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CONDOMINIUM RECORDS

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THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF CAMERON §

DECLARATION FOR ESTABLISHMENT OF CONDOMINIUM REGIME
FOR LAS BRISAS CONDOMINIUMS

WHEREAS, The Breezes, Inc., a Texas corporation, hereinafter called Sponsor, is the sole owner in fee simple of the real property hereinafter described and has developed said property by constructing a condominium project thereon, consisting of six (6) main buildings, initially containing a total of forty (40) independent apartments, patios or balconies appurtenant thereto, which condominium project is known as Las Brisas Condominiums.

NOW, THEREFORE, for the purposes of establishing a condominium regime subject to the provisions of Vernon's Annotated Civil Statutes of the State of Texas, Article 1301 a, hereinafter referred to as the Condominium Act, The Breezes, Inc., Sponsor, for itself, its executors and administrators, grantees and assigns, hereby makes this declaration establishing the property hereinafter described as a condominium regime, and for such purposes, Sponsor does hereby make the declarations hereinafter set forth, and Sponsor hereby submits the following described land, together with all buildings and improvements erected thereon to the condominium form of ownership in accordance with the provisions of the Condominium Act and the provisions of this declaration hereinafter set forth. The description of such land so submitted and dedicated is as follows:

See Exhibit "A" attached hereto and made a part hereof for all purposes.

DEFINITIONS AND DESCRIPTION OF PROJECT

Name: The property shall have the name Las Brisas Condominiums.

Definitions:

Bylaws. All references to bylaws herein shall be deemed to include bylaws or other governing rules adopted by the Council as an unincorporated association.

Buildings shall initially mean the apartment buildings heretofore erected or to be hereafter erected upon the property described above.

Building means one of the apartment buildings now erected or to be hereafter erected upon the property described above.

Common Expenses means the expenses of the Project and operation thereof to be borne and shared in common by all of the apartment owners proportionately as set forth herein.

Common Fund - The common fund consists of all funds of all apartment owners collectively administered by the Council.

Apartment shall mean an enclosed space in a building consisting of one (1) room or a suite of rooms designed for more floors designed for independent use as a housing accommodation and designed on the plat of the project as a separate apartment and provided to be owned individually and not owned in common with the other owners of the project.

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There are four types of floor plans for the apartments with such floor plans being shown in Exhibit E attached hereto.

Each apartment shall include that part of the building containing the apartment which lies within the boundaries of the apartment which boundaries are as follows: The interior surfaces of the perimeter walls (including doors and windows), floors, ceilings and the exterior surfaces of balconies and patios, and each apartment unit includes both portions of the building so described and the air space so encompassed excepting general common elements situated therein as set forth herein. Each apartment also includes all fixtures, appliances, and individual air conditioning and heat equipment located within such apartment and intended for individual use.

Common Elements means the General Common Elements.

General Common Elements means all parts of the project which are not owned separately and which are owned in common including, but not limited to the items specifically designated as such in this Declaration, together with such other property as shall be designated as such from time to time by Amendment to this declaration.

The general common elements consist of the entire property including all parts of the building, other than the apartments and including, without limitation, the following:

- (1) the land described above;
- (2) the foundations, bearing walls and columns, roofs, halls, club room, swimming pool, stairways, and entrances and exits or communication ways, picnic tables and benches, yards and gardens, tennis facilities, piers, management facilities and opening parking area;

the facilities for installation of, and the equipment for, central utility services such as power, light, gas, hot and cold water, reservoirs, water tanks and pumps, and all other like elements.

(3) The Common Fund.

(4) All other parts of the project, and all apparatus and installation existing in the building or on the property, for the common use, or necessary or convenient to the existence, maintenance or safety of the property.

Limited Common Elements. The Limited Common Elements means all parts of the project which are not separately owned but each owner has the exclusive right to the use of a designated portion of such common elements. The Limited Common Elements shall consist of the designated covered parking area attached to the apartment unit. Each owner shall be given the exclusive right to use one designated covered space. Such designated parking space to be assigned to each owner by Sponsor upon the initial conveyance of the apartment to the owner.

Project shall mean all of the real property described above and all improvements heretofore constructed or to be hereinafter constructed thereon.

Sponsor shall initially mean THE BREEZES, INC., who has made and executed this Condominium Declaration and who is the owner of the property submitted to it.

Real Property shall mean all of the land described above.

Declaration means this instrument by which the property described herein is submitted to the provisions of the Texas Condominium Act.

Counsel of Co-Owners (and "Council") means the collective organization or association (whether incorporated as a membership corporation or unincorporated) of all apartment owners or their assigns.

Board or Board of Directors refers to the board of Governors of the Council of Co-owners, which Board shall manage the affairs of the Council.

General: All terms defined in the Condominium Act are used herein in the sense and meaning so defined except as limited, substituted or amplified as set forth herein.

Development Plan: The condominium is described and established as follows:

(a) Survey and Plot Plan. A plot plan of the land showing the buildings placed hereon is attached as Exhibit B.

(b) Easements. Easements are reserved through the project as may be required for utility services in order to adequately serve the project; provided, however, such easements through an apartment shall be only according to the plans and specifications for the building containing the apartment, unless otherwise approved in writing by the apartment owner.

(c) Improvements. Improvements upon the land include the following:

(1) Apartment Buildings. The condominium includes apartment buildings which are designated as Buildings 1-2-3-4-5-6 upon said plot plan survey and which is more particularly described upon Exhibit B.

(2) Other Improvements. The project includes automobile parking areas, swimming pool, landscaping, club room, piers, tennis facilities, and other common improvements located substantially as shown upon said Exhibit B and which are part of the common elements. Such improvements shall heretofore be constructed by developer.

Condominium Unit. A condominium unit shall include the ownership of an apartment and certain interest which are appurtenant to said apartment including, but not limited to, the following items:

(a) General Common Elements. The ownership of a prorata undivided share in the general common elements as above described.

(b) A membership in the Council and a prorata undivided interest in the funds and assets held by the Council.

(c) The right to use two parking spaces.

Ownership of General Common Elements. The fraction of ownership that each apartment bears to the general common elements shall be shown on Exhibit attached hereto and such undivided share of the general common elements shall also represent the fractional share of the common expenses of each apartment. The fractions of ownership interest in the General Common Elements so allocated to the respective Units are based upon values arbitrarily assigned by Developer to each Unit and do not necessarily reflect or represent the selling price or actual value of any unit.

Regardless of the price for which any Unit may be sold or resold or the actual value of any Unit, and regardless of any other matter, such fraction of ownership in the General Common Elements allocated to each unit shall remain fixed and constant, and the same cannot be changed except by the written consent of each and every co-owner and mortgagee of a Unit in the project property, duly executed, acknowledged and filed for record as a partial amendment to this Declaration. Said ownership interest in the General Common Elements shall be undivided interests, and the General Common Elements shall be owned by the several

Unit co-owners, as tenants in common in accordance with their respective fractions of ownership. The General Common Elements shall remain undivided and shall not be the object of an action for partition or division of the co-ownership so long as suitable to a condominium regime, and in any event, all mortgages must be paid prior to the bringing of an action for partition, or the consent of all mortgagees to such action must be obtained. Any covenant to the contrary shall be void. The fraction of the General Common Elements allocated to each Unit shall not be separated therefrom or separately sold, conveyed, encumbered or otherwise separately disposed of, and each interest in the General Common Elements shall follow the respective Unit to which it is allocated, and shall be deemed to be conveyed or encumbered with its respective Unit to which it is allocated even though the description in the instrument of conveyance or encumbrance shall refer only to the Unit.

Incorporation: The Council of Co-Owners may hereafter elect to incorporate under the name LAS BRISAS CONDOMINIUMS COUNCIL AND CO-OWNERS, INC., or such other name as Council shall select, as a membership corporation under the provisions of the Texas Nonprofit Corporation Act; but it shall subsequently be operated as an unincorporated membership association if the corporation shall at any time be dissolved in a manner provided by law. The affairs of the Council, whether or not incorporated, shall be governed by the provisions of this declaration, the Articles of Incorporation (if incorporated) and the bylaws adopted by the board. The Project shall be subject to and governed by such instruments and by such rules and regulations as shall be adopted and published by the Board of Governors (or directors, as the case may be) from time to time.

Utility Easements. Each owner shall have an easement in all pipes, wires, ducts, cables, conduits, public utility

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

Restrictions, Covenants and Conditions. The purchase and ownership of each apartment and appurtenances thereto is subject to all provisions of this Declaration and to the bylaws and rules and regulations of the Council of Co-owners.

Encroachments. If any portion of the general or limited common elements now encroaches upon any apartment or if any apartment now encroaches upon any other apartment or upon any portion of the general or limited common elements, as a result of the construction of the building or if any such encroachment shall occur hereafter as a result of settling or shifting of the building, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the building shall stand. In the event the improvements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and then rebuilt, encroachment of part of the general or limited common elements upon any apartment or of any apartment upon any other apartment or any portion of the general or limited common elements due to such rebuilding shall be permitted

and valid easements for such encroachments and maintenance thereof shall exist so long as the building shall stand.

Access. The Board shall have the right of access to each apartment to inspect the same and to remove violations therefrom and to maintain, repair and replace the general or limited common elements contained therein or elsewhere in the building.

COUNCIL OF CO-OWNERS

Council. LAS BRISAS CONDOMINIUMS shall be governed by and the common elements shall be administered by a Council of Co-Owners, (hereinafter called "Council"), which is hereby established as a membership association. The Council shall act for the benefit of all apartment owners to provide for the protection, preservation, maintenance and repair of the general and limited common elements, and the government, operation and administration of the project property as hereby established and shall administer the Common Fund. Such Council and its affairs shall be administered and managed by a Board of Governors elected by the members of the Council.

INITIAL BOARD OF GOVERNORS.

The Initial Board of Governors shall consist of Jerry Watson, Herbert Moss, III, Officers of The Breezes, Inc. and three other persons appointed by them including right of replacement. Three Governors shall constitute a quorum for the transaction of business at either regular or special meetings. The initial Board shall not be replaced until 35 apartment units have been sold and closed by the Sponsor of the Condominium. At the time 35 apartments have been conveyed a new Board shall be elected in accordance with the provision in the Bylaws.

Resale to another, or divestiture of ownership of condominium property, however accomplished, shall act as an automatic resignation from the Board of Governors by such member.

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Governors. The Board of Governors of the Council shall consist of five (5) persons, one of whom shall be appointed by the Sponsor if and so long as Sponsor owns an apartment. A majority of the Board shall at all times be persons directly or indirectly owning or having an ownership interest in an apartment. Such board shall have the powers, duties, authority and responsibility specified in the by laws of the Council except as otherwise provided herein.

By laws. The By laws adopted by the Sponsor as sole owner of the real property which shall be used for the purpose of organizing the Council are attached hereto as Exhibit C and made a part hereof. The by laws may be amended from time to time in the manner therein provided.

Voting Rights. The owner or owners of each apartment unit or his or her legally authorized representative and proxy shall be entitled to cast one vote for each apartment unit owned at all meetings of the Council. Voting rights attributable to any apartment unit which shall have been acquired by the Council shall, while owned by the Council, be entitled to be represented at meetings of the members of the Council for purposes of determining the existence of a quorum, and shall be exercised and voted as directed by a majority of the members voting at such meeting.

Council Voting Rights. Voting rights attributable to any apartment which shall have been acquired by the Council shall, while owned by the Council, be entitled to be represented at meetings of the members of the Council for purposes of determining the existence of a quorum, and shall be exercised and voted as directed by a majority of the members voting at such meeting. Apartments, if any, owned by the Council shall not be subject to assessment while owned by the Council.

DUTIES OF COUNCIL AND OWNERS

Maintenance, Alteration and Improvement. Responsibility for the maintenance of the real property and restrictions upon the alteration and improvement thereof, shall be as follows:

Apartments.

By the Council. The Council shall maintain, repair and replace at the expense of the co-owners through the Common Fund:

All portions of an apartment (except interior surfaces) contributing to the support of the apartment building, which portions shall include, but not be limited to, the outside walls of the apartment building and all fixtures on the exterior thereof, boundary walls of apartments, floor, roofs and ceiling slabs, load-bearing columns, piling and load-bearing walls.

All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of an apartment maintained by the Council; and all such facilities contained within an apartment which service parts or parts of the project other than the apartment within which contained.

All incidental damage caused to an apartment by such work.

By The Apartment Owner. The responsibility of each apartment owner shall be as follows:

To maintain, repair and replace at his expense all portions of his apartment except the portions to be maintained, repaired and replaced by the Council. Such shall be done without disturbing the rights of other apartment owners or their tenants.

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Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the building.

Promptly to report to the Council any defect or need for repairs, the responsibility for the remedy of which is that of the Council.

To maintain, repair and replace at his expense exterior doors and windows of his apartment.

To maintain, repair and replace at his expense the fixtures, appliances and individual air conditioning and heating equipment located within his apartment and intended for individual use.

Alteration and Improvement. An apartment owner shall not make any alterations in the portions of an apartment or building which are to be maintained by the Council, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the building or impair any easement, without first obtaining approval in writing of owners of all other apartments in the same building and the approval of the Board of Governors of the Council. A copy of detailed plans for all of such work shall also be filed with the Council prior to the start of the work.

General Common Elements.

By the Council. The maintenance and operation of the general common elements shall be the responsibility of the Council at the expense of the co-owners through the common fund.

By the Apartment Owner. The cost of all repairs to a general common element necessitated by the negligence, misuse or neglect of an apartment owner shall be paid by the apartment owner.

Alteration and Improvement.

The Board of the Council is authorized to make alterations and improvements to the general common elements; provided, however, that if any alteration or improvement necessitates the expenditure of more than \$5,000.00 then such alteration or improvement shall require approval of the owners of apartments owning at least 50.1% of the general common elements or such greater number as shall be specified in the Council by laws. The improvement or alteration of the general common elements shall, moreover, be subject to such restrictions and provisions, if any, as shall be set forth in the by laws.

UTILITIES

Each owner of an apartment shall be individually responsible for and shall pay for telephone, electricity and all other utility services furnished to his apartment which are separately metered or billed by the respective utility companies or other party furnishing same. Utilities which are not separately metered or billed to the individual apartments shall be a part of the common expenses, and each apartment owner shall pay his prorata part thereof as in the case of other common expenses.

BLANKET INSURANCE

The Council and its Board shall have the authority and responsibility and shall obtain and continue in effect blanket property insurance to insure the buildings, structures and apartments (including staircases and built fixtures in accordance with original plans and specifications) in Las Brisas Condominiums and the owners thereof, against risks of loss or damage by fire and other hazards as are covered under the standard extended

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coverage provisions in such amount, not less than the full insurable replacement value thereof, and insurance against other risks of whatever character as the Board shall deem advisable, without prejudice to the right of each apartment owner to insure his or her individual apartment on his or her own account and for his or her own benefit. Such blanket insurance shall be written in the name of, and the proceeds shall be payable to the Council, and to the mortgagee as their interest may appear, or to any person designated by the Council as to Council's interest, as Trustee for the owners of each apartment in proportion to their respective interests in the general common elements, and additionally as individually specified per unit, or both. Each apartment owner, and the mortgage holder, if any, shall be a beneficiary of such insurance in proportion to the ownership interest in the general common elements as established by this Declaration, even though not expressly named in the policy of insurance as an insured or beneficiary. All costs, charges and premiums for such blanket insurance shall be a common expense, and each owner shall pay his or her prorata part thereof as in the case of other common expenses. The proceeds from all blanket insurance shall be held by the designated beneficiary as a part of the common fund and shall be used and paid out as hereinafter provided, consistent with the Condominium Act. Council shall furnish notice to owners of the policy limits of insurance coverage carried.

INDIVIDUAL INSURANCE

Each apartment owner shall be responsible at his or her own personal expense and cost for his or her own personal insurance on the contents of his or her own apartment and his or her additions and improvements thereto, and decorations, furnishings and personal property therein, and his or her personal property stored elsewhere on the project property, and

his or her personal liability, not covered by liability insurance for all the apartment owners obtained as a part of the common expenses.

PUBLIC LIABILITY AND OTHER INSURANCE

The Council shall have the authority and shall obtain comprehensive public liability insurance and such other types of insurance in such limits as it shall deem desirable, insuring each apartment owner and the Council and its Board from and against liability in connection with the common elements. Said policy or policies shall contain a cross-liability endorsement wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured. All costs, charges and premiums for all such insurance shall be a common expense. Each apartment owner shall pay his or her prorata share for such insurance as in the case of other common expenses.

REPAIR OR RECONSTRUCTION AFTER FIRE OR OTHER CASUALTY

In the event of damage to or destruction of the buildings as a result of fire and other casualty (unless 66-2/3 per cent or more of the project improvements are destroyed or substantially damaged and all of the apartment owners do not duly and promptly resolve to proceed with repair or restoration), the Council shall arrange for the prompt repair and restoration of the buildings (including any damage to apartments except wall, ceiling, or floor decorations or covering or other furniture, furnishings, fixtures or equipment installed by apartment owners individually) and the Council shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Council may assess all the unit owners for such deficit as part of the common charges.

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If two-thirds or more of improvements shall be destroyed or substantially damaged, and if all the owners of the apartments therein do not voluntarily within ninety (90) days thereafter make provision for reconstruction and restoration to the original condition, the Board will forthwith record a notice setting forth such facts, and upon such recording of notice and after approval all remaining mortgagees, the project shall be sold by the Board or its designated representative, as trustee, for all of the owners, free from the effect of this declaration which shall terminate upon the final distribution of the proceeds from such sale. The insurance settlement proceeds, and the proceeds from the sale of the project shall thereupon be collected by such trustee, and after payment of expenses of the sale such proceeds shall be divided according to each owner's interest based in proportion to their respective shares in the general common elements, and upon such division such trustee shall hold the share of each apartment owner in a separate trust account. From each separate account the Trustee shall use and disburse the total amount of each account toward the full payment of the following for and on behalf of the apartment owner for whom each account is held in the following order:

- (1) the payment of any balance of any first mortgage lien on such owner's apartment;
- (2) the payment of taxes and special assessment liens on such apartments in favor of any Taxing entity;
- (3) payment of such owner's share of unpaid common expenses and assessments of the Council;
- (4) the payment of junior liens on such apartment in the order and extent of their priority;
- (5) the balance remaining, if any, to the apartment owner.

The determination of whether 66-2/3 per cent or more of the improvements shall have been destroyed or substantially damaged by any fire or other disaster or casualty shall be conclusively made by the Council.

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ASSESSMENTS AND LIENS

Liability for Common Expenses. Each apartment owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements which is appurtenant to the apartment as set forth herein. The common expenses shall include, but not be limited to, all expenses incurred by the Council in performing its duties, obligations and services as authorized or required hereby or by the members of the Council, administrative expenses of the Council, all expenses or expenditures incurred by the Council for repair, replacement, construction, acquisition, maintenance or operation of common elements, reserves for proper Council purposes, costs of enforcing this Declaration, applicable by laws, rules and regulations or the rights of the Council or its members, taxes, professional fees, utilities and such other expenses as shall be authorized by the Council.

ASSESSMENTS. The Council shall have the power to assess the owners of the apartments for their respective shares of common expenses, and otherwise as herein provided. The making and collection of assessments against apartment owners for common expenses shall be subject to the by laws and to the following provisions:

(a) Share of Common Expense. Each apartment owner shall be liable for and shall pay a proportionate share of the common expenses and shall share in the common fund, if any, such shares being the same as the undivided share in the general common elements which is appurtenant to the apartments owned by him.

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(b) During any period of time in which not all of the building are being maintained and operated by the Council (as for example, when the maintenance and operation of a building are omitted pending reconstruction of such building after a casualty), that portion of assessments for the common expenses attributable only to the maintenance and operation of the buildings then being maintained and operated by the Council shall be assessed only to the owners of apartments of such buildings and in the proportions which their respective shares in the general common elements bear each to the other.

(c) Interest: Application of Payments. Assessments and installments thereon paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten days after the date when due shall bear interest at the rate of ten per cent per annum from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due, but in no instance shall any assessment remain unpaid for a period in excess of ninety (90) days.

(d) Attorney's Fees. If the Council shall incur any legal expenses, including attorneys' fees, to enforce any rights of the Council against an apartment owner, including but not limited to collection of delinquent assessments, such apartment owner shall be liable to the Council for such expenses and the Council may recover the same.

(e) Apartments Owned by Council, if any, shall not be subject to assessment while owned by Council.

LIENS FOR ASSESSMENTS

The Council shall have a lien upon each apartment and in the interests in the general and limited common elements and common fund appurtenant thereto to secure the payment by the

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owner of such apartment of his proportionate share of all assessments required or permitted to be levied hereunder or by law, and any other sums which shall become due and owing from such owner to the Council and such lien shall also secure all other expenses including reasonable attorneys' fees, incurred by the Council incident to the collection of such assessment or enforcement of such lien.

FORECLOSURE OF LIENS

All liens for assessments made by the Council of co-owners, or by the Board when authorized to do so as aforesaid, shall be prior to other liens, except that such liens for said assessments shall be subordinate, secondary and inferior, and the same are hereby expressly made subordinate, secondary and inferior to (1) all liens for taxes or special assessments levied by the city, county and state governments or any political subdivision or special district thereof, and (2) liens securing amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the date payment of such assessment for common expenses becomes due. Such lien for assessments herein provided for may be foreclosed, without prejudice and subject to the aforesaid prior liens, by the holder thereof in the same manner as either a vendor's lien (or as is provided for foreclosure of a contractual deed of trust lien on real property under Vernon's Annotated Civil Statutes of Texas, Art. 3810). Notice of foreclosure shall be given by certified mail, return receipt requested, 21 days prior to sale. No such foreclosure shall affect or impair any such prior liens. The Council in this project, shall have power to bid in the apartment unit foreclosed on at any foreclosure sale, and to acquire, hold, lease, mortgage, and convey the same in behalf of the Council. The purchaser acquiring title to such apartment unit at any such foreclosure sale, whoever he may be, and his successors

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and assigns, shall not be liable for the share of the unpaid common expenses or assessments by the Council chargeable to such apartment which became due prior to acquisition of such title at such foreclosure sale, but such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the owners of the apartments in this project, including such purchaser or acquirer, his successors and assigns, on a prorata basis, to the extent not recovered from the proceeds of such foreclosure sale.

STATUS AFTER FORECLOSURE

Upon the sale or conveyance of an apartment, all unpaid assessments against the selling owner for his or her prorata share of the common expenses and charges shall be first paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:

- (a) Assessments, liens and charges in favor of state and any political subdivision thereof for taxes due and unpaid on the apartment units.
- (b) Amounts under mortgage instruments duly recorded.

CERTIFICATE OF ASSESSMENT

Any prospective purchaser or encumbrancer of an apartment, upon written request being made, shall be entitled to a certificate from the Board as to the amount of unpaid common expenses, if any, of the subject apartment, and such apartment shall not be liable or subject to any lien for any unpaid assessment in excess of the amount set forth in said certificate for the period of time specified therein. If such request for a certificate is not complied with within thirty (30) days of such request, upon the closing of such sale or loan, the purchaser or encumbrancer shall not be liable, nor shall the subject apartment thereafter be subject to a lien, for any unpaid assessments due prior to the date of such request;

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provided, however, nothing contained herein shall relieve the previous owner or mortgagor of the obligation to pay all assessments due prior to such date nor constitute a waiver or diminishment of any of the rights established by Section 18 of the Texas Condominium Act.

COMMON FUND

All funds collected by reason of assessments of the apartment owners, or otherwise received from the apartment owners proportionately, and all funds received for the use and benefit of, or the account of, the apartment owners (whether derived from insurance proceeds or other source) shall constitute the common fund and shall be held, administered and accounted for by the Council as trustee for the benefit of all of the owners of apartments as set forth herein. The common fund is the property of the apartment owner proportionately and constitutes a part of the general common elements appurtenant to the apartments of the project. The common fund shall be administered and disbursed by the Council according to the terms of this Declaration and as determined by the co-owners from time to time. In addition to other uses authorized herein or by the members of the Council, the common fund may be expended in payment of the common expenses and in reimbursement of the expenses of the Council. The funds constituting a part of the common fund shall be held in a separate account or accounts in one or more depositories selected by the Council under the style Las Brisas Condominiums, or such other name as the Council shall select. If the Condominium regime for Las Brisas Condominiums shall be terminated, and if the Council shall at such time own any assets in its own right (as distinguished from funds or property of the co-owners administered by the Council) in excess of its liabilities, then any such excess of assets shall be added to the common fund and administered as such.

RESTRICTIONS

a. General Common Elements. The general common elements shall be used only for the purpose for which they are intended in the furnishing of services and facilities for the apartments.

b. Nuisances. No nuisances shall be allowed upon the project, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All part of the property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate or any fire hazard allowed to exist. No apartment owner shall permit any use of his apartment or make any use of the general or limited common elements which will constitute a nuisance or annoyance to the residents of other apartments.

c. Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of the project nor any part thereof, and all valid laws, zoning ordinances and regulations of said governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the project shall be the responsibility of the Council of owners acting by and through the Board of Governors.

RESTRICTIONS, COVENANTS AND CONDITIONS

The following restrictions, covenants and conditions are placed upon each of the units affected hereby as a general plan or scheme of restrictions, for the benefit of each unit, to-wit:

1. All of the Units in this Project Property shall be known and described as Residential Units and shall be used for residential purposes only during the existence and continuance of the condominium regime established by this Declaration. The area embraced by the General Common Elements shall be used for park, social, recreation, utility access or other purposes directly related to family residential use hereunder.

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2. Each Residential Unit shall be used and occupied as a private, single-family dwelling unit only. No Residential Unit shall be altered, remodeled, subdivided or converted into more than one single-family dwelling Unit, provided that two units may be converted into one single family dwelling unit.

3. No Unit shall be used or occupied for any professional office, business or commercial purpose, or any other non-residential purpose.

4. The co-owners of the respective units shall have the right to rent or lease their respective units, furnished or unfurnished, for residential purposes, provided that such tenancy or lease shall be subject to the provisions of this Declaration and the by laws of this Condominium Project.

5. No trash, rubbish, garbage or debris shall be kept or placed in any of the patios or similar areas or be permitted to accumulate upon any other Common Elements so as to render such property unsightly, offensive or detrimental to other property. All garbage and trash shall be placed or kept in designated containers as provided by the Board of Governors.

6. No animals or birds, other than a reasonable number of generally recognized house or yard pets, shall be maintained in any Unit or on the Common Elements and then only if they are kept, bred, or raised thereon solely as domestic pets and not for commercial purposes. No animal or bird shall be allowed to make an unreasonable amount of noise, or to become a nuisance. No structure for the care, housing, or confinement of any animal or bird shall be maintained so as to be visible from neighboring property. Upon the written request of any co-owner the Board of Governors shall conclusively determine, in its sole and absolute discretion, whether, for the purposes of this paragraph, a particular animal or bird is a generally recognized house or yard pet, or a nuisance, or whether the number of animals or birds on any such property is reasonable and in compliance with this subparagraph.

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7. The units and Common Elements shall not be used so as to disturb the neighborhood or occupants of adjoining units, or to constitute a nuisance or to violate any public law, ordinance or regulation from time to time applicable thereto nor which will create or emit any objectionable, offensive or noxious odors, dust, gas, offensive fumes, or other such material.

8. No antenna or other device for the transmission or reception of television signals, radio signals, or any form of electro-magnetic radiation shall be erected, used, or maintained outdoors on any Lot which has a height in excess of the height of the roof of the building, whether attached to a building or structure or otherwise, but the Council of co-owners may erect a common television antenna above such height.

9. No mobile home, house trailer, travel trailer or motor home of any kind, truck camper, permanent tent or similar structure shall be kept, placed, maintained, constructed, reconstructed or repaired, nor shall any motor vehicle be constructed, reconstructed or repaired upon any property, street or driveway in such a manner as will be visible from neighboring units; PROVIDED, HOWEVER, that the provisions of this paragraph shall not apply to emergency vehicle repairs or temporary construction shelters or facilities maintained during, and used exclusively in connection with the construction of any improvements upon the project property.

10. Outside visible clotheslines or other outside facilities for drying or airing clothes shall not be erected.

11. No tree, shrub or planting of any kind on any unit or on Common Elements shall be allowed to overhang or otherwise encroach upon any sidewalk or other pedestrian way from ground level to a height of seven (7) feet without the prior approval of the Board of Governors.

12. No Unit or any part of the surface of the Common Elements shall be used in any manner to explore for or to remove

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any water, oil, or other hydrocarbons, minerals of any kind, gravel, earth or any earth substance of any kind.

13. No co-owner shall permit any condition to exist upon any unit which shall induce, breed, or harbor plant diseases or noxious insects.

14. No signs or posters of any kind shall be placed on any part of the Common Elements except as authorized by the Board of Governors, except that the Sponsor may maintain a sign on the project property to advertise or attract attention to the project for so long as the Sponsor owns any unit which is for sale.

PROVISO

Notwithstanding other provisions hereof, until Sponsor has completed and sold or leased all of the apartments, now existing or hereafter constructed as a part of the condominium, neither the apartment owners nor the Council nor the use of the project shall interfere with the completion of the contemplated improvements and the sale or lease of the apartments. Sponsor may make such use of the unsold or unleased units and common areas as may facilitate such completion and sale or lease including but not limited to maintenance of a sales office, the showing of the property and the display of signs.

Regulations. Reasonable regulations concerning the use of the Condominium property may be made and amended from time to time by the Board of Governors.

TRANSFERS

No Severance of Ownership. The appurtenant interests including interests in the general and limited common elements, shall not be severable from the ownership of the apartment to

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which appurtenant, and no attempted or purported severance of such ownership shall be effective. No apartment owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his or her apartment without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest so omitted, even though the latter shall not be expressly mentioned or described therein, or even if a portion thereof shall be purported to have been expressly excluded. No part of the appurtenant interests of any apartment may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the apartment unit to which such interests are appurtenant.

Sales and Mortgages. If the owner of any apartment unit in this Condominium project is desirous of selling his or her apartment unit and receives an offer for the purchase of same which he or she would be willing to accept, such owner shall not sell such apartment unit without first giving the Board of Governors of this Condominium project the right of first refusal to purchase such apartment unit, in behalf of the Council of co-owners of this project, for the same price and on the same terms and conditions as stipulated in such offer received. Such right of first refusal shall be given by written notice to the Board of Governors which shall be transmitted by U.S. registered or certified mail, with return receipt requested and shall set

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out the price, terms and conditions stipulated in said offer received and the name and address of the person making such offer; and such notice shall be deemed given as of the date of such registered or certified mailing as evidenced by the post office receipt thereof. If such Board of Governors shall not elect to purchase said apartment unit for such price and on such terms and conditions specified in said notice within thirty (30) days from date such notice is given, then such owner may sell said apartment unit to the person or persons making such offer, and in such case, it shall be the duty and obligation of said Board of Governors to certify in writing, to be duly acknowledged and in recordable form that said selling owner has complied with all the provisions hereof and that such Board of Governors has declined to purchase such apartment unit.

Exceptions. The provisions of the foregoing paragraph shall not apply with respect to any gift, sale or conveyance by an owner of his condominium unit to his spouse or to any of his issue, antecedents, siblings, or the spouse of any such person, or any one or more to them, or to the owner of any other apartment in Southgate Condominiums or to the Council, nor to any sale of an apartment owned by the Council, nor to the initial sale of each apartment by Sponsor; nor to the acquisition or sale of a condominium unit by a mortgagee herein authorized who shall acquire title to such unit by foreclosure or by deed in lieu of foreclosure, provided, however, that the provisions of this section shall apply after resale by such mortgagee and to any resale thereafter. Any apartment owner shall be free to devise his apartment by will, or to pass the same by intestacy, without compliance with the preceding paragraph.

Sales Voidable. Any purported sale of an apartment in violation of the provisions hereinabove shall be voidable at the election of the Board; or at its election the Council shall have the right and option to purchase the apartment from the purchaser in any such purported sale in violation of these restrictions at the same price and upon the same terms at which such purported purchaser shall have acquired any such interest in such apartment.

Consent of Owners to Purchase Apartment by Board. The Board shall not exercise any option hereinabove set forth to purchase any apartment without the prior approval of a majority of the owners, or such greater number as shall be specified in bylaws of the Council.

Release by Board of Right of First Refusal. The right of first refusal above specified may be released or waived by the Board in which event the apartment together with the appurtenant interests may be sold, conveyed, free and clear of the provisions of such section.

Certificate of Termination of Right of First Refusal. A certificate executed and acknowledged by the Secretary of Las Brisas Condominiums, stating that the provisions hereof have been met by an apartment owner, or have been duly waived by the Board and that the rights of the Council thereunder have terminated, shall be conclusive upon the Council and its Board and members in favor of all persons who rely thereon in good faith. Such certificate shall be furnished to any apartment owner who has in fact complied with said provisions or in respect to whom the provisions of such section shall have been waived, upon request.

Financing of Purchase of Apartments by Council. Acquisition of apartments by the Council may be made from the assets, if any, or on the credit of, the Council, as such, or

from the common fund (if on behalf of the co-owners as such) or if such funds are insufficient, the Board may levy an assessment against each apartment owner in proportion to his ownership in the common elements, as a common charge, which assessment shall be enforceable in the same manner as provided herein; or the Board, in its discretion, may cause the Council to borrow money to finance the acquisition of such apartment, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the condominium unit, so to be acquired by the Council, or as may be required in the acquisition of Real Property above described.

MISCELLANEOUS

Amendments. This Declaration shall not be changed or amended except with the written consent of three fourths (3/4) of the total ownership of the Condominium units and the written consent of all mortgagees of such Condominium units.

Notices. Notices provided for in this Declaration or the by laws shall be in writing and shall be addressed to the Board at the address of the Board as such address may be established from time to time and in which each unit owner shall be notified. Notices to the apartment owners shall be mailed or delivered to the mailing address of their respective apartments or to such other address which any apartment owner may designate by notice thereof in writing to the Board.

Severability. If any provisions of this Declaration or in the by laws attached hereto or any part thereof or the application thereof in any circumstances shall be held invalid or unenforceable, the validity or enforceability of the remainder of the Declaration or by laws or the application of any such provision or part thereof in any other circumstances shall not be affected thereby.

Board as Agent. The Board is hereby irrevocably appointed agent for each Co-Owner and for each Co-Owner of a Mortgage or other lien upon a Unit and for each Co-Owner of any other interest in the condominium Property to adjust all claims arising under insurance policies purchased by the Board and to execute and deliver releases upon the payment of claims.

INDEMNITY, LIABILITY FOR LATENT DEFECTS AND BONDING

A. Indemnification of Governors and Officers. Each Governor and Officer of the Council shall be indemnified by the Council against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be a party, or in which he may be a party, or in which he may become involved, by reason of his being or having been a Governor or Officer of the Council or any settlement thereof, whether or not he is a Governor or Officer at the time such expenses are incurred, except in such cases wherein the Governor or Officer is adjudged guilty of willful malfeasance or bad faith in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Council. The foregoing rights of indemnification shall be in addition to and not exclusive of all other rights to which such Governor or Officer may be entitled. It is intended that the officers and Governors shall have no personal liability with respect to any contract made by them on behalf of the Council or the condominium. It is also intended that the liability of any Co-Owner arising out of any contract made by the Officers or Board or out of the aforesaid indemnity in favor of the Officers and Governors shall be limited to such proportion of the total liability therefor as his share of common expenses as set out in the Declaration. Every agreement made by the Board or by the Officers or the managing agent or manager on behalf of the Council or condominium shall provide that the Governors, the Officers, and agent, as the case may be, are acting only as agents for the Co-Owners

and shall have no personal liability thereunder (except as Co-Owners), and that each Co-Owner's liability thereunder shall be limited to such proportion of the total liability therefor as his share of common expenses as set out in the Declaration.

B. Liability for Latent Defects. Notwithstanding the duty of the Council to maintain and repair parts of the condominium Property, the Council shall not be liable for injury or damage, other than the cost of maintenance and repair, caused by any latent condition of the Property to be maintained and repaired by the Council, or by the elements or other Co-Owners or persons.

C. Fidelity Bonds. The Board shall obtain adequate fidelity bonds for all Officers, agents, and employees of the Council handling or responsible for condominium or Council funds. The premiums on such bonds shall constitute a common expense.

D. Mortgage. No Unit Co-Owner may Mortgage his Unit, nor any interest therein without the approval of the Board, except to a bank, life insurance company, or a savings and loan association. The approval of any other Mortgagee may be upon conditions determined by the Board or may be arbitrarily withheld.

1. Notice to Board. A Unit Co-Owner who Mortgages his Unit shall notify the Board of the name and address of the Mortgagee and shall file a conformed copy of the Mortgage or deed of trust with the Board; the Board shall maintain such information in a separate file or book covering Mortgages of the Unit.

2. Notice of Unpaid Assessments. The Board, whenever so requested in writing by a Mortgagee or a prospective Mortgagee of a Unit, shall promptly report any then unpaid assessments due from, or any other default by, the Co-Owner of the Mortgaged Unit.

3. Notice of Default. The Board, when giving notice to a Unit Co-Owner of a default in the payment of assessments or other default, shall send a copy of such notice to each holder of a Mortgage covering such Unit whose name and address has theretofore been furnished to the Board.

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E. Notice of Lien or Suit.

1. Notice of Lien. A Unit Co-Owner shall give notice to the Board of every lien upon his Unit, other than for permitted Mortgages, taxes, and special assessments, within five (5) days after the attaching of the lien.

2. Notice of Suit. A Unit Co-Owner shall give notice to the Board of every suit or other proceeding which may affect the title to his Unit, such notice to be given within five (5) days after the Unit Co-Owner receives knowledge thereof.

3. Failure to Give Notice. Failure to comply with this subsection concerning liens will not affect the validity of any judicial sale.

COMPLIANCE AND DEFAULT

Each Co-Owner shall be governed by and comply with the terms of the Declaration of Condominium, By-laws, and regulations adopted pursuant thereto, and said documents and regulations as they may be amended from time to time. Failure of a Co-Owner to comply therewith shall entitle the Board or other Co-Owners to the following relief in addition to the remedies provided by the Act.

A. Negligence. A Unit Co-Owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of any member of his family or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Council. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a Unit or its appurtenances, or of the Common Elements.

B. Costs and Attorney's Fees. In any proceeding arising because of an alleged failure of a Co-Owner to comply with the terms of the Declaration, By-laws, and regulations adopted pursuant thereto, and said documents and regulations as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable

attorney's fees as may be awarded by the court.

C. No Waiver of Rights. The failure of the Council, Board, or any Co-Owner to enforce any covenant, restrictions, or other provision of the Condominium Act, the Declaration, the By-laws, or the regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

Covenant. The provisions of this Declaration shall constitute a covenant and easement running with the land described above and shall bind Sponsor, their heirs, executors, administrators, legal representatives and assigns.

Legal Description. The legal description of each Unit shall consist of the identifying number of such Unit, and identification by Letter or other designation of the Building in which the same is situated, all as shown on and with reference to the respective condominium plats which are attached as exhibits hereto.

It is expressly agreed, and each and every purchaser of a Unit, his heirs, executors, administrators, assigns and Grantees, hereby agree, that the square footage, size and dimensions of each Unit as set out or shown in this Declaration or in said condominium plats attached as exhibits hereto, are approximate and are shown for descriptive purposes only, and that the Sponsor does not warrant, guarantee or represent that any Unit actually contains the area, square footage or dimensions shown by the Plat thereof. Each purchaser and owner of a Unit or interest therein, has had full opportunity of and is under a duty to inspect and examine the Unit purchased by him or her prior to his or her purchase thereof, and agrees that the unit is purchased as actually and physically existing. Each purchaser of a Unit hereby expressly waives any claim or demand which he may have against the Sponsor or any other person whomever, on account of any difference, shortage or discrepancy between the Unit as actually and physically

existing and as it is shown on the respective plat thereof which is attached as an exhibit hereto. It is specifically agreed that in interpreting deeds, mortgages, deeds of trust and other instruments, for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Unit or of a Unit reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be the boundaries regardless of settling, rising, or lateral movement of the building and regardless of variances between boundaries as shown on the plat and those of the buildings.

Separate Taxes. Taxes, assessments and other charges of the State or of any political subdivision, or of any special improvement district, or any other taxing or assessing authority shall be assessed against and collected on each individual Unit, which shall include its fractional common elements, each of which shall be carried on the tax books as a separate and distinct entity for that purpose, and not on the property as a whole as more particularly provided for in the Act.

Interpretation. If any declaration or provisions, sentence, word or clause contained in this Declaration or the by laws shall be susceptible to two or more interpretations, the interpretation which shall most nearly be in accord with the Act and the general purposes and intent of this Declaration and by laws shall govern.

Omissions. In the event of the omission from this Declaration of any provision or stipulation which shall be vital, necessary or expedient for the accomplishment of the purposes and intent of this Declaration, this Declaration shall not thereby fail, in whole or in part, but any and all such omitted matter shall be supplied by inference and/or by reference to the provisions of the Act, under which this condominium regime is established, and the provisions of such Act are hereby made a part hereof by reference thereto.

Rights of Holder of Present Lien. Notwithstanding any-
thing contained herein seemingly to the contrary, it is expressly
provided that in the event of the foreclosure of the existing first
mortgage lien on the project, presently held by FIRST NATIONAL
BANK OF HARLINGEN, by the owner and holder of the indebtedness
secured thereby, the purchaser at such foreclosure shall succeed
to all of the rights and privileges of the Sponsor set out herein
including, but not limited to, the removal and replacement of all
members of the Board of Governors who were appointed by the Sponsor.

EXECUTED this 7th day of November, 1973.

THE BREEZES, INC.

By: Jerry Watson, Vice Pres.
JERRY WATSON

Herbert Moss, III, President
HERBERT MOSS, III

State of Texas
County of Cameron

Before me, the undersigned Authority, on this day
personally appeared Herbert Moss, III and Jerry Watson, known
by me personally to be the President and Vice President respectively
of The Breezes, Inc. and they did, each of them, upon their oath
depose and state to me that they executed the above instrument
in their capacity as officers of the said corporation and for the
consideration therein expressed.

Given under my hand and seal of office this 7th day of
November, 1973.

Loren H. King
Notary Public in and for
Cameron County, Texas

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STATE OF TEXAS

COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared JERRY WATSON of THE BREEZES, INC., known to me to be the person who executed the above and foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed in his capacity as an officer of the above-named corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ___ day of ___, 1973.

NOTARY PUBLIC, in and for ___ County, Texas.

STATE OF TEXAS

COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared HERBERT MOSS, III, of THE BREEZES, INC., known to me to be the person who executed the above and foregoing instrument and acknowledged to me that he executed same for the purposes and consideration therein expressed in his capacity as an officer of the above-named corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ___ day of ___, 1973.

NOTARY PUBLIC, in and for ___ County, Texas.

THE STATE OF TEXAS

COUNTY OF

FIRST NATIONAL BANK OF HARLINGEN, mortgagee, acting herein by and through its duly authorized officer, hereby consents to the adoption of the foregoing Condominium Declaration and regime and subordinates its lien thereto.

EXECUTED this the ___ day of ___, 1973.

FIRST NATIONAL BANK OF HARLINGEN

By: _____

THE STATE OF TEXAS

COUNTY OF

BEFORE ME, the undersigned authority, on this day personally appeared _____ of FIRST NATIONAL BANK OF HARLINGEN, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said Bank.

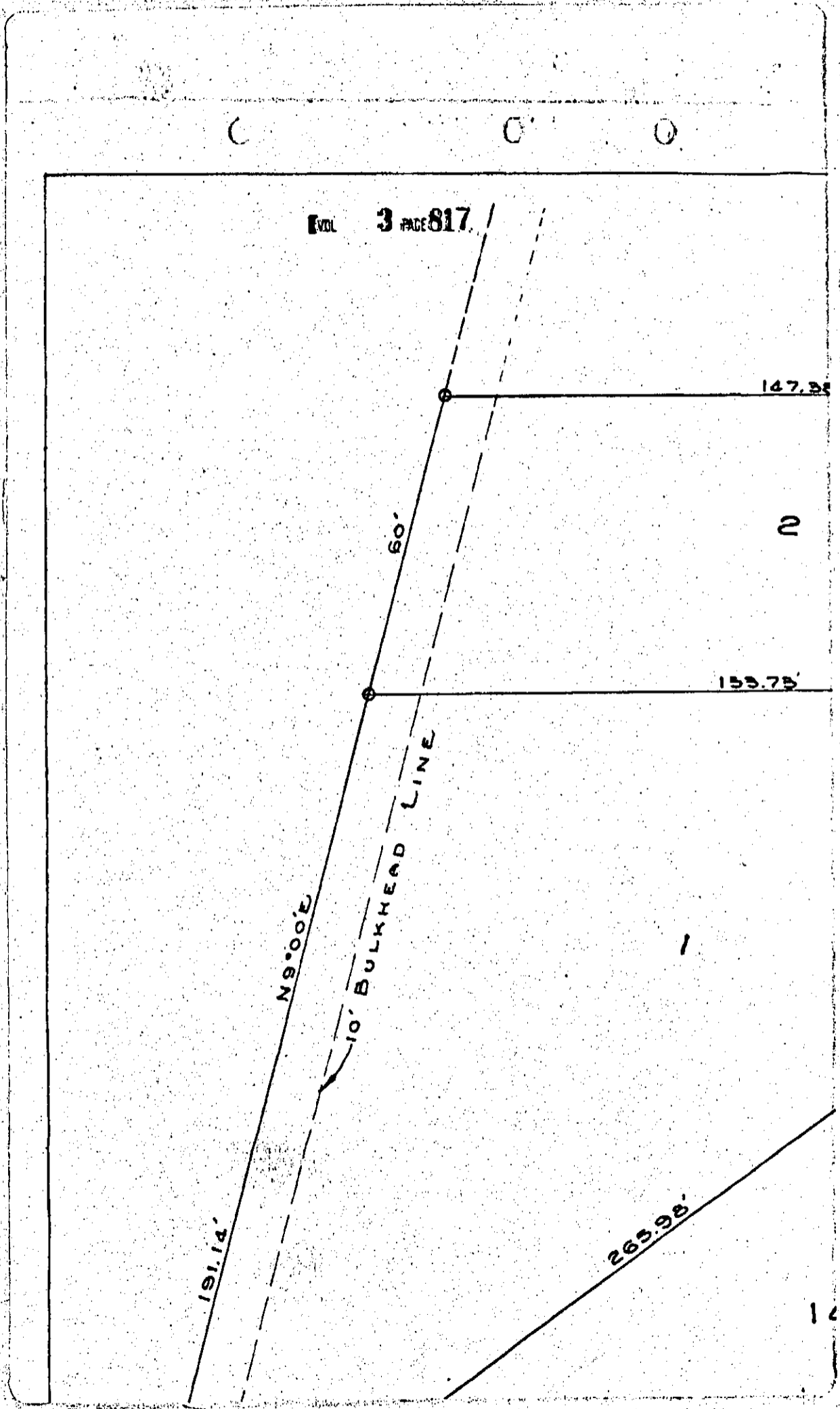
GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ___ day of ___, 1973.

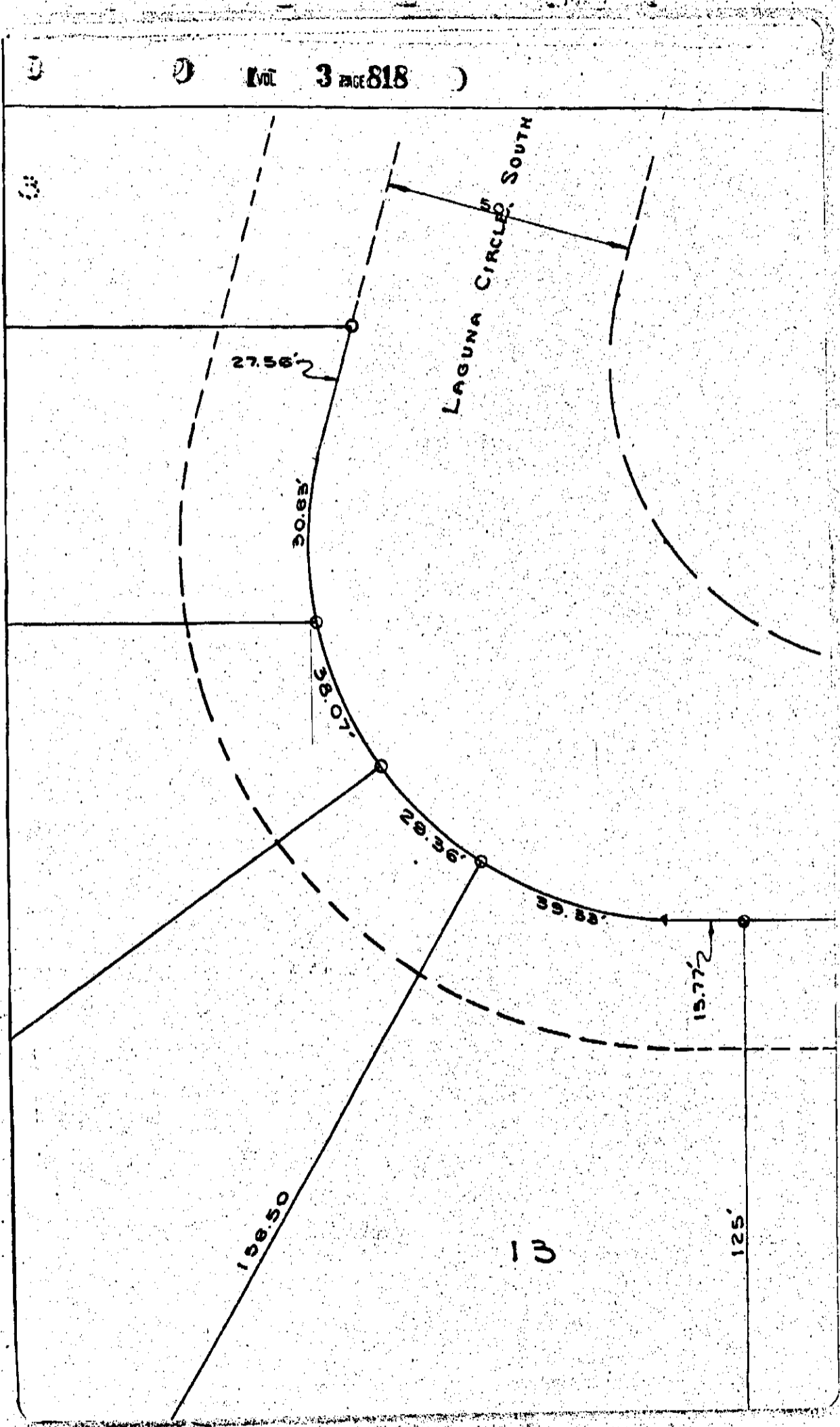
NOTARY PUBLIC, in and for ___ County, Texas.

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EXHIBIT A

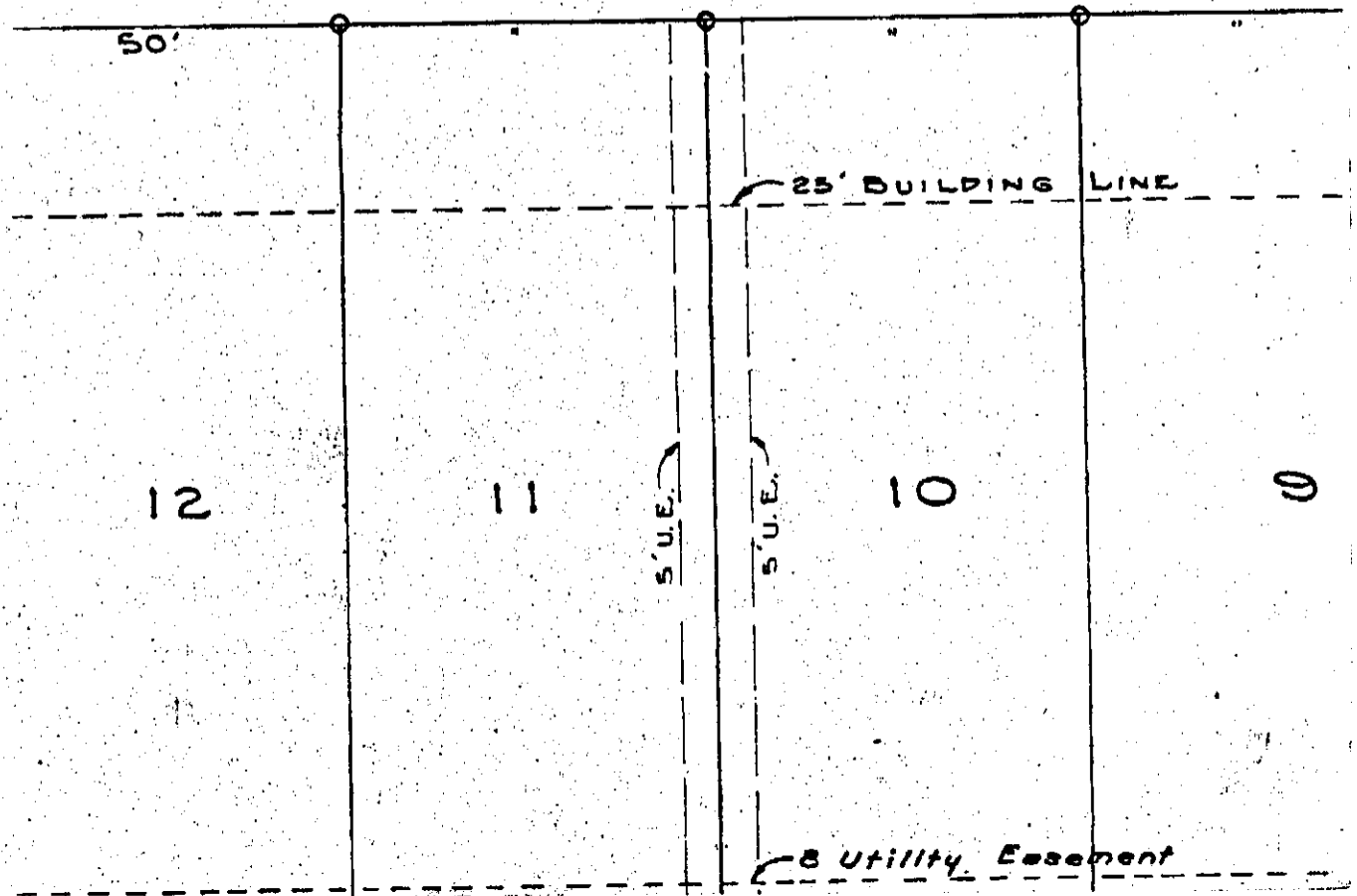
Lot One (1) and Lot Two (2) in Block One Hundred Eighty-Two (182) and Lots Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13) and Fourteen (14), in Block One Hundred Eighty-One (181) of Fiesta Isles, being Padre Beach, Section XII, a subdivision on Padre Island, Cameron County, Texas, according to Volume 17, Page 43, Map Records, Cameron County, Texas.





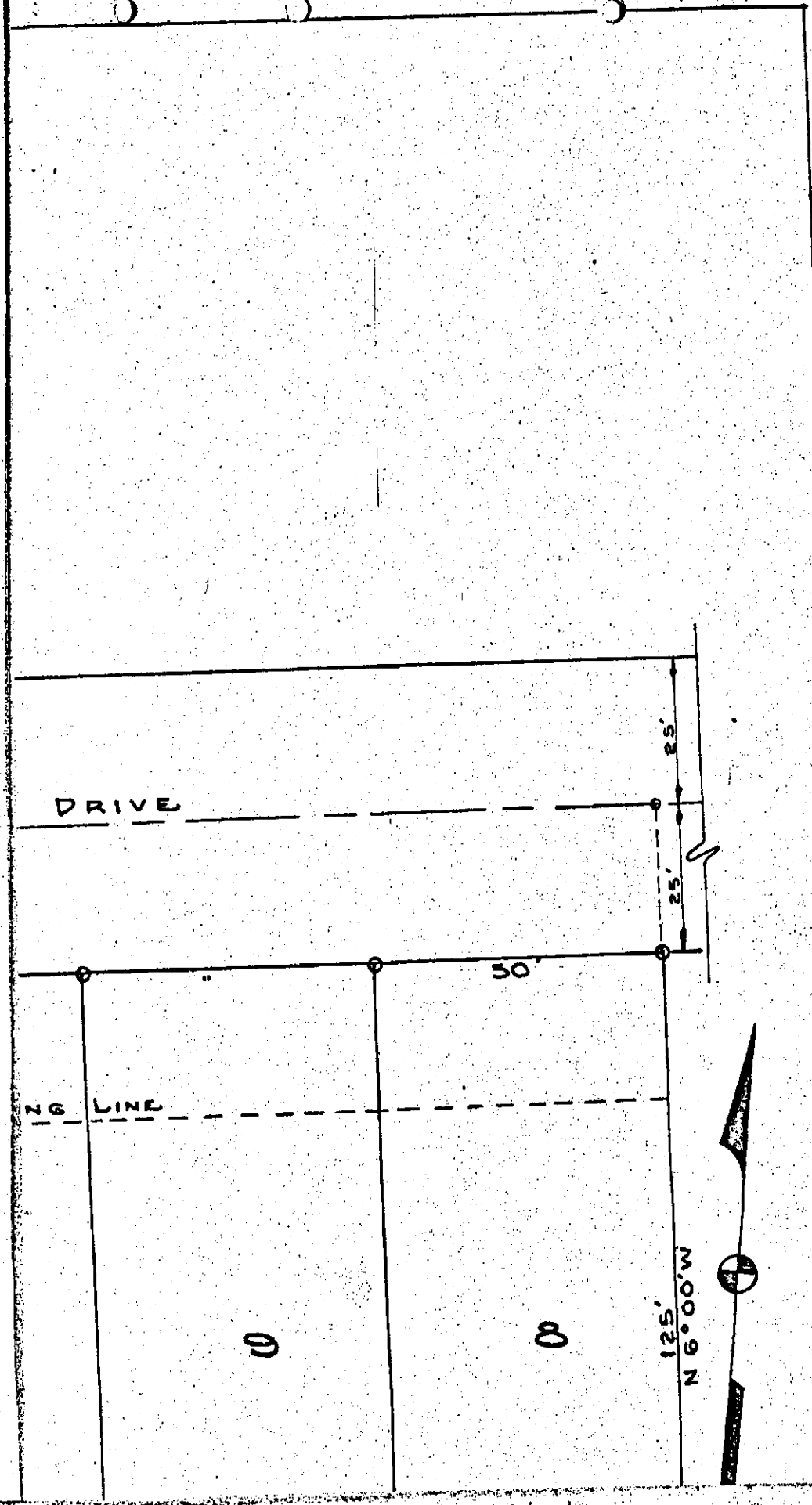
VOL. 3 PAGE 819

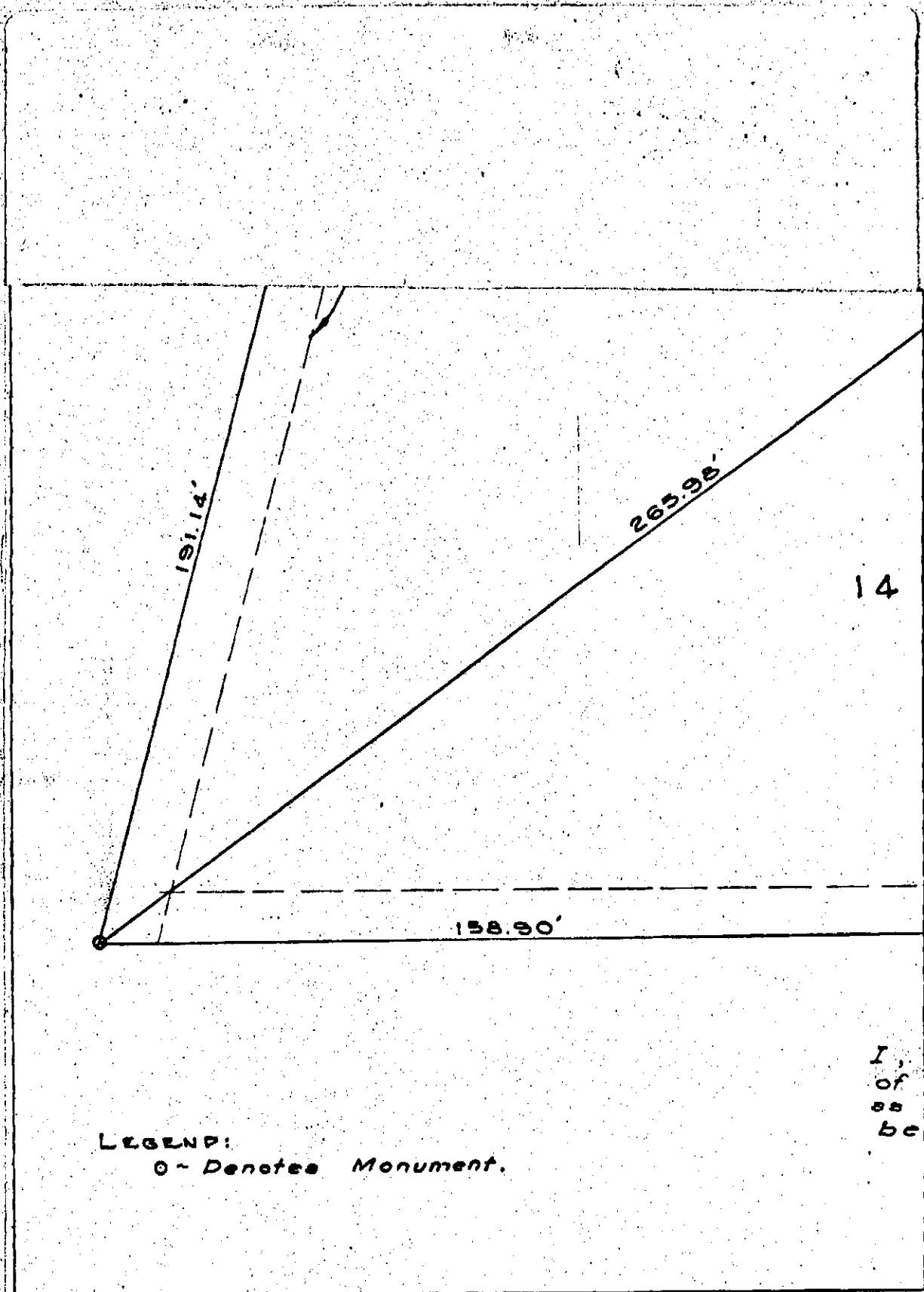
MORNINGSIDE DRIVE



820

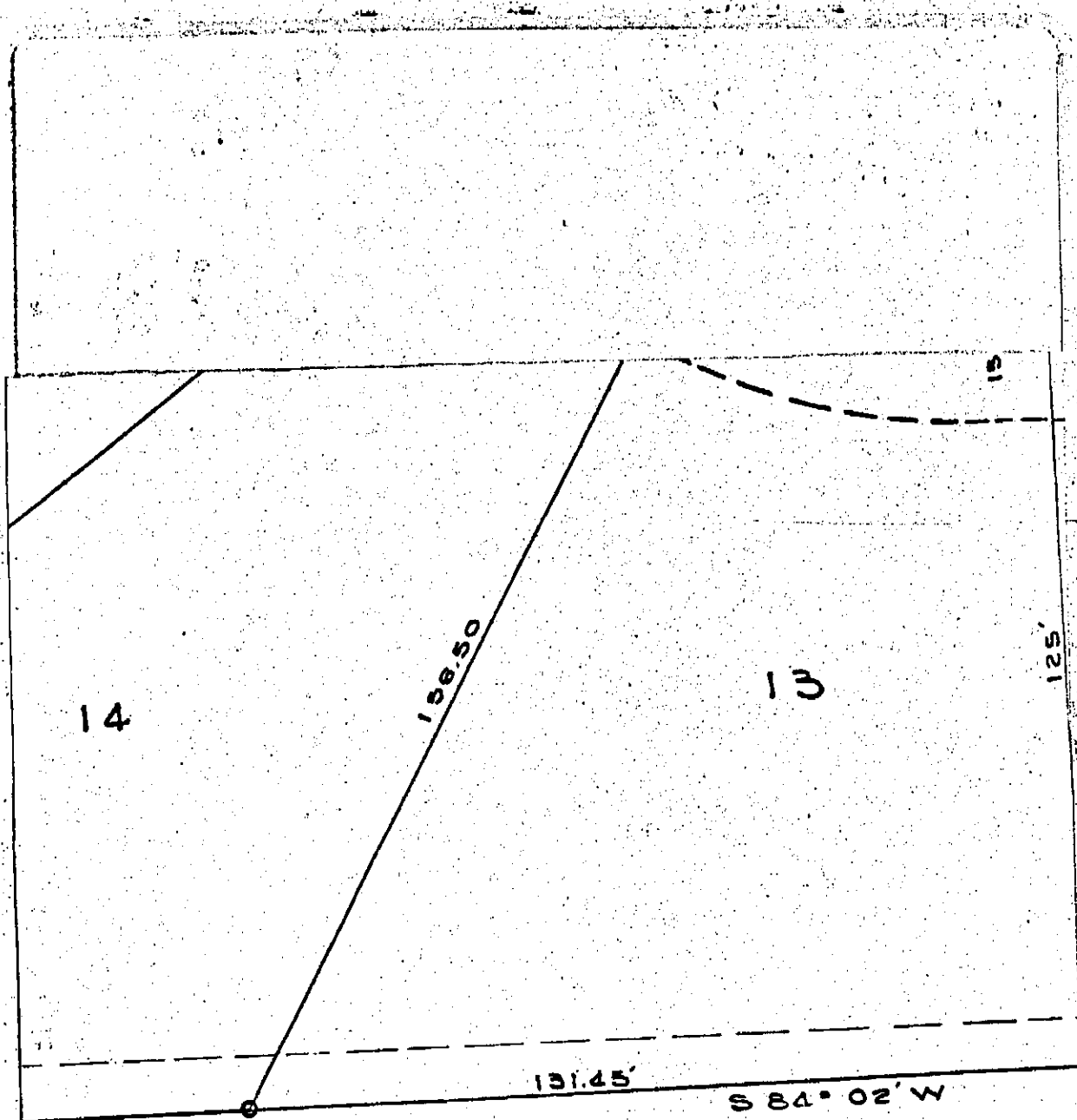
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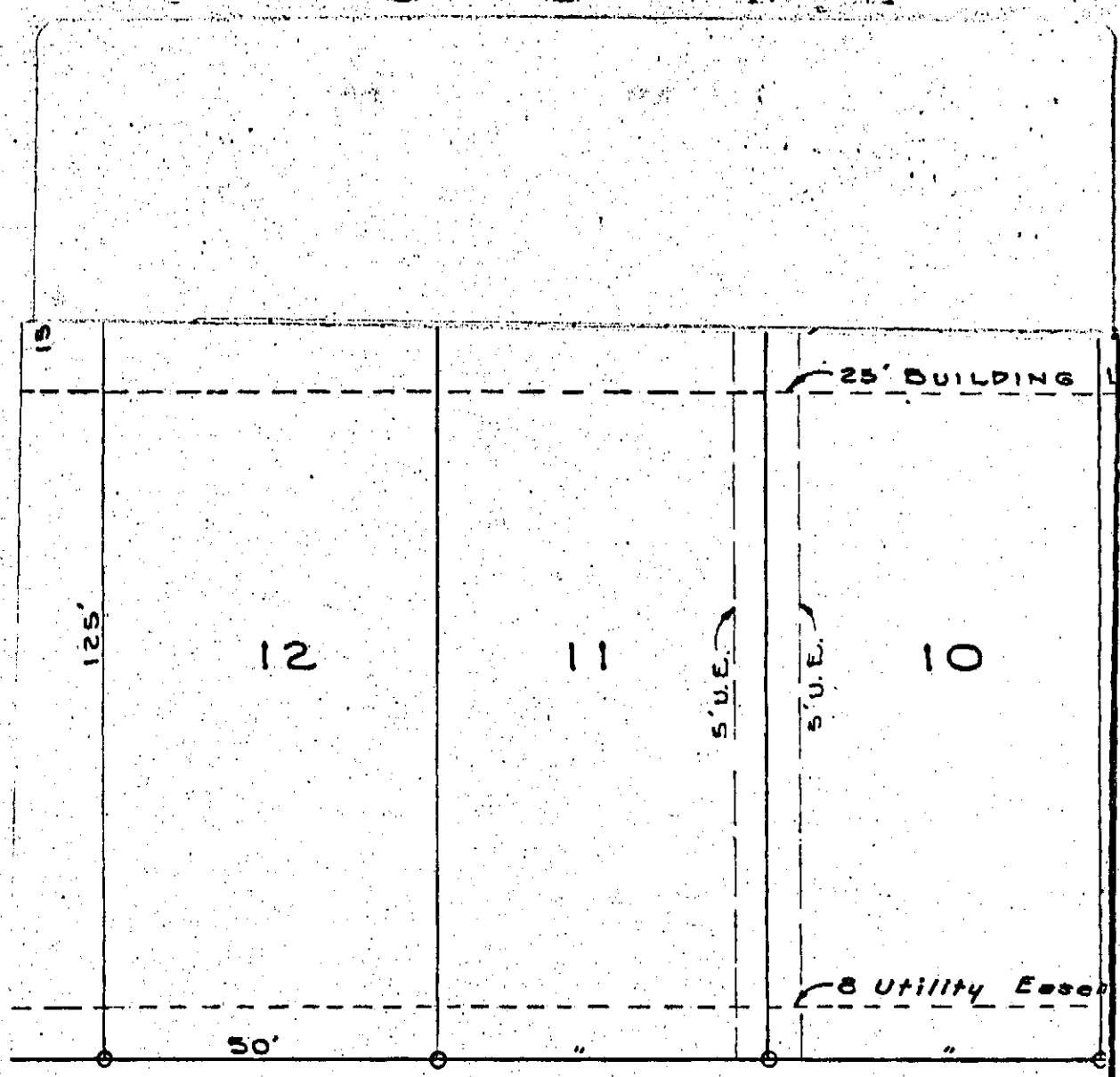


LEGEND:
 O - Denotes Monument.

I,
 of
 ss
 bc

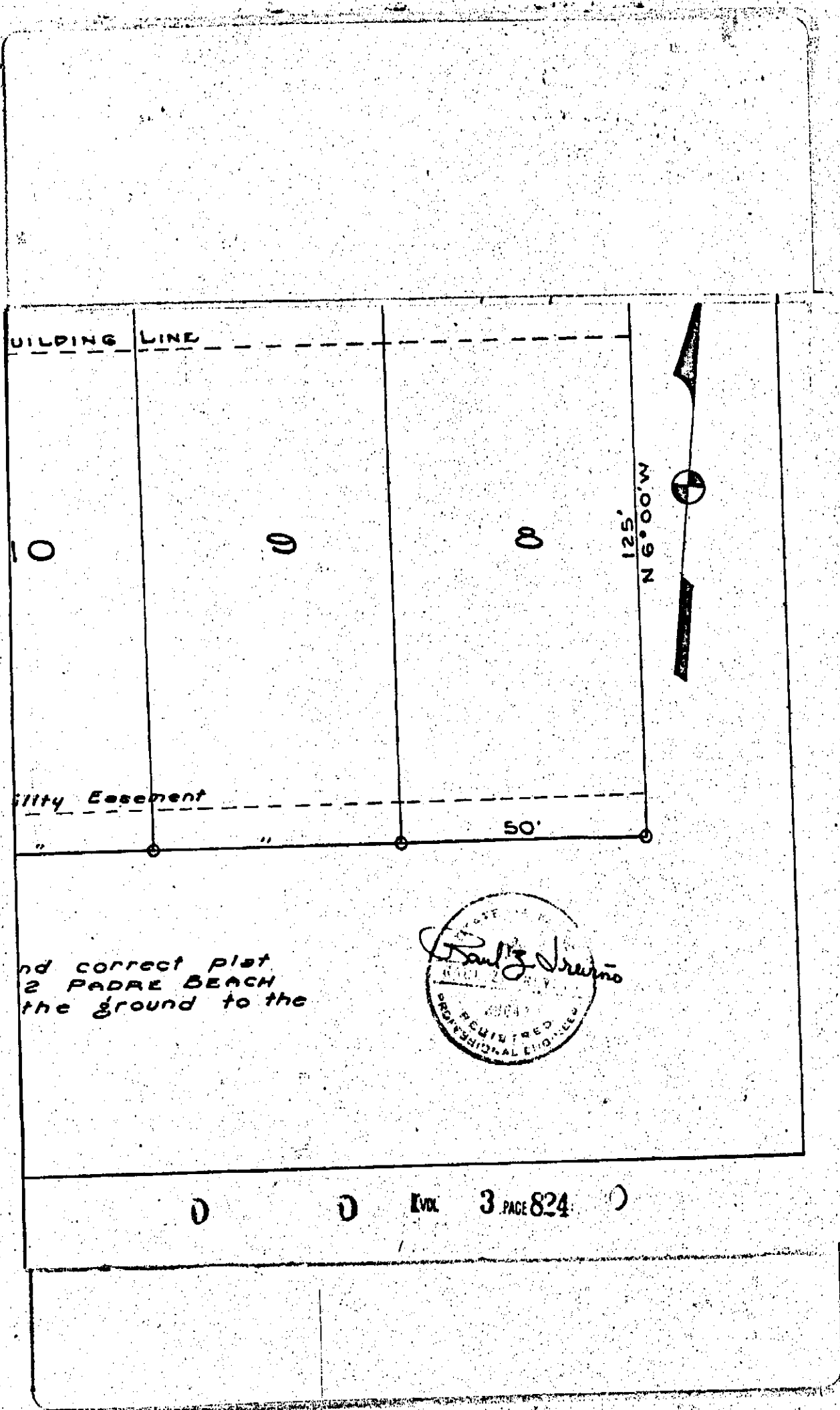


I, Raul Z. Treviño, Registered Civil Engineer
of survey of Lots 8, 9, 10, 11, 12, 13, 14 Block
as recorded in Vol. 15, Page 41 M./R. of Cameron
best of my knowledge.

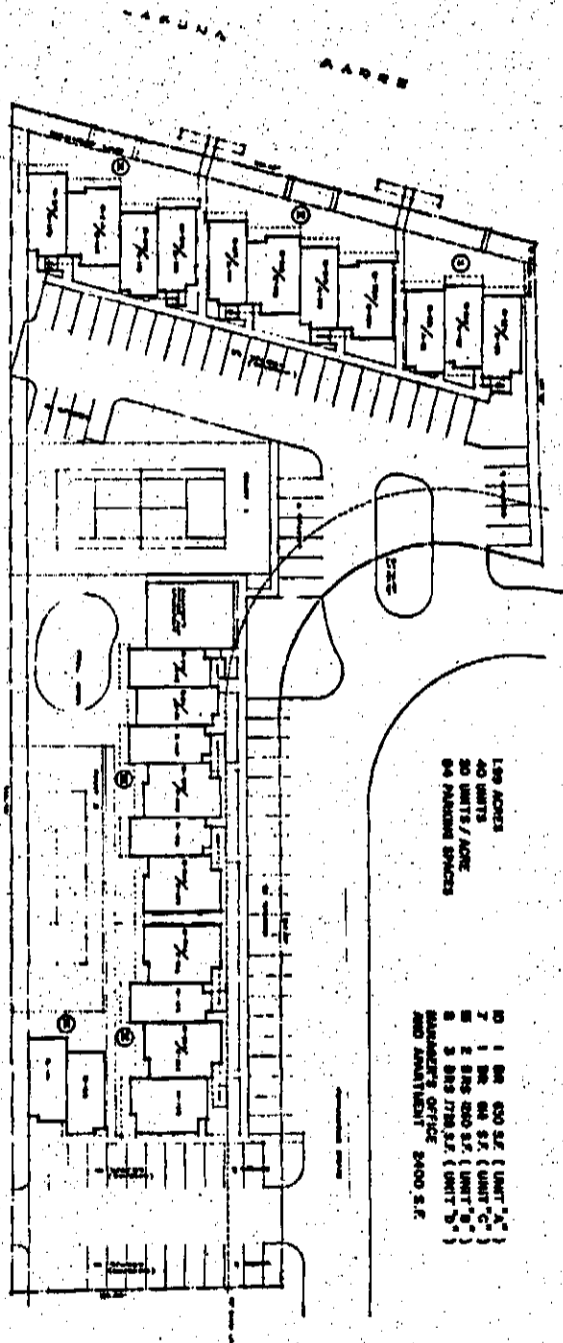


I do hereby certify that this is a true and correct copy of the original plat, Block 181, Lots 1 & 2, Block 182, Section 12 Padre River, Tarrant County, Texas, as accomplished on the ground.

NOV 3 PAGE 823 0 0



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1.58 ACRES
 40 UNITS / ACRE
 94 PARKING SPACES

- 10 1 80' 0" S.E. (UNIT "A")
- 7 1 80' 0" S.E. (UNIT "B")
- 8 2 80' 0" S.E. (UNIT "C")
- 9 3 80' 0" S.E. (UNIT "D")
- MANAGEMENT OFFICE AND APARTMENT 2400 S.F.

CH-10 3-11-11-1
 CAMDEN COUNTY, TEXAS

PROJECT NO. 100-1111-11-11-11
 DATE: 11/15/01
 DRAWN BY: J.S. [unreadable]
 CHECKED BY: [unreadable]

MORGAN SEARS ASSOCIATES, INC. AIA
 1100 [unreadable]
 HOUSTON, TEXAS 77002

SITE PLAN

EXHIBIT B

LAS BRISAS CONDOMINIUMS
COUNCIL OF CO-OWNERS
BYLAWS

SECTION 1. MEMBERS

1.1. MEMBERS. Each person who shall be the owner and holder of record of the legal title to a condominium unit located in or on the following described property (sometimes hereinafter referred as a "real property"), situated in Cameron County, Texas, to-wit:

See Exhibit "A" attached hereto and made a part hereof for all purposes.

shall for the duration of such ownership be a member of Las Brisas Condominiums Council of Co-Owners, save and except that any lienholders or mortgagees, trustee under a deed of trust, and any holder or owner of any right-of-way easement or similar interest, shall not, as such, be deemed to be the owner of record of the legal title of a portion of the subject property and shall not by reason of any such interest owned or held or acquired by them be or become a member of Las Brisas Condominiums Council of Co-Owners, provided, however, that the purchaser at a judicial or trustee's sale shall be deemed to be an owner for all purposes.

1.2 VOTING RIGHTS. Each member of the Council shall have such voting rights as are set forth in the Declaration for Establishment of Condominium Regime for Las Brisas Condominiums of South Padre Island, Texas, filed for record in the records of the County Clerk of Cameron County, Texas, which is hereby incorporated by reference herein as fully as if set forth at length at this point.

1.3 ANNUAL MEETING. An annual meeting of the members of the Council shall be held at 2:00 p.m. on the third Saturday in May each year at such place within Cameron County, Texas, as shall be designated for such purpose in a notice of the

EXHIBIT C

meeting; but if no notice be given, or if no other place be designated, then such meeting shall be held at the Las Brisas Condominiums.

1.4 NOTICE. No notice of any annual or regular meeting of the members of the council shall be required, but such notice of any such meeting as the Board of Governors or the President may deem advisable may be given.

SECTION 2. GOVERNORS

2.1 NUMBER. The number of governors of the Council shall not exceed five (5). A majority of the members of the Board of Governors shall at all times be persons directly or indirectly owning or having an ownership interest in an apartment which is part of the subject property.

2.2 ELECTION. The Council of co-owners at their first annual meeting shall elect five (5) governors, to serve as the Board of Governors as hereinafter provided. Thereafter, the council shall elect the number of governors required to fill vacancies of governors whose terms have been forfeited, vacated, expired or who have resigned. The initial Board of Governors prior to the first annual meeting of the Council of Co-owners shall consist of Jerry Watson and Herb Moss and three (3) other persons duly appointed by him.

2.3 CLASSIFICATION OF GOVERNORS. The entire Board of Governors shall at all times be divided as nearly equally as possible into three classes. One such class shall be elected each year to serve for a term of three (3) years. The initial Board of Governors shall be divided into classes by the drawing of straws, or such other means as they may deem advisable, with one class consisting of one (1) governor to be designated to serve for a term of three (3) years and one class consisting of two (2) governors to be designated to serve for a term of two (2) years, and the remaining class consisting of two (2) governors to serve for a term of one (1) year. Thereafter, the member

of each respective class shall be elected for three year terms upon the expiration of his or her respective initial term of office.

2.4 QUALIFICATIONS. Subject to the provisions of Paragraph 2.1 above, governors need not be members of the Council.

2.5 MEETINGS. An annual meeting of the Board of Governors shall be held each year immediately following the adjournment of the annual meeting of the members, and at the same place as the annual meeting of the members; and no notice of such annual meeting of the Board of Governors shall be required. Special meetings of the Board of Governors may be called by any governor or by the President, and shall be held at such time and place as shall be specified in the notice given of such meeting, provided that no meeting shall be held outside. No particular form of notice shall be required for the calling and holding of a special meeting of the Board of Governors, provided that actual notice thereof shall have been given to each governor in advance of a time of such meeting. Absent actual notice, proper notice shall be deemed to have been given of any special meeting of the Board of Governors if notice in writing, or by telephone or telegraph message, shall have been sent to either the usual business or residence address of the person entitled to receive notice not less than five (5) days preceding the date of the meeting.

2.6 MANAGEMENT. The business affairs and property of the Council shall be managed and controlled by the Board of Governors. The Board of Governors shall have the duty to maintain, operate, repair, and replace the general and limited common elements as described in the Declaration referred to herein, to administer the common surplus, if any, and to perform such other duties as shall be appropriate to the management of the subject property for the use, enjoyment and benefit of the members of the council in accordance with the terms and provisions of the Declaration referred to herein, and they are expressly given full powers

not inconsistent with these bylaws, and the Declaration referred to herein which is filed in the Records of the County Clerk of Harris County, Texas, and applicable provisions of law, to accomplish such purpose.

2.7 AUTHORITY. The Board of Governors shall have power to make rules for their own government and for the government of the council to prescribe and enforce penalties for violations of the rules and bylaws of the council; to assess and fix charges to be levied against the members of the council; and to exercise such other powers as may be necessary or proper to attain the object of the council. The Board of Governors shall have authority to create committees and specify the duties of any committee so created.

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

2.9 REMOVAL. Any governor, except the Sponsor so long as Sponsor owns an apartment unit, may be removed from office at any special or annual meeting of the council of co-owners, by vote of 50% of the votes entitled to be cast at said meeting.

SECTION 3. OFFICERS

3.1 The officers of the council shall consist of a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Governors at its annual meeting. The Board of Governors shall have full authority to remove any officer of the council from office by the vote of a majority of the members of the entire Board at any time; and the election of each officer of the council shall be subject to such power of the Board of Governors.

3.2 The duties of the officers of the council shall be as follows:

- a. The President shall be the chief executive officer of the council. He shall preside at all meetings of the council and governors and be responsible for the carrying out of their decisions in the administration of the affairs of the council. The President shall also execute contracts, conveyance and other documents on behalf of the council.
- b. In the absence of the President or when it is inconvenient for the President to act, the Vice President shall perform the duties and exercise the powers of the President. At any time when the Vice President is performing a duty or exercising a power of the President, any third party dealing with the council may presume conclusively that the President was absent and that the Vice President was authorized to act in his place.
- c. The Secretary shall issue notices of governors' and members' meeting if so directed by the party calling the meeting, and shall be responsible for the council minutes and records. The Secretary shall, at least ten (10) days before each meeting of the members, make a complete list of the members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with address of, and the number of votes held by each, which list for a period to ten (10) days prior to such meeting shall be kept on file at the office of the council and shall be

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subject to inspection by any member at any time during usual business hours. The Board of Governors may, if it deems it advisable, from time to time, designate one or more persons as Assistant Secretaries, who may perform the duties and exercise the powers of the Secretary when the Secretary is absent or it is inconvenient for him to act. Any third person dealing with the council may presume conclusively that any Assistant Secretary acting in the capacity of the Secretary was duly authorized so to act.

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

SECTION 4. ASSESSMENTS

4.1 The Board of Governors shall have full power and authority to assess or charge the members of the council for funds required for the performance of its objectives and purposes as set forth in the Declaration referred to herein. Each assessment shall be due and payable by each member at the time and in the manner set forth in the resolution fixing such assessment. In the absence of specific provision therefor in such resolution,

each assessment shall be due and payable on or before ten (10) days from and after the date of the adoption of such assessment, and shall be payable in cash at the Bank designated as depository by the Board of Governors.

4.2 Assessments may be levied and assessed upon members of the council according to schedules adopted by the Board of Governors from time to time as required for sound fiscal management of the condominium.

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

4.4 Assessments levied by the Board of Governors upon members of the council which are paid on or before ten (10) days after date when due shall not bear interest, but all sums not paid on or before ten (10) days after date when due shall bear interest at the rate of ten percent (10%) per annum from the date when due until paid. All payments upon accounts shall all be first applied to interest and then to the assessment payment first due, but in no event will assessments be allowed to remain past due in excess of ninety (90) days.

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

SECTION 5. AMENDMENTS

5.1 These bylaws may be amended at any annual, regular or special meeting of the Board of Governors by a majority vote of the entire board, subject to the approval of the members by a vote of a majority of the votes present and entitled to vote cast by members of the council at a meeting duly called at which a quorum is present, provided that no amendment inconsistent with

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the provisions of applicable law, or the Declaration for Establishment of Condominium Regime for Las Brisas Condominiums, shall be valid.

SECTION 6. QUORUM AND ACTION BY MEMBERS

6.1 Except as otherwise provided in these bylaws, members holding at least fifty percent (50%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum. Unless otherwise required by law, by the Declaration described above or by these bylaws, the vote of the majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting shall be the act of the members meeting.

SECTION 7. ADMINISTRATION.

7.1 The Co-owners of the Residential Units will constitute the Council of Co-owners who will have the responsibility, which shall be performed and discharged through the Board of Governors of administering the project, approving the annual budget, establishing and collecting the monthly or other periodical assessments, as well as any special or other assessments levied by the Board of Governors pursuant to authority granted to it, and arranging for the management of the project by an agent in the event the Council of Co-owners shall elect not to manage the project themselves, which arrangement shall be under a written agreement setting forth all the terms and conditions under which such Management Agent shall manage the project, including terms as to the duties, obligations, removal and compensation of the Management Agent. Except as otherwise provided, decisions and resolutions of the Council of Co-owners shall require approval of a majority of the Co-owners.

7.2 Meetings of the Council of Co-owners shall be held at the principal office of the Condominium Project or at such other suitable place convenient to the Co-owners as may be designated by such Council or by the Board of Governors.

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7.3 The first meeting of the Council of Co-owners shall be held on a date to be determined by a majority of the Co-owners. Thereafter meetings shall be held annually, with such meetings being held on the _____ day of _____ of each succeeding year. At the first meeting, and at the first of such meetings held each and every succeeding year, there shall be elected by ballot of those present, a Board of Governors in accordance with the provisions of Section 5, Article IV of these Bylaws. The Co-owners may also transact such other business of the Council of Co-owners as may properly be brought before them.

7.4 It shall be the duty of the President to call a special meeting of the Council of Co-owners as directed by resolution of the Board of Governors, or upon a petition signed by a majority of the Co-owners having been presented to the Secretary. The notice of any special meeting shall be mailed to each Co-owner as hereinafter provided, and shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting which is not stated in the notice unless the Co-owners present, either in person or by proxy, approve the transaction of such business.

7.5 It shall be the duty of the Secretary to mail a notice of each regular or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-owner of record, at least ten, but not more than thirty days prior to such meeting. Such notice shall be mailed to each of such Co-owners at the last known address of such Co-owner by certified mail, return receipt requested. The mailing of a notice in this manner shall be considered notice served.

7.6 If any meeting of Co-owners cannot be organized because a quorum has not attended, the Co-owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than 24 hours from the time the original meeting was called; however, the place of such meeting must remain as stated in the notice.

7.7 The order of business at all meetings of the Council of Co-Owners shall be as follows:

- (a) Roll Call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of last meeting and approval or disapproval of same.
- (d) Reports of officers.
- (e) Reports of committees, if applicable.
- (f) Election of member or members of Board of Administration, if applicable.
- (g) Unfinished business.
- (h) New business.

SECTION 8. COMPLIANCE

These Bylaws are set forth to comply with the requirements of the Texas Condominium Act and the provisions of said Enabling Declaration. In case these Bylaws conflict with the provisions of the said Act or said Enabling Declaration, it is hereby agreed and accepted that the provisions of the Act and said Enabling Declaration shall govern.

SECTION 9. DECLARATION

9.1 This Council shall at all times be subject to, and operated in conformity with, the terms of the Declaration for Establishment of Condominium Regime for Las Brisas, South Padre Island, Texas, recorded in the Condominium Records of Cameron County, Texas, which are incorporated as part hereof.

Herbert Moss, III, President.
Herbert Moss, III

State of Texas
County of Cameron

Before me, the undersigned Authority, on this day personally appeared Herbert Moss, III known by me personally to be the President of The Breezes, Inc. and he, upon his oath, deposed and stated to me that he executed the above instrument in his capacity as officer of the said corporation and for the consideration therein expressed.

Given under my hand and seal of office this the 7th day of November, 1973.

Karen N. King
Notary Public in and for
Cameron County, Texas

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my com expires 6/1/75

EXHIBIT D

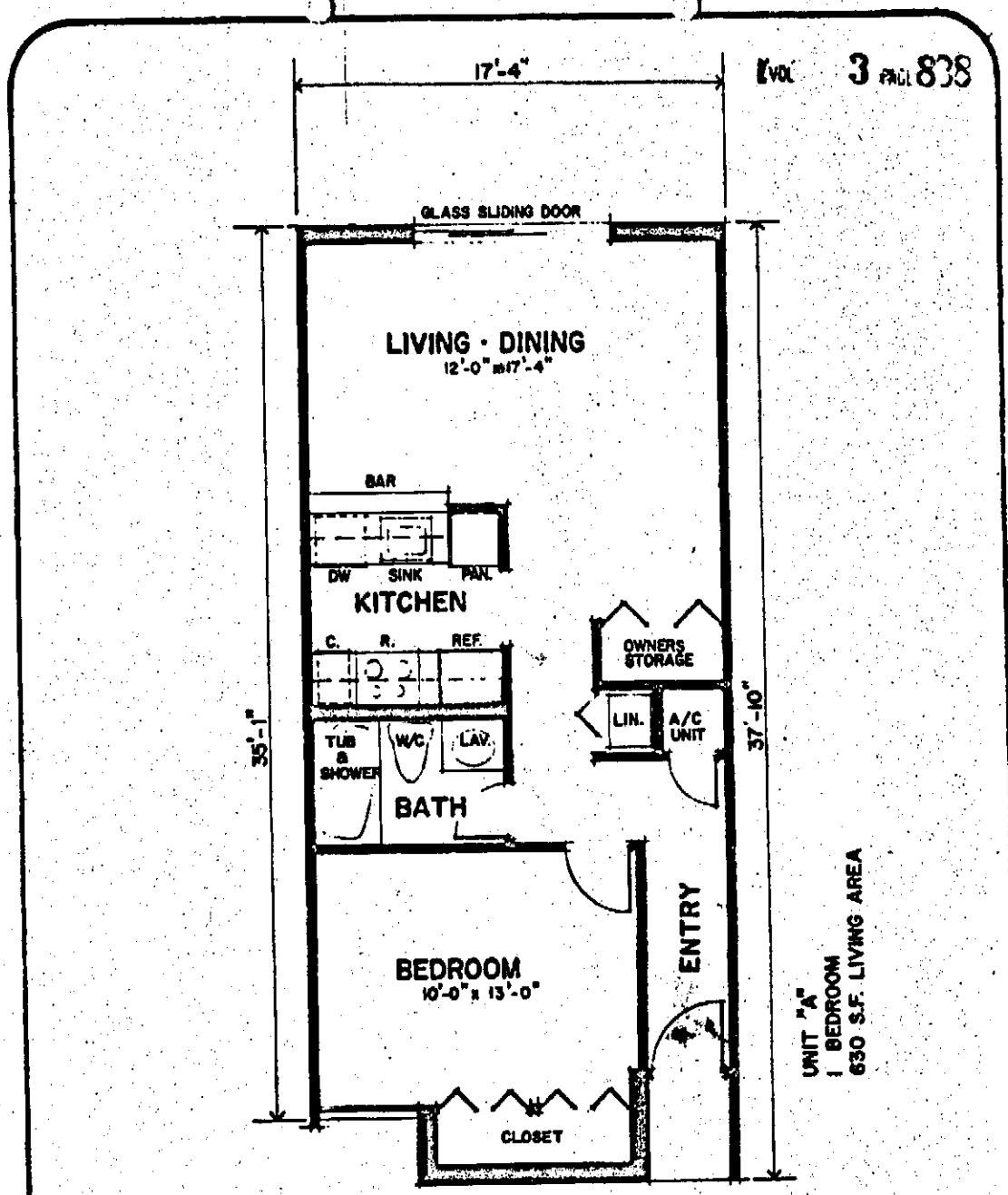
Apartment-Home
Number

Percentage of
Value Assigned

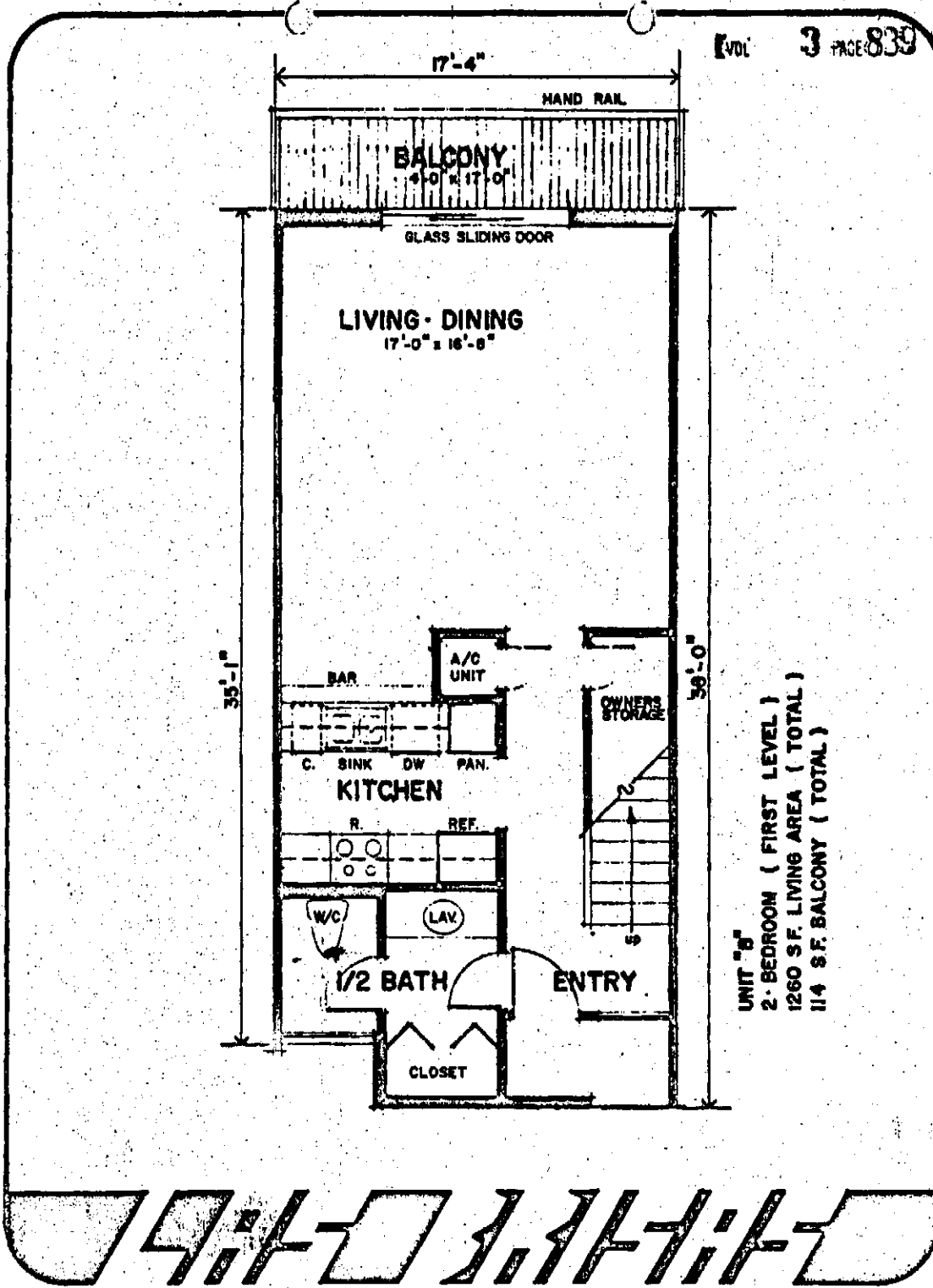
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EXHIBIT 3 PAGE 837

Exhibit E
Single Exhibits
of the Several
Floor Plans



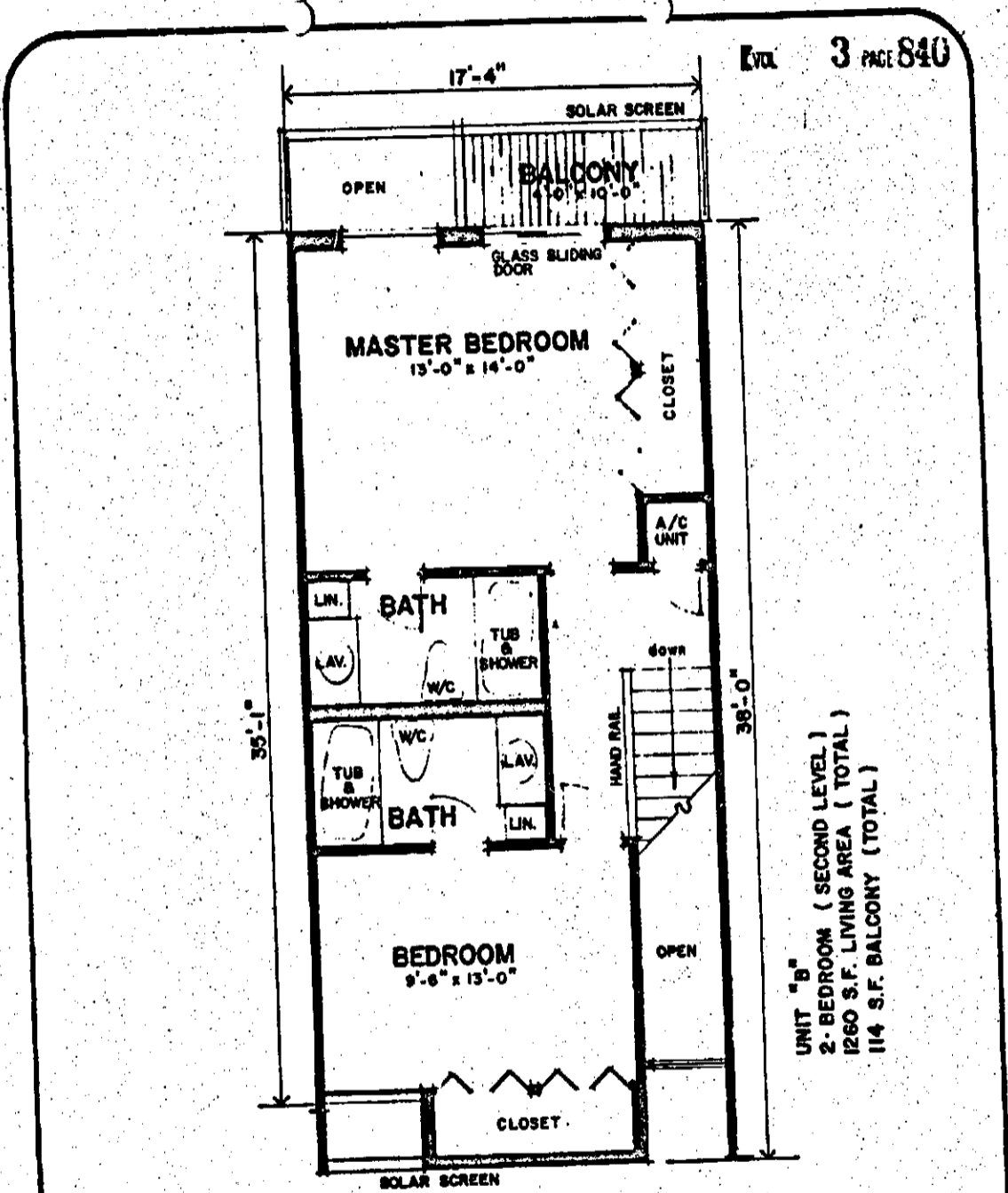
CAMERON COUNTY, TEXAS
Exhibit E Sheet 1



VOL 3 PAGE 839

UNIT "B"
 2-BEDROOM (FIRST LEVEL)
 1260 S.F. LIVING AREA (TOTAL)
 114 S.F. BALCONY (TOTAL)

CAMERON COUNTY, TEXAS
 Exhibit E Sheet 2



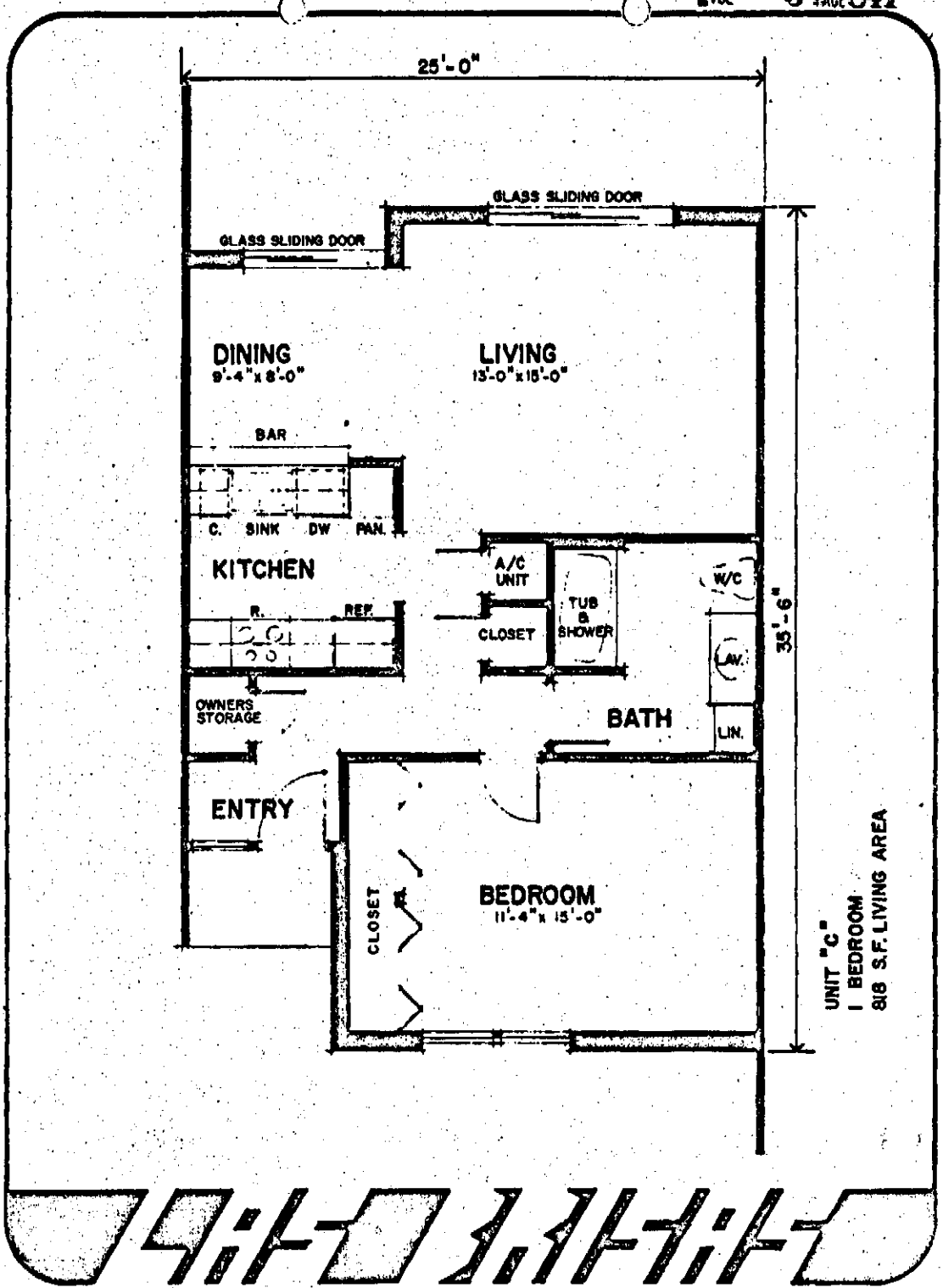
Vol 3 PAGE 840

UNIT "B"
 2-BEDROOM (SECOND LEVEL)
 1260 S.F. LIVING AREA (TOTAL)
 114 S.F. BALCONY (TOTAL)



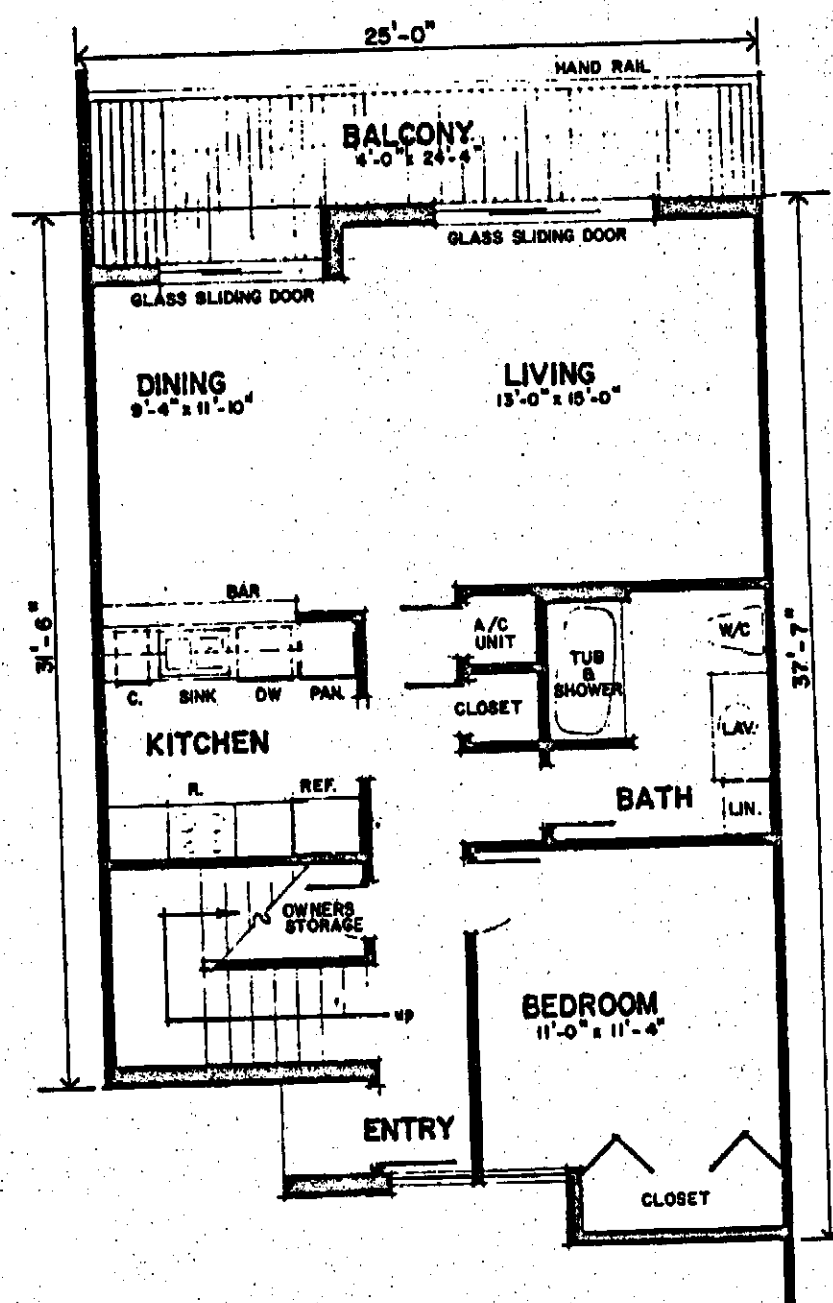
CAMERON COUNTY, TEXAS
 Exhibit E Sheet 3

VOL 3 PAGE 841



CAMERON COUNTY, TEXAS
Exhibit E. Sheet 4

VOL 3 PAGE 842

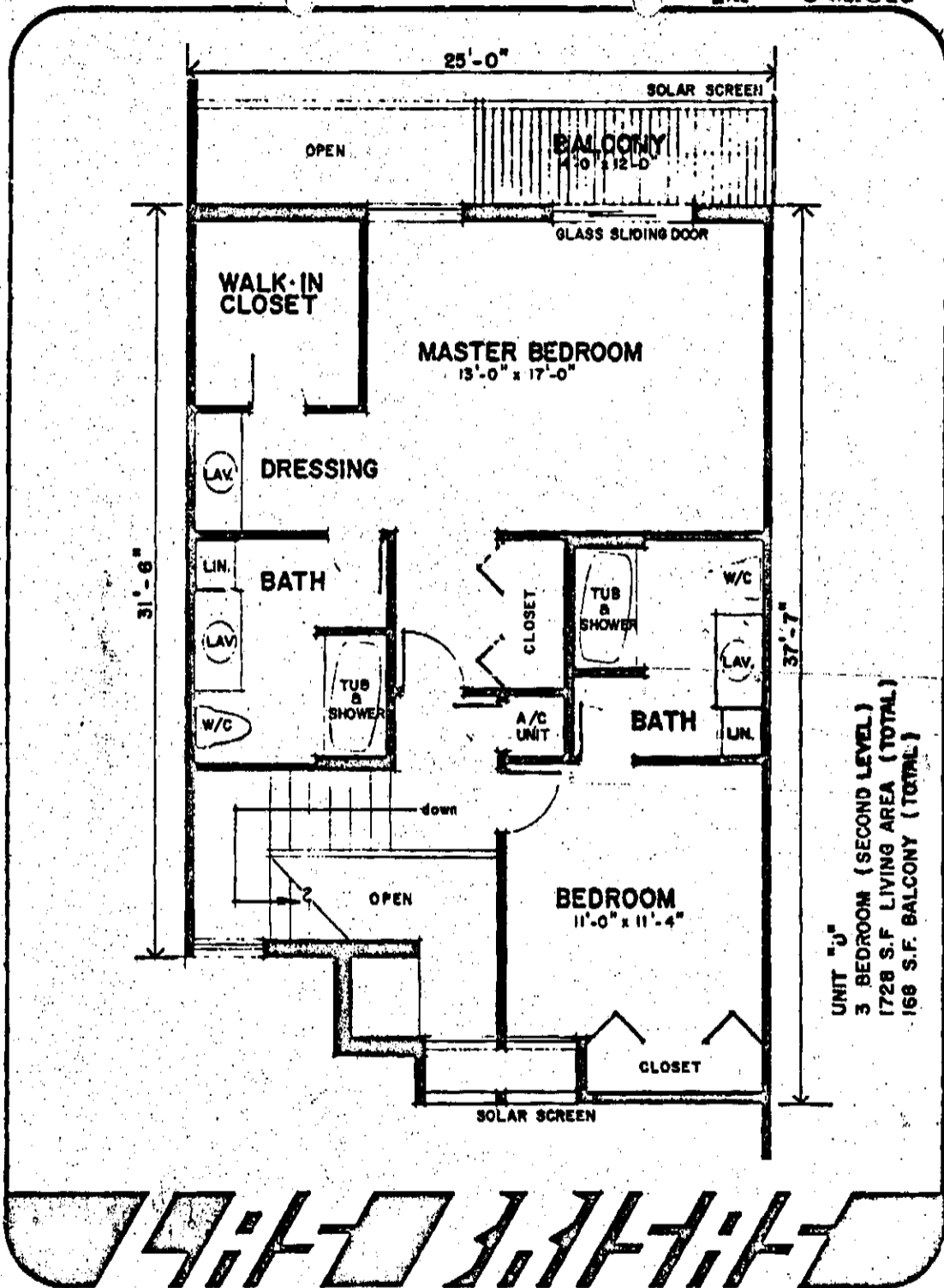


UNIT "0"
 3-BEDROOM (FIRST LEVEL)
 1728 S.F. LIVING AREA (TOTAL)
 168 S.F. BALCONY (TOTAL)



CAMERON COUNTY, TEXAS
 Exhibit E Sheet 5

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UNIT "J"
 3 BEDROOM (SECOND LEVEL)
 1728 S.F. LIVING AREA (TOTAL)
 168 S.F. BALCONY (TOTAL)

44

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20874

632

FILED FOR RECORDS

AT 240

NOV 8 - 1973

H. H. DILLIZ
Clerk of Court, County of Cameron, Texas
H. H. Dilliz

Mr. Jerry W. Watson
CITY OF BAY ST. LOUIS
P.O. Box 2555
St. Louis, Mo 63118
OK

STATE OF TEXAS }
COUNTY OF CAMERON } this instrument was FILED on the
date and at the time stamped hereon by me and was duly
RECORDED in the Volume and page of the named RECORD
of Cameron County, Texas, as stamped hereon by me.

NOV - 9 1973



J. Dilliz
County Clerk
Cameron County, Texas