

THE STATE OF TEXAS §
COUNTY OF HIDALGO §

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DECLARATION OF CONDOMINIUM
OF
DUNLYN ACRES

For the purpose of establishing a condominium regime pursuant to the provisions of Vernon's Annotated Civil Statutes of the State of Texas, Article 1301a, MAJOR INVESTMENTS, INC., a Texas corporation, herein called "Developer", for itself, its successors and assigns, hereby makes this Declaration of Condominium and for such purpose, Developer does hereby make the declarations hereinafter set forth, and Developer hereby submits the following described land together with all buildings and improvements thereon erected, or to be erected, and completed, to the condominium form of ownership in accordance with the provisions of the Condominium Act of the State of Texas and the provisions of this Declaration hereinafter set forth. The description of such land so submitted and dedicated is as follows:

All of Dunlyn Acres Subdivision Phase I, Hidalgo County, Texas, as per map or plat thereof recorded in Volume 22, Page 54, Map Records of Hidalgo County, Texas, reference to such recording being hereby made for all purposes.

Section 1

DEFINITIONS AND DESCRIPTION OF PROJECT

- 1.1 Name. The property shall have the name DUNLYN ACRES.
- 1.2 Definitions. All terms defined in the Condominium Act are used herein in that sense and with that meaning, except as limited, substituted or amplified in the succeeding Section and below:
 - (a) "By-Laws" - All references to bylaws herein shall be deemed to include bylaws or other governing rules adopted by the Council or the Developer.

- (b) "Buildings" shall initially mean the multiple unit townhouse building erected or to be erected upon the property described afore.
- (c) "Building" shall mean any one of the multiple unit townhouse buildings erected upon the property described afore.
- (d) "Common Expenses" shall mean the expenses of the Project and operation thereof to be borne and shared in common by all of the owners of a townhouse unit proportionately set forth herein.
- (e) "Common Fund" consists of all funds of all apartment owners collectively administered by the Council.
- (f) "Apartment" shall mean that space in a building consisting of a suite of rooms designed for independent use as a housing accommodation as shown on the plat of the Project as a separate apartment provided to be owned individually and not owned in common with the other owners of the Project.
- (g) "Townhouse" and "Townhouse Unit" shall mean an apartment, patio adjacent thereto, and other areas subject to individual ownership and exclusive control, all as more particularly described (1) upon the building plans which are attached hereto as Exhibit "C", and (2) defined in Paragraph 1.4 hereof.
- (h) "Common Elements" shall mean the General Common Elements.
- (i) "General Common Elements" shall mean 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 written instrument recorded in the Condominium Records of Hidalgo County, Texas, signed by the Council and by the owner of the property so designated.

- (j) "Project" shall mean all of the real property described afore and all improvements constructed or to be constructed thereon.
- (k) "Developer" shall mean MAJOR INVESTMENTS, INC., a Texas corporation, who has made and executed this Condominium Declaration and is the owner of the property submitted to it.
- (l) "Declaration" shall mean this instrument by which the property described herein is submitted to the provisions of the Texas Condominium Act.
- (m) "Council of Co-Owners" and "Council" shall mean the collective organization or association (whether incorporated as a membership corporation or unincorporated) acting on behalf of all townhouse unit owners or their assigns with respect to their common interest in the Project.
- (n) "Board" or "Board of Directors" refer to the Board of Directors of the Council of Co-Owners, which Board shall manage the affairs of the Council.

1.3 Development Plan. The Project is described and established as follows:

- (a) Survey and Plot Plan. A plot plan of the land with the buildings placed or to be placed thereon is attached hereto 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.
- (c) Improvements. Improvements upon the land include the following:
 - (1) Multiple Unit Townhouse Buildings
The Project includes multiple unit townhouse buildings which are designated as Buildings A

through P, upon said plot plan survey and which is more particularly described upon Exhibit "B" hereto (whether now or hereinafter constructed).

(2) Other Improvements

The Project includes driveways, landscaping, roads, swimming pool, and other improvements located substantially as shown upon said Exhibit "B".

1.4 General Provisions. The following provisions shall apply to each townhouse unit:

- (a) Boundary (Apartment). The boundaries of each such apartment shall be and are the interior surfaces of the perimeter walls, floors and ceilings of the living area, and shall also include the interior construction, interior dividing walls, partitions, appliances, fixtures and other improvements which are intended to exclusively serve such apartment space, such as interior rooms, walls, floor and ceiling coverings or finish, closets, cabinets, shelving, individual bathroom and kitchen fixtures, separate items or chattels belonging exclusively to such space which may be removed, replaced, disposed of, or otherwise treated without affecting any other townhouse unit, or the ownership, use or enjoyment thereof, and the space includes the portions of the buildings so described and the air space so encompassed excepting the common elements.
- (b) Boundary (Patio). The boundaries of each individual patio area shall be and are the exterior surfaces of balconies, patios, porches, decks or stoops, and shall extend to the paved areas and planting beds, and any screen or lattice wall, and roof enclosures; and the space includes the portions of the patio area so described, and the air space so encompassed, excepting the common elements.

(c) General Common Elements. The general common elements consist of the entire property including all parts of the buildings, save and except the townhouse units described afore, and including, without limitation, the following:

- (1) The land described on the first page hereof;
- (2) The foundations, bearing walls and columns, roofs, walkways, entrances, exits or communication ways, yards, gardens, general storage buildings, park and recreational equipment, gazebo buildings, benches, fences, walls, post lights, statutes, park patios or terraces, sauna, swimming pool and other recreational areas, roads, pavement, curbs and gutters, pipes, wires, conduits, water sprinkler system and equipment, esplanades and signs, and other like elements;
- (3) The Common Fund;
- (4) All other parts of the Project, and all apparatus and installations existing in the buildings or on the property for the common use, or necessary, or convenient to the existence, maintenance or safety of the property.

1.5 Appurtenances. The owner of each townhouse unit shall own a share of certain interest in the Project which is appurtenant to his townhouse unit, including, but not limited to, the following items which are appurtenant to the townhouse unit as indicated.

(a) General Common Elements

The undivided share in the land and other general common elements of each townhouse unit is shown on the schedule attached hereto as Exhibit "A".

(b) Council of Co-Owners

The membership of each townhouse unit owner in the Council and the interest of each townhouse unit owner in the funds and assets held by the Council.

(c) Easements

The easements in favor of each townhouse unit as set forth in this Declaration.

1.6 Pipes, Ducts, Cables, Conduits, Public Utility Lines and Air Conditioning Equipment. Each townhouse unit owner shall have an easement in all pipes, wires, ducts, cables, conduits, public utility lines and other general common elements located in whole or in part in any of the other townhouse units or common element areas but serving his townhouse unit. Each townhouse unit shall be subject to an easement in favor of the owners of all other townhouse units to use the pipes, ducts, cables, wires, conduits, public utility lines and other general common elements serving such other townhouse unit, but located in such townhouse unit.

1.7 Easements, Restrictions, Covenants and Conditions. The Project is subject to and each townhouse unit and interest in the general common elements is subject to:

- (a) All provisions of this Declaration and the Council's By-Laws and Project rules and regulations, now or hereafter adopted;
- (b) Any easements and rights-of-way, visible or recorded, burdening the real property described afore or any part thereof;
- (c) Any oil, gas or other mineral lease or reservation now existing covering the real property described afore or any part thereof;
- (d) All valid easements, rules, regulations and rights in favor of any governmental or quasi-governmental entity having jurisdiction over the real property described afore or any part thereof which may now exist or may hereinafter be implemented or granted.

1.8 Encroachments. If any portion of the general common elements now encroaches upon any townhouse unit, or if any townhouse unit now encroaches upon any other townhouse unit or upon any portion of the general common elements as a result of the construction of a building or if any such encroachment shall occur hereafter as a result of settling or shifting of a 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, the encroachment of part of the general common elements upon any townhouse unit or of any townhouse unit upon any other townhouse unit or upon any portion of the general 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.

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

Section 2

COUNCIL OF CO-OWNERS

2.1 Council. The common elements shall be administered and the Project shall be governed by a Council of Co-Owners ("Council") which will be established as an unincorporated association. The Council shall act for the benefit of all owners of townhouse units to provide for the protection, preservation, maintenance and repair of the general common elements, and the government, operation and administration of the Project as hereby established and shall administer the Common Fund. Such Council and its affairs shall be administered and managed by a Board of Directors elected by the members of the Council.

2.2 Incorporation. The Council of Co-Owners may be incorporated under such name as the Board shall elect as a corporation; but prior thereto, it shall be operated as an unincorporated association. 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 By-Laws. 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 Directors from time to time.

2.3 Directors. The Board of Directors shall consist of the number of Directors specified in the By-Laws of the Council. Such Board shall have the powers, duties, authorities and responsibilities specified herein and in the By-Laws of the Council.

2.4 Membership - Council of Co-Owners. Each owner of a townhouse unit (whether constructed or not), including Developer, shall automatically be a member of the Council. Each townhouse unit owner shall remain a member of the Council until such time as he ceases to own a townhouse unit, at which time his membership shall automatically cease. Upon any transfer of ownership of any townhouse unit, the new townhouse unit owner shall succeed to such membership in the Council.

2.5 By-Laws. The initial By-Laws, which are hereby adopted by the Developer as sole owner of the Project and sole member of the Council, and which shall be used for the purpose of organizing the Council are attached hereto as Exhibit "D" and made a part hereof. The By-Laws may be amended from time to time in the manner herein provided or as provided by law.

2.6 Voting Rights. The owner or owners of each townhouse unit in person, but not by proxy, shall be entitled to vote at all meetings of the Council, the number of votes appurtenant to such townhouse unit as follows:

The total number of votes of all townhouse unit owners shall be one hundred (100) and each townhouse unit owner shall be entitled to cast the number of votes at all meetings of the townhouse unit owners equivalent to his percentage interest in the general common elements applicable to his townhouse unit.

2.7 Council Voting Rights. Voting rights attributable to any townhouse 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 the Board of Directors of the Council at such meeting. Townhouse units, if any, owned by the Council shall not be subject to assessment while owned by the Council.

Section 3

DUTIES OF COUNCIL AND OWNERS

3.1 Maintenance, Alterations and Improvements. Responsibility for the maintenance of the Project and restrictions upon the alterations and improvements thereof shall be as follows:

(a) Townhouse Units

(1) By the Council. The Council shall maintain, repair and replace at the expense of the Co-Owners through the Common Fund:

I. All portions of townhouse units (except interior surfaces) contributing to the support of a building, which portion shall include, but not be limited to, the outside walls of a building and all fixtures on the exterior thereof, boundary wall of townhouse units, floor and ceiling slabs, load-bearing columns and load-bearing walls;

II. All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility

services which are contained in the portions of a townhouse unit maintained by the Council and all such facilities contained within a townhouse unit which serve part or parts of the Project other than the townhouse unit within which contained;

iii. All incidental damage caused to a townhouse unit by such work.

(2) By the Townhouse Unit Owner. The responsibility of each townhouse unit owner shall be as follows:

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

ii. Not to paint or otherwise decorate or change the appearance of the exterior portion of a building;

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

iv. To maintain, repair and replace, at his expense, the exterior doors and windows of his townhouse unit;

v. To maintain, repair and replace, at his expense, the fixtures, appliances and individual equipment located within his townhouse unit and intended for individual use;

vi. To maintain, repair and replace, at his expense, the air-conditioning and heating equipment serving his townhouse unit.

- (3) Alterations and Improvements. No townhouse unit owner shall make any alterations in the portions of a townhouse unit or building which are to be maintained by the Council or remove any portion thereof, or make any additions thereto, or do any thing 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 townhouse units in the same building and the approval of the Board of Directors of the Council. A copy of detailed plans for all such work shall also be filed with the Council prior to the start of the work.

(b) General Common Elements

- (1) By the Council. The maintenance and operation of general common elements shall be the responsibility of the Council at the expense of the townhouse unit owners through the Common Fund.
- (2) By the Townhouse Unit Owner. The cost of all repairs to a general common element necessitated by the negligence, misuse or neglect of a townhouse unit owner shall be paid by that townhouse unit owner, excepting to the extent that such costs be satisfied by proceeds derived under the insurance permitted by Paragraph 3.3 hereof.
- (3) Alterations and Improvements. The Board of Directors is authorized to make alterations and improvements to the general common elements; provided, however, that if any alteration or improvement necessitates the expenditures of more than \$5,000, then such alterations or improvements shall require approval of the owners of townhouse

units owning at least 50.1% of the general common elements or such greater number as shall be specified in the By-Laws. The improvements or alterations 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.

3.2 Utilities. Each owner of a townhouse unit shall be individually responsible for and shall pay for all telephone, electricity and all other utility services furnished to his townhouse unit 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 townhouse shall be a part of the common expenses, and each townhouse unit owner shall pay his pro rata part thereof as in the case of other common elements.

3.3 Blanket Insurance. The Council and the Board shall have the authority to obtain and continue in effect blanket property insurance to insure the buildings, structures and townhouse units in or on the Project and the owners thereof, against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions in such amounts and with such deductibles as the Board shall deem advisable, and insurance against other risks of whatever character as the Board shall deem advisable, without prejudice to the right of each townhouse unit owner to insure his individual townhouse unit on his own account and for his own benefit. Such blanket insurance shall be written in the name of and the proceeds may be payable to the Council, or to any person designated by the Council as trustee for the owner of each townhouse unit in proportion to their his interest in the general common elements, and additionally as individually specified per unit, or both. Each townhouse unit owner and his mortgagee, if any, shall be a beneficiary of such insurance in proportion to his ownership interest in

the general common elements as established by this Declaration or as specified in the policy of Insurance (as the case may be). Irrespective of the foregoing, the Council and the Board shall have the right to insure townhouse units in or on the Project (and the owners thereof) in differing amounts when in the sole judgment of said Council or the Board, circumstances and facts necessitate such different treatment; and in that case, the Council or Board shall apportion such additional cost to that owner or owners so benefiting from increased Insurance coverage, any such apportionment, if done in good faith, being conclusive and binding on all townhouse unit owners. 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. The Council shall furnish notice to owners of the policy limits of Insurance coverage carried so townhouse unit owners may increase personally the Insurance coverage on his apartment as desired.

3.4 Individual Insurance. Each townhouse unit owner shall be responsible at his own personal expense and cost for his own personal Insurance on the contents of his own townhouse unit and his additions and improvements thereto, and decorations, furnishings and personal property therein, and his personal property stored elsewhere on the Project and for his personal liability not covered by liability Insurance for all the townhouse unit owners obtained as a part of the common expenses.

3.5 Public Liability and Other Insurance. The Council shall have the authority to obtain comprehensive public liability Insurance and such other types of Insurance with such limits as it shall deem desirable, insuring each townhouse unit owner and the Council, its Board and officers from and against liability in connection with the general common elements. All costs, charges and premiums for all such Insurance shall be a common expense. Each townhouse unit owner shall pay his pro rata share for such Insurance as in the case of other common expenses.

3.6 Repair or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of a building as a result of fire or other casualty (unless 2/3 or more of the building is destroyed or substantially damaged and all of the townhouse unit owners therein do not duly and promptly resolve to proceed with repair or restoration), the Council shall arrange for the prompt repair and restoration of the building (including any damage to townhouse unit, except wall, ceiling or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by townhouse unit 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 be paid by all the townhouse unit owners directly affected by the damage in proportion to their respective interest in the general common elements unless differing facts and circumstances (i.e. differing insurance coverage as permitted under Paragraph 3.3 hereof) in good faith demands a different division. If such be the case, then the Council or the Board is authorized to make such different apportionment, and if such be accomplished in good faith, then same shall be conclusive upon all townhouse unit owners.

If two-thirds (2/3) or more of a building shall be destroyed or substantially damaged, and if all the owners of the townhouse units therein do not voluntarily, within one hundred twenty (120) days thereafter make provisions for reconstruction and restoration to the original condition, then the insurance settlement proceeds, if any, shall thereupon be collected by the Council; and after payment of expenses to remove all debris and to restore the land to level grade, such proceeds shall be divided in proportion to their respective interest in the general common elements unless differing facts and circumstances (i.e. differing insurance coverage as permitted under Paragraph 3.3 hereof) in good faith demands a different division. If such be the case, then the Council or the Board is authorized to make such different apportionment, and if such be accomplished in good faith, then same shall be conclusive

upon all owners. Upon such division, such Council shall hold the share of each townhouse unit 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 townhouse unit owner for whom each account is held:

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

The determination of whether two-thirds (2/3) or more of a building shall have been destroyed or substantially damaged by any fire or other disaster or casualty shall be made by the Council by action of the members of the Council.

Section 4

ASSESSMENTS AND LIENS

4.1 Liability For Common Expenses. Each townhouse unit owner shall be liable for a proportionate share of the common expenses, such share being the same (except as provided in Paragraph 3.3 hereof) as the undivided share in the common elements which is appurtenant to the townhouse unit as set forth in Exhibit "A" hereto. The common expenses shall include, but not limited to, (i) 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, (ii) administrative expenses of the Council, (iii) all expenses or expenditures incurred by the Council for repair, replacement, construction, acquisition, maintenance or operation of common elements, (iv) reserves for proper

Council purposes, (v) costs of enforcing this Declaration, applicable bylaws, rules and regulations or the rights of the Council or its members, and (vi) professional fees, utilities and such other expenses as shall be authorized by the Council. The Council is authorized to collect from time to time as a part of the common expenses from the townhouse unit owners an amount of money equal to the deductible amounts, if any, in the insurance policy or policies insuring the building, structure and townhouse unit of the Project, and the Council is authorized to enter into agreements with the mortgage companies who hold mortgages on individual townhouse units with respect to the depositing of this fund and the use of such fund in case of damage to the Project.

4.2 Assessments. The Council shall have the power to assess the owners of the townhouse units for their respective shares of common expenses, and otherwise as herein provided. The making and collection of assessments against townhouse unit owners for common expenses shall be subject to the By-Laws and the following provisions:

(a) Share of Common Expense

Each townhouse unit owner shall be liable for and shall pay a proportionate share of the common expenses to the extent that the same shall be assessed against the townhouse unit owners from time to time by the Council, and shall share in the common fund, if any, such shares (except as adjusted for differences permitted by Paragraph 3.3 hereof) being the same as the undivided share in the general common elements which is appurtenant to the townhouse unit owned by him.

(b) 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 (10) days after the date when due shall bear interest at the rate of eighteen percent (18%) per annum from the date when due until paid. All

payments on account shall be first applied to interest and then to the assessment payment first due.

(c) Attorney's Fees

If the Council shall incur any legal expenses, including attorney's fees and court costs, to enforce any rights of the Council against a townhouse unit owner, including, but not limited to, collection of delinquent assessments, such townhouse unit owner shall be liable to the Council for such expenses and the Council may recover the same.

4.3 Lien for Assessments. The Council shall have a lien upon each townhouse unit and the interests in the general common elements and common fund appurtenant thereto to secure the payment by the owner of such townhouse unit 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 by such townhouse unit owner to the Council and such lien shall also secure all other expenses, including reasonable attorney's fees incurred by the Council incident to the collection of such assessments or enforcement for such lien.

4.4 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 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. The claim of the Council for assessments and the lien securing such claims shall be freely assignable. 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 or real property under Vernon's Annotated Civil Statutes of Texas, Art. 3810. No such foreclosure shall affect or impair any such prior liens. The Council shall have power to bid on the townhouse unit foreclosed on at any foreclosure sale, and to acquire, hold, lease, mortgage and convey the same on behalf of the Council. The purchaser acquiring title to such townhouse unit at any such foreclosure sale, whoever he may be, and his successors and assigns, shall not be liable for the share of the unpaid common expenses or assessments by the Council chargeable to such townhouse unit which became due prior to acquisition of such title at such foreclosure sale, to the extent such amounts are not recovered by the Council from the proceeds of such foreclosure sale.

4.5 Status After Foreclosure. Upon the sale or conveyance of a townhouse unit, including sales at foreclosure, all unpaid assessments against the selling townhouse unit owner for his pro rata share of common expenses and charges shall be first paid out of the sales 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 townhouse units; and
- (b) Amounts under mortgage instruments duly recorded.

With respect to a purchaser who acquires title to a townhouse unit at a foreclosure sale of a mortgage, such purchaser shall not be liable for the share of the unpaid common expenses or assessments by the Council chargeable to such townhouse unit which became due prior to acquisition of such title at such foreclosure sale.

4.6 Certificate of Assessment. Any prospective purchaser or mortgagee of a townhouse unit, upon written request being made, shall be

entitled to a certificate from the Board as to the amount of unpaid common expenses, if any, obligatory on that townhouse unit owner, and such townhouse unit 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 twenty (20) days of such request, then the prospective purchaser or mortgagee shall not be liable for, nor shall the subject townhouse unit thereafter be subject to a lien for, any unpaid common expenses or assessments due prior to the date of such request.

4.7 Common Fund. All funds collected by reason of assessment from the townhouse unit owners, or otherwise received from the townhouse unit owners proportionately, and all funds received for the use and benefit of, or the account of, the townhouse unit owners (whether derived from insurance proceeds or other sources) shall constitute the Common Fund and shall be held, administered and accounted for by the Council as trustee for the benefit of the owners of the townhouse units in the Project as set forth herein. The Common Fund is the property of the townhouse unit owners proportionately (unless otherwise specified) and constitute a part of the general common elements appurtenant to the townhouse unit 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 townhouse unit 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 expense of the Council. The Council shall have the power to delegate the collection of all or a part of the charge for common expenses to parties who shall hold such funds as a part of the Common Fund. The funds collected by the Council constituting part of the Common Fund shall be held in a separate account or accounts in one or more depositories selected by the Council under such name as the Council shall select. If the condominium regime for

the Project 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 townhouse unit owners administered by the Council) in excess of its liabilities, then any such excess shall be added to the Common Fund and administered as such.

Section 5

RESTRICTIONS

5.1 (a) General Common Elements. The general common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the townhouse units.

(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 Project by its residents. All parts of the Project shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazards allowed to exist. No townhouse unit owner shall permit any use of his townhouse unit or make any use of the general common elements which will constitute a nuisance or annoyance to the residents or occupants of other townhouse units.

(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 all 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 same as the responsibility for the maintenance and repair of the property concerned.

(d) Regulations. Reasonable regulations (Project rules) concerning the use of the Project may be made and amended from time to time by the Board of Directors of the Council.

(e) Proviso. Notwithstanding other provisions hereof, until the Project be fully complete and all the townhouse units therein sold, Developer:

- (1) May make such use of the unsold units and common area as may facilitate such construction and sale, including, but not limited to, maintenance of construction sites, establishment of sales offices, the showing of townhouse units and the display of signs;
- (2) May (except to the extent expressly prohibited by the Condominium Act) sell, convey, assign, grant or transfer the Project and all or any part of Developer's rights hereunder, including the right to complete (in whole or in part) the Project.

In addition and notwithstanding other provisions hereof, neither Developer or any other person shall be liable for common expenses or other assessments permitted herein as a result of owning a legal or equitable right in or title to an incomplete (substantially) townhouse unit, nor shall Developer be so liable on completed townhouse units constructed for sale until such a transfer thereof occurs or until Developer shall substantially utilize such unit for permanent habitation. In either of the aforesaid cases, the duties (and rights) of the Council (and the Board of Directors thereof) with respect to the subject townhouse unit shall abate until the owner thereof shall so become liable for common expense.

5.2 Rental. Each townhouse unit owner and Developer shall have an absolute right to lease or rent his townhouse unit upon such terms as he/it shall approve, subject to all provisions and restrictions applicable to the Project.

5.3 Use. Each townhouse unit shall be used and occupied only for residential purposes. No townhouse unit shall be altered, remodeled,

subdivided or converted into more than one housing accomodation without the approval of the Council.

5.4 Non-Partition. The general common elements shall remain undivided and shall not be the object of any action for partition or division of the co-ownership so long as suitable for a condominium regime unless the owners of all townhouse units (whether constructed or not) and all mortgagees of townhouse units shall otherwise consent in writing.

Section 6

TRANSFERS

6.1 No Severance of Ownership. The appurtenant interest in the general common elements and easements shall not be severable from the ownership of the townhouse units to which appurtenant, and no attempted or purported severance of such ownership shall be effective. Any such deed, mortgage, lease or other instrument purporting to affect one or more of such general common elements and easements, without including all such interests, shall be deemed and taken to include the interest or 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 common elements and easements of any townhouse unit may be sold, transferred, leased or otherwise disposed of, except as part of a sale, transfer, lease or other disposition of such part of the appurtenant interests of all townhouse units.

6.2 Financing of Purchasing of Townhouse Unit by Council. Acquisition of the fee title to a townhouse unit 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 townhouse unit owners as such) or if such funds are insufficient, the Board may levy an assessment

against each townhouse unit owner in proportion to his ownership in the general 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 townhouse unit, provided however, that no financing may be secured by an encumbrance or hypothecation of any property other than the townhouse unit therein so to be acquired by the Council. The Council shall not levy any assessment for funds to be used to acquire or to amortize indebtedness on any such acquired townhouse unit without the prior approval of the owners of townhouse units owning at least 50.1% of the general common elements appurtenant to such townhouse units.

Section 7

MISCELLANEOUS

7.1 Amendments. Except as hereinafter provided in this paragraph, the provisions of the Declaration shall not be changed or amended without the written consent of the owners of townhouse units owning 51% of the general common elements. For the purpose of this provision, Developer shall be deemed the owner of all uncompleted townhouse units. No amendment shall affect or impair the rights of any mortgagee unless such mortgagee consents, in writing, to the same; provided, however, that Developer for five (5) years after this Declaration be filed for record hereby reserves and shall have the right from time to time, to amend this Declaration without the consent or approval of any other person, other than the mortgagee of any property owned by Developer (a) for the purpose of correcting any typographical or other error in this Declaration or making this Declaration comply with mandatory provisions of the Condominium Act if it be deficient in any such respect, or (b) for the purpose of showing the exact size and location of a building and the actual size and location of each townhouse unit thereon, or (c) for the purpose of creating and developing buildings containing additional townhouse units and common elements on the property adjacent to,

abutting, or near the land described in the first page hereof, or (d) if the Project be annexed by the City of Pharr, Texas, for the purpose of releasing from the operation and effect hereof (and transferring same to the City of Pharr, Texas) the roads, curbs, gutters, sewers, water lines, drainage conduits, etc., together with a reasonable amount of land in, under and around same, contained in the Project, any such released common elements being hereby declared remitted to Developer for the purpose of the conveyance or dedication of same to the City of Pharr, Texas.

In the event Developer exercises its right given in subsentence (c) afore, then the percentage of ownership in the common elements applicable to each townhouse unit will decrease but the total common elements will increase; consequently, the ownership of the common elements of each townhouse unit owner (expressed in percentage) shall always be in proportion that one bears to the total number of all townhouse units; and Developer will properly set forth such interest in the common elements with each amendment. In the event of such addition, the Council shall make appropriate accounting apportionment of the Common Funds to the end that the new townhouse unit owners do not unjustly benefit from funds paid prior to their respective purchase. Any such apportionment (if done in good faith) shall be conclusive and binding on all townhouse unit owners. Each townhouse unit owner, by accepting the conveyance of his townhouse unit, authorizes and empowers Developer as owner's agent and attorney in fact during the period aforesaid to execute and deliver and record such authorized amendment as aforesaid either in the name of Developer or as the act of such townhouse unit owner and all other townhouse unit owners; and this power and authorization shall be irrevocable.

7.2 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 townhouse unit owner shall be notified. Notices to the townhouse unit owners shall be mailed or delivered to the mailing address of their respective townhouse units or to such other address which any townhouse unit owner may designate by notice thereof in writing to the Board. Mailing of a notice in the manner provided afore shall be considered notice served.

7.3 Severability. If any provision 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 circumstance shall not be affected thereby.

7.4 Assignment of Rights. Each townhouse unit owner shall have the right to transfer and assign to a tenant of such townhouse unit all or certain rights of the townhouse unit owner under this Condominium Declaration (and Exhibits attached hereto) with respect to such townhouse unit and its appurtenant interests set forth herein. The assignment and transfer of such rights (including membership and voting rights in the Council) shall be evidenced by the lease agreement or other written agreement between the townhouse unit owner and such tenant, and a copy thereof shall be furnished to the Council, such tenant shall be entitled to exercise those rights of the townhouse unit owner transferred and assigned in such lease or other written agreement so long as the tenant is the lessee of such townhouse unit.

7.5 Covenant. The provisions of this Declaration shall constitute a covenant and easement running with the land described afore and shall bind and inure to the benefit of Developer, its successors and assigns.

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DATED this 8th day of July, 1982.

MAJOR INVESTMENTS, INC.

BY:

Glen A. Dunn
Glen A. Dunn, President

THE STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me by GLEN A. DUNN,
President of MAJOR INVESTMENTS, INC., a corporation, on behalf of said
corporation, on the 8th day of July, 1982.

Robert W. Whittis
Notary Public in and for the State of
Texas

ROBERT W. WHITTIS
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
My Commission Expires 5 June 85

<u>TOWNHOUSE UNIT NUMBER</u>	<u>BUILDING</u>	<u>UNDIVIDED SHARE OF COMMON ELEMENTS</u>
1	A	.9259%
2	A	.9259%
3	A	.9259%
4	A	.9259%
5	A	.9259%
6	A	.9259%
7	A	.9259%
8	B	.9259%
9	B	.9259%
10	B	.9259%
11	B	.9259%
12	B	.9259%
13	B	.9259%
14	C	.9259%
15	C	.9259%
16	C	.9259%
17	C	.9259%
18	C	.9259%
19	C	.9259%
20	C	.9259%
21	D	.9259%
22	D	.9259%
23	D	.9259%
24	D	.9259%
25	D	.9259%
26	D	.9259%
27	E	.9259%
28	E	.9259%
29	E	.9259%
30	E	.9259%
31	E	.9259%
32	E	.9259%
33	E	.9259%
34	F	.9259%
35	F	.9259%
36	F	.9259%
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38	F	.9259%
39	F	.9259%
40	F	.9259%
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42	G	.9259%
43	G	.9259%
44	G	.9259%
45	G	.9259%
46	G	.9259%
47	G	.9259%
48	H	.9259%
49	H	.9259%
50	H	.9259%
51	H	.9259%
52	H	.9259%
53	H	.9259%

<u>TOWNHOUSE UNIT NUMBER</u>	<u>BUILDING</u>	<u>UNDIVIDED SHARE OF COMMON ELEMENTS</u>
1	I	.9259%
2	I	.9259%
3	I	.9259%
4	I	.9259%
5	I	.9259%
6	I	.9259%
7	I	.9259%
8	J	.9259%
9	J	.9259%
10	J	.9259%
11	J	.9259%
12	J	.9259%
13	J	.9259%
14	J	.9259%
15	K	.9259%
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37	N	.9259%
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41	N	.9259%
42	N	.9259%
43	O	.9259%
44	O	.9259%
45	O	.9259%
46	O	.9259%
47	O	.9259%
48	O	.9259%
49	O	.9259%
50	P	.9259%
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53	P	.9259%
54	P	.9259%
55	P	.9259%

412

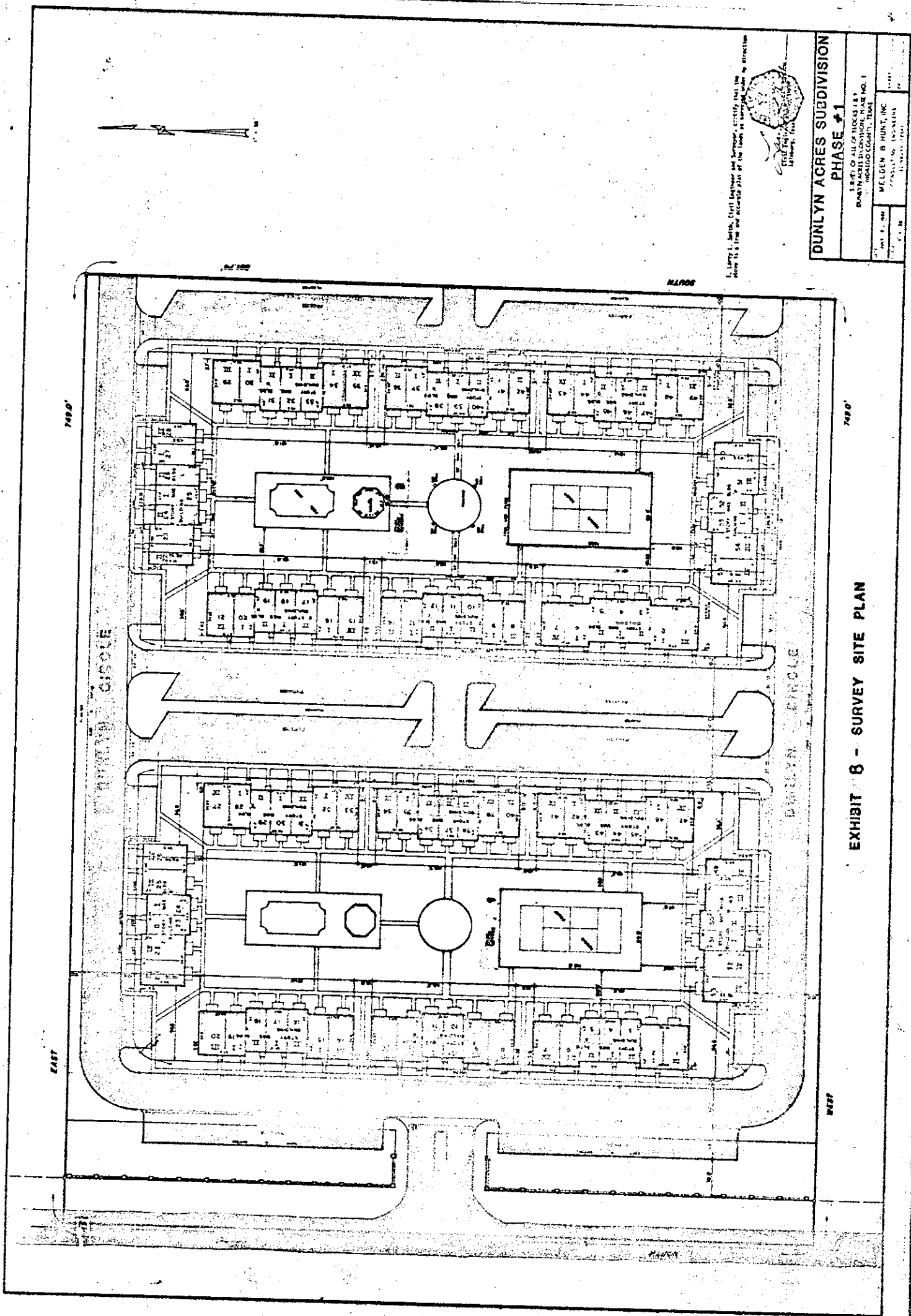
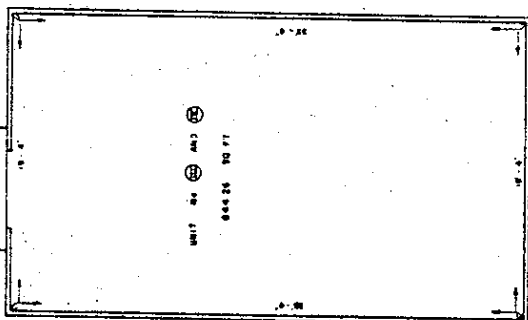


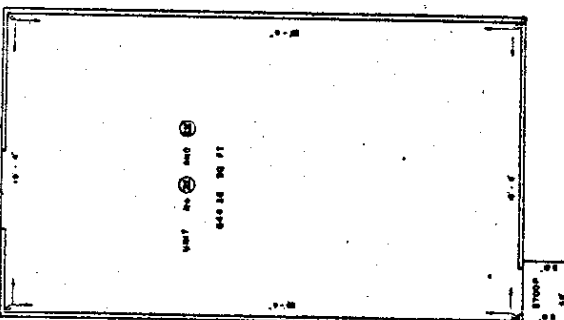
EXHIBIT B - SURVEY SITE PLAN

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BALCONY
32.0 SQ. FT.



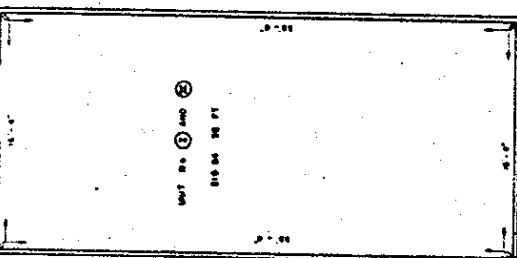
UNITS NO. 24 AND 25
SECOND FLOOR

8'-0"
PATIO
32.0 SQ. FT.



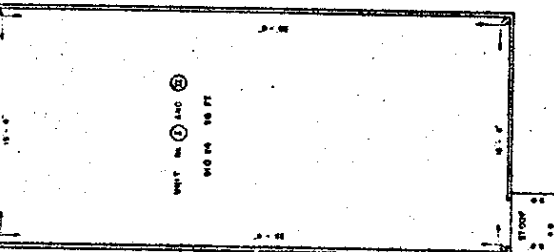
UNITS NO. 26 AND 27
FIRST FLOOR

8'-0"
BALCONY
32.0 SQ. FT.



UNITS NO. 28 AND 29
SECOND FLOOR

8'-0"
PATIO
32.0 SQ. FT.



UNITS NO. 30 AND 31
FIRST FLOOR

DUNLYN ACRES CONDOMINIUMS
PILGRIM, TEXAS

EXHIBIT C

MELDEN & HUNT, INC.
CONSTRUCTING PROFESSIONALS
10000 W. 10TH ST.
DALLAS, TEXAS 75243

THE STATE OF TEXAS §
COUNTY OF HIDALGO §

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BY-LAWS OF COUNCIL OF CO-OWNERS

DUNLYN ACRES

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, MAJOR INVESTMENTS, INC., a Texas corporation, is the developer and sole owner in fee simple of the condominium project known by the project name of DUNLYN ACRES, which Project is particularly described in a Declaration of Condominium to which these By-Laws are attached as an exhibit, and consists of the land described in the Declaration of Condominium, together with all buildings, structures and improvements now or hereafter located thereon; and

WHEREAS, MAJOR INVESTMENTS, INC. desires to hereby establish and adopt the following By-Laws for the government, administration and operation of said Condominium Project and the common elements thereof.

NOW, THEREFORE, MAJOR INVESTMENTS, INC. does hereby establish and adopt the following By-Laws which shall be applicable to said Condominium Project and all portions thereof.

Article I

PLAN OF TOWNHOUSE OWNERSHIP

1. The property aforescribed, together with all improvements thereon, is hereby submitted to the provisions of the Texas Condominium Act.

2. The provisions of these By-Laws shall be applicable to the Project known as DUNLYN ACRES.

3. All present or future owners, tenants, future tenants, mortgages or future mortgagees, or the employees of either of them, or any person that might use the facilities of the Project in any manner, are subject to these By-Laws and to the Declaration of Condominium. Any

EXHIBIT "D"

person, firm or corporation acquiring, leasing, occupying or renting any of the townhouse units in the Project accepts and ratifies these By-Laws and the Declaration of Condominium, and agrees that the terms and provisions of both will be complied with.

Article II

VOTING, MAJORITY OF OWNERS, QUORUMS, PROXIES

1. Voting shall be on a percentage basis. The percentage of the vote to which each townhouse unit owner is entitled is the percentage established for undivided ownership in the general common elements by the Declaration of Condominium.

2. As used in these By-Laws, the term "majority of owners" shall mean those townhouse unit owners possessing 51% of the total votes in accordance with the percentage established for undivided ownership in the general common elements by the Declaration of Condominium.

3. Except as otherwise provided in these By-Laws, the presence in person of a "majority of owners" as defined in Section 2 of this Article shall constitute a quorum.

4. Votes may be cast only in person.

Article III

ADMINISTRATION

1. Irrespective of anything foregoing or subsequent, until the Project be fully completed and all the townhouse units are sold or the expiration of five (5) years from the date of the foregoing Declaration of Condominium is filed for record, whichever is earlier, the Developer shall act as the Temporary Administrator of the Project, and during such period, it shall have the right to exclusively represent, act as and constitute the Council of Co-Owners, the Board of Directors and the officers of the Council of Co-Owners, and shall have the right to

exclusively exercise and perform all the rights, powers, authority, functions and duties herein or in the Condominium Act or Declaration given to the Council or the Board or the officers. During the period of administration of the Project by Developer as Temporary Administrator, as afore provided, the Developer 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 Developer to him. The Developer 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 expense of this Project and shall be paid out of the common funds herein provided. Nothing, however, shall prohibit Developer from terminating the temporary administration at an earlier date, in which case Section 4 of this Article III shall be applicable.

2. The owners of the townhouse units will constitute the Council of Co-Owners, who, except during the time provided in Section 1 hereof, will have the responsibility of administering the Project, approving the annual budget, establishing and collecting the monthly assessments, as well as any other assessments agreed upon by the Council of Co-Owners, 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. Unless otherwise provided herein, the decisions and resolutions of the Council of Co-Owners shall require approval of a majority of the townhouse unit owners.

3. Meetings of the Council of Co-Owners shall be held at the principal office of the Project, or at such other suitable place convenient to the townhouse unit owners as may be designated by the Board of Directors of the Council.

4. Upon the termination of the administration of the Project by Developer as provided in Section 1 hereof, the first meeting of the

Council of Co-Owners shall be called by the Developer and ten (10) days' notice of such meeting shall be given by Developer to each townhouse unit owner. Thereafter, meetings shall be held annually on the date selected by the Council of the Co-Owners for 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 the townhouse unit owners, a Board of Directors of the Council in accordance with the provisions of Section 2 of Article IV of these By-Laws. The townhouse unit owners may also transact such other business of the Council of Co-Owners as may properly be brought before them.

5. 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, or upon a petition signed by a majority of the townhouse unit owners having been presented to the Secretary. The notice of any special meeting shall be mailed to each townhouse unit owner as hereinafter provided, and shall state the time and place of such meeting and the purpose thereof.

6. 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 townhouse unit owner of record, at least five (5) but not more than twenty (20) days prior to such meeting. Such notice shall be mailed to each of such townhouse unit owners at the mailing address of their respective townhouse units or such other address which any townhouse unit owner may designate by written notice to the Board. The mailing of a notice in this manner shall be considered notice served.

7. If a quorum be not present at a properly called meeting of the Council of Co-Owners, the meeting may be adjourned by those present, and if a notice of such adjourned meeting is sent to all townhouse unit owners entitled to vote thereat, with such notice containing the time and place of holding such adjourned meeting, and a statement of the purpose of the meeting, that the previous meeting failed for lack of a quorum, that under the provisions of this Section, it is proposed to

hold the adjourned meeting with a quorum to consist of those townhouse unit owners possessing 33-1/3% of the total votes in accordance with the percentage established for undivided ownership in the general common elements, holders of at least 33-1/3% of such votes attending such meeting shall constitute a quorum, and the votes of a majority in interest of those present at such meeting shall be sufficient to transact business.

8. The order of business at all meetings of the owners of townhouse units shall be as follows:

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

Article IV

BOARD OF DIRECTORS

1. The affairs of the Council of Co-Owners shall be administered and governed by a Board composed of three (3) persons, each of whom will be an individual owner or part owner of a townhouse unit.

2. The Council of Co-Owners shall elect three (3) persons who shall serve without remuneration. Each member shall be elected for an initial term of one, two and three years from the date of election or until their successors are elected. The initial Board shall determine by lot which of the members shall serve one, two or three years. At the expiration of the initial term of office of each respective member of this Board, his successor shall be elected to serve a term of three (3) years.

3. The Board shall have the powers and duties necessary for the administration of the affairs of the Council of Co-Owners, and may do all such acts and things as are not by law or these By-Laws directed to be done and/or exercised by the Owners.

4. In addition to the duties imposed by these By-Laws or by resolution of the Council of Co-Owners, the Board or its Manager shall be responsible for the following:

- (a) Care, upkeep and surveillance of the Project and the common elements and facilities;
- (b) Assessing and collecting the monthly assessments from the townhouse unit owners and any special assessments authorized by the Council of Co-Owners;
- (c) Keeping a book with a detailed account of the receipts and expenditures affecting the Project and its administration, specifying the maintenance and repair of the common elements and any other expenses incurred by or in behalf of the Project; both the book and the vouchers accrediting the entries made thereon shall be available for examination by all the townhouse unit owners at convenient hours on working days that shall be set and announced for general knowledge; all books and records shall be kept in accordance with good accounting procedures and shall be audited at least once a year by an auditor outside of the organization;
- (d) Designation and dismissal of the personnel necessary for the maintenance and operation of the Project, the common elements and facilities.

5. Without limiting the rights of any townhouse unit owner, action may be brought by the Board or other person designated by the By-Laws or the Council of Co-Owners, in either case in the discretion of the Council of Co-Owners, on behalf of two (2) or more of the owners of townhouse units, as their respective interests may appear, with respect to any cause of action relating to the common elements of more than one townhouse unit.

6. Vacancies in the Board caused by any reason other than the removal of a member by a vote of the Council of Co-Owners shall be filled by vote of the majority of the remaining members of the Board, even though they may constitute less than a quorum, and each such person so elected shall be a member of the Board for the unexpired term of his predecessor.

7. At any regular or special meeting duly called, any one or more of the members of the Board may be removed with or without cause by a majority of the townhouse unit owners, and a successor may then and there be elected to fill the vacancy thus created.

8. The first meeting of a newly elected Board shall be held within thirty (30) days after their election at such place as shall be fixed by the members of said Board at the meeting at which members were elected, and no notice shall be necessary to the newly elected members in order to constitute such meeting legal, providing a majority of the whole Board shall be present.

9. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of its members. Notice of regular meetings of the Board shall be given to each member, personally or by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting.

10. Special meetings of the Board may be called by the President on two (2) days' notice to each member, given personally or by mail, telephone or telegraph; which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner, and on like notice on the written request of at least two (2) members of the Board.

11. Before, or at any meeting of the Board, any member may (in writing) waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of said Board at any meeting of said Board shall be a waiver of notice by him of the time and place thereof. If all the members are present at

any meeting of said Board, no notice shall be required and any business may be transacted at such meeting.

12. At all meetings of the Board, a majority of the members thereof shall constitute a quorum for the transaction of business; and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be 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 further notice.

13. Any action required or permitted by law to be taken at a meeting of the Board of Directors may be taken without a meeting, if a consent in writing setting forth the actions so taken shall be signed by all members of the Board and such consent shall have the same force and effect as the unanimous vote at a meeting.

14. The Board of Directors may require that all officers and employees of the Council of Co-Owners handling or responsible for funds belonging to the Council of Co-Owners shall furnish adequate fidelity bonds. The premiums of such bonds shall be paid by the Council of Co-Owners.

Article V

OFFICERS

1. The principal officers of the Council of Co-Owners shall be a President, a Vice-President, and a Secretary-Treasurer, all of whom shall be elected by and from the Board. The Board may appoint from the Council of Co-Owners an Assistant Secretary-Treasurer, and such officers as, in their judgment, may be necessary.

2. The officers of the Council of Co-Owners shall be elected annually by the Board at the organizational meeting of each new Board, and shall hold office at the pleasure of the Board.

3. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed, either with or without cause, and his

successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

4. The President shall be the chief executive officer of the Council of Co-Owners. He shall preside at all meetings of the Council and of the Board. He shall have all of 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 the townhouse unit owners from time to time as he may decide appropriate to assist in the conduct of the affairs of the Council of Co-Owners.

5. The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President or the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.

6. The Secretary-Treasurer shall keep the Minutes of all meetings of the Council of Co-Owners and of the Board. He shall have charge of such books and papers as the Board may direct; and he shall, in general, perform all the duties incident to the office of secretary. He shall also have responsibility for all funds and securities belonging to the Council of Co-Owners, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council of Co-Owners. He shall be responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Council of Co-Owners in such depositories as may from time to time be designated by the Board.

Article VI

OBLIGATIONS OF THE OWNERS

1. All owners of townhouse units in the Project are bound and obligated to contribute monthly or as otherwise periodically assessed by the Council of Co-Owners or by the Board when authorized to do so by

these By-Laws or by resolution of the Council of Co-Owners, their pro rata part (i.e., in the same percentages established for undivided ownership of the general common elements by Exhibit "A" of the Declaration of Condominium, unless otherwise specified) of the expenses described in Paragraph 4.1 of Section 4 of the foregoing Declaration of Condominium and toward any other expense lawfully agreed upon by the Council of Co-Owners. All such assessments shall become liens against the respective townhouse units of the Project at the time each of such assessments becomes due and payable subordinate to certain other terms as stated in the Declaration of Condominium.

2. Each townhouse unit owner must promptly perform all maintenance and repair work within his own townhouse unit as provided in Section 3 of the foregoing Declaration of Condominium.

3. A townhouse unit owner shall not make structural modifications or alterations in his townhouse unit except as permitted by the foregoing Declaration of Condominium.

4. A townhouse unit owner shall not place or cause to be placed in the passageways or other areas of a similar nature any furniture, packages or objects of any kind. These areas shall be used for no other purpose than for the normal transit through them.

5. A townhouse unit owner hereby grants the access to the Board or any designees of the Board to his townhouse unit to inspect the same and to remove violations therefrom and to maintain, repair and replace the general common elements contained therein or elsewhere in a building.

6. No resident of the Project shall post any advertisement or posters of any kind in or on the buildings except as authorized by the Council of Co-Owners.

7. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb other residents. Keeping of domestic animals as pets is permitted so long as in accordance with any Project rules whether now or hereinafter enacted.

8. It is prohibited (a) to hang garments, rugs or any other items from the windows or from any of the facades of the building, (b) to dust

rugs or any other items from the windows, or to clean rugs or any other items by beating on the exterior part of the buildings, and (c) to throw garbage or trash outside the disposal installations provided for such purposes in the service areas.

9. No townhouse unit owner, resident or lessee shall install wiring for electrical or telephone installation, television and radio antennae, machines, air-conditioning units, etc., on the exterior of the buildings or that protrude through the walls or the roof of the building, except as authorized by the Council of Co-Owners.

Article VII

AMENDMENTS

These By-Laws may be amended by the Council of Co-Owners in a duly constituted special meeting for such purpose or in any regular meeting. Unless otherwise provided herein, no amendment shall take effect unless approved by townhouse unit owners representing at least fifty-one percent (51%) of the total votes in accordance with percentages established for undivided ownership in the general common elements by Exhibit "A" of the Declaration of Condominium.

Article VIII

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Texas Condominium Act and the foregoing Declaration of Condominium. In case these By-Laws conflict with the provisions of said Act or the Declaration of Condominium (except as to Section 1 of Article III hereof), It is hereby agreed and accepted that the provisions of the Act or Declaration of Condominium, as the case may be, will govern.

DATED AND EXECUTED by the undersigned this the 8th day of July, 1982.

MAJOR INVESTMENTS, INC.

BY: Glen A. Dunn

Glen A. Dunn, President


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THE STATE OF TEXAS §

COUNTY OF HIDALGO §

This Instrument was acknowledged before me by GLEN A. DUNN,
President of MAJOR INVESTMENTS, INC., a corporation, on behalf of said
corporation, on the 8th day of July, 1982.


Notary Public In and for the State
of Texas

ROBERT W. WHITIS
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
My Commission Expires 5 June 85

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FILED FOR RECORD THIS DATE
At 824 o'clock 9 M.

JUL 6 - 1982

SHUNUS SALLUWA
County Clerk, Hidalgo County, Texas
By 64 Deputy

Chg of Recd
CARDENAS & WHITIS
ATTORNEYS AT LAW
VALLEY FEDERAL BUILDING
ONE SOUTH BROADWAY