

**THE BREAKERS CONDOMINIUMS
COUNCIL OF CO-OWNERS
BYLAWS**

Approved March 21, 2011

Article I - Definitions

The following words when used in these Bylaws, unless a different meaning or intent clearly appears from the context, shall have the following meaning:

(a) “Act” means “Condominium Act” of the State of Texas, Chapter 81, Texas Property Code and, to the extent made applicable by Section 82.002(c), Texas Property Code, but not otherwise and only to that extent, Chapter 82, Texas Property Code.

(b) “Declaration” means the Condominium Declaration for “The Breakers, A Condominium Project, Texas” and is the instrument recorded in Volume 19, Page 994, et seq., of the Condominium Records of Nueces County, Texas, as well as all amendments thereto.

(c) “The Breakers” consists of certain land with one (1) multi-story building containing a total of fifty-four (54) Apartments and certain other improvements located thereon, all as more particularly described in the Declaration.

(d) “Condominium Project” or “Project” means The Breakers as a condominium project established by the Declaration pursuant to the provisions of the Act.

(e) “Owner” means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof owning one or more Apartments in the Condominium Project.

(f) “Condominium Bylaws” means these Bylaws, as amended, being the current version of the bylaws originally attached to the Declaration as “Exhibit D”.

(g) “Corporation” means the Breakers Condominium Council of Co-Owners, Inc., a non-profit corporation, organized pursuant to the Texas Non-Profit Corporation Act, or such other legal entity as may be established to operate and maintain the Condominium Project, of which all Owners shall be members and through which the Owners shall act as a Council of Co-Owners (as defined in the Act), which Corporation shall administer the operation and management of the Project as a Condominium Project.

(h) “Apartment” means an enclosed space consisting of one or more rooms occupying all or part of a floor in the building, provided it has a direct access to a thoroughfare or to a common space leading to a thoroughfare. Each Apartment shall be the

element of a condominium which is not owned in common with the Owners of the other condominiums in the Project. Each Apartment is identified in a floor plan of the Building and floor in which it is situated as shown on the Plan and shall consist of a fee simple interest bounded by the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof, and an Apartment includes both the portions of the building so described and the air space so encompassed. Heating or Air Conditioning equipment serving an Apartment shall be a part of such Apartment, whether inside or out.

(i) “Condominium Unit” means a separately owned Apartment, together with an undivided ownership interest in the Common Elements, as set forth and described in the Declaration.

(j) “Annual Assessment” means the amount assessed to the Owner of each Condominium Unit, to be billed monthly or as the Board of Directors may from time to time determine, to fund all administrative and maintenance costs of the Corporation. Said Assessments shall be set on an annual basis, or as the Board of Directors may determine is in the best interests of the Corporation

(k) “Special Assessment” means an assessment levied upon the Owners of each Condominium Unit by the Board of Directors, without a vote of the Majority of Owners, for unforeseen fiscal requirements the Annual Assessment budget is unable to absorb.

(l) “New Capital Improvements” means any improvement, appurtenance or addition(s) to the Condominium Property not previously in existence on the Condominium Property. New Capital Improvements are not considered justification for Special Assessments unless approved by a Majority of Owners.

(m) “Majority of the Owners” means the total sum of those individual Owners, together possessing more than fifty percent (50.0%) of the percentage interests in the general common elements, as more fully provided in the Declaration.

Each of the foregoing definitions shall be subject to and interpreted in accordance with the provisions of the Declaration and the Act. All other capitalized terms shall have the same meaning as set forth in the Declaration.

Article II - Offices

Registered Office and Agent. The registered office of the Corporation shall be at 4242 Gulfbreeze Boulevard, Corpus Christi, Nueces County, Texas. The name of the registered agent at such address will be designated by the Board of Directors and filed with the Texas Secretary of State.

Article III – Council of Co-Owners

Section 1. Membership. The Members of the Corporation shall consist of and be limited to each person or entity who is then an Owner of an Apartment(s). A lienholder, mortgagee, trustee or owner of a right-of-way easement or similar interest shall not, as such, be deemed to be an owner of record. Nor shall any holder of such interest be a Member of The Breakers Council of Co-Owners, Inc. Change of membership in the Corporation shall be established only when the following have been accomplished:

(a) An assignment or other instrument or transfer establishing a change in the record title to a Condominium Unit shall have been duly executed and recorded in the office of the County Clerk of Nueces County, Texas; and

(b) The Title or Closing Company shall notify the Association in writing of the name and, when possible, address of the transferee and the Condominium Unit transferred. All new Members must provide a physical mailing address to the Association within thirty (30) days of Condominium Unit purchase.

The interest and proportionate share of each member in the Corporation shall not be assigned, hypothecated or transferred in any manner whatsoever except as an appurtenance to a Condominium.

Section 2. Place of Meetings. Meetings of the Owners shall be held at The Breakers Condominiums, in Corpus Christi, Texas, unless a majority of the Owners have reason to change the location that clearly benefits the membership of the Corporation.

Section 3. Annual Meeting. An annual meeting of Owners shall be held on the third Saturday in July. The date or time of the annual meeting may be changed from time to time by resolution duly adopted by the Board of Directors of the Corporation.

Section 4. Notice. Written notice of each annual meeting of the Owners specifying the date, hour and place of the meeting, shall be delivered to each Owner (and, upon request, to each mortgagee, which shall be permitted to designate a representative to attend all such meetings) not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting. Notice of annual meetings shall in addition specify the general nature of the business to be transacted at the meeting. Notices may be delivered either personally, by mail or electronic media at either the usual business address or residence address of each owner.

Section 5. Special Meeting. Special Meetings of the Owners may be called on not less than ten (10) days Notice by the President, or by the Secretary upon written request of a majority of Directors or Owners entitled to cast one-third (1/3) of the votes in the Corporation. Such delivery may be personally or by mail or electronic media, at either the

usual business address or residence address of the owners. The notice of Special Meetings of the Owners shall specify the purpose of each such meeting.

Section 6. Purposes. Business transacted at any special meeting shall be confined to the purpose stated in the notice.

Section 7. Quorum. The presence at any meeting of Owners entitled to cast the votes of a majority of the Owners (50.01%) shall constitute a quorum. The Owners present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the Owners in accordance with the provision of Section 5 of this Article III, and at that meeting the presence of Owners entitled to cast one-third (33.33%) of the votes in the Corporation shall constitute a quorum. If a quorum is not present at the second meeting, the Owners present, though less than a quorum, may again adjourn the meeting to a later date and give notice thereof to all Owners in accordance with the provisions in Section 5 of this Article III. At the third meeting whatever Owners are present shall constitute a quorum.

Section 8. Majority Vote. The vote of the majority of the percentage interests entitled to be cast and represented at a meeting at which a quorum is present shall be the act of the Owners at the meeting, unless the vote of a greater number is required by law, the Declaration, or these Bylaws.

Section 9. Voting Rights. Voting shall be equal to one vote per each apartment owned, as established by Article 2.7 of the Declaration. Voting rights may be limited to the extent that the voting rights of any Owners have been suspended in accordance with the Bylaws. Whenever there is more than one Owner of a Condominium Unit, any or all of the Owners may attend and vote at any meeting of the Owners, but in no event shall more than a total of one vote be cast with respect to any Condominium Unit. No owner with a delinquent balance of any kind shall be eligible to cast a vote.

Section 10. Proxies. Any Owner may attend and vote at any meeting of Owners in person or by an agent duly appointed by an instrument in writing signed by the Owner and filed with the Board of Directors. Any designation of an agent to act for an Owner may be revoked when the Board shall receive actual notice of the death or judicially-declared incompetency of such Owner or of the conveyance by such Owner of the Condominium Unit. Upon the death of an Owner, the legal representative of the Owner's estate shall have the right to vote for that Owner and the legally appointed guardian of an Owner who has been judicially declared to be incompetent shall have the right to vote for the Owner.

Section 11. List of Owners. The Officer or agent having charge of the corporate books shall make, at least ten (10) days before each meeting of the Owners, a complete list of the Owners entitled to vote at such meeting, arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Corporation and shall be subject to inspection by any Owner at any time during usual business hours. Such list shall also be produced and kept open at the time

and place of the meeting and shall be subject to inspection by any Owner during the whole time of the meeting.

Section 12. Approval by Mail Ballot. The Board of Directors may decide from time to time to determine certain issues by the Owners voting using a mailed ballot. The percentage participation to achieve a quorum or decide an issue is the same as when voting in a meeting of the Owners as specified in these Bylaws. The Board shall designate a deadline for return of voted ballots which is no less than three (3) weeks or more than five (5) weeks from the initial date of mailing.

Section 13. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a meeting book all resolutions adopted and all other transactions occurring at such meetings.

Article IV - Board of Directors

Section 1. Number; Qualifications. The affairs of the Corporation shall be managed by a Board of Directors (also known as the Board of Administration in the Declaration). The Board of Directors of the Corporation shall consist of seven (7) members. Directors need not be residents of the State of Texas, but they must be Owners or spouses of Owners. If an Owner is a partnership or a corporation, any one partner or Officer thereof may be a Director.

Section 2. Election; Term. The Directors of the Corporation have previously been divided into two classes of four (4) and three (3) Directors respectively. Elections shall be held annually, alternating classes of Directors. Directors shall be elected for two (2) year terms and may continue to serve until they are no longer re-elected by a majority of the Owners, or until their death, resignation or removal; provided that, if any Directors cease to be an Owner or the spouse of an Owner, their membership on the Board shall terminate immediately.

Section 3. Resignation and Removal; Filling Vacancies. Any Director may resign at any time by giving written notice to the other Directors, and any Director may be removed from membership on the Board by the vote of a majority of the Board Members. Vacancies on the Board caused by any reason other than an increase in the authorized number of Directors shall be filled for the unexpired term of the Director leaving the Board by a majority vote of the remaining Board Members, even though they may constitute less than a quorum.

Section 4. Compensation. Directors shall serve without pay unless pay is expressly approved by a Majority of the Owners. However, Directors may be reimbursed for their actual expenses incurred in the performance of their duties.

Article V - Meetings of Directors

Section 1. Place of Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Members of the Board of Directors, but at least nine (9) such meetings shall be held during each fiscal year. A specific day of the month, time and place to hold regular meetings may be set by each Board. Should the Board not set such regular day, time and place of regular meetings, notice shall be given to each member of the Board of Directors personally, by mail, telephone or electronic media, at least three (3) days prior to the date designated for such meeting, unless a majority of the Board Members concur with a shorter notice for a particular meeting.

Section 2. Special Meetings. Special Meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, unless a majority of the Board Members concur with a shorter notice for a particular meeting, either personally or by mail, telephone or electronic media at either the usual business address or residence address of the Director. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of a majority of Directors.

Section 3. Quorum. At all meetings of the Board of Directors the presence of a majority of the number of Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the Articles of Incorporation, these Bylaws or the Declaration. If a quorum shall not be present or available at any meeting of the Board of Directors, business may be conducted by the President through consent of a majority of Members of the Board using telephone or written contact, including e-mail. A Member may be considered “present” if attendance is established through speaker phone or other real time electronic media.

Section 4. Action Taken Without a Meeting. The Directors shall have the right to take any action which they could otherwise take at a meeting by written consent, including e-mail, of a majority of the Members of the Board. Any action so approved shall have the same effect as though taken at a meeting of the Board. Copies of any electronic vote shall be attached to the following month’s Meeting Minutes.

Section 5. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings recording all Board resolutions and all transactions and proceedings occurring at such meetings.

Article VI - Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be open to any Owner in good standing by submitting a nomination request to the Board prior to an annual meeting. Nominations may also be made from the floor by Members in good standing at the annual meeting.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast as many votes as they are entitled to exercise.

Article VII - Powers and Duties of the Board of Directors

Section 1. Powers. The business and affairs of the Corporation shall be managed by its Board of Directors which may exercise all such powers as are not by law or these Bylaws directed or required to be exercised and done by the Owners. The power and authority of the Board of Directors shall include, but shall not be limited to, all powers, duties and authority vested in or delegated to the Board of Administration in the Declaration.

Section 2. Duties. It shall be the duty of the Board of Directors:

(a) to make available to each Owner within thirty (30) days after its completion, an annual accounting review report prepared by an accountant who is not associated with the Corporation;

(b) to hire, supervise and/or discharge any or all employees, agents or contractors of the Corporation, including the Managing Agent, and to delegate said authority to hire, supervise or discharge to any Officer or Managing Agent of the Corporation if desired;

(c) to ensure the duties of all Officers, agents and employees of the Corporation are properly performed;

(d) as more fully provided in the Declaration,

(i) to fix the amount of the Annual Assessments against each Condominium Unit in advance of each annual assessment period, as provided in Section (4.1) of the Declaration; provided that, any increase in the amount of the Annual Assessment shall not exceed ten percent (10%) over the previous year unless deemed essential to the Corporation by a unanimous vote of the Board of Directors, and;

(ii) to provide an annual Budget and to advise every owner of annual assessment payments due in advance of payment due date, and;

(iii) to fix and determine the charges, if any, to be made to Owners with respect to the use of various facilities, property and equipment maintained and operated by the Corporation.

(e) to issue or cause an appropriate agent to issue, upon written demand by any person associated with the sale of an Apartment, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of the certificates. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) to procure and maintain adequate liability and hazard insurance on property owned by the Corporation and to adjust the amount, collect, and use any insurance proceeds to repair damages or replace lost property; and to assess all Condominium Units in proportionate amounts to cover the deficiency;

(g) to procure and maintain adequate fidelity coverage to protect against dishonest acts by Officers, Directors and other employees or agents of the Corporation having fiscal responsibilities and all others who are responsible for handling funds of the Corporation (such fidelity bonds shall comply in all respects with the Declaration);

(h) to cause the Common Elements to be maintained; and

(i) to perform any and all other duties and exercise any and all other powers specified in the Declaration and the Act.

Section 3. Limitation. The Board's powers and duties enumerated above shall be limited in that the Board shall not have the authority to acquire and pay for any structural alterations, capital additions to, or capital improvements of the Common Elements requiring any expenditure in excess of Fifteen Thousand Dollars (\$15,000.00), without in each case the prior approval of a majority of the Owners. This provision shall not apply to work done for the purpose of replacing or restoring existing portions of the Common Elements or the use of any insurance proceeds for such alterations, additions, improvements or repair of damages.

Section 4. Managing Agent. The Board of Directors may procure for the Corporation a managing agent at a compensation established by the Board of Directors. Such managing agent shall perform such duties and services with respect to the Condominium Project as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent duties with respect to management, repair and maintenance of the Condominium Project which are not by statute, the articles of incorporation, these Bylaws or the Declaration required to be performed by or have the approval of the Board of Directors or the Owners of the Corporation. The managing agent shall conduct this business for the Owners at actual cost.

Article VIII - Committees

The Board of Directors, by resolution adopted by a majority of the Board, may designate two or more Members of the Corporation to constitute a special committee. At least one Board Member shall be designated as Member of said Committee. One of the Board Members shall serve as Chairperson of said Committee. The Board may limit the authority of any Committee to whatever level it deems appropriate, to include obtaining Board approval prior to taking any action or making any commitments or to simply reporting findings to the Board. The term of any Committee shall be established by the Board of Directors. The Board of Directors may reconstitute a Committee at any time. Vacancies in the membership of any committee shall be filled by the Board of Directors at a regular or special meeting of the Board. Each Committee shall keep regular minutes of its proceedings and report the same to the Board when required.

Article IX- Officers and Their Duties

Section 1. Enumeration of Offices. The offices of the Corporation shall be a President, a Vice President, a Secretary, a Treasurer and such other offices as the Board may from time to time by resolution create.

Section 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.

Section 3. Term. The Officers of the Corporation shall be elected as outlined in Article IV, Section 2 of these By Laws and each shall hold office for two (2) years each time elected unless they shall sooner resign, be removed, cease to own a portion of the facility or otherwise become disqualified to serve.

Section 4. Special Appointment. The Board may elect such other Officers as the affairs of the Corporation 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.

Section 5. Resignation and Removal. Any Board Member may be removed from office with or without cause by a majority of the Board. Any Board Member who misses three (3) consecutive regular meetings of the Board shall be automatically removed from office. Any Board Member may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at a later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Multiple Offices. No person shall simultaneously hold more than one Officer position except in the case of special offices created pursuant to Section 4 of this Article.

Section 7. Duties. The duties of the Officers are as follows:

The President

(a) The President shall be the chief executive Officer of the Corporation, shall preside at all meetings of the Owners and the Board of Directors, shall have general and active management of the business of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute bonds, mortgages and other contracts and conveyances on behalf of the Corporation requiring a signature, except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other Officer or agent of the Corporation.

The Vice President

(b) The Vice President, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President. The Vice President shall perform such other duties and have such other powers as the Board of Directors or President, under whose supervision the Vice President shall serve, shall prescribe.

The Secretary

(c) The Secretary shall attend all meetings of the Board of Directors and all meetings of the Owners and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Owners and Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall serve.

The Treasurer

(d) The Treasurer shall be responsible for the custody of the corporate funds and securities and for keeping full and accurate accounting of receipts and disbursements in books belonging to the Corporation and shall oversee deposit of all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors.

(e) The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as may be authorized by the Board of Directors, obtaining proper vouchers for such disbursements, and shall render to the President and the Board of Directors at its regular meetings or when the Board of Directors so requires an account of all his transactions as Treasurer and of the financial condition of the Corporation.

(f) The Treasurer shall cause an annual review of the Corporation and shall cause such Review to be available to all Owners within thirty (30) days of its completion, as more fully provided in Article VIII, Section 2(a).

(g) The Treasurer shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Treasurer shall serve.

Section 8. Indemnification. The Officers and Directors shall not be liable to the Members of the Corporation for any mistake in judgment, except for breach of fiduciary duty, gross negligence or misconduct in the performance of duty. The Officers and Directors shall assume no additional personal liability over that which any Owner shares with respect to any contract or other commitment made in good faith by them on behalf of the Corporation. The Corporation shall indemnify and forever hold each such Officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. The Corporation shall indemnify any current or former Director, Officer, employee or agent of the Corporation against expenses actually and necessarily incurred by him/her and any amount paid in satisfaction of judgments in connection with any action, suit or proceeding, whether civil or criminal in nature, in which they are made a party by reason of being or having been such a Director, Officer, employee or agent (whether or not serving in such capacity at the time such costs or expenses are incurred by or imposed upon him/her) except in relation to matters as to which they shall be adjudged in such action, suit or proceeding to be liable for breach of fiduciary duty or for gross negligence or misconduct in the performance of duty. The Corporation also may reimburse to any Director, Officer, employee or agent the reasonable cost of settlement of any such action, suit or proceedings, if it shall be found by a majority of the Directors not involved in the matter, whether or not a quorum, that it was to the interest of the Corporation that such settlement be made and that such Director, Officer, employee or agent was not guilty of breach of fiduciary duty, gross negligence or misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such Director, Officer, employee or agent may be entitled by law or under any Bylaws, agreement, vote of the Owners or otherwise. The Corporation shall obtain a policy of liability insurance insuring such Directors, Officers, employees or agents against the matters provided in this paragraph.

Article X - Notices

Section 1. Delivery. Any notice to a Director or Owner shall be in writing and delivered personally or mailed to the Director or Owner at his Apartment at the Project, or at such other address as may be given in writing to the Board of Directors by the Director or Owner. Notice by mail shall be deemed to be given at the time when deposited in the United States Mail addressed to the Owners or Directors, with postage thereupon paid. Notice to Directors or Owner may also be given by facsimile or electronic media and shall be deemed to be given when sent. In the event of a conflict, evidence must be provided of electronic media transmission.

Section 2. Attendance at Meetings. Attendance of any Owner or Director at a meeting shall constitute a waiver of notice of such meeting, except when a Director or Owner attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Article XI - Books and Records

Upon request, the Declaration, the Bylaws and the books, records and financial statements of the Corporation shall, during normal business hours and under other reasonable circumstances, with 24 hour weekday notice, be subject to inspection by any Owner. Copies of the Declaration and the Bylaws may be purchased at a reasonable cost at the principal office of the Corporation. The Board may assess a copy charge for any copies made, and in the event requests are made for documents more than ninety (90) days old (other than for the Declaration or these Bylaws), the Board may additionally assess a flat fee for research and retrieval of records from archives.

Article XII – Assessments

Section 1. Payment of Assessments. The rights of membership are subject to the payment of Annual and Special Assessments levied by the Corporation, the obligation of which assessments is imposed against the Owner and becomes a lien upon each Apartment against which such assessments are made as provided by Article 4.2 (a)-(c) of the Declaration (incorporated by reference in these Bylaws).

The Board shall have full authority, as provided in Section (4.1) of the Declaration, to assess or charge Owners for funds required for the performance of the Council's purposes. Each assessment shall be due and payable as follows:

(a) Annual Assessments shall be paid on a monthly basis, due on the 1st day of the month to be delivered to the Condominium Manager's Office. A grace period of ten (10) days shall be granted all Owners.

(b) Special Assessments shall be paid at the time and place set forth in the resolution fixing said Special Assessment. The due date may not be earlier than one (1) month after the notice of said Special Assessment is given to Owners.

Section 2. Reserves. There may be created by resolution of the Board of Directors such reserve or reserves as the Directors from time to time, in their discretion, think proper for contingencies, or to repair or maintain any portion of the Condominium Project, or for such other purposes as the Directors shall think beneficial to the Corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

Section 3. Individual Assessments. An Owner shall be individually assessed for the following;

- (a) items with respect to which it is the Owner's sole responsibility to pay;
- (b) all costs incurred by the Board in the enforcement of the Declaration, Bylaws or rules and regulations of the Board against said Owner, including, but not limited to, court costs and attorney fees;
- (c) dues, fees, late fees, fines, penalties, and interest owed by the Owner, as provided elsewhere herein, in the Declaration, Act and/or the rules and regulations of the Board;

All such individual assessments shall be due and payable on demand and, unless the Board otherwise provides, shall bear interest at the rate of 10% per annum from due date.

Section 4. Termination of Water and Water Service. In addition to the other remedies available herein against an Owner who shall fail or refuse to make any payment of any Annual or Special Assessment when due, the Board of Directors shall have the right, upon not less than Fifteen (15) days notice to such Owner, to terminate the provision of water and water service to such Apartment. Water and water service shall not be provided to such Apartment until all payments of said Owner's Annual or Special Assessments are paid in full along with any costs or expenses incurred in terminating and reinstating said water and water service. After the above notice is given, agents or contractors of the Board may enter an Apartment and install a plug or shut-off valve in one or more plumbing locations in the Apartment in order to terminate water service. All expenses incurred in connection with termination of service and in resuming service shall be paid by the Owner as a condition of resuming water service.

Section 5. Enforcement. In addition to such other rights as are specifically granted under the Declaration, as pertains to violations(s) of any duty imposed under the Declaration, these Bylaws or any Association rules, the Board shall have the authority to assess reasonable monetary fines which shall constitute a lien upon the Owner's Condominium Unit. The Board may also suspend said Owner's right to vote and/or use Common Elements not required for access to their Apartment. The failure of the Board to enforce any provision of the Declaration, Bylaws or any rule shall not be deemed a waiver of the right of the Board to do so later.

(a) Before the Board may charge an Owner for property damage for which the Owner is liable or levy a fine for violation of the Declaration, these Bylaws, or rules of the Council, the Board shall give to the Owner a written notice that: (1) describes the violation or property damage and states the amount of the proposed fine or damage charge; (2) states that not later than the 30th day after the date of the notice, the Owner may request a hearing before the Board to contest the fine or damage charge; and (3) allows the Owner a ten (10) day period to cure the violation and avoid the fine. However, if the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding 12

months no further delay is required and repair costs and/or fines may be imposed without delay upon presentation of the second notice of violation.

(b) As specified in (a), the Owner has the right to receive notice of a levied fine or damage charge not later than the 30th day after the date of levy. If the Owner does not present a challenge within the thirty (30) days specified in (a), the sanction stated in the notice shall be imposed; provided that the Board may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 10-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person. In the event of a continuing violation, each day the violation continues beyond the 10-day period constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator.

(c) Notwithstanding anything to the contrary in this Article, the Board may elect to enforce any provision of the Declaration, these Bylaws, or the rules of the Council by self-help (specifically including, but not limited to, the towing of vehicles in violation of parking rules and the removal of any property or equipment causing damage to common areas or other owners condominiums or property) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both, without the necessity of compliance with the procedure set forth above. In any remedial action, to the maximum legal extent, the Owner or Occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred. Any entry into a Condominium Unit for purposes of exercising the Board's power of self-help shall not be deemed a trespass.

Article XIII- Property Rights: Rights of Enjoyment

Each Owner, and the tenants or other individuals residing in the Apartment owned by such Owner, shall be entitled to the use and enjoyment of the Common Elements and facilities in accordance with and subject to the terms and conditions set forth in the Declaration, the Bylaws and the rules and regulations adopted from time to time by the Board of Directors. The rights and privileges of any such tenant or other individual are subject to suspension to the same extent as those of the Owner.

Article XIV - Amendments

These Bylaws may be amended at any regular or special meeting by a majority vote of the Owners or the Directors. In the event an amendment is voted upon by Owners, proxy and/or ballot may be utilized to meet majority (50.01%) requirement. Written notice of any meeting wherein the Bylaws are proposed to be amended, whether by Owners or Directors, shall be given to each Owner at least thirty (30) days prior to such meeting. No amendment shall be made which would cause these Bylaws to be in conflict with the terms or provisions of the Declaration.

Article XV - Conflicts

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles of Incorporation shall control, and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

Article XVI - Miscellaneous Provisions

Section 1. Fiscal Year. The fiscal year of the Corporation shall be from April 1 through March 31.

Section 2. Access to Units.

(a) All Owners shall provide a key to their Apartment to the Board or to the managing agent to be utilized by the Board for access to said unit in order to protect the Condominium Project or any Apartment therein. Any Owner who does not provide the Board or the managing agent with a key to their Apartment shall be responsible for any damages incurred to the Apartment in the event the Board or managing agent must force access in order to protect the Condominium Project or any Apartment therein.

(b) The managing agent, if one is procured, or any other person authorized by the Board of Directors or the Council of Co-Owners may enter any Apartment in case of real or perceived emergency originating in or threatening such Apartment or any portion of the Condominium Project, whether the Owner is present at the time or not and with or without the Owner's permission.

Section 3. Required Annual Inspections. Each Owner of an Apartment shall have an annual inspection of the plumbing and electrical systems contained within the Apartment conducted by the Owner or a qualified inspector of their choice. Each Owner shall provide a copy of the inspection report to the Office no later than March 31st of each year. Each Owner shall cause any deficiencies to be repaired within thirty (30) days of inspection. The Board is hereby authorized to conduct any inspections or perform any repairs not undertaken within the time frame set forth herein. The cost of said inspections and/or repairs shall be assessed against the Owner and Apartment for which the inspection and/or repairs are conducted.

Section 4. Accidental Damage. Each Owner shall be responsible for any damage incurred by a failure of plumbing, electrical, other personal property or systems contained within or serving his Apartment, regardless of cause of failure, and shall reimburse the Corporation or other Owner for any insurance deductible or expense which the Corporation or other Owner pays or is required to pay for reasonable damages resulting from such failure. All Owners shall be required to purchase and maintain Insurance coverage specific to accidental damage to Common Element and/or property of other Owner(s) and shall provide evidence of such coverage not later than March 31 each year.

Section 5. Maximum Occupancy of Apartments. The maximum occupancy for each Apartment in the Condominium Project shall be two (2) persons per bedroom. Temporary visitors are exempted. Any occupancy exceeding fourteen (14) days shall constitute residency, not a temporary visit.

Section 6. Additional Regulations. The Board may make additional regulations and restrictions regarding the use of the common elements of the Condominium Project. Violations of such regulations and restrictions, or of these Bylaws by any Owners or their guests or tenants will result in such Owner's restriction from use of such common elements for a period of time to be determined by the Board. The Board shall have the power to prescribe and enforce penalties, fines or other assessments for violations of Governing Documents or Policies.

Section 7. Individual Owner Maintenance Responsibilities.

(a) Every Owner must promptly perform all maintenance and repair work within his or her own Apartment which, if not performed, would adversely effect the Project in its entirety or any property belonging to other Owners. Each Owner is expressly responsible for the damages and liabilities that failure to perform such work may engender. Any repairs to an individual Apartment caused by the common elements shall be the responsibility of the Corporation.

(b) All the repairs of internal (or external exclusive use) items such as water, light, gas, power, sewage, telephone, air conditioning systems, sanitary installations, doors, windows, lamps appliances and all other accessories belonging to the Apartment shall be at the Owner's expense.

(c) An Owner shall reimburse the Corporation for any expenditure incurred in repairing or replacing any common elements and facilities damaged through that Owner's negligence, oversight or equipment failure.

Section 8. Apartment Use. All Apartments shall be used and occupied for residential purposes only. This provision pertains specifically to any home based business which stores/showcases/sells or conveys physical product to clientele in or from the Apartment, Condominium Unit or Common Element. It is not applicable to any electronic media based business which does not involve physical product or on site clientele participation.

Section 9. Structural Modifications. An Owner shall not make any structural modifications or alterations to a Condominium Unit or any common areas without the prior written consent of the Board of Directors. The Corporation, through managing agent or the Board, shall respond to written request for such changes within ten (10) days after the next regular Board meeting, unless additional time is required to obtain professional guidance or recommendations. If such Owner shall be notified of any objection thereto, then such Owner

shall not make such structural modifications or changes. If such Modifications are approved, Owner shall be solely liable for maintenance and repair of such Modifications and such liability shall attach to the Condominium Unit. Owner shall also be solely liable for damages such modifications may cause to other Condominium Units, the Condominium Project or Common Element.

Section 10. Signage. No resident in the Condominium Project shall post any advertisements, posters or Notices of any kind in or on the buildings or common areas except as authorized by the Board of Directors.

Section 11. Quiet Enjoyment. Residents shall exercise extreme care to avoid making noises or the use of musical instruments, radios, television, amplifiers, speakers or games that may disturb other residents, as more clearly defined in the Declaration.

Section 12. Laundering. Hanging garments, towels, rugs or any other items from the windows, balconies or from any of the facades of the buildings is prohibited.

Section 13. Waste Disposal. Leaving garbage or trash anywhere on common areas except in the disposal facilities provided for such purposes is prohibited.

Section 14. Equipment Appurtenances. No Owner, resident or lessee shall install wiring for electrical or telephone installation, television antennae, machines, air conditioning units, etc., on the exterior of the buildings or that protrude through the walls or the roof of the buildings, unless expressly authorized by the Board of Directors.

Section 15. Pool/Recreation Area Regulations. Reasonable and customary regulations for the use of the swimming pool and recreation areas will be promulgated and publicly posted at such places. Owners, occupants and guests of Apartments shall at all times comply with such regulations.

Section 16. Recreational Exercise Safety. Skateboards, tricycles, scooters, bicycles, roller skates, roller blades, in-line skates and other similar type devices shall not be used in breezeways, on porches, balconies or anywhere in the building.

Section 17. Pets. No pets shall be allowed on property, excepting where required by Statute or other law. The Board reserves the right to cause removal of any assistance pet declared a nuisance.

Section 18. Enforcement. The failure of the Board of Directors, any Owner or employee to enforce any covenant, restriction or other provision of the Act, the Declaration, these Bylaws or the regulations adopted pursuant thereto shall not constitute a waiver of right to do so thereafter.

Section 19. Invalid Provisions. If any part of these Bylaws shall be invalid or inoperative for any reason, the remaining parts, so far as possible or reasonable, shall remain valid and operative.

Section 20. Table of Contents; Headings. The table of contents and headings used in these Bylaws have been inserted for administrative convenience only, and do not constitute matter to be construed in interpretation.

STATE of TEXAS
COUNTY of NUECES

This document was acknowledged before me on _____, 2011,

By _____

Ralph D. Cahill

President Signature

Date: _____

Given under my hand and seal of office this _____ day of _____, 2011.

(Personalized Seal) Notary Public's Signature _____

STATE of TEXAS
COUNTY of NUECES

This document was acknowledged before me on _____, 2011,

By _____

Sheryl Lawson

Secretary Signature

Date: _____

Given under my hand and seal of office this _____ day of _____, 2011.

(Personalized Seal) Notary Public's Signature _____

These ByLaws were approved to replace all previous ByLaws, Revisions and Amendments by majority vote of a quorum of owners at the March 21, 2011 Board meeting. Thirty eight owners voted, twenty seven in favor of the ByLaws and eleven opposed.