

ENABLING DECLARATION & BY-LAWS



CORPUS CHRISTI, TEXAS

COUNTRY CLUB TOWNE HOMES
CONDENSED REGULATIONS

The following condensed interpretation from the Declaration establishing a Condominium Regime and the By-Laws for Country Club Towne Homes has been prepared for the convenience and guidance only of prospective purchasers. Interested parties are advised to read the enclosed Declaration and By-Laws in its entirety for factual information.

1. Each Towne Home shall consist of a residential unit, an attached garage or carport, and patio areas as follows:
 - a. The residential unit portion of a Towne Home shall have boundaries which are the interior surface of the perimeter walls, floors, and ceilings, and shall include the air space so encompassed, and everything contained therein, excepting the common elements. Each residential unit shall also include the air conditioning equipment, refrigerant and electrical lines, and controls for such equipment, serving the residential unit, and the exterior doors and windows located in the residential unit and/or garage portion thereof.
 - b. The patio area of a Towne Home shall be that patio adjacent to the residential portion thereof. The owner of a Towne Home shall have the exclusive right to plant and duty to maintain, the entire patio area, including the surface portion of the surrounding walls, fences, and paved area.
 - c. The garage or carport area of a Towne Home shall be that garage or carport adjacent to the patio portions of such Towne Homes. The boundaries shall be the interior surfaces of perimeter walls, floors, ceilings, and storage areas adjacent thereto, and shall include the air space so encompassed, and everything contained therein, excepting the common elements.
2. The owner of each Towne Home shall be responsible for and obligated to maintain, repair and replace at his expense all portions of his Towne Home, patio and garage as such has been defined herein.
3. Each owner of a Towne Home shall separately pay the respective utility companies for all telephone and electrical service. Water and garbage collection bills will be paid by the Board of Governors.
4. Each owner of a Towne Home shall separately pay the respective taxing authorities for all ad valorem taxes levied against his Towne Home.
5. Each owner of a Towne Home shall separately obtain from his agent and be responsible, at his expense, for his personal insurance on his contents, furnishings and personal property contained in his Towne Home. He shall also obtain individual personal liability coverage for his Towne Home premises, not covered by liability insurance on the common elements of the Condominium. Each owner shall have the right if he so desires, to additionally insure his Towne Home premises not covered by liability insurance on the Common Elements of the Condominium. Each owner shall have the right if he so desires, to additionally insure his Towne Home against fire and extended coverage, on his account and for his own benefit.
6. The owners of the respective Towne Home shall not individually own basic perimeter structural and supporting portions or the exterior surfaces of the perimeter walls and roof of the building in which his Towne Home is located. Nor shall such owner own pipes, wires, and conduit running through his Towne Home, which serves more than one Towne Home.
7. Owners of Towne Homes shall not alter, paint, add to, repair or remove any portion of the exterior of the multiple unit building and/or garage which are to be maintained by the Board without first obtaining approval of the Board of Governors.
8. Owners of Towne Homes shall have the right to lease, (for any period in excess of 30 days) their respective Towne Homes provided that said lease shall be subject to all restrictions and regulations of the condominium.
9. The general common elements of the condominium include the land in the project, and the building, structures and all improvements thereon, save and except the portions contained in the 145 Towne Home units. The fractional interest of each of the Towne Home owners in the general common elements shall be equal for each of the Towne Home units, and shall be 1/145. If fewer Towne Home units are built in a multiple unit building than indicated on the survey plot - Exhibit A, the fractional interest in the general common elements does not have to be a whole integral multiple of 1/145th. For example, if multiple building I were developed to include only three units instead of four as shown on the plot, each unit would own 1/145th and would pay 1/145th part of any common element or other assessed expenses. Thus the owners of multiple unit building I would pay the four units or 4/145th as shown on the plot.
10. Upon initial purchase or transfer of a Towne Home, the owner shall pay an initial assessment into the common fund of thirteen months of insurance payments for blanket insurance and such shall not be returnable upon sale of such Towne Home again. In addition, an initial assessment in the amount of the then monthly maintenance assessment and any unpaid special assessments for that Towne Home site shall be payable. Both of these payments shall go into the Common Fund and shall not be returnable upon sale of such Towne Home again. In addition, the first of the regular monthly assessments shall be payable.

11. Each owner of a Towne Home shall be liable for its fractional proportionate share of the common expenses. All sums paid by the owners shall be paid to the Common Fund to be administered by the Board of Governors. This assessment shall be adjusted from time to time by the Board of Governors so as to provide sufficient funds to satisfactorily carry out the Board of Governors' responsibility to the Co-Owners to operate, maintain, repair and replace at the expense of the Co-Owners, through the Common Fund, all of the general common elements. This fee is due within 10 days of the first day of each month and failure to pay within this period will result in a 10% penalty each month. Deposit receipts are available for depositing this assessment by mail through the manager of the Condominium. Your check should be made payable to "CCTH-Common-Fund" and should include your unit number.
12. The Board of Governors shall obtain comprehensive public liability insurance to cover the common elements of the Condominium. Premium for such insurance shall be a common expense paid from the Common Fund.
13. The Board of Governors shall obtain blanket property insurance to insure each multiple unit building, including that portion constituting a Towne Home, against risk of loss or damage by fire and hazards covered by standard extended coverage provisions. The amount of such insurance for each building shall be based on 80% of the total replacement cost or agreed value of all Towne Homes contained in said building. Each owner of a Towne Home shall separately pay his pro-rata portion of the premium for such blanket building insurance as billed to him based on the ratio of the sale price of his Towne Home to the sale price of all Towne Homes contained in said building. Each owner of a Towne Home contained in said building shall separately pay his pro-rata portion of the premium for such blanket building insurance as billed to him by the Board of Governors or by the Insurance Agent designated by the Board of Governors. Such blanket insurance shall be written in the name of Board of Governors of Country Club Towne Homes and proceeds paid to the Board of Governors or to the Trustee as provided in the Declaration and By-Laws. Any cost of repair to a building in excess of the insurance proceeds shall be paid by the Common Fund. Any excess of money from such proceeds shall be added to the Common Fund.
14. The Board of Governors shall have the authority to shut off any and all utilities to a Towne Home when the owner fails to pay an assessment within 10 days after the due date, or if violation of a restriction or regulation continues after the Board of Governors notification of such violation.
15. There must be kept in each Towne Home no more than one pet. Patios must be kept free from odors from pets. All pets must be on a leash

while on the common area.

16. No vehicle of any kind may be parked in a common area for more than 12 hours or washed on the streets, alleys or any other part of the common area. No parking shall be allowed at any time in the alleys, or "Fire Lanes". Vehicles shall not exceed 15 m.p.h. speed at any time. Slower speed limits may also be posted in certain areas. Pedestrians' traffic shall have the right-of-way at all times.
18. No sound reproduction equipment or instruments shall be allowed which disturb residents.
19. No nuisance shall be allowed on the property, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession of the property by its residents.

DECLARATION

ESTABLISHING A CONDOMINIUM REGIME FOR COUNTRY CLUB TOWNE HOMES

WHEREAS, THE PEERMAN CORPORATION, and CROWN SERVICE CORPORATION, both of which are Texas corporations, hereinafter called the "Developers", are the sole owners in fee simple of the land hereinafter described, and desire to submit such land and the improvements constructed and to be constructed thereon to the condominium form of ownership and establish a condominium regime thereon,

NOW, THEREFORE, said Developers make this Declaration as to the divisions, descriptions, definitions, restrictions, covenants, limitations, conditions, rights, privileges, obligations and liabilities which shall apply to govern, control and regulate the sale, resale or other disposition, acquisitions, ownership, use and enjoyment of said land and the improvements constructed and to be constructed thereon and the real property freehold estates hereby established, hereby specifying and agreeing that this Declaration and the provisions hereof shall be and constitute covenants to run with the land and shall be binding on the Developers, their successors and assigns, and all subsequent owners of all or any part of said land and improvements, together with their grantees, successors, heirs, executors, administrators, devisees or assigns, to wit:

PROVISO

Notwithstanding anything herein to the contrary, during the construction period of the Condominium Project (which shall exist until all the Towne Homes have been constructed by the Developers for sale), but in no event for more than six (6) years from the date hereof, the Developers may amend this Declaration in the manner and for the purposes set forth in Article VI, Paragraph A, hereof. Further, during such construction period, but no more than six (6) years from the date hereof, the Developers shall have all the rights, power and authority granted herein to the Council and the Board of Governors including, but not limited to, the fixing, enforcing and collecting of assessments; hiring and firing of personnel who work in the Condominium Project; control of all maintenance including color selections, plant selections and the like; keeping of books and records; purchasing equipment, plants and supplies; determining the types and amounts of blanket insurance to be procured for the Condominium Project and securing same; and establishing regulations concerning use of the Property; but not including any rights, power or authority to amend this Declaration except as specifically herein granted. Further provided that during the construction period the Developers may alter a Towne Home in any manner not in conflict herewith until such Towne Home is sold by the Developers, and may use one or more Towne Homes for general office, model, or other administrative, maintenance, storage, on-site shop, or sales purposes. Upon completion of a Towne Home it shall be assessed monthly in like manner as all other Towne Homes whether or not it has been sold by the Developers, except that no initial payment into the Common Fund shall be required of the Developers as provided in Article IV, Paragraph A hereof, and in the By-Laws.

I ESTABLISHMENT AND DESCRIPTION OF CONDOMINIUM REGIME

A. Establishment. The said Developers hereby submit the land herein described and the improvements constructed and to be constructed thereon to the regime established by the Texas Condominium Act, as now existing or hereafter amended, and hereby establish a condominium regime.

B. Name. The name by which this Condominium Project is to be identified is Country Club Towne Homes.

C. Land. The land owned by the Developers which, together with the improvements constructed and to be constructed thereon, is to be submitted to the said condominium regime is described as follows:

Lot Nineteen (19), Block Forty (40), Country Club Estates, Unit 9-A, as shown by plat recorded in Vol. 38, pages 6 & 7, of the Map Records of Nueces County, Texas, SAVE and EXCEPT any and all oil, gas and other minerals in and under such Lot 19, Block 40,

which land together with the improvements constructed and to be constructed thereon is hereinafter referred to as the "Property."

D. Development Plans. The Condominium Project is being or to be developed in accordance with the survey plat attached to this Declaration as Exhibit A and made a part hereof for all purposes, which survey plat depicts said land as above described and the location of thirty-six (36) multiple unit buildings located thereon, denoted as buildings A-1, A-2, B, C, D-1, D-2, E-1, E-2, F, G, H, I-1, I-2, J, K, L, M, N, O-1, O-2, P, Q, R, S, T-1, T-2, U-1, U-2, V-1, V-2, W-1, W-2, X-1, X-2, Y and Z, together with other improvements to be constructed thereon. The said multiple unit buildings are to be constructed to contain a total of One Hundred Forty-five (145) Towne Homes, as such are hereinafter defined and described, each of such multiple unit buildings to contain the number of Towne Homes as indicated on said Exhibit A, each such Towne Home being designated by an arabic number, such numbers beginning at the number "1" and ending with the number "145." The construction of such multiple unit buildings may be described as of wood frame, brick, stucco and wood siding veneer, with wood shingle and built-up roofs. Notwithstanding the foregoing, as set forth in Article VI, Paragraph A, hereof, during the construction period the Developers shall have the right to amend this Declaration, so as to increase (or decrease) the number of multiple unit buildings in which the 145 Towne Homes are to be located.

E. Division into Freehold Estates. In accordance with the establishment of the said condominium regime, the Developers hereby divide the Property and the Condominium Project hereby established into 145 separate freehold estates, each freehold estate consisting of (1) an individual Towne Home in said multiple unit buildings, as hereinafter described, and (2) an undivided interest in the general common elements of the Property and of this Condominium Project, as such general common elements are hereinafter defined in Paragraph G of Article I hereof, such undivided interests being in the amount hereinafter set forth in Paragraph H of Article I hereof.

F. Towne Home. Each Towne Home shall consist of a residential unit, an attached garage or carport and patio areas as follows:

(1) The residential unit portion of a Towne Home shall have boundaries, which shall be and are the interior surfaces of the perimeter walls, floors and ceilings, and each such residential unit shall include the portions of the building so described and air space so encompassed, excepting the common elements. Each residential unit shall specifically include the interior construction, interior dividing walls, partitions, appliances, fixtures, and improvements within such boundaries of the residen-

tial unit and such air space which are intended to exclusively serve such residential unit, such as interior rooms, doors, walls, and wall coverings or finish such as tile on bathroom walls, floor and ceiling covering or finish, closets, cabinets, shelving, individual bathroom and ceiling fixtures and built-in appliances, separate items or chattels belonging to such residential unit which may be removed, replaced or disposed of without affecting any other residential unit, or the ownership or enjoyment thereof. Each Towne Home shall also specifically include the individual air conditioning unit, and refrigerant and electrical lines and controls for such air conditioning unit, serving the residential unit thereof whether or not located within the boundaries thereof.

(2) The patio area on the front, side and/or rear of a Towne Home shall be that patio adjacent the residential unit portion thereof, such patio area being bounded around the perimeter thereof by the surfaces of the buildings, walls and/or fences facing and enclosing such patio; such patio area being bounded on the top by a horizontal plane which includes the highest point on the building adjacent such patio area; provided, however, that where a portion of a building, such as a balcony, a roof or a roof overhang, but excluding lattices, arbors and the like, shall extend over a portion of the patio area then the undersurface of such portion of a building shall be the top boundary of the patio area over which it extends; such patio area being bounded on the bottom side by the upper surface of any paving or by the upper surface of the ground in unpaved areas; any such patio areas shall include, and it shall be the duty of the owner thereof to maintain, the surface portions of the walls, fences or paved areas so described and the air space so encompassed, excepting the common elements. The patio area shall also include any lattice, arbor, or the like extending over the portion thereof which is not a part of the building and shall include any screens or dividers within the air space encompassed in the patio area. The owner of a Towne Home shall have the exclusive right to plant, and the duty to maintain, the unpaved ground portion of the patio area.

(3) The garage or carport area of a Towne Home shall be that garage or carport adjacent the residential unit or patio portion of such Towne Home, the boundaries of such garage or carport area to be the interior surfaces of perimeter walls, floors, ceilings and storage areas adjacent thereto, and in situations where there are no walls enclosing one or more sides of such garage or carport, the boundaries shall be the vertical plane or planes including a line connecting the interior portion of the members on the perimeter of such garage or carport supporting the ceiling or roof thereof; and such garage shall include the portions of the garage so described and the air space so encompassed, excepting the common elements.

(4) Each Towne Home shall specifically include the exterior doors and windows (including screens, glass, frames, weatherstripping, hardware, sash and thresholds located in the residential unit, patio and/or garage portion thereof).

G. General Common Elements. The "general common elements" of the Property and of this Condominium Project include and are defined as the land in the Project above described, and the buildings, structures and improvements thereon, save and except the portions thereof contained in the 145 Towne Homes herein above described, and such general common elements specifically include, but are not limited to:

- (1) the land above described on which the Condominium Project is built;
- (2) the foundations, bearing walls and columns, attics and roofs in the multiple unit buildings, except that the exterior doorways and windows to an individual Towne Home shall not be considered a part of the general common elements;
- (3) the park and recreational equipment, lake, benches, fences, walls, lighting, statues, recreational courts or areas, pavement, curbs and gutters, sidewalks, esplanades, miscellaneous buildings, park patios or terraces, yards and gardens; except that the patio area of an individual Towne Home shall not be considered a part of the general common elements;

- (4) the premises for the lodging of or use by caretakers, security guards or the like who work in the Project, and general storage and maintenance buildings and areas;
- (5) the compartments for installation of central services such as power, light, gas, water, storm and sanitary sewers, reservoirs, water tanks and pumps, pipes, wires, and water sprinkler systems;

- (6) the Common Fund as hereinafter defined and described; and

- (7) all other elements of the buildings in the Project desirable or rationally of common use or necessary to the existence, upkeep and safety of the condominium regime.

H. Fractional Ownership of General Common Elements. The fractional interest which each Towne Home bears to the entire condominium regime, which is the fractional interest of each of the Towne Homes in the general common elements shall be equal for each of the Towne Homes and shall be 1/145, except as stated in Item VI, Paragraph E and F.

I. Encroachments. If any portion of the general common elements encroaches upon any Towne Home or if any Towne Home encroaches upon any other Towne Home or upon any portion of the building in which such Towne Home is located, or if any such encroachment shall occur hereafter as a result of settling or shifting of such building, a valid easement for the encroachment and for the maintenance of the same shall exist so long as such building shall stand. In the event the improvements in the Condominium Project shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and then rebuilt, the encroachment of part of the general common elements upon any Towne Home or of any Towne Home upon any other Towne Home or upon any portion of the general common elements due to such rebuilding shall be permitted and valid easements for such encroachments and maintenance thereof shall exist so long as the building in which such Towne Home is located shall stand.

J. Easements and Access. The owners of the respective Towne Homes shall not be deemed to separately own the basic structural and supporting portions of the perimeter walls, floors, and ceilings surrounding their respective Towne Home space, nor shall such owner be deemed to separately own pipes, wires, and conduits or other public utility lines running through said respective Towne Homes which are utilized for or serve more than one Towne Home, but the same shall be owned as tenants in common as part of the common elements of the Property, however, each owner of a Towne Home shall have an easement in the interest of the other owners in and to the aforesaid elements and facilities as shall be necessary for the support, maintenance, use and enjoyment of his Towne Home; such owner, however, shall be deemed to separately own the walls and partitions which are contained within the perimeter walls of said owners respective Towne Home, and shall also be deemed to own the inner decorated and/or finished surfaces of the perimeter walls, floors and ceilings and the facilities, fixtures and equipment built or placed in said Towne Home for the exclusive service and convenience of such Towne Home. Further provided, that the Board of Governors of the Council of Co-Owners of this Condominium Project, or the appointed representatives of such Board of Governors, shall have the right of access to each Towne Home to inspect same and to remove violations therefrom and to maintain, repair and replace the general common elements contained therein or elsewhere in or about the building in which such Towne Home is located.

K. Conveyances. It is hereby covenanted and stipulated that the undivided interest in the general common elements of the Property and of this Condominium Project of each of said 145 freehold estates mentioned above shall be held together with and may not be sold, conveyed or otherwise disposed of or encumbered separate from the Towne Home to which it is allocated and vice versa; nor can any portion of a Towne Home be sold, conveyed or otherwise disposed of or encumbered separate from

another portion of such Towne Home. It is specifically provided that a conveyance of a residential unit in the Project shall be deemed to convey the entire Towne Home of which such residential unit is a part as well as the undivided interest of the owner of such residential unit in the common elements of the Condominium Project and the Property appertaining to such residential unit without specifically referring to same or even if such conveyance expressly excludes a portion of such Towne Home and/or the common elements.

II COUNCIL OF CO-OWNERS

A. Council. The general common elements shall be administered and the Condominium Project shall be governed by a Council of Co-Owners, hereinafter sometimes referred to as the "Council." The Council shall act for the benefit of all owners of Towne Homes to provide for the protection, preservation, maintenance and repair of the general common elements, and the government, operation and administration of the Property, and shall administer the Common Fund. Each owner, tenant, or occupant of any Towne Home shall comply with the provisions of this Declaration, and the By-Laws of the Council, hereinafter sometimes referred to as the "By-Laws", as such Declaration and By-Laws may be amended from time to time, and the valid decisions and resolutions of the Council of Co-Owners; and failure to comply with any such provisions, decisions or resolutions shall be ground for an action to recover sums due, for damages, and/or injunctive relief.

B. Board of Governors. The Council of Co-Owners shall elect from among its members a Board of Governors to consist of not less than three members, who shall serve in such office without pay or compensation for such term as specified in the By-Laws of the Council of Co-Owners or until their successors are duly elected in accordance with the provisions of such By-Laws. Such Board of Governors shall manage and govern the affairs of the Council of Co-Owners, and it shall have such powers, functions, authority, duties, obligations and responsibilities as shall be specified in said By-Laws and/or as may be delegated to it from time to time by the Council of Co-Owners.

C. Membership and Voting Rights. Each owner of a Towne Home or Towne Home site, including the Developers if and so long as the Developers own one or more of such, shall automatically be a member of the Council of Co-Owners. Each owner shall remain a member of the Council until such time as he ceases to own a Towne Home, at which time his membership shall automatically cease. Upon any transfer of ownership of any Towne Home, the new owner shall succeed to such membership in the Council. The owner or owners of each Towne Home, or his or their legal authorized representative or proxy shall be entitled to cast one vote for each Towne Home or Towne Home site owned at all meetings of the Council, except as discussed in Section VI, Paragraph D and F of this Declaration.

D. Council Voting Rights. Voting rights attributable to any Towne Home which shall have been acquired by the Council shall, while owned by the Council, be entitled to be represented at meetings of the members of the Council for purposes of determining the existence of a quorum, and shall be exercised and voted as directed by the members owning a majority of the Towne Homes represented and voting at such meeting.

E. By-Laws. The initial By-Laws of the Council of Co-Owners which are hereby adopted by the Developers as the sole owners of the Property are attached hereto as Exhibit B and made a part hereof. The By-Laws may be amended from time to time in the manner therein provided, provided that such amendment shall not be in conflict with law or this Declaration as the latter may be amended from time to time.

III DUTIES OF COUNCIL AND OWNERS

A. Maintenance Required of Council. The Council of Co-Owners shall operate, maintain, repair and replace at the expense of the co-owners through the Common Fund all of the general common elements, provided that the cost of all repairs to a general common element caused by the negligence, misuse or neglect of an owner of a Towne Home shall be paid by such owner. The general common elements to be maintained by the Council include, but are not limited to, the portions of multiple unit buildings contributing to the support thereof, such as the outside walls, boundary walls, floor slabs, roofs, load bearing columns and load bearing walls, as well as the conduits, ducts, exterior fixtures, plumbing, wiring and other facilities for the furnishings of utility services which are in the multiple unit buildings but not including the individual air conditioning unit, nor the wiring, refrigerant lines and controls therefore, serving and a part of each Towne Home. Any incidental damage to a Towne Home caused by maintenance or repair of the general common elements shall also be performed by the Council.

B. Maintenance Required of Owners. The owner of each Towne Home shall be responsible for and obligated to maintain, repair and replace at his expense all portions of his Towne Home as such has been heretofore defined. Each owner shall specifically have the obligation and duty to maintain the unpaved portions of the patio area appurtenant to and a part of his Towne Home and to maintain the exterior doors and windows of his Towne Home; provided, however, that the owner of a Towne Home shall not paint or otherwise decorate or change the appearance of any exterior doors and windows so as to change the appearance thereof without approval in writing of the Board of Governors. Except for painting or decorating or changing the appearance of the exterior doors and windows of a building with prior written approval as above provided, no owner shall paint or otherwise decorate or change the appearance of any portion of the exterior of a multiple unit building. It shall be the further duty of an owner of a Towne Home to promptly report to the Council any need for repairs, the responsibility for which is that of the Council.

C. Alteration and Improvement. Neither an owner of a Towne Home nor the Council shall make any alterations in the portions of a multiple unit building which are to be maintained by the Council, or remove any portion thereof, or make any additions thereto, or do anything which would jeopardize the safety or soundness of the building, or impair any easement, without first obtaining approval in writing of owners of all other Towne Homes in the same building and the approval of the Board of Governors of the Council. A copy of the detailed plans of such work shall also be filed with the Council prior to the start of work.

D. Utilities. Each owner of a Towne Home shall be individually responsible for and shall pay for all telephone, electricity and all other utility services furnished to his Towne Home which are separately metered or billed by the respective utility companies or other party furnishing same. Utilities which are not separately metered or billed to the individual Towne Home shall be a part of the common expenses, and each owner shall pay his pro rata part of the common expense in proportion to his ownership interest in the general common elements as established by this Declaration.

E. Blanket Property Insurance. The Board of Governors shall have the authority and the responsibility to obtain and continue in effect blanket property insurance to insure the multiple unit buildings and all other structures and improvements, including the portions of the multiple unit buildings constituting a Towne Home, located in or on the Condominium Project and the owners thereof, against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions in such amount, and with such deductibles, as the Board of Governors shall in its sole discretion deem advisable, except as otherwise specifically provided herein, and in-

insurance against other risks of whatever character as the Board of Governors shall deem advisable, without prejudice to the right of any owner of a Towne Home to insure his individual Towne Home on his account and for his own benefit. All such blanket property insurance against risks of loss by fire or other hazards may be written in the name of, and the proceeds may be payable to, the Board of Governors or any person designated in the By-Laws as a Trustee for each owner of a Towne Home and his mortgagee, if any. As to the blanket property insurance on the multiple unit buildings, insurance coverage shall be carried in an amount equal to at least eighty per cent (80%) of the replacement cost of such multiple unit buildings, including both the common element portions thereof as well as the non-common element portions thereof which are a part of a Towne Home, the exact percentage of the replacement cost above 80%, if any, to be covered by insurance being at the sole discretion of the Board of Governors. The replacement cost of a multiple unit building shall be the sum of the replacement costs of each Towne Home located therein, which replacement cost shall be determined by the Board of Governors in its sole discretion; except initially the replacement cost of each Towne Home shall be the selling price by the Developers to the initial purchaser of such Towne Home. Each time the blanket property insurance on the multiple unit buildings is obtained or renewed, and at other times as may be necessary, the Board of Governors shall in their sole discretion re-evaluate the replacement cost of each Towne Home, and secure blanket property insurance on the multiple unit buildings based on such re-evaluation of the replacement costs. As to the blanket property insurance on the multiple unit building in which a particular Towne Home is located, the owner of such Towne Home shall pay as a common expense his pro rata part of the total cost thereof in the ratio that the replacement cost assigned to such Towne Home by the Board of Governors for the purpose of securing such insurance bears to the total replacement cost of all the Towne Homes in such multiple unit building; and each owner of a Towne Home and his mortgagee, if any, shall be beneficiary of such blanket property insurance in the proportion that the replacement cost that was assigned to such owner's Towne Home by the Board of Governors for the purpose of securing such insurance bears to the total replacement cost of all the Towne Homes in such multiple unit building covered by such insurance even though each owner need not be expressly named in the policy or policies of insurance as a beneficiary. The blanket property insurance on the multiple unit buildings may be contained in one policy or a plurality of policies depending on the availability thereof; provided that should it ever be necessary to obtain blanket property insurance on the multiple unit buildings in the form of separate insurance policies for each Towne Home, then in such event the cost attributable to each separate policy shall be paid by the owner of the Towne Home which each such policy covers.

As to the blanket property insurance covering the general common elements other than in the multiple unit buildings, each owner of a Towne Home shall pay his pro rata cost thereof as a common expense in proportion to his ownership in the general common elements as established by this Declaration; and each owner and his mortgagee, if any, of a Towne Home shall be beneficiary of such portion of the blanket property insurance in proportion to his ownership interest in the general common elements as established by this Declaration, even though each owner need not be expressly named in the policy or policies of insurance as an insured or beneficiary.

The proceeds from all blanket property insurance shall be held by the beneficiaries designated therein (which, as stated above, may be the Board of Governors or a Trustee) as part of the Common Fund and shall be used and paid out as hereinafter provided, consistent with the Texas Condominium Act. The Board of Governors shall furnish upon request a notice to the owner of a Towne Home regarding the policy limits of insurance coverage carried so that such an owner may increase personally the insurance on his Towne Home as desired.

F. Public Liability and Other Insurance. The Board of Governors have the

authority to and shall obtain comprehensive public liability insurance and such other types of insurance in such limits as it shall deem advisable insuring each owner of a Towne Home and the Council and its Board of Governors, and during the construction period the Developers, from and against liability for negligence and other reasons in connection with the general common elements. Each owner of a Towne Home shall pay his pro rata part of the cost of such insurance as a common expense in proportion to his ownership interest in the general common elements as established by this Declaration; and each owner of a Towne Home shall be a beneficiary of such insurance in proportion to his ownership interest in the general common elements as established by this Declaration, though each owner need not be expressly named in the policy or policies of insurance as an insured or beneficiary. All such public liability and other insurance may be written in the name of, and the proceeds may be payable to, the Board of Governors or any person designated in the By-Laws as Trustee for each owner of a Towne Home.

G. Individual Insurance. Each owner of a Towne Home shall be responsible at his own personal expense and cost for his own personal insurance on the portions of the multiple unit buildings which are not covered by blanket property insurance for all the owners as a part of the common expenses; and on the contents of his own Towne Home and his additions and improvements thereto, and decorations, furnishings and personal property therein, and his personal property stored elsewhere on the property; and his personal liability not covered by liability insurance for all the owners of Towne Homes as a part of the common expenses.

H. Repair or Reconstruction After Fire or Other Casualty: In the event of damage to or destruction of the multiple unit buildings as a result of fire or other casualty (unless two-thirds (2/3) or more of such buildings are destroyed or substantially damaged and all of the owners of Towne Homes do not duly and promptly resolve to proceed with repair or restoration), the Council shall arrange for the prompt repair and restoration of such buildings (including any damage to Towne Homes except furniture and other personal property owned by Towne Home owners individually) and the Council shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration of the multiple unit buildings in excess of the insurance proceeds shall constitute a common expense and the Council may assess all the Towne Home owners for such deficit as part of the common expenses.

If two-thirds or more of the multiple unit buildings shall be destroyed or substantially damaged, and if all the owners of the Towne Homes in the Condominium Project do not voluntarily, within ninety (90) days thereafter make provision for reconstruction and restoration to the original condition, the Council will forthwith record a notice setting forth such facts, and upon such recording of notice the Condominium Project shall be sold by the Council or its designated representative, as trustee free and clear of the interests of the owners of the Towne Homes and of the provisions contained in this Declaration, the plat and the By-Laws. The insurance settlement proceeds, and the proceeds from sale of the Condominium Project less expenses of the sale, shall thereupon be collected by such trustee and such combined proceeds shall be divided among the owners pro rata based on the replacement cost that was last assigned to each owner's Towne Home by the Board of Governors for the purpose for securing blanket property insurance on the multiple unit buildings as set forth in Paragraph E of this Article III, provided however that after each owner has received from such combined proceeds an amount equal to the portion of such blanket property insurance coverage, if any, that was attributable to such owner's Towne Home (replacement cost multiplied by percentage of coverage), then the remainder of the combined proceeds shall be divided among the owners in proportion to their respective shares in the general common elements; and upon such divisions such trustee shall hold the share of each owner in a separate trust account. From each separate account the trustee shall

use and disburse the total amount of each account toward the full payment of the following for and on behalf of the owner for whom each account is held:

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

For purposes of this Paragraph H the term "two-thirds or more of the multiple unit buildings" shall mean two-thirds of the total buildings to be constructed on the Property according to the plat whether or not they are actually constructed at the time of the damage or destruction. The determination of whether two-thirds or more of the buildings shall have been destroyed or substantially damaged by any fire or other disaster or casualty shall be conclusively made by the Council by action of the members of the Council.

IV ASSESSMENTS AND LIENS

A. Liability for Common Expenses. Each owner of a Towne Home shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements which is appurtenant to the Towne Home (except where a share of a common expense may be specifically set forth herein to be otherwise apportioned) to the extent that the same shall be assessed against the owners from time to time by the Council. The common expenses shall include, but not be limited to, all expenses incurred by the Council in performing its duties, obligations and services as authorized or required hereby or by the members of the Council, administrative expenses of the Council, all expenses or expenditures incurred by the Council for repair, replacement, construction, acquisition, maintenance or operation of common elements, reserves for proper Council purposes, costs of enforcing this Declaration, applicable By-Laws, rules and regulations or the rights of the Council or its members, professional fees, utilities, insurance and such other expenses as shall be authorized by the Council. The Council is authorized to collect from time to time as a part of the common expenses from the owners of Towne Homes an amount of money equal to the deductible amounts, if any, in the insurance policy or policies insuring the multiple unit buildings, and structures of the Condominium Project and the Council is authorized to enter into agreements with the mortgage companies who hold mortgages on individual Towne Homes with respect to the depositing of this fund and the use of such fund in case of damage to the Condominium Project. Each time a Towne Home is transferred, the Council shall be authorized to collect from the transferee of such Towne Home an initial payment in an amount as provided for in the By-Laws to the Common Fund, which initial payment shall become a part of the Common Fund and shall not be returnable upon sale of such Towne Home. Further, the initial purchaser of a Towne Home from the Developers shall pay into the Common Fund in advance thirteen (13) months of insurance payments for blanket insurance, and such shall not be returnable upon sale of such Towne Home.

B. Assessments. The Council shall have the power to assess the owners of the Towne Homes for their respective shares of common expenses, and otherwise as herein provided. No owner shall be exempt from contributing toward such common expenses by waiver of the use of enjoyment of the common elements, or by abandonment of the Towne Home belonging to him. The making and collection of assessments against owners for common expenses shall be subject to the By-Laws and to the

following provisions:

- (1) **Share of Common Expense.** Each owner of a Towne Home shall be liable for and shall pay a proportionate share of the common expenses to the extent that the same shall be assessed against the owners from time to time by the Council, and shall share in the Common Fund, if any, such shares being in proportion to such owner's required contributions thereto.
- (2) **Maintenance and Operation Expenses.** During any period of time in which not all of the multiple unit buildings are being maintained and operated by the Council (as, for example, when the maintenance and operation of a building are omitted pending reconstruction of such building after a casualty) the Board of Governors may reduce the assessments payable by owners of Towne Homes located in the buildings not then being maintained by the Council.
- (3) **Penalties; Application of Payments.** Assessments and installments thereon paid on or before 10 days after the date when due shall bear no penalty, but all sums paid more than 10 days after the date when due shall bear a ten per cent (10%) per month late charge until paid. All payments upon account shall be first applied to sums due under a penalty, if any, and then to the assessment payment first due.
- (4) **Attorney's Fees.** If the Council shall incur any legal expenses, including attorney's fees, to enforce any rights of the Council against an owner of a Towne Home, but not limited to collection of delinquent assessments, such owner shall be liable to the Council for such expenses and the Council may recover the same.
- (5) **Shutting Off Utilities.** The Board of Governors shall have the authority to shut off any or all utilities to a Towne Home when the owner thereof has failed to pay an assessment within ten days after the due date thereof and to thereafter keep such shut off until all past due assessments have been paid.

C. Lien for Assessments. The Council shall have a lien upon each Towne Home and the interests in the general common elements and Common Fund appurtenant thereto to secure the payment by the owner of such Towne Home of his proportionate share of all assessments required or permitted to be levied hereunder or by law, and any other sums which shall become due and owing from such owner to the Council and such assessments shall also secure all other expenses including reasonable attorney's fees, incurred by the Council incident to the collection of such assessments or enforcement of such lien.

D. Foreclosure of Liens. All liens for assessments made by the Council of Co-Owners, or by the Board of Governors when authorized to do so as aforesaid, shall be prior to other liens, except that such liens for said assessments shall be subordinate, secondary and inferior, and the same are hereby expressly made subordinate, secondary and inferior to (1) all liens for taxes or special assessments levied by the city, county, and state governments or any political subdivision or special district thereof, and (2) liens securing amounts due or to become due under any mortgage, vendor's lien or deed of trust filed for record prior to the date payment of such assessment for common expenses becomes due. The claim of the Council for assessments and the lien securing such claims shall be freely assignable. Such lien for assessments herein provided for may be foreclosed, without prejudice and subject to the aforesaid prior liens, by the holder thereof in the manner as either a vendor's lien, or as is provided for foreclosure of a contractual deed of trust lien on real property under Vernon's Annotated Civil Statutes of Texas, Art. 3810, or by judicial foreclosure. In case of foreclosure under Article 3810, of Vernon's Annotated Civil Statutes of Texas, the Council of Co-Owners may name a Trustee in writing filed for record in the Deed of Trust Records of the County in which the land is located, and upon such recording, such Trustee shall, at request of said Council give notice of sale and sell the Towne Home foreclosed to the highest bidder for cash at the courthouse door of said county at public venue and at the time as provided in said statute, it being understood that the recitations contained in the Trustee's deed shall be conclusively presumed true and

correct. No such foreclosure shall affect or impair any such prior liens. The Council in this Condominium Project, shall have power to bid in the Towne Home foreclosed at any foreclosure sale, crediting its bid, if successful, to the sums secured by its lien, and to acquire, hold, lease, mortgage and convey the same in behalf of the Council. The Purchaser acquiring title to such Towne Home at any such foreclosure sale, whoever he may be, and his successors and assigns, shall not be liable for the share of the unpaid common expenses or assessments by the Council chargeable to such Towne Home which became due prior to acquisition of such title at such foreclosure sale, but such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the owners of the Towne Homes in this Condominium Project, including such purchaser or acquirer, his successors and assigns, on a pro rata basis, to the extent not recovered from the proceeds of such foreclosure sale.

E. Status after Foreclosure. Upon the sale or conveyance of a Towne Home, including sales at foreclosure, all unpaid assessments against the selling owner for his pro rata share of the common expenses and charges shall be first paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature except the following:


- (1) Assessments, liens and charges in favor of state and any political subdivision thereof for taxes due and unpaid on the Towne Homes; and
- (2) Amounts under mortgage instruments duly recorded.

F. Certificate of Assessment and Reports. Any prospective purchaser or prospective encumbrancer of a Towne Home, upon written request being made, shall be entitled to a certificate from the Board of Governors as to the amount of unpaid common expenses or assessments, if any, of the subject Towne Home, and such prospective purchaser or encumbrancer of such Towne Home shall not be liable or subject to any lien for any unpaid assessment, should such person relying thereon become purchaser or encumbrancer, in excess of the amount set forth in said certificate for the period of time specified therein. If such request for a certificate is not complied with within twenty (20) days of such request, the prospective purchaser or prospective encumbrancer shall not be liable for, nor shall the subject Towne Home thereafter be subject to a lien for, any unpaid common expenses or assessments due prior to the date of such request if such person, relying thereon, becomes purchaser or encumbrancer. Further provided, any existing mortgagee of a Towne Home under a mortgage instrument duly recorded shall be entitled upon written request at least annually to a report regarding any unpaid assessments due from the owner of such Towne Home, but the failure of such report to recite any unpaid assessment shall not relieve the owner from liability therefor nor affect any lien therefor.

G. Common Fund. All funds collected by reason of assessments of the owners of Towne Homes, or otherwise received from such owners proportionately, and all funds received for the use and benefit of, or the account of, such owners (whether derived from insurance proceeds or other source) shall constitute the Common Fund and shall be held, administered and accounted for by the Council as trustee for the benefit of all of the owners of Towne Homes in the Condominium Project as set forth herein. The Common Fund is the property of the owners proportionately as set forth above and constitutes a part of the general common elements appurtenant to the Towne Homes of the Condominium Project. The Common Fund shall be administered and disbursed by the Council according to the terms of this Declaration and as determined by the Co-Owners from time to time. In addition to other uses authorized herein or by the members of Council, the Common Fund may be expended in payment of the common expenses and in reimbursement of the expense of the Council. The funds constituting a part of the Common Fund shall be held in a separate account or accounts in one or more depositories selected by the Council under the style Country Club Towne Homes Common Fund, or such other name as the Council shall select, it being expressly provided that all funds collected for insurance shall be held in an account separate from

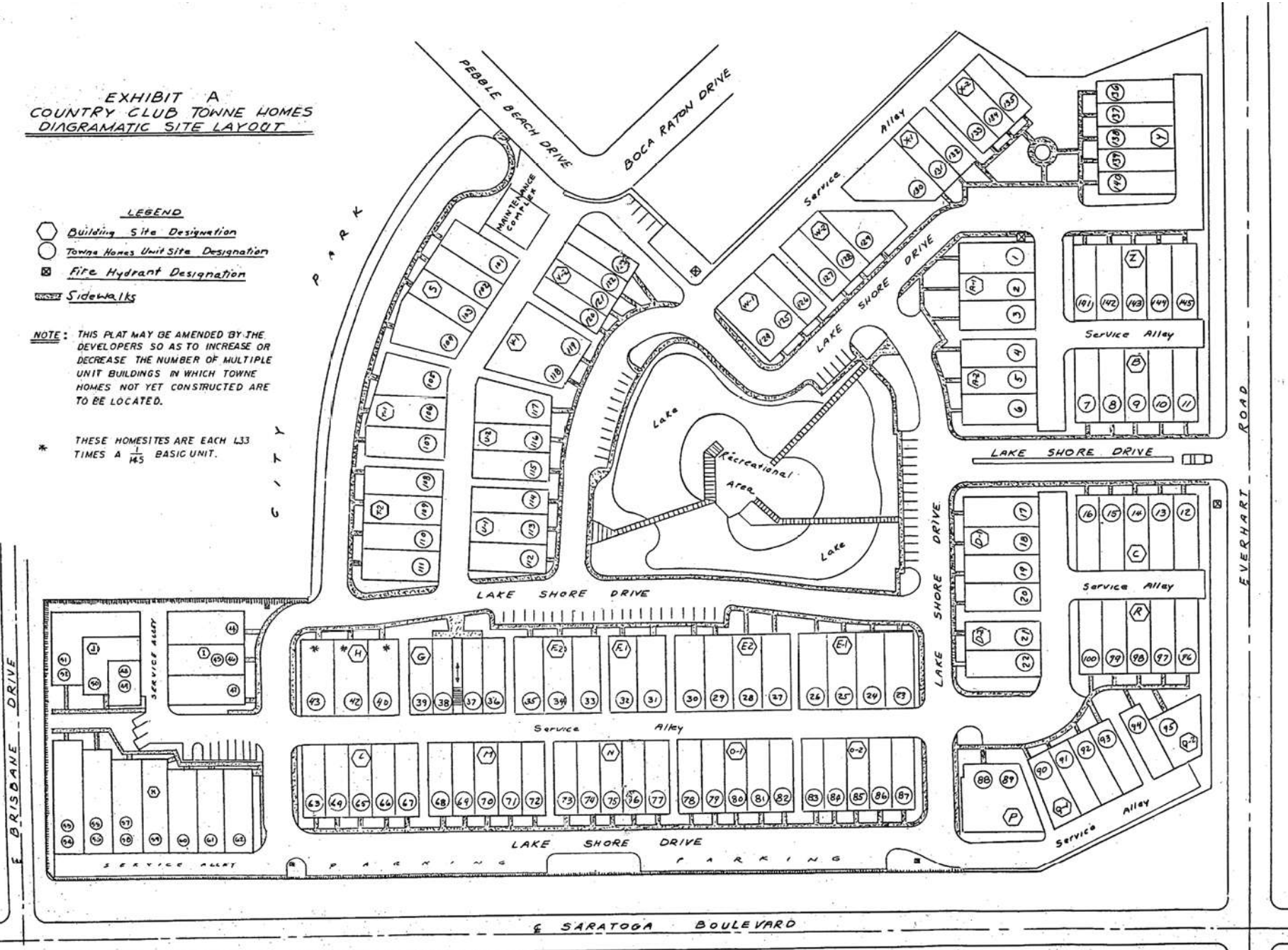
EXHIBIT A
COUNTRY CLUB TOWNE HOMES
DIAGRAMATIC SITE LAYOUT

LEGEND

-  Building Site Designation
-  Towne Homes Unit Site Designation
-  Fire Hydrant Designation
-  Sidewalks

NOTE: THIS PLAN MAY BE AMENDED BY THE DEVELOPERS SO AS TO INCREASE OR DECREASE THE NUMBER OF MULTIPLE UNIT BUILDINGS IN WHICH TOWNE HOMES NOT YET CONSTRUCTED ARE TO BE LOCATED.

* THESE HOMESITES ARE EACH L33 TIMES A $\frac{1}{145}$ BASIC UNIT.



other accounts and such funds collected for insurance shall be used solely for the payment of such insurance costs or premiums as same become due. If the condominium regime for the Condominium Project shall be terminated, and if the Council shall at such time own any assets in its own right (as distinguished from funds or property of the Co-Owners administered by the Council) in excess of its liabilities, then any such excess of assets shall be added to the Common Fund and administered as such.

V RESTRICTIONS

A. General Common Elements. The general common elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the Towne Homes.

B. Nuisances. No nuisances shall be allowed upon the Condominium Project, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No owner of a Towne Home shall permit any use of his Towne Home or make any use of the general common elements which will constitute a nuisance or annoyance to the residents of other Towne Homes.

C. Lawful Use. No immoral, improper, offensive or unlawful use shall be made of the Condominium Project nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Project shall be the same as the responsibility for the maintenance and repair of the property concerned.

D. Regulations. Reasonable regulations concerning the use of the Property may be made and amended from time to time by the Board of Governors of the Council, provided however that any such regulations which are a part of this Declaration or the By-Laws may not be changed without an amendment thereof.

E. Rental. Neither the respective Towne Homes nor any part thereof shall be rented by the owners thereof for transient or hotel purposes, which shall be defined as any rental for any period of less than thirty (30) days. Other than the foregoing limitation, the owners of the respective Towne Homes shall have the absolute right to lease or rent same or part thereof, furnished or unfurnished, provided that said lease is subject to all provisions and restrictions applicable to the Condominium Project.

F. Uses. Each residential unit (Towne Home) in the Condominium Project shall be used only as a single family dwelling unit, and none shall be altered, remodeled, subdivided or converted to be used as a multiple family dwelling or multiple family housing accommodation.

G. Non-Partition. The general common elements shall remain undivided and shall not be the object of any action for partition or division of the co-ownership so long as suitable for a condominium regime, and, in any event only with the consent of all mortgagees.

H. Shutting off Utilities. The Board of Governors shall have the authority to shut off any or all utilities to a Towne Home when the owner of such Towne Home is in violation of the provisions and restrictions of the Condominium Project.

VI MISCELLANEOUS

A. Amendments. Except as hereafter provided, this Declaration may be changed or amended only with the consent of the persons owning 85% of the general common elements of the Condominium Project and Property and with the written consent of all

mortgagees of the Towne Homes; provided however that the consent of all of such persons shall be required where required by law or when changing any provision of this Declaration which specifically requires consent of all such owners. Provided, the Developers may at any time amend this Declaration and the survey plat in order to more particularly describe, or to more particularly show the location of, each building or Towne Home. Further, at any time and from time to time during the construction period, but in no event for more than six (6) years from the date hereof, this Declaration may be amended from time to time by the Developers to increase or decrease the number of multiple unit buildings in which Towne Homes not yet constructed are to be located and/or to alter the numbering system or sequence of Towne Homes not yet constructed; provided that the Developers shall have no power to amend this Declaration to affect the placement of multiple unit buildings and Towne Homes therein which are already constructed at the time of any such amendment, nor shall the Developers have the right to alter the general overall location of streets, recreational areas, Towne Home sites and the like as shown in this Declaration as originally filed, nor to alter the number of Towne Homes (145) which are to be constructed.

B. Notices. Notices provided for in this Declaration or the By-Laws shall be in writing and shall be addressed to the Board of Governors at the address of the Board as such address may be established from time to time and in which each owner of a Towne Home shall be notified. Notices to the owners of Towne Homes shall be mailed or delivered to the mailing address of their respective Towne Homes or to such other address which any such owner may designate by notice thereof in writing to the Board.

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

D. Perpetuities. If any provision of this Declaration or By-Laws either existing or hereafter amended would otherwise violate the rule against perpetuities or any other rule, statute of law imposing time limits, and notwithstanding anything herein said, By-Laws to the contrary, then, and to such extent only, such provision shall be deemed to remain in effect only until twenty-one (21) years after the death of all of the descendants of Joseph P. Kennedy, (being the father of the late President John F. Kennedy) who are living on the date of execution of this Declaration.

E. Homes Occupying More than One Site.

(1) Notwithstanding anything in the Declaration to the contrary, although no more than the number of single family dwelling units (Towne Homes) indicated on the survey plat for a particular multiple unit building may be placed in such particular multiple unit building, the number of dwelling units (Towne Homes) placed in a particular multiple unit building may be less than the number of sites indicated on the survey plat for such particular multiple unit building. By way of illustration, if the survey plat indicates four sites for a particular multiple unit building, then such multiple unit building may contain not more than four single family dwelling units (Towne Homes) but can contain less than four such dwelling units, that is, one, two or three dwelling units (Towne Homes). In the event that a multiple unit building is to contain less dwelling units than indicated on the survey plat, then the total of the fractional interests in the general common elements that would otherwise be apportioned to the total of the dwelling units in the multiple unit building if constructed to contain the number of Towne Homes indicated on the survey plat (such being 1/145th times the number of Towne Home sites indicated on the survey plat for the multiple unit buildings) shall be allocated by the Developers among the single family units actually constructed in the multiple unit building; provided, no such single family dwelling unit (Towne Home) shall ever have less than an undivided 1/145th

interest in the general common elements. Further, where less such dwelling units are placed in a multiple unit building than indicated on the survey plat for the multiple unit building, the fractional interest in the general common elements assigned to each dwelling unit (Towne Home) does not have to be a whole integral multiple of 1/145th, although the total of the fractional interests of the dwelling units (Towne Homes) in a particular multiple unit building shall always be the same as such total would be if the number of dwelling units (Towne Homes) located in the multiple unit building were as indicated therefor on the survey plat.

(2) In instances where the number of single family dwelling units constructed in a particular multiple unit building is less than that indicated for the building on the survey plat, but where each dwelling unit occupies one site or a whole integral multiple (2, 3, etc.) number of sites, such that each dwelling unit (Towne Home) is to have appurtenant thereto a 1/145th, or a whole integral multiple thereof, interest in the general common elements, then no amendment hereof need be made by the Developers. In such instances the conveyance of a single family dwelling unit occupying more than one site may merely indicate that two or more Towne Homes are being conveyed (such two or more Towne Homes being designated and identified by those site numbers occupied by the dwelling unit as indicated on the survey plat), and indicate that such constitute one single family dwelling unit; and in each such instance there will be conveyed a 1/145th interest in and to the general common elements appurtenant to each Towne Home numeral indicated in the conveyance. For example, if four sites are indicated on the survey plat for a particular multiple unit building, and such multiple unit building is constructed to contain three single family dwellings, two of which are to be "regular" units entitled to a 1/145th interest in the general common elements each, and the third is a "double" unit entitled to 2/145ths fractional interest in the general common elements, then no amendment hereto would be necessary. And, in this latter example, the conveyance of the "double" unit would merely indicate conveyance of two adjacent "Towne Homes" as defined herein and as shown on the survey plat, together with a 1/145th undivided interest in the general common elements as to each such Towne Home, but would recite that such constitute or have been joined as one single family dwelling unit.

(3) Where the number of single family dwelling units constructed in a particular multiple unit building is less than the number of sites indicated on the survey plat, but two or more of the single family dwelling units are to be entitled to a whole site or sites plus a fractional part of a site, then the Developers shall file an amendment to this Declaration illustrating the arrangement of the dwelling units in the multiple unit building, and specifying the fractional interest in the general common elements to be appurtenant to each of the single family dwelling units (Towne Homes) to be located in the multiple unit building. Further, in such instances, it is intended that all of the Towne Home numerals indicated for the building on the survey plat to be utilized, such that at least one of the dwelling units is to be designated by two or more of the numerals. By way of example, if building "L", which is shown by the survey plat as to contain five Towne Homes numbered 63, 64, 65, 66 and 67, is constructed to contain only four dwelling units each of which is to have equal interest in the general common elements, an Amendment could be filed indicating that, for Building "L", that one dwelling unit was to be designated "Towne Home 63/64", one designated "Towne Home 65", one designated "Towne Home 66" and the other designated "Towne Home 67", but that the interest of each of the single family dwelling units (Towne Homes) in the general common elements would be 1.25/145ths. Upon conveyance by the Developer of each such dwelling unit, the undivided interest appurtenant thereto would also be specified in the conveyance and each such dwelling unit would be identified pursuant to the number(s) designated by the said Amendment that would be filed relating to Building "L".

(4) Where a single family dwelling unit is thus entitled to greater than a 1/145ths un-

divided interest in the general common elements, the Owner or Owners thereof shall be assessed proportionately greater, and shall have voting rights proportionately greater, than an Owner having a 1/145th interest in the general common elements. By way of example, a dwelling unit (Towne Home) having a 1.25/145th undivided interest in the general common elements will have one and one-fourth (1-1/4th) votes, and will pay, one and one-fourth (1-1/4th) times the amount assessed against the Towne Home having the regular 1/145th interest in the general common elements appurtenant thereto. All references herein to 145 Towne Homes shall thus not be construed to require 145 separate dwelling units.

F. Developers. The term "Developers" herein shall include any assignee who acquires a multiple unit building site for construction of such multiple unit building.

EXECUTED this 20th day of September, 1972.

ATTEST:

THE PEERMAN CORPORATION

/s/ Frank Peerman
Frank Peerman, Secretary

By /s/ Robert E. Peerman
Robert E. Peerman, President

ATTEST:

CROWN SERVICE CORPORATION

/s/ Stewart N. Rice
Stewart N. Rice, Secretary

By /s/ L.J. Tucker
L.J. Tucker, President

THE STATE OF TEXAS
COUNTY OF NUECES

BEFORE ME, the undersigned authority, on this day personally appeared ROBERT E. PEERMAN, 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 as the act and deed of THE PEERMAN CORPORATION, a corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office, this 21st day of September, 1972.

/s/ Norma Taylor
Notary Public in and for Nueces
County, Texas

THE STATE OF TEXAS
COUNTY OF NUECES

BEFORE ME, the undersigned authority, on this day personally appeared L.J. TUCKER, 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 as the act and deed of CROWN SERVICE CORPORATION, a corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 20th dy of September, 1972.

/s/ Virginia B. Findley
Notary Public in and for Nueces
County, Texas

**BY-LAWS OF
COUNTRY CLUB TOWNE HOMES
PROVISO**

Notwithstanding anything herein to the contrary, during the construction period of the Condominium Project (which shall exist until all the Towne Homes have been constructed by the Developers for sale), but in no event for more than six years from the date of the Declaration Establishing A Condominium Regime For Country Club Towne Homes, the Developers shall have all the rights, power and authority granted herein to the Council and the Board of Governors including, but not limited to, the fixing, enforcing and collecting of assessments; promulgating additional regulations under Section 5.4 of these By-Laws; hiring and firing of personnel who work in the Condominium Project; control of all maintenance including color selections, plant selections and the like; keeping of books and records; purchasing equipment, plants and supplies; determining the types and amounts of blanket insurance to be procured for the Condominium Project and securing same; and establishing regulations concerning use of the Property; but not including any right, power or authority to amend these By-Laws. Further provided that during the construction period the Developers may alter a Towne Home in any manner not in conflict herewith until such Towne Home is sold by the Developers, and may use one or more Towne Homes for general office, model, or other administrative, maintenance, storage, on-site shop, or sales purposes. Upon completion of a Towne Home it shall be assessed monthly in like manner as all other Towne Homes whether or not it has been sold by the Developers, except that no initial payment into the Common Fund shall be required of the Developers as provided in Section 4.3 of these By-Laws.

**EXHIBIT B
SECTION I. MEMBERS AND MEETINGS**

1.1 **Members.** Each person who is the sole or a joint owner and holder of record of the legal title to all or a portion of one or more Towne Homes in Country Club Towne Homes, a Condominium Project in accordance with and situated on the property described in that certain Declaration Establishing A Condominium Regime for Country Club Towne Homes, and filed for record in the Condominium Records of the County Clerk, Nueces County, Texas, shall for the duration of such ownership be a member of the Council of Co-Owners of Country Club Towne Homes; provided that any lien holder or mortgagee, and any holder of any mineral interests, right-of-way easement or similar interests, shall not, as such, be deemed to be the owner of record of the legal title of the subject property and shall not by reason of such interest become a member of the Council of Co-Owners.

1.2 **First and Annual Meetings.** The first meeting of the Council of Co-Owners shall be held on a date to be determined by the Developers of the Condominium Project within thirty (30) days after completion of construction of all improvements in the Condominium Project. At the second Tuesday of October following such first meeting, and annually thereafter, there shall be held an annual meeting of the Council of Co-Owners. At the first meeting and at all meetings except the first annual meeting, there shall be elected a Board of Governors in accordance with Section 2.5 of these By-Laws.

1.3 **Special Meetings.** It shall be the duty of the President to call a special meeting of the Council of Co-Owners as directed by resolution of the Board of Governors, or upon a petition signed by a majority of the owners having been presented to the Secretary. The notice of any special meeting shall be mailed to each member as hereinafter provided, and shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting which is not stated

in the notice.

1.4 **Notice.** It shall be the duty of the Secretary to mail a notice of each regular or special meeting stating the time and place thereof, and as to special meetings the purpose thereof, to each member at least ten (10) but not more than thirty (30) days prior to said meeting. Such notice shall be deemed to have been properly given if addressed to "Occupant" in care of the Townhouse Unit with respect to the ownership of which the member is entitled to vote.

1.5 **Voting Rights.** The owner or owners of each Towne Home, or his or their legally authorized representative or proxy, shall be entitled to cast one vote for each Towne Home unit or Towne Home site owned at all meetings of the Council of Co-Owners; provided that voting rights attributable to any Towne Home site which shall have been acquired by the Council of Co-Owners shall, while owned thereby, be exercised and voted as directed by the members owning a majority of the Towne Home sites represented and voting at such meeting.

1.6 **Quorum.** The members holding a majority of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at a meeting of the Council of Co-Owners, it being specifically provided that voting rights attributable to any Towne Home owned by the Council of Co-Owners shall be entitled to be represented for the purpose of determining a quorum. The vote of the members holding a majority of the votes entitled to be cast and thus represented at a meeting at which a quorum is present shall be the act of the meeting of the Council of Co-Owners unless the vote of a greater number is required by law, the Declaration, or these By-Laws.

SECTION 2. BOARD OF GOVERNORS

2.1 **Number.** The affairs of the Council of Co-Owners shall be governed by a Board of Governors (sometimes herein referred to as the Board) composed of five persons, all of whom must be owners of units in the Condominium.

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

2.3 **Specified Duties.** In addition to duties imposed by these By-Laws or by resolution of the Council of Co-Owners, the Board of Governors shall be responsible for the following:

- (a) Care, upkeep and surveillance of the Condominium and the common elements and facilities.
- (b) Assessing and collecting the monthly assessments from the owners and any special assessments authorized by the Council of Co-Owners.
- (c) Keeping a book with a detailed account of the receipts and expenditures affecting the project and its administration, specifying the maintenance and repair expenses on the common elements and any other expenses incurred by or in behalf of the project. Both the book and the vouchers accrediting the entries made thereon shall be available for examination by all the owners at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by an auditor outside of the organization.
- (d) Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium, the common elements and facilities. The Board of Governors shall also be responsible for designating and dismissing any security guards deemed necessary for the protection of the Condominium Project.
- (e) Without limiting the rights of any owner, action may be brought by the Board of Governors or other person designated by the By-Laws of the Council of Co-Owners, on behalf of two (2) or more of the Towne Home owners, as their respective interests may appear, with respect to any cause of action relating to the com-

mon elements of more than one (1) Towne Home or to enforce any of the provisions, covenants, restrictions, conditions or obligations set out in said Act, Declaration or these By-Laws, or to recover any sums or damages due.

2.4 **Management Agents.** The Board of Governors may employ for the Council of Co-Owners a management agent, at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 2.3 of these By-Laws.

2.5 **Terms.** At the first meeting of the Council of Co-Owners, the term of office of one member of the Board of Governors shall be fixed to expire one year from the first annual meeting. The term of office of two members shall be fixed at two years from the first annual meeting, and the term of office of two members shall be fixed at three years from the first annual meeting. At the expiration of the initial term of office of each respective member of the Board, his successor shall be elected to serve a term of three years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.

2.6 **Vacancies.** Vacancies in the Board of Governors caused by any reason other than the removal of a member by a vote of the Council of Co-Owners shall be filled by vote of the majority of the remaining members of the Board of Governors, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board of Governors until a successor is elected at the next meeting of the Council of Co-Owners.

2.7 **Removal.** At any regular or special meeting duly called, any one or more of the members of the Board of Governors may be removed with or without cause by majority of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board of Governors, whose removal has been proposed by the owners, shall be given an opportunity to be heard at the meeting.

2.8 **First Meeting.** The first meeting of the Board of Governors following the election of any new members thereto shall be held within 30 days of election at such place as shall be fixed by the members of said Board at the meeting at which said new members were elected, and no notice shall be necessary to the newly elected members in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

2.9 **Regular Meetings.** Regular meetings of the Board of Governors may be held at such time and place as shall be determined, from time to time, by a majority of its members, but at least twelve such meetings shall be held during each year. Notice of regular meetings of the Board shall be given to each member, personally, or by mail, telephone, or telegraph at least ten days prior to the day named for such meeting.

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

2.11 **Waiver of Notice.** Before, or at any meeting of the Board of Governors, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of said Board at any meeting of said Board shall be a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of said Board, no notice shall be required and any business may be transacted at such meeting.

2.12 **Quorum.** At all meetings of the Board of Governors three of the members shall constitute a quorum for the transaction of business, and the acts of a majority of the members present at a meeting at which a quorum is present shall be the acts of the Board of Governors. If at any meeting of the Board, there be less than a quorum present, the members present may adjourn the meeting from time to time. At any such ad-

journd meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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

SECTION 3. OFFICERS

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

3.2 **Election.** The officers of the Council of Co-Owners shall be elected annually by the Board of Governors at the organization meeting of each new Board, and shall hold office at the pleasure of the Board.

3.3 **Removal.** Upon an affirmative vote of a majority of the members of the Board of Governors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.

3.4 **President.** The president shall be the chief executive officer of the Council of Co-Owners. He shall preside at all meetings of the Council and of the Board of Governors. He shall have all of the general powers and duties, which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from the owners from time to time as he may decide is appropriate to assist in the conduct of the affairs of the Council of Co-Owners.

3.5 **Vice President.** The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Secretary shall act on an interim basis. The Vice-President shall also perform other duties as shall from time to time be imposed upon him by the Board of Governors.

3.6 **Secretary.** The Secretary shall keep the minutes of all meetings of the Council of Co-Owners and of the Board of Governors. He shall have charge of such books and papers as the Board may direct, and he shall, in general, perform all the duties incident to the office of Secretary.

3.7 **Treasurer.** The Treasurer shall have responsibility for the funds and securities belonging to the Council of Co-Owners, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council of Co-Owners. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Council of Co-Owners in such depositories as may from time to time be designated by the Board of Governors.

SECTION 4. ASSESSMENTS

4.1 **Assessments.** The Board of Governors shall have full power and authority to assess or charge the members of the Council of Co-Owners for funds required for the performance of its objects and purposes as set forth in the said Declaration. Each assessment shall be due and payable by each member at the time and in the manner set forth in the resolution fixing such assessment. In the absence of specific provision therefor in such resolution, each assessment shall be due and payable on or before ten (10) days from and after the date of the adoption of such assessment, and shall be payable in cash at the Bank designated as depository by the Board of Governors.

4.2 **Amount.** Assessments may be levied and assessed upon members of the Council of Co-Owners according to the said Declaration of Condominium of Country Club Towne Homes, filed for record in the records of the County Clerk of Nueces County, Texas. Where a single Towne Home shall be owned by more than one person, such

members shall not be assessed a sum in excess of the amount which a single individual member owning such Towne Home would have been assessed, for each Towne Home jointly owned by them.

4.3 **Initial Payment to Common Funds.** Each time a Towne Home is transferred, including the initial transfer from the Developers of the Condominium Project, the Board of Governors shall be authorized to assess and collect from the transferee of such Towne Home an initial payment of the then monthly assessment which shall become a part of the Common Fund and shall not be returnable upon sale of such Towne Home. Further, the initial purchaser of a Towne Home from the Developers shall pay into the Common Fund in advance thirteen (13) months of insurance payments for blanket insurance, and such shall not be returnable upon sale of such Towne Home.

4.4 **Charges for Use of Facilities.** The Board of Governors shall also fix and determine the charges, if any, to be made to members with respect to the use by such persons of various facilities, property and equipment maintained and operated by the Council of Co-Owners.

4.5 **Penalties.** Any assessment levied by the Board of Governors upon members of the Council of Co-Owners, which are paid on or before ten days after the date when due shall bear no penalty, but all sums not paid more than ten days after the date when due shall bear a ten percent (10%) per month late charge until paid. All payments upon account shall be first applied to sums due under a penalty and then to the assessment payments first due.

4.6 **Voting Rights Abated.** No membership which is delinquent in the payment of any assessment, charge, fee or other sum due in respect to such membership to the Council of Co-Owners, shall be entitled to be voted as a member of the Council of Co-Owners upon any matter, unless and until all such delinquent sums shall have been paid in full.

4.7 **Shutting Off Utilities.** The Board of Governors shall have the authority to shut off any or all utilities to a Towne Home when the owner thereof has failed to pay an assessment within ten days after the due date thereof and to thereafter keep such shut off until all past due assessments have been paid.

SECTION 5. RESTRICTIONS

5.1 **Nuisances.** No nuisances shall be allowed upon the Condominium Project, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate nor any fire hazard allowed to exist. No owner of a Towne Home shall permit any use of his Towne Home or make any use of the general common elements which will constitute a nuisance or annoyance to the residents of other Towne Homes.

5.2 **Lawful Use.** No immoral, improper, offensive or unlawful use shall be made of the Condominium Project nor any part thereof; and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. The responsibility of meeting the requirements of governmental bodies which require maintenance, modification or repair of the Condominium Project shall be the same as the responsibility for the maintenance and repair of the property concerned.

5.3 **Specific Regulations.** The following are specific regulations for the Condominium Project and are in addition to other regulations or restrictions which may be made by the Board of Governors covering the same or different activities under Section 5.4 hereof, and further, are not to be taken as limiting the scope of Sections 5.1 and 5.2 hereof;

insurance obtained pursuant to Section E and F of Article III of the Declaration may be written in the name of, and the proceeds may be payable to, as Trustees, the two individuals who from time to time serve as president of The Peerman Corporation and Crown Service Corporation (the Developers).

END OF BY-LAWS

(a) **Parking.** No truck, car, trailer, boat, motor home, motorcycle or other motor vehicle may be parked in a common area for more than twelve (12) hours, and if such are parked for more than twelve (12) hours they may be towed away at the expense of the owner thereof.

(b) **Pets.** There may be kept in each Towne Home no more than one (1) pet. Patio areas of Towne Homes in which pets are located must be kept free of odors due to soiling of such patio areas by such pets. Any pet which makes noise which disturbs any owner of a Towne Home in the Condominium Project will not be allowed to remain therein. All pets must be on a leash when in the common areas.

(c) **Signs.** No signs, advertisements, or posters of any kind in or on the buildings or other common areas of the Condominium Project shall be allowed except as authorized by the Board of Governors.

(d) **Loud Noises.** No combos, bands, musical instruments, radios, televisions, or other sound reproduction equipment shall be allowed which disturbs residents of the Condominium Project.

(e) **Hanging of Garments.** No garments, rugs, or other items shall be hung from the windows or other facades of the buildings, nor shall such items be dusted from the windows or by beating on exterior parts of the buildings.

(f) **Garbage.** No garbage or trash shall be allowed to accumulate anywhere except within the disposal installations provided for such purposes in the service areas. Residents must furnish adequate trash cans with lids and such trash cans must be covered at all times.

(g) **Installation of Exterior Equipment.** No wiring for electrical or telephone installation, television antennae, machines, air conditioning units, or similar appliances shall be allowed on the exterior of the buildings, or that protrude through the walls or roofs of the buildings, except as authorized by the Board of Governors.

5.4 **Additional Regulations.** The Board of Governors may make additional regulations and restrictions regarding use of recreational areas, lake, park and other common areas. Violations of such regulations and restrictions by any owner of a Towne Home or his guests will result in such owner's restriction from use of such common areas for a period of time to be determined by the Board of Governors.

5.5 **Enforcement of Restrictions and Regulations.** Any or all utilities to a Towne Home may be shut off by the Board of Governors if violation of a restriction or regulation for the Condominium Project continues.

SECTION 6. MISCELLANEOUS

6.1 **Amendments.** These By-Laws may be amended at any annual or special meeting of the Council of Co-Owners by a vote of the members holding a majority of the votes entitled to be cast and represented at a meeting at which a quorum is present, provided that no amendment inconsistent with the provisions of the Declaration shall be valid.

6.2 **Mortgagees.** An owner who mortgages his Towne Home shall notify the Council of Co-Owners through the management agent, if any, or the President of the Board of Governors in the event there is no management agent, the name and address of his Mortgagee, and the Council of Co-Owners shall maintain such information in a book kept for that specific purpose.

6.3 **Compliance.** These By-Laws are set forth to comply with the requirements of the Texas Condominium Act and the provisions of said Declaration, the latter being incorporated as a part hereof. In case these By-Laws conflict with the provisions of the said Act or said Declaration, it is hereby agreed and accepted that the provisions of the Act and said Declaration shall govern.

6.4 **Trustee for Insurance.** Blanket property insurance and public liability in-

JOINDER IN DECLARATION
ESTABLISHING A CONDOMINIUM REGIME FOR
COUNTRY CLUB TOWNE HOMES

THE STATE OF TEXAS
COUNTY OF NUECES

KNOW ALL MEN
BY THESE PRESENTS:

THAT Corpus Christi State National Bank, herein called "Mortgage Holder", is the owner and holder of liens and mortgages upon, among other property, the following property situated in Nueces County, Texas, to wit:

Lot Nineteen (19), Block Forty (40), Country Club Estates, Unit 9-A, as shown by plat recorded in Volume 38, pages 6 & 7, of Map Records of Nueces County, Texas, SAVE and EXCEPT all oil, gas and other minerals in and under said Lot 19, Block 40,

and Mortgage Holder hereby joins in making the foregoing Declaration Establishing a Condominium Regime for Country Club Towne Homes as mortgagee and lienholder only, and Mortgage Holder agrees that its liens and mortgages in and as far as such cover the above described property shall hereafter be upon the Towne Homes and their respective undivided interests in the general common elements of Country Club Towne Homes.

DATED this _____ day of _____, 1972

ATTEST:
CORPUS CHRISTI STATE
NATIONAL BANK

Cashier

BY _____

Its _____

THE STATE OF TEXAS
COUNTY OF NUECES

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

GIVEN under my hand and seal of office this _____ day of _____, 1972.

Notary Public in and for Nueces
County, Texas

EIGHTH AMENDMENT TO

DECLARATION ESTABLISHING A CONDOMINIUM REGIME FOR

COUNTRY CLUB TOWNE HOMES

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF NUECES §

WHEREAS, THE PEERMAN CORPORATION and CROWN SERVICE CORPORATION, as Developers, did execute and file in Volume 13, at Pages 243-285 of the Condominium Records of Nueces County, Texas, an instrument entitled "Declaration Establishing a Condominium Regime For Country Club Towne Homes" purporting to and for the purpose of establishing a condominium regime on the property described in said Declaration; and

WHEREAS, said Declaration was ratified as the act and deed of COUNTRY CLUB TOWNHOUSES, a Joint Venture by and between THE PEERMAN CORPORATION and CROWN SERVICE CORPORATION, in a Joinder filed of record in Volume 13, at Pages 601-602 of the Condominium Records of Nueces County, Texas; and

WHEREAS, said Declaration has been amended by Amendment filed of record in Volume 13, at Pages 984-989 of said Condominium Records of Nueces County, Texas, and by Second Amendment filed of record in Volume 18, at Pages 511-515 of said Condominium Records of Nueces County, Texas, and by a Third Amendment filed of record in Volume 18, at Page 839 of said Condominium Records of Nueces County, Texas, and by Fourth Amendment recorded in Volume 20, at Page 691 of said Condominium Records of Nueces County, Texas, as ratified by Mortgagees of record recorded as Clerk's File No. 295347 of the Real Property Records of Nueces County, Texas, and by Fifth Amendment effective November 22, 1982, recorded as Clerk's File No. 295349, Volume 21, Pages 222, of said Condominium Records of Nueces County, Texas, and by Sixth Amendment effective July 16, 1984, recorded as Clerk's File No. 389858, Volume 23, Page 500, Condominium Records, Nueces County, Texas, and by Seventh Amendment effective August 13, 1985, recorded as Clerk's File No. 482080, Volume 26, Page 228, Condominium Records, Nueces County, Texas, the original Declaration, and all Amendments thereto, being referred to as the "Declaration"; said Condominium Project being situated on the following described property:

Lot Nineteen-R (19-R), Block Forty (40), COUNTRY CLUB ESTATES UNIT 9-A, a Subdivision of the City of Corpus Christi, Texas, as shown by the map or plat thereof recorded in Volume 52, Pages 46 and 47, Map Records of Nueces County, Texas, to which reference is here made for all pertinent purposes.

WHEREAS, the owners of one hundred percent (100%) of the units and of the general common elements of the Condominium Project now desire to amend said Declaration, as previously amended, in accordance with Paragraphs A, E and F of Article VI thereof; and

WHEREAS, a meeting of all unit owners was called in accordance with the terms of the Declaration, Bylaws of the Country Club Towne Homes Council of Co-Owners, Inc. formerly known as Council of Co-Owners of Country Club Towne Homes, hereafter referred to as "Council of Co-Owners," and applicable state statutes, to be held at the park at the lake at Country Club Towne Homes, Corpus Christi, Texas, on August 13, 1985, at 7:30 p.m., in accordance with a notice sent to all unit owners and First Lien mortgagees; and

WHEREAS, present and voting, in person or by proxy, at such meeting were the owners of record title of not less than eighty-five percent (85%) of all units subject to such Declaration; and

WHEREAS, the owners of record title of one hundred percent (100%) of all units subject to such Declaration have ratified and approved the matters set forth herein; and

WHEREAS, the First Lien Mortgagees holding mortgages on units having one hundred percent (100%) of the votes of units subject to mortgages have ratified and approved the matters set forth herein; and

WHEREAS, the owners of record title of one hundred percent (100%) of all units subject to such Declaration have authorized the Board of Governors or a representative of the Board of Governors of the Council of Co-Owners to execute this Amendment on their behalf.

NOW, THEREFORE, said Declaration, in accordance with its original and amended terms, provisions and conditions, is hereby amended as follows:

I.

Paragraph D of Article I of the Declaration entitled "Development Plans" is hereby amended, and the condominium regime is hereby changed, so that the Condominium Project will be developed to have thirty-seven (37) multiple unit buildings as shown on the Diagramatic Site Layout dated June 13, 1986 attached hereto as Exhibit "A", and such Diagramatic Site Layout is hereby substituted for and replaces all prior such Layouts previously attached to and a part of the Declaration. Accordingly, all references in the Declaration to Towne Homes shall hereafter refer to the Towne Homes in 37 multiple unit Buildings designated on the Diagramatic Site Layout attached hereto as Exhibit "A" as Buildings A-1, A-2, B, C, D-1, D-2, E-1, E-2, F-1, F-2, G, H, I, J, K, L, M, N, O-1, O-2, P, Q-1, Q-2, R, S, T-1, T-2, U-1, U-2, V-1, V-2, W-1, W-2, X-1, X-2, Y and Z. The arabic numbers utilized to designate each Towne Home (some Towne Homes being designated with a double number even though such constitutes only a single residential unit) are also listed on Exhibit "B" hereto, with the Building in which each Towne Home is located also being shown on Exhibit "B" hereto. Where a double number such as "41/42" is used to designate a Towne Home, such constitutes a single residential unit.

The Diagramatic Site Layout attached hereto involves, among other things, the revision of the configuration of Building J-1, J-2 and K and reallocation of various units among such Buildings.

II.

Paragraph H of Article I of the Declaration entitled "Fractional Ownership of General Common Elements" is hereby amended such that hereafter the fractional interest of each Towne Home in the general common elements is the percentage interest set forth opposite each Towne Home on Exhibit "B" to this Eighth Amendment. Such percentage interest set forth in Exhibit "B" shall thus also hereafter be the percentage of common expenses to be borne by each Towne Home.

III.

Paragraph C of Article II of the Declaration entitled "Membership And Voting Rights" is hereby amended to provide that each Towne Home, or the owner or owners thereof, shall be entitled to one vote at all meetings of the Council for each .00001 percentage interest in the common elements appurtenant to such Towne Home, as shown in Exhibit "B" hereto, such that there will be a total of 10,000,000 votes entitled to be cast at a Council meeting.

EXECUTED this 8th day of August, 1986.

COUNTRY CLUB TOWNE HOMES
COUNCIL OF CO-OWNERS, INC.

STATE OF TEXAS §
 §
COUNTY OF NUECES §

By: Edgar Hurst
Edgar Hurst, President

This instrument was acknowledged before me on Aug 19, 1986 by EDGAR HURST, the President of COUNTRY CLUB TOWNE HOMES COUNCIL OF CO-OWNERS, INC., a Texas corporation, on behalf of said corporation.



Habita Bowman
Notary Public, State of Texas
Habita Bowman
(typed or printed name)
My commission expires: 7-30-90

EXHIBIT "B" TO
EIGHTH AMENDMENT TO
COUNTRY CLUB TOWNE HOMES DECLARATION

<u>TOWNE HOME NUMBER</u>	<u>BUILDING</u>	<u>PERCENTAGE</u>	<u>TOWNE HOME NUMBER</u>	<u>BUILDING</u>	<u>PERCENTAGE</u>
			32	F-1	.70422
1	A-1	.70422	33	F-2	.70422
2	A-1	.70422	34	F-2	.70422
3	A-1	.70422	35	F-2	.70422
4	A-2	.70422	36	G	.70422
5	A-2	.70422	37	G	.70422
6	A-2	.70422	38	G	.70422
7	B	.70422	39	G	.70422
8	B	.70422	40	H	.93897
9	B	.70422	41/42	H	.93897
10	B	.70422	43	H	.93898
11	B	.70422	44	I	.93898
12	C	.70422	45/46	I	.93897
13	C	.70422	47	I	.93897
14	C	.70422	48/49	J	.73944
15	C	.70422	50	J	.84507
16	C	.70422	51/52	J	.88029
17	D-1	.70422	53/54	K	.91551
18	D-1	.70422	55/56	K	.88029
19	D-1	.70422	57/58	K	.88029
20	D-1	.70422	59	K	.88029
21	D-2	.70422	60	K	.84507
22	D-2	.70422	61	K	.84507
23	E-1	.70422	62	K	.73944
24	E-1	.70422	63	L	.88029
25	E-1	.70422	64/65	L	.88029
26	E-1	.70422	66	L	.88029
27	E-2	.70422	67	L	.88029
28	E-2	.70422	68	M	.88029
29	E-2	.70422	69	M	.88029
30	E-2	.70422	70/71	M	.88029
31	F-1	.70422	72	M	.88029
			73	N	.70422
			74	N	.70422

<u>TOWNE HOME NUMBER</u>	<u>BUILDING</u>	<u>PERCENTAGE</u>	<u>TOWNE HOME NUMBER</u>	<u>BUILDING</u>	<u>PERCENTAGE</u>
75	N	.70422	111	T-2	.70423
76	N	.70422	112	U-1	.70423
77	N	.70422	113	U-1	.70423
78	O-1	.70422	114	U-1	.70423
79	O-1	.70422	115	U-2	.70423
80	O-1	.70422	116	U-2	.70423
81	O-1	.70422	117	U-2	.70423
82	Q-1	.70422	118/119	V-1	1.40846
83	O-2	.70422	120	V-2	.70423
84	O-2	.70422	121	V-2	.70423
85	O-2	.70422	122	V-2	.70423
86	O-2	.70422	123	V-2	.70423
87	O-2	.70422	124/125	W-1	1.40846
88/89	P	1.40846	126	W-1	.70423
90	Q-1	.70422	127	W-2	.70423
91	Q-1	.70422	128	W-2	.70423
92	Q-1	.70422	129	W-2	.70423
93	Q-1	.70422	130	X-1	.70423
94	Q-2	.70422	131	X-1	.70423
95	Q-2	.70422	132	X-1	.70423
96	R	.70422	133	X-2	.70423
97	R	.70422	134	X-2	.70423
98	R	.70422	135	X-2	.70423
99	R	.70422	136	Y	.70423
100	R	.70422	137	Y	.70423
101	S	.70422	138	Y	.70423
102	S	.70422	139	Y	.70423
103	S	.70422	140	Y	.70423
104	S	.70423	141	Z	.70423
105	T-1	.70423	142	Z	.70423
106	T-1	.70423	143	Z	.70423
107	T-1	.70423	144	Z	.70423
108	T-2	.70423	145	Z	.70423
109	T-2	.70423			
110	T-2	.70423			
				TOTAL	100.00000