

***WELCOME TO
THE GULFSTREAM***

The GULFSTREAM Condominium Association
Owner's Manual

Revised 8-26-2014

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WELCOME TO THE GULFSTREAM

The Gulfstream Council of Co-Owners welcomes you as an owner to one of the best condominium properties on the Gulf of Mexico. This owner's manual provides an overview of the operation of this facility, explains the management structure and daily operational procedures, and identifies the benefits and responsibilities of owners. We want to make your ownership as pleasant as possible for owners, their guests, and those who rent an owner's condominium if you join the Rental Pool operation. Please note that every effort has been made to accurately reflect the Legal Documents and Board Actions found in the Appendix which are binding and supersede any interpretation of the information found in this Owner's Manual.

The Gulfstream has 132 units and consists of four main residential buildings and one commonly held unit. The buildings are identified as North (A) consisting of units one through four, Gulf-Front (B) consisting of units five through eleven, Gulf-Front (C) consisting of units twelve through eighteen, and Gulf-View (D) consisting of units nineteen through twenty-two. Housekeeping and maintenance personnel are on-site to protect your investment and provide a beautiful, safe, well-maintained, gulf-front property. Here, you have the opportunity to walk the beach; swim or fish in the gulf; enjoy a dip in the pool in our wonderful, tropical-garden courtyard; relax in the hot tub; watch beautiful, colorful gulf sunrises and bay view sunsets; play golf or tennis; shop in local stores and national chains; dine in a variety of restaurants; or just lay back and relax.

THE GULFSTREAM:

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Corpus Christi, Texas 78418
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Organization, Governance and Management of Gulfstream

STYLE OF OWNERSHIP

Condominium owner are automatically a members of the Gulfstream Council of Co-Owners and are required to pay assessments, maintain those areas of your condo for which you are responsible and abide by the requirements set forth in The Gulfstream Condominium's governing documents.

Upon purchase of a Gulfstream condominium, new owners are given this booklet, which includes an overview of our organization and management, common amenities, and information regarding participation in the Rental Operation. The Gulfstream Owner's Manual is also available on our web site at www.gulfstreamcondos.com.

The Gulfstream Council of Co-Owners Association is a mandatory, non-stock, non-profit corporation that provides for the preservation of our economic values and for the maintenance, improvement, preservation and administration of the common facilities. The association is governed by a Board of Directors, elected by the owners, and operates under the legal documents, which established the association.

The major responsibility of the association is to protect the investment and enhance the value of the property owned by the members. The association is empowered to oversee the duties and obligations of the community; to fix, levy, collect and enforce payment by any lawful means, all charges and assessments and to take care of all maintenance and repairs to the common facilities.

Enforcement remedies are granted to the association by governing legal documents. Generally, the general staff or General Manager during an inspection of the community cites violations. Letters are sent informing residents of violations and asking their cooperation in correcting the problems. If a violation is not corrected within the time frame specified, the association may hire someone to correct the violation and charge the property owner with the costs incurred or the association may hire an attorney and file suit against the property owner. The Board of Directors has the responsibility and the duty to enforce the deed restrictions.

The assessment for the community is set on an annual basis. The Board of Directors based on operating history and an evaluation of the needs develops a budget annually.

THE BOARD OF DIRECTORS

The Board supports the concept of a two-tier management staffing. It provides for owner usage and the capability of rental of owner condominiums as specified in the Gulfstream Rental Agreement and Rental Operating Procedures.

The Board of Directors governs all the affairs of the Gulfstream and is elected by the members of the association. Board members are volunteers, serving for three years without compensation and may serve two consecutive terms. The Board of Directors meets approximately nine times yearly. Meetings are open to owners to observe Board proceedings. The next meeting date is printed on each monthly statement to the owners or may be obtained from the general manager or the managing agent.

The Board of Directors is empowered and directed to:

1. Approve the annual budget for the association.
2. Establish the rates of assessments.
3. Collect all assessments due the association.
4. Provide for necessary operational personnel.
5. Make and amend the community rules.
6. Enforce all provisions of the governing documents.
7. Provide for insurance for the common areas.
8. Keep detailed association accounting records.
9. Provide for care and upkeep of the common area.
10. Do all acts necessary for the association's administration.

The Board of Directors is responsible for the maintenance of all common areas and any amenities located within the community of the Gulfstream. Owners are encouraged to run for election to the Board of Directors and be active participants in the management of our community. Being a member of the Board of Directors is a substantial responsibility. It is important that they have the support and cooperation of owners for the benefit of everyone in the Gulfstream community.

GENERAL MANAGER/MANAGING AGENT

The Board hires the general manager for implementation of procedures necessary for the day-to-day operation of the office staff, housekeeping staff, and maintenance staff. The general manager hires and directs the required staff for efficient operation of the office, housekeeping and maintenance operations. The staff provides competent and efficient service to the Gulfstream owners, their guests and to condominium renters.

General Manager/Managing Agent is responsible for:

Financial Oversight:

1. Maintaining the financial records of the Gulfstream association.
2. Approving and coding invoices for payment.
3. Accepting and depositing maintenance fee and rental income.
4. Billing and receiving all owner assessments.
5. Distribution of rental income to rental operation participants.
6. Preparation of association financial statements.
7. Payroll administration including health insurance and the retirement program.
8. Reporting to the Board monthly on the financial and operational affairs of the property.

9. Preparing the budget and business plan for Board approval.
10. Development and implementation of policy and procedures for operation of the property.

Common Area Oversight:

1. Supervision of common area repairs and maintenance.
2. Accepting and administrating requests for maintenance.
3. Administration of common area insurance.
4. Responding to all administrative inquiries.
5. Staffing and supervising the property with qualified individuals in maintenance, housekeeping, front desk and site-management.
6. Oversees Capital Improvements or Capital Repairs.

Rental Pool Operation Oversight:

1. Administration of an advertising program within the approved budget for the Rental Operation.
2. Reservation administration for condominiums in rental operation.
3. Directing daily maintenance to rental units.

The general manager periodically inspects all condominiums for common safety requirements, for general operational condition, and rental unit furnishing conditions required by the rental agreement. The general manager meets with and provides the Board with an on-site management report at each Board of Directors meeting.

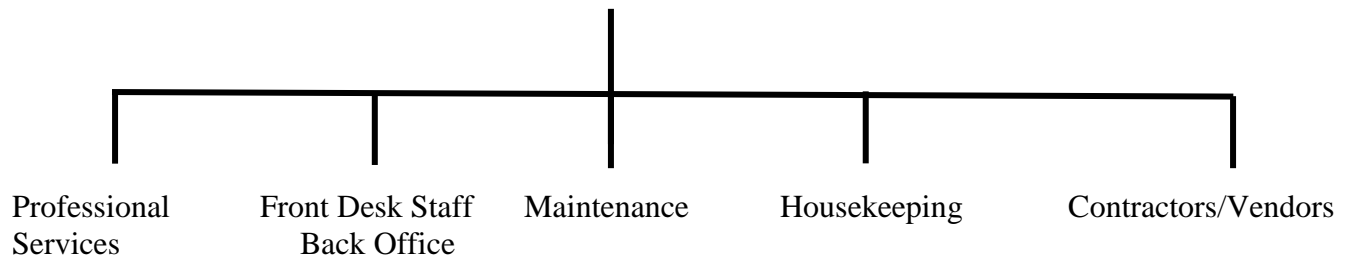
THE MANAGEMENT ORGANIZATION CHART

BOARD OF DIRECTORS

(Elected by the Owners)

GENERAL MANAGER/MANAGING AGENT

(Hired by the Board of Directors)



GENERAL MANAGER/MANAGING AGENT:

Leticia Mende

BACK OFFICE ASSISTANTS:

Jessica Pezzi
Kayla Schneider

FRONT DESK SUPERVISORS

Tiffany Hoffman-Day Supervisor
Andy Gutierrez-Night Supervisor

HOUSEKEEPING SUPERVISORS

Alma Balarin-Head Housekeeper
Janie Chavez-Assistant Housekeeper
Rita Popham-Assistant Housekeeper

MAINTENANCE SUPERVISORS

Wesley Barta-Head Supervisor
Robert Balarin-Assistant Supervisor

Updated 6/27/2015

ANNUAL MEETING

The annual owner's meeting is held each year on the third Saturday of October. All owners are invited and encouraged to attend the Annual Meeting. During this meeting three owners are elected to fill expiring terms of the nine-member Board of Directors (the Board). The Board hires an independent CPA for an annual review of all financial procedures and activities. This accountant reports to the owners at the October annual meeting regarding the preceding fiscal year that ends May 31. The Board reports the "State of the Gulfstream" at the annual meeting with financial reports and reports of operational status.

ASSESSMENTS

General assessments are controlled by the Declaration and by the Board of Directors and can be adjusted as needed by the Board of Directors. The assessments are projected to provide sufficient funds for the day-to-day operation of the community, as well as reserves for making future capital improvements without the need for special assessments. All owners are required to pay Monthly Assessments to the association that covers ongoing operational and maintenance costs common to all owners. The Board sets the monthly assessment rate. The general manager mails these statements, payable in 30 days, directly to each owner every month. Owners have the option to elect automatic withdrawals for ease of payment.

The association can operate only if assessments are paid when due and must have the power to collect all assessments to properly maintain and administer the community. Should an owner not pay in a timely manner, the association will collect interest on the outstanding balance; and may cause a lien to be filed against the owner's property; file suit against the owner; or sell the owner's property in a foreclosure proceeding.

The Board will set Special Assessments for capital improvements or capital repairs as needed to maintain the condominium and your investment. Questions regarding charges should be directed to the general manager or the accounting staff. Please include any supporting documentation that may be helpful.

COMMUNICATION

The Gulfstream website at www.gulfstreamcondos.com provides general information and useful tools for owners. The general manager produces newsletters for the Gulfstream that is mailed quarterly with owner statements. This newsletter focuses on current issues of interest within the association and Board actions in order to keep owners informed.

Organization and Amenities

REGISTRATION

All guests, whether owners or renters, must notify the front desk prior to arrival. The name and number of persons occupying a unit must be provided to the front desk whether as an owner, renter, or guest of owner. For owners not in the rental operation, a key, good for 30 days can be issued but for security purposes they will still have to check in with the front desk. There is a \$5.00 charge for lost keys to a unit and \$25.00 for 1st floor patio keys.

Requests for usage of units by owners or owner's guests must be made 60 to 90 days prior to the arrival date if in the rental pool. All requests will not be valid until confirmation is received.

All guests, including owners must register their vehicle with the front office. Vehicles not registered are subject to towing at the vehicle owner's expense.

AMMENITIES

Gas grills are located on each side of the courtyard. Gas grills are usually lit during weekends and during the summer season. At other times, please call the desk to request one be lit for you. Personal barbeque grills are prohibited at the Gulfstream. Irons and ironing boards are available and there is a laundry facility on site, to the left of the office.

A **conference/party room** is available for use by owners for private parties not exceeding 34 people until 11:00 p.m. The room may be reserved at the front desk. If the room is not left clean, a minimal fee of \$50.00 will be charged to the owner. Any damage to the room will be billed a minimum charge of \$250.00.

Laundry facilities are located to the left of the office. Coin operated machines are available for guest use. An iron and ironing board can be requested from the office.

A **pool and hot tub** is available in the courtyard for owners and guests. It is the responsibility of each owner to inform their guests of all the rules, regulations and all posted rules and notices. Please abide by the following guidelines in the pool area.

- The pool opens at 10:00 am and closes at 11:00 pm.
- All posted pool rules must be obeyed.
- There is no lifeguard on duty
- Children are to be accompanied by an adult at all times.
- No diving allowed in the pool at any time.
- No glass containers are allowed any place in the courtyard or pool area.
- The Hot tub is for adults only.

- Lounge chairs in the pool area are not to be removed. If guest are not present in the pool area, items on lounge chairs may be removed and placed in the lost and found area.
- Pool towels are available in the Laundry, to the left of the Office area. Towels must be signed for and returned, if towels are not returned a fee of \$15.00 will be charged.

PETS

Pets are the responsibility of the Owner. Pets are NOT allowed in the courtyard/pool, office or common areas and must be kept on a leash. Owners must clean up pet “droppings” at all times. Violation of this expectation will result in a \$250.00 fee per occurrence and will be charged to the owner. Owners who participate in the rental operation, whose pets reside during the use of their unit, could be charged a \$150 deep clean per stay and the unit could be blocked to allow time to treat unit. Shampoo and pest control fees may be charged; cost will be based on contractor price.

EXPECTATIONS FOR CONDUCT

Quiet hours are between 11:00 p.m. and 7:00 a.m. in the courtyard, and pool/hot tub areas, as well as in units if it could disturb others. Any loss or damage to a unit or the common grounds by an owner or owner’s guest shall be at the expense of the owner.

No malicious, obnoxious, rude, loud or abusive behavior to staff or guests is allowed. A parent must supervise children at all times. Please do not permit your children to play in or near the elevators. An owner must accompany visitors under the age of 25. Please do not feed the seagulls.

Please do not allow skateboard, roller blades, scooters, water balloons or other toys that may be dangerous to others or that could result in injury or damages inside the walkways, landings, courtyard, pool area and parking area. This could be considered a violation of the rules and regulations and will be fined.

No alcoholic beverages are to be consumed by minors. No illegal substances allowed. Violators will be asked to return to their unit at the discretion of the manger/staff in charge and a fee of \$100.00 will be charged for the violation. If the unit is in the Rental Pool, the unit will be excluded from taking part in the Rental Pool for a period of three (3) months.

SECURITY

Safety of personal and property protection is always important; therefore the association contracts with a local security company, 7 days a week from 11 p.m. to 7 a.m. and at other times as deemed necessary by the Board of Directors or General Manager. Owners are encouraged to get to know neighbors and to help assure safe operation. Please report any suspicious persons or activities to the office to the local police department.

ELECTRICAL USAGE

AEP is the delivery company for electricity but each owner is responsible for choosing their own electrical provider and will be billed individually for electrical usage within their condominium. To find local providers please go on-line to www.powertochoose.org.

INSURANCE

The Gulfstream Co-Owner's Association purchases insurance for the common areas for coverage on property, liability, windstorm, crime, machinery, flood, directors and officers, umbrella liability, and buy-back deductible. It is important that an owner secure insurance for personal property and any improvements to their condominium and potential damage to other owners' property. (See Appendix C- Maintenance Responsibilities of Individual Owners as Distinguished from the Maintenance of the Council of Co-Owners)

GENERAL MAINTENANCE

Gulfstream provides general maintenance as a service to owners. If the job requires no more than fifteen minutes of a maintenance man's time and if required parts cost Gulfstream no more than five dollars, then no charge will be made to the owner, with the exception of light bulbs. If the job requires more than fifteen minutes or the required parts cost Gulfstream more than five dollars, then the owner will be charged on a cost basis for labor beyond fifteen minutes and parts costing more than five dollars. If the job is beyond the capability of available Gulfstream maintenance personnel, because of the time required or the complexity of the repair job, then Gulfstream staff will notify the owner and outside professional or technical help will be called in at the owner's request and at the owner's expense. If you have a question as to the coverage of repairs in your condominium, please refer to the document *Maintenance Responsibilities of Individual Owners as Distinguished from the Maintenance Responsibilities of the council of Co-Owners* included in Appendix C.

REMODELING REMINDER

After moving, remodeling, or construction of any kind owners are responsible for ensuring that their contractors finish the construction job and that they clean up after themselves. All debris is the responsibility of the owner/contractor. Debris is not to be deposited into dumpsters, which includes elevator trashcans. Violators will be fined the cost to remove it without management approval. Maintenance and/or the housekeeping staff are not responsible for this type of service and will not provide service.

Rental Operations

RENTAL AGENT

All condominium rentals must be handled through the Gulfstream Condominium Co-Owner's Association. For a unit in the Rental Operation, Gulfstream supplies and maintains kitchen equipment and linens (outlined below) as part of the rental operation. In order to comply with the rental standards, a unit entering the rental pool will incur an initial charge of \$1,200. For a list of housekeeping fees see page 61.

Outside rentals are prohibited and units may not be rented, except through the Rental Program or by the Owner directly. In the event of a violation of the prohibition, the Board of Directors may impose a fine against the owner not to exceed \$100 for each day or portion of a day when the unit of is occupied in violation of this policy. Before any such fine may be levied the Board shall give to the unit owner a written notice that: (1) describes the violation and states the amount of the proposed fine; and (2) states that not later than the 30th day after the date of the notice, the unit owner may request a hearing before the Board to contest the fine. If the owner, within 30 days, requests a hearing, the Board shall schedule a hearing; give the owner no less than 10 days written notice of the hearing date, place and time, and at the hearing give the owner a reasonable opportunity to be heard.

Should there be an occurrence of rentals in violation of the Outside Rental prohibition the owner shall be subject to a fee of \$ 10.00 per day for a long-term rental (30 days or more continuous occupancy) and \$25.00 per day for a short-term rental (a rental of less than 30 days continuous occupancy). The assessed fee must be paid and is not in lieu of other remedies of the Association.

STANDARDS FOR INTERIOR UNITS

Standards for Gulfstream interiors are to promote a family friendly resort beach experience for owners and their guests by adhering to a set of interior standards consistent with a four-star resort condominium rating. The recommended interior decoration is to be a coastal (seashore) theme. Furniture is to be comfortable, durable, in good condition, and coordinated to the decor. The quality of the furnishings must be at least equal to those expected in hotels and motels of equivalent standards. Substandard quality or quantity will be reason for removal of an apartment from the rental operation. Furniture designed for outdoor use is not acceptable for indoor décor use as tables and chairs. Lamps are to be in good working order and condition. Television stands to be sturdy and large enough for TV's. Paint and wall decorations to be in good condition and coordinated with the furniture and recommended coastal décor. Light color paint is recommended. Flooring should be in excellent condition, tile floor with removable area rugs are recommended.

FURNISHINGS AND EQUIPMENT FOR RENTAL OPERATION PARTICIPATION

Units participating in the Rental Operation are asked to comply with the Standards for Gulfstream interiors designed to promote a family friendly resort beach experience for owners and their guests. Owners are responsible for the initial equipping and furnishing of the condo, at owner expense. Condo interiors should reflect the quality standard of furnishings equal to those in first class hotel or motel properties of equal standard and comparable rental rates.

It is the owner's responsibility to maintain these furnishings in an excellent state of repair. Owners will be notified of furniture and equipment damage or shortages. Replacement or repairs must be made within 15 days after written notification or the apartment will be dropped from the rental until the deficiencies are corrected. With the owners' written authorization the general manager will have repairs made and charge the cost to the owner's account.

Unfortunately, occasional breakage or disappearance of articles occurs, thought to be attributable to rental occupants. Beach tar and other furniture or fabric stains are usually accidental and occasionally unavoidable; they are considered normal rental wear and tear are an owner's responsibility. When such is known and without doubt, malicious or flagrant, as opposed to unavoidable or accidental and the circumstances warrant, every effort will be made to collect damages from the individual causing such. If restitution proves to be uncollectible, the owner must assume the cost. Should there be a difference of opinion between management and the owner regarding damages or circumstances, the difference may be brought before the Board of Directors for arbitration and their decision shall be considered final. For a list of required items for rental participants see page 55.

Appendix of Legal Documents and Board Actions

In Chronological Order

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Appendix A

DECLARATION OF CONDOMINIUM OF GULFSTREAM OF PADRE ISLAND, TEXAS

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

Lots 2, 3, 4 and 5, Block 45, Padre Island-Corpus Christi, Section A, a subdivision in Nueces County, Texas, which subdivision is shown by map recorded in volume 33, at pages 97, 98 and 99 of the Map Records of Nueces County, Texas.

Definitions and Description of Project

1.1 Name. The property shall have the name "Gulfstream".

1.2 Definitions:

Bylaws- All references to bylaws herein shall be deemed to include bylaws or other governing rules adopted by the Council as an unincorporated association, and the articles of incorporation and bylaws of the Council as a nonprofit corporation.

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

Building means one of the apartment buildings erected or to be erected on the above described property.

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

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

the Council.

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

General Common Elements means all parts of the project which are not, owned separately and which, are owned in common including, but not limited to the items specifically designated as such in this Declaration, together with such other property as shall be designated as such from time to time by written instrument recorded in the Condominium Records of Nueces County, Texas, signed by the Council and by the owner of the property so designated.

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

Developer shall mean Seashore Investments, Inc., a Texas Business Corporation, which has made and executed this Condominium Declaration.

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

Council of Co-Owners (and Council) means the collective organization or association (whether incorporated as a membership corporation or unincorporated) of all of the persons, firms, corporations, partnerships, associations, trusts and other legal entities who own an apartment or apartments in the condominium project, acting in concert for their common interest.

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

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

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

- (a) Survey and Plot Plan - A plot plan of the land showing the buildings placed thereon is attached as Exhibit B.
- (b) Easements - Easements are reserved through the project property as may be required for utility services in order adequately to serve the project; provided, however, such easements through an apartment shall

be only according to the plans and specifications for the building containing the apartment, or as the building is constructed, unless otherwise approved in writing by the apartment owner.

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

1. Apartment Buildings - The condominium includes four apartment buildings which are designated as Buildings A, B, C and D upon said plot plan survey which buildings are more particularly described upon Exhibit B. Such buildings have been or will be constructed substantially in accordance with plans and specifications therefore prepared by Swanson, Hiester, Wilson, Boland, Architects of Corpus Christi, Texas.
2. Other Improvements - The project includes automobile parking areas, landscaping, seawall, swimming pool and other common improvements located substantially as shown upon said Exhibit B and which are part of the common elements. Such improvements have been or will be constructed by Developer substantially in accordance with plans therefore prepared by Swanson, Hiester, Wilson, Boland, Architects of Corpus Christi, Texas.

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

- (a) Boundary - Each apartment shall include that part of the building containing the apartment which lies within the boundaries of the apartment which boundaries are as follows: The interior surfaces of the perimeter walls (including doors and windows), floors, ceilings and the exterior surfaces of balconies and terraces, and each apartment unit includes both portions of the building so described and the air space so encompassed excepting general common elements situated therein as set forth herein. Each apartment also includes 2 fixtures, appliances, and individual air conditioning and heating equipment located within such apartment and intended for individual use.
- (b) General Common Elements - The general common elements consist of the entire property including all parts of the buildings, other than the apartments, and including, without limitation, the following:
 - (1) The land described above.
 - (2) The foundations, bearing walls and columns, roofs, elevators and shafts, halls, lobbies, stairways, and entrances and exits or communication ways; yards and gardens; recreation room; seawall; the facilities for installation of, and the equipment for, central utility services such as power, light, gas, hot and cold water, reservoirs, water tanks and pumps, swimming and wading pools, laundry room and all other like elements.
 - (3) The air conditioning and heating equipment not individually owned, as provided above.
 - (4) The Common Fund.
 - (5) The premises for the lodging or use of persons in charge of managing the project.

- (6) All other parts of the project, and all apparatus and installations existing in the buildings or on the property, for the common use, or necessary or convenient to the existence, maintenance or safety of the property.
- (7) The automobile parking spaces shown on Exhibit B; provided, however, that each apartment owner shall have an exclusive easement for the use of the automobile parking space designated for such apartment on the attached Exhibit A.

1.5 Buildings:

- (a) Each building consists of six floors containing the apartments, all as described upon Exhibit B attached hereto and which is incorporated herein.
- (b) Apartments - The apartments in the four buildings are identified on Exhibit C and further described on the schedule attached as Exhibit A. The dimensions, locations and boundaries of said apartments are more particularly described upon the building plans which are attached hereto as Exhibit C.
- (c) Appurtenances to Apartments - The owner of each apartment shall own a share and certain interests in the condominium project which are appurtenant to his apartment including but not limited to the following items which are appurtenant to the apartments as indicated:
 - (1) General Common Elements - The undivided share in the land and other general common elements of each apartment is shown on the schedule attached as Exhibit A.
 - (2) Council of Co-Owners - The membership of each apartment owner in the council and the interest of each apartment owner in the funds and assets held by the council.

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

1.7 Easements, Restrictions, Covenants and Conditions:

- (a) The project is subject to, and the purchase of ownership of each apartment and interest in the general common elements is subject to, all provisions of this declaration and the council articles of incorporation, if any, bylaws, and project rules and regulations, and to the restrictions, covenants, conditions and easements and all outstanding oil, gas and mineral, leases and all outstanding royalty and mineral interests applicable to or affecting the project recorded in Nueces County, Texas.

- (b) The project is hereby expressly made subject to, and the purchase of ownership of each apartment and interest in the general common elements is subject to the Protective Covenants and Landowners' Agreement for Padre Island-Corpus Christi, Section A, which instrument is recorded in Volume 1258 at page 215 of the Deed Records of Nueces County, Texas, and all costs of compliance with the provisions of Part V and Part VI of the Protective Covenants and Landowners' Agreement shall be a common expense.
 - (c) The project is subject to, and the purchase of ownership of each apartment and interest in the general common elements is subject to, the agreement with Central Power and Light Company for supplying electrical service to the project, recorded in Volume 1357, page 118 of the Deed Records of Nueces County, Texas, and the Council of Co-Owners shall assume all obligations of Developer under such agreement.
- 1.8 Encroachments: If any portion of the general common elements now encroaches upon any apartment or if any apartment now encroaches upon any other apartment or upon any portion of the general common elements, as a result of the construction of the building or if any such encroachment shall occur hereafter as a result of settling or shifting of the building, a valid easement for the encroachment and for the maintenance of the same shall exist so long as the building shall stand. In the event the improvements shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation, or eminent domain proceedings and then rebuilt, the encroachment of part of the general common elements upon any apartment or of any apartment upon any other apartment or upon any portion of the general common elements due to such rebuilding shall be permitted and valid easements for such encroachments and maintenance thereof shall exist so long as the building shall stand.
- 1.9 Access: The Board shall have the right of access to each apartment to inspect the same and to remove violations therefrom and to maintain, repair and replace the general common elements contained therein or elsewhere in the building.

Section 2. Council of Co-Owners

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

the members of the Council.

- 2.2 Incorporation: The Council of Co-Owners shall be incorporated (under the name “Gulfstream Council of Co-Owners, Inc.”, or such other name as the board shall select) as a membership corporation under the provisions of the Texas Nonprofit Corporation Act; but it shall subsequently be operated as an unincorporated membership association if the corporation shall at any time be dissolved in a manner provided by law. The affairs of the Council, whether or not incorporated, shall be governed by the provisions of this declaration, the Articles of Incorporation (if incorporated) and the bylaws adopted by the board. The project shall be subject to and governed by such instruments and by such rules and regulations as shall be adopted and published by the board of directors from time to time.
- 2.3 Directors: The board of the Council shall consist of the number of directors specified in the Articles of Incorporation and Bylaws of the Council. A majority of the board shall at all times be persons directly or indirectly owning or having an ownership interest in an apartment. Such board shall have the powers, duties, authority, and responsibility specified in the bylaws of the Council.
- 2.4 Initial Directors: The initial directors of the Council of Co-Owners shall be the persons designated in the articles of incorporation of the Council.
- 2.5. Membership. Council of Co-Owners: Each owner of an apartment, including Developer if, and so long as, Developer owns an apartment, shall automatically be a member of the Council. Each owner shall remain a member of the Council until such time as he ceases to own an apartment, at which time his membership shall automatically cease. Upon any transfer of ownership of any apartment, the new apartment owner shall succeed to such membership in the Council.
- 2.6. Bylaws: The initial articles of incorporation and bylaws, which are hereby adopted by the Developer as sole owner of the project property and sole member of the Council and which shall be used for the purpose of organizing the Council corporation are attached hereto as Exhibit D and made a part hereof. The articles of incorporation and bylaws may be amended from time to time in the manner therein provided or as provided by law.
- 2.7 Voting Rights The owner or owners of each apartment or his legally authorized representative and proxy shall be entitled to cast one vote for each apartment owned at all meetings of the Council
- 2.8 Council Voting Rights: Voting rights attributable to any apartment which shall have been acquired by the Council shall, while owned by the Council, be entitled to be represented at meetings of the members of the Council for purposes of determining the existence of a quorum, and shall be exercised and voted as directed by a majority of the members voting at such meeting. Apartments, if

any, owned by the Council shall not be subject to assessment while owned by the Council, however.

Section 3. Duties of Council and Owners

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

(a) Apartments.

- (1) By the Council- The Council shall maintain, repair and replace at the expense of the co-owners through the Common Fund:
 - (i) All portions of an apartment (except interior surfaces) contributing to the support of the apartment building, which portions shall include, but not be limited to, the outside walls of the apartment building and all fixtures on the exterior thereof boundary walls of apartments, floor and ceiling slats, load-bearing columns and load-bearing walls.
 - (ii) All conduits, ducts, plumbing, wiring and other facilities for the furnishing of utility services which are contained in the portions of an apartment maintained by the Council; and all such facilities contained within an apartment which service part or parts of the project other than the apartment within which contained.
 - (iii) All incidental damage caused to an apartment by such work.
 - (iv) Exterior doors and windows of each individual apartment.
- (2) By the Apartment Owner - The responsibility of the apartment owner shall be as follows:
 - (i) To maintain, repair and replace at his expense all portions of his apartment except the portions to be maintained, repaired and replaced by the Council. Such shall be done without disturbing the rights of other apartment owners.
 - (ii) Not to paint or otherwise decorate or change the appearance of any portion of the exterior of the apartment building.
 - (iii) Promptly to report to the Council any defect or need for repairs, the responsibility for the remedying of which is that of the Council.
- (3) Alteration and Improvement - Neither an apartment owner nor the Council shall make any alterations in the portions of an apartment or building which are to be maintained by the Council, or remove any portion thereof, or make any additions thereto, or do any thing which would jeopardize the safety or soundness of the building, or impair any easement,

without first obtaining approval in writing of owners of all other apartment in the same building and the approval of the Board of Directors of the Council. A copy of detailed plans for all of such work shall also be filed with the Council prior to the start of the work.

(b) General Common Elements

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

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

(3) Alteration and Improvement - The Board of the Council is authorized to make alterations and improvements to the general common elements; provided, however, that if any alteration or improvement necessitates the expenditure of more than \$1,000.00, then such alteration or improvement shall require approval of a majority of the members of the Council or such greater number as shall be specified in the Council bylaws. The improvement or alteration of the general common elements shall, moreover, be subject to such restrictions and provisions, if any, as shall be set forth in the bylaws.

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

3.3 Blanket Insurance - The Council and its Board shall have the authority and responsibility to obtain and continue in effect blanket property insurance to insure the buildings, structures and apartments in or on the project and the owners thereof, against risks of loss or damage by fire and other hazards as are covered under standard extended coverage provisions in such amount, and with such deductibles as the Board shall deem advisable, and insurance against other risks of whatever character as the Board shall deem advisable, without prejudice to the right of each apartment owner to insure his individual apartment on his own account and for his own benefit. Such blanket insurance shall be written in the name of, and the proceeds may be payable to the Council, or to any person designated by the Council, as trustee for the owners of each apartment in proportion to their respective interests in the general common elements, and additionally as individually specified per

unit, or both. Each apartment owner, and his mortgagee, if any, shall be a beneficiary of such insurance in proportion to his ownership interest in the general common elements as established by this Declaration, even though not expressly named in the policy of insurance as an insured or beneficiary. All costs, charges and premiums for such blanket insurance shall be a common expense and each owner shall pay his pro rata part thereof as in the case of other common expenses or, at the Council's option, the portion of the cost of the blanket insurance attributable to each individual owned apartment (but not the Cost of the insurance attributable to the general common area elements for such apartments) shall be paid directly by each apartment owner in such manner as the Council may direct. The proceeds from all blanket insurance shall be held by the designated beneficiary as a part of the common fund and shall be used and paid out as hereinafter provided, consistent with the Condominium Act. Council shall furnish notice to owners of the policy limits of insurance coverage carried so owners may increase personally the insurance coverage on his apartment as desired.

- 3.4 Individual Insurance - Each apartment owner shall be responsible at his own personal expense and cost for his own personal insurance on the contents of his own apartment and his additions and improvements thereto, and decorations, furnishings and personal property therein, and his personal property stored elsewhere on the project property and his personal liability not covered by liability insurance for all the apartment owners obtained as a part of the common expenses.
- 3.5 Public Liability and Other Insurance - The Council shall have the authority to and shall obtain comprehensive public liability insurance and such other types of insurance in such limits as it shall deem desirable, insuring each apartment owner and the Council and its Board from and against liability in connection with the general common elements. All costs, charges and premiums for all such insurance shall be a common expense. Each apartment owner shall pay his pro rata share for such insurance as in the case of other common expenses.
- 3.6 Repair or Reconstruction After Fire or Other Casualty - In the event of damage to or destruction of the buildings as a result of fire or other casualty (unless two-thirds (2/3) or more of the buildings are destroyed or substantially damaged and all of the apartment owners do not duly and promptly resolve to proceed with repair or restoration), the Council shall arrange for the prompt repair and restoration of the buildings (including any damage to apartments except wall, ceiling, or floor decorations or coverings or other furniture, furnishings, fixtures or equipment installed by apartment owners individually) and the Council shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense

and the Council may assess all the unit owners for such deficit as part of the common charges.

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

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

The determination of whether 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.

Section 4. Assessments and Liens

- 4.1 Liability for Common Expenses - Each apartment owner shall be liable for a proportionate share of the common expenses, such share being the same as the undivided share in the common elements which is appurtenant to the apartment as set forth in Exhibit A 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 bylaws, rules and regulations or the rights of the Council or its members, professional fees, utilities and such other expenses as shall be authorized by the Council. The Council is authorized to collect from time to time as a part of the common expenses from the apartment owners an amount of money equal to the deductible amounts, if any, in the insurance policy or policies insuring the building, structure and apartments of the project and the Council is authorized to enter into agreements with the mortgage companies who hold mortgages on individual apartments with respect to the depositing of this fund and the use of such fund in case of damage to the project.

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

- (a) Share of Common Expense - Each apartment owner shall be liable for and shall pay a proportionate share of the common expenses 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 the same as the undivided share in the general common elements which is appurtenant to the apartments owned by him.
- (b) During any period of time in which not all of the 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), that portion of assessments for the common expenses attributable only to the maintenance and operation of the buildings then being maintained and operated by the Council shall be assessed only to the owners of apartments of such buildings and in the proportions which their respective shares in the general common elements bear each to the other.
- (c) Interest: Application of Payments * Assessments and installments thereon paid on or before 10 days after the date when due shall not bear interest, but all sums not paid on or before 10 days after the date when due shall bear interest at the rate of ten percent per annum from the date when, due until paid. All payments upon account shall be first applied to interest and then to the assessment payment first due.
- (d) Attorney's Fees - if the Council shall incur any legal expenses, including attorney's fees, to enforce any rights of the Council against an apartment owner, including but not limited to collection of delinquent assessments, such apartment owner shall be liable to the Council for such expenses and the Council may recover the same.

- 4.3 Lien for Assessments: The Council shall have a lien upon each apartment and the interests in the general common elements and common find appurtenant thereto to secure the payment by the owner of such apartment of his proportionate share of all assessments required or permitted to be levied hereunder or by law, and any other sums which shall become due and owing from such owner to the Council and such assessments shall also secure all other expenses including reasonable attorney's fees, incurred by the Council incident to the collection of such assessment or enforcement of such lien.
- 4.4 Foreclosure of Liens: All liens for assessments made by the Council of Co-Owners, or by the Board when authorized to do so as aforesaid, shall be prior to other liens, except that such liens for said assessments shall be subordinate, secondary and inferior, 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 same manner as either a vendor's lien, or as is provided for foreclosure of a contractual deed of trust lien on real property under Vernon's Annotated Civil Statutes of Texas, Art. 3810. No such foreclosure shall affect or impair any such prior liens. The Council in this project shall have power to bid in the apartment unit foreclosed on at any foreclosure sale, and to acquire, hold, lease, mortgage and convey the same in behalf of the Council. The purchaser acquiring title to such apartment unit at any such foreclosure sale, whoever he may be, and his successors and assigns, shall not be liable for the share of the unpaid common expenses or assessments by the Council chargeable to such apartment which became due prior to acquisition of such title at such foreclosure sale, but such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the owners of the apartments in this project, including such purchaser or acquirer, his successors and assigns, on a pro rata basis, to the extent not recovered from the proceeds of such foreclosure sale.
- 4.5 Status after Foreclosure: Upon the sale or conveyance of an apartment, 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:
- (a) Assessments, liens and charges in favor of state and any political subdivision thereof for taxes

due and unpaid on the apartment units; and

(b) Amounts under mortgage instruments duly recorded.

4.6 Certificate of Assessment: Any prospective purchaser or encumbrance of an apartment, upon written request being made, shall be entitled to a certificate from the Board as to the amount of unpaid common expenses, if any, of the subject apartment, and such apartment shall not be liable or subject to any lien for any unpaid assessment, in excess of the amount set forth in said certificate for the period of time specified therein. If such request for a certificate is not complied with within twenty (20) days of such request, the prospective purchaser or encumbrance shall not be liable for, nor shall the subject apartment thereafter be subject to a lien for, any unpaid common expenses or assessments due prior to the date of such request.

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

Section 5. Restrictions

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

(b) Nuisances - No nuisances shall be allowed upon the project, nor any use or practice which is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the property by its residents. All 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 apartment owner shall permit any use of his apartment or make any use of the general common elements which will constitute a nuisance or annoyance to the residents of other apartments.

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

(d) Regulations - Reasonable regulations concerning the use of the condominium property may be made and amended from time to time by the board of directors of the Council.

(e) Proviso - Notwithstanding other provisions hereof, until developer has completed and sold all of the apartments, neither the apartment owners nor the Council nor the use of the project shall interfere with the completion of the contemplated improvements and the sale of the apartments. Developer may make such use of the unsold units and common areas as may facilitate such completion and sale, including but not limited to maintenance of a sales office, the showing of the property and the display of signs.

5.2 Rental - Each apartment owner shall have an absolute right to lease or rent his apartment upon such terms as he shall approve, subject to all provisions and restrictions applicable to the project.

5.3 Use- Each apartment shall be used and occupied only for housing accommodations and no apartment shall be altered, remodeled, subdivided or converted into more than one housing accommodation without the approval of the Council.

5.4 Mortgage of Apartments - No apartment owner shall without approval of the Council mortgage his apartment except by a first mortgage or deed of trust made to or for the benefit of a bank, trust company, insurance company, federal or state chartered savings and loan association, pension fund or other institutional lender, or by a purchase money mortgage or deed of trust to or for the benefit of the selling owner of the apartment. Any such mortgage or deed of trust shall substantially conform to the form on file with the Council except for such changes or additions as may be legally necessary in order to permit the particular institutional lender to make the mortgage loan, or to the extent permitted in writing by the Council.

5.5 Non-partition- The general common elements shall remain undivided and shall not be the object of an action for partition or division of the co-ownership so long as suitable for a condominium regime

unless the owners of all apartments shall otherwise consent in writing.

Section 6. Transfers

- 6.1 No Severance of Ownership: The appurtenant interests including interests in the general common elements shall not be severable from the ownership of the apartment to which appurtenant, and no attempted or purported severance of such ownership shall be effective. No apartment owner shall execute any deed, mortgage, or other instrument conveying or mortgaging title to his apartment without including therein the appurtenant interests, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, or other instrument purporting to affect one or more of such interests, without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein, or even if a portion thereof shall be purported to have been expressly excluded. No part of the appurtenant interests of an apartment may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the apartment unit to which such interests are appurtenant, or as part of a sale, transfer or other disposition of such part of the appurtenant interests of all apartments.
- 6.2 Financing of Purchase of Apartments by Council: Acquisition of apartments by the Council may be made from the assets, if any, or on the credit of, the Council, as such, or from the common fund (if on behalf of the co-owners as such) or if such funds are insufficient, the Board may levy an assessment against each apartment owner in proportion to his ownership in the general common elements, as a common charge, which assessment shall be enforceable in the same manner as provided herein; or the Board, in its discretion, may cause the Council to borrow money to finance the acquisition of such apartment, provided, however, that no financing may be secured by an encumbrance or hypothecation of any property other than the apartment, together with the appurtenant interests, so to be acquired by the Council. The Council shall not levy any assessment for funds to be used to acquire or to amortize indebtedness on any apartment without the prior approval of a majority of the apartment owners and a majority of the mortgagees and lien holders holding mortgages or liens upon the apartments.

Section 7. Miscellaneous

- 7.1 Amendments: This Declaration may be changed or amended only with the written consent of the owners of apartments owning 85% of the general common elements and with the written consent of all mortgagees of apartments; provided in addition, however, that the provisions of Section 1.7 of this Declaration may be changed or amended only with the further approval by all apartment owners,

mortgagees and other parties having a vested property interest affected by such amendment or change.

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

7.3 Severability: If any provision of this Declaration or in the bylaws 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 bylaws or the application of any such provision or part thereof in any other circumstance shall not be affected thereby.

7.4 Perpetuities: If any provision of this Declaration or bylaws 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, bylaws 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.

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

Executed this 20th day of May, 1970

SEASHORE INVESTMENTS, INC.

ATTEST:

By: _____

President

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 President of
Seashore Investments, Inc., a corporation, 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 the _____ day
of _____, 19_____.

Notary Public in and for Nueces County, Texas
My Commission Expires: June 1, 19_____

	BUILDING	APARTMENT NUMBER	FLOOR LOCATION	NUMBER OF PARKING SPACE ASSIGNED FOR EXCLUSIVE USE	FRACTIONAL INTEREST IN THE GENERAL COMMON ELEMENTS, COMMON EXPENSES AND COMMON SUPPLIES
1	A	102	1	102	1/131
2	A	103	1	103	1/131
3	A	104	1	104	1/131
4	A	201	2	201	1/131
5	A	202	2	202	1/131
6	A	203	2	203	1/131
7	A	204	2	204	1/131
8	A	301	3	301	1/131
9	A	302	3	302	1/131
10	A	303	3	303	1/131
11	A	304	3	304	1/131
12	A	401	4	401	1/131
13	A	402	4	402	1/131
14	A	403	4	403	1/131
15	A	404	4	404	1/131
16	A	501	5	501	1/131
17	A	502	5	502	1/131
18	A	503	5	503	1/131
19	A	504	5	504	1/131
20	A	601	6	601	1/131
21	A	602	6	602	1/131
22	A	603	6	603	1/131
23	A	604	6	604	1/131
24	B	105	1	105	1/131
25	B	106	1	106	1/131
26	B	107	1	107	1/131
27	B	108	1	108	1/131
28	B	109	1	109	1/131
29	B	110	1	110	1/131
30	B	111	1	111	1/131
31	B	205	2	205	1/131
32	B	206	2	206	1/131
33	B	207	2	207	1/131
34	B	208	2	208	1/131
35	B	209	2	209	1/131
36	B	210	2	210	1/131
37	B	211	2	211	1/131
38	B	305	3	305	1/131
39	B	306	3	306	1/131

		APARTMENT	FLOOR	NUMBER OF PARKING SPACE ASSIGNED FOR EXCLUSIVE USE	FRACTIONAL INTEREST IN THE GENERAL COMMON ELEMENTS, COMMON EXPENSES AND COMMON SUPPLIES
BUILDING		NUMBER	LOCATION		
40	B	307	3	307	1/131
41	B	308	3	308	1/131
42	B	309	3	309	1/131
43	B	310	3	310	1/131
44	B	311	3	311	1/131
45	B	405	4	405	1/131
48	B	406	4	406	1/131
47	B	407	4	407	1/131
48	B	408	4	408	1/131
49	B	409	4	409	1/131
50	B	410	4	410	1/131
51	B	411	4	411	1/131
52	B	505	5	505	1/131
53	B	506	5	506	1/131
54	B	507	5	507	1/131
55	B	508	5	508	1/131
56	B	509	5	509	1/131
57	B	510	5	510	1/131
58	B	511	5	511	1/131
59	B	605	6	605	1/131
60	B	606	6	606	1/131
61	B	607	6	607	1/131
62	B	608	6	608	1/131
63	B	609	6	609	1/131
84	B	610	6	610	1/131
65	B	611	6	611	1/131
66	C	112	1	112	1/131
67	C	113	1	113	1/131
68	C	114	1	114	1/131
69	C	115	1	115	1/131
70	C	116	1	116	1/131
71	C	117	1	117	1/131
72	C	118	1	118	1/131
73	C	212	2	212	1/131
74	C	213	2	213	1/131
75	C	214	2	214	1/131
76	C	215	2	215	1/131
77	C	216	2	216	1/131
78	C	217	2	217	1/131

		APARTMENT	FLOOR	NUMBER OF PARKING SPACE ASSIGNED FOR EXCLUSIVE USE	FRACTIONAL INTEREST IN THE GENERAL COMMON ELEMENTS, COMMON EXPENSES AND COMMON SUPPLIES
BUILDING		NUMBER	LOCATION		
79	C	218	2	218	1/131
80	C	312	3	312	1/131
81	C	313	3	313	1/131
82	C	314	3	314	1/131
83	C	315	3	315	1/131
84	C	316	3	316	1/131
85	C	317	3	317	1/131
86	C	318	3	318	1/131
87	C	412	4	412	1/131
88	C	413	4	413	1/131
89	C	414	4	414	1/131
90	C	415	4	415	1/131
91	C	416	4	416	1/131
92	C	417	4	417	1/131
93	C	418	4	418	1/131
94	C	512	5	512	1/131
95	C	513	5	513	1/131
96	C	514	5	514	1/131
97	C	515	5	515	1/131
98	C	516	5	516	1/131
99	C	517	5	517	1/131
100	C	518	5	518	1/131
101-102	C	612-613	6	612-613	2/131
103	C	614	6	614	1/131
104	C	615	6	615	1/131
105	C	616	6	616	1/131
106	C	617	6	617	1/131
107	C	618	6	618	1/131
108	D	119	1	119	1/131
109	D	120	1	120	1/131
110	D	121	1	121	1/131
111	D	122	1	122	1/131
112	D	219	2	219	1/131
113	D	220	2	220	1/131
114	D	221	2	221	1/131
115	D	222	2	222	1/131
116	D	319	3	319	1/131
117	D	320	3	320	1/131

	BUILDING	APARTMENT NUMBER	FLOOR LOCATION	NUMBER OF PARKING SPACE ASSIGNED FOR EXCLUSIVE USE	FRACTIONAL INTEREST IN THE GENERAL COMMON ELEMENTS, COMMON EXPENSES AND COMMON SUPPLIES
118	D	321	3	321	1/131
119	D	322	3	322	1/131
120	D	419	4	419	1/131
121	D	420	4	420	1/131
122	D	421	4	421	1/131
123	D	422	4	422	1/131
124	D	519	5	519	1/131
125	D	520	5	520	1/131
126	D	521	5	521	1/131
127	D	522	5	522	1/131
128	D	619	6	619	1/131
129	D	620	6	620	1/131
130	D	621	6	621	1/131
131	D	622	6	622	1/131

* Apt. 101 as shown on Exhibit C is a general common element.

Appendix B

RESTATED BY-LAWS OF GULFSTREAM COUNCIL OF CO-OWNERS INCORPORATED INCLUDING ALL AMENDMENTS ADOPTED THROUGH OCTOBER 3, 1987

SECTION 1. MEMBERS

1.1 **MEMBERS.** Each person who shall be the sole or a joint owner and holder of record of the legal title to all or a portion of one or more apartments located in or on the following described property (sometimes referred to as “subject property”) situated on Padre Island, Nueces County Texas, to-wits:

All property described in that certain Declaration of
Condominium of Gulfstream., filed for record in the
Condominium Records of the County Clerk of Nueces County, Texas;

shall for the duration of such ownership be a member of Gulfstream Council of Co-Owners, Inc., a membership corporation organized under the provisions of the Texas Non-Profit Corporate Act, save and except that any lien holder or mortgagee, trustee under a deed of trust, and any holder or owner of any mineral, right-of-way easement or similar interest, shall not, as such, be deemed to be the owner of record of the legal title of a portion of the subject property and shall not by reason of any such interest owned or held or acquired by them be or become a member of Gulfstream Council of Co-Owners, Inc., provided, however, that any lien holder, mortgagee or other party who shall purchase, or become legal titleholder (as contrasted to a lien holder) of, an apartment upon any foreclosure shall be a member of the Gulfstream Council of Co-Owners, Inc., so long as such party shall be legal titleholder to said apartment.

1.2 **VOTING RIGHTS.** Each member of the corporation shall have such voting rights as are set forth in the Declaration of Condominium of Gulfstream, filed for record in the records of the County Clerk of Nueces County, Texas, which is hereby incorporated by reference as fully as if set forth at length at this point.

1.3 **MEETINGS.** The annual meeting of the members of the Corporation shall be held at 7:00 PM on a Saturday in October to be selected by the Board of Directors at least sixty (60) days prior to such date each year. All meetings shall be held at such place on Padre Island, Corpus Christi, Nueces County, Texas as shall be designated in the notice of the meeting.

1.4 **NOTICE.** All members shall be sent a notice of any annual or special meeting of the members of the Corporation. Any notice which shall be given to a member of the Corporation with respect to any meetings or for any other purpose shall be deemed to have been properly given if mailed to the member at his address as it appears on the records of the Corporation.

1.5 **METHOD OF CALLING SPECIAL MEETINGS.** Special meetings of the members may be called by the President, the Board of Directors or by members having not less than one-tenth (1/10) of the votes entitled

to be cast at such meeting.

- 1.6 ACTION BY MEMBERS. Except as otherwise provided in these by-laws, members holding at least fifty percent (50%) of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum for transaction of business at any meeting of the members. Unless otherwise required by law, by the Declaration described above, or by these by-laws, the vote of the majority of the votes entitled to be cast by the members present, or represented by proxy, at a meeting shall be the act of the members meeting.

SECTION 2. DIRECTORS

- 2.1 NUMBER. The number of directors of the Corporation shall be nine (9). A majority of the members of the Board of Directors shall at all times be persons directly or indirectly owning, or having an ownership interest in, an apartment which is a part of the subject property.
- 2.2 CLASSIFICATION OF DIRECTORS. Commencing with the Board of Directors to be elected at the 1978 Annual Meeting of Members, the Board of Directors shall at all times be divided equally into three classes. The Board elected at the 1978 meeting and that to be elected at the, 1979 meeting shall be divided into such classes as the serving Boards may then determine. At each Annual Meeting commencing with the 1980 meeting, three directors shall be elected each year to serve as members of a class for three year terms and until their successors are duly elected and qualified.
- 2.2.a. Commencing with the 1978 Annual Meeting, no board member shall serve more than two consecutive three year terms, but may be re-elected, or re-appointed to fill a vacancy, after a minimum period of one year of f the board. Such limitation shall not prevent any eligible member of the Council from being appointed, or elected, as a non-voting director for consulting or advisory purposes, or any other purpose deemed beneficial by the Board in the conduct of the Council's affairs.
- 2.3 QUALIFICATIONS. Subject to the provisions of paragraph 2.1 above, directors need not be members of the Corporation.
- 2.4 MEETINGS. An annual meeting of the Board of Directors of the Corporation shall be held each year immediately following the adjournment of the annual meeting of the members, and at the same place as the annual meeting of the members; and no notice of such annual meeting of the Board of Directors shall be required. Special meetings of the Board of Directors may be called by any director or by the President, and shall be held at such time and place as shall be required in the notice given of such meeting. No particular form of notice shall be required for the calling and holding of a special meeting of the Board of Directors, provided that actual notice thereof shall have been given to each director in advance of the time of such meeting. Absent actual notice, proper notice shall be deemed to have been given of any special meeting of the Board of Directors if notice in writing, or by telephone or telegraph message, shall have been sent to either the usual business or residence address of the person entitled to receive notice not less

than two (2) days preceding the date of the meeting.

- 2.5 MANAGEMENT. The business affairs and property of the Corporation shall be managed and controlled by the Board of Directors. The Board of Directors shall have the duty to maintain, operate, repair, and replace the common elements as described in the Declaration referred to herein, to administer the common surplus, if any, and to perform such other duties as shall be appropriate to the management of the subject property for the use, enjoyment and benefit of the members of the Corporation in accordance with the terms and provisions of the Declaration referred to herein, and they are expressly given full powers not inconsistent with these by-laws, the Articles of Incorporation of the Corporation, the Declaration referred to herein which is filed in the Records of the County Clerk of Nueces County, Texas, and applicable provisions of law, to accomplish such purpose.
- 2.6 AUTHORITY. The Board of Directors shall have power to make rules for their own government and for the government of the Corporation: to prescribe and enforce penalties for violations of the rules and by-laws of the Corporation; to assess and fix charges to be levied against the members of the Corporation; and to exercise such other powers as may be necessary or proper to attain the object of the Corporation. The Board of Directors shall have the authority to create committees and specify the duties of any committee so created. At least a majority of the members of any committee having and exercising the authority of the Board of Directors in the management of the Corporation shall be directors of the Corporation.
- 2.7 EMPLOYEES. The Board of Directors shall have responsibility and authority to employ such employees as the affairs of the Corporation shall require, and may delegate to any such employee so much of its authority and it shall deem advisable.
- The Board of Directors may engage the services of a Managing Agent who shall manage and operate the common elements for the members of the Corporation, upon such terms and for such compensation and with such specific duties and authority as the Board of Directors may approve and delegate to such Managing Agent. The compensation paid to such Managing Agent shall be deemed to be a part of the common expenses for which the members shall be assessed. The Board of Directors shall likewise have power for any cause they deem sufficient to discharge any or all employees of the Corporation, including the Managing Agent, and may delegate their authority to do so to any officer or committee of the Corporation.
- 2.8 ACTION BY DIRECTORS. At all meetings of the Board of Directors, a majority of the authorized number of directors prescribed by these by-laws shall be required to be present in person in order to establish a quorum for the transaction of business. Except as otherwise provided by law or these by-laws regarding the filling of vacancies and action taken by unanimous written consent, actions by the Board of Directors shall require approval by a majority of the authorized number of directors, voting in person or

by proxy, at a meeting at which a quorum is present. A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless as expressly provided therein to be irrevocable, and unless otherwise made irrevocable by law.

- 2.9. ANNUAL AUDIT. The Board of Directors shall take appropriate steps to insure that a sufficient system of internal controls and procedures is maintained so that an annual audit can be made by independent certified public accounts, and the members shall be furnished a copy of a certified audit report annually commencing with the fiscal year ending in 1973.
- 2.10. VACANCIES. Any vacancy occurring in the Board of Directors by reason of death, retirement, resignation, or removal may be filled by the affirmative vote of a majority of the remaining directors even though less than a quorum of the Board of Directors. A director elected to fill any such vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of the members or at a special meeting called for that purpose.

SECTION 3. OFFICERS

- 3.1 The officers of the Corporation shall consist of a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors at its annual meeting. The Board of Directors shall have full authority to remove any officer of the Corporation from office by the vote of a majority of the members of the entire Board at any time; and the election of each officer of the Corporation shall be subject to such power of the Board of Directors.
- 3.2 The duties of the officers of the Corporation shall be as follows:
- a. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the members and directors and be responsible for the carrying out of their decisions in the administration of the affairs of the company. The president shall also execute contracts, conveyances and other documents on behalf of the Corporation.
 - b. In the absence of the President or when it is inconvenient for the President to act, the Vice President shall perform the duties and exercise the power of the President. At any time when the Vice President is performing a duty or exercising a power of the President, any third party dealing with the Corporation may presume conclusively that the President was absent and that the Vice President was authorized to act in his place.
 - c. The Secretary shall issue notices of directors and members meetings if so directed by the party calling the meeting, and shall be responsible for the corporate minutes and records. The Board of Directors may, if it deems it advisable, from time to time, designate one or more persons as Assistant

Secretaries, who may perform the duties and exercise the powers of the Secretary when the Secretary is absent or it is inconvenient for him to act. Any third person dealing with the Corporation may presume conclusively that any Assistant Secretary acting in the capacity of the Secretary was duly authorized so to act.

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

SECTION 4. ASSESSMENTS

- 4.1 The Board of Directors shall have full power and authority to assess or charge the members of the Corporation for funds required for the performance of its objects and purposes as set forth in the Declaration referred to herein. Each assessment shall be due and payable by each member at the time and in the manner set forth in the resolution fixing such assessment. In the absence of specific provision therefore 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 Directors.
- 4.2 Assessments may be levied and assessed upon members of the Corporation according to the schedule set forth in the Declaration of Condominium of Gulfstream, filed for record in the records of the County Clerk of Nueces County, Texas. Where a single apartment 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 apartment would have been assessed, for each apartment jointly owned by them.
- 4.3 The Board of Directors 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 Corporation.
- 4.4 Any assessment levied by the Board of Directors upon members of the Corporation which are paid on or before 10 days after the date when due shall not bear interest, but all sums not paid on or before 10 days after the date when due shall bear interest at the rate of ten percent per annum from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment payment

first due.

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

SECTION 5. AMMENDMENTS

- 5.1 AMENDMENTS. These by-laws may be amended by vote of a majority of the votes present, in person or by proxy, and entitled to vote, at any annual meeting of the members, or at any special meeting of the members called for that purpose, at which a quorum is present provided that no amendment which is inconsistent with the Articles of Incorporation, applicable law, or the Declaration of Condominium of Gulfstream shall be valid.

SECTION 6. QUORUM AND ACTION BY MEMBERS

Paragraph 6.1 was deleted in October 19133 Refer to Section 1, paragraph 1.6

SECTION 7. DECLARATION

- 7.1 This Corporation shall at all times be subject to, and operated in conformity with, the terms of the Declaration of Condominium of Gulfstream, recorded in the Condominium Records of Nueces County, Texas, which are incorporated as a part hereof.

**PROPOSED CHANGE OF BY-LAWS
GULFSTREAM COUNCL OF CO-OWNERS INC.**

Proposed change in By-Laws to require that ALL members of the Gulfstream Council of Co-Owner., Incorporated, Board of Directors, shall at all times be persons directly owning or having an ownership interest in an apartment which is a part of the subject property.

The present By-Law reads as follows:

2.1 **NUMBER.** The number of directors of the Corporation shall be nine (9). A majority of the members of the Board of Directors shall at all times be persons directly or indirectly owning or having an ownership interest in an apartment which is a part of the subject property.

2.2 **QUALIFICATIONS.** Subject to the provisions of paragraph 2.1 above, directors need not be members of the Corporation.

The proposed By-Law change shall read:

2.1 **NUMBER AND QUALIFICATIONS.** The number of Directors of the Corporation shall be nine (9). All members of the Board of Directors shall at all times during their tenure, directly or indirectly own or have an ownership interest in an apartment which is a part of the subject property. A director who sells or otherwise disposes of his interest in the subject property shall be conclusively deemed to have resigned and vacated his directorship.

That Section 2.3 be deleted in its entirety without substituting anything in lieu thereof.

AMENDMENTS
TO
GULFSTREAM COUNCIL OF CO-OWNERS, INC.

- 1.3 AMENDED BY OWNERS' MAIL VOTE 7-83
- 1.3 AMENDED ANNUAL OWNERS' MEETING 10-3-87
- 1.4 AMENDED ANNUAL OWNERS' MEETING 10-9-71
- 1.5 AMENDED ANNUAL OWNERS' MEETING 10-14-72
- 1.6 AMENDED ANNUAL OWNERS' MEETING 10-14-72
- 2.1 AMENDED ANNUAL OWNERS' MEETING 10-14-72
- 2.1 AMENDED ANNUAL OWNERS' MEETING 10-8-83
- 2.2 AMENDED ANNUAL OWNERS' MEETING 10-14-78
- 2. 2a AMENDED ANNUAL OWNERS' MEETING 10-9-72
- 2.3 AMENDED ANNUAL OWNERS' MEETING 10-8-83
- 2.8 AMENDED ANNUAL OWNERS' MEETING 10-14-72
- 2.8a AMENDED ANNUAL OWNERS' MEETING 10-14-72
- 2.9 AMENDED ANNUAL OWNERS' MEETING 10-14-72
- 5.1 AMENDED ANNUAL OWNERS' MEETING 10-14-72
- 6.1 AMENDED ANNUAL OWNERS' MEETING 10-14-72

Appendix C

MAINTENANCE RESPONSIBILITIES OF INDIVIDUAL OWNERS AS DISTINGUISHED FROM THE MAINTENANCE RESPONSIBILITIES OF THE COUNCIL OF CO-OWNERS

MAINTENANCE RESPONSIBILITIES SUMMARY

The Board of Directors of Gulfstream Council of Co-Owners, Inc. feels that it would be beneficial to both owners and the Council to summarize maintenance responsibilities of each with respect to all elements of the project. This summary is not intended and should not be interpreted to alter, amend, or modify said responsibilities as set forth in the Declaration and By-Laws but rather to summarize and clarify them. If and to the extent this Summary conflicts with the Declaration or By-Laws, the Declaration or By-Laws prevail and said conflicting provision of this Summary shall, if and to the extent reasonable in the judgment of the Board, be interpreted so as to achieve its end to the extent same can be done without conflict with the Declaration or By-Laws. The responsibilities for the maintenance of the individual apartments by owners and the responsibility of the Council of Co-Owners (administered by your Board), for the maintenance of the common elements, are defined and enumerated in our Declaration of Condominium, Sections 1 and 3. That document is also the basis of authority for the Council to make assessments to defray expenses for the upkeep and maintenance of the common elements of the condominium (Section 4). The responsibilities are summarized below:

BASIC RESPONSIBILITIES OF THE COUNCIL OF CO-OWNERS, INC

The basic responsibilities of the Council of Co-Owners are the maintenance, repair and replacement of all common elements of the complex. Such include, but are not necessarily limited to the exterior of all buildings, windows and doors and the common hardware attached, as well as the office and maintenance of buildings, elevators, stairs and walkways, pipes and wiring within walls, foundations and structural elements of the buildings, the individual air conditioning and heating equipment, the swimming pool and Jacuzzi, the courtyard and lawns, centrally metered water, exterior lighting, seawall, parking lot and fence, etc.

It is the responsibility of the Board to provide funds acquired through regular or special assessments to all owners in order to provide regular and needed maintenance, repair and replacement of existing common elements. It is also within the authority of the Board to create and accumulate adequate capital reserve funds in anticipation of the repair, replacement or expansion of common elements as may be approved by a majority vote of owners, or (within limitations) by majority decision of the Board.

BASIC RESPONSIBILITIES OF ALL INDIVIDUAL OWNERS

It is the basic responsibility of all owners to maintain, repair and replace, at their individual expense, the complete interior of their apartments, the boundaries of which are designated in our Declaration to be individually owned and designed for individual use, and the contents thereof. Such items include, among other things, the interior surfaces of the perimeter walls (including doors and windows, except for hardware attached to entry doors that is considered common to all units), all furniture and furnishings, walls and ceilings, carpet and floor coverings, light fixtures, lamps, TVs, ceiling fans, drapes, curtains and window coverings, all appliances, hot water heater and system, individual air conditioning and heating equipment located within an apartment and intended for individual use, all kitchen and bath fixtures, etc., whether the necessity for repair or replacement is due to normal wear and-tear, or due to fire, theft, vandalism, natural catastrophe, or other cause. It is therefore recommended that all owners carry adequate fire and casualty insurance to cover major damage or loss to the interior of their apartments and the contents. Some limited insurance coverage is afforded under the Council of Co-owners' "blanket" building policies for appliances, carpet and drapes, but this coverage is inadequate, both in perils insured against and probably amounts of coverage, considering the sizeable deductible, in most cases. Therefore, individual contents of household goods coverage are recommended and can be obtained at relatively reasonable rates through the individual owners' insurance carrier or the Council's building insurance carrier.

Notwithstanding the fact that the interior of the apartments, including the items equipment and systems above described, and the furnishings, are the responsibility of the apartment owner, the Board has authorized and directed management to perform minor adjustments, repairs and corrections to owners' standard kitchen appliances and other standard apartment fixtures and to provide minor and limited maintenance services as herein specified, to all owners (whether or not in the Rental Operation) for their comfort and convenience. No Attempt will be made by management to service such appliances as micro-wave or electronic ovens, ice makers, self-cleaning ovens, or other equipment or appliances of a similar nature. For all owners' accommodation, management will undertake to do the following:

- open stopped up drains in kitchens and bathrooms
- put jammed louvered doors back on track
- make traverse rods function properly
- re-attach panel under stove
- oil squeaky hinges
- replace light bulbs in stoves and refrigerators
- fix leaky faucets and running toilets
- re-glue Formica strips on kitchen counters
- tighten handles on drawers
- tighten screws and re-drive nails

- other minor maintenance and repair of a similar nature

If the job requires no more than fifteen minutes of a maintenance man's time, and if required parts cost Gulfstream no more than five dollars, with the exception of light bulbs, then no charge will be made to the owner. If the job requires more than fifteen minutes or the required parts cost Gulfstream more than five dollars, then the owner will be charged on a cost basis for labor beyond fifteen minutes and parts costing more than five dollars, with the exception of light bulbs.

If the job is beyond the capability of available Gulfstream maintenance personnel, because of the time required or the complexity of the repair job, then outside professional or technical help will be called in at the owner's request and at the owner's expense.

Gulfstream is a multi-unit project consisting of multiple stories and multiple units located on each story of its building. It is designed and constructed in such a fashion, as is the case with all multi-story residential buildings, that a water event (i.e. water leaking or escaping from a system containing or conveying water, such as a hot water heater, a plumbing system, potable water system, or air conditioning system) occurring in a unit may have an adverse effect upon other units in the project, including, most particularly, units located beneath the unit in which the water event occurred.

While the Council has no responsibility to monitor the performance by an owner of his maintenance responsibilities, the Council has an interest in preventative maintenance, including prevention of water events, and in its own interest may elect or opt to involve itself in maintenance which an Owner is obligated to perform to the extent necessary or reasonable, in its sole and absolute discretion, to protect its interests. The Council may, even though it is not obligated to do so, monitor an owner's performance of said owner's maintenance responsibilities, or may on occasion notify an owner of problems which the Council observes, or- may perform work or cause maintenance work to be done which is the responsibility of the owner. Notwithstanding anything herein to the contrary, the Council assumes no responsibility to perform these tasks and does not relieve the Owner from his maintenance obligations. The Owner remains solely responsible for his own maintenance as set forth in the Declaration and By-Laws.

ADDITIONAL RESPONSIBILITIES OF OWNERS IN THE RENTAL OPERATION

An owner participating in the rental operation is responsible for the initial equipping and furnishing of his apartment, at his own expense, in accordance with the standards established by the Rental Operating Procedure. In an effort to standardize so called expendable items such as kitchenware and linens, as well as color televisions, for the purpose of replacement and repair economy, these items can usually be obtained through management, at cost or wholesale prices for the new rental owner.

The efficient conduct of a rental operation demands that maintenance, repair or replacement of damaged equipment or furnishings be carried out promptly. Considering the impracticality of absentee owners handling these rapid demands, the Board has established a procedure for owner's convenience and to avoid prolonged removal of an owner's apartment from the rental operation that provides for management to proceed with the required repairs and/or replacement of major items upon receipt of the owner's written authorization to the resident manager. Approval must be received within fifteen (15) days after issuance of written notice to the owner of the problem and that the cost is already provided for in other Board procedures or policies. The few deviations of cost allocations from our Declaration for such things as dishware, pots and pans, etc., are for the purpose of rental expediency and the funds for such provided out of rental income.

Considering the demands for conducting an efficient rental operation, the Board has also authorized management to withhold sufficient funds from rental income to gradually build a reserve which, when adequate in the judgment of the Board, will be used to replace semi- expendable and expendable items such as mentioned above, but not major appliances, equipment or other furnishings.

Those owners participating in the rental operation and deriving income from same, must also accept the additional problems of wear and tear and occasionally, but fortunately seldom, breakage and disappearance of articles caused by rental occupants. Management makes every effort to collect for such from tenants responsible when possible and circumstances warrant.

GENERAL INFORMATION RENTAL

In order to reasonably protect, or secure an owner's 'property, it is essential and recommended that each owner place on file with the Gulfstream Office a detailed inventory, verified with management, of all items within their apartment. It is also the owner's responsibility, to keep this inventory updated, except for expend able items mentioned previously which is the responsibility of operating management to inventory and keep current.

It should also be stressed that the rental aspect of management's duties is the maintenance, repair and replacement of minimum facilities and equipment called for under the Rental Operating Procedure. It is not specifically the Board's or management's responsibility to maintain, repair or replace, or have any liability whatsoever for damage, or disappearance of luxury or high value items which an owner may have placed within his apartment except to provide reasonable security measures to protect the total facility.

All reference to standard items is intended to reflect the quality standard of furnishings equal to those in first class hotel or motel properties of equal standard and comparable rental rates, to the Gulfstream, or more simply, of the quality as originally installed.

NOTE ALL OWNERS

Owners are reminded that under authority given the Board of directors and operating management, that in the event of any emergency which could jeopardize the safety or security of people or facilities, they are authorized to carry out any emergency actions thought necessary, without prior approval, to protect the common good.

It is also imperative and extremely important, that all owners and their guests in occupancy, register with the front desk upon arrival, giving auto license number and length of stay, whether in the rental operation or not. Such is needed for security reasons and personal emergency situations which may arise for owners and guests requiring that we contact or locate them. Please cooperate for your own good and that of your guests.

ACCEPTED AND APPROVED by the Board of Directors for distribution to all owners

this 3rd day of May, A.D. 1982

By: Jeff E. Dixon
PRESIDENT, GULFSTREAM
COUNCIL OF CO-OWNERS,
INCORPORATED

Appendix D

RESPONSIBILITY OF INDIVIDUAL OWNERS

Addenda to the Policy approved by the Board of Directors
On May 3rd, 1982

The owner's association purchases property insurance policies annually to protect the property from a broad range of perils. Included in these insurance policies is coverage for damage to the common property and individually owned parts of the buildings caused by the perils insured. The policies do not insure damage to an owner's personal property nor protect an owner against a claim from other owners who claim negligence caused damage to their personal property.

Owners must be financially responsible to meet the expense of damage to any property caused by a negligent act.

An owner is not responsible for damage under most circumstances. However, an owner is responsible in case of negligence. Negligence is defined as:

1. Absent-mindedly allowing water to overflow from bathtubs, lavatories, and sinks as well as the installation of any machines or equipment that could cause such overflowing of water.
2. Purposely causing the damage.
3. Failure to make repairs promptly when notified that failure to do so could cause damage.
4. Negligent acts of guests.

The association insurance policies will normally cover the expenses of repairs to the common property and individually owned parts of the buildings after deductibles have been met.

An owner may seek reimbursement from another when he experiences damage caused by another owner.

All owners must be financially responsible to meet the expense of damage to the association property, not covered by an association insurance policy, caused by a negligent act. If not paid, the expense will be assessed against the unit and a lien filed against that unit.

Owners must be financially responsible to meet the expenses of damage to their own personal property and loss of rent.

Owners must pay the deductible of the association insurance policies if the owner or their guest causes the insurance claim even though the act does not qualify as negligence as outlined above. Guests of the rental pool are responsible for damage. Any such damage will be deducted from the deposit established prior to renting.

Guests, not in the rental pool, are the responsibility, of the owner.

Owners are encouraged to purchase insurance to meet the requirements of “financially responsible” as noted above.

The association will be responsible for damage to an owner’s property when a negligent act of the association causes damage to the owner or their property.

The installation of washing machines is specifically prohibited by the property. Anyone making any such installation is deemed to be in violation of this policy and termed “negligent” as it relates to responsibility of any owner concerning loss and damage to property. The common area plumbing of the property was not design to take the volume of water expelled when a washer drains. This drainage is under pressure (not gravity fed) and may cause a backup that will over flow into other units. This over flow will cause flooding and, therefore, damage to walls, furniture carpet and flooring.

This Policy approved by the Board on the 10th day of June, 2000.

Herb Hand
President
June 10, 2000
Date

Appendix E

THE GULFSTREAM CONDOMINIUM ASSOCIATION, INC.

Assessment Collection Policy

Pursuant to the Texas Non-Profit Corporation Act, the following resolution is hereby adopted by the Board of Directors of The Gulfstream Condominium Association, Inc., and hereafter known as the “Association”.

WHEREAS, the Board of Directors has authority pursuant to the Declaration of Covenants, Conditions and Restrictions (the “Declaration”), to levy assessments against property, and

WHEREAS, the Board of Directors finds there is a need to establish orderly procedures for the collection of assessments levied against properties that remain unpaid beyond the prescribed due dates:

NOW THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the collection of assessments owing and becoming owing by the Owners:

1. **DUE DATES.** The due date for the Board of Directors, pursuant to the Declaration prescribes a given assessment, is the first day of the month, and is referred as the “Due Date”. The date beyond which the Board of Directors prescribes the assessment as being delinquent is referred to in this Assessment Collection Policy as the “Delinquency Date” and is hereby set as being 30 days following the Due Date.
2. **HANDLING CHARGES AND RETURNED CHECK FEE.** In order to recoup for the association the costs incurred because of the additional administrative expenses associated with collecting delinquent assessments, collection of the following fees and charges are part of the Collection Policy:
 - a. Any handling charges, administrative fees, postage or other expenses incurred by the Management on behalf of the Association, in connection with the collection of any assessment or related amount owing beyond the Delinquency Date for such assessments will become due and owing by the Owner responsible for the unpaid assessment which are the focus of the collection action.
 - b. A charge of \$25.00 per item will become due and payable for any check tendered to the Association, which is dishonored by the drawee of such check, the charge being in addition to any other fee or charge which the Association is entitled to recover from an Owner in connection with collection of assessments owing with respect to such Owner’s Property.
 - c. Any fee or charge becoming due and payable will be added to the amount then outstanding and is collectable to the same extent and in the same manner as the assessment, the delinquency of which gave rise to the occurrence of such charge, fee or expense.

3. **APPLICATION OF FUNDS RECEIVED.** All monies received by the Association will be applied to amounts outstanding to the extent of and in the following order:
 - a. First, to attorney’s fees and related collection costs incurred by Management on behalf of the Association.
 - b. Next, to interest or Association late charges accrued.
 - c. Last, to the unpaid assessment amount.
4. **LATE NOTICE.** A payment by a member is deemed delinquent if it is unpaid thirty (30) or more days after the Due Date. In such regards, interest will accrue on the delinquent assessments at the rate of 10% per annum.
5. **LATE LETTER.** No sooner than thirty (30) days after the Due date, the Association (or Managing Agent) will send a written notice (referred to as the “Late Letter”) to the Owner setting forth the amount of delinquent assessments owing. The Late Letter will be sent via regular first class mail and the Owner will be assessed the cost of \$15.00 for the preparation of such notice.
6. **COURT ACTION.** Ninety days (90) after the assessment becomes delinquent, legal counsel will pursue foreclosure action and bring suit for personal judgment against the Owner plus additional court costs (all such personal judgments to include any costs incurred in maintenance of lots).
7. **FORECLOSURE SUIT.** When action has been taken by a suit for personal judgment against the Owner and for foreclosure of the assessment lien, the continued delinquency of unpaid assessments owing will be reported to the Board, together with all pertinent facts concerning the delinquency and the ramifications of the proposed foreclosure of the Property.

NOTE: Payment arrangements shall be considered by the Board on a case-by-case basis. Any proposal for such an arrangement shall be submitted in writing to the Board, or handled through the attorney’s office for those matters that have already been referred to the Association’s legal counsel.

IT IS FURTHER RESOLVED THAT this Assessment Collection Policy replaces and supersedes in all respects all prior resolutions with respect to the collection of assessments by the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This policy was approved by the Board on the 14th day of October 2000.

Herb Hand
 President
10/15/2000
 Date

William Mc Caul
 Secretary
10/15/2000
 Date

Appendix F
POSITION OF THE OWNERS OF GULFSTREAM
CONCERNING RESERVE FUNDING

The owners of The Gulfstream have directed the Board of Directors to special assess in the event of operating deficiency or the need of funds for capital repairs and improvements. This has been the policy from the inception of the property in 1970.

The subject of reserving for future requirements is addressed annually as the Board reviews the budget with management. Periodically, the subject is part of the annual owner's meeting held in October.

At the annual meeting held on October 11, 2008, management made a special presentation to the owners on the concept of reserve funding. This presentation was announced prior to the meeting so any interested parties could attend and participate. Management noted that reserving is the standard method of meeting the future obligations for most condominiums, and that it is recommended by The American Institute of Certified Accountants. An illustration of the method to determine the funded amounts was included in the presentation.

After the presentation, the President of the Board requested a vote so that the Board might have an indication of the desires of those owners present on this subject. The majority voted to establish a Capital Reserve Fund beginning November 2008.

The Board's position concerning the reserve fund for future capital expenses, based on the indication of the owners, is that \$115.00 per month will be charged to owners to fund the reserve for future capital expenses. An estimate of these expenses will be made a part of the budget process each year. Actual totals will be earmarked accordingly in monthly and yearly budget reports.

Elizabeth Mackey _____
President of the Board

3/21/2014
Date

Appendix G

GULFSTREAM RENTAL OPERATING PROCEDURE

As approved by the Board of Directors June 10, 2006. Amended August 22, 2015

INTRODUCTION

Each apartment owner has the absolute right to lease or rent his apartment upon such terms as he shall approve, subject to all provisions and restrictions applicable to the project (reference paragraph 5.02 Gulfstream Declaration of Condominium). To provide a service to those owners who wish to participate, the Council of Co-Owners has established the “Gulfstream Rental Operation”. Each owner may, at his option, participate in the rental operation provided, among other requirements, that his apartment is furnished and equipped to the minimum standards established by the Board of Directors, acting for the Council of Co-Owners.

To participate in the rental operation, it is necessary for an owner to sign a rental agreement with the Gulfstream Rental Operation. Among other things, **THE OWNER, BY SIGNING THE RENTAL AGREEMENT GRANTS EXCLUSIVE RIGHT TO THE GULFSTREAM RENTAL OPERATION FOR THE RENTAL OF HIS APARTMENT IN ACCORDANCE WITH THE RENTAL OPERATING PROCEDURE AND ANY REVISIONS THERETO APPROVED BY THE BOARD OF DIRECTORS.**

Since it is the object of the rental operation to provide each participating owner maximum return on his investment, several types of rental are provided to guests. During the winter season of the year, efforts are made to maximize rental income by offering several rental choices to guests, such as group rates, tour rates and long-term (winter) rentals.

RENTAL PROCEDURES

The following constitutes the rental operating procedure for the Gulfstream Rental Operation. These procedures are established by the Board of Directors and approved by the Council of Co-Owners and will not be changed without Board approval.

The costs of operating The Gulfstream are allocated to maintenance of the facility and rental operations. A maintenance assessment provides for maintaining the condominium in readiness for owners use. The rental Operation is designed to provide necessary rental supplies, services and those costs necessary and attributable to the rental operation only.

A monthly report of all costs will be prepared by the management and submitted to the Board for its review and audit. The board will withhold that amount of rental income deemed necessary to meet rental costs incurred and to provide during periods of reduced occupancy. Any accumulation in excess of expenses beyond reasonable forecasts of needs will be returned to rental pool participants in a manner to be determined by the Board of Directors.

A. RENTAL RATES AND TYPES OF RENTALS.

1. STATEMENT OF RATES.

The Board of Directors will periodically publish a statement of rates to be charged. A rate sheet will be distributed to each owner participating in the rental pool at least once each year when there are changes in rates approved by the Board. There are three seasonal rates:

- (a) ON SEASON: Commencing Memorial Day Weekend through Labor Day.
- (b) MID SEASON: Following Spring Break and after Labor Day to mid-October.
- (c) OFF SEASON: Mid-October to Spring Break.

(In season rates will apply during major holiday periods, including Easter week, Spring Break and Buccaneer Days.)

2. OCCUPANCY.

- (a) Published rates are for four (4) persons. A \$5.00 charge for each extra person up to a total of six (6) will occur. Maximum occupancy is six (6) persons. No additional charge for minor guests.
- (b) Reservations will be guaranteed by a major credit card or upon receipt and acceptance of two (2) days rental as advance deposit. Seventy-two (72) hour notice must be given or the apartment be rented for the same period of time as the original reservation for advance deposit refund to be made or credit card not to be charged.
- (c) Reservations will only be confirmed by rent class for the summer season (IN SEASON), i.e., no confirmation will be given for a particular floor or apartment.

3. GROUP RATES. Group rates may be available as approved by the Board of Directors

4. THIRD PARTY RENTALS: (see Resolution of BOD)

5. SPECIAL WINTER MONTHLY RATES.

During the winter season, rental for thirty (30) days or more will be available at reduced rates, but only with written approval of the individual owners who wish to participate.

B. INCOME DISTRIBUTION

The rental income is distributed to each individual unit owner participating in the Gulfstream Rental Operation based upon gross rents received for the individual unit less a Gulfstream Rental Operation Management fee. This fee is determined by the Board of Directors. (See established distribution rates).

C. OWNER CHARGES AND APARTMENT USE.

- 1. A Gulfstream Condo Rental Operation owner occupying his own apartment will be charged the rates as established by the board (see established rates) for a complete two

(2) bedroom apartment clean-up and linen change at his departure. Should he desire daily maid and linen service, there will be a charge based on the rates established by the board (see established rates). A departing owner that requires more than a normal clean-up and linen change (approximately 45 minutes) shall be charged for extra time needed to clean at the rate established by the board (see established rates). The same charges will be made if the apartment is occupied by non-paying guests of the owner.

2. Owners or non-paying guests may exchange soiled linen for clean linen at the rates established by the Board of Directors (see established rates for these and other services available)
3. A Gulfstream Condo Rental Operation owner may use his apartment at any time that it is not previously committed to a rental guest. **UNDER NO CONDITIONS WILL A RENTAL GUEST BE MOVED TO MAKE AN APARTMENT AVAILABLE TO ITS OWNER.** Every effort will be made to make an owner's apartment available to him by shifting reservations, etc., in advance of a rental guest arrival. A minimum of 60 days (preferably 90 days, but no later than October 1st for Winter Texans) advance notice of the owners proposed use of his apartment during the summer is needed to give any assurance that the apartment will be available. When an apartment is confirmed for an owner's use, it will not be available for rental guests. Unless an apartment is previously committed to an owner or owner's guest, rental guests take priority over owner's use.

D. EQUIPMENT AND MAINTENANCE

A Unit in the rental operation is supplied and maintained with the following items as a cost of the rental operation. In order to comply with the rental standards, a unit entering the rental pool will incur an initial charge of \$1,200. The items supplied and maintained by the rental operation will become the property of the owner upon removal of the unit from the rental operation.

The following is the minimum required items:

- Service for 8 in dishes and silverware
- Service for 8 iced tea, water, old fashion and juice glasses
- Silverware trays
- Spatula, kitchen spoon, kitchen fork
- Set of graduated knives
- Cutting board
- Cookie sheet & baking pan
- Set of pots (at least two sizes)
- Set of skillets (2 in graduated sizes)
- Large pot for boiling crabs or shrimp
- Measuring cup
- Mixing bowls (3 of varying sizes)
- Pitcher (iced tea or water)

- Electric coffee pot
- Electric can opener
- Light bulbs for all fixtures
- Electric toaster
- Garbage can
- Ice trays (4 minimum)
- Colander
- Platters (2 minimum)
- Trash baskets (3 minimum)
- Pillows (sufficient for sleeping accommodations, including convertible sofa.)
- Blankets for all beds (including convertible sofa)
- Mattress pads for all beds (including convertible sofa.)
- Safe Lock (1)

These items are considered semi-expendable in rental situations. As the items become unserviceable, broken or disappear, they will be replaced and charged to the rental operating cost.

E. STANDARDS FOR INTERIOR UNITS

Standards for Gulfstream interiors are to promote a family friendly resort beach experience for owners and their guests (both private and rental). This will be achieved by developing a set of interior standards that will support a four star resort condominium rating. The quality of the furnishings must be at least equal to those expected in hotels and motels of equivalent standards. Substandard quality or quantity will be reason for removal of an apartment from the rental operation.

1. General Standards for Gulfstream Rental Unit Interiors:

The Gulfstream condominiums' interiors will be maintained and refurbished to enhance an excellent beach resort experience. The recommended interior decoration is to be a coastal (seashore) theme. Furniture is to be comfortable, durable, in good condition, and coordinated to the decor. Replacement furniture should be new, not garage sale, mismatched, or "second hand store" items. Furniture designed for outdoor use is not acceptable for indoor décor use as tables and chairs. Lamps are to be in good working order and condition. TV stands to be sturdy and large enough for TV's. Paint and wall decorations to be in good condition and coordinated with the furniture and recommended coastal décor. Light color paint (white, beige, or light pastels) is recommended. Flooring in excellent condition, tile floor with removable area rugs are recommended. Substandard quality or quantity will be reason for removal of an apartment from the rental pool.

It is the owner's responsibility to maintain these furnishings in an excellent state of repair. Owners will be notified of furniture and equipment damage or shortages. Replacement or repairs must be made within 15 days after written notification or the apartment will be dropped from the rental until the deficiencies are corrected. With the owners' written authorization the general manager will have repairs made and charge the cost to the owner's account.

Unfortunately, occasional breakage or disappearance of articles occurs thought to be attributable to rental occupants. When such is known and without doubt, malicious or flagrant, as opposed to unavoidable or accidental and the circumstances warrant, management's judgment, every effort will be made to collect damages from the individual causing such. If restitution or damages proves to be uncollectible, the cost must be assumed by the owner, as in the case of any income property owning landlord. However, such cases are not without "grey" areas and should there be a difference of opinion between management and the owner regarding damages or circumstances, and the difference may be brought before the Board of Directors for arbitration and their decision shall be considered final. (Cigarette burns, beach tar and other furniture or fabric stains and the like, are usually accidental and occasionally unavoidable and not to be considered arbitrary, but normal rental wear and tear are an owner's responsibility.)

Owners shall make available all closets, pantries, except owner's closet, and cabinet over the stove for use by rental guests.

As approved by the Board of Directors, June 10, 2006. Amended August 22, 2015

Robert Drost

Secretary,

Gulfstream Board of Director

Lou Lutostanski

President,

Gulfstream Board of Directors

Appendix H

STANDARDS FOR RENTAL UNIT INTERIORS

The following is a list of the Standards for Gulfstream Rental Unit Interiors for rental apartments as approved by the Board of Directors June 10, 2006. Amended August 22, 2015.

A. Kitchen

1. Modern appliances in good repair.
2. Cabinet exterior and interiors in good condition.
3. Modern faucet and sink.
4. Laminate, tile, granite, sile stone, or equivalent on counter tops in good condition.
5. Coastal décor is recommended.
6. Splash boards to coordinate with counter tops.
7. Flooring in excellent condition, tile preferred.

B. Bathrooms

1. Tubs to be in excellent working condition with modern faucets and no chips or defects. Wall interior of tub may be tiled.
2. Shower and tub enclosures are to be shatterproof, modern and in excellent working order. Showers and bath tubs not in good condition should be replaced as necessary
3. Bathroom sinks, counter tops, mirrors and lights in good condition and updated to the recommended coastal décor. Original mirror's, and lights to be replaced
4. Cabinet exteriors and interiors in good condition.
5. GFI electric plugs are required.
6. Paint must be in excellent condition and coordinate with other condo décor.
7. Flooring in excellent condition, tile preferred.
8. Toilets in excellent working condition or replaced.

C. Dining Room

1. Coastal décor is highly recommended.
2. Table with a minimum of 4 matching chairs in excellent repair and coordinated with the table in coordinating colors of the condo.
3. Upholstery clean and coordinating colors.
4. At least one wall decoration of coastal theme.
5. Flooring in excellent condition. Tile or Pergo flooring is preferred.
6. Ceiling fan and light in good working order.

D. Master Bedroom

1. Coastal décor is highly recommended.
2. Queen or king size bed with headboard (king preferred)
3. Chest of drawers (coordinating)
4. Night stand (coordinating)
5. Lamp
6. TV: 19" minimum with remote.
7. TV Stand
8. Mattress, box springs or foundation, and frame in excellent condition.
9. At least one wall hanging with coastal theme.
10. Flooring of high quality carpet or tile. If tile, area rugs to control noise.
11. Ceiling fan with light.
12. Clock radio
13. Window treatment neutral to the outside.
14. Bedspread plus an extra back up in owners closet (for sanitary purposes)

E. Exterior Bedroom

1. Coastal décor highly recommended.

2. Two Twin beds, queen, or king bed.
3. Mattress, foundation or box springs, and frame in excellent condition.
4. Headboard (s) (coordinating)
5. Night stand (coordinating)
6. Chest of drawers (coordinating)
7. Lamp
8. Floor-high quality carpet or tile. If tile, area carpet recommended.
9. Picture: at least one wall hanging of coastal theme.
10. Ceiling fan with light.
11. Window treatments neutral to the outside. Faux wood blinds or mini blinds recommended. Draperies are discouraged.
12. Bedspread plus an extra back up for each bed in owners closet (for sanitary purposes)

F. Family Room

1. Coastal décor highly recommended.
2. Comfortable seating for six guests. Sofa sleeper and two stand-alone chairs are recommended. All furniture to be comfortable, durable and in excellent repair. Upholstery to be clean and well maintained.
3. Television-Minimum of 38" with sturdy stand or wall mount. Separate DVD recommended.
4. End table and coffee table.
5. Lamp
6. Flooring: tile or carpet in good repair and clean. Recommend area rug over tile.
7. Paint-coordinated and in good condition.
8. At least one wall hanging of coastal theme.
9. Safety glass in the place of glass tops on furniture.
10. Window treatments neutral to the outside. Draperies are discouraged. Faux wood blinds or mini blinds recommended.
11. Programmable remotely controlled thermostats are prohibited.

G. Mattress Policy

1. Clean comfortable mattresses, foundation or box springs, and frames in excellent condition.
2. Unsightly stains will require replacement at management's discretion.
3. Queen or King size mattress in Master Bedroom.
4. Comfortable sleeping arrangements for maximum of 6 people.
5. King/queen mattress.
6. Two twin beds, queen or king exterior bedroom.
7. Sofa sleeper in family room.
8. Recommend mattress replacement every 5-7 years, sooner if necessary.
9. Dust mite cover to keep clean if desired.

H. Cabinet Locking Policy

1. All other cabinets/ closets to be unlocked and available for guests.
2. Owner's closet may be locked and is recommended.
3. Cabinet over the stove may be locked.

I. Implementation Timeline

1. Television policy enforced fall 2015. The timeline to replace the family room television to a 38" or larger is 6 months. (Note: The Master bedroom television size will change from a 19" to a 27" or larger. Enforcement date unknown.
2. Programmable remotely controlled thermostats are prohibited effective immediately.
3. Continuous quality improvements- forever.

Appendix I
GULFSTREAM FEES
ESTABLISHED BY THE BOARD OF DIRECTORS

The following are the rates effective as approved by the Gulfstream Board of Directors Amended April 21, 2012:

The Gulfstream Board of Directors has approved the following rates:

1. Rental Distribution:

The Gulf Stream Board of Directors approved a direct rental distribution method utilizing First Resort Software to become effective Jan. 1, 2007.

The Rental Operation will pay out 59% of the rental revenue to the Rental unit owner and retain 41% for the Operating Expense of the Rental Operation effective June 14, 2008.

2. Collection Fees (in addition to interest) for outstanding owner balances will be as follows: (effective June 14, 2008)

- a) \$20 when 30 days past due
- b) \$40 when 60 days past due
- c) \$80 when 90 days past due

3. Lien letter collection of owner past due accounts: (effective June 14, 2008)

- a) Letter will be sent certified mail return receipt requested to owners whose balances exceed 60 days past due and owner will be charged a \$15 processing fee.
- b) Lien letter will be sent certified mail return receipt requested to owners whose balances exceed 90 days past due and owner will be charged a \$35 processing fee.
- c) If no response, lien will be filed and owner will be charged for all attorney and filing fees.

4. Maintenance Work:

A minimum charge of \$17.00 per hour per workman will be charged for in-suite maintenance work orders for work within the designated scope of the maintenance department. All costs including parts and delivery fees will be billed to the unit owner. If a request takes less than 15 minutes and costs less than \$5.00 in parts there will be no charge, with the exception of light bulbs. All other work orders outside of the scope of the maintenance department requiring an outside contractor will be billed per the invoice received.

3. Owners who participate in the rental operation whose pets reside during the use of their unit could be charged a \$150 deep clean per stay. Also shampoo and pest control fees may be charged and will be based on contractor price.

HOUSEKEEPING RATES

GSC RENTAL unit owners using their unit and their non-paying guests may receive the following:

Full cleaning service including linens and replacement supplies:	\$ 65
Same service as above for Unit #612 & Unit #614:	\$130
Deep Cleaning:	\$150

NON-RENTAL unit owners and their non-paying guests may receive the following:

(48 hour notice and no guarantee of service time)

Clean and Supplies	\$ 90
Clean only (no towels or linens or supplies):	\$ 65
Time greater than 1 hour:	twice the above rates
Wash Sheets and & Towels:	\$ 25
(no personal items or other bed linens and no supplies)	
Above with supplies:	\$ 25
Non-Rental Owners requesting Window only cleaning:	\$ 25
Deep Cleaning	\$150

Non-Rental Owners or Non-paying guests, GSC Rental Owners or Guests may exchange soiled linen for clean linen at the following rate:

Set of Towels: \$15.00

- 6 Bath towels
- 6 Hand towels
- 6 Wash cloths
- 2 kitchen towels
- 2 bath mats

Sheets:

Regular or twin	\$.55 each
King or Queen	\$.65 each
Pillow cases	\$.25 each

Other Items:

Soap	\$.25 each
Toilet Paper	\$.75each
Kleenex	\$1.00 each
Paper Towels	\$1.25 each
Cascade	\$2.75 each
Dish Soap	\$1.75 each

HANDLING CHARGE: \$2.00 each

Note: Owners who rent unit outside the rental operation do not receive on-site reservation (desk services); "turn around housekeeping" services between GSC's check-out and check-in times and maintenance work orders must be submitted by the owner and will be scheduled by the maintenance department accordingly with no guarantee of service time. Amended April 21, 2012

Appendix J
GULFSTREAM RENTAL OPERATING PROCEDURE
GULFSTREAM COUNCIL OF CO-OWNERS, INC.
RENTAL AGREEMENT

I hereby apply for membership in the GULFSTREAM RENTAL OPERATION and herewith authorize the management to rent my apartment in accordance with the Standard Operating Procedures for the Rental Operation as approved by the Board of Directors, Gulfstream Council of Co-Owners, Incorporated.

I authorize management to maintain the furnishings, dishes and utensils in my unit according to standards established by the Board of Directors of the Council of Co-Owners, Inc.

Rental rates for apartments will be established by the Board of Directors of the Condominium based upon recommendations of management. Deviation from these rates on the part of owners or management will require the approval of the Board of Directors.

I will be furnished a monthly statement of my account in the rental operation and understand and agree that all indebtedness to the maintenance of rental accounts will be kept current, within the normal 30 day business payment system. I understand the delinquency in maintaining my account will be considered grounds for removal from the rental operation by the Board of Directors. In the event such action is contemplated, I will be so notified by the Board of Directors.

Should I desire to withdraw from the rental operation, I agree to notify management, in writing, 30 days in advance of the effective date of withdrawal. I understand that in the event I withdraw from the rental operation or am excluded for non-payment, I will be ineligible to rejoin for a minimum period of 1 year, unless approved by the Board of Directors.

The signing of this agreement grants exclusive rental rights to the Board of Directors in accordance with the approved Standard Operating Procedure for Rental Operation.

Date: _____ *Unit #:* _____

SS#: _____

Full Name: _____

Address: _____

City: _____

State, Zip code: _____

Phone Number: _____

E-mail Address: _____

Owner(s) Signature: _____

WINTER TEXAN MONTHLY AGREEMENT

I hereby authorize Gulfstream Council of Co-Owners, Inc., management to rent my unit under a Winter-term rental beginning October 1st through May 1st in accordance with considerations set forth under the Rental Operating Procedure.

Date: _____ *Unit #:* _____

Owner(s) Signature

Some owners do not wish to have a monthly rental in March. Please indicate your preference below:

- Yes, rent out my unit in March for Winter-Texan rental.*
- No, do not rent out my unit in March for Winter-Texan rental.*

Appendix K
Self-Rental Prohibition
RESOLUTION OF THE BOARD OF DIRECTORS OF
GULFSTREAM COUNCIL OF CO-OWNERS, INC.

At a meeting of the Board of Directors duly called and held on the date hereinafter stated, the Board of Directors found and resolved and does hereby FIND and RESOLVE as follows:

The Board FINDS that some of the unit owners use outside agents to rent their units (“Outside Rentals”) and some rent their units themselves (“Self Rentals”) rather than allowing the rental program operated by the Association to rent said units;

The Board FINDS that Outside Rentals and Self-Rentals, as hereinafter defined, create demands upon the project as a whole greater than the demands created by owner occupied units and that such rentals are oftentimes detrimental to the safe, secure, economical, uniform, fair, and efficient operation and management of the condominium project as a whole;

The Board FINDS that the problems created by Outside and Self-Rentals, as hereinafter defined, include, but are not necessarily limited to, the following:

- (1) security issues;
- (2) a failure to identify guests and tenants;
- (3) difficulty compelling guests and tenants to adhere to rules and regulations;
- (4) difficulty in monitoring the people entering the building or premises or using its facilities;
- (5) exacerbated wear and tear and damage to the facilities;
- (6) theft of and damage to property;
- (7) waste of property, assets and services;
- (8) uncompensated services rendered by the Association, i.e. the Association provides services for these units that are not being paid for by the owners of these units, including front desk services such as check-in and checkout, re-keying of keys, parking permits, faxing, making copies and change for concessions and mail distributions, trash pick-up, phone service, public laundry facility, and security;
- (9) loud parties, having more than six people in the units, inviting people that are not staying on the property in to use the pool and Jacuzzi, pets, unattended children at the pool and elevators, underage drinking, renting to guests under 25 years of age, swimming in the pool or Jacuzzi after hours, towel service, security issues, removal of supplies from the housekeeping carts when left in the walkways, and removal of pool towels from the towel bin;

- (10) rental companies and owners are not available to resolve their guests complaints resulting in the renters complaining to the front desk that they needed maintenance, cleaning or towel service, and renters have become irritated and angry when the front desk could not address their complaints;
- (11) renters take the pool towels from the pool area or supplies, towels, and linens off of the housekeeping carts;
- (12) when guests make contact with their rental company or owner, the rental company or owner does not handle the problems and refers the guests back to the front desk and management; and
- (13) renters complain about the condition of the units they are renting, creating a poor image of the Gulfstream condominiums.

The Board FINDS that the Association sponsored rental program creates more demands on the project than do Owner occupied units but these excess demands are compensated to the Association by the Association sponsored rental program, but not by Outside Rentals or Self-Rentals.

The Board FINDS that the Association sponsored rental program controls the performance of its purposes and manages and controls its renters in a better fashion than do Self-Rentals and Outside Rentals and that the Association sponsored rental program does compensate the Association for its excess demands.

The Board FINDS that it is in the best interest of the condominium project and would promote and is necessary for the safe, secure, economical, uniform, fair and efficient operation and management of the project to prohibit Outside Rentals and to impose a fee for Self-Rentals;

The Board FINDS that Outside Rentals and Self-Rentals affect the common elements and other units (Section 82.102(a)(7) Texas Property Code);

The Board FINDS that a violation of the prohibition imposed by this Resolution against Outside Rentals is not curable (Section 82.102(a) (12) Texas Property Code);

The Board FINDS that the prohibition of Outside Rentals and the imposition of fines for violation of such prohibition and imposition of fees on Self Rentals are necessary and proper for the government and operation of the Association and project;

The Board, under the Declaration, By-laws, and Articles, has general authority to manage and administer the condominium project, the regulation of rental of units is within its general management and administrative power, and prohibition of Outside Rentals and imposition of fees on Self-Rentals are appropriate exercises of such power and not inconsistent with any provision of the aforesaid governing documents of the condominium regime and project.

The Board FINDS that the fees hereby imposed on rentals are proportionate to excess demands and problems created by those rentals.

The Board FINDS that it is in the best interest of the condominium project and would promote and is necessary for the safe, secure, economical, uniform, fair and efficient operation and management of the project and maintenance of its residential character to adopt the rules hereinafter set forth;

THEREFORE, BE IT RESOLVED as follows:

Section 1.01 - Definitions.

- (a) "Outside Agent", as used herein, means any person or entity who or which is not the owner of the unit, is not an agent of the rental program sponsored by the Association, and who or which is an agent of a unit owner hired to rent the owner's unit.
- (b) "Outside Rentals", as used herein, means any lease or rental agreement, whereby a unit is leased or rented, made by or as a result of the efforts of an outside agent.
- (c) "Rental Program", as used herein, means the rental program through which units are leased and rented, which program is sponsored, created, managed and operated by the Association through its Board of Directors.
- (d) "Self-Rentals", as used herein, means any lease or rental agreement, whereby a unit is leased or rented, made by or as a result of the efforts of an owner of the unit which is being leased or rented.
- (e) "Units", as used herein, means the individual condominium apartments in the condominium project.

Section 1.02 – Prohibition of Outside Rentals. From and after January 1, 2009, all Outside Rentals are prohibited and Units may not be rented, except through the Rental Program or by the Owner directly. In the event of a violation of the prohibition imposed by this resolution on Outside Rentals, in addition to and not in lieu of any other remedy available to the Association, the remedy afforded hereby being cumulative of all other remedies available to the Association for said violation, the Board of Directors may impose a fine against the owner not to exceed \$100 for each day or portion of a day when the unit of said owner is occupied or possessed by a tenant or lessee in violation of this resolution; however, before any such fine may be levied the Board shall give to the unit owner a written notice that: (1) describes the violation and states the amount of the proposed fine; and (2) states that not later than the 30th day after the date of the notice, the unit owner may request a hearing before the Board to contest the fine. If the owner, within said 30 days, requests a hearing, the Board shall schedule a hearing; give the owner no less than 10 days written notice of the hearing date, place and time, and at the hearing shall give the owner a reasonable opportunity to be heard.

Section 1.03- Fees. From and after January 1, 2009 all Self Rentals and all rentals in violation of the Outside Rentals prohibition shall be subject to fees in accordance with the following provisions:

- (a) A fee shall be and is hereby imposed and assessed against each owner in the amount hereinafter stated per day of occupancy of any unit rented by the owner (Self Rental) and per day of occupancy of any unit rented in violation of the Outside Rentals prohibition:

- (1) For a long-term rental, i.e. a rental of 30 days or more continuous occupancy \$ 10.00 per day;
- (2) For a short-term rental, i.e. a rental of less than 30 days continuous occupancy \$ 25.00 per day;

(b) The assessed fee must be paid as and when directed by the Board and is not in lieu of but is cumulative of any and all other remedies of the Association and sums due the Association.

BE IT FURTHER RESOLVED that a copy of this Resolution shall be mailed to all unit owners within fifteen (15) days after its passage. Notice of this Resolution will be deemed to have been given upon its deposit, postage prepaid, into an official depository of the United States Mail Service in an envelope properly addressed to the last known mailing address of said owner according to the records of the Association.

Passed at meeting held October 11, 2008

Elizabeth Mackey,
Chairman of the Board
and President of the Association

ATTEST:

Alice Rosenberg,
Secretary

Appendix L

THE GULFSTREAM'S PET POLICY

- Any pet on property must be on a leash at all times.
- No pets are allowed in the office, courtyard/pool or common areas.
- Pet waste must be picked up and discarded properly (this includes any accidents that may happen on walkways or by/in elevators).
- Do not allow pets to be disruptive to guests in surrounding units. It is the responsibility of the owner to control their pets at all times.
- Owners who participate in the rental operation, whose pets reside during the use of their unit, could be charged a \$150 deep clean per stay and the unit could be blocked to allow time to treat the unit. Shampoo and pest control fees may be charged; cost will be based on contractor price.
- If an owner rents another unit for themselves or family, please note that pets are not allowed in those units as the Rental Operation has a NO PET POLICY and a \$250.00 fee will be charged per incident.

If any of these become an issue with guests or employees we may ask that the pet be removed and boarded elsewhere. If the pet remains on property and continues to be disruptive a penalty fee will be charged on your next monthly statement.

Appendix M

GULFSTREAM WRISTBAND POLICY

1. A wristband policy has been initiated during the peak summer season to help identify trespassers. All rental guests and owners guests will be distributed a wristband for the duration of their stay and will be determined by the number of occupants in their rental unit.
2. Wristbands are required, for you or your guests, during your whole stay at The Gulfstream. Your wristband provides you with entrance to the courtyard and facility at all times.
3. Wristbands are not transferable.
4. Do not remove your wristband.
5. If rental guests lose their wristband, replacements are available at the front desk for a fee of \$25.00 with proof of occupancy. However, if your wristband is damaged, bring it with you to the front desk and a replacement will be provided free of charge. Replacements are limited to one per person.
6. Individuals must provide photo ID and proof of occupancy to pick up his/her wristband. Acceptable forms of identification: driver's license, state ID, confirmation letter.
7. The number of wristbands will coincide with the number of persons booked in a unit. No more than 6 wristbands will be issued per reservation with the exception of the double unit and the penthouse.
8. Owners will not be required to wear wristbands but will be issued 2 lanyards per unit to easily identify them as an owner for security purposes. Owner guests will not be charged for a replacement wristband.

BY SIGNING THIS NOTICE I WILL ABIDE BY THIS POLICY AND AUTHORIZE GULFSTREAM TO APPLY ALL PENALTIES AND FEES TO MY CREDIT CARD WITH A SIGNATURE ON FILE ALONG WITH THE RIGHT TO TERMINATE MY STAY WITHOUT A REFUND.

ANYBODY WITHOUT A WRISTBAND OR ANY UNAUTHORIZED PERSONS WILL BE ASKED TO LEAVE THE PREMISES.

Signature

Date

Appendix N

Rental Rates 2015

SUMMER PERIOD-Full Rate No Discounts

Spring Break

(3/01/15 to 3/31/15)

Easter Weekend

(04/1/15 to 04/5/15)

May –Labor Day

(5/01/15 to 9/7/15)

<u>VIEW</u>	<u>DAYS</u>	<u>FULL RATE</u>
GULF FRONT	Sun –Thurs	\$275.00
	Fri & Sat	\$295.00
GULF VIEW	Sun -Thurs	\$240.00
	Fri & Sat	\$260.00
NORTH SIDE	Sun –Thurs	\$220.00
	Fri & Sat	\$240.00

Mid-Season

(9/8/15 to 10/12/15)

(4/6/15 to 4/30/15)

<u>VIEW</u>	<u>DAYS</u>	<u>FULL RATE</u>	<u>DISCOUNT</u>
GULF FRONT	Sun -Thurs	\$210.00	\$189.00
	Fri & Sat	\$225.00	\$202.00
GULF VIEW	Sun -Thurs	\$185.00	\$166.00
	Fri & Sat	\$200.00	\$180.00
NORTH SIDE	Sun –Thurs	\$150.00	\$135.00
	Fri & Sat	\$180.00	\$162.00

Winter Season
10/13/15 to Spring Break (3/1/16)

<u>VIEW</u>	<u>DAYS</u>	<u>FULL RATE</u>	<u>DISCOUNT</u>
GULF FRONT	Sun -Thurs	\$185.00	\$166.50
	Fri & Sat	\$210.00	\$189.00
GULF VIEW	Sun -Thurs	\$160.00	\$144.00
	Fri & Sat	\$190.00	\$171.00
	602;603;604		
NORTH SIDE	Sun -Thurs	\$140.00	\$126.00
	Fri & Sat	\$160.00	\$144.00

Winter Texan Rates

<u>VIEW</u>	<u>DAILY RATE</u>	<u>MONTHLY</u>
GULF FRONT	\$ 75.00	\$2,250.00
GULF VIEW	\$ 71.00	\$2,130.00
NORTH SIDE	\$ 65.00	\$1,950.00
PENTHOUSE	\$134.00	\$4,020.00
DOUBLE UNIT	\$150.00	\$4,500.00

PENTHOUSE-SLEEPS 8

<u>VIEW</u>	<u>DAYS</u>	<u>FULL RATE</u>
GULF FRONT	Sun -Thurs	\$575.00
	Fri & Sat	\$600.00

DOUBLE UNIT -SLEEPS 8

<u>VIEW</u>	<u>DAYS</u>	<u>FULL RATE</u>	<u>MONTHLY</u>
GULF FRONT	Sun -Thurs	\$550.00	\$4,500.00
	Fri & Sat	\$590.00	