPORATION

By: Mark E. Jacobs
Mark E. Jacobs, Project Manager

ATTEST

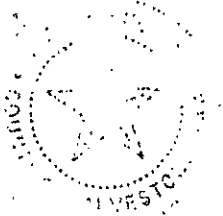
Michèle Liante
Secretary

THE STATE OF TEXAS §
COUNTY OF GALVESTON §

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BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared MARK E. JACOBS, Project Manager, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 11th day of July,
_____, A. D., 1980.



Dinda Cantorina
Notary Public in and for
Galveston County, Texas

TRACT: 2.5043 ACRES
(EXHIBIT A)

GALVESTON COUNTY, TEXAS

TRIMBLE & LINDSEY SURVEY,
PHASE I.

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A TRACT OF LAND SITUATED IN THE STATE OF TEXAS, COUNTY OF GALVESTON, BEING WITHIN THE GALVESTON CITY LIMITS, CONTAINING 2.5043 ACRES OF LAND OUT OF A TRACT OF LAND NOW OR FORMERLY OWNED BY U. S. HOME CORPORATION, "CALLED 5.7596 ACRE TRACT" AS RECORDED IN VOLUME 15, PAGE 179, OF THE GALVESTON COUNTY DEED RECORDS, AND BEING ALSO OUT OF LOT 41 OF THE TRIMBLE & LINDSEY SURVEY, SECTION 1. BEARINGS ARE BASED ON LOCAL ORIENTATION.

BEGINNING AT A POINT FOR CORNER, BEING THE NORTHEAST CORNER OF THE TRACT HEREBY BEING DESCRIBED, AND BEING AT ITS INTERSECTION WITH THE WEST RIGHT-OF-WAY OF 61ST STREET, AND BEING ALSO THE WEST RIGHT-OF-WAY OF STATE OF TEXAS HIGHWAY SPUR NO. 542, AND BEING ALSO A COMMON CORNER WITH THE SOUTHEAST CORNER OF A 1.0530 ACRE TRACT, SAID POINT OF BEGINNING BEING REFERENCED FROM THE NORTHEAST CORNER OF SAID LOT 41 OF SAID TRIMBLE & LINDSEY SURVEY, SECTION 1, IN TWO CALLS:

S65° 00' 00"W, 50.00 FEET

AND S25° 00' 51"E, 414.61 FEET TO SAID POINT OF BEGINNING.

THENCE S25° 00' 51"E, 507.52 FEET ALONG THE EAST BOUNDARY OF THE TRACT HEREBY BEING DESCRIBED, BEING COMMON WITH THE WEST RIGHT-OF-WAY BOUNDARY OF THE AFOREMENTIONED 61ST STREET, TO A POINT ON CURVE (P. O. C.). AT 387.21 FEET PASS A CONCRETE MONUMENT (POINT).

THENCE ALONG THE SOUTH BOUNDARY OF THE TRACT HEREBY BEING DESCRIBED, BEING COMMON WITH THE NORTH RIGHT-OF-WAY BOUNDARY OF SEAWALL BOULEVARD (F. M. HIGHWAY 5005) AS FOLLOWS:

ALONG AN ARC TO THE RIGHT, BASED ON A CENTRAL ANGLE OF 27° 06' 20", HAVING A RADIUS OF 97.66 FEET, AN ARC LENGTH OF 46.20 FEET, AND HAVING A CHORD CALL OF S16° 01' 47"W, 45.77 FEET TO A POINT ON CURVE (P. O. C.)

AND S58° 16' 55"W, 135.50 FEET ALONG SAID NORTH RIGHT-OF-WAY BOUNDARY OF SEAWALL BOULEVARD TO A POINT FOR CORNER, BEING THE SOUTHWEST CORNER OF THIS TRACT.

THENCE N32° 05' 22"W, 562.10 FEET ALONG THE WEST BOUNDARY OF THE TRACT HEREBY BEING DESCRIBED, SHARING THE AFOREMENTIONED 5.7596 ACRE TRACT, TO A POINT FOR CORNER, BEING THE NORTHWEST CORNER OF THIS TRACT, AND BEING AT ITS INTERSECTION WITH THE NORTH BOUNDARY OF THE AFOREMENTIONED 5.7596 ACRE TRACT.

DAS:JHF
6/2/80

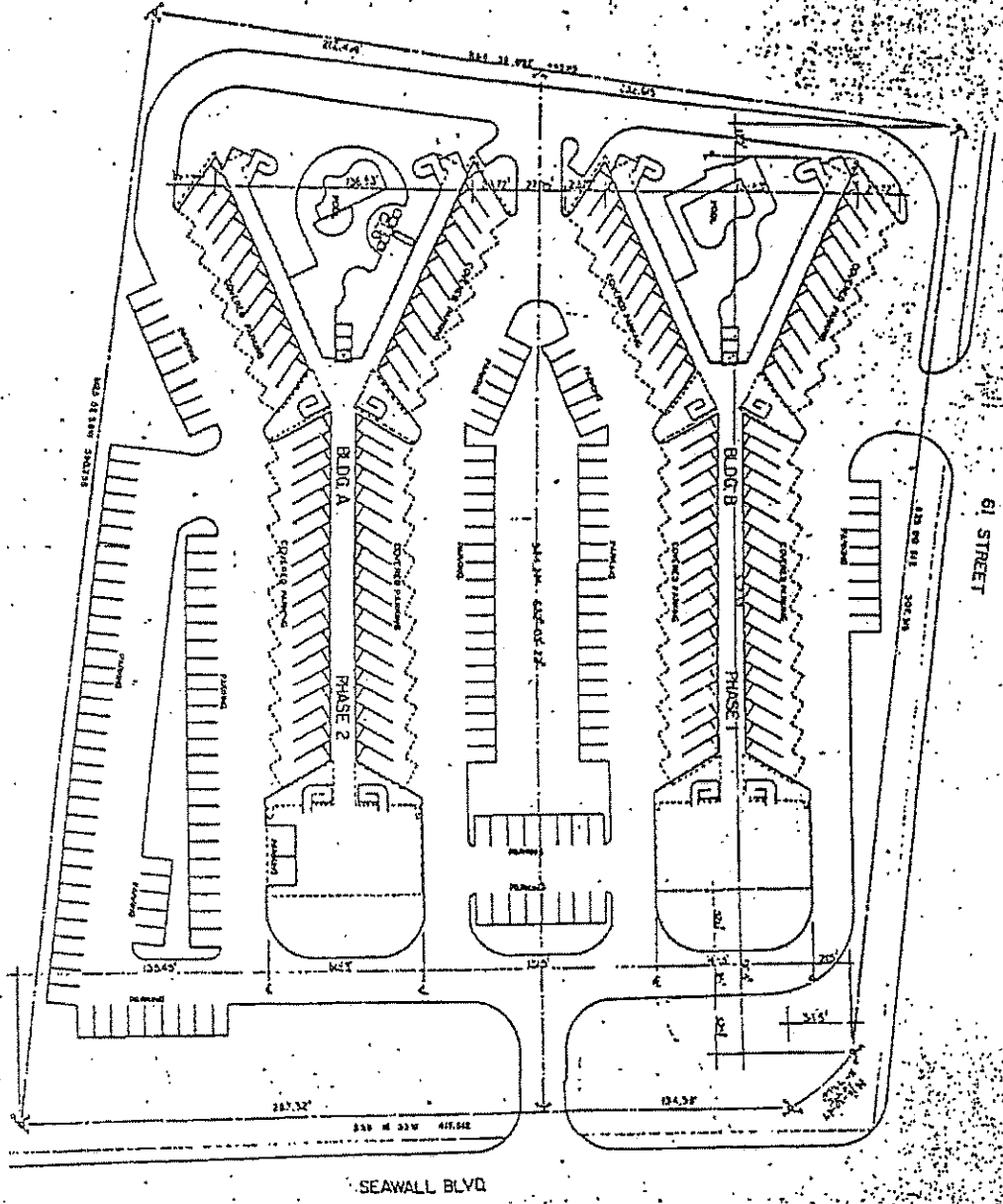
TRACT: 2.5043 ACRES.
(EXHIBIT A)

GALVESTON COUNTY, TEXAS

THENCE N64° 59' 09"E, 235.54 FEET ALONG THE NORTH BOUNDARY OF THIS TRACT,
BEING ALSO ALONG THE NORTH BOUNDARY OF THE AFOREMENTIONED 5.7596 ACRE TRACT, TO THE
POINT OF BEGINNING CONTAINING 2.5043 ACRES OF LAND.

CONDOMINIUM RECORD

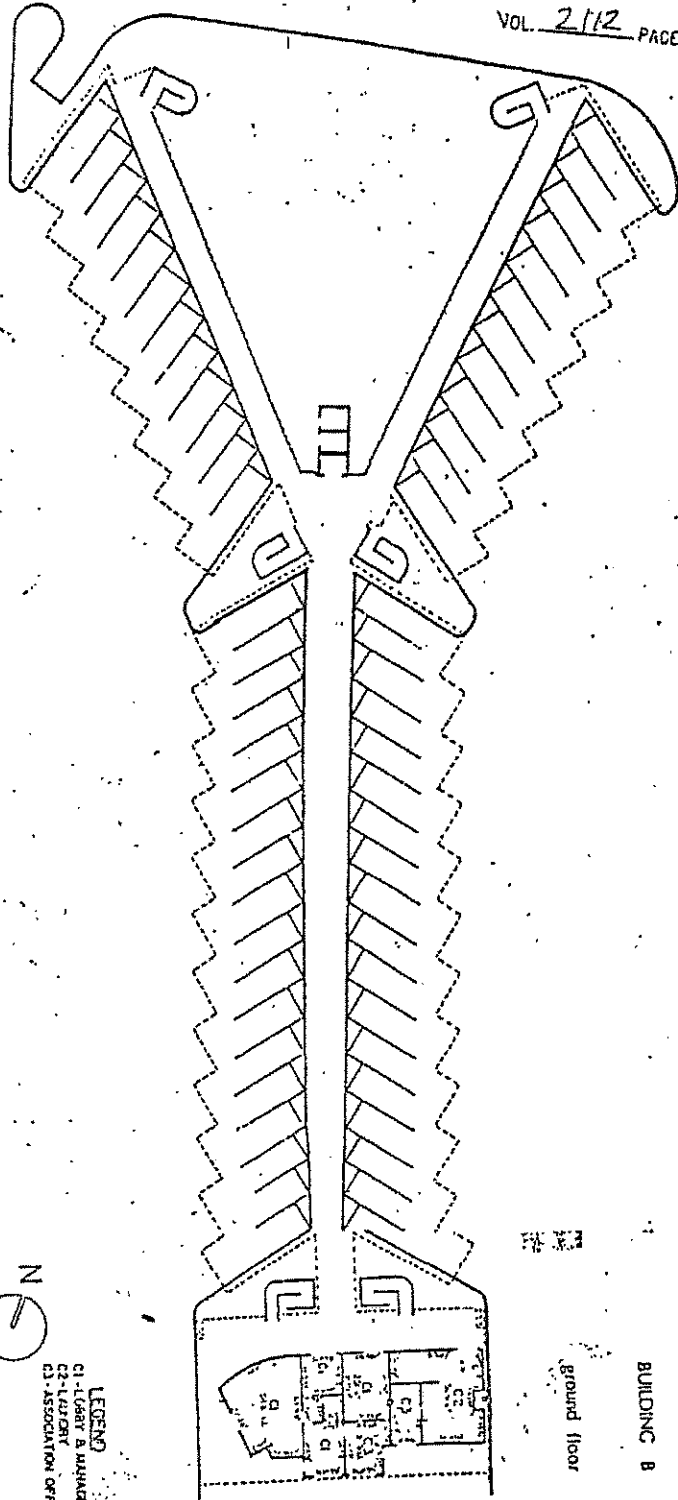
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CASA DEL MAR - PHASE 1
 A CONDOMINIUM PROJECT CONTAINING
 57,996 ACRES
 AS RECORDED IN TRIMBLE & LUSKEY SURVEY
 ON GAVESON ISLAND, GAVESON COUNTY, TEXAS
 SCALE: 1"=30' DATE: 3/28/80

I hereby certify that this site plan was prepared by me or under my direct supervision and that I am a duly licensed professional engineer in the State of Texas. I am not providing any services in connection with this plan which require a license in any other profession or occupation.

DATE: 3/28/80



BUILDING B
 ground floor

SCALE 1/16



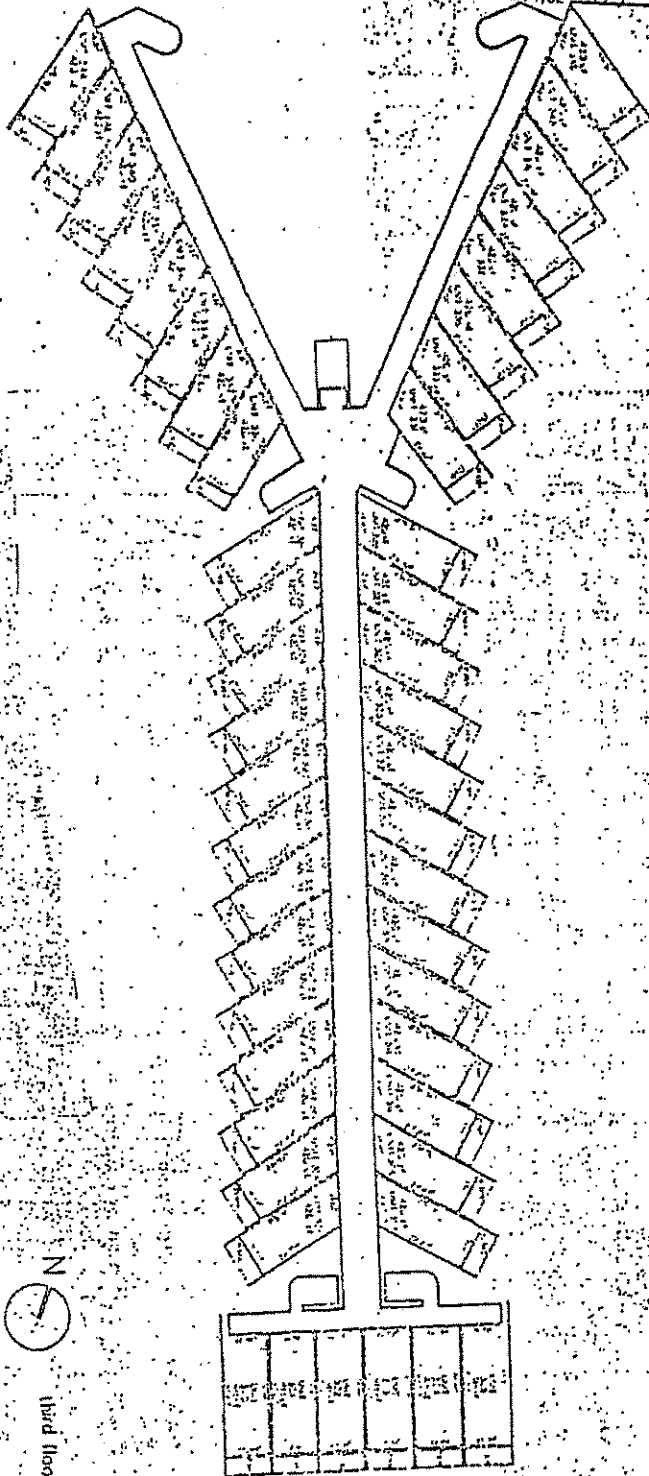
- LEGEND**
- C1 - LOBBY & MANAGEMENT & STORAGE
 - C2 - LOBBY
 - C3 - ASSOCIATION OFFICE

GENERAL NOTES

1. Units are shown with all the furniture and fixtures as shown on the plan. These are not to be taken as a guarantee of the actual contents of the units. The actual contents of the units shall be determined by the owner of the unit.

2. All units are shown with the same floor level as shown on the plan.

3. All units are shown with the same floor level as shown on the plan.



BUILDING 0

third floor

GENERAL NOTES

1. ALL DIMENSIONS ARE IN FEET AND INCHES UNLESS OTHERWISE SPECIFIED.

2. THE FINISHES ARE AS SHOWN ON THE ARCHITECTURAL DRAWINGS.

3. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPLICABLE AGENCIES.

4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY UTILITIES AND SERVICES FROM THE APPLICABLE AGENCIES.

5. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY INSURANCE AND BONDING.

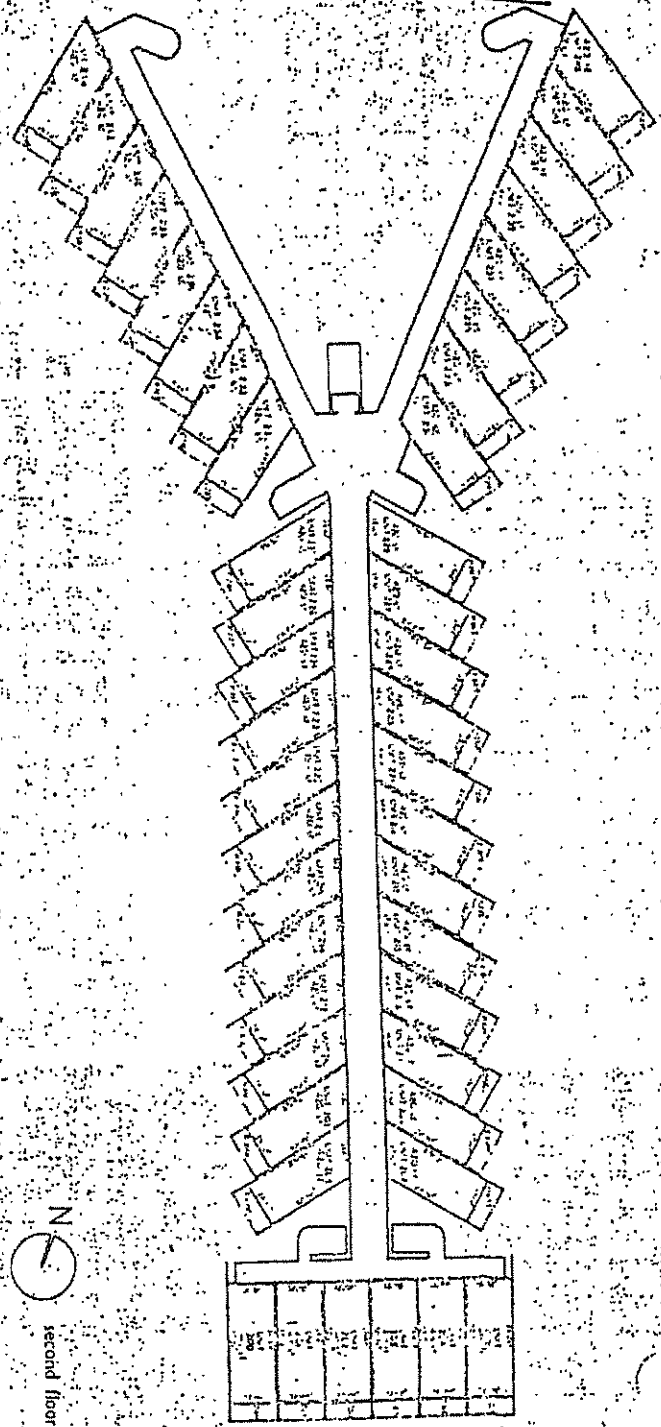
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY SCHEDULING AND LOGGING.

7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY SAFETY AND HEALTH MEASURES.

8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY COMMUNITY RELATIONS.

9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY ENVIRONMENTAL PROTECTION.

10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY HISTORIC PRESERVATION.

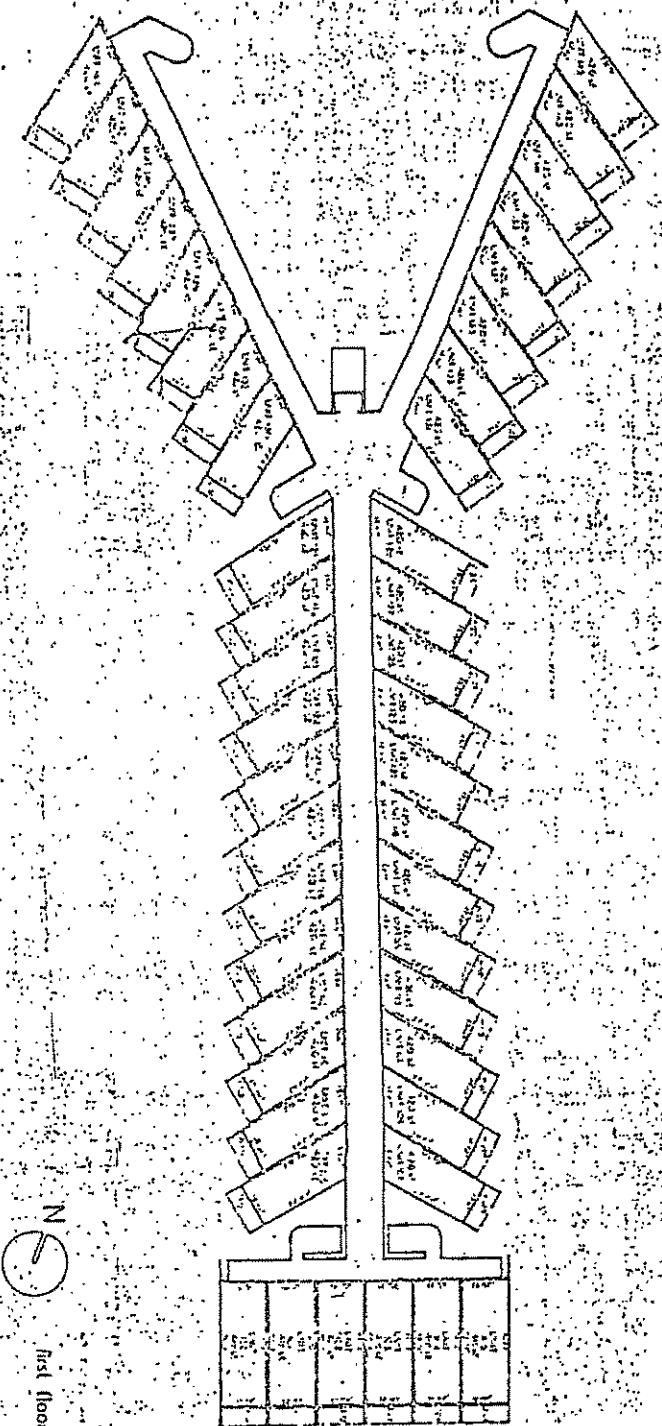


N
second floor

BUILDING B

GENERAL NOTES

1. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
2. ALL WALLS ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
3. ALL FLOORS ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
4. ALL CEILING ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
5. ALL ROOF ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
6. ALL EXTERIOR WALLS ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
7. ALL EXTERIOR FLOORS ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
8. ALL EXTERIOR ROOF ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
9. ALL EXTERIOR WALLS ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
10. ALL EXTERIOR FLOORS ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.
11. ALL EXTERIOR ROOF ARE TO BE CONCRETE UNLESS OTHERWISE NOTED.



BUILDING B

first floor



GENERAL NOTES:
 1. REFER TO ARCHITECT'S GENERAL NOTES AND SPECIFICATIONS FOR COMPLETE LISTING OF FINISHES AND MATERIALS.
 2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 3. ALL WALLS ARE TO BE CONCRETE BLOCK WITH INTERIOR FINISH AS NOTED.
 4. ALL FLOORS ARE TO BE CONCRETE WITH FINISH AS NOTED.
 5. ALL CEILING ARE TO BE CONCRETE WITH FINISH AS NOTED.
 6. ALL DOORS AND WINDOWS ARE TO BE AS NOTED.
 7. ALL ELECTRICAL AND MECHANICAL WORK IS TO BE AS NOTED.
 8. ALL WORK IS TO BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND REGULATIONS.
 9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.
 10. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.

EXHIBIT B5
 SCALE 1/8" = 1'-0"
 100-10

EXHIBIT "C"

CASA DEL MAR CONDOMINIUMS

PERCENTAGE OWNERSHIP INTEREST IN COMMON ELEMENTS

<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
100	.7049%
101	.7049%
102	.7049%
103	.7049%
104	.7049%
105	.7049%
106	.7049%
107	.7049%
108	.7049%
109	.7049%
110	.7049%
111	.7049%
112	.7049%
113	.7049%
114	.7049%
115	.7049%
116	.7049%
117	.7049%
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121	.7049%
122	.7049%
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141	.7049%
142	.7049%
143	.7049%
144	.7049%
145	.7049%
200	.7049%
201	.7049%
202	.7049%
203	.7049%
204	.7049%
205	.7049%
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CONDOMINIUM RECORD
 VOL. 2112 PAGE 920

<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
216	.7049%
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338	.7049%
339	.7049%

CONDOMINIUM RECORD
VOL. 2112 PAGE 921

	<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
	341	.7049%
	342	.7049%
	343	.7049%
	344	.7049%
	345	.7049%
TOTAL		97.2762%
C-1	797.23 Square Feet	1.3497%
C-2	509.12 Square Feet	.8550%
C-3	309.08 Square Feet	.5191%
TOTAL PERCENTAGE		100.0000%

CONDOMINIUM RECORD

VOL. 2112 PAGE 922

AMENDMENT TO CONDOMINIUM DECLARATION
FOR CASA DEL MAR CONDOMINIUMS

WHEREAS, U.S. HOME CORPORATION, A Delaware Corporation, acting as "Declarant" did make a Condominium Declaration upon certain real property located in the City of Galveston, Galveston County, Texas, known as Casa Del Mar Condominiums, which is more particularly described as follows:

A tract of land situated in the State of Texas, County of Galveston, being within the Galveston City Limits, containing 2.5043 acres of land out of a tract of land now or formerly owned by U.S. Home Corporation, "called 5.7596 Acre tract" as recorded in Volume 15, Page 179, of the Galveston County Deed Records, and being also out of Lot 41 of the Trimble & Lindsey Survey, Section 1. Bearings are based on local orientation.

Beginning at a point for corner, being the Northeast corner of the tract herein being described, and being at its intersection with the west right-of-way of 61st Street, and being also the west right-of-way of State of Texas Highway Spur No. 342, and being also a common corner with the southeast corner of a 1.0330 acre tract, said point of beginning being referenced from the northeast corner of said Lot 41 of said Trimble & Lindsey Survey, Section 1, in two calls:

S65° 00' 00"W, 50.00 feet

and S25° 51"E, 414.61 feet to said point of beginning.

Thence S25° 00' 51"E, 507.52 feet along the east boundary of the tract herein being described, being common with the west right-of-way boundary of the aforementioned 61st Street, to a point on curve (P.O.C.) at 387.21 feet pass a concrete monument (found).

Thence along the south boundary of the tract herein being described, being common with the north right-of-way boundary of Seawall Boulevard (F.M. Highway 3005) as follows:

Along an arc to the right, based on a central angle of 27° 06' 20", having a radius of 97.66 feet, an arc length of 46.20 feet, and having a chord call of S16° 01' 47"W, 45.77 feet to a point on curve (P.O.C.).

And S58° 16' 53"W, 135.50 feet along said north right-of-way boundary of Seawall Boulevard to a point for corner, being the northwest corner of this tract, and being at its intersection with the north boundary of the abovementioned 5.7596 acre tract:

Thence S64° 59' 09"E, 233.54 feet along the north boundary of this tract, being also along the north boundary of the aforementioned 5.7596 acre tract, to the point of beginning containing 2.5043 acres of land;

Also:

A tract of land situated in the State of Texas, County of Galveston, being within the Galveston City Limits, containing 3.2553 acres of land out of a tract of land now or formerly owned by U.S. Home Corporation, "called 5.7596 acre tract", as recorded in Volume 15, Page 179, of the Galveston County Deed Records, and being out of Lot 41 and the east 1/2 of Lot 59 of the Trimble & Lindsey Survey, Section 1. Bearings are based on local orientation.

Beginning at a point for corner, being the northeast corner of the tract herein being described, said point of beginning being referenced from the northeast corner of said Lot 41 of said Trimble & Lindsey Survey, Section 1, in three calls:

S65° 00' 00"W, 50.00 feet

S25° 00' 51"E, 414.61 feet

and S64° 59' 09"W, 233.54 feet to said point of beginning.

Thence S32° 03' 22"E, 562.10 feet along the east boundary of the tract herein being described, severing the aforementioned 5.7596 acre tract, to a point for corner at the intersection with the north right-of-way boundary of Seawall Boulevard.

Thence S58° 16' 53"W, 282.11 feet along the south boundary of this tract, and along said north right-of-way boundary of Seawall Boulevard, to a point for corner, being the southwest corner of this tract at its intersection with the west boundary of the aforementioned 5.7596 acre tract, marked by a 1 1/2" galvanized iron pipe (found).

Thence N25° 02' 58"W, 590.80 feet along the west boundary of the tract herein being described, being common with the west boundary of the aforementioned 5.7596 acre tract, to a point for corner, being the northwest corner of this tract marked by a 5/8" iron rod. At 151.29 feet pass a 1 1/2" galvanized iron pipe (found).

Thence N64° 59' 09"E, 211.63 feet along the north boundary of this tract, being also along the north boundary of the aforementioned 5.7596 acre tract, to the point of beginning containing 3.2553 acres of land.

Pursuant to the terms and conditions of the Condominium Declaration for Casa Del Mar Condominiums dated the 11th day of July, 1980, recorded in Vol. 2112, Page 865 of the Condominium Records of Galveston County, Texas, and pursuant to a vote of the membership of Casa Del Mar Association, Inc., Article III, Paragraph 3.1, Article III, Paragraph 3.2, Article III, Paragraph 3.4, Article III, Paragraph 3.12, and Article VIII, Paragraph 8.1 are hereby amended to read as follows:

TRACT: 3.2553 ACRES
(EXHIBIT D)

GALVESTON COUNTY, TEXAS

TRIMBLE & LINDSEY SURVEY,
PHASE II

CONDOMINIUM RECORD
VOL. 2112 PAGE 973

A TRACT OF LAND SITUATED IN THE STATE OF TEXAS, COUNTY OF GALVESTON, BEING WITHIN THE GALVESTON CITY LIMITS, CONTAINING 3.2553 ACRES OF LAND OUT OF A TRACT OF LAND NOW OR FORMERLY OWNED BY U. S. HOME CORPORATION, "CALLED 5.7596 ACRE TRACT", AS RECORDED IN VOLUME 15, PAGE 179, OF THE GALVESTON COUNTY DEED RECORDS, AND BEING OUT OF LOT 41 AND THE EAST 1/2 OF LOT 59 OF THE TRIMBLE & LINDSEY SURVEY, SECTION 1. BEARINGS ARE BASED ON LOCAL ORIENTATION.

BEGINNING AT A POINT FOR CORNER, BEING THE NORTHEAST CORNER OF THE TRACT HEREIN BEING DESCRIBED, SAID POINT OF BEGINNING BEING REFERENCED FROM THE NORTHEAST CORNER OF SAID LOT 41 OF SAID TRIMBLE & LINDSEY SURVEY, SECTION 1, IN THREE CALLS:

S65° 00' 00"W, 50.00 FEET

S25° 00' 51"E, 414.61 FEET

AND S64° 59' 09"W, 233.54 FEET TO SAID POINT OF BEGINNING.

THENCE S32° 03' 22"E, 562.10 FEET ALONG THE EAST BOUNDARY OF THE TRACT HEREIN BEING DESCRIBED, SEVERING THE AFOREMENTIONED 5.7596 ACRE TRACT, TO A POINT FOR CORNER AT ITS INTERSECTION WITH THE NORTH RIGHT-OF-WAY BOUNDARY OF SEAWALL BOULEVARD.

THENCE S58° 16' 53"W, 282.11 FEET ALONG THE SOUTH BOUNDARY OF THIS TRACT, AND ALONG SAID NORTH RIGHT-OF-WAY BOUNDARY OF SEAWALL BOULEVARD, TO A POINT FOR CORNER, BEING THE SOUTHWEST CORNER OF THIS TRACT AT ITS INTERSECTION WITH THE WEST BOUNDARY OF THE AFOREMENTIONED 5.7596 ACRE TRACT, MARKED BY A 1 1/2" GALVANIZED IRON PIPE (FOUND).

THENCE N25° 02' 58"W, 590.80 FEET ALONG THE WEST BOUNDARY OF THE TRACT HEREIN BEING DESCRIBED, BEING COMMON WITH THE WEST BOUNDARY OF THE AFOREMENTIONED 5.7596 ACRE TRACT, TO A POINT FOR CORNER, BEING THE NORTHWEST CORNER OF THIS TRACT MARKED BY A 5/8" IRON ROD. AT 151.29 FEET PASS A 1 1/2" GALVANIZED IRON PIPE (FOUND).

THENCE N64° 59' 09"E, 211.65 FEET ALONG THE NORTH BOUNDARY OF THIS TRACT, BEING ALSO ALONG THE NORTH BOUNDARY OF THE AFOREMENTIONED 5.7596 ACRE TRACT, TO THE POINT OF BEGINNING CONTAINING 3.2553 ACRES OF LAND.

HAS:hff
6/2/80

CONDOMINIUM RECORD
VOL. 2112 PAGE 924

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.

JUL 11 1980



Mary Jane Christensen
COUNTY CLERK, Galveston County, Texas

PHR

US Home
6206 STEWART RD
GALVESTON, TX
77558

FILED FOR RECORDS
JUL 11 11 37 AM 1980
FRANK A. LEE, COUNTY CLERK

On behalf of Gibraltar Savings Association, the undersigned hereby expressly approves the attached Amendments to Condominium Declaration for Casa Del Mar Condominiums pursuant to Article VII, Paragraph 7.7(b.) of the Declaration of Casa Del Mar Condominiums filed in Vol. 2112, Page 865 of the Condominium Records of Galveston County, Texas.

Gibraltar Savings Association

By: Philip J. Barber
Title: President

STATE OF TEXAS

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COUNTY OF GALVESTON

This instrument was acknowledged before me on this the 10th day of June, 1983, by Philip J. Barber, President of Gibraltar Savings Association, a Texas corporation, on behalf of said corporation.

My Commission Expires:
4-3-85

Karen L. Parker

NOTARY PUBLIC in and for the
State of Texas

Karen L. Parker
Typed or printed name of Notary

Filed 12/18/80 H.M.

VOLUME 3390
PAGES 63 - 77

SUPPLEMENTAL DECLARATION OF MERGER AND ANNEXATION
FOR CASA DEL MAR CONDOMINIUMS, PHASE II
AND FIRST AMENDMENT TO THE DECLARATION

STATE OF TEXAS §
COUNTY OF GALVESTON §

KNOW ALL MEN BY THESE PRESENTS:

THIS DECLARATION is made on the date set forth below by U.S. HOME CORPORATION, hereinafter called "Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is the Owner of certain Property in the County of Galveston, State of Texas, which is more particularly described on the attached Exhibit "A"; and

WHEREAS, by a Condominium Declaration, hereinafter called "Declaration", executed on July 11, 1980, and recorded on July 11, 1980, in Volume 2112, Page 865, of the Condominium Records of Galveston County, Texas, the Declarant therein restricted CASA DEL MAR CONDOMINIUMS, PHASE I, consisting of one hundred-thirty-eight (138) Residential Units and three (3) Commercial Units, to Condominium ownership; and

WHEREAS, the above referenced Declaration provides in Paragraph 2.11 that the Declarant may annex additional Property to CASA DEL MAR CONDOMINIUMS, PHASE I, as defined therein; and

WHEREAS, the Declarant is desirous of annexing and merging the adjoining tract described as PHASE II in the Declaration on which exist one hundred-thirty-eight (138) Residential Units and one (1) Commercial Unit;

NOW THEREFORE, the Declarant hereby declares that all of the Property described above as PHASE II in the Declaration shall be held, sold and conveyed subject to the easements, restrictions, covenants and conditions set forth in the Declaration for CASA DEL MAR CONDOMINIUMS, PHASE I, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real Property described above. The said easements, restrictions, covenants and conditions shall run with the above described Property and shall be binding on all parties having or acquiring any right, title or interest in the said Property or

any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner and lessee thereof.

The Property described in the Declaration of CASA DEL MAR CONDOMINIUMS, as PHASE II, which description is attached hereto as Exhibit "A", shall become a part of the Regime, as defined in the Declaration, and the one hundred-thirty-eight (138) Residential Units and one (1) Commercial Unit shown on the Plat of PHASE II, attached hereto as Exhibit "B", shall become Units, as defined in the Declaration, and from and after the filing hereof, CASA DEL MAR CONDOMINIUMS, PHASE II shall be a part of the Regime as if it had been originally described in the Declaration and the percentage or fraction of ownership interest in the Common Areas is hereby reallocated and established among the total of two hundred-eighty (280) Units as set out in Exhibit "C" of this Supplemental Declaration of Merger and Annexation.

This Supplemental Declaration of Merger and Annexation may be amended by Declarant without joinder of any Unit Owner or Mortgagee in order to correct errors and discrepancies in said document or to comply with the requirements of the Veterans Administration, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association or any other permanent lender approved by the Declarant; provided, however, that no vested property rights of any Unit Owner shall be materially affected.

WHEREAS, in Paragraph 8.2 of the Declaration, Declarant reserves the right during the Construction Period to amend the Declaration without the joinder of the other Owners or Mortgagees to resolve or clarify any ambiguities; and

WHEREAS, there presently exists an ambiguity as to ownership of the air conditioning and heating equipment;

NOW THEREFORE, in accordance with Paragraph 8.2 of the Declaration and for the purpose of clarifying a possible ambiguity, Paragraph 8.7, second sentence, is amended as follows:

All fixtures and equipment, including air conditioning, installed with the Unit commencing at a point where the utility lines, pipes, wires, conduits or systems (which for brevity are hereafter referred to as "utilities") enter the Unit, shall be maintained and kept in repair by the Owner thereof; and an

Owner shall be obliged to promptly repair and replace any broken or cracked glass in windows and doors.

Paragraph 3.9 of the Declaration, second sentence is likewise amended to read:

An Owner shall be deemed to own and shall maintain the air conditioner appurtenant to his Unit, the inner finished surfaces of the perimeter and interior walls, floors and ceilings, doors, windows and other such elements consisting of paint, wallpaper and other finishing material.

IN WITNESS WHEREOF, the Declarant has caused this instrument to be signed, sealed and delivered by its proper corporate officers and its corporate seal to be affixed, this 16 day of December, 1980.

U.S. HOME CORPORATION

By: Mark Jacobs

ATTEST:

Sandra E. Rasmussen
Secretary

THE STATE OF TEXAS §

COUNTY OF GALVESTON §

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Mark Jacobs known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

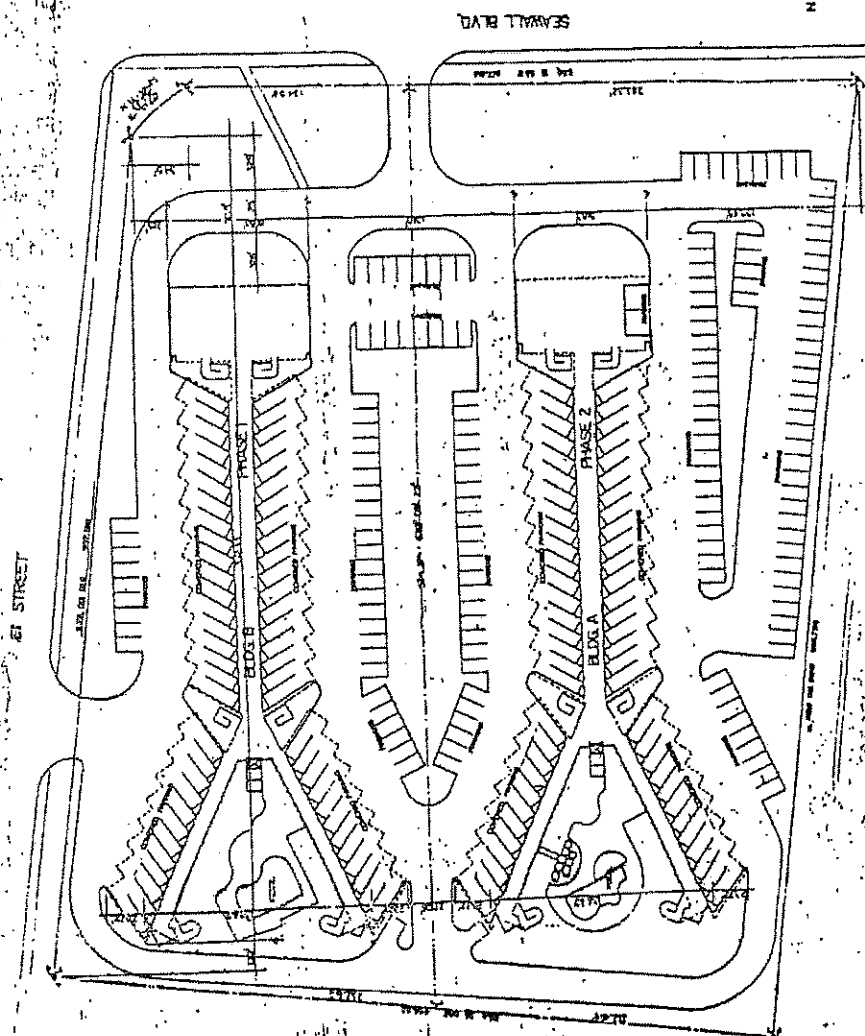
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 16th day of
December _____, A.D., 1980.

Sandra E. Remmers
Notary Public in and for
Galveston County, Texas

My Commission Expires:

July 25, 1981

EXHIBIT B1



CASA DEL MAR - PHASE 1/ PHASE 2
A CONDOMINIUM PROJECT CONTAINING
57,596 ACRES
AS RECORDED IN TRACT 4, LINDSEY SURVEY
ON GALVESTON ISLAND, GALVESTON COUNTY, TEXAS
SCALE: 1"=30' DATE: 12-9-80

THIS PLAN IS THE PROPERTY OF THE ARCHITECT AND IS NOT TO BE REPRODUCED OR COPIED IN ANY MANNER WITHOUT THE WRITTEN CONSENT OF THE ARCHITECT. THE ARCHITECT ASSUMES NO LIABILITY FOR THE ACCURACY OF THE INFORMATION PROVIDED HEREON. THE ARCHITECT'S OFFICE IS NOT RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION PROVIDED BY OTHERS.



SEAWALL BLVD

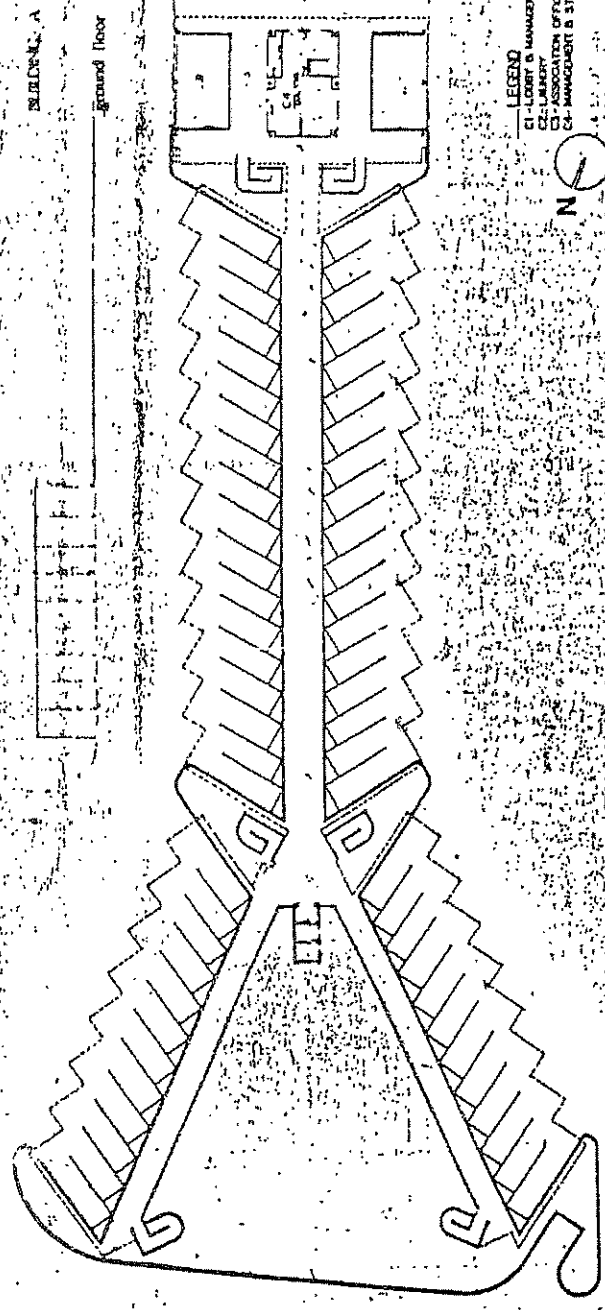
61 STREET

EXHIBIT B2

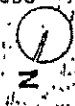
SCALE 1/4" = 12'-0" 00

BUILDING A

Ground floor



LEGEND
C1- MANAGEMENT & STORAGE
C2- MARKET
C3- ASSOCIATION OFFICE
C4- MANAGEMENT & STORAGE



GENERAL NOTES

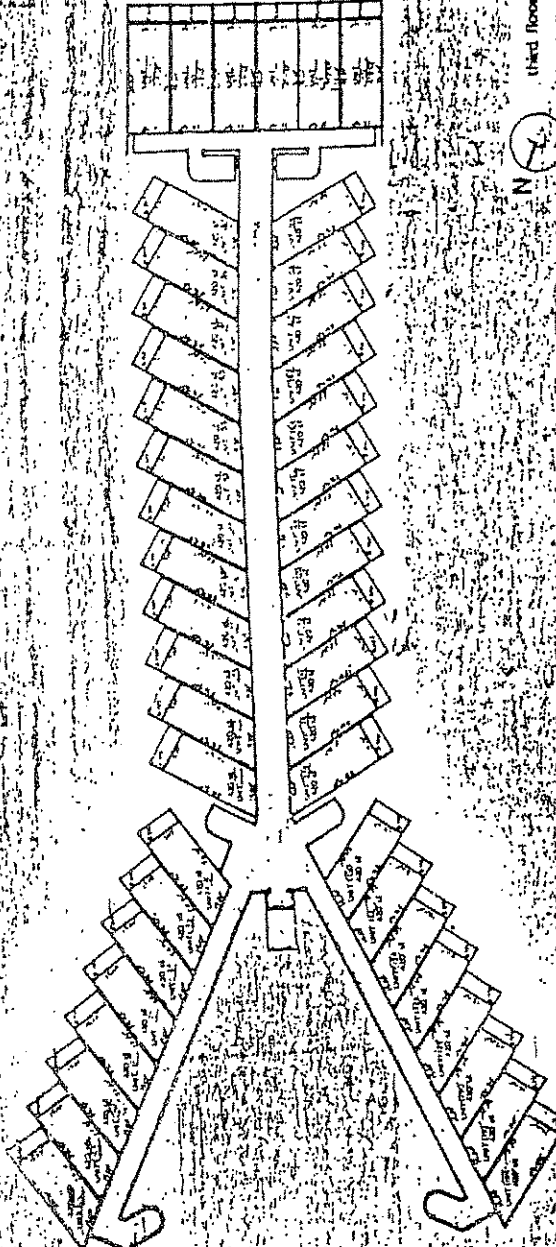
- 1. THE ARCHITECTURAL UNIT NO. 10
- 2. THE PLAN OF THE BUILDING
- 3. THE ARCHITECTURAL UNIT NO. 10
- 4. THE ARCHITECTURAL UNIT NO. 10

1	THE ARCHITECTURAL UNIT NO. 10
2	THE ARCHITECTURAL UNIT NO. 10
3	THE ARCHITECTURAL UNIT NO. 10
4	THE ARCHITECTURAL UNIT NO. 10

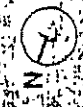
EXHIBIT B3

SCALE 1/4" = 1'-0"

BUILDING A



Third floor



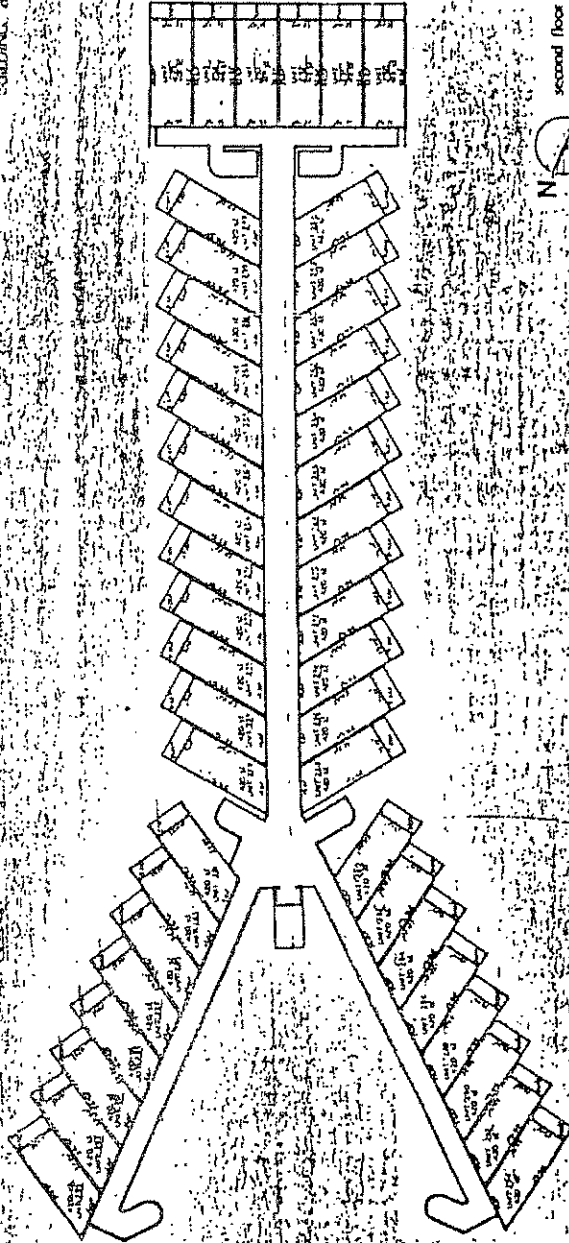
GENERAL NOTES
1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.
3. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES.
5. THE CONTRACTOR SHALL MAINTAIN A SAFE WORKING ENVIRONMENT AT ALL TIMES.
6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL ADJACENT PROPERTIES.
7. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES.
8. THE CONTRACTOR SHALL MAINTAIN A SAFE WORKING ENVIRONMENT AT ALL TIMES.
9. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL ADJACENT PROPERTIES.
10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION OF ALL EXISTING UTILITIES AND STRUCTURES.

EXHIBIT B4

SCALE: 1/8" = 1'-0"



BUILDING A



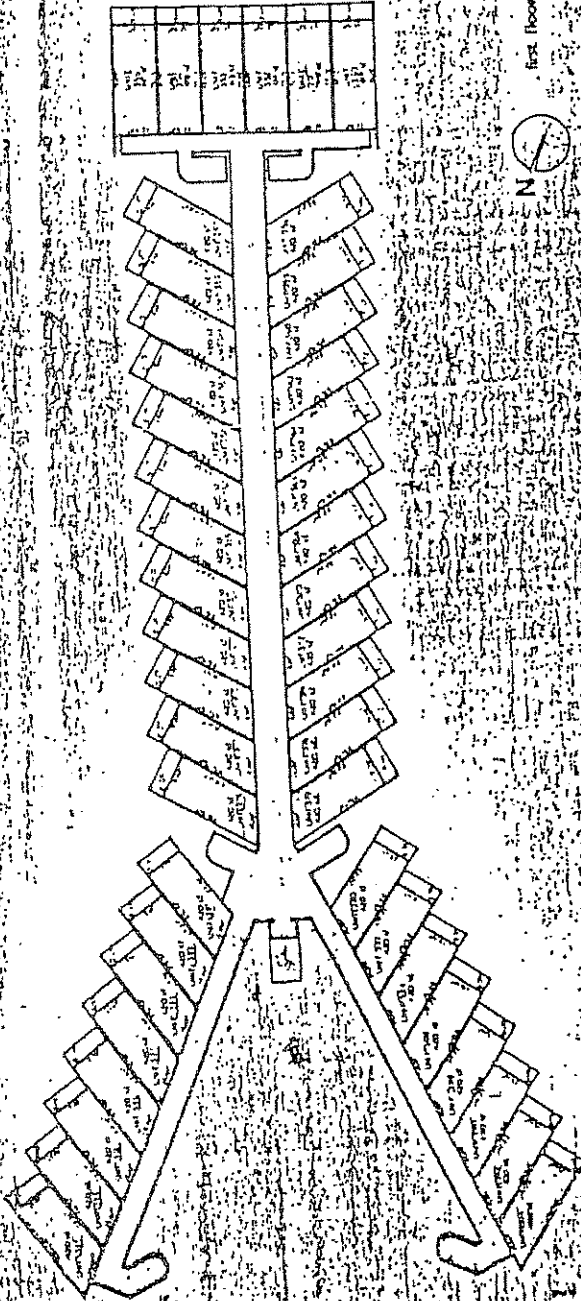
GENERAL NOTES

1. Dimensions are indicated by arrows.
2. All work shall conform to the specifications of the Department of Public Works, City of New York.
3. All work shall be done in accordance with the specifications of the Department of Public Works, City of New York.
4. All work shall be done in accordance with the specifications of the Department of Public Works, City of New York.
5. All work shall be done in accordance with the specifications of the Department of Public Works, City of New York.

EXHIBIT B5

Scale 1/4" = 1'-0"

FLOORING A



first floor

GENERAL NOTES:
1. All work shall be in accordance with the specifications of the Division of Buildings, City of New York.
2. The contractor shall be responsible for obtaining all necessary permits and licenses.
3. The contractor shall be responsible for the safety of all workers and the public.
4. The contractor shall be responsible for the protection of all existing utilities.
5. The contractor shall be responsible for the removal and disposal of all debris.

C

EXHIBIT "C"

CASA DEL MAR CONDOMINIUMS

PERCENTAGE OWNERSHIP INTEREST IN COMMON ELEMENTS

PHASE I

<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
100	.3550%
101	.3550%
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<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
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<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
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PHASE II

<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
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UNIT NO.

PERCENTAGE OWNERSHIP INTEREST

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370	.3550%
371	.3550%
372	.3550%
373	.3550%
374	.3550%
375	.3550%

<u>UNIT NO.</u>	<u>PERCENTAGE OWNERSHIP INTEREST</u>
376	.3550%
377	.3550%
378	.3550%
379	.3550%
380	.3550%
381	.3550%
382	.3550%
383	.3550%
384	.3550%
385	.3550%
386	.3550%
387	.3550%
388	.3550%
389	.3550%
390	.3550%
391	.3550%
392	.3550%
393	.3550%
394	.3550%
395	.3550%
TOTAL	97.9804%

PHASE I

C-1	797.23 Square Feet	.6743%
C-2	509.12 Square Feet	.4306%
C-3	309.08 Square Feet	.2614%

PHASE II

C-4	772.43 Square Feet	.6533%
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TOTAL PERCENTAGE 100.0000%

BY-LAWS
OF
CASA DEL MAR ASSOCIATION, INC.
(A Texas Non-Profit Corporation)

Galveston, Texas

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CASA DEL MAR ASSOCIATION, INC.
(A Texas Non-Profit Corporation)

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BY-LAWS

OF

CASA DEL MAR ASSOCIATION, INC.
(A Texas Non-Profit Corporation)

ARTICLE I

NAME

1.1 NAME. The name of the organization shall be CASA DEL MAR ASSOCIATION, INC., hereinafter called "Association".

ARTICLE II

PURPOSE AND OWNER OBLIGATION

2.1 PURPOSE. The purpose for which this non-profit Association is formed is to govern the Condominium Property situated in the County of Galveston, State of Texas, which Property is described on the attached Exhibit "A", which by this reference is made a part hereof, and which Property has been submitted to a Regime according to the provisions of the Condominium Act of the State of Texas.

2.2 OWNER OBLIGATION. All present or future owners, tenants, future tenants or any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Condominium Units (hereinafter referred to as "Units") of the Project or the mere act of occupancy of any of said Units will signify that these By-Laws are accepted, ratified and will be strictly followed.

ARTICLE III

DEFINITIONS AND TERMS

3.1 MEMBERSHIP. Any person on becoming an Owner of a Condominium Unit shall automatically become a Member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Condominium Unit. Such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with CASA DEL MAR CONDOMINIUMS during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of

the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it selects, may issue one (1) Membership Card per Unit to the Owner(s) of a Condominium Unit. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon is terminated.

3.2 VOTING. Unit ownership shall entitle the Owner(s) to cast one (1) vote per Unit in the affairs of the Association, which vote will be weighted to equal the proportionate share of ownership of the Unit Owner in the Common Elements. Voting shall not be split among more than one (1) Unit Owner. The present number of votes that can be cast by the Unit Owners is one hundred forty-one (141). The combined weighted votes calculated in accordance with Exhibit "c" shall equal one hundred percent (100%). Should additional property be annexed in accordance with Paragraph 2.11 of the Declaration, the total number of votes shall be increased accordingly, and the weighted average adjusted to total one hundred percent (100%).

3.3 MAJORITY OF UNIT OWNERS. As used in these By-Laws the term "majority of Unit Owners" shall mean those Owners with fifty-one percent (51%) of the votes entitled to be cast.

3.4 QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Unit Owners" as defined in Paragraph 3.3 of this Article shall constitute a quorum.

3.5 PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

ARTICLE IV

ADMINISTRATION

4.1 DECLARANT CONTROL. Notwithstanding any provision herein to the contrary, and in accordance with Paragraphs 4.2 and 4.3 of the Condominium Declaration for CASA DEL MAR CONDOMINIUMS, the Declarant, U.S. HOME CORPORATION, shall retain control over management of the affairs of the Association. This retention of control shall be for the benefit of the Unit Owners and any First Mortgagees of Record and for the purpose of insuring

both a complete and orderly buildout and a timely sellout of the Project Units, including any annexations. This control shall last no longer than June 1, 1985, or when in the sole opinion of the Declarant the Project is viable, self-supporting and operational, whichever occurs first.

4.2 ASSOCIATION RESPONSIBILITIES. The Owners of the Units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the Condominium Project through a Board of Directors.

4.3 PLACE OF MEETINGS. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.

4.4 ANNUAL MEETINGS. Annual meetings shall be held the fourth (4th) Tuesday of January each year.

4.5 SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by at least one-tenth (1/10) of the Owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Owners present, either in person or by proxy.

4.6 NOTICE OF MEETINGS. The Secretary shall mail notices of annual and special meetings to each Member of the Association, directed to his last known post office address, as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than ten (10) days nor more than twenty (20) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any Mortgagee of Record or its designee may be entitled to receive similar notice.

4.7 ADJOURNED MEETING. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is attained.

4.8 ORDER OF BUSINESS. The order of business at all meetings of the Owners of Units shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers.
- ~~e. Reports of committees.~~
- f. Election of Directors.
- g. Unfinished business.
- h. New business.

ARTICLE V

BOARD OF DIRECTORS

5.1 NUMBER AND QUALIFICATION. The affairs of this Association shall be governed by a Board of Directors composed initially of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

<u>NAME</u>	<u>ADDRESS</u>
Mark E. Jacobs	8423 Wind Fall Houston, Texas 77040
John Bily	8423 Wind Fall Houston, Texas 77040
Tom Turnell	8423 Wind Fall Houston, Texas 77040

At the first annual meeting of the members of the Association, or any annual meeting thereafter, or special meeting of the Association called for that purpose, the number of Directors may be increased to five (5).

5.2 POWERS AND DUTIES. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a residential and commercial Condominium Project. The Board of Directors may do all such acts and things that are not by these By-Laws or by the Condominium Declaration for CASA DEL MAR CONDOMINIUMS directed to by exercised and done by the Owners.

5.3 OTHER POWERS AND DUTIES. The Board of Directors shall have the following duties:

- a. To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration.
- b. To establish, make and enforce compliance with rules necessary for the orderly operation, use and occupancy of this Condominium Project. (A copy of such rules and regulation shall be delivered or mailed to each Member promptly upon the adoption thereof.)
- c. To keep in good order, condition and repair all of the General and Limited Common Elements and all items of personal property used in the enjoyment of the entire Premises.
- d. To insure and keep insured all of the insurable Common Elements of the Property in an amount equal to their maximum replacement value, as provided in the Declaration. Further to obtain and maintain comprehensive liability insurance covering the entire Premises in amounts not less than One Hundred Thousand Dollars (\$100,000.00) per person, Three Hundred Thousand Dollars (\$300,000.00) per accident and Fifty Thousand Dollars (\$50,000.00) property damages, plus a One Million Dollar (\$1,000,000.00) umbrella policy. To insure and keep all the fixtures, equipment and personal property acquired by the Association for the benefit of the Association, the Owners of the Condominium Units and their First Mortgagees.
- e. To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the Owners; and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, and additional capital expenses. All monthly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.
- f. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these By-Laws.

g. To protect and defend the entire Premises from loss and damage by suit or otherwise.

h. To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners in the same proportion as their interest in the Common Elements.

i. To enter into contracts within the scope of their duties and power.

j. To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board of Directors.

k. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners and any First Mortgagee of a Unit and to cause a complete audit of the books and accounts by a competent accountant, once each year. The Association shall cause to be prepared and delivered annually to each Owner an audited statement showing all receipts, expenses or disbursements since the last such statement. Such audited financial statements shall be available to any First Mortgagee of a Unit, on request, within ninety (90) days following the fiscal year end of the Project.

l. To meet at least once each quarter. v

m. To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.

n. In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of Condominium ownership.

5.4 ELECTION AND TERM OF OFFICE. At the first annual meeting of the Association the term of office of one-third (1/3) of the Directors shall be fixed for one (1) year, the term of office of one-third (1/3) of the Directors shall be fixed at two (2) years, and the term office of the remaining one-third (1/3) of the Directors shall be fixed at three (3) years. At the

expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first meeting.

5.5 VACANCIES. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director so elected shall serve out the remaining term of his predecessor.

✓ 5.6 REMOVAL OF DIRECTORS. At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

5.7 ORGANIZATION MEETING. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.8 REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.9 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days' personal notice to each Director by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

5.10 WAIVER OF NOTICE. Before or at any meeting of the Board of Directors, any Director may in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 BOARD OF DIRECTOR'S QUORUM. At all meetings of the Board of Directors, a majority of Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without additional notice.

5.12 FIDELITY BONDS. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

ARTICLE VI

OFFICERS

6.1 DESIGNATION. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors.

6.2 ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

6.3 REMOVAL OF OFFICERS. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

6.4 PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of both the Association and the Board of Directors. He shall have all the general powers and duties which are

usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of the CASA DEL MAR ASSOCIATION, INC.

6.5 VICE PRESIDENT. The Vice President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

6.6 SECRETARY.

a. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of the Secretary.

b. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name, the number of Members living in the Unit and the parking space or garage and storage space if one is assigned for use in connection with such Unit. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6.7 TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors, including authority to: sign all checks and promissory notes of the Association; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board of Directors.

ARTICLE VII

MANAGEMENT CONTRACT

7.1 MANAGEMENT COMPANY. The Board of Directors may enter into a management agreement with a management company at a rate of compensation agreed upon by the Board of Directors. In accordance with the Declaration and these By-Laws, the management company shall have, but shall not be limited to, the following functions, duties and responsibilities:

a. Fiscal Management.

(1) Prepare annual operating budget detailed to reflect expected operation for each month. This budget is established to show expected recurring receipts and operating disbursements. It is further used for comparison with actual monthly income and expenditures.

(2) Prepare five (5)-year sinking fund reserve budget projection for capital expenditures on items recurring only periodically, i.e., painting, etc., for Common Elements.

(3) Prepare monthly operating and cash position statements and statements concerning sinking fund reserve accounts.

(4) Analyze and compare operating receipts and disbursements against the Board-approved budget. Where a significant variation is shown (10% above or below the budgeted amount), prepare explanations of variations from budgeted figures. Suggest corrective recommendations, if applicable.

(5) Collect maintenance fees and special assessments; deposit them in checking, savings or other income producing accounts on behalf of the Board and maintain comprehensive records thereof. Establish individual checking and sinking fund reserve accounts, as directed by the Board.

(6) Mail notices of delinquency to any Owner in arrears, and exert reasonable effort to collect delinquent accounts.

(7) Examine all expense invoices for accuracy and pay all bills in accordance with the terms of the property management agreement.

(8) Prepare year-end statement of operations for Owners.

b. Physical Management.

(1) Assume full responsibility for maintenance and control of Common Area improvements and equipment. Maintain the Property in constant repair to reflect Owner pride and to insure high property values in accordance with the provisions of the operating budget, as approved by the Board of Directors.

(2) Enter into contracts and supervise services for lawn care, refuse hauling, pump maintenance, etc., as approved operating budgets.

(3) Select, train and supervise competent personnel, as directed by the Board.

(4) Compile, assemble and analyze data; and prepare specifications and call for bids for major improvement projects. Analyze and compare bids, issue contracts and coordinate the work; maintain close and constant inspection to insure that work is performed according to specifications.

(5) Perform any other projects with diligence and economy in the Board's best interests.

c. Administrative Management.

(1) Inspect contractual services for satisfactory performance. Prepare any necessary compliance letters to Vendors.

(2) Obtain and analyze bids for insurance coverage specified in By-Laws, recommend modifications or additional coverages. Prepare claims when required and follow up on payment; act as Board's representative in negotiating settlement.

(3) Exercise close liaison and supervision over all

personnel to insure proper operational maintenance and to promote good Management-Resident-Owner relationships.

(4) Act as liaison for the Association in any negotiations or disputes with local, federal or state taxing agencies or regulatory bodies.

(5) Exercise close supervision over hours and working conditions of employed personnel to insure compliance with Wage and Hour and Workman's Compensation Laws.

(6) Assist in resolving individual Owner's problems as they pertain to the Association, Common Elements and governing rules and regulations.

(7) Represent an absentee Owner when requested.

(8) Administer the Condominium Project in such a way as to promote a pleasant and harmonious relationship within the complex for all Owners, Residents and Tenants alike.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

8.1 INDEMNIFICATION. The Association shall indemnify every Director or officer, his heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in this Article VIII shall be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit, who is or has been a

Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration for CASA DEL MAR CONDOMINIUMS as a Member or Owner of a Condominium Unit covered thereby.

ARTICLE IX

OBLIGATIONS OF THE OWNERS

9.1 ASSESSMENTS. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. The assessments shall be made pro rata according to the proportionate share of the Unit Owner in and to the Common Elements and shall be due monthly in advance. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these By-Laws, only if he is current in the assessments made or levied against him and the Condominium Unit owned by him.

9.2 GENERAL.

a. Each Owner shall comply strictly with the provisions of the Condominium Declaration for CASA DEL MAR CONDOMINIUMS.

b. Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Project was built.

9.3 USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS. Each Owner may use the General Common Elements and the Limited Common Elements in accordance with the purposes for which they were intended.

9.4 DESTRUCTION OR OBSOLESCENCE. Each Owner shall, if necessary, execute a power of attorney in favor of the Association, irrevocably appointing the Association his Attorney-In-Fact to deal with the Owner's Condominium Unit upon its destruction, obsolescence or condemnation, as is provided in Paragraph 6.1 of the Condominium Declaration.

ARTICLE X

AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP

10.1 BY-LAWS.

a. After relinquishment of Declarant control of the Association, as set forth in Article IV, these By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and

no amendment shall take effect unless approved by Owners representing at least sixty-six and two-thirds percent (66-2/3%) of the aggregate interest of the undivided Ownership of the Common Elements. In no event shall the By-Laws be amended to conflict with the Declaration. In the event of a conflict between the two (2) documents, the Declaration shall control.

b. Until relinquishment of Declarant control of the Association, these By-Laws may be unilaterally amended by the Declarant to correct any clerical or typographical error or omission, or to change any provision to meet the reasonable requirements of any mortgage lender.

ARTICLE XI

MORTGAGES

11.1 NOTICE TO ASSOCIATION. An Owner who mortgages his Unit shall notify the Association through the President of the Association giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Condominium Units".

11.2 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a Mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

ARTICLE XII

COMPLIANCE

12.1 LEGAL REQUIREMENTS. These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

ARTICLE XIII

NON-PROFIT ASSOCIATION

13.1 NON-PROFIT PURPOSE. This Association is not organized for profit. No Unit Owner, Member of the Board of Directors or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be

paid as a salary or as compensation to, or distributed to or inure to the benefit of any Member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one [1] or more of the purposes of the Association and (2) that any Member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XIV

PRINCIPAL OFFICE

14.1 ADDRESS. The principal office of the Association shall be located at 6102 Seawall Boulevard, Galveston, Texas 77551, but may be located at such other suitable and convenient place as shall be permitted by law and designated by the Directors.

ARTICLE XV

EXECUTION OF INSTRUMENTS

15.1 AUTHORIZED AGENTS. The persons who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary of the Association.

ARTICLE XVI

CORPORATE SEAL

16.1 CORPORATE SEAL. The Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association.

ARTICLE XVII

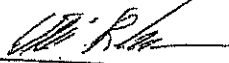
DEFINITIONS OF TERMS

17.1 DEFINITIONS OF TERMS. The terms used in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration for CASA DEL MAR CONDOMINIUMS, as the same may be amended from time to time, recorded in the office of the County Clerk of Galveston County, Texas.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the By-laws of CASA DEL MAR ASSOCIATION, INC., A Texas non-profit corporation, as adopted by the initial Board of Directors at its organization meeting.

IN WITNESS WHEREOF, I herunto set my hand, this the 1st day of
August, A.D., 1990.

 8-1-90
William Suyder, President