

PART A - I
BY THE SEA DECLARATIONS

CONDOMINIUM DECLARATION

53756

FOR

BY THE SEA

CONDOMINIUM RECORD

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STATE OF TEXAS

COUNTY OF GALVESTON

KNOW ALL MEN BY THESE PRESENTS:

THIS DECLARATION, made this the 15TH day of SEPTEMBER, 1975, by NIS. LAND CORPORATION, a Texas corporation, having its principal office in Harris County, Texas, hereinafter referred to as "Developer", pursuant to and in accordance with the provisions of the Condominium Act of the State of Texas, for the purpose of establishing a condominium regime in respect to the land below described and all improvements thereon and to be constructed thereon, to-wit:

Description of Land

A part of Lots 125 and 126 of Section One of the Trimble and Lindsey Survey of Galveston Island, in Galveston County, Texas, and part of an abandoned 50 foot roadway lying between said Lots 125 and 126, known as 73rd Street, and being more particularly described as follows:

BEGINNING at a 1 inch iron rod corner located in the Southeasterly line of Stewart Road (based on a 100.0 foot right-of-way) said corner also being located in the common line between Lots 114 and 125 of the above mentioned Trimble and Lindsey Survey, Section One;

THENCE South 22 deg. 40' 00" West along the Southeasterly line of Stewart Road, a distance of 633.48 feet to a point of curvature of a curve having a radius of 1482.72 feet;

THENCE following the above mentioned curve to the right a distance of 11.10 feet to a point for corner, said point being the beginning point of this survey;

THENCE South 54 deg. 26' 08" East a distance of 559.96 feet to a point for corner, said point being located in the Northerly line of the Galveston County concrete retaining wall which is also known as the Galveston Seawall;

THENCE South 58 deg. 12 ' 37" West along the Northerly line of the abovementioned concrete retaining wall a distance of 331.72 feet to a point for corner;

THENCE North 31 deg. 47' 23" West a distance of 175.0 feet to a point;

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THENCE North 47 deg. 01' 33" West a distance of 242.03 feet to a point for corner, said point also being in the Southeasterly line of the aforementioned Stewart Road;

THENCE following a curve to the left having a central angle of 8 deg. 06' 54" and radius of 1482.72 feet along the Southeasterly line of the aforementioned Stewart Road, a distance of 210.0 feet to the PLACE OF BEGINNING and containing 2.756 acres of land, SAVE AND EXCEPT out of and from the above described property all oil, gas and other minerals outstanding in other parties and/or reserved by Developer's predecessors in title as reflected by instrument of record in Volume 911, Page 496 in the Office of the County Clerk, Galveston County, Texas, and subject to all restrictive covenants or conditions as reflected by instrument recorded in Volume 2449, Page 702 in the Office of the County Clerk of Galveston County, Texas, to the extent that the same affect the above described property or any part thereof and are still valid, in effect and enforceable.

W I T N E S S E T H:

WHEREAS, in pursuance of a plan for the construction and development of a condominium project to be known and designated as BY THE SEA, the Developer, being the owner in fee simple of the tract of land hereinabove described, except as and subject to the matters above stated, which land is hereinafter referred to as the "project land", has improved and developed the said project land by constructing thereon a twelve-story, multi-unit apartment building, various carport buildings and other structures, improvements, facilities and appurtenances thereto; and,

WHEREAS, the Developer intends by this Declaration and the recordation hereof to submit said project land and all structures and other improvements thereon and to be constructed or placed thereon to the provisions of and the condominium regime established by the Condominium Act of the State of Texas, so as to thereby establish a Condominium Regime under and as authorized by said Act in respect to said land and all structures and other improvements thereon and to be constructed and placed thereon, as hereinafter more particularly defined, described and provided for:

NOW, THEREFORE, the Developer hereby makes the following Declarations as to the definitions, divisions, descriptions, restrictions, covenants, limitations, conditions, rights, privileges, obligations and liabilities which shall apply to, govern, control, and regulate the sale, re-sale or other disposition, encumbrance, acquisition, ownership, use, occupancy and enjoyment of the project property and all parts thereof and the separate freehold estates hereby established, hereby specifying and agreeing that the provisions and contents of this Declaration shall be and constitute covenants to run with the land and shall be binding on Developer, its successors and assigns and grantees and all subsequent owners of all or any part of said project property and their grantees, successors, heirs, devisees, executors, administrators or assigns, to-wit:

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1. DEFINITIONS. - As herein used, unless the context otherwise requires:

(a) "ACT" means the Condominium Act of the State of Texas, as now existing or hereafter amended from time to time.

(b) "DECLARATION" means this instrument and the by-laws and all other Exhibits attached hereto by the recordation of which the project property is submitted to the provisions of the Act, and such Declaration as from time to time lawfully amended.

(c) "BY-LAWS" means the By-laws set out on EXHIBIT "A" of this Declaration which shall govern the administration of the condominium regime hereby established in accordance with the provisions and requirements of the Act, and such By-laws as from time to time hereafter lawfully amended.

(d) "PROJECT LAND" means the land itself above described excluding the improvements thereon.

(e) "PROJECT PROPERTY" means all the project land and all improvements, buildings structures, facilities, fixtures and equipment now or hereafter constructed, placed or erected therein or thereon, and all easements, rights, hereditaments and appurtenances thereto in anywise belonging or appertaining, submitted to the provisions of the Act.

(f) "APARTMENT BUILDING" means the twelve-story, multi-unit building located on the project land and containing the 104 condominium apartment spaces to be individually and separately owned, depicted as Building A on the survey plat attached as EXHIBIT "B" hereto.

(g) "APARTMENT" means an enclosed space consisting of one (1) or more rooms occupying all or part of a floor in a building of one (1) or more floors or stories for condominium ownership, having as its boundaries the interior surfaces of the perimeter walls, floors, ceilings and the exterior surfaces of balconies and terraces, and includes both the portions of the building so described and the air space so encompassed, excepting common elements.

(h) "COMMON ELEMENTS" means and includes all of the project property, except the individual Apartments which are to be individually and separately owned and the elements belonging thereto.

(i) "GENERAL COMMON ELEMENTS" means and includes all of the common elements, except the limited common elements.

(j) "LIMITED COMMON ELEMENTS" means and includes the parking spaces and storage lockers, one of each of which is assigned in the Declaration for the exclusive use of the Apartment to which they are assigned.

(k) "UNIT" or "APARTMENT UNIT" means an Apartment together with the undivided interest in the common elements allocated and appurtenant to that Apartment for individual and separate ownership under the Act, and all rights and privileges appertaining thereto as provided for in the Declaration.

(l) "OWNER" or "CO-OWNER" means the person or persons whose estates or interests individually, jointly or collectively, aggregate fee simple ownership of an Apartment Unit, provided, however, that any such person or group of persons who hold any such estate or interest solely as security for the performance of an obligation shall not be deemed an Owner solely on account of such security.

(m) "PERSON" means a natural individual, corporation, partnership, trust or other legal entity or any combination thereof capable of holding title to real estate.

(n) "MAJORITY OF UNIT OWNERS" means the Owner or Owners of Apartment Units whose aggregate undivided percentage of ownership interest in the common elements is more than fifty per cent (50%).

(o) "COUNCIL OF CO-OWNERS" (sometimes simply referred to in the Declaration as the "Council") means the organization or association of all co-owners which shall be incorporated as a non-profit corporation under the laws of the State of Texas, the name of which corporation shall be BY THE SEA COUNCIL OF CO-OWNERS, INC.

(p) "MORTGAGEE" means the beneficiary under a mortgage, deed of trust or other written instrument which constitutes a lien against an Apartment Unit to secure the payment of an indebtedness.

(q) "PARKING SPACE" means a covered parking space which constitutes part of the limited common elements and has a numerical designation corresponding to the numerical designation of the Apartment to which it is assigned for the exclusive use of the owner and/or occupant of such Apartment as provided for in the Declaration.

(r) If any word or phrase which is defined in the Act is not defined in this Declaration, then the definition of such words or phrases as appearing in the Act are hereby adopted for the purposes of this Declaration. All words or phrases which are not defined in the

Act or in this Declaration are intended to have their usual and customary meaning according to the context in which they appear.

2. SUBMISSION OF PROJECT PROPERTY TO THE ACT. - The Developer as Owner in fee simple of the project property, as such ownership is above set out and defined, in order to create, adopt and establish a condominium project and a plan of condominium ownership in respect thereto, hereby submits the project property to the condominium regime established by the Condominium Act of the State of Texas and the provisions thereof, as now existing and as may be hereafter amended. The Developer expressly intends and declares through the recordation of this Declaration its desire to submit the property to the Condominium Regime established by said Act.

3. SURVEY PLAT OF PROJECT LAND. - The project land hereinabove described is depicted on the survey plat attached hereto as EXHIBIT "B", which plat shows the location, boundaries, and dimensions of the project land and the location of the Apartment Building (Building A) and the covered parking spaces located thereon.

4. THE APARTMENT BUILDING. - The Apartment Building located on the project land and constituting a part of the project property, submitted to provisions of the Act, and in this Declaration referred to as "Building A" is basically designed as a twelve-story steel frame, glass and concrete building. The entire first floor of this building constitutes part of the general and limited common elements, such as offices, lobbies, recreation areas, rooms for various equipment and facilities, storage lockers, and other common elements as shown on the survey plat attached as Exhibit "C" hereto. The building contains a total of 104 Apartments which are located on the second through twelfth floors hereinafter more particularly described.

5. CONDOMINIUM OWNERSHIP. - The Developer, in pursuance of said plan of condominium ownership for the project property, does hereby covenant and agree that it hereby divides the project property into the following separate freehold estates, to-wit:

(a) Each of the one-hundred four (104) individual apartment spaces in the Apartment Building shall constitute a separate freehold estate for individual ownership. The boundaries of each such apartment space shall be and are the interior surfaces of the perimeter walls, floors, ceilings and the exterior surfaces of the balconies belonging thereto, and such apartment includes both the portions of the building so described and the air space so encompassed, excepting common elements. The individual ownership of each Apartment shall also include the following elements and items, except that such elements and items shall be deemed to be part of the building as a whole or the common elements for the purposes of any blanket, hazard or casualty insurance policies hereinafter mentioned and the coverage and protection afforded thereunder, to-wit: the interior non-bearing and non-supporting dividing walls and partitions, cabinets, shelves, closets, interior and exterior doors, the finished perimeter walls, floors and ceilings, including carpeting or other floor covering or finish and wall paper or other wall covering or finish, the individual lighting and electrical fixtures and appliances, the individual kitchen and bath room fixtures, equipment, plumbing and appliances, such as, but not limited to, cooking ranges, range hoods, refrigerators, sinks, dishwashers, garbage disposals, ovens, water closets, lavatories, shower stalls, bath tubs, medicine cabinets and similar fixtures and equipment, the individual air conditioning units and systems for space cooling and heating, and

the appurtenances thereto, the individual hot water heaters, and all other items, facilities, equipment or elements which are designed and intended solely for the benefit of and to exclusively serve a particular apartment in or to which the same are located or attached, and are not designed or intended for the benefit, use, support, service or enjoyment of any other Apartment or the common elements or any part thereof.

(b) The undivided interest in the common elements herein, allocated to each individual Apartment shall constitute a freehold estate; and it is hereby covenanted and stipulated that each such undivided interest in the common elements shall be held and owned together with and may not be sold, conveyed or otherwise disposed of or encumbered separately from the individual Apartment to which it is allocated.

6. DESCRIPTION OF APARTMENTS. - The 104 individual Apartments hereby established and which shall be individually conveyed and owned, each have a direct exit to a thoroughfare or to a given common space leading to a thoroughfare, and they are identified and described as follows:

(a) Apartments on Second Floor. - This floor contains ten (10) Apartments and they are numbered for identification as Apartments 201, 202, 203, 204, 205, 206, 207, 208, 209, and 210. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "D", and all such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(b) Apartments on Third Floor. - There are ten (10) Apartments on this floor and they are numbered for identification as Apartments 301, 302, 303, 304, 305, 306, 307, 308, 309 and 310. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "E", and all such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(c) Apartments on Fourth Floor. - There are ten (10) Apartments on this floor and they are numbered for identification as Apartments 401, 402, 403, 404, 405, 406, 407, 408, 409 and 410. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "F", and all such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(d) Apartments on Fifth Floor. - There are ten (10) Apartments on this floor and they are numbered for identification as Apartments 501, 502, 503, 504, 505, 506, 507, 508, 509 and 510. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "G", and all such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(e) Apartments on Sixth Floor. - There are ten (10) Apartments on this floor and they are numbered for identification as Apartments 601, 602, 603, 604, 605, 606, 607, 608, 609 and 610. The identifying

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number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "H", and all of such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(f) Apartments on Seventh Floor. - There are ten (10) Apartments on this floor and they are numbered for identification as Apartments 701, 702, 703, 704, 705, 706, 707, 708, 709, and 710. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "I" and all of such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(g) Apartments on Eighth Floor. - There are ten (10) Apartments on this floor and they are numbered for identification as Apartments 801, 802, 803, 804, 805, 806, 807, 808, 809 and 810. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "J" and all of such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(h) Apartments on Ninth Floor. - There are ten (10) Apartments on this floor and they are numbered for identification as Apartments 901, 902, 903, 904, 905, 906, 907, 908, 909 and 910. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "K" and all of such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(i) Apartments on Tenth Floor. - There are eight (8) Apartments on this floor and they are numbered for identification as Apartments 1001, 1002, 1003, 1004, 1005, 1006, 1007 and 1008. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "L" and all of such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(j) Apartments on Eleventh Floor. - There are eight (8) Apartments on this floor and they are numbered for identification as Apartments 1101, 1102, 1103, 1104, 1105, 1106, 1107 and 1108. The identifying number, location, size, square footage, dimensions and other descriptive data of each Apartment on this floor are shown and depicted on the survey plat attached hereto as EXHIBIT "M" and all of such information and descriptive data shown on such exhibit is incorporated herein and made part hereof for all purposes by reference thereto.

(k) Apartments on Twelfth Floor. - There are eight (8) Apartments on this floor and they are numbered for identification as Apartments 1201, 1202, 1203, 1204, 1205, 1206, 1207, and 1208. The

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such numbered covered parking spaces on the project and which are shown on the survey plat attached hereto as EXHIBIT "B" and each

8. STORAGE LOCKERS. - There are one hundred four (104) num-

which are part of the limited common elements of this Apartment

9. DESCRIPTION OF COMMON ELEMENTS. - The common elements of

elements shall consist of all of the most common

The interior construction, fixtures, appliances, elements and described and defined as hereinafter, except that the 104 individual Apartments and private balcony appertaining to each Apartment which shall be individually owned as part of the Apartment as provided for in this Declaration, and all of the common elements, general and limited, include, but are not limited to, all of the project and as hereinafter described, the common circulation ways, the comparison for improvement of central services, the corridors or hallways, the foundation, bearing walls and columns, the exterior walls, exterior glass and patios, the roof, all structural and supporting parts of the Apartment Building, the elevators and shafts, the recreation facilities, including tennis courts, swimming pools and the like, and in general all of the project and portions of the Apartment Building and other improvements, except the individual Apartments and the exterior appearances thereof which are to be

individually and privately owned as part of each Apartment. The common elements shall also include all movable or personal property at any time belonging to or acquired by the Council of Co-owners for the common use, benefit or enjoyment of all Unit Owners.

10. USE OF THE COMMON ELEMENTS.

(a) General Common Elements. - Each Unit Owner shall have the non-exclusive right and easement to use and enjoy the general common elements, in common with all other Unit Owners, for the purposes for which they are intended and as may be required for the purposes of access and ingress and egress to and the use, occupancy and enjoyment of the respective apartments owned by such Unit Owners, without hindering or encroaching upon the lawful rights of other Co-owners. Such right to use and enjoy the general common elements shall extend to each Unit Owner, the members of his family, the tenants or other lawful occupants of each Apartment, and their guests, visitors, invitees or permittees, and all such other persons as may be invited or permitted to use the same by the Council of Co-Owners or its duly authorized representative. Such right to the use of the general common elements shall be subject to and governed by the provisions of the Act, this Declaration, the By-laws attached hereto, and all amendments to the same, and the Rules and Regulations hereafter lawfully made or adopted by the Council of Co-Owners. Each Unit Owner shall be deemed to have a non-exclusive easement in the interest of all other Unit Owners in the general common elements for the installation, operation, maintenance, repair or replacement of all individually owned fixtures, equipment and appliances, serving or appertaining to his Apartment and which are in any way affixed to, supported by or located in any space or structure constituting part of the general common elements.

(b) Limited Common Elements. - The limited common elements, consisting of the 104 numbered covered parking spaces and the 104 numbered storage lockers, respectively shown on Exhibits "B" and "C" attached hereto, shall be used exclusively by the Owners and/or occupants of the Apartments to which such parking spaces and storage lockers are assigned.

11. PROPORTIONATE OWNERSHIP OF COMMON ELEMENTS, SHARE OF COMMON EXPENSES AND VOTING RIGHTS. - The percentage interest which each Apartment bears to the entire condominium regime is set out in the following "SCHEDULE OF PERCENTAGES". The percentage of each Apartment is based on the ratio that the approximate gross square footage of each Apartment, including its balcony, bears to the approximate gross square footage of all Apartments and their balconies in the aggregate. A slight adjustment has been made in respect to some particular apartments in order to make the percentages of all Apartments total 100%. For the purpose of computing these percentages, the approximate square footage of each Apartment has been calculated on dimensions extending to the center line of partition walls between Apartments and to the outside surface of exterior walls. (Note: The approximate square footage of each apartment within the interior surfaces of the perimeter walls, not including its balcony, is shown on the survey plats of the apartments which are attached as Exhibits to this Declaration). The percentage shown below for each Apartment fixes and represents the undivided percentage of ownership interest of the Owner of each such Apartment in the common elements, and also his proportionate share of and liability for the common expenses, and his proportionate representation for voting purposes in the meetings of the members of the Council of Co-Owners.

<u>SCHEDULE OF PERCENTAGES</u>		
<u>APARTMENT NO.</u>	<u>APPROX. GROSS SQ. FT. WITH BALCONY</u>	<u>PERCENTAGE</u>
201	947	1.0307%
202	729	.7934%
203	500	.5442%

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(SCHEDULE OF PERCENTAGES Continued)

APARTMENT NO.	APPROX. GROSS SQ. FT. WITH BALCONY	PERCENTAGE
204	1000	1.0884%
205	1000	1.0884%
206	1000	1.0884%
207	1000	1.0884%
208	500	1.0884%
209	729	.5442%
210	947	.7934%
		1.0307%
301	947	1.0307%
302	729	.7934%
303	500	.5442%
304	1000	1.0884%
305	1000	1.0884%
306	1000	1.0884%
307	1000	1.0884%
308	500	1.0884%
309	729	.5442%
310	947	.7934%
		1.0307%
401	947	1.0307%
402	729	.7934%
403	500	.5442%
404	1000	1.0884%
405	1000	1.0884%
406	1000	1.0884%
407	1000	1.0884%
408	500	1.0884%
409	729	.5442%
410	947	.7934%
		1.0307%
501	947	1.0307%
502	729	.7934%
503	500	.5442%
504	1000	1.0884%
505	1000	1.0884%
506	1000	1.0884%
507	1000	1.0884%
508	500	1.0884%
509	729	.5442%
510	947	.7934%
		1.0307%
601	947	1.0307%
602	729	.7934%
603	500	.5442%
604	1000	1.0884%
605	1000	1.0884%
606	1000	1.0884%
607	1000	1.0884%
608	500	1.0884%
609	729	.5442%
610	947	.7934%
		1.0307%
701	947	1.0307%
702	729	.7934%
703	500	.5442%
704	1000	1.0884%
705	1000	1.0884%

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(SCHEDULE OF PERCENTAGES Continued)

APARTMENT NO.	APPROX. GROSS SQ. FT. WITH BALCONY	PERCENTAGE
706	1000	1.0884%
707	1000	1.0884%
708	500	.5442%
709	729	.7934%
710	947	1.0307%
801	947	1.0307%
802	729	.7934%
803	500	.5442%
804	1000	1.0884%
805	1000	1.0884%
806	1000	1.0884%
807	1000	1.0884%
808	500	.5442%
809	729	.7934%
810	947	1.0307%
901	947	1.0307%
902	729	.7934%
903	500	.5442%
904	1000	1.0884%
905	1000	1.0884%
906	1000	1.0884%
907	1000	1.0884%
908	500	.5442%
909	729	.7934%
910	947	1.0307%
1001	1448	1.5762%
1002	729	.7934%
1003	1000	1.0884%
1004	1000	1.0884%
1005	1000	1.0884%
1006	1000	1.0884%
1007	729	.7934%
1008	1448	1.5762%
1101	1448	1.5762%
1102	729	.7934%
1103	1000	1.0884%
1104	1000	1.0884%
1105	1000	1.0884%
1106	1000	1.0884%
1107	729	.7934%
1108	1448	1.5762%
1201	1448	1.5762%
1202	729	.7934%
1203	1000	1.0884%
1204	1000	1.0884%
1205	1000	1.0884%
1206	1000	1.0884%
1207	729	.7934%
1208	1448	1.5762%

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The above percentages fixing the percentage of undivided ownership interest of each Owner in the common elements and his share of the common expenses and voting representation cannot be changed except by the written consent of each and every Owner and Mortgagee of all Apartment Units in this condominium project, duly executed, acknowledged and filed for record; and the Developer, its successors, assigns and grantees, and their successors, heirs, executors, administrators, devisees and grantees, hereby covenant and agree that the undivided percentage interest in the common elements allocated to each Apartment shall be and remain an undivided interest and each Owner shall own his percentage interest as a tenant in common with the other Unit Owners, and that the interest in the 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 for 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 percentage of ownership interest herein assigned and allocated to each Apartment shall not be separated from the Apartment to which it is assigned and may not be sold, conveyed encumbered or otherwise disposed of separately from the Apartment to which it is assigned, and each percentage interest in the common elements shall follow the respective Apartment to which it is allocated and assigned, even though the description in the instrument of conveyance or encumbrance shall refer only to the Apartment space.

12. COUNCIL OF CO-OWNERS.

(a) Organization and General Purposes. - The Council of Co-Owners (sometimes herein referred to as the "Council") shall be organized as a membership non-profit corporation under the laws of the State of Texas, the name of which corporation shall be BY THE SEA COUNCIL OF CO-OWNERS, INC., and it shall be and constitute the governing and administrative Body for all Unit Owners for the protection, preservation, upkeep, maintenance, repair, restoration, operation and replacement of the common elements, and the government, operation and administration of the condominium regime hereby established in accordance with its By-laws, and for such purposes the Council of Co-owners is hereby irrevocably appointed as attorney-in-fact for all Unit Owners. The Developer shall at its own cost and expense, as soon as practical after this Declaration has been filed for record in the Office of the County Clerk of Galveston County, Texas, prepare and forward to the Secretary of State of the State of Texas for filing in his Office, the Articles of Incorporation of the aforesaid non-profit corporation, and in this connection the Developer shall select and name the persons who are to act as the incorporators and the persons who are to serve as the initial directors of this non-profit corporation, and shall also designate the address of the initial registered office of this non-profit corporation and select and name its initial registered agent at such address; and until said Articles of Incorporation are filed in the Office of the Secretary of State of the State of Texas, or in the event of the dissolution of this non-profit corporation at any time, the Council of Co-Owners shall exist and function as an unincorporated organization or association.

(b) Membership, Voting Rights. - Each owner of an Apartment Unit, including Developer, shall by virtue of such ownership automatically be a member of the Council and shall remain a member thereof until such time as his total ownership ceases for any reason, at which time his membership in the Council shall also automatically cease. Membership in the Council shall be appurtenant to and shall automatically follow the ownership of each Apartment Unit, and upon any transfer of ownership howsoever caused or brought about, the new

Owner shall automatically be and become a member of the Council.

The aggregate number of votes for all members of the Council shall be one hundred (100) which shall be proportionately divided among the Unit Owners in accordance with and in direct proportion to their respective percentage of ownership interest in the common elements. If any person, including Developer, shall own more than one (1) Apartment Unit, then his representation for voting purposes shall be determined by his aggregate ownership interest in the common elements so that he may exercise the voting rights allocated to each Apartment Unit owned by him. In the event any Apartment is jointly owned by two (2) or more persons, then the person or persons owning more than fifty (50) per cent interest in such Unit shall exercise the full voting rights of such Apartment Unit. The Developer through any of its officers, directors or representatives may exercise all the votes allowed to the unsold Apartment Units while owned by Developer, its successors or assigns.

(c) Board of Directors. - The affairs of the Council shall be managed by a Board of Directors which shall be composed as provided for in the Articles of Incorporation and By-laws. All activities, rights, powers, duties, obligations, functions, and responsibilities of the Council of Co-Owners shall be performed, exercised, discharged and accomplished through its Board of Directors, except in any particular case where the laws of the State of Texas or the By-laws of the Council require that action be taken by vote of the members. The Board of Directors may employ the services of a manager or managing agent as provided for in the By-laws.

(d) By-laws. - The government and administration of this condominium regime by the Council shall be in accordance with the By-laws which have been initially adopted by Developer as sole owner of the project property, appended as EXHIBIT "A" attached hereto. These By-laws may be amended from time to time by the Council of Co-owners in accordance with the provisions thereof.

13. RIGHTS, FUNCTIONS AND OBLIGATIONS OF COUNCIL OF CO-OWNERS. In addition to all other rights, functions and obligations of the Council under the provisions of the Act, this Declaration or the By-laws, the Council shall have the following rights, functions and obligations:

(a) Right to Non-exclusive Easement. - The Council shall have a non-exclusive right and easement to make such use of the common elements as may be necessary or appropriate for it to perform the duties and functions which it is obligated or permitted to perform under the Act, this Declaration or the By-laws, and a non-exclusive right of entry, after reasonable notice to the Owners during reasonable hours, into the individual Apartments as may be necessary for the operation of this condominium project or for making emergency repairs therein necessary to prevent damage to any other Unit or to the common elements or any part thereof, except that no notice shall be required in cases of emergency.

(b) Common Elements Maintenance. - The Council shall be obligated to provide as a common expense of all Unit Owners for the care, operation, management, maintenance, repair, replacement and restoration of the common elements. Without limiting the generality of the foregoing, said obligations shall include keeping the common elements in good, clean, attractive and sanitary condition, order and repair, keeping the common elements safe, attractive and maintained in a manner desirable as a residential community, and making necessary or desirable alterations, additions, betterments or improvements to or on the common elements.

(c) Other Council Functions. - The Council may undertake or contract for any lawful activity, function or service for the common benefit or to further the common interests of all Unit Owners. Such activities, functions, or services may include, but shall not be limited to, the providing of police, patrol or similar security services, janitorial services, grounds maintenance or landscaping services, the providing of utilities or services which may be required for the enjoyment or betterment of the common elements, the providing of water, garbage and trash collection and sewage disposal services and other services for each of the individual Apartments; the providing of legal and accounting services necessary or desirable in connection with the operation of the condominium regime or the enforcement of the provisions of the Act, this Declaration or the By-laws, and any other services for the benefit and enjoyment of all the Unit Owners.

(d) Labor and Services. - The Council may as a common expense of the Owners, obtain and pay for the services of any person or entity as a manager or managing agent to manage, supervise and look after the day to day operations of this condominium project and regime, as well as the services of such other personnel as the Council shall determine to be necessary or desirable for the proper operation of this condominium project, whether such personnel are furnished or employed directly by the Council or by any person or entity with whom it contracts.

(e) Acquisition of Personal Property. - The Council may acquire as a common expense and hold for the common use or benefit of all Unit Owners, any tangible or intangible personal property and may dispose of the same by sale or otherwise. Subject to the rules and regulations of the Council, each Owner and each Owner's guests or tenants may use such property. All such property so acquired and owned by the Council shall be deemed to be part of the common elements for all purposes.

(f) Rules and Regulations. - The Council may make and enforce reasonable and uniformly applied rules and regulations governing the use of the individual Apartments and the common elements. Such rules and regulations may, without limitation: (i) regulate the use of the common elements to assure the Equitable and proper use and enjoyment thereof by all persons entitled thereto, (ii) prohibit any conduct or activity in any Apartment or on any part of the common elements which constitutes a nuisance in law or in fact or which would not be consistent or in keeping with the peaceful, quiet and reasonable use and enjoyment of any Apartment or the common elements, (iii) prohibit, restrict or regulate the use of any portion of the common elements by any guests of any Owner, and (iv) regulate and control vehicular traffic and parking on the project land.

The Council shall furnish each Owner with a written copy of each and every rule and regulation or shall post the same in a conspicuous place on the common elements, however, failure to furnish or post any copy shall not be deemed to invalidate any rule or regulation to any extent.

The Council shall have the right to enforce any of the rules and regulations of the Council and the obligations of any Owner under this Declaration or the By-laws.

14. INDIVIDUAL MAINTENANCE AND REPAIRS. - Each Unit Owner shall furnish and be responsible for, at his own cost and expense, except to the extent that any loss or damage is covered under any insurance policy, all of the maintenance, repairs and replacements within his own Apartment, except as to the common elements located therein. Specifically, but without limitation, each Unit Owner at his own expense (except as above mentioned) shall maintain, repair or replace the interior surfaces of his Apartment and all interior partitions or room walls, all exterior and interior doors, his own cooking range, oven, refrigerator, sink, garbage disposal, and all other individual kitchen or bath room appliances, his individual air conditioning unit or system for space cooling and heating, his individual lighting fixtures and equipment, all interior bath room fixtures, appliances and plumbing, and all elements and contents appurtenant to his Apartment which are individually and privately owned and do not constitute any part of the common elements. In the event and to the extent that any equipment, facilities, appliances or fixtures within one Apartment shall be connected to similar equipment facilities and fixtures serving another Apartment or the common elements, then reciprocal easements for the maintenance for same shall exist. Each Unit Owner shall also keep clean at his own expense the interior and exterior surface of all plate glass, window panes and other glass surfaces appurtenant to his Apartment.

15. DECORATING. - Each Unit Owner shall furnish and be responsible for, at his own cost and expense, all of the decorating within his own Apartment, including painting or wall papering, washing, cleaning, panelling, floor covering, draperies, wall covering, window shades, curtains, and all other furnishings and interior decorations.

16. COMMON EXPENSES, ASSESSMENTS. -

(a) Budget. - The Board of Directors of the Council, (sometimes herein referred to as "the Board") shall prepare or cause to be prepared and adopt an estimated Annual Budget for the common expenses of this condominium project for each fiscal year of the Council. Such Budget shall take into account the estimated common expenses and cash requirements for the year, including, but not limited to, the costs of salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, management fees, and all such other costs and expenses which the Board shall deem necessary or proper for the fulfillment and performance of the functions and obligations of the Council. The annual Budget may also take into account and provide for a reserve for contingencies for the year and a reserve for replacements of the common elements in reasonable amounts. Any surplus or deficit in regards to previous Budgets shall also be considered. Each annual Budget shall take effect on the first day of the fiscal year for which it is prepared. If it shall appear to the Board at any time that the Budget adopted for any fiscal year shall be insufficient, the Board may revise such Budget to cover the estimated deficiency, to become effective on the first day of the calendar month next following the revision.

The Board shall make reasonable efforts to furnish copies of the Annual Budget and any revision thereof to each Unit Owner not later than fifteen (15) days prior to its effective date. The Annual Budget as adopted by the Board and any revision thereof shall serve

as the basis for the regular monthly assessments against the Unit Owners unless any such Budget for any fiscal year is changed or modified by the members of the Council at any special meeting of the members called for that purpose, as provided in paragraph (c) below, in which case such Budget as so changed or modified by the members of the Council shall be the basis for the regular monthly assessments thereafter becoming payable during such fiscal year. In the event the Board shall fail to adopt a Budget and until a new Budget is adopted for any fiscal year, the Budget last adopted and any revision thereof shall continue to serve as the basis for the regular monthly assessments, unless changed or modified by the members of the Council as provided for in said paragraph (c) below.

(b) Regular Assessments. - On or before the first day of the first month and of each succeeding month of the fiscal year covered by the annual Budget, each Unit Owner shall pay to the Council or to such agent or person as the Board may designate in Galveston County, Texas, and without demand, as his regular monthly assessment, one-twelfth (1/12th) of his proportionate share of the estimated annual common expenses as shown by the Annual Budget and any revision thereof. Such proportionate share for each Unit Owner shall be in proportion to his ownership interest in the common elements as fixed in this Declaration. The Council or its agent authorized to collect the monthly assessments shall receive the same as Trustee for the use and benefit of each Unit Owner, and shall use, expend and disburse the same to pay the common expenses and for all other purposes authorized by the Act, this Declaration or the By-Laws of the Council. The regular monthly assessments shall be due and payable monthly in advance whether or not a statement for same is sent or received, and failure to send or receive a statement of assessment shall not excuse the payment of any regular monthly assessment as it becomes due and payable on the first day of each calendar month. No Owner of any Apartment Unit or interest therein shall be exempt from paying his prorata part and share of the common expenses by a waiver of the use or enjoyment of the common elements or any part thereof or by abandonment of his Apartment Unit or his interest therein. The assessments for common expenses shall be the debt and obligation of the Owner at the time the monthly assessment becomes due and payable. No Unit Owner shall be liable for the payment of any monthly or other assessment which becomes due and payable after his ownership ceases. Regular assessments for common expenses shall be on a monthly basis and shall become due and payable monthly.

(c) Modification by Members. - The members of the Council may modify or change any Budget or revision thereof adopted by the Board for any fiscal year, provided that any such modification or change shall have the assent of the members of the Council who in the aggregate own at least sixty per cent (60%) of the common elements. A meeting of the members of the Council shall be called for this purpose, written notice of which shall be sent to all members at least ten (10) days but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

(d) Special Assessments. In addition to the regular monthly assessments authorized by this Declaration or the By-Laws, the Board may levy in any fiscal year a special assessment or assessments, applicable to that fiscal year only, for the purpose of defraying, in whole or in part the cost of any construction or reconstruction or unexpected major repair or replacement of a described capital improvement constituting or to constitute part of the common elements, including the necessary fixtures and personal property related thereto, or for such other purpose or purposes as the Board of Directors may consider appropriate, all of which costs shall be a common expense of the Unit Owners in proportion to their ownership interest in the common elements as set out in this Declaration, provided that any such assessment shall require the affirmative vote of at least 66-2/3% of the total votes cast, in person or by proxy, at a meeting of the members of the Council as hereinafter provided for. At any such meeting the members of the Council may, by the required affirmative vote aforesaid, amend or modify the amount or purpose of, or may otherwise amend or modify, any such special assessment proposed to be levied by the Board. (Continued on next page).

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A meeting of the members of the Council shall be called for this purpose, written notice of which shall be sent to all members at least ten (10) days but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

(e) Reserve for Replacements. - The Council may establish and maintain a reserve fund for replacements by the allocation and payment monthly to such reserve fund of the amount included in the monthly assessments for this purpose. Such funds shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the United States of America, or may in the discretion of the Board be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve for replacements may be expended only for the purposes of effecting the replacement of the common elements and equipment of the project and for operating contingencies of a non-recurring nature. The amounts required to be allocated to the reserve for replacements may be reduced by appropriate resolution of the Board of Directors, upon the accumulation in such reserve for replacements of a sum equal to twenty per cent. (20%) of the full replacement value of the condominium project as such full replacement value is annually determined by the Board of Directors for casualty insurance purposes. The proportionate interest of any Unit Owner in any reserve for replacements shall be considered as an appurtenance of his condominium unit and shall not be separately withdrawn, assigned or transferred or otherwise separated from the Apartment Unit to which it appertains and shall be deemed to be transferred with each such Apartment Unit.

(f) Assessments against Developer. - Notwithstanding any provision of this Declaration to the contrary, it is agreed and all Owners agree that the Developer shall not be assessed in respect to any Apartments owned by it which has not been completed and is not ready for use or occupancy. The determination made by Developer in good faith as to whether an Apartment has been completed and is ready for occupancy shall be binding and conclusive on all other Owners.

(g) Non-payment of Assessment. - Any assessment levied pursuant to this Declaration or the By-laws of the Council or any installment or part thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors bear interest at a rate not to exceed ten per cent (10%) per annum and also subject the Owner obligated to pay same to the payment of such penalty or late charge as the Board may fix, and the Council may bring an action at law against the Owner personally obligated to pay the same for collection of the delinquent amount and/or foreclosure of the lien against the Apartment Unit as hereinafter provided for, and in case any such action is brought a reasonable amount for attorneys fees, not less than 10% of the principal and interest then owing, shall also be recoverable.

(h) Assessment Certificates. - The Board of Directors or its representative shall furnish to any prospective purchaser or mortgagee of any Apartment Unit, at the request of the Owner, a written certificate as to the amount of the regular and/or special assessments which have become due and are unpaid up to a given date in respect to the Apartment Unit to be sold or mortgaged; and in the case

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of a sale the purchaser shall not be liable nor shall the Apartment Unit purchased be liable or subject to any lien for any unpaid assessment which has become due and is not shown on such certificate for the period of time covered thereby, however, the Selling Owner shall be liable for same and in case of his failure or refusal to pay then the same shall be collectible from all other Unit Owners on a prorata basis in proportion to their share of the common expenses, and they shall have recourse against the Selling Owner; but in the event of a mortgage the unpaid assessments not shown on said certificate for the period of time covered thereby shall remain the obligation of the Unit Owner mortgaging his Apartment Unit, but the assessment lien securing same as provided for in this Declaration shall be and remain inferior and secondary to the mortgage and liens held by the mortgagee to whom or for whose information said certificate was furnished. A charge not to exceed Twenty-five and no/100 Dollars (\$25.00) may be levied in advance by the Council for each certificate so delivered.

17. LIENS TO SECURE ASSESSMENTS. - The assessments for common expenses, both regular and special, shall be a personal obligation of the Owner of each Apartment as well as an indebtedness against the Apartment Unit itself; and in the event any default is made in the payment of any such assessment or any part thereof as the same shall become due and payable, then a valid and subsisting lien is hereby created and shall exist upon and against the Apartment Unit of the Owner in default, which lien shall exist for the benefit of all other Co-owners and the Council. No lien shall exist against any Apartment Unit for assessments which have not yet become due and payable. The liens provided for herein shall be prior to all other liens, except that such liens 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) all 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 the assessment became due and payable, and (3) all liens securing any loan made to any purchaser for any part of the purchase price of any Apartment Unit when such Apartment Unit is purchased from the Developer.

The liens to secure common expenses as herein provided for may be foreclosed without prejudice and subject to the aforesaid prior and superior liens, by suit by the Board of Directors or any authorized officer or member of the Council, acting in behalf of all Unit Owners in like manner as mortgages on real property. No foreclosure suit or sale thereunder shall affect or impair any of the prior liens above mentioned. The Board or any person authorized by it, acting in behalf of all unit owners, shall have power to bid in the Apartment Unit foreclosed on at the foreclosure sale, the amount of which bid shall not exceed the total amount of all assessments in default, interest and other charges thereon and costs of foreclosure. In the event the Board shall purchase any Apartment Unit at any such foreclosure sale, it shall have authority to hold, lease, mortgage or convey the same as Trustee of all other Co-owners. All funds realized from the foreclosure sale shall be applied first to the cost and expense of filing and prosecuting suit, including all costs of Court and a reasonable amount for attorneys fees, and then towards payment of the indebtedness sued on, together with interest and other charges thereon, and the remainder, if any, shall be paid over to the defendant or defendants in such foreclosure suit. As their interests may appear. In the event the proceeds realized from the

foreclosure sale, applied as aforesaid, shall be insufficient to pay off and discharge the whole amount of the assessment sued on, together with interest and other charges thereon, then the Purchaser acquiring title to such Apartment Unit at such foreclosure sale, whoever he may be, other than the Unit Owner sued, shall not be liable for the deficiency, except for a prorata part thereof as hereinafter stated, and any such deficiency shall be deemed a common expense, collectible from all Unit Owners, including the Purchaser at the foreclosure sale, on a prorata basis as in the case of the other common expenses. The defaulting Unit Owner sued shall remain personally liable to the Unit Owners paying the deficiency.

18. UTILITIES FOR COMMON ELEMENTS. - All utilities and services furnished to the common elements, such as, but not limited to, water, electricity for light and power, telephone, sewer service, and garbage and trash pick up shall be a common expense of all Unit Owners.

19. UTILITIES FOR APARTMENTS. - The water service to each individual Apartment shall be a common expense of all Unit Owners as there are no separate water meters for the Apartments. The electricity furnished to each Apartment for lighting or power shall be separately metered and shall be the separate expense of each Unit Owner who shall make his own contracts and deposits therefor. Each Unit Owner shall also be separately responsible for his telephone service and shall make his own contracts and deposits therefor.

20. PROPERTY INSURANCE. - The Board of Directors shall have the authority to obtain and continue in effect blanket property insurance to insure the buildings, structures and Apartment Units in or on the project property and the owners thereof, against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions, and against risks of whatever character, without prejudice to the right of each unit owner to insure his Apartment unit on his own account for his own benefit. Such insurance obtained by the Board may be written in the name of and the proceeds thereof may be payable to the Board or any person designated by it or by the Council, as Trustee for each unit owner in their respective percentage of ownership interest in the common elements. Each unit owner and his mortgagee, if any, shall be a beneficiary of such insurance, in the ratio of his percentage of ownership interest in the common elements as aforesaid, even though not expressly named in the policy as an insured or beneficiary. All costs, charges and premiums for such insurance shall be a common expense and each unit owner shall pay his prorata part and share of same as in the case of other common expenses of this condominium regime. In case of any injury, damage to or destruction of any part of the project property covered by such insurance, the insurance indemnity and proceeds shall be applied to reconstruct or repair the building or property so damaged or destroyed, except as may be otherwise provided for by the Act, as now existing or hereafter amended. The Board shall have complete power and authority to compromise, settle and adjust any and all claims arising under any such policy or policies of insurance.

21. PUBLIC LIABILITY AND OTHER INSURANCE. - The Board of Directors or its representative shall also have the authority to obtain comprehensive public liability insurance, in such limits as it shall deem desirable, and workmen's compensation insurance and any other liability insurance as it may deem desirable, insuring each Unit Owner and the Council, Board of Directors and managing agent

from and against liability in connection with the common elements, to the extent such insurance may be obtained, and all costs, charges and premises for all such insurance shall be deemed as a common expense of this condominium regime, and each Unit Owner shall pay his prorata share of same as in the case of other common expenses as provided for in this Declaration.

22. INDIVIDUAL INSURANCE. - Each unit owner shall be responsible at his own personal cost and expense, for his own personal insurance on the contents of his own Apartment and his additions and improvements thereto, and his decorations and furnishings and personal property thereto and his personal property stored elsewhere on the project property, as well as his personal liability insurance to the extent not covered by the liability insurance for all of the unit owners which may be obtained as a common expense.

23. EASEMENTS FOR ENCROACHMENTS. - If any portion of the common elements shall be situated or encroach upon any apartment, or if any apartment or fixture thereof shall actually encroach upon any portion of the common elements, as the Apartments and common elements actually and physically exist, or as shown by the survey plats attached hereto, then there shall be deemed to be mutual valid easements for such encroachments and for the maintenance of same so long as such encroachments exist. In the event the Apartment Building or other structure is totally or partially damaged or destroyed and then repaired, restored or rebuilt, the Unit Owners agree that all encroachments of or upon the common elements and facilities due to repair or reconstruction shall be permitted and that a valid easement for such encroachments and maintenance thereof shall exist.

24. ALTERATIONS, ADDITIONS AND IMPROVEMENTS. - No alterations of any portion of the common elements or additions or improvements thereon shall be made by any Unit Owner without the prior written approval of the Board of Directors. No Unit Owner shall make any structural modification or substantial alteration of his apartment or the installations located thereon, except in a manner authorized by the Board of Council in writing.

25. USE AND ACCESS OF DEVELOPER. - Until Developer has completed all construction work and has sold and conveyed all Apartments, the Developer and its workmen, agents, servants or employees shall have free and unobstructed use of and access to all of the project property as may be required for the completion of construction and to facilitate sale of the unsold Apartments.

26. TAXES. - Taxes, assessments and other charges of the City, County, State or other political entities or any special district thereof, shall be separately assessed, and each unit owner shall pay as his own personal expense all tax assessments against his Apartment Unit. Taxes are not part of the common expenses. Taxes on personal property owned by the Council as part of the common elements shall be paid by the Council as a common expense.

27. INSPECTION - WAIVER. - Each purchaser of an Apartment Unit has full opportunity and shall be under a duty to inspect and examine the Apartment to be purchased by him prior to consummating his purchase thereof, and agrees that the Apartment is purchased as actually and physically existing. It is expressly agreed, and each and every purchaser of an Apartment Unit agrees for himself, his heirs

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executors, administrators and assigns, that the square footage, size and dimensions of each Apartment and each area constituting any part of the common elements as set out and shown in this Declaration or the survey plats attached hereto, are approximate only and are shown for descriptive purposes only, and that the Developer does not warrant, guarantee or represent that any apartment or any area constituting any part of the common elements actually contains the area, square footage or dimensions shown by the plat thereof; and each purchaser of an Apartment Unit, for himself, his heirs, executors, administrators and assigns expressly waives any claim or demand of any kind or nature which he could possibly have against Developer or any person whomsoever on account of any difference or shortage or discrepancy between the size, square footage or dimensions actually and physically existing and the size, square footage and dimensions shown on the survey plats attached 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 any Apartment or of any Apartment 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 the actual boundaries of the building.

28. RESTRICTIONS. - The following restrictions, covenants and conditions are placed upon each Apartment in this condominium project as a general plan or scheme of restrictions for the benefit of each Apartment Unit, to-wit:

(1) Each Apartment shall be used and occupied for residential purposes only and no Apartment shall be used for any business, commercial, trade or professional purposes, except as permitted in Paragraph (7) below.

(2) No Apartment shall be altered, remodeled, subdivided or converted into more than one dwelling unit.

(3) No trash, garbage or debris shall be placed on any part of the common elements, except in the receptacles or area designated for disposal of same.

(4) No signs or posters of any kind shall be placed on any part of the common elements, except as may be authorized by the Board or Council or as provided for in Paragraph (7) below.

(5) No unlawful, immoral, noxious or offensive activities shall be carried on or permitted in any Apartment or elsewhere on the project property, nor shall anything be done therein which shall constitute a nuisance or cause unreasonable noise or disturbance to others.

(6) No signs, poster or advertisement, and no clothes line or other apparatus for the hanging of clothing or laundry, shall be placed on or attached to any balcony, nor shall any other matter or thing which would be detrimental to the appearance of the Apartment Building be placed on or attached to any balcony.

(7) Notwithstanding anything in this Declaration to the contrary, it is agreed (a) that the Developer or its agent may use any Apartment (s) which it owns as a "model Apartment" for display

to the public and/or as a sales office for the sale of Apartments in this condominium project or in any other condominium project(s) then under construction or planned by Developer, and Developer may place and maintain such signs on any part of the common elements as it may desire to advertise any such project(s) or the sale of any such Apartment(s), and (b) that any office space which is part of the common elements and/or any Apartment in this condominium project may be used at any time or from time to time without limitation as the office or residence of a management agent or resident manager who may serve and act as such agent or manager at the same time for this condominium project and for any other condominium project(s) hereafter developed or established by Developer, its successors or assigns, and (c) that the Developer (but no other Unit Owner) shall have the unconditional right to rent, lease or sell and convey any Apartment or Apartments for use as a restaurant and related purposes, in which case the tenant or purchaser and their successors or assigns, shall have the right to carry on and conduct a restaurant and related business in such Apartment or Apartments, provided, however, that the rental or lease agreement between Developer and the tenant or the deed of conveyance from Developer to the purchaser shall contain an express provision which shall expressly authorize and permit such use as a restaurant and related purposes.

29. LEASE OR RENTAL. - Each Owner shall have the right to lease or rent his Apartment at any time and from time to time, with or without the services of a rental agent or broker. In the event any Owner desires the services of a rental agent or broker he shall be free to engage the services of an agent or broker of his own choice. Any lease or rental of any Apartment shall be subject to the provisions of this Declaration, the By-laws and the Rules and Regulations pertaining to this condominium project. No lease or rental of any Apartment shall release the Owner from any of his obligations or liabilities as an Owner of an Apartment in this condominium project. The Developer, its successors and assigns in like manner, and at any time and from time to time, shall have the right to lease or rent any of its unsold Apartments.

30. RECONSTRUCTION, APPLICATION OF INSURANCE PROCEEDS. -

(A) in case of any injury or damage to or destruction of any part of the project property covered by insurance, the insurance indemnity and proceeds shall be applied except as provided in paragraph (B) below to reconstruct or repair the building or property so damaged or destroyed, and if such insurance indemnity or proceeds collected shall exceed the total cost of such reconstruction or repair, then unless the contract of insurance or the By-laws, as existing or as hereafter amended, shall otherwise specify, the Board of Directors or other agent or person named as Trustee in the policy of insurance and collecting said proceeds, shall pay over such excess as follows:

- (a) If the damage, injury or destruction affected only the common elements and no part of any individual Apartment suffered any injury, damage or destruction, as determined by the Board of Directors, then such excess shall be paid to the Unit Owners and their respective mortgagees, if any, according to their respective interest in the insurance as established in this Declaration.

(b) In the event the damage, injury or destruction does not affect or extend to any of the common elements and affects only individual Apartments, as determined by the Board, then such excess shall be paid over to the Unit Owners suffering such damage or destruction and their respective mortgagees, if any, as their respective interests may appear.

(c) In the event the damage, injury or destruction affects both common elements and any individual apartment space, then a percentage of such excess

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in the proportion that the total cost of repairing or restoring the common elements as determined by the Board, bears to the total cost of repairing and reconstructing all of the property injured, damaged or described, shall be paid over to all of the Unit Owners and their respective mortgagees in the ratio of their respective interests in the insurance as established in this Declaration, and the remainder of such excess shall be paid over to the Unit Owner or Owners suffering such damage, injury or destruction, and their mortgagees, as their respective interests may appear.

(B) Reconstruction or repair shall not be compulsory where it comprises the whole or more than two-thirds (2/3rds) of the building as determined by the Council of Co-Owners through its Board of Directors. In such case, and unless unanimously agreed upon by all of the Unit Owners, the insurance indemnity collected shall be delivered and paid prorata to the Unit Owners and their respective mortgagees, if any, as their respective interests may appear, entitled to it in accordance with their percentage interest as set forth in this Declaration.

(C) Where the insurance indemnity is insufficient to cover the cost of reconstruction and reconstruction is required as provided for herein and in the Act, the building or reconstruction costs in excess of the insurance proceeds shall be paid by all Unit Owners directly affected by the damage in proportion to their respective percentage interests in the common elements as set forth in this Declaration, or as may be provided for in the By-laws and if one or more of the Unit Owners comprising the minority shall refuse to make such payments, the majority may proceed with the reconstruction at the expense of the Unit Owners benefited thereby upon proper resolution setting forth the circumstances of the case and the cost of the work as provided for in the Act. The provisions of this paragraph (C) may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurs, as provided for in the Act.

31. SEVERABILITY. - If any provision of this Declaration or the By-laws attached hereto or any section, sentence, paragraph, clause, phrase or word, or the application thereof in any circumstance, shall be held invalid or enforceable, the validity or enforceability of the remainder of the Declaration or By-laws and of the application of any such provision, section, sentence, paragraph, clause, phrase or word in any other circumstances shall not be affected thereby.

32. REMEDIES. In the event any default is made by any Unit Owner under the Act, this Declaration or the By-laws or rules and regulations applicable to this condominium project, the Board of Directors or the Council, or their representative, shall have all of the rights and remedies which may be provided by the Act, this Declaration or the By-laws, or which may be available at law or in equity, and may prosecute any action or other proceedings in law or in equity against any defaulting Unit Owner and/or others for enforcement of any lien or to enforce compliance with the matter in respect to which default has been made, by injunctive relief or otherwise, or for the collection of any sums or debts or damages in default or arising from any default. All expenses incurred in connection with any such action or proceedings shall be part of the common expenses of this condominium.

regime and collectible from each Unit Owner as in the case of other common expenses. The Board of Directors or its authorized representative shall be further empowered to correct and cure any matter in default and to do whatever may be necessary for such purpose, and all expenses incurred in connection therewith shall be charged and assessed against such defaulting Unit Owner and shall be secured in the same manner as assessments for common expenses.

33. RIGHTS AND OBLIGATIONS. - The rights and obligations of the respective Unit Owners under this Declaration and the By-laws, including amendments thereto, shall be deemed to be covenants running with the land, so long as the project property remains subject to the provisions of the Act, and shall enure to the benefit of and be binding on each and all of the respective Unit Owners and their respective heirs, executors, administrators, successors, legal representatives, assigns, purchasers, lessees, grantees and mortgagees and all others having or claiming an interest in any Apartment Unit, subject to the provisions of the Act, this Declaration and the By-laws. Upon acceptance or recordation of any deed or other instrument conveying title to an Apartment Unit, or upon otherwise acquiring title to any Apartment Unit, the Owner thereof shall be deemed to have accepted and agreed to and shall be bound by and subject to each and all of the provisions of the Act and of this Declaration and By-laws, as now existing or hereafter amended.

34. INTERPRETATION. - If any declaration or provision, word, sentence or clause contained in this Declaration or in the By-laws shall be susceptible to two (2) or more interpretations, then the interpretation which shall most nearly be in accordance with the Act and the general purposes and intent of this Declaration and the By-laws shall govern.

35. 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, then in such event this Declaration shall not thereby fail, either 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 pursuant to which this Declaration is filed for record, and the provisions of the Act are hereby made a part hereof by reference thereto.

36. PERPETUITIES. - If any provision of this Declaration or the By-laws would otherwise violate the rule against perpetuities or any other rule, statute or law imposing time limits, then notwithstanding anything herein to the contrary, such provision shall be deemed to remain in effect only until the death of the last survivor of the now living children and descendants of BING CROSBY, the famous crooner, movie star and friend of Bob Hope, plus twenty-one (21) years thereafter.

37. ADJOINING APARTMENTS. - If any Owner shall own two Apartments which adjoin each other, he may, at his own cost and expense, and provided that he does not cause any damage to any of the common elements, cut or install openings or doors in any of the walls separating the Apartments, in order to use both Apartments as a single dwelling place for his own convenience; however, this shall not in any way or to any extent affect the legal status of each Apartment as a separate and distinct Apartment and freehold estate under this

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Declaration, and each Apartment shall be and remain a separate Apartment for all legal purpose under the Act, this Declaration or the By-laws. It being understood that the only purpose for such openings or doors shall be for easier, more convenient and ready access from one Apartment to the other, and no such opening or doors shall have any other affect, result or purpose.

38. UTILITY EASEMENTS. - A valid easement shall exist in each Apartment and in each portion of the common elements for the benefit of each Unit Owner, the municipality and all other governmental bodies, and each utility company for the installation, maintenance, repair, removal or replacement of any and all utility lines, wires, conduits, facilities and equipment, serving the Apartment Building as a whole or any individual Apartment or the common elements or any part thereof, and the ownership of the Apartments and interest in the common elements shall be subject to such easements. Prior to the filing of this Declaration for record, the Developer may grant specific easements as may be required by any governmental body and utility company, in which event the project land and property and the ownership thereof shall be subject to all such specific easements so granted, with the same force and effect as if fully set out in this Declaration. After this Declaration is filed for record, then the Board of Directors shall have the authority to authorize and empower any officer of the Council of Co-owners, as the act and deed of the Council, and as attorney-in-fact for all Unit Owners, to grant such specific easements as may be required and as the Board shall deem proper, and in such event the ownership of the Apartments and the interest in the common elements shall be subject to all such specific easements so granted.

39. RESERVATION OF NAME. - In the event the Developer, its successors or assigns, shall at any time or from time to time hereafter decide to develop or establish any other condominium project or projects on Galveston Island, whether or not the vicinity of this condominium project, then the Developer, for itself, its successors and assigns, reserves and shall have the right to use the words "BY THE SEA" in the name of such condominium project or projects and in the corporate names of their respective Council of Co-owners, provided that a number in sequence shall be added to such words in order to distinguish one condominium project from the others. The Board of Directors of this condominium project shall give such written consent as the Secretary of State of the State of Texas may require on account of the similarity of corporate names.

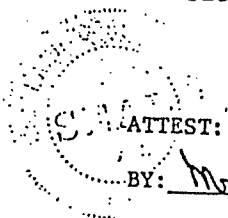
40. AMENDMENTS. - The provisions of this Declaration may be changed, altered or amended only with the written consent of Unit Owners, which must include Developer if it is then the owner of any Apartment which is not rented or leased, who in the aggregate own at least 66-2/3% of the common elements, and each such amendment shall be filed for record in the same manner as this Declaration. No amendment shall affect or impair the rights of any mortgagee, unless such mortgagee in writing consents to same.

41. WAIVER OF REGIME. - As provided for in the Act, all of the Co-owners or the sole Owner of the project property constituted into a condominium regime by this Declaration, may waive this regime and request the County Clerk to regroup or merge the records.

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of the filial estates with the principal property, provided, that the filial estates are unencumbered, or, if encumbered, that the creditors in whose behalf the encumbrances are recorded agree to accept as security the undivided portions of the property owned by the debtors. The undivided interest in the property owned in common which shall appertain to each apartment owner shall be the percentage of undivided interest previously owned by such owner in the common elements.

IN WITNESS WHEREOF, THE DEVELOPER, NIS LAND CORPORATION, a CORPORATION HAS CAUSED THIS DECLARATION TO BE EXECUTED AND ITS CORPORATE SEAL AFFIXED HERETO BY ITS DULY AUTHORIZED PRESIDENT AND SECRETARY, this the 15th day of SEPTEMBER, 1975.



NIS LAND CORPORATION

BY: [Signature]
President

BY: Mr. N. S. Shapiro
Secretary

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THE STATE OF TEXAS I
 I
COUNTY OF HARRIS I

Before me, the undersigned authority on this day personally appeared N. S. SHAPIRO, as President of NIS LAND CORPORATION, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said NIS LAND CORPORATION, a corporation, and that he executed the same as the act of said corporation for the purposes and consideration therein expressed, and in the capacity as therein state.

GIVEN under my hand and seal of office this the 15th day of SEPTEMBER, 1975.

Theresa L. Walker
Notary Public in and for
Harris County, TEXAS

THERESA L. WALKER
Notary Public, in and for Harris County, Texas
My Commission Expires June 1, 1977

THE STATE OF FLORIDA

COUNTY OF DADE

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I hereby certify that on this day personally appeared before me, the undersigned, an Officer duly authorized to administer oaths and to take acknowledgments, Sumner H. Shafmaster and

Trustees of FIRST MORTGAGE INVESTORS, a voluntary association, to me well known to be the persons described in and who executed the foregoing instrument and they duly acknowledged before me that they executed the same for the purposes and consideration therein expressed, and in the capacities therein stated.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at Miami Beach, in said County and State, this the 16th day of September, 1975.

NOTARY PUBLIC STATE OF FLORIDA AT LARGE
MY COMMISSION EXPIRES NOV. 14, 1977
BONDED THRU GENERAL INSURANCE UNDERWRITERS

Marjolin Taylor
NOTARY PUBLIC, State of Florida At Large



CONSENT OF MORTGAGEE

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FIRST MORTGAGE INVESTORS, a Massachusetts Business Trust, herein called "Mortgagee", whose post office address is 801 Forty-First Street, Miami Beach, Florida, 33140, being the owner and holder of a Deed of Trust mortgage, dated the 16th day of April, 1974, and recorded in Volume 2472, Page 835, et seq., in the Office of the County Clerk of Galveston County, Texas, upon, against and covering the "project property" defined and described in the attached and foregoing CONDOMINIUM DECLARATION FOR BY THE SEA and the survey plats attached as Exhibits thereto, as such owner and holder of said Deed of Trust mortgage and the indebtedness therein described and thereby secured and for valuable consideration received, has consented to and does hereby consent to said attached and foregoing CONDOMINIUM DECLARATION FOR BY THE SEA and the By-laws and survey plats attached as Exhibits thereto and to the filing for record and recording of said CONDOMINIUM DECLARATION FOR BY THE SEA and all Exhibits attached thereto in the Office of the County Clerk and in the Condominium Records of Galveston County, Texas, for the purpose of submitting the said project property above mentioned to the condominium regime established by the Condominium Act of the State of Texas, as now existing and as may be hereafter amended, and in order to create and establish a condominium project and regime and a plan of condominium ownership for and in respect to said project property under the laws of the State of Texas and in accordance with the provisions of said CONDOMINIUM DECLARATION FOR BY THE SEA and said Exhibits attached thereto; and the Mortgagee agrees that the lien and provisions of said Deed of Trust mortgage shall hereafter be upon and against each and all of the one hundred four (104) Apartment Units constituting the condominium project and regime known as BY THE SEA, as defined and described in and according to said attached and foregoing CONDOMINIUM DECLARATION FOR BY THE SEA and the Exhibits attached thereto, together with all of the hereditaments and appurtenances thereto, including, but not limited to, all of the undivided interests in the Common Elements of said condominium project appertaining and assigned to each Apartment as set forth in said CONDOMINIUM DECLARATION FOR BY THE SEA, it being the intent of Mortgagee herein to cover and include all properties heretofore covered by its liens and in no way to release any properties therefrom by virtue hereof.

The name "First Mortgage Investors" is the designation of the Trust under the Trust's Declaration of Trust. All persons dealing with the Trust shall be conclusively deemed to have agreed to look solely to the property and assets of the Trust for the enforcement of any claims against the Trust as none of the Trustees, shareholders, officers, nominees, employees or agents of the Trust in their individual capacities assume any personal liability for the obligations of the Trust and the respective properties of the Trustees, shareholders, officers, nominees, employees and agents of the Trust in their individual capacities shall not be subject to the claims of any such persons with respect to any such obligations. The execution and delivery of this Agreement by a Trustee, officer or nominee, of such trust does not bind any of such Trustees, shareholders, officers, nominees, employees or agents of the Trust, personally, but binds only the Trust estate of First Mortgage Investors

IN WITNESS WHEREOF, FIRST MORTGAGE INVESTORS has caused these presents to be duly executed and acknowledged by the undersigned nominee of the Trustees of FIRST MORTGAGE INVESTORS, hereunto duly authorized, on the 16th day of September, 1975.

FIRST MORTGAGE INVESTORS

BY Sumner H. Shafmaster

SUMNER H. SHAFMASTER, as
Nominee of the Trustees of First
Mortgage Investors, a Massachusetts
Business Trust.

D D.

CERTIFIED COPY OF RESOLUTION

The undersigned, Assistant Secretary of First Mortgage Investors (the "Trust"), a Massachusetts business trust, hereby certifies that set forth below is a true and correct copy of a resolution adopted by the Executive Committee of the Trust at a meeting duly called and held on August 7, 1975 and that said resolution has not been amended or rescinded and is in full force and effect as of the date hereof:

RESOLVED:

1. That pursuant to Article 1 of the Declaration of Trust, as amended, whenever in the opinion of the Managing Trustee or Secretary it will be of practical advantage to the Trust to take and hold title to property of the Trust in the name of a nominee, title shall be taken substantially in the following form:

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1(a) "To X, as nominee of the Trustees of First Mortgage Investors, with power to satisfy, discharge, release, subordinate, foreclose, assign, and/or transfer the within mortgage (or other instrument), and to execute deeds of conveyance and deed restrictions and to designate a substitute nominee in his stead."

As an alternative to the form contained in Paragraph 1(a) of this resolution, title to property of the Trust may be taken substantially in the following form:

1(b) "To X, as nominee of the Trustees of First Mortgage Investors, with power to satisfy, discharge, release, subordinate, foreclose, assign, and/or transfer the within mortgage (or other instrument), and to execute deeds of conveyance and deed restrictions and to designate a substitute nominee in his stead, and to assign to and confer upon such substitute nominee all of the right, title, and interest of X as nominee and with the same powers that are conferred upon said nominee."

2. That whenever title is thus taken in the name of a nominee, such nominee shall execute a designation or designations of a substitute nominee or nominees, in form approved by counsel to the Trust, and all such designations shall be deposited with and retained by the Trust, or by its Investment Advisor, First Mortgage Advisory Company, for use in case the original nominee is not available to foreclose, execute a required satisfaction, discharge, release, subordination, assignment, transfer and/or deeds of conveyance and deed restrictions.

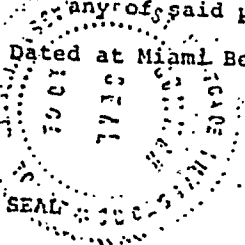
3. That the following persons and only such persons may be named as nominees of the Trustees of First Mortgage Investors to take and hold title to property of the Trust, with powers indicated in Paragraph 1(a) of this resolution (or in the alternative form contained in Paragraph 1(b) of this resolution), or may be designated as substitute nominees for any such nominee:

- | | |
|--------------------------|----------------------|
| (1) Jack R. Courshon | (3) Dennis P. Coyle |
| (2) Sumner H. Shafmaster | (4) Martin W. Taplin |

4. That, without regard to the identity of the nominee in whose name title to property of the Trust may be or may have been taken, and notwithstanding other provisions of this resolution or the designation of a particular substitute nominee pursuant to this resolution or to previous resolutions superseded by this resolution, each of the persons named in Paragraph 3 above shall have power, in behalf of the Trustees of First Mortgage Investors, to satisfy, discharge, release, subordinate, foreclose, assign, and/or transfer any mortgage (or other instrument), and to execute deeds of conveyance and deed restrictions, and in addition, to execute financing statements, loan agreements, contracts, leases, condominium declarations, plats, and any and all legal documents, and to endorse checks payable to any of said persons as nominee of the Trustees of First Mortgage Investors.

Dated at Miami Beach, Florida, this 16th day of September, 1975.

Edith J. Parker
Assistant Secretary of
FIRST MORTGAGE INVESTORS



AMENDMENT TO CONDOMINIUM DECLARATION FOR
BY THE SEA CONDOMINIUMS

WHEREAS, by Condominium Declaration filed in Volume 2112 at page 295 in the Condominium Records in the office of the County Clerk of Galveston County, Texas, a condominium regime was established for By The Sea Condominiums on the property therein described; and

WHEREAS, such Condominium Declaration provides, in paragraph 40 thereof, that such declaration may be changed, altered or amended with the written consent of Unit Owners (as therein described and defined) who own, in the aggregate, at least 66-2/3% of the common elements of such condominium regime; and

WHEREAS, such Unit Owners owning more than 66-2/3% of such common elements have now given their written consent to an amendment to such declaration providing, in effect, that the front balcony railings attached to the balconies of each individual apartment shall be deemed to be "limited common elements" as otherwise defined and described in such Condominium Declaration"; and

WHEREAS, this instrument and the certifications herein contained are made and filed in the Galveston County Condominium Records for the purchase of evidencing such amendment to such Condominium Declaration.

THEREFORE, in consideration of the premises, Walter Neeley and Beverly Shapiro, the duly elected and acting President and Secretary, respectively, of By The Sea Council of Co-Owners, Inc. (a Texas non-profit corporation, acting as the governing and administrative body for all Unit Owners and as the council of co-owners, all as further described and defined in the Condominium Declaration For By The Sea recorded in Volume 2112 at page 295 of the Condominium Records of Galveston County, Texas) hereby certify as follows:

1. That By The Sea Council of Co-Owners, Inc., has received the written consent of the Unit Owners who own, in the aggregate, 71.5243% of the common elements of such condominium regime, approving and adopting an amendment to the By The Sea Condominium Declaration by adding the following paragraph thereto:

"Notwithstanding anything in the Declaration which might be interpreted to the contrary, the balcony railings attached to the balconies of each apartment shall be limited common elements as that term is defined in the Declaration."

2. That such written consents have been executed and delivered to the Board of Directors of By The Sea Council of Co-Owners, Inc., have not since been amended, modified or rescinded, and all such consents remain effective in accordance with their terms.

3. That Walter Neeley and Beverly Shapiro are the duly elected and acting President and Secretary, respectively, of By The Sea Council of Co-Owners, Inc., and that each of them are authorized by the Board of Directors of such corporation to make this certification and cause it to be filed in the Condominium Records in the office of the County Clerk of Galveston County, Texas, to evidence the above-described amendment to such Condominium Declaration.

BY THE SEA COUNCIL OF CO-OWNERS, INC.

By Walter Neeley
Walter Neeley, President

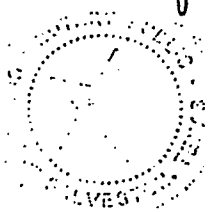
By Beverly Shapiro
Beverly Shapiro, Secretary

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THE STATE OF TEXAS)
(
COUNTY OF GALVESTON)

BEFORE ME, the undersigned authority, on this day personally appeared Walter Neeley, President of By The Sea Council of Co-Owners, Inc., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation, and that the statements contained therein are true and correct.

GIVEN UNDER my hand and seal of office, this the 24th day of September, 1980.



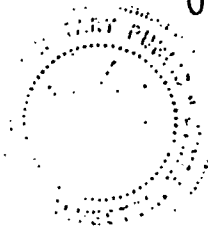
Roland L. Bassett
Notary Public in and for
Galveston County, Texas

My Commission Expires: 7/8/84

THE STATE OF TEXAS)
(
COUNTY OF GALVESTON)

BEFORE ME, the undersigned authority, on this day personally appeared Beverly Shapiro, Secretary of By The Sea Council of Co-Owners, Inc., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation, and that the statements contained therein are true and correct.

GIVEN UNDER my hand and seal of office, this the 24th day of September, 1980.



Roland L. Bassett
Notary Public in and for
Galveston County, Texas

My Commission Expires: 7/8/84

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

SEP 26 1980



Mary Jane Christman
COUNTY CLERK, Galveston County, Texas

252085

FILED FOR RECORD

SEP 26 4 25 PM 1980

Mary Jane Christman
COUNTY CLERK, GALVESTON COUNTY, TEXAS

SECOND AMENDMENT TO CONDOMINIUM DECLARATION
FOR BY THE SEA CONDOMINIUMS

WHEREAS, by Condominium Declaration filed in Volume 2112 at page 295 in the Condominium Records in the office of the County Clerk of Galveston County, Texas, a condominium regime was established for By The Sea Condominiums on the property therein described; and

WHEREAS, such Condominium Declaration provides, in paragraph 40 thereof, that such declaration may be changed, altered or amended with the written consent of Unit Owners (as therein described and defined) who own, in the aggregate, at least 66-2/3% of the common elements of such condominium regime; and

WHEREAS, such Unit Owners owning more than 66-2/3% of such common elements have now given their written consent to an amendment to such declaration providing, in effect, that the parking spaces which are "Limited Common Elements" may be covered or uncovered as determined by the Board of Directors of By The Sea Council of Co-Owners, Inc; and

WHEREAS, this instrument and the certifications herein contained are made and filed in the Galveston County Condominium Records for the purpose of evidencing such amendment to such Condominium Declaration.

THEREFORE, in consideration of the premises, Walter Neeley and Beverly Shapiro, the duly elected and acting President and Secretary, respectively, of By The Sea Council of Co-Owners, Inc. (a Texas non-profit corporation, acting as the governing and administrative body for all Unit Owners and as the council of co-owners, all as further described and defined in the Condominium Declaration for By The Sea recorded in Volume 2112 at page 295 of the Condominium Records of Galveston County, Texas) hereby certify as follows:

1. That By The Sea Council of Co-Owners, Inc. has received the written consent of the Unit Owners who own, in the aggregate, 68.6695% of the common elements of such condominium regime, approving and adopting an amendment to the By The Sea Condominium Declaration by adding the following paragraph thereto:

"The parking spaces which are "Limited Common Elements" as defined in the Declaration may be covered or uncovered from time to time as determined by the Board of Directors of the By The Sea Council of Co-Owners, Inc."

2. That such written consents have been executed and delivered to the Board of Directors of By The Sea Council of Co-Owners, Inc., have not since been amended, modified or rescinded, and all such written consents remain effective in accordance with their terms.

3. That Walter Neeley and Beverly Shapiro are the duly elected and acting President and Secretary, respectively, of By The Sea Council of Co-Owners, Inc., and that each of them are authorized by the Board of Directors of such corporation to make this certification and cause it to be filed in the Condominium Records in the office of the County Clerk of Galveston County, Texas, to evidence the above-described amendment to such Condominium Declaration.

BY THE SEA COUNCIL OF CO-OWNERS, INC.

By Walter D. Neeley
 Walter Neeley, President

By Beverly Shapiro
 Beverly Shapiro, Secretary

Record and return to:

ROLAND L. BASSETT
 700 InterFirst Bank Building
 Galveston, Texas 77550

THE STATE OF TEXAS)
)
 COUNTY OF GALVESTON)

BEFORE ME, the undersigned authority, on this day personally appeared Walter Neeley, President of By The Sea Council of Co-Owners, Inc., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation, and that the statements contained therein are true and correct.

GIVEN UNDER my hand and seal of office, this the 4th day of January, 1981.

Roland L. Bassett
 Notary Public in and for
 Galveston County, Texas

My Commission Expires: 7/8/84

ROLAND L. BASSETT
 700 InterFirst Bank Building
 Galveston, Texas 77559

THE STATE OF TEXAS)
)
 COUNTY OF GALVESTON)

BEFORE ME, the undersigned authority, on this day personally appeared Beverly Shapiro, Secretary of By The Sea Council of Co-Owners, Inc., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation, and that the statements contained therein are true and correct.

GIVEN UNDER my hand and seal of office, this the 14th day of January, 1981.

Wida K. Rector
 Notary Public in and for
 Galveston County, Texas

My Commission Expires: 2-28-81

THIRD AMENDMENT TO CONDOMINIUM DECLARATION
FOR BY THE SEA CONDOMINIUMS

001-01-1175

8100396

WHEREAS, by Condominium Declaration filed in Volume 2112 at page 295 in the Condominium Records in the office of the County Clerk of Galveston County, Texas, a condominium regime was established for By The Sea Condominiums on the property therein described; and

WHEREAS, such Condominium Declaration provides, in paragraph 40 thereof, that such declaration may be changed, altered or amended with the written consent of Unit Owners (as therein described and defined) who own, in the aggregate, at least 66-2/3% of the common elements of such condominium regime; and

WHEREAS, such Unit Owners owning more than 66-2/3% of such common elements have now given their written consent to an amendment to such declaration changing the method of apportioning special assessments for the Limited Common Elements, as defined in such Condominium Declaration"; and

WHEREAS, this instrument and the certifications herein contained are made and filed in the Galveston County Condominium Records for the purpose of evidencing such amendment to such Condominium Declaration.

THEREFORE, in consideration of the premises, Richard L. Bassett and Beverly Shapiro, the duly elected and acting Vice President and Secretary, respectively, of By The Sea Council of Co-Owners, Inc. (a Texas non-profit corporation, acting as the governing and administrative body for all Unit Owners and as the council of co-owners, all as further described and defined in the Condominium Declaration for By The Sea recorded in Volume 2112 at page 295 of the Condominium Records of Galveston County, Texas) hereby certify as follows:

1. That By The Sea Council of Co-Owners, Inc. has received the written consent of the Unit Owners who own, in the aggregate, 68.9645% of the common elements of such condominium regime, approving and adopting an amendment to the By The Sea Condominium Declaration by amending paragraph 16(d) thereof to hereafter read as follows:

"16(d) Special Assessments. In addition to the regular monthly assessments authorized by this Declaration or the By-Laws, the Board may levy in any fiscal year a special assessment or assessments, applicable to that fiscal year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction or unexpected major repair or replacement of a described capital improvement constituting or to constitute part of the common elements, including the necessary fixtures and personal property related thereto, or for such other purpose or purposes as the Board of Directors may consider appropriate, provided that any such assessment shall receive the affirmative vote of at least 66-2/3% of the total votes cast, in person or by proxy, at a meeting of the members of the Council as hereinafter provided for. At any such meeting, the members of the Council may, by the required affirmative vote aforesaid, amend or modify the amount or purpose of, or may otherwise amend or modify, any such special assessment proposed to be levied by the Board.

A meeting of the members of the Council shall be called for this purpose, written notice of which shall be sent to all members at least ten (10) days but not more than thirty (30) days in advance of such meeting, which notice shall set forth the purpose of the meeting.

Such special assessments shall be apportioned as follows:

- (1) a special assessment for the general common elements and common expenses shall be charged against and paid by the Unit Owners in proportion to their ownership of the common elements, as set out elsewhere in this Declaration; and

NOV 13 1987

Corporations Section

**ARTICLES OF AMENDMENT TO THE ARTICLES OF
INCORPORATION OF BY THE SEA COUNCIL OF CO-OWNERS, INC.**

Pursuant to the provisions of Article 4.03 of the Texas Non-Profit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation which limit directors' liability and indemnify officers and directors for certain acts or omissions as director.

ARTICLE ONE

The name of the corporation is By the Sea Council of Co-Owners, Inc.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the corporation on October 24, 1987:

The Articles of Incorporation are hereby amended by adding thereto a new Article Eight to read as follows:

ARTICLE EIGHT

**Limit of Directors Liability
and**

Indemnification of Officers and Directors

1. No director of this corporation shall be liable to this corporation or to any of its members for monetary damages for an act or omission in the director's capacity as a director, except that this provision shall not eliminate or limit the liability of a director for:

- (a) Any breach of a director's duty of loyalty or an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law;
- (b) A transaction from which a director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or
- (c) An act or omission for which the liability of a director is expressly provided for by statute.

2. The corporation shall indemnify to the full extent permitted by law any person made, or threatened to be made, a party to any action or proceeding (whether civil, criminal or otherwise) by reason of the fact that he (or his testator or intestate) is or was either (a) a director or officer of the corporation, or (b) serving at the request of this corporation any other corporation, partnership, joint venture, trust, employee benefit plan or otherwise, in any capacity, provided that such person is found to be entitled to indemnification in accordance with the standard of conduct and procedures set forth in sections 4 and 5 of this Article.

3. The Corporation shall also advance to any person who may be entitled to indemnification all expenses incurred in defending a civil or criminal action or proceeding prior to the final disposition of such action or proceeding. All expenses which are advanced by the Corporation hereunder shall be repaid to the Corporation in the event the person receiving such advancement is ultimately found not to be entitled to indemnification, or where partial indemnification is granted, to the extent the expenses so advanced by the Corporation exceed the indemnification to which he is entitled. The Corporation must receive a written undertaking by or on behalf of such person to repay the amount paid or

reimbursed if it is ultimately determined that he has not met the standard of conduct required for indemnification.

4. Upon the request of any person seeking indemnification, the Board of Directors shall act promptly in accordance with the procedures set forth in Section 5. Indemnification shall be granted only if it is determined that the following standard of conduct has been met:

- A. That the person conducted himself in good faith;
- B. That the person reasonably believed that his conduct was in the Corporation's best interests.
- C. And, in the case of any criminal proceeding, that the person had no reasonable cause to believe that his conduct was unlawful.

5. A determination of indemnification must be made by a majority vote of a quorum of the directors of the Corporation who at the time of the vote are not named defendants or respondents in the proceeding. If such a quorum cannot be obtained, a determination of indemnification shall be submitted to and approved by a majority vote of a quorum of the members of the Corporation who at the time of the vote are not named defendants or respondents in the proceeding. If such a quorum of members cannot be obtained, then a determination of indemnification must be made by special legal counsel selected by the Board of Directors.

6. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director or officer of the Corporation covering any liability asserted against him in such a capacity, whether or not the Corporation would have had the power to indemnify him against that liability.

ARTICLE THREE

The amendment was adopted at a meeting of the members of the corporation held on October 24, 1987, at which a quorum was present, and the amendment received at least two-thirds of the votes which members present or represented by proxy at such meeting were entitled to cast.

Dated Nov. 9, 1987.

BY THE BOARD OF COUNCIL OF
CO-OWNERS, INC.

By: Lillian S. Cox
Its President

and: Patricia L. Campbell
Its Secretary

THE STATE OF TEXAS)
)
COUNTY OF GALVESTON)

Before me, a Notary Public, on this day personally appeared Lillian S. Cox, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared that the statements therein contained are true and correct.

Given under my hand and seal of office this 7th day of Nov., 1987.

Albert Hutson
Notary Public in and for the State of Texas
Print Name: Albert Hutson
My Commission Expires: Oct 24, 1988

WHEREAS, by Condominium Declaration filed in Volume 2112 at page 295 in the Condominium Records in the office of the County Clerk of Galveston County, Texas, a condominium regime was established for By The Sea Condominiums on the property therein described; and

WHEREAS, such Condominium Declaration provides, in paragraph 40 thereof, that such declaration may be changed, altered or amended with the written consent of Unit Owners (as therein described and defined) who own, in the aggregate, at least 66 2/3% of the common elements of such condominium regime; and

WHEREAS, such Unit Owners owning more than 66 2/3% of such common elements have now given their written consent to an amendment to such declaration providing, in effect, that: for the purpose of positioning individual owner air conditioning units ONLY, a 22 (twenty-two) inch wide strip of each north balcony, from floors 2 to 12, beginning at the northern edge and extending inward (south), but no further than a line connecting the inner corners of the riser boxes, exclusive of the stairwells and the elevator lobbies, shall be deemed as "Limited Common Elements", as otherwise defined and described in such Condominium Declaration; and

WHEREAS, this instrument and the certifications herein contained are made and filed in the Galveston County Condominium Records for the purchase of evidencing such amendment to such Condominium Declaration.

THEREFORE, in consideration of the premises, George W. Thoma and Bert Simon, the duly elected and acting President and Secretary, respectively, of By The Sea Council of Co-Owners, Inc. (a Texas non-profit corporation, acting as the governing and administrative body for all Unit Owners and as the council of co-owners, all as further described and defined in the Condominium Declaration For By The Sea recorded in Volume 2112 at page 295 of the Condominium Records of Galveston County, Texas) hereby certify as follows:

1. That By The Sea Council of Co-Owners Inc., has received written consent of the Unit Owners who own, in the aggregate, 72.9665% of the common elements of such condominium regime, approving and adopting an amendment to the By The Sea Condominium Declaration by adding the following paragraph thereto:

"Notwithstanding anything in the Declaration which might be interpreted to the contrary, for the purpose of positioning individual air conditioning units ONLY, a 22 inch wide strip of each north balcony, from floors 2 to 12, beginning at the northern edge and extending inward, but no further than a line connecting the inner corners of the riser boxes, shall be deemed as limited common elements, exclusive of the stairwells and the elevator lobbies, as that term is defined in the Declaration."

2. That such written consents have been executed and delivered to the Board of Directors of By The Sea Council of Co-Owners, Inc., have not since been amended, modified or rescinded, and all such consents remain effective in accordance with their terms.
3. That George W. Thoma and Bert Simon are the duly elected and acting President and Secretary, respectively, of By The Sea Council of Co-Owners, Inc., and that each of them are authorized by The Board of Directors of such corporation to make this certification and cause it to be filed in the Condominium Records in the office of the County Clerk of Galveston County, Texas, to evidence the above-described amendment to such Condominium Declaration.

BY THE SEA COUNCIL OF CO-OWNERS, INC.

By George W. Thoma
George W. Thoma, President

By Bert Simon
Bert Simon, Secretary

THE STATE OF TEXAS)
(
COUNTY OF GALVESTON)

BEFORE ME, The undersigned authority, on this day personally appeared George W. Thoma, President of By The Sea Council of Co-Owners, Inc., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed, and in the capacity therein stated, and as the act and deed of said corporation, and that the statements contained therein are true and correct.

GIVEN UNDER my hand and seal of office, this the 16th day of December, 1991.



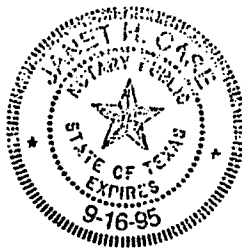
Jay L. Ciabattini
Notary Public in and for
Galveston County, Texas

My Commission expires: 5/23/93

THE STATE OF TEXAS)
(
COUNTY OF GALVESTON)

BEFORE ME, the undersigned authority, on this day personally appeared Bert Simon, Secretary of By The Sea Council of Co-Owners, Inc., a corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, and as the act and deed of said corporation, and that the statements contained therein are true and correct.

GIVEN UNDER my hand and seal of office, this the 13TH day of DECEMBER, 1991.



Janet H. Case
Notary Public in and for
Galveston County, Texas

My Commission expires: 9-16-95

PART A - II
CONDOMINIUM BY-LAWS

BY-LAWS

OF

BY THE SEA COUNCIL OF CO-OWNERS, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is BY THE SEA COUNCIL OF CO-OWNERS, INC. It is a non-profit corporation organized under the Texas Non-profit Corporation Act, and it is sometimes referred to in these By-laws as the "Council" or the "corporation". The principal office of the corporation shall be located at 7310 Seawall Boulevard, Galveston, Texas. 77550, but meetings of members may be held at such other place within the State of Texas as may be designated by the Board of Directors from time to time.

ARTICLE II

DEFINITIONS

The definitions contained in the Condominium Declaration for BY THE SEA, a condominium apartment project in Galveston County, Texas (referred to in these By-laws as the "Declaration") are adopted for these By-laws, and all defined terms and words used herein, unless otherwise indicated, shall be used in the same manner as such terms or words are used in the Declaration dated the 15th day of September, 1975, filed for record in the Condominium Records of Galveston County, Texas, on the day of , 197 , and recorded in Book , Page , in the Office of the County Clerk of Galveston County, Texas, to which Declaration and said record thereof reference is here made for all purposes.

ARTICLE III

MEMBERSHIP

1. Composition. - Each Owner of an Apartment Unit, including Developer, shall in virtue of such ownership automatically be a member of the Council and shall remain a member thereof until such time as his total ownership ceases for any reason, at which time his membership in the Council shall also automatically cease. Membership in the Council shall be appurtenant to and shall automatically follow the ownership of each Apartment Unit, and upon any transfer of ownership howsoever caused or brought about, the new Owner shall automatically be and become a member of the Council. No certificates of membership shall be issued. It shall be the obligation of each Owner to furnish satisfactory evidence to the Board of Directors of the ownership of his Apartment at the time his ownership is acquired.

2. Voting Rights. - The aggregate number of votes for all members of the Council shall be one hundred (100) which shall be proportionately divided among the Unit Owners in accordance with and in direct proportion to their respective percentage of ownership interest in the common elements. If any person, including Developer, shall own

more than one (1) Apartment Unit, then his representation for voting purposes shall be determined by his aggregate ownership interest in the common elements so that he may exercise the voting rights allocated to each Apartment Unit owned by him. In the event any Apartment is jointly owned by two (2) or more persons, then the person or persons owning more than fifty (50) per cent. interest in such Unit shall exercise the full voting rights of such Apartment Unit. The Developer through any of its officers, directors or representatives may exercise all the votes allowed to the unsold Apartment Units while owned by Developer, its successors or assigns.

3. Annual Meetings. - An annual meeting of the members for the purpose of voting on such matters or transacting such business may properly come before the meeting shall be held on the First of September of each year at 10:00 o'clock A.M. at the registered office of the Council in Galveston, Texas, or on such other date, time and place as the Board of Directors shall annually determine and fix by notice to the members.

4. Special Meetings. - Special meetings of the members may be called by the President of the Council or by the Board of Directors or by Owners of Apartment Units who in the aggregate represent at least 25% ownership interest in the common elements as set out in the Declaration. Notices of special meetings shall be in writing and may be mailed or personally delivered, and shall state the date, time, place and general purpose of the meeting. No business shall be transacted at any special meeting which is not generally stated in the notice, unless Unit Owners representing at least 51 votes, either in person or by proxy, consent to the transaction of such business. All special meetings shall be held at a convenient location in the City of Galveston, Texas, to be determined by the person or persons calling the meeting.

5. Proxy. - At any meeting of members, a member entitled to vote thereat may vote by proxy, executed in writing by the member or his duly authorized representative and filed with the Secretary at such meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Every proxy shall be revocable.

6. Notice of Meetings. - The President or the members of the Council as to special meetings called by him or them, and the Board of Directors as to annual or special meetings called by it, shall cause written notices stating the place, day and hour of any such meeting to be delivered personally or by mail to each member not less than five (5) nor more than thirty (30) days before the date of such meeting. In case of a special meeting, or when required by statute, the Declaration or these By-laws, the purpose or purposes for which such meeting is called shall be generally stated in the notice. If mailed, the notice of meeting shall be deemed to have been delivered when deposited in the U. S. Mail, addressed to the member at his address last appearing on the books or records of the Council, or supplied by such member to the Council for the purpose of notices. All members attending any meeting shall be deemed to have received proper notice of such meeting.

✓ 7. Quorum. - The presence in person or by proxy of members holding 51% of the total votes of the membership shall constitute a quorum at such meeting. If a quorum is present at any meeting of

members, unless otherwise expressly provided for by statute, the Articles of Incorporation, the Declaration or these By-laws, all questions voted upon shall be decided by a simple majority of the valid votes cast, including adjournment of the meeting from time to time without further notice. If a quorum is not present, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum aforesaid shall be present or represented.

8. Waiver of Notice. - Written waiver of notice of any meeting signed by the member or members entitled to such notice, whether before or after the time of the meeting stated therein, shall be equivalent to the giving of such notice.

9. Action Without Meeting. - Any action required to be taken or any action which may be taken at any meeting of the members, may be taken without a meeting if a written consent, setting forth the action so taken shall be signed by all of the members entitled to vote upon the subject matter thereof and recorded in the records of the Council, whereupon the same shall have the same effect as though taken at a formal meeting of the members.

10. Sundays and Holidays. - If any day fixed in these By-laws for a meeting of the members shall fall on a Sunday or a legal Holiday then such meeting of the members shall be held at the same time and place on the next day thereafter ensuing which is not a Sunday or a legal Holiday. No meeting of members shall be called for a day which is a Sunday or a legal Holiday.

11. Legal Entities. - Members of the Council which are legal entities other than natural persons may be directly represented at any meeting of the members through any of their officers or other representatives as they may designate without execution of a proxy.

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Term. - The affairs of the Council shall be managed by a Board of Directors (hereinafter called the "Board") to initially consist of three (3) Directors, each of whom shall serve for a term of two (2) years and until his successor is duly elected and qualified. At the end of the term of the initial Directors the Board shall consist of nine (9) Directors or such number as may from time to time be specified by Amendment to these By-laws, but in no case less than three (3), to be elected by the members as provided for in the succeeding Article. The Directors to be elected by the members as aforesaid, shall each serve for a term of two (2) years and until his successor is duly elected and qualified.

2. Resignations. - Any Director may resign his office at any time by giving written notice of his resignation to the President of the Council, and any such resignation shall be effective on the effective date stated in such notice.

3. Vacancies. - Any vacancy occurring in the Board, including the initial Board, shall be filled for the unexpired term by majority vote of the remaining Directors, although they may be less than a quorum.

4. Quorum. - At all meetings of Directors the presence of a majority of the Directors shall constitute a quorum, and unless otherwise provided for or required by statute or in these By-laws, all questions at any meeting at which a quorum is present, shall be determined by a majority of the votes cast. If less than a quorum is present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

5. Regular Meetings. - A regular annual meeting of the Board shall be held without notice, other than the notice hereby given, immediately after and at the same place as the annual meeting of the members. The Board may provide by Resolution the time and place of the holding of additional regular meetings of the Board with at other notice than such Resolution.

6. Special Meetings. - Special meetings of the Board may be called by or at the request of the President or by or at the request of one-third (1/3) of the number of Directors then in office. The person or persons authorized to call such special meeting of the Board may fix the date, time and place for such meetings. Written notice of special meetings shall be given at least three (3) days prior to the date of meeting by personal delivery or by mail or telegram addressed to the address of each Director as last shown by the records of the Council. If mailed, such notice shall be deemed delivered as of the date when deposited in the U. S. Mail, Postage Prepaid. Each notice shall briefly set out the purpose of the meeting, and the time, date and place of the meeting.

7. Waiver of Notice. - Before or at or after any meeting of the Board any Director may verbally or in writing waive notice of the time, date, place and purpose of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be deemed as a waiver of the required notice of such meeting. If all Directors are present at any meeting of the Board, no notice thereof shall be required and any business may be transacted at such meeting.

8. No Compensation. - Directors as such shall not receive or be entitled to any pay or compensation for their services as Directors, but nothing herein shall be construed to preclude or prevent any Director from serving the Council in any other capacity, and receiving compensation therefor.

9. Written Consent. - Any action required by law or in these By-laws to be taken at a meeting of the Board, or any action which may or could be taken at any regular or special meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the actions so taken shall be signed by all of the Directors and recorded in the records of the Board, whereupon the same shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V.

ELIGIBILITY, NOMINATION AND ELECTION OF DIRECTORS

1. Eligibility. - Except as hereinafter provided, the Directors must be members of the Council. The exceptions to the foregoing eligibility requirement are (i) the initial Directors named in the Articles of Incorporation, (ii) persons appointed to fill the unexpired term of any initial Director, and (iii) if any member of the

Council is a corporation, partnership, trust or other legal entity, then a Director may be an officer, Director, partner, trustee or beneficiary of any such member of the Council. Any Director who is required to be a member of the Council and who ceases to be a member for any reason or who is otherwise no longer eligible to be a Director may be removed from office by majority vote of the remaining Directors.

2. Nominations. - Nominations for election to the Board of Directors shall be made by a nominating committee, except that nominations may also be made from the floor at any annual meeting of the members of the Council at which Directors are to be elected. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two or more members of the Council who may, but need not be members of the Board. The nominating committee shall be appointed by the Board prior to each annual meeting of the members of the Council at which Directors are to be elected, to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at such annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of Directors to be elected.

3. Election. - Election to the Board of Directors shall be by secret written ballot. At such election the members of the Council or their proxies may cast in respect to each vacancy the votes which they are entitled to exercise under the provisions of the Declaration and these By-laws. The persons receiving the highest number of votes shall be elected. Cumulative voting shall not be permitted. The first election of Directors by the members of the Council shall be held at the annual meeting of the members of the Council on or next following the date of the expiration of the two-year term of the initial Directors.

ARTICLE VI

AUTHORITY, POWERS, AND DUTIES OF THE BOARD OF DIRECTORS

The Board of Directors shall manage and administer the affairs of the Council and shall have all such duties, rights, powers and authority given to it by all applicable laws, and statutes of the State of Texas, the Declaration or these By-laws and as may from time to time be delegated to it by the Council, in addition to the following:

- (a) To elect officers of the Council.
- (b) To manage and administer the affairs of the Council the common elements and common interests of the project property and the Unit Owners.
- (c) To keep or cause to be kept sufficient books and records with a detailed account of the receipts and expenditures affecting or concerning the common elements, the common expenses and the administration of the condominium regime established by the Declaration. Both the books and vouchers accrediting the entrys thereon shall be available for examination by all members of the Council at convenient hours on work 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, as provided for in the Condominium Act of the State of Texas.
- (d) To engage the services of a manager or management agent who shall manage and operate the common elements for all Unit Owners, upon such terms and for such compensation and with such specific duties and authority as the Board may approve or as may be specified in the contract of employment executed by an officer of the Council pursuant to authority of the Board of Directors in behalf of all Unit Owners. The compensation paid to the manager or the management agent shall be a common expense of all Unit Owners.
- (e) To formulate and enforce reasonable policies, rules and regulations from time to time to govern the use, management and operation of the common elements.
- (f) To plan and adopt from time to time an annual budget for the estimated annual common expenses for the maintenance, repair, upkeep, protection, preservation, insurance, replacement, management, and administration of the common elements, as well as for other common insurance and other common services or benefits, and to provide the manner of assessing and collecting from the Unit Owners their respective prorata shares of such estimated common expenses all as more particularly provided for in the Declaration.
- (g) To make and enter into arrangements, contracts or agreements with the Board of Directors or other governing bodies or boards of other condominium regimes for common services, benefits or purposes.
- (h) To provide for the designation, hiring and removal of employees and other personnel, including bookkeepers, accountants

and attorneys, and to engage or contract for the services of others, and in general to make purchases of labor, materials and/or services for the repair, upkeep, maintenance, replacement, protection, insurance, management or administration of the common elements and other common interests.

(1) In general, the Board shall have all such duties, rights and authority to do all such acts and things as are not by said Condominium Act or other law or the Declaration or these By-laws directed to be done or exercised directly by the Unit Owners or members of the Council, which shall be necessary or reasonably required for the successful and orderly administration, management and operation of the condominium regime established by the Declaration to which these By-laws pertain.

ARTICLE VII.

OFFICERS

1. Enumeration of Offices. - The principal offices of the Council shall be a President and one or more Vice-Presidents, a Secretary, and one or more Assistant Secretaries, and a Treasurer, and such other officers as the Board may from time to time appoint. The President and the Vice-Presidents shall at all times be members of the Board of Directors. Other officers need not be members of the Board of Directors or members of the Council. The office of Secretary and Treasurer may be held by the same person at the same time.

2. Election of Officers. - The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

3. Term. - The officers of the Council shall be elected or appointed annually by the Board of Directors and each officer shall hold office for one (1) year and until his successor has been elected or appointed, unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

4. Special Appointments. - The Board may elect to appoint such other officers as the affairs of the Council may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

5. Removal and Resignation. - Any officer may be removed from office without cause at any time by majority vote of the Board of Directors. Any officer may resign at any time by giving written notice of resignation to the President or Secretary of the Council, and any such resignations shall take effect on the effective date specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. Vacancies. - Vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7. Multiple Offices. - The office of Secretary and Treasurer may be held by the same person at the same time, otherwise no person shall simultaneously hold more than one office, except in the case of special offices created pursuant to paragraph 4. of this Article.

8. No Compensation. - The officers shall serve without any pay or compensation for services as such, except that if the management agent or manager holds any office he may be paid for his services as management agent or manager, including performance of the duties of his office. Nothing herein, however, shall be construed to preclude or prevent any officer from serving the Council in any other capacity and receiving compensation therefor.

9. Duties of Officers. - The duties of the officers are as follows:

(a) President: The President shall preside at all meetings of the members of the Council and of the Board of Directors at which he shall be present; he shall have all the general powers and duties which are usually vested in the office of President of a non-profit corporation under the laws of the State of Texas.

(b) Vice-President: The Vice-President or Vice-Presidents, at the request of the President or in his absence or during his inability to act, shall perform the duties and exercise the functions of the President, and when so acting shall have the powers of the President. The Vice-President or Vice-Presidents shall have such other powers and perform such other duties as may be assigned to him or them by the Board.

(c) Secretary: The Secretary shall keep the minutes of all meetings of members of the Council and of the Board of Directors in books provided for that purpose; he shall see to it that all notices are duly given in accordance with the provisions of the By-laws or as required by law or the Declaration; he shall be custodian of the records and corporate seal of the Council, and in general he shall perform all duties incident to the office of a Secretary of a non-profit corporation under the laws of the State of Texas, and such other duties as from time to time may be assigned to him by the Board of Directors or the President.

(d) Assistant Secretary: The Assistant Secretary shall perform the duties of Secretary upon direction or in the absence of the Secretary.

(e) Treasurer: The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Council and shall deposit or cause to be deposited in the name of the Council all monies or other valuable effects in such banks, trust companies or other depositories as shall, from time to time be selected by resolution of the Board of Directors. He shall also render to the President and to the Board of Directors, whenever requested, an account of the financial condition of the Council and in general he shall perform all of the duties incident to the office of a Treasurer of a non-profit corporation under the laws of the State of Texas, and such other duties as may be assigned to him by the Board of Directors.

ARTICLE VIII

BOOKS AND RECORDS

The books, records and papers of the Council shall at all times during reasonable business hours be subject to inspection by any member of the Council. The Declaration, the Articles of Incorporation, and the By-laws of the Council shall be available for inspection by any member of the Council at the principal office of the Council where copies may be purchased at reasonable cost.

ARTICLE IX

CORPORATE SEAL

The Board of Directors may adopt and have a corporate seal for the Council which shall be in such form and with such wording as the Board may determine.

ARTICLE X

INDEMNIFICATION OF OFFICERS AND DIRECTORS

1. The Council shall indemnify any Director or officer or former Director or former Officer of the Council for expenses and costs (including attorneys fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in Court or otherwise, by reason of his being or having been such Director or Officer, except in relation to matters as to which he shall have been guilty of negligence or misconduct in respect to the matter in which indemnity is sought.

2. If the Council has not fully indemnified him, the Court in the proceedings in which any claim against any such Director or Officer, or former Director or former Officer, has been asserted, or any Court having the requisite jurisdiction of an action instituted by such Director or Officer, or former Director or former Officer on his claim of indemnity, may assess indemnity against the Council, its receiver or trustee, for the amount paid by any such Director or former Director or Officer or former Officer in satisfaction of any judgment or in compromise of any such claim (exclusive in either case of any amount paid to the Council), and any expenses and costs (including attorneys fees) actually and necessarily incurred by him in connection therewith to the extent that the Court shall deem reasonable and equitable, provided, nevertheless, that indemnity may be assessed under this Article only if the Court finds that the person indemnified was not guilty of negligence or misconduct in respect of the matter for which indemnity is sought.

ARTICLE XI

AMENDMENTS

These By-laws may be amended from time to time at any annual or special meeting of the Council called for that purpose at which a quorum of members of the Council is present by a majority vote of the members present and voting in person or by proxy. The members of the Council may delegate to the Board of Directors the power to alter, amend, or repeal these By-laws or to adopt new By-laws. The amendments to these By-laws need not be filed for record, and it shall be the duty and obligation of all persons interested in these By-laws to inquire from the Secretary of the Council whether any amendments or new By-laws have been adopted.

ARTICLE XII

FISCAL YEAR

The Fiscal Year of the Council shall be as fixed by Resolution of the Board of Directors from time to time.

ARTICLE XIII

MORTGAGES

The Owner of each Apartment Unit who places or has placed a mortgage or other lien on his Apartment Unit hereby consents that the Council through any of its officers may report to the Mortgagee any default made by such Unit Owner in the payment of any assessment for common expenses.

ARTICLE XIV

SEVERABILITY

If any article, paragraph, sentence, clause or phrase of these By-laws or the application thereof in any circumstance shall be held invalid or unenforceable, the validity or enforceability of the remainder of these By-laws or of the application of any such article, paragraph, sentence, clause or phrase in any other circumstance shall not be affected thereby.

ADOPTION

NIS LAND CORPORATION, a Texas corporation, being the Developer and sole owner at this time of the condominium project known as BY THE SEA, according to the Declaration therefor, as such sole owner and as provided for by the Condominium Act of the State of Texas, does hereby approve and adopt the foregoing By-laws to govern the administration of the building and property constituted into said condominium regime known as BY THE SEA and as the By-laws of BY THE SEA COUNCIL OF CO-OWNERS, INC., which shall be the Council of Co-owners of this condominium regime organized as a Texas non-profit corporation, and these By-laws may be amended from time to time as provided for above and in said Texas Condominium Act.

APPROVED AND ADOPTED this 15TH day of SEPTEMBER, 1975.

NIS LAND CORPORATION

By H. Shapiro
President

ATTEST:

Mona H. J. Shapiro
Secretary

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PART A - III
CONDOMINIUM RULES

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PART A - IV

COUNCIL OF CO-OWNERS OFFICERS

By The Sea Condominiums

Council of Co-Owners

Board of Directors

President
Vice President
Treasurer
Secretary

Frank Russo
Jim Kessel
Bert Simon
Barbara Tarrant

Board Members

Ron Diggins
Pete Fisher
Beverly Gish
Sam Guarino
Jim Kessel
Barbara Tarrant
Chuck Wilbanks

Committees

Insurance

Sam Guarino

Decorating

Judy Davis
Tracy Clark
Audrey Russo
Barbara Tarrant

Gardening/Housekeeping

Beverly Gish
Beverly Shapiro

PART A - V
OWNERS AND ADDRESSES

OWNERS MASTER LIST
AUGUST 20,2003

UNIT	NAME	ADDRESS	PHONE
709	Amin, Jay	3203 Shoreview Dr, Highland, TX 75077	U - 744-1655
408	Arndt, Connie	P O BOX 691716 Houston, TX 77269	H-713-216-5899
304	Baird, Thomas	7310 Seawall Blvd., Galveston, TX 77551	H-731-1749 U - 744-0630
1201	Bishop, Carolyn	7310 Seawall Blvd., Galveston, TX 77551	U - 744-0113
409	Bjeletich, Dan&Margo	6301 Walebridge Lane, Austin<TX 78739	H-512-288-2795 U-744-3442
507	Bjeletich, Dan&Margo	6301 Walebridge Lane, Austin, TX 78739	H-512-288-2795 U-744-1488
210	Bloomer, Bob&Donna	1943 Wycliffe, Houston, TX 77043	U - 744-7803
403	Blum, Morris & Ann	5203 Brase Valley, Houston, TX 77096	H - 713-661-5691
909	Blum, Morris & Ann	5203 Brase Valley, Houston, TX 77096	H - 713-661-5691 U - N/A
305	Buchsbaum, Norbert	4982 Dumfries, Houston, TX 77096	H - 713-723-4624 U - N/A
604	Calderon, Barbara	21 Briar Hollow, Houston, TX 77027	H-713-520-7077 U-740-3236
1205	Chamberlain, Aleen	2902 Revere , Houston, TX 77006	H-713-529-8990 U- N/A
807	Champagne, Shelton	7310 Seawall Blvd., Galveston, TX 77551	U - 744-4285
908	Champagne, Shelton	7310 Seawall Blvd., Galveston, TX 77551	U - 744-2072
1008	Collerain, Joseph	2910 LaQuinta Dr., Missouri City, TX 77453	H-271=835-0294 U - 740-1172
904	Cottrell, Stella	P O Box 27306, Houston, TX 77227	H-713-840-1212 U - 740-1212
702	Davis, Judy	7310 Seawall Blvd., Galvestonh, TX 77551	U - 740-6566
802	Denham, Robert	5403 Havenwood, Houston, TX 77066	H-281-440-3164 U-744-8471
706	Diggins, Ron	7310 Seawall Blvd., Galveston, TX 77551	U - 744-4432
307	Dilworth, Rhea	7310 Seawall Blvd., Galveston, TX 77551	U - 744-4633
1002	Dodd, Olen&Sherrie	P.O. Box 3504, Beaumont, TX 77704	H - 409-832-2589
203	Edwards, Pennee	P.O. Box 1451 , Galveston, TX 77553	H-741-0764 U-740-7749
407	Eskenasy, Eleanor	7310 Seawall Blvd., Galveston, TX 77551	U - 740-2020
902	Fisher, Pete	2714 Bermuda Dunes, Missouri City, TX 77459	H-281-499-6404 U-744-6171
903	Fisher, Pete	2714 Bermuda Dunes, Missouri City, TX 77459	H-281-499-6404 U-744-6171
208	Flucshe, Lanell	916 Forestbrook Dr., Mesquite, TX 75181	H - 972-222-2447
906	Fontanier, Dr. Charles	24303 ForestCrestDr., Spring, TX 77389	H - 281-370-7827 U-740-1498
609	Garner, Harry & Tom	P.O. Box 575, Woodville, TX 75979	U - 744-1597
1103	Gish, Richard & Beverly	7310 Seawall Blvd., Galveston, TX 77551	H - 741-1352
206	Graham, Barbara	4708 18th St., Lubbock, TX 79410	H - 2806-793-9312
710	Guarino, Sam	1725 Idlywood, Houston, TX 77023	U - 740-1350
1107	Guarino, Sam	7310 Seawall Blvd., Galveston, TX 77551	U - 7444-8278
405	Hadley, Herb	5505 Russett, Houston, TX 77056	H-713-622-5301 U- 740-2398
406	Hadley, Herb	5505 Russett, Houston, TX 77056	H-713-622-5301 U- 740-2398
410	Hansen, Dr. Karen & Eric	1026 Skimmer Ln, Galveston, TX 77554	H - 740-0036
1101	Harris, June	7310 Seawall Blvd., Galveston, TX 77551	U - 741-7741
1102	Harris, June	7310 Seawall Blvd., Galveston, TX 77551	U - 741-7741
502	Herbich, John	721 Alu Rd., Wailuku, HA 96793-1569	H-808-242-2954
804	Herman, Don	25050 Lorain Rd., North Omsted, OH 44070	H-440-779-6630 U-741-9944
306	Hersh, David & Helen	179 Old Lyme Rd., Williamsville, NY 14221	H-716-639-8851 U-740-1263
209	Hollman, David	16411 Craighurst, Houston, TX 77059	H - 281-488-2789
601	Hollman, David	16411 Craighurst, Houston, TX 77059	H - 281-488-2789
701	Hopes, Virginia & Leroy	10738 Villa Lee Ln., Houston, TX 77071	H-713-771-8833 U-740-0358
1003	Hudnall, Ogden	100 E. Ferguson#703, Tyler, TX 75702	H-903-595-1057 U-744-7912
1005	Hutson/Levens, Mary Byrd	7310 Seawall Blvd., Galveston, TX 77551	H - 740-1073
1007	Kettle, Trey	1070 Box Canyon Rd., Wimberley, TX 78676	H-512-847-2565 U-741-8005
1207	Kettle, Trey	1070 Box Canyon Rd., Wimberley, TX 78676	H-512-847-2565, U-740-6515
501	King, Janest	6305 Fern Spring Cove, Austin, TX 787302	H - 512-346-4537 744-7480
510	King, Janest	6305 Fern Spring Cove, Austin, TX 787302	H - 512-346-4537 744-7480
503	Kitchel, George	3030 Ella Lee Lane, Houston, TX 78730	C/O Antha Holland Niece
505	Kitchel, George	3030 Ella Lee Ln., Houston, TX 78730	C/O Antha Holland Niece
509	Kitchel, George	3030 Ella Lee Ln., Houston, TX 78730	C/O Antha Holland Niece
1001	Kolenda, Johnny	3703 Dumbarton, Houston, TX 77025	H-713-665-3516 U-744-2097
1206	Kolenda, Johnny	3703 Dumbarton, Houston, TX 77025	H-713665-3516 U-744-3490
901	Komar, Ajeeth&Suzanne	7310 Seawall Blvd., Galveston, TX 77551	N/A

308 Kothari, Dr. & Connie
 1006 Kothari, Dr. & Connie
 705 Lewis, Lynn M.
 703 Lilestrand, Stanley
 204 Lindquist, Dot
 708 Madden, Richard
 610 Malaty, Dr. Essam
 805 Mangola, Judy
 606 Martin, Floyd
 1004 Mayes-Clayton, Zetta
 508 Miller, Hugh
 809 Myers, Lewis & Linda
 602 Neeley, Walter & Anne
 806 Pair, Jerry & Dianne
 1202 Papavassiliou, Ann
 1203 Papavassiliou, Ann
 506 Patt, John & Lorna
 302 Rafati, Danny
 810 Reavis, Earl
 205 Roberts, Maureen
 1108 Russo, Frank & Audrey
 803 Sadler, Michael & Kay
 801 Salinas, Luis
 808 Schuller, Richard
 309 Scogin, Dolores
 910 Scott, Ronald
 1208 Shapiro, Beverly
 907 Simon, Bert & Myra
 707 Skiles, Michael
 404 Sondock, Melvin
 603 Tarrant, Barbara
 201 Thoma, George & Jean
 202 Thoma, George & Jean
 1204 Thomas, John & Chris
 310 Thuman, Steve
 301 Trygstad, Barbara
 402 Vaughan, Kenneth
 207 Vaughan, Kenneth
 303 Vidor, Kim
 1106 Warun, Paul & Sandra
 1105 Wellman, Paul
 605 Wilbanks, Chuck
 607 Wikenfeld, J. S.
 704 Wilson, Dr. Milton
 905 Winsman, Fran
 1104 Young, Bryant
 401 Youngblood, David & Michelle
 504 Zeitler, Joe

613 Norma, Nacodoches, TX 75961 H-936-569-7557 U-740-0440
 613 Norma, Nacodoches, TX 75961 H-936-569-7557 U-744-7940
 3701 Turtle Creek, Pent.#N, Dallas, TX 75219 H-800-263-1388 U-744-3011
 306 Walnut Bend, Houston, TX 77042 H-713-789-1765 U-744-9389
 7310 Seawall Blvd., Galveston, TX 77551 H - 740-9201
 3001 University Blvd., Houston, TX 77005 H-713-668-9318 U-744-9389
 P.O. Box 3662, Port Arthur, TX 77643 H - 409-962-2842
 6602 Rodrigo, Houston, TX 77007 H-713-622-6779 U-744-7905
 7310 Seawall Blvd., Galveston, TX 77551 H - 409-740-3371
 1246 Sunnt Dr., Houston, TX 77037 H-281-847-2434 U-744-7171
 5742 Dumfries, Houston, TX 77096 U - 409-740-0361
 7313 Cobblers Run, Poland, OH 44514 H-440-350-6244
 9139 Kapri, Houston, TX 77025 H-713-667-2807 U-744-9479
 P.O. Box 3607, Grapevine, TX 76099 H-817-481-3133
 4610 Bryn Mawr Ln., Houston, TX 77027 H-713-621-0354
 4610 Bryn Mawr Ln., Houston, TX 77027 H-713-621-0354
 8040 Maple St. SW, Sherrodsville, OH 44657 H - 740-269-1402 U-740-1797
 7310 Seawall Blvd., Galveston, TX 77551 H - 744-6970
 3504 Pinto Tr., Fort Worth, TX 76116 H-817-244-9289 U-740-0809
 2208 S Fisher Ct., Pasadena, TX 77502 H-713-946-2683 U-744-9620
 7310 Seawall Blvd., Galveston, TX 77551 H - 744-4069
 9618 Kindletree, Houston, TX 77040 H-713-937-0666 U-741-0182
 5246 N Brasewood, Houston, TX 77096 H-713-667-4811
 80 Brookhallow, Wimberley, TX 78676 H-512-847-6410 U-744-8968
 7310 Seawall Blvd., Galveston, TX 77551 H - 744-2040
 1615 Herman Dr. #240, Houston, TX 77004 H-713-524-1022
 7310 Seawall Blvd., Galveston, TX 77551 H - 744-8674
 9225 Katy Frwy. #104, Houston, TX 77024 H-281-493-3120 U-744-6823
 7310 Seawall Blvd., Galveston, TX 77551 H-740-1503
 P.O. Box 22332, Houston, TX 77227 H-713-650-9600 U-740-7404
 2732 Arbuckle, Houston, TX 77005 H-713-665-5784 U - 740-0818
 7310 Seawall Blvd., Galveston, TX 77551 H - 740-3150
 7310 Seawall Blvd., Galveston, TX 77551 H - 740-3150
 3443 El Dorado, Missouri City, TX 77459 H- 281-499-4625 U-744-7010
 7411 Passing Pine Ct., Humble, TX 77346 H-281-360-3684 U-741-0443
 7610 Rolling Rock, Houston, TX 77040 H-823-721-3154 U-741-9917
 7310 Seawall Blvd., Galveston, TX 77551 U - 741-8394
 7310 Seawall Blvd., Galveston, TX 77551 U - 741-8394
 3020 Sunset, Houston, TX 77005 H - 713-668-8325 U - 741-8013
 8204 Mesa Dr. #151, Austin, TX 78731 U - 741-1143
 2819 Cherry Creek Cir., Bryan, TX 77802 H-409-774-1254 U - 741-8853
 6161 Savoy Suite 1105, Houston, TX 77036 H-713-780-1267 U-744-4161
 P.O. Box 55008, Houston, TX 77255 H-713-468-0738 U - 744-6213
 11907 Dandelion Ln., Houston, TX 77071 H- 713-721-7218 U - 740-2308
 7310 Seawall Blvd., Galveston, TX 77551 H - 740-0951
 11111 Brook Mill Ct., Houston, TX 77065 H - 281-890-0598 U - 741-5479
 209 Northwood Blvd., Corsicana, TX 75110 H - 903-872-2505 U- 744-0327
 11805 Brookwood Rd., Austin, TX 78750 H - 512-996-9797 U - N/A

PART A - VI

**PROPERTY MANAGER'S DUTIES
AND RESPONSIBILITIES**

PROPERTY MANGER'S RESPONSIBILITIES

Record Keeping

1. Maintain a complete and current file of Board minutes.
2. Maintain a complete and current file of contracts.
3. Record daily financial activities.
4. Maintain a complete and current list of owners, addresses and telephone numbers.
5. Control what is displayed on bulletin boards.
6. Keep employee attendance and time cards.
7. Record maid service and maintenance billing.
8. Maintain hurricane plan

Financial

1. Prepare employee pay statements.
2. Draft checks for Condominium bills and employee salaries.
3. Maintain petty cash.
4. Receive, record, and deposit all monies paid to the Condominium on a daily basis.
5. Be responsive to the Treasurer and Board of Directors in preparation of statements and budgets.

Administrative

1. Maintain and protect keys to all units and storerooms.
2. Insure that someone representing the Condominium is in the office every day from 8:30 A.M. to 4:30 P.M. When this is not possible, insure that a sign is posted advising when the duty manager will return.
3. Establish emergency plans with telephone numbers for fire, electricity, water leaks, etc.
4. Insure that no one is allowed to enter an apartment without authorization.
5. Control the use of the common areas such as party and card rooms and tennis court.
6. Maintain a professional atmosphere within the office.
7. Insure that the common areas and office are presentable at all times.
8. Check pool area several times a day.
9. Contents of office, files, closets, desks, etc. should be tidy, organized and labeled.
10. Operating instructions should be posted on all office equipment, alarms, pumps, etc.
11. A list of emergency telephone numbers for elevators, police, fire, plumber, , electrician and management should be posted in plain view in the office.
12. Keep coffee made for owners and guest in card room.
13. Keep coffee bar clean at all times.
14. See that employees report their whereabouts and duties planned for the day.
15. Required to be resourceful in complex situations.
16. Control lien and maintenance supplies inventory.
17. Check all employees work upon completion.

18. Maintain and monitor all perspective renters, i.e. (By The Sea Rental Requirements, Mardi Gras, Prom Nights, Sorority Weekends, Spring Break).
19. Log in all guest and contractors.
20. Work closely with the Rental Association in the day to day management and operations of the rental units.

Communications

1. Control the use of the telephones in the common areas.
2. Represent the Condominium in a professional manner on a daily basis with visitors, residents, owners.
3. Enforce policies of the Board of Directors as well as the Rental Association; report all serious violations to the Board.
4. Prepare correspondence relative to the operation of the Condominium.

Purchasing

1. Purchase all building supplies and be responsible for all minor repairs and improvements.
2. Maintain records of reimbursable items.

Personnel

1. Hire and terminate all Condominium employees.
2. Maintain and document written instructions for employees.
3. Maintain work schedules.
4. Maintain pay records.
5. Maintain open communications with all employees, scheduling employee meetings when necessary.

Management Duties

1. Fully train all employees in their duties and make certain they are aware of all emergency procedures and operating instructions for equipment.
2. Keep office clean at all times.
3. Keep an eye open for smudged doors, mirrors, spills, dirty ash trays, etc.
4. Keep furniture in place.
5. If there is an infraction of a rule, take care of it immediately.
6. Walk entire property daily and record any necessary maintenance, housekeeping or security problems immediately.
7. Have all walkways, elevator lobbies, stairwells, storage aisles, etc. kept clear of obstructions.

By The Sea Condominiums

Condominium Rules

1. All window treatments showing from the outside (drapes, curtains, blinds) **must be white**.
2. Window sun screen must blend with glass and not be obvious from walkways or street (no brown, bronze, or reflective).
3. No door mats or rugs permitted on north balconies. They cause tripping and wind hazard.
4. No brooms, mops, rafts, surfboards, bicycles may be stored on north balconies.
5. No towels, rugs, swimwear, clothes, etc. may be draped over north or south balconies.
6. Added exterior doors and blinds **must be white**. By The Sea is not responsible for their maintenance. Owners must maintain in acceptable condition.
7. No holes to be made through exterior walls, nor major interior renovations which might compromise the structural integrity of the building made without prior approval of the Council of Co-Owners.
8. No plants on the north balconies.
9. Trash is to be picked up between the hours of 8:30 A.M. and 12:00 P.M. (Noon) daily. Please have trash in a plastic tie down bag and place outside your door.
10. Barbecuing on balconies or walkways is **prohibited**.
11. All notices on bulletin board must be done through the Property Manager.
12. All pets are to be on a leash in the common areas. Use designated "Doggie Rest Area" on the west side of the building for relief of your dog.
13. Protective wall padding must be in elevator when moving large items. See Property Manager.
14. No skating or skateboarding through lobby.