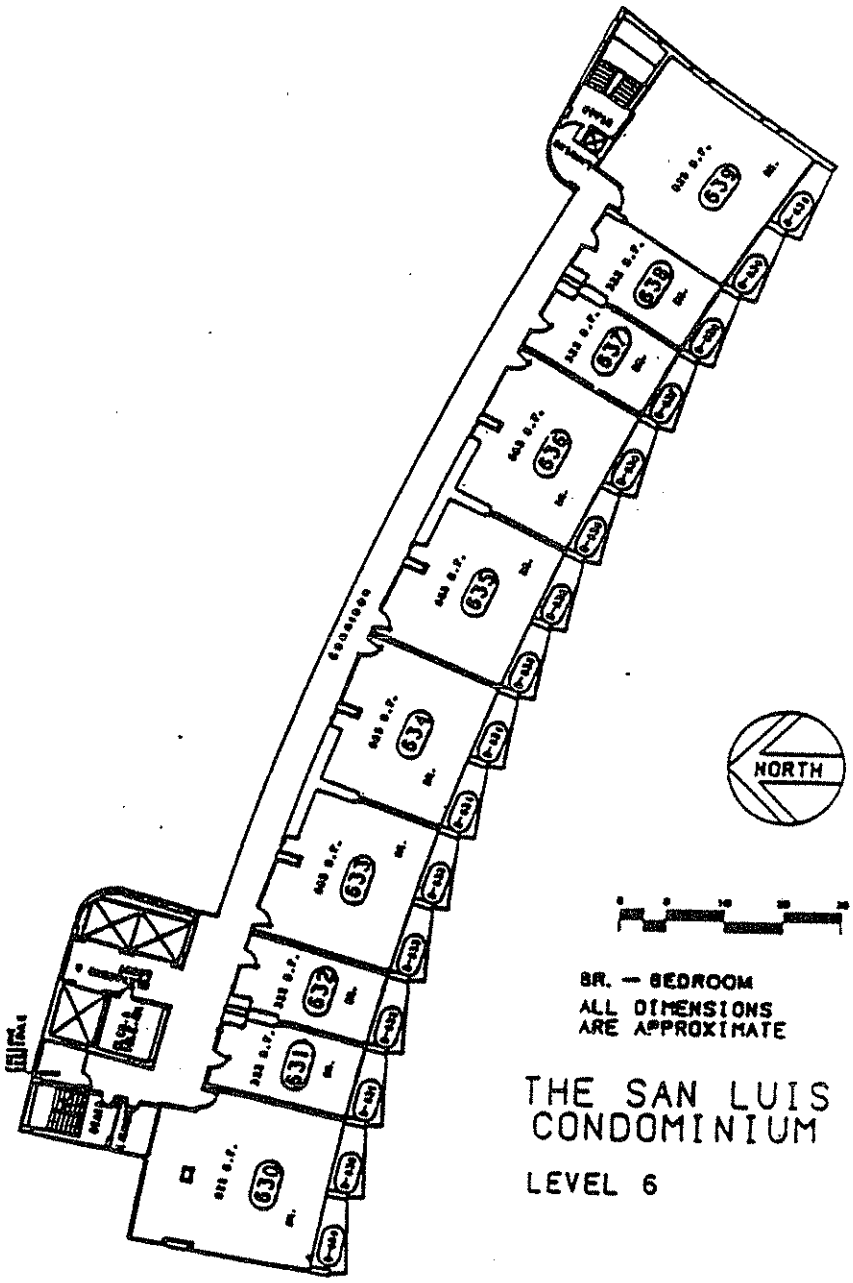
003-60-1488



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ALL DIMENSIONS ARE APPROXIMATE

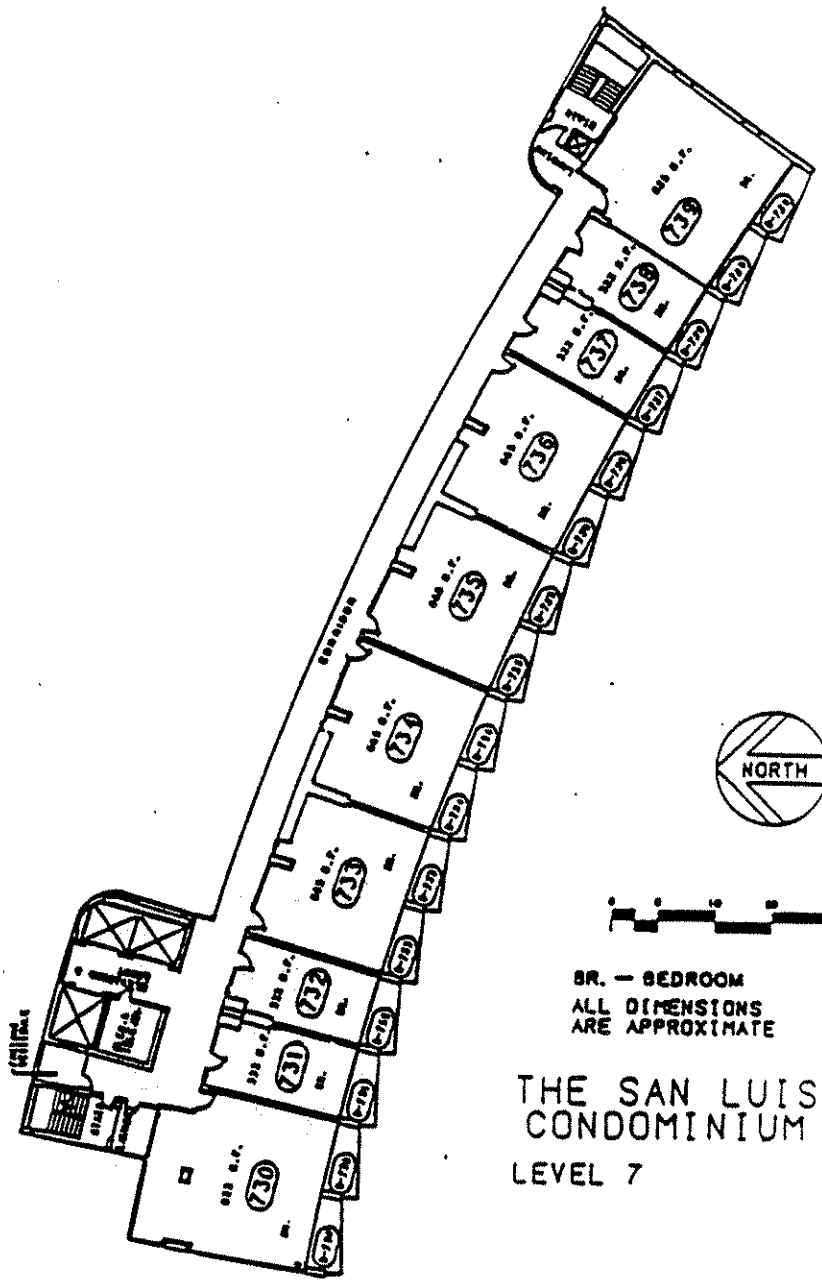
THE SAN LUIS CONDOMINIUM

LEVEL 6

NOVEMBER 15, 1984
EXHIBIT II-PAGE 9

EXHIBIT G

003-60-1489



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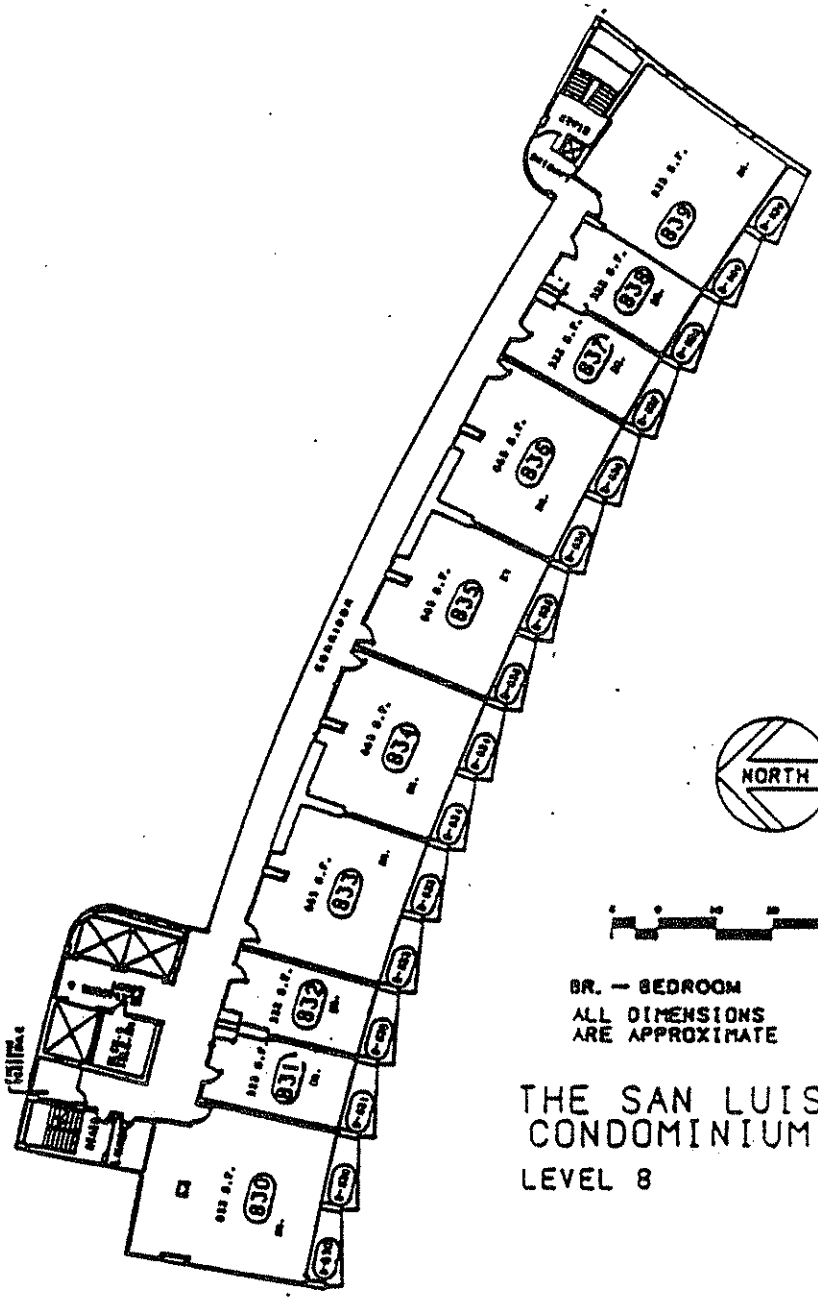
THE SAN LUIS CONDOMINIUM

LEVEL 7

NOVEMBER 15, 1984
EXHIBIT II-PAGE 10

EXHIBIT 4

003-60-1490



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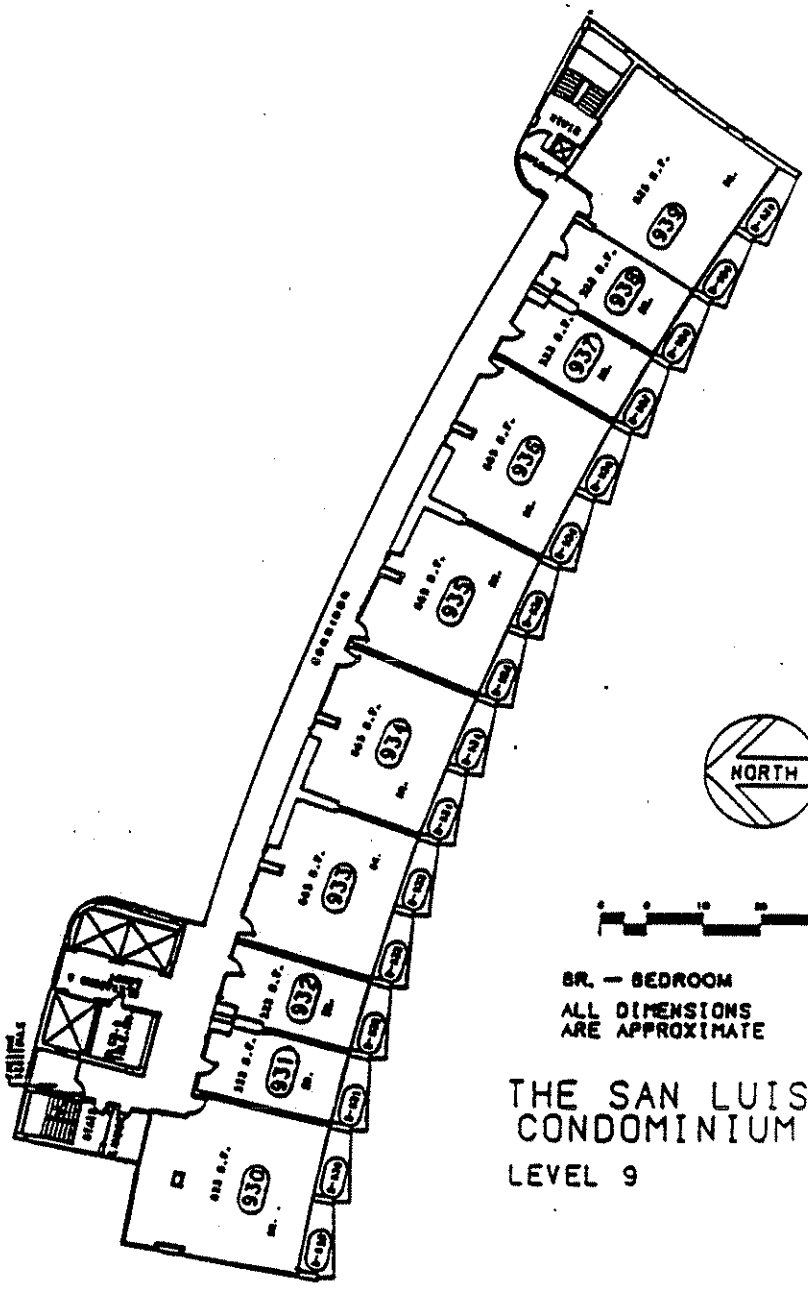
THE SAN LUIS CONDOMINIUM

LEVEL 8

NOVEMBER 15, 1984
EXHIBIT II-PAGE 11

EXHIBIT G

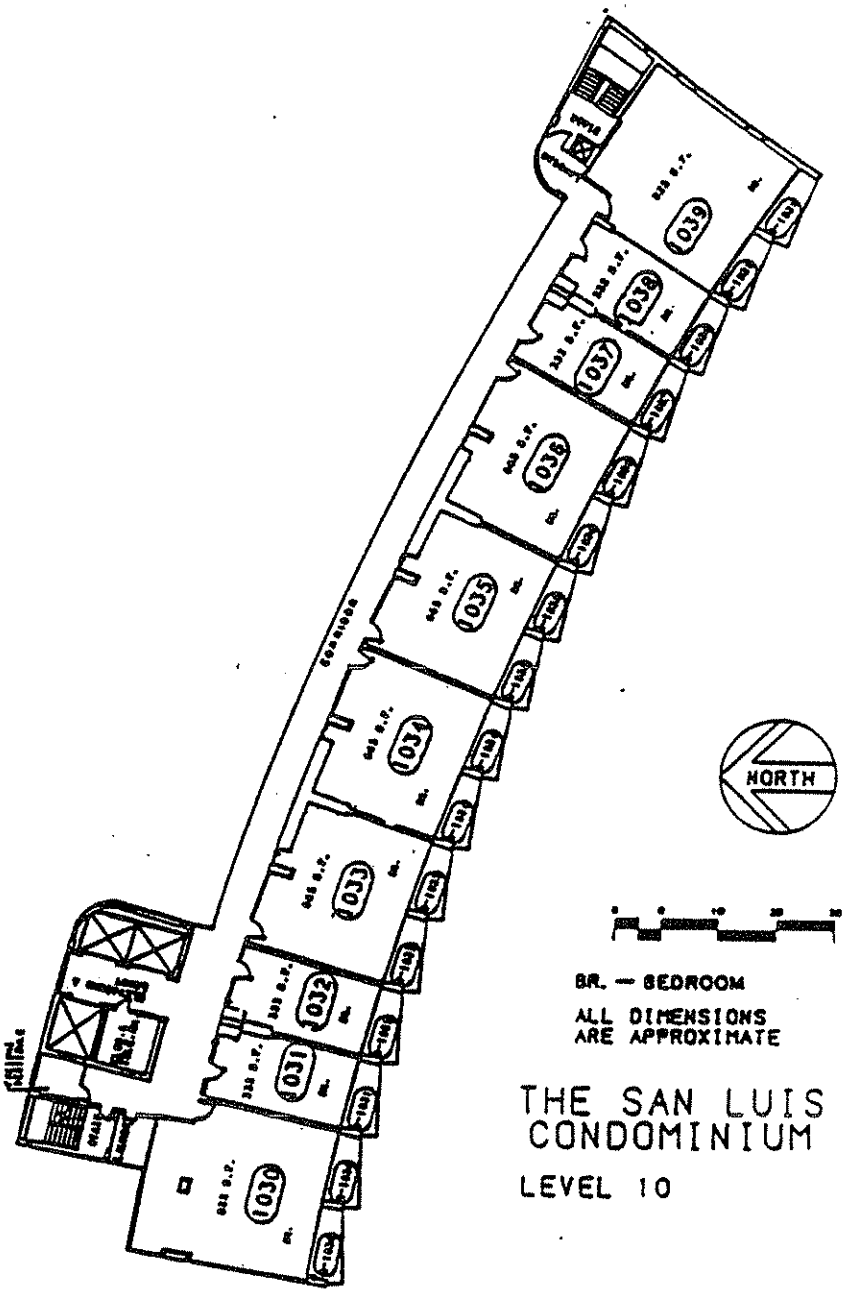
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THE SAN LUIS CONDOMINIUM

LEVEL 9

NOVEMBER 15, 1984
EXHIBIT II-PAGE 12

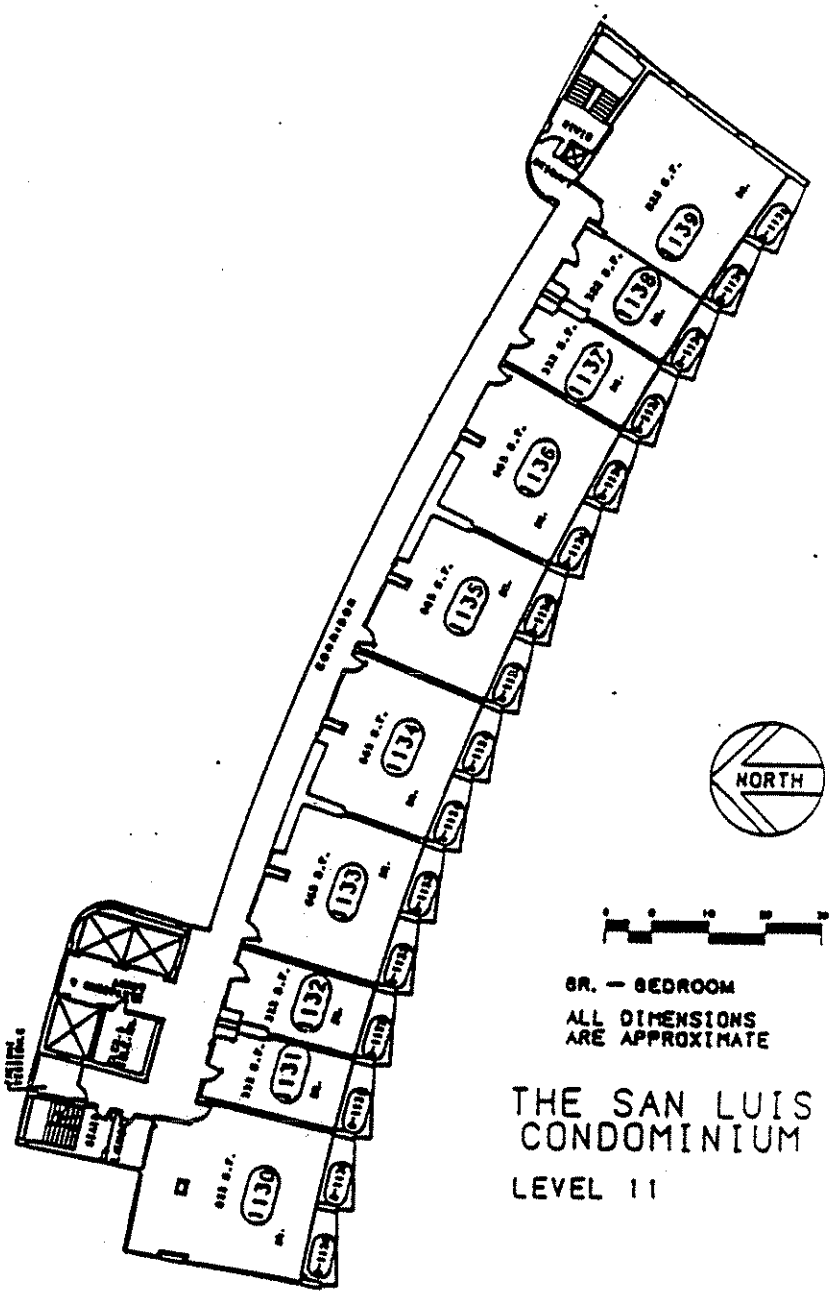


THE SAN LUIS CONDOMINIUM

LEVEL 10

NOVEMBER 15, 1984
EXHIBIT II-PAGE 13

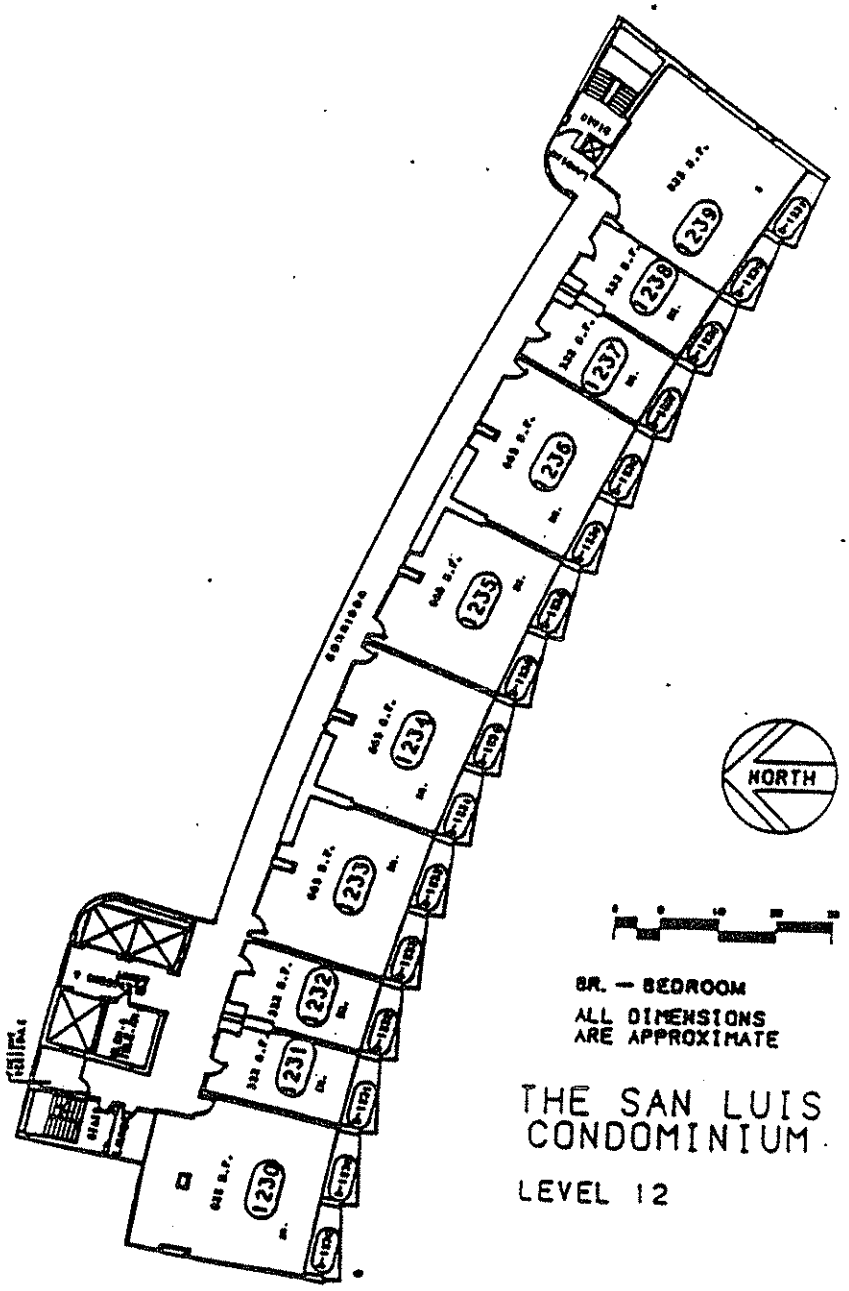
EXHIBIT C



THE SAN LUIS CONDOMINIUM

LEVEL 11

NOVEMBER 15, 1984
EXHIBIT II-PAGE 14



BR. — BEDROOM
ALL DIMENSIONS ARE APPROXIMATE

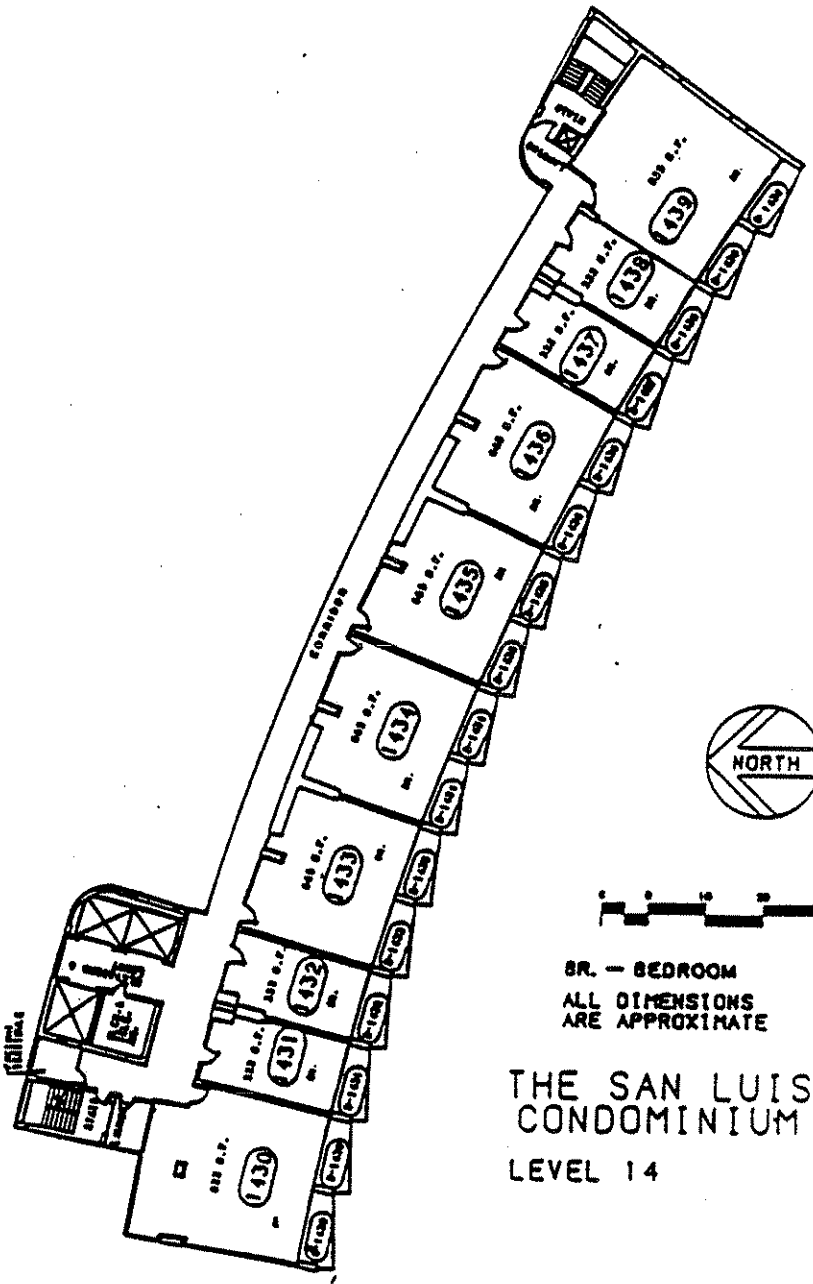
THE SAN LUIS CONDOMINIUM

LEVEL 12

NOVEMBER 15, 1984
EXHIBIT II-PAGE 15

EXHIBIT

003-60-1495

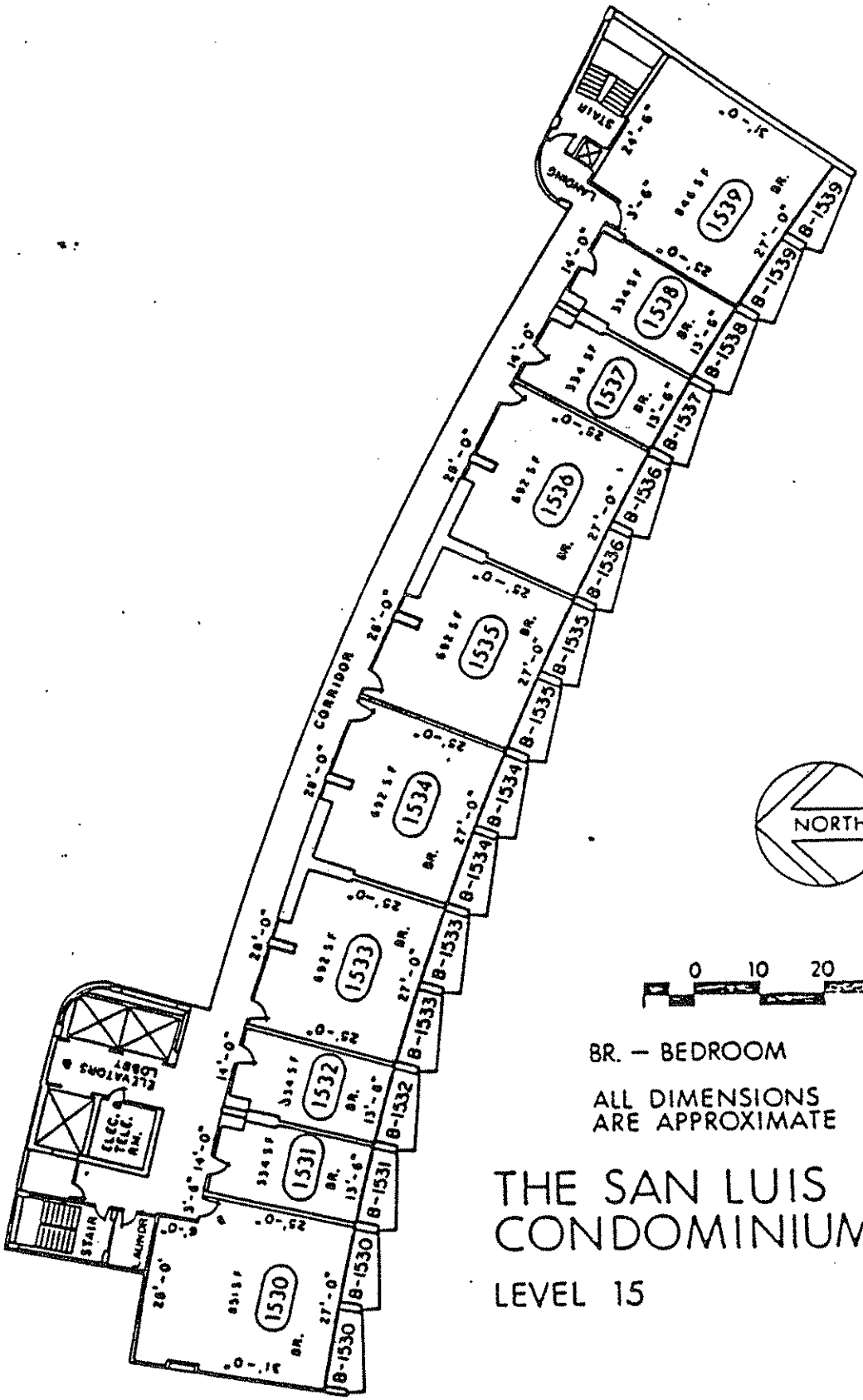


BR. — BEDROOM
ALL DIMENSIONS ARE APPROXIMATE

THE SAN LUIS CONDOMINIUM

LEVEL 14

NOVEMBER 15, 1984
EXHIBIT 11-PAGE 16



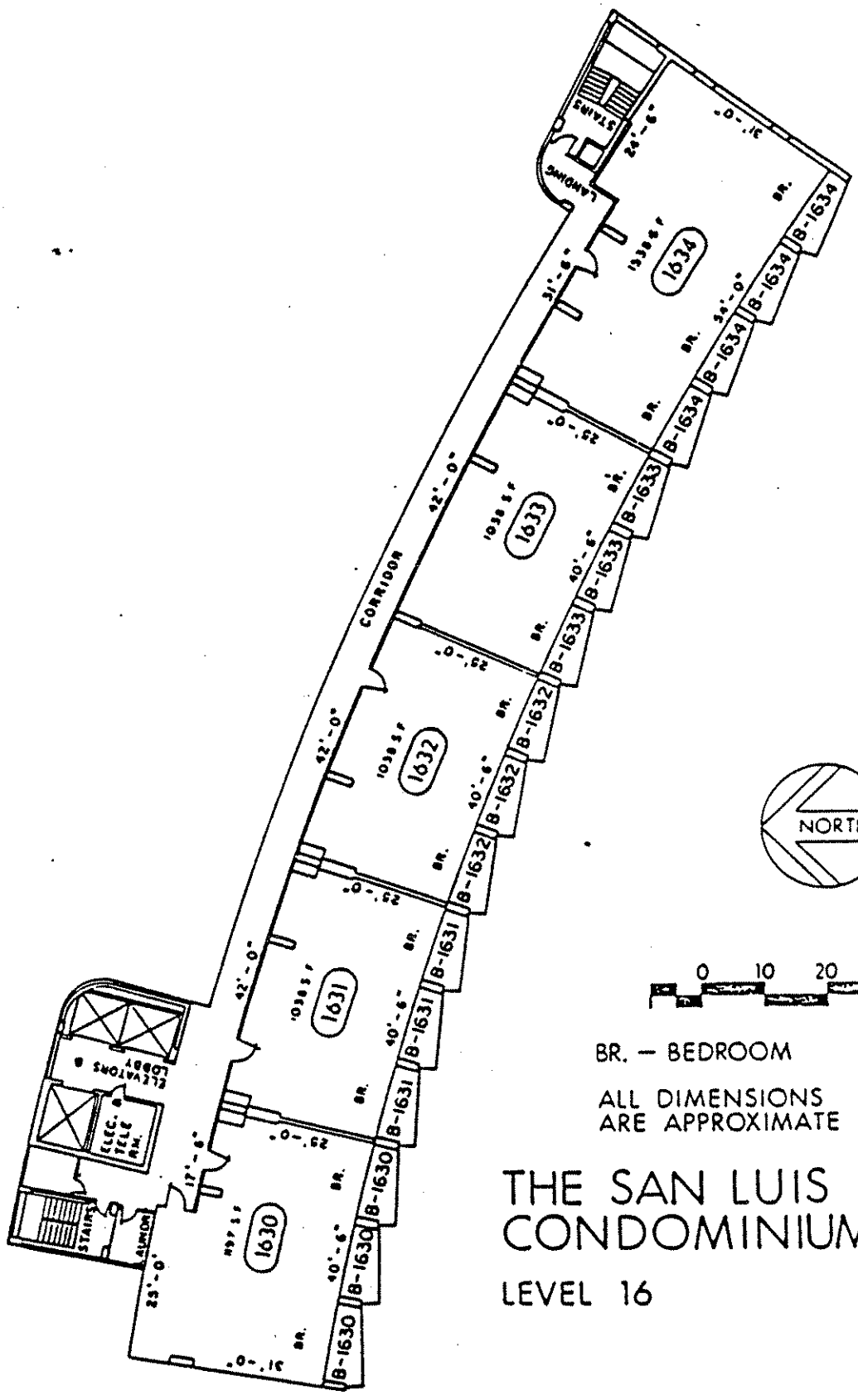
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ALL DIMENSIONS ARE APPROXIMATE

THE SAN LUIS CONDOMINIUM

LEVEL 15

EXHIBIT G

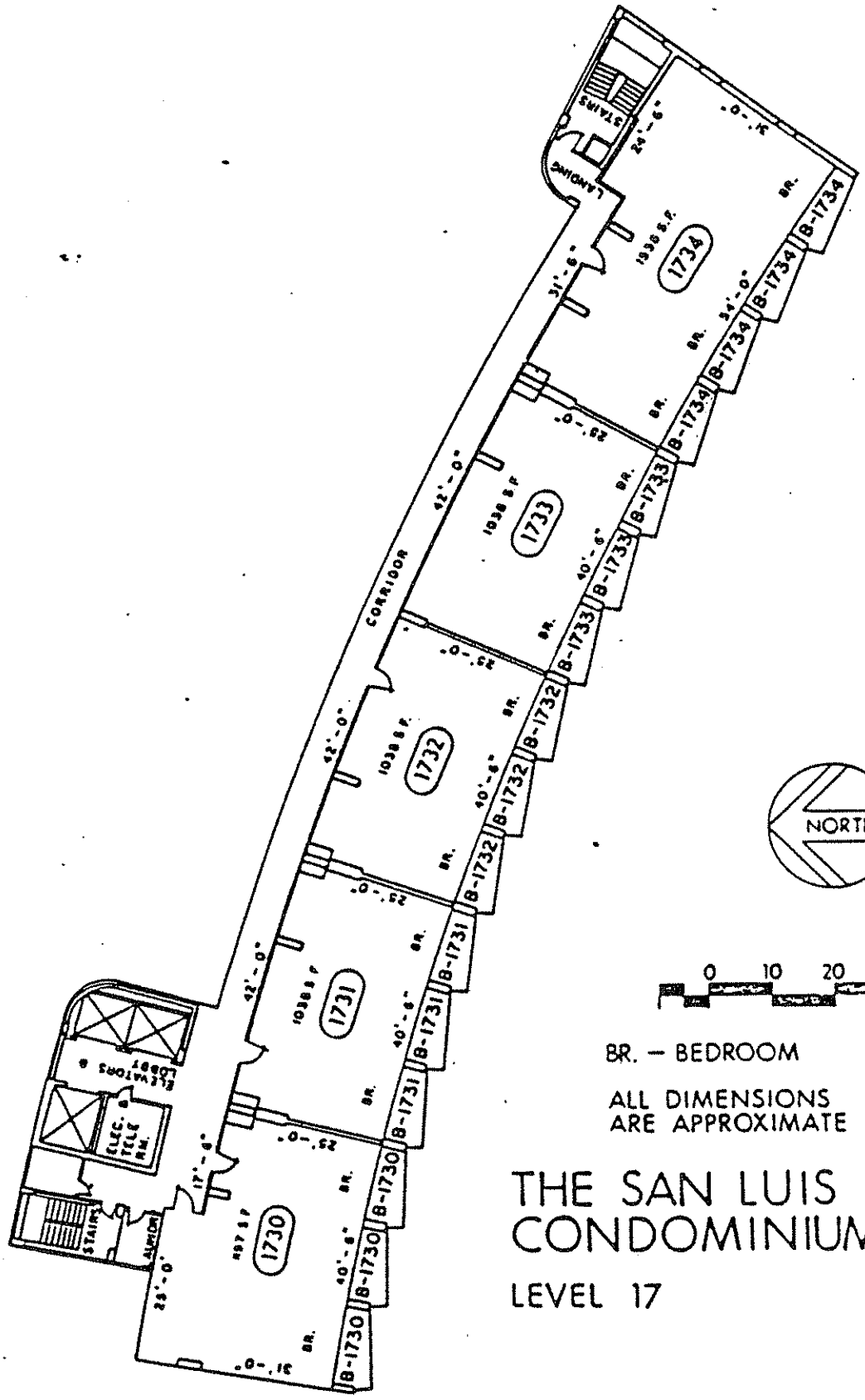


BR. – BEDROOM

ALL DIMENSIONS ARE APPROXIMATE

THE SAN LUIS CONDOMINIUM

LEVEL 16



BR. – BEDROOM

ALL DIMENSIONS ARE APPROXIMATE

THE SAN LUIS CONDOMINIUM

LEVEL 17

EXHIBIT G

003-60-1499

EXHIBIT III

PERCENTAGE OF OWNERSHIP TABLE
THE SAN LUIS CONDOMINIUM
November 15, 1984 Rev.

UNIT NO.	PERCENTAGE OF OWNERSHIP
331	0.8358
332	0.4109
333	0.8358
334	0.8358
335	0.8358
336	0.8358
337	0.4109
338	0.4109
339	1.0527
430	1.0489
431	0.4109
432	0.4109
433	0.8486
434	0.8486
435	0.8486
436	0.8486
437	0.4109
438	0.4109
439	1.0527
530	1.0489
531	0.4109
532	0.4109
533	0.8486
534	0.8486
535	0.8486
536	0.8486
537	0.4109
538	0.4109
539	1.0527
630	1.0489
631	0.4109
632	0.4109
633	0.8486
634	0.8486
635	0.8486
636	0.8486
637	0.4109
638	0.4109
639	1.0527
730	1.0489
731	0.4109
732	0.4109
733	0.8486
734	0.8486
735	0.8486
736	0.8486
737	0.4109
738	0.4109
739	1.0527
830	1.0489
831	0.4109
832	0.4109
833	0.8486
834	0.8486
835	0.8486
836	0.8486
837	0.4109
838	0.4109
839	1.0527
930	1.0489
931	0.4109
932	0.4109
933	0.8486
934	0.8486
935	0.8486
936	0.8486
937	0.4109
938	0.4109
939	1.0527
1030	1.0489
1031	0.4109
1032	0.4109
1033	0.8486
1034	0.8486
1035	0.8486
1036	0.8486
1037	0.4109
1038	0.4109
1039	1.0527
1130	1.0489
1131	0.4109
1132	0.4109
1133	0.8486
1134	0.8486
1135	0.8486
1136	0.8486
1137	0.4109
1138	0.4109
1139	1.0527
1230	1.0489
1231	0.4109
1232	0.4109
1233	0.8486
1234	0.8486
1235	0.8486
1436	0.8486
1237	0.4109
1238	0.4109
1239	1.0527
1430	1.0489
1431	0.4109
1432	0.4109
1433	0.8486
1434	0.8486
1435	0.8486
1436	0.8486
1437	0.4109
1438	0.4109
1439	1.0527
1530	1.0489
1531	0.4109
1532	0.4109
1533	0.8486
1534	0.8486
1535	0.8486
1536	0.8486
1537	0.4109
1538	0.4109
1539	1.0527
1630	1.3364
1631	1.3231
1632	1.3294
1633	1.3294
1634	1.9817
1730	1.3364
1731	1.3231
1732	1.3294
1733	1.3294
1734	1.9817
TOTAL:	100%

STEWART-DUE

Bill Myers

FILED FOR RECORD
JAN 21 12 02 PM '85

STATE OF TEXAS COUNTY OF GALVESTON

I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Real Property of Galveston County, Texas, on

JAN 21 1985

COUNTY CLERK, Galveston County, Texas

EXHIBIT C

THE STATE OF TEXAS,
County of Galveston.

I, MARY JANE CHRISTENSEN, County Clerk, in and for Galveston County, State of Texas, do hereby CERTIFY that the above and foregoing is a true and correct copy of Declaration of Condominium: -

MITCHELL DEVELOPMENT CORPORATION
OF THE SOUTHWEST DOING BUSINESS
AS THE WOODLANDS

TO

THE SAN LUIS CONDOMINIUM

as the same appears of record in my office, in the official public Records of Real Property having Microfilm Identification Number 003-60-1 to Microfilm Identification Number 003-60-1500 Inclusive.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the impress of the official seal of said County Court, at my office, in the City and County of Galveston, State of Texas, on this the 21st day of January A. D., 1985.

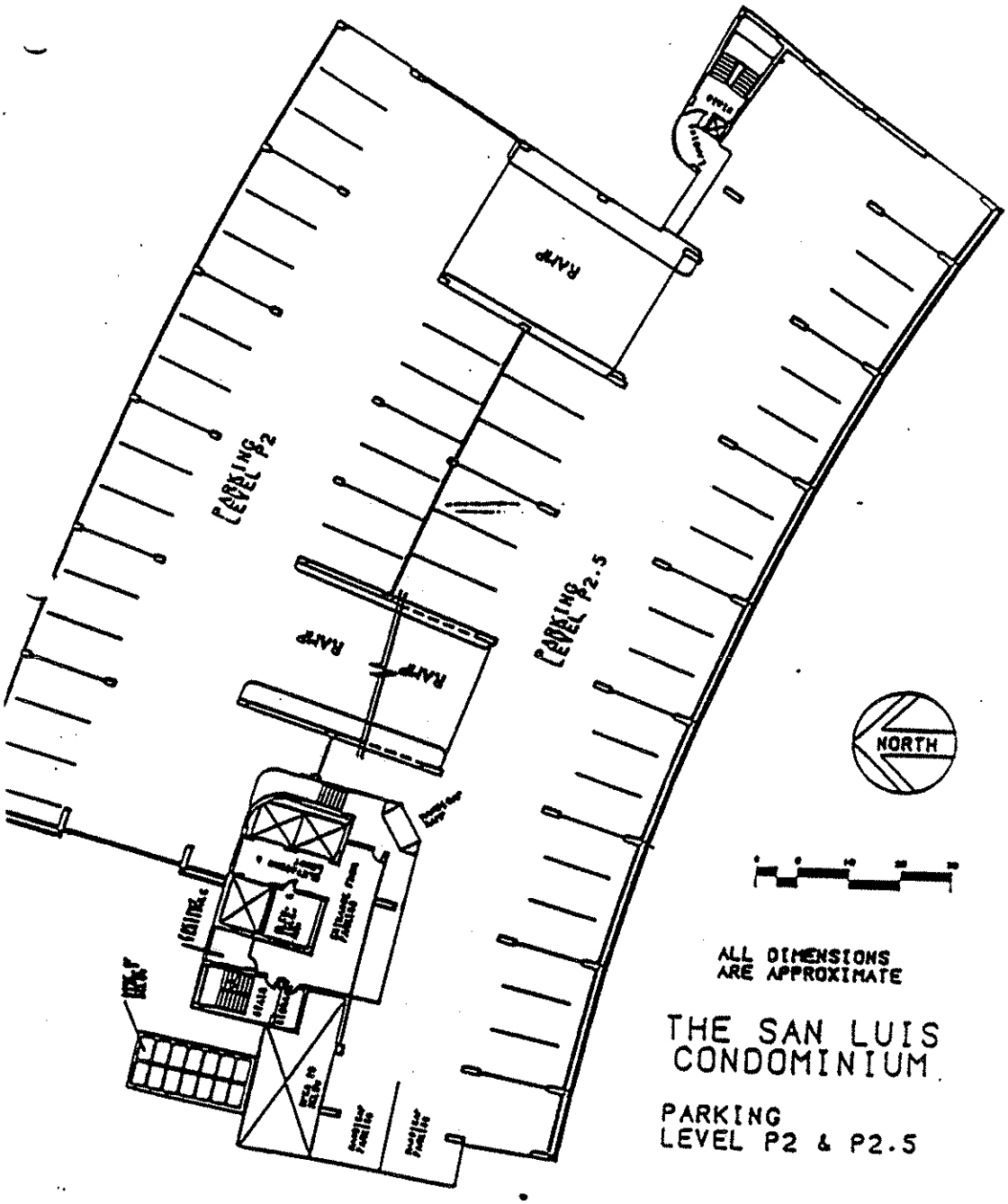
MARY JANE CHRISTENSEN,
County Clerk, in and for
Galveston County, Texas.

By Velma Boudreaux Deputy.
Velma Boudreaux

EXHIBIT G

IM 8-78 CAC

003-60-1483



ALL DIMENSIONS ARE APPROXIMATE

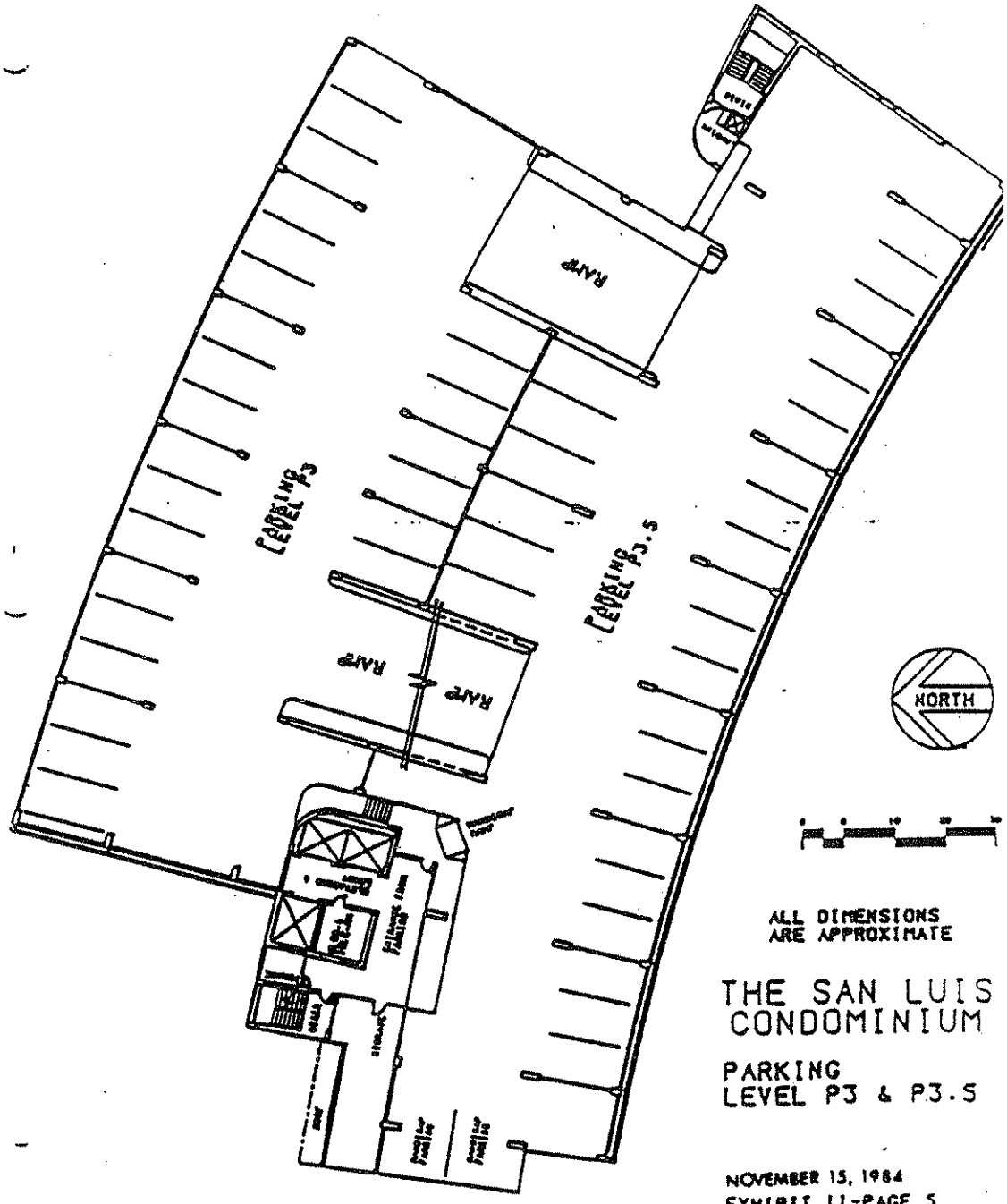
THE SAN LUIS CONDOMINIUM

PARKING LEVEL P2 & P2.5

NOVEMBER 15, 1984
EXHIBIT II-PAGE 4

EXHIBIT G

003-60-1484



ALL DIMENSIONS
ARE APPROXIMATE

THE SAN LUIS
CONDOMINIUM

PARKING
LEVEL P3 & P3.5

NOVEMBER 15, 1984
EXHIBIT II-PAGE 5

EXHIBIT G

The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

THE SAN LUIS CONDOMINIUM ASSOCIATION, INC.
CHARTER NUMBER 725280

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT ARTICLES OF INCORPORATION FOR THE ABOVE CORPORATION, DULY SIGNED AND VERIFIED HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY THE UNDERSIGNED, AS SUCH SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN HIM BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION AND ATTACHES HERETO A COPY OF THE ARTICLES OF INCORPORATION.

DATED OCT. 18, 1984

EXHIBIT H

Secretary of State

FILED
In the Office of the
Secretary of State of Texas

OCT 18 1984

Clerk F
Corporations Section

ARTICLES OF INCORPORATION

OF

THE SAN LUIS CONDOMINIUM ASSOCIATION, INC.

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

NAME

The name of the corporation is THE SAN LUIS CONDOMINIUM ASSOCIATION, INC.

ARTICLE TWO

NONPROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

ARTICLE FOUR

PURPOSES

The purposes for which the corporation is organized are:

(a) The primary purpose is to operate, maintain and manage a condominium project in Galveston, Texas, pursuant to Texas Revised Civil Statutes, Article 1301a.

EXHIBIT 1

(b) The general provisions and powers are to have and exercise all rights and powers conferred on nonpofit corporations under the laws of Texas, or which may hereinafter be conferred, including the power to contract, rent, buy or sell personal or real property.

(c) To do all other acts necessary or expedient to the administration of the affairs and attainment of the purposes of this corporation.

(d) Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for non-profit purposes.

ARTICLE FIVE

INITIAL REGISTERED AGENT AND OFFICE

The corporation's initial registered agent for service of process shall be Paul W. Wommack. The street address of the initial registered agent's office shall be: 2002 Timberloch Place, The Woodlands, Texas. 77380.

EXHIBIT H

ARTICLE SIX

BOARD OF DIRECTORS

The number of directors constituting the initial board of directors of the corporation is three, and the names and addresses of the persons who are to serve as the initial board of directors are:

Roger Galatas	2201 Timberloch Place The Woodlands, Texas 77380
Jeff D. Harris	2201 Timberloch Place The Woodlands, Texas 77380
Michael H. Richmond	2201 Timberloch Place The Woodlands, Texas 77380

ARTICLE SEVEN

INCORPORATORS

The name and street address of each incorporator is:

Joe F. Monroe	2002 Timberloch Place The Woodlands, Texas 77380
Eileen C. Stilson	2002 Timberloch Place The Woodlands, Texas 77380
Brian L. Reade	2002 Timberloch Place The Woodlands, Texas 77380

IN WITNESS WHEREOF, we have hereunto set out hands, this 12th day of October, 1984.

Joe F. Monroe

Joe F. Monroe

Eileen C. Stilson

Eileen C. Stilson

Brian L. Reade

Brian L. Reade

EXHIBIT H

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

I, Connie S. Cottingham, a notary public, do hereby certify that on the 17th day of October, 1984, personally appeared Joe F. Monroe, Eileen C. Stilson and Brian L. Reade, who, each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year written.

Connie S. Cottingham
Notary Public
State of Texas
My Commission Expires: 11-4-85

CONNIE S. COTTINGHAM
Notary Public in and for State of Texas
My Commission Expires 11-04-85

JFM/csc/2BAofI

EXHIBIT H

AKW/ns/2BSDCSLC/10-04-88

006-12-1581

883734.5

SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
SAN LUIS CONDOMINIUMS

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

This Supplemental Declaration of Co-Ownership for San Luis Condominiums, is made and executed on this 18th day of October, 1988, ("Supplemental Declaration") by The Woodlands Corporation a Delaware corporation whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380 ("Declarant").

W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for San Luis Condominiums was filed for record under County Clerk File No. 8458524 of the Real Property Records of Galveston County, Texas ("Declaration") whereby certain units in the San Luis Condominiums were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as San Luis Condominiums, to wit:

> Unit 737, Unit 1038, Unit 1039 and Unit 1535 and the space encompassed by the boundaries thereof, together with an undivided interest in and to the common elements of the San Luis Condominium, a condominium project located in the City of Galveston, Galveston County, Texas, according to and as described by the Declaration of Condominium for The San Luis Condominium and exhibits recorded under County Clerk's File No. 8502838, Real Property Records of Galveston County, Texas (collectively referred to as "Units")

WHEREAS, Unit 1038/1039 was previously submitted to the Timeshare Regime as a two (2) bedroom, two and one-half (2½) bath condominium, and the Declarant has subsequently reconstructed said unit to create Unit 1038, which is a one (1) bedroom, one (1) bath condominium and Unit 1039 which is a one (1) bedroom and one (1) and one-half (1½) bath Unit; and

EXHIBIT "K"

WHEREAS, Declarant now desires to annex Unit 737 and Unit 1535 and all rights and privileges belonging or in any wise pertaining thereto, to the Timeshare Regime pursuant to Texas Condominium Code, §201. et. seq. (Vernon Supp. 1987) and to Article VII of the Declaration.

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby submit the Unit 737 and Unit 1535 to the Timeshare Regime does amend the Declaration, and does declare that the Units shall be held, sold, conveyed, and encumbered, rented, occupied and used subject to the covenants, conditions, reservations, restrictions and limitations contained herein and in the Declaration. All such covenants, conditions, reservations, restrictions, and limitations shall run with the land and be binding upon and inure to the benefit of Declarant, all Owners, and any other persons or entities having or acquiring any right, title, or interest therein.

In consideration of receiving and by acceptance of a deed or of any other instrument of transfer, whether from Declarant, its successors or assigns, or from any Owner, each Owner for himself, his heirs, legal representatives, successors, assigns, or any other person or persons holding or occupying by, through, or under such Owner, and whether or not expressly stated therein, covenants, consents, and agrees to be bound by, observe, comply with, and perform the covenants, conditions, reservations, restrictions and limitations contained in the Declaration and in the Articles of Incorporation and Bylaws of San Luis Condominium Council, as each of the aforesaid documents may lawfully be amended and/or supplemented from time to time.

ARTICLE I
ANNEXATION

1.1. The Units are hereby annexed to the Timeshare Regime.

1.2. The Units are being annexed in accordance with the provisions of Article VII of the Declaration and the Units being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of the Declaration.

1.3. The provisions of the Declaration shall apply to the Units being annexed with the same force and effect as if said Units were originally included in said Declaration.

1.4. The Units being annexed are submitted to the jurisdiction of the Council with the same force and effect as if said Units were originally included in the Declaration.

ARTICLE II
AMENDMENTS TO THE DECLARATION

2.1. Section 3.1 of the Declaration is hereby amended to add Unit 737 and Unit 1038.

2.2. Section 3.2 of the Declaration is hereby amended to add Unit 1535.

2.3. Section 3.3 of the Declaration is hereby amended to add Unit 1039.

2.4. Section 5.2 of the Declaration is hereby amended by deleting the phrase ".581% or 1/172 of the entire Timeshare Regime" where it appears therein and substituting the phrase ".543% or 1/184 of the entire Timeshare Regime".

2.5. Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Supplemental Declaration this 18th day of October, 1988.

THE WOODLANDS CORPORATION

By: _____
Name: Timothy J. Welbes
Title: Vice President

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on October 18, 1988, by Timothy J. Welbes, Vice President of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.

MARIE J. WHEELER
Notary Public, State of Texas
My Commission Expires 6-19-90

Marie J. Wheeler
Printed Name:
Notary Public, State of Texas
My Commission Expires: _____

AKW/ns/2BSDCSLC/10-04-88

006-12-1581

8837345

SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
SAN LUIS CONDOMINIUMS

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

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W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for San Luis Condominiums was filed for record under County Clerk File No. 8458524 of the Real Property Records of Galveston County, Texas ("Declaration") whereby certain units in the San Luis Condominiums were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as San Luis Condominiums, to wit:

> Unit 737, Unit 1038, Unit 1039 and Unit 1535 and the space encompassed by the boundaries thereof, together with an undivided interest in and to the common elements of the San Luis Condominium, a condominium project located in the City of Galveston, Galveston County, Texas, according to and as described by the Declaration of Condominium for The San Luis Condominium and exhibits recorded under County Clerk's File No. 8502838, Real Property Records of Galveston County, Texas (collectively referred to as "Units")

WHEREAS, Unit 1038/1039 was previously submitted to the Timeshare Regime as a two (2) bedroom, two and one-half (2½) bath condominium, and the Declarant has subsequently reconstructed said unit to create Unit 1038, which is a one (1) bedroom, one (1) bath condominium and Unit 1039 which is a one (1) bedroom and one (1) and one-half (1½) bath Unit; and

EXHIBIT "K"

WHEREAS, Declarant now desires to annex Unit 737 and Unit 1535 and all rights and privileges belonging or in any wise pertaining thereto, to the Timeshare Regime pursuant to Texas Condominium Code, §201. et. seq. (Vernon Supp. 1987) and to Article VII of the Declaration.

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby submit the Unit 737 and Unit 1535 to the Timeshare Regime does amend the Declaration, and does declare that the Units shall be held, sold, conveyed, and encumbered, rented, occupied and used subject to the covenants, conditions, reservations, restrictions and limitations contained herein and in the Declaration. All such covenants, conditions, reservations, restrictions, and limitations shall run with the land and be binding upon and inure to the benefit of Declarant, all Owners, and any other persons or entities having or acquiring any right, title, or interest therein.

In consideration of receiving and by acceptance of a deed or of any other instrument of transfer, whether from Declarant, its successors or assigns, or from any Owner, each Owner for himself, his heirs, legal representatives, successors, assigns, or any other person or persons holding or occupying by, through, or under such Owner, and whether or not expressly stated therein, covenants, consents, and agrees to be bound by, observe, comply with, and perform the covenants, conditions, reservations, restrictions and limitations contained in the Declaration and in the Articles of Incorporation and Bylaws of San Luis Condominium Council, as each of the aforesaid documents may lawfully be amended and/or supplemented from time to time.

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1.2. The Units are being annexed in accordance with the provisions of Article VII of the Declaration and the Units being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of the Declaration.

1.3. The provisions of the Declaration shall apply to the Units being annexed with the same force and effect as if said Units were originally included in said Declaration.

1.4. The Units being annexed are submitted to the jurisdiction of the Council with the same force and effect as if said Units were originally included in the Declaration.

ARTICLE II
AMENDMENTS TO THE DECLARATION

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2.4. Section 5.2 of the Declaration is hereby amended by deleting the phrase ".581% or 1/172 of the entire Timeshare Regime" where it appears therein and substituting the phrase ".543% or 1/184 of the entire Timeshare Regime".

2.5. Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Supplemental Declaration this 18th day of October, 1988.

THE WOODLANDS CORPORATION

By: _____
Name: Timothy J. Welbes
Title: Vice President

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on October 18, 1988, by Timothy J. Welbes, Vice President of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.

MARIE J. WHEELER
Notary Public, State of Texas
My Commission Expires 6-19-90

Marie J. Wheeler
Printed Name:
Notary Public, State of Texas
My Commission Expires: _____

BLR/rb/2CCommon/02-18-85

COMMON AREA AND TENNIS COURT USE AGREEMENT

THIS AGREEMENT entered into on this the 18th day of February, 1985, by and between MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST ("MDCSW") and THE SAN LUIS CONDOMINIUM ASSOCIATION, INC. (the "Condominium Association"), a Texas nonprofit corporation.

W I T N E S S E T H:

WHEREAS, MDCSW is the owner of a tract of land adjacent to The San Luis Condominium (the "Condominium") in Galveston, Texas, and in conjunction therewith has constructed a landscaped area between the Condominium and Seawall Boulevard (the "Common Area") and a tennis court area north across Ft. Crockett Boulevard from the Condominium (the "Courts"); and

WHEREAS, Condominium Association, whose members (the "Association Members") are the owners of condominium units in the Condominium, desires to make available said Common Area and Courts for the use and benefit of the Association Members and their guests, and to pay a pro rata share of the costs of operating and maintaining same;

NOW THEREFORE, for and in consideration of the mutual benefits and obligations herein contained, MDCSW and the Condominium Association hereby covenant and agree as follows:

1. Right to Use. MDCSW hereby conveys to the Condominium Association, for the use and benefit of the Association Members, their guests and invitees, the non-exclusive right to use those tracts of land described in attached Exhibits A and B, together with all improvements thereon, commencing on the First Closing Date (as defined below). Said tracts shall be used solely for landscaping, park areas and recreational facilities, including one or more tennis courts. The right to use the Common Area and the Courts shall be subject to the terms and conditions of this Agreement and to such reasonable rules and regulations as may be adopted by MDCSW to assure the fullest possible use and enjoyment of the Common Area and the Courts by all users, including regulations limiting the use of all or portions of the Common Area and the Courts during such reasonable periods when exclusive use of all or a portion of the same has been reserved by certain users as provided for in said rules and regulations. All improvements upon the Common Area and the Courts shall be architectually compatible with the San Luis Hotel and Condominium.

2. Duty to Maintain Shared Facilities. MDCSW shall be obligated to and shall provide for high quality care, operation, management, maintenance and repair of the Common Area and the Courts, and shall pay all taxes, assessments and insurance

EXHIBIT J

premiums relating to the Common Area and the Courts. MDCSW shall have the right and authority to hire employees, agents or subcontractors to perform the various functions and services necessary to fulfill MDCSW's obligations under this Agreement, and to purchase such supplies and equipment as may be necessary to fulfill such obligations. MDCSW shall pay all costs incident to performance of such duties, and shall obtain reimbursement from the Condominium Association for a portion of such costs pursuant to Paragraph 3 below. MDCSW shall have the right to relocate the Courts to another comparable site, so long as tennis courts of at least the same quantity and quality are constructed at the relocated site, and so long as use of the existing or relocated courts is not interrupted for more than thirty consecutive days.

3. Condominium's Share. The Condominium Association agrees to pay to MDCSW the Condominium's Share (as hereinafter defined) of all costs and expenses incurred from and after the date of the closing of the sale of the first unit in the Condominium (the "First Closing Date"), for the care, operation, management, maintenance and repair of the Common Area and the Courts.

The Condominium's Share of such costs and expenses shall be that amount of such costs and expenses which bears the same relation to the total costs and expenses as the number of bedrooms in the Condominium (as designated in the recorded condominium declaration, with each efficiency unit deemed to include one bedroom) bears to the sum of the number of bedrooms in the Condominium and sleeping rooms in the San Luis Hotel located adjacent to the Condominium, as of the date of any such determination.

4. Operating Costs and Payment. MDCSW shall prepare annually, in advance, an estimate of all costs and expenses incident to the care, operation, management, maintenance and repair of the Common Area and the Courts, including, without limitation, the following:

(i) Utility costs, including, without limitation, charges for water, electricity, sewer and gas;

(ii) Cleaning, landscaping and routine upkeep costs, including janitorial and trash removal services;

(iii) The cost of supplies, furniture and equipment for the operation of the Common Area and the Courts;

(iv) The cost of repair and maintenance of the Common Area and the Courts, including a reserve for replacement or repair;

(v) Any additional amount for extraordinary costs and expenses in the nature of alterations, remodeling,

renovation or restoration of the Common Area and the Courts which may be necessary for continued high quality operation of same in the judgment of MDCSW, but excluding the cost of any expansions, additions or improvements to the Common Area and the Courts (except with the prior written approval of the Condominium Association);

(vi) The cost of general real estate taxes and special assessments attributable to the Common Area and the Courts.

(vii) The cost of liability insurance premiums relating to the Common Area and the Courts, as provided for in Paragraph 5 below; and

(viii) Allocated compensation costs (including employee benefits) of all employees who may be hired to provide services necessary for the operation of any of the Common Area and the Courts.

Any costs incurred solely because of a special event held at the Common Area or the Courts shall be excluded from operating costs and shall be paid by MDCSW (subject to MDCSW's right to reimbursement from any third party). Indirect management costs shall not exceed 5% of the total annual operating cost for the Common Area and the Courts.

MDCSW shall mail or deliver to the Condominium Association a statement of the Condominium's Share of the estimated costs and expenses and a schedule of monthly or quarterly amounts for payments to be made by the Condominium Association. The Condominium Association shall pay each such amount to MDCSW in advance, on or before the due date shown thereon, without further notice. All amounts due hereunder shall bear interest from the due date until paid at a rate three percent in excess of the announced prime interest rate of U. S. National Bank of Galveston, from time to time.

Within 30 days after the end of each year, MDCSW shall prepare and mail or deliver to the Condominium Association an accounting of the actual costs and expenses incurred by MDCSW in the preceding year with regard to the Common Area and the Courts, and of the Condominium's Share of such actual costs and expenses. If the Condominium's Share of actual costs and expenses exceeds the amount of payments made by the Condominium Association for that year, the Condominium Association shall forthwith pay to MDCSW the amount of the deficiency. If the Condominium's Share of actual costs and expenses is less than the amount of such payments made by the Condominium Association, MDCSW shall forthwith refund to the Condominium Association the amount of its overpayment. The Condominium Association shall have the right to audit the records of MDCSW relating to the charges under this Agreement, annually, at its cost, and at reasonable times.

EXHIBIT J

5. Taxes and Insurance. MDCSW shall obtain and keep in full force and effect at all times broad form comprehensive public liability insurance coverage, with a single limit for bodily injury and property damage for each person and occurrence of at least $500,000.00, containing such deductible provisions as good business may dictate. Said policy shall name the Condominium Association as an additional insured. MDCSW shall provide the Condominium Association, upon request, with a certificate evidencing such insurance. Any such policy may cover facilities and improvements in addition to the Common Area and the Courts. Association shall maintain similar coverage under its multi peril insurance policy applicable to the Condominium Building.

In determining the amount of general real estate taxes, special or other assessments, and insurance premiums levied against or attributable to the Common Area and the Courts, the amount of such taxes, assessments and insurance premiums, if not separately stated, shall be a fair allocation thereof as determined by the good faith estimate of MDCSW.

6. Casualty Damage, Obsolescence and Condemnation. In the event of damage, destruction, or a complete or partial condemnation of the Common Area and/or the Courts, the Condominium Association shall not be entitled to share in any insurance proceeds or condemnation awards, and same shall not abate payments of operating expenses which are due from the Condominium Association under this Agreement. In the event that the Common Area and/or the Courts are not repaired, reconstructed or renewed within 90 days following casualty damage, destruction or condemnation, this Agreement and all rights and obligations of the parties hereunder with respect to the damaged or destroyed facilities shall terminate, except for accrued obligations.

7. Enforcement of Rules and Regulations. Each Association Member and their guests shall comply with and abide by all rules and regulations adopted by MDCSW. MDCSW may exclude or eject any Association Member or their guests from the Common Area and/or the Courts for so long as any violation of said rules and regulations continues.

8. Enforcement and Remedies. The failure of the Condominium Association to pay any sum due in accordance with the provisions of this Agreement or to abide by the other terms of this Agreement shall give MDCSW the right to exercise any remedies available to it at law or in equity, including without limitation the following:

(i) MDCSW may bring an action to recover a money judgment against the Condominium Association for any amount due together with costs and attorneys' fees incident to such action. The bringing of such an action shall not waive the right of MDCSW to pursue any other remedy hereunder.

EXHIBIT J

(ii) MDCSW may exclude from and deny the use and enjoyment of the Common Area and/or the Courts to Association Members and their guests until such default is cured.

(iii) MDCSW may terminate the rights of the Condominium Association under this Agreement by giving the Condominium Association written notice of the default, specifying the nature thereof, and specifying its intention to terminate, and termination shall occur automatically if the default is not cured within 45 days after the date such notice is given.

9. View. Except for an elevated pedestrian walkway which may be constructed across Seawall Boulevard from a point at or near the top of the bunker, no structure may be constructed, placed or permitted to remain on the Common Area which materially obstructs the view from any unit in the Condominium to the Gulf of Mexico.

10. Successors and Assigns. All of the covenants and conditions herein contained shall be binding upon the parties and their successors and assigns; provided, however, that the Condominium Association may not transfer or assign its rights hereunder to any person or entity except an entity succeeding to the rights, duties and obligations of the Condominium Association under that certain Declaration of Condominium for the San Luis Condominium which is or will be filed of record in the Office of the County Clerk of Galveston County, Texas. The rights, obligations and interests of MDCSW hereunder and in and to the Common Area and the Courts are freely transferable.

11. Duration and Amendment. The term of this Agreement shall be for a period of sixty-eight years from and after December 16, 1982, and may be amended only by the mutual written agreement of the parties hereto.

12. Notice and Approval. Any notice required hereunder shall be given in writing, delivered in person or deposited in the United States Mail, postage prepaid, certified, return receipt requested, to the following addresses:

Mitchell Development Corporation of the Southwest
P. O. Box 4000
The Woodlands, TX. 77387-4000

The San Luis Condominium Association, Inc.
5222 Seawall Boulevard
Galveston, TX. 77550

Such address may be changed by either party by notice given in accordance with this Section. Notice will be deemed given on the date of personal delivery or on the third day following the date of post mark, if sent by mail. Any approval required by the terms of this Agreement shall be deemed given if the party whose

EXHIBIT J

approval is required has not responded to any notice requesting an approval within 15 days from the date said notice was given.

MITCHELL DEVELOPMENT CORPORATION
OF THE SOUTHWEST

By: _____ BIR

THE SAN LUIS CONDOMINIUM
ASSOCIATION, INC.

By: _____ BIR

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on March 11, 1985, by George C. Lake, Treasurer of Mitchell Development Corporation of the Southwest, a Delaware corporation, on behalf of said corporation.

_____
Printed Name: Lou Ann Smith
Notary Public
State of Texas
My Commission Expires: 11/15/86

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on MARCH 11, 1985, by ROBERT L. GALATAS, PRESIDENT of The San Luis Condominium Association, Inc., a Texas nonprofit corporation, on behalf of said corporation.

_____
Printed Name: CATHY J. WARD
Notary Public
State of Texas
My Commission Expires: 9/28/87

EXHIBIT "J"

Attachment to
Common Area and Tennis Court Use Agreement

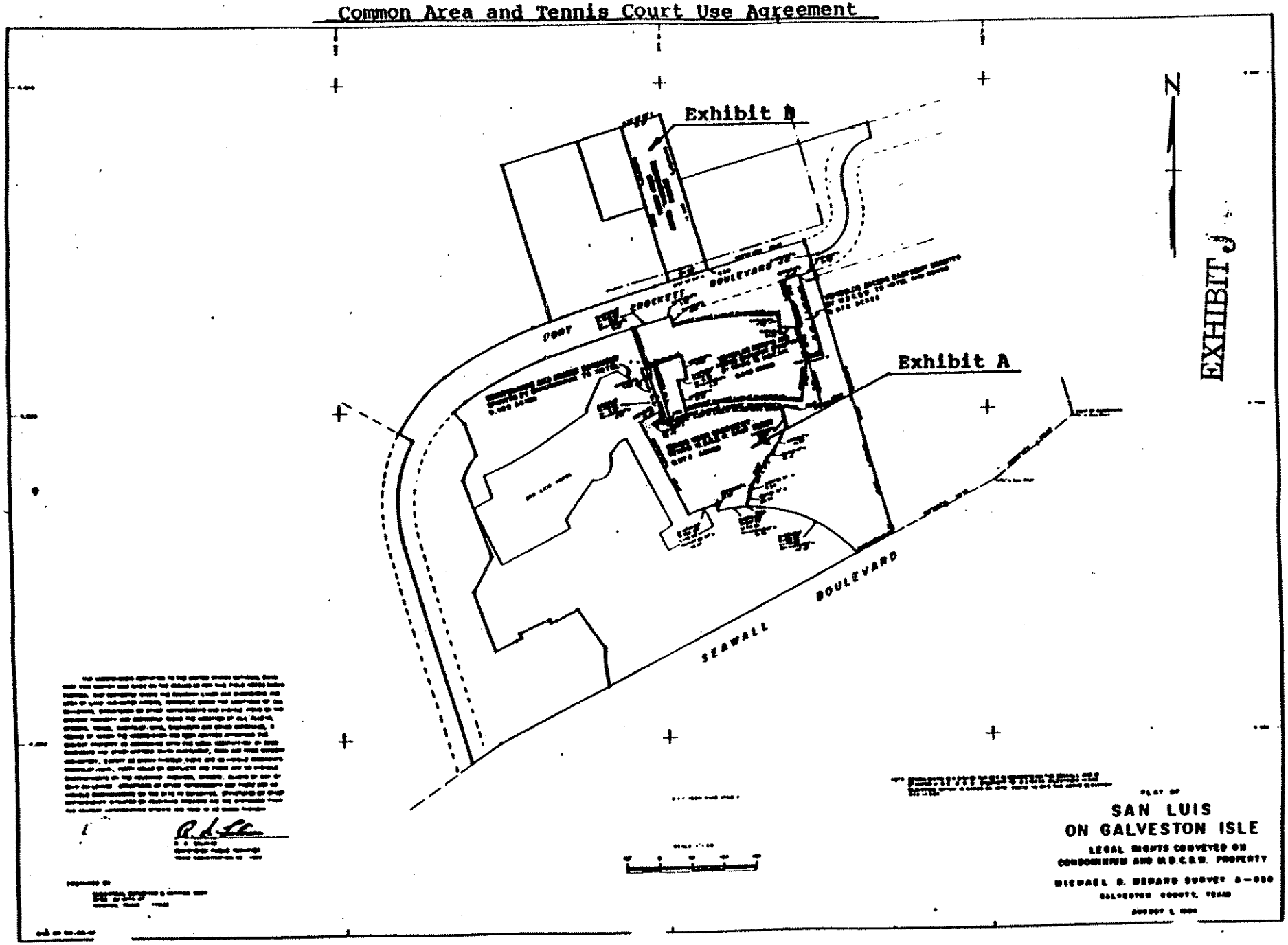


EXHIBIT A

CONDO USER EASEMENT WITHIN M.D.C.S.W. EAST TRACT

STATE OF TEXAS

Michael B. Menard Survey
Abstract No. 628

COUNTY OF GALVESTON

A description of a 0.574 acre (25,012.61 square feet) tract of land located in Galveston County, Texas, situated in the Michael B. Menard Survey, Abstract No. 628, recorded in Volume 1281, Page 284, of the Official Public Records of Galveston County Deed Records and being more particularly described by metes and bounds as follows:

COMMENCING at a point for corner, being the Southwesterly corner of a 3.0303-acre tract conveyed to Sam Alberal, Trustee, recorded in Volume 3213, Page 530 of the Deed Records of Galveston County, Texas, in the original South boundary line of a 22.4680-acre tract formerly owned by Mitchell Development Corporation of the Southwest, common with the North right-of-way boundary of Seawall Boulevard (varying width), said point being referenced in two call from the Southeast corner of said 22.4680-acre tract, marked by an "X" in concrete on the Northerly edge of a concrete sidewalk, as follows: South 51° 34' 00" West, 345.00 feet to an "X" in concrete and South 62° 51' 00" West, 361.55 feet to said commencing point;

THENCE, South 62° 51' 00" West, along the Northerly right-of-way line of Seawall Boulevard, 62.22 feet to a point;

THENCE, Northwesterly, along the arc of a curve to the left with a radius of 226.99 feet, a central angle of 48° 42' 43" a long chord bearing North 67° 53' 01" West, 187.22 feet, and a total arc distance of 192.98 feet to the POINT OF BEGINNING;

THENCE, Southwesterly, along the arc of a curve to the left with a radius of 226.99 feet, a central angle of 09° 50' 20", a long chord bearing South 82° 50' 28" West, 38.93 feet, and a total arc distance of 38.98 feet to a point for corner;

THENCE, North 27° 09' 00" West, 11.38 feet to a point;

THENCE, Southwesterly, along the arc of a curve to the left with a radius of 238.00 feet, a central angle of 11° 18' 08", a long chord bearing South 71° 33' 29" West, 46.87 feet, and a total arc distance of 46.95 feet to a point for corner;

THENCE, North 27° 09' 00" West, 159.95 feet to a point for corner;

THENCE, North 62° 51' 00" East, 39.40 feet to a point for corner;

THENCE, South 19° 09' 00" East, 22.75 feet to a point for corner;

THENCE, Northeasterly, along the arc of a curve to the right with a radius of 447.70 feet, a central angle of 23° 18' 31", a long chord bearing North 82° 30' 15" East, 180.88 feet, and a total arc distance of 182.13 feet to a point for corner;

EXHIBIT J

CONDO USER EASEMENT WITHIN M.D.C.S.W. EAST TRACT

THENCE, South 13° 06' 33" East, 33.71 feet to a point for corner;

THENCE, South 29° 18' 11" West, 44.94 feet to a point;

THENCE, South 32° 12' 43" West, 10.12 feet to a point;

THENCE, South 29° 19' 01" West, 52.30 feet to a point;

THENCE, South 29° 23' 57" West, 9.86 feet to a point;

THENCE, South 29° 52' 26" West, 20.85 feet to the POINT OF BEGINNING and containing 0.574 acre (25,012.61 square feet) of land, more or less.

EXHIBIT J

EXHIBIT B

M.D.C.S.W. RECREATIONAL TRACT

STATE OF TEXAS

COUNTY OF GALVESTON

Michael B. Menard Survey
Abstract No. 628

A description of a 0.366 acre (15,956 square feet) tract of land located in Galveston County, Texas, situated in the Michael B. Menard Survey, Abstract No. 628, recorded in Volume 1281, Page 284, of the Official Public Records of Galveston County Deed Records and being more particularly described by metes and bounds as follows:

COMMENCING at a point for corner, being the Southwesterly corner of a 3.0303-acre tract conveyed to Sam Albaral, Trustee, recorded in Volume 3213, Page 530 of the Deed Records of Galveston County, Texas, in the original South boundary line of a 22.4680-acre tract formerly owned by Mitchell Development Corporation of the Southwest, common with the North right-of-way boundary of Seawall Boulevard (varying width), said point being referenced in two call from the Southeast corner of said 22.4680-acre tract, marked by an "X" in concrete on the Northerly edge of a concrete sidewalk, as follows: South 51° 34' 00" West, 345.00 feet to an "X" in concrete and South 62° 51' 00" West, 361.55 feet to said commencing point;

THENCE, North 16° 10' 00" West, 418.92 feet to a point in the Southerly right-of-way line of Fort Crockett Boulevard (50-foot wide);

THENCE, North 16° 10' 00" West, 50.00 feet to a point in the Northerly right-of-way line of Fort Crockett Boulevard;

THENCE, South 73° 56' 40" West, along the Northerly right-of-way line of Fort Crockett Boulevard, 155.15 feet to the POINT OF BEGINNING;

THENCE, South 73° 50' 00" West, along the Northerly right-of-way line of Fort Crockett Boulevard, 64.00 feet to a point;

THENCE, North 16° 40' 00" West, 248.95 feet to a point for corner;

THENCE, North 73° 09' 00" East, 64.00 feet to a point for corner;

THENCE, South 16° 40' 00" East, 249.71 feet to the POINT OF BEGINNING and containing 0.366 acre (15,956 square feet) of land, more or less.

EXHIBIT J

SECURITY SYSTEM-SAN LUIS CONDOMINIUMS

The security system is designed to protect your property by restricting access to the building to condominium owners, their guests, expected deliverymen, and other authorized persons, such as maintenance and service people, security guard, etc. The system is a perimeter security system, utilizing electric locks to secure all points of entry into the building. Entry is obtained by using a blue access card at the card reading sensors located at all access points. Access cards are furnished to you.

Access to the penthouse levels is restricted to penthouse owners and other authorized persons.

The automobiles of condominium owners are secured in reserved levels of the parking garage. Only condominium owners have access to this area.

DIRECTIONS FOR USING ACCESS CARD

1. AT DOORS- A black, square card reading sensor is conveniently located near each entrance door to the condominium building. To gain entrance, simply present your access card within a few inches of the sensor. The door will unlock and will automatically relock behind you after a brief time.

   When leaving the building, simply press the red button located near the edge of the door or open the door from the inside if you are exiting to the parking garage.

2. IN PARKING GARAGE- When you are entering the area reserved for condominium owners, present your access card within a few inches of the pedestal-mounted sensor located in the center of the ramp. The gates will open and you may drive through. The gates will automatically close behind you.

   When leaving, approach the gates slowly. The gates will automatically open and close behind you. You do not need to present your access card when leaving the parking garage.

VISITORS AND DELIVERYMEN

If you are expecting visitors or a delivery, instruct your visitor or deliveryman to dial your condominium number on the special visitors' phone mounted on the wall in the ground-floor lobby. This will automatically dial your telephone. When the person has satisfactorily identified himself to you, punch the number "6" on your telephone. This will briefly unlock the entrance doors in the lobby and permit your visitor to come inside and take the elevator to your floor.

EXHIBIT J

BLR/rb/2CUse/02-18-85

SHARED POOL FACILITIES USE AGREEMENT

THIS AGREEMENT entered into on this the 18th day of February, 1985, by and between FORT CROCKETT HOTEL LIMITED, dba THE SAN LUIS ON GALVESTON ISLE ("Limited") and THE SAN LUIS CONDOMINIUM ASSOCIATION, INC. (the "Condominium Association"), a Texas nonprofit corporation.

W I T N E S S E T H:

WHEREAS, Limited is the owner of The San Luis on Galveston Isle Hotel (the "Hotel") located on a tract adjacent to The San Luis Condominium (the "Condominium") in Galveston, Texas, and in conjunction therewith has constructed and owns a swimming pool and landscaped area on the Hotel property; and

WHEREAS, Condominium Association, whose members (the "Association Members") are the owners of condominium units in the Condominium, desires to make available said pool facilities for the use and benefit of the Association Members and their guests, and to pay a pro rata share of the costs of operating and maintaining said pool area;

NOW THEREFORE, for and in consideration of the mutual benefits and obligations herein contained, Limited and the Condominium Association hereby covenant and agree as follows:

1. Right to Use. Limited hereby conveys to the Condominium Association, for the use and benefit of the Association Members, their guests and invitees, the non-exclusive right to use that tract of land described in attached Exhibit A, together with all improvements thereon, and the restrooms located adjacent to said tract as shown on Exhibit A (the "Shared Pool Facilities") commencing on the First Closing Date (as defined below). The right to use the Shared Pool Facilities shall be subject to the terms and conditions of this Agreement and to such reasonable rules and regulations as may be adopted by Limited to assure the fullest possible use and enjoyment of the Shared Pool Facilities by all users, including regulations limiting the use of all or portions of the Shared Pool Facilities during such reasonable periods when exclusive use of all or a portion of the same has been reserved by certain users as provided for in said rules and regulations.

2. Duty to Maintain Shared Facilities. Limited shall be obligated to and shall provide for high quality care, operation, management, maintenance and repair of the Shared Pool Facilities, and shall pay all taxes, assessments and insurance premiums relating to the Shared Pool Facilities. Limited shall have the right and authority to hire employees, agents or subcontractors to perform the various functions and services necessary to

EXHIBIT J

fulfill Limited's obligations under this Agreement, and to purchase such supplies and equipment as may be necessary to fulfill such obligations. Limited shall pay all costs incident to performance of such duties, and shall obtain reimbursement from the Condominium Association for a portion of such costs pursuant to Paragraph 3 below.

3. Condominium's Share. The Condominium Association agrees to pay to Limited the Condominium's Share (as hereinafter defined) of all costs and expenses incurred from and after the date of the closing of the sale of the first unit in the Condominium (the "First Closing Date") for the care, operation, management, maintenance and repair of the Shared Pool Facilities, excluding any costs attributable solely to the operation or maintenance of those portions of the Shared Pool Facilities used exclusively for food service or as a bar.

The Condominium's Share of such costs and expenses shall be that amount of such costs and expenses which bears the same relation to the total costs and expenses as the number of bedrooms in the Condominium (as designated in the recorded condominium declaration, with each efficiency unit deemed to include one bedroom) bears to the sum of the number of bedrooms in the Condominium and sleeping rooms in the Hotel as of the date of any such determination.

4. Operating Costs and Payment. Limited shall prepare annually, in advance, an estimate of all costs and expenses incident to the care, operation, management, maintenance and repair of the Shared Pool Facilities, including, without limitation, the following:

(i) Utility costs, including, without limitation, charges for water, electricity, sewer and gas;

(ii) Cleaning, landscaping and routine upkeep costs, including pool chemicals, maid, janitorial and trash removal services;

(iii) The cost of supplies, furniture and equipment for the operation of the Shared Pool Facilities;

(iv) The cost of repair and maintenance of the Shared Pool Facilities, including a reserve for replacement or repair;

(v) Any additional amount for extraordinary costs and expenses in the nature of alterations, remodeling, renovation or restoration of the Shared Pool Facilities which may be necessary for continued high quality operation of same in the judgment of Limited, but excluding the cost of any expansions, additions or improvements to the Shared Pool Facilities (except with the prior written approval of the Condominium Association);

EXHIBIT J

(vi) The cost of general real estate taxes and special assessments attributable to the Shared Pool Facilities;

(vii) The cost of liability insurance premiums relating to the Shared Pool Facilities, as provided for in Paragraph 5 below; and

(viii) Allocated compensation costs (including employee benefits) of all employees who provide services necessary for the operation of any of the Shared Pool Facilities.

Any costs incurred solely because of a special event held at the Shared Pool Facilities shall be excluded from operating costs and shall be paid by Limited (subject to Limited's right to reimbursement from any third party). Indirect management costs shall not exceed 5% of the total annual operating cost for the Shared Pool Facilities.

Limited shall mail or deliver to the Condominium Association a statement of the Condominium's Share of the estimated costs and expenses and a schedule of monthly or quarterly amounts for payments to be made by the Condominium Association. The Condominium Association shall pay each such amount to Limited in advance, on or before the due date shown thereon, without further notice. All amounts due hereunder shall bear interest from the due date until paid at a rate three percent in excess of the announced prime interest rate of U. S. National Bank of Galveston, from time to time.

Within 30 days after the end of each year, Limited shall prepare and mail or deliver to the Condominium Association an accounting of the actual costs and expenses incurred by Limited in the preceding year with regard to the Shared Pool Facilities and of the Condominium's Share of such actual costs and expenses. If the Condominium's Share of actual costs and expenses exceeds the amount of payments made by the Condominium Association for that year, the Condominium Association shall forthwith pay to Limited the amount of the deficiency. If the Condominium's Share of actual costs and expenses is less than the amount of such payments made by the Condominium Association, Limited shall forthwith refund to the Condominium Association the amount of its over-payment. The Condominium Association shall have the right to audit the records of Limited relating to the charges under this Agreement, annually, at its cost, and at reasonable times.

5. Taxes and Insurance. Limited shall obtain and keep in full force and effect at all times broad form comprehensive public liability insurance coverage, with a single limit for bodily injury and property damage for each person and occurrence of $500,000.00, containing such deductible provisions as good business may dictate. The liability insurance shall name the

EXHIBIT J

Condominium Association as an additional insured. Limited shall provide the Condominium Association, upon request, with a certificate evidencing such insurance. Any such policy may cover facilities and improvements in addition to the Shared Pool Facilities. Association shall maintain similar coverage under its multi peril insurance policy applicable to the Condominium Building.

In determining the amount of general real estate taxes, special or other assessments, and insurance premiums levied against or attributable to the Shared Pool Facilities, the amount of such taxes, assessments and insurance premiums, if not separately stated, shall be a fair allocation thereof as determined by the good faith estimate of Limited.

6. Casualty Damage, Obsolescence and Condemnation. In the event of damage, destruction, or a complete or partial condemnation of the Shared Pool Facilities, the Condominium Association shall not be entitled to share in any insurance proceeds or condemnation awards, and same shall not abate payments of operating expenses which are due from the Condominium Association under this Agreement. In the event that the Shared Pool Facilities are not repaired, reconstructed or renewed within 180 days following casualty damage, destruction or condemnation, this Agreement and all rights and obligations of the parties hereunder with respect to the damaged or destroyed facilities shall terminate, except for accrued obligations.

7. Enforcement of Rules and Regulations. Each Association Member and their guests shall comply with and abide by all rules and regulations adopted by Limited. Limited may exclude or eject any Association Member or their guests from the Shared Pool Facilities for any violation of said rules and regulations.

8. Enforcement and Remedies. The failure of the Condominium Association to pay any sum due in accordance with the provision of this Agreement or to abide by the other terms of this Agreement shall give Limited the right to exercise any remedies available to it at law or in equity, including without limitation the following:

(i) Limited may bring an action to recover a money judgment against the Condominium Association for any amount due together with costs and attorneys' fees incident to such action. The bringing of such an action shall not waive the right of Limited to pursue any other remedy hereunder.

(ii) Limited may exclude from and deny the use and enjoyment of the Shared Pool Facilities to Association Members and their guests until such default is cured.

(iii) Limited may terminate the rights of the Condominium Association under this Agreement by giving the Condominium Association written notice of the default, specifying the

EXHIBIT J

nature thereof, and specifying its intention to terminate, and termination shall occur automatically if the default is not cured within 45 days after the date such notice is given.

9. Successors and Assigns. All of the covenants and conditions herein contained shall be binding upon the parties and their successors and assigns; provided, however, that the Condominium Association may not transfer or assign its rights hereunder to any person or entity except an entity succeeding to the rights, duties and obligations of the Condominium Association under that certain Declaration of Condominium for the San Luis Condominium which is or will be filed of record in the Office of the County Clerk of Galveston County, Texas.

10. Duration and Amendment. The term of this Agreement shall be for a period of sixty-eight years from and after December 16, 1982, and may be amended only by the mutual written agreement of the parties hereto.

11. Notice and Approval. Any notice required hereunder shall be given in writing, delivered in person or deposited in the United States Mail, postage prepaid, certified, return receipt requested, to the following addresses:

Fort Crockett Hotel Limited
c/o Mitchell Development Corporation of the Southwest
P. O. Box 4000
The Woodlands, TX. 77387-4000

The San Luis Condominium Association, Inc.
5222 Seawall Boulevard
Galveston, TX. 77550

Such address may be changed by either party by notice given in accordance with this Section. Notice will be deemed given on the date of personal delivery or on the third day following the date of post mark, if sent by mail. Any approval required by the terms of this Agreement shall be deemed given if the party whose approval is required has not responded to the notice requesting an approval within 15 days from the date said notice was given.

FORT CROCKETT HOTEL LIMITED

BY: MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST, IT GENERAL PARTNER

By: _____

EXHIBIT J

THE SAN LUIS CONDOMINIUM
ASSOCIATION, INC.

By: Roger L Galatas BLK

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on March 11, 1985, by George C. Lake, Treasurer of Mitchell Development Corporation of the Southwest, General Partner of The Fort Crockett Hotel Limited, a Texas Limited Partnership, on behalf of said partnership.

Lou Ann Smith
Printed Name: Lou Ann Smith
Notary Public
State of Texas
My Commission Expires: 11/15/86

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on March 11, 1985, by ROGER L. GALATAS, President of The San Luis Condominium Association, Inc., a Texas nonprofit corporation, on behalf of said corporation.

Cathy J. Ward
Printed Name: CATHY J. WARD
Notary Public
State of Texas
My Commission Expires: 9/28/87

EXHIBIT J

DISCLOSURE STATEMENT

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DISCLOSURE STATEMENT

This Disclosure Statement is prepared and issued by the Developer pursuant to Texas Property Code, §221.032 and §221.033. Unless the context indicates otherwise the definitions of all capitalized terms used herein shall have the same meaning as specified in the Act and in that certain Declaration of Co-Ownership for San Luis Condominiums recorded the County Clerk's Office, Galveston County, Texas and attached hereto as Exhibit A.

I. DEVELOPER AND LOCATION

The developer of the San Luis Condominiums is The Woodlands Corporation, a Delaware corporation with principal offices at 2201 Timberloch Place, The Woodlands, Texas 77380 (referred to herein as "Developer"). The Condominiums being offered is known as San Luis Condominiums and is located at 5220 Seawall Boulevard, Galveston, Texas 77550 as legally described and shown in the Condominium Declaration.

II. DESCRIPTION OF CONDOMINIUMS

A. Accomodations. - The San Luis Condominiums is a condominium project located on Galveston Island adjacent to the San Luis Hotel. A more detailed description of the amenities is set forth in Article IX herein. The project consists of one (1) building which contains a total of one hundred seven (107) units, forty-three (43) of which have been made subject to the Timeshare Regime.

B. Annexation and Deannexation - Developer may, in its sole and absolute discretion, annex and deannex unit(s) to the Timeshare Regime at any time or from time to time by filing a Supplemental Declaration in the County Clerks Office, Galveston County, Texas. See Articles VII and VIII of the Declaration.

III. TIMESHARE INTEREST

A. Undivided Interest - Each Owner will receive a one-fourth (¼) fee simple ownership interest in and to a certain Unit and the right to use that Unit together with an undivided interest in the Common Elements appurtenant thereto for a certain Use Period all as indicated in the deed conveying said interest. Please refer to Exhibit E to the Declaration for a chart of the Use Periods. In addition, each Owner will have an undivided percentage interest in the Common Furnishings. Each Owner's interest in the Common Furnishings is set forth in Exhibit C of the Declaration. An Owner's interest in the Common Furnishings will change in the event a Unit is annexed or deannexed from the Timeshare Regime. If a Supplemental Declaration is filed pursuant to Article VII or VIII of the Declaration, the interest of each Owner in the Common Furnishings will be reallocated in the same manner as the allocation was originally calculated.

B. Unit Types - Units 437, 531, 532, 537, 538, 632, 637, 732, 737, 738, 837, 1031, 1037, 1038, 1132, 1237 and 1238 each consist of 1 bedroom, 1 bath, comprise approximately 406 square feet of space including balcony as more fully shown on Exhibit B-1 attached to the Declaration. Units 435, 436, 636, 733, 734, 835, 836, 1035, 1036, 1133, 1134, 1233, 1234, 1236, 1534 and 1535 consist of 1 bedroom, 1 bath, comprise approximately 813 square feet of space including balcony as more fully shown on Exhibit B-2 attached to the Declaration. Units 539, 739, 1130, 1239 and 1530 each consist of 1 bedroom, 1½ bath, comprise approximately 957 square feet of space including a balcony as more fully shown on Exhibit B-3 attached to the Declaration. Units 336/337, 932/933, and 1432/1433 each consist of 2 bedrooms, 2 baths, comprise approximately 1219 square feet of space including balcony as more fully shown on Exhibit B-4 attached to the Declaration. Units 1138/1139, and 1438/1439 consist of 2 bedrooms, 2½ baths, comprise approximately 1363 square feet of space and including a balcony as more fully shown on Exhibit B-5 attached hereto and incorporated herein.

IV. SAN LUIS CONDOMINIUM COUNCIL

San Luis Condominium Council has been incorporated as a Texas nonprofit corporation and a Board of Directors has been appointed pursuant to the Bylaws of the Council. A copy of the Articles of Incorporation of the Council are attached hereto as Exhibit B and a copy of the Bylaws of the Council are attached hereto as Exhibit C. Each Owner of a Co-Ownership Estate, including the Developer, is automatically a member of the Council and has a right to one (1) vote.

The Council is responsible for the maintenance, repair, replacement, restoration, improvement, operation and administration of the Condominiums which was submitted to the Timeshare Regime. The Council shall act as agent to all Owners in the collection of Operation Fees and Personal Charges and in paying taxes, excluding those taxes billed to each Owner individually, utility costs and other Common Expenses.

The members of the Council will elect a Board of Directors to govern the Council at the third (3rd) annual meeting of the Council. Pursuant to the Council's Bylaws, the initial Board of Directors has been appointed for a three (3) year term. The Developer has the right to appoint one Director for so long as it holds one Co-Ownership Estate for sale and not for its own use.

As provided in Bylaws, the Board of Directors has the power to enter into contracts, approve the annual budget, levy Operation Fees, enforce the Declaration, foreclose on liens securing payment of Operation Fees, purchase and maintain insurance, act as Attorney-in-Fact for all Owners for the purpose of dealing with

insurance claims and casting votes in the San Luis Condominiums Association establish and enforce the Rules and Regulations, and all other actions necessary for the operation, administration and maintenance of the Timeshare Regime. The Board also has the right to suspend an Owner's right to vote upon violation of the Bylaws, Rules and Regulations or any obligation of Owner under the Declaration including but not limited to failure to pay Operation Fees.

V. MANAGER

The responsibility for the operation, management and administration of the Condominiums is vested in the Council, which has delegated these responsibilities to The Fort Crockett Hotel Limited as the Manager pursuant to a Management Agreement entered into between the Council and the Manager. The address of the Manager is 5222 Seawall Boulevard, Galveston, Texas 77550.

The Manager upon approval of the Board, will from time to time promulgate Rules and Regulations regarding checkin, checkout and other procedures. The initial Rules and Regulations are attached hereto as Exhibit D.

The initial term of the Management Agreement, which is attached hereto as Exhibit E, is five (5) years from the date of its execution. The Management Agreement is automatically renewable every year, unless seventy-five percent (75%) of the Owners vote not to renew the Management Agreement. In addition, if the Manager fails to do promptly any of the things required of it under the Management Agreement, the Council, through the Board, may give written notice of such failure to the Manager. Unless such failure is cured by the Manager within thirty (30) days of its receipt of such notice, the Board may declare the Manager to be in default under the Management Agreement and may terminate the Management Agreement.

VI. BUDGET

A copy of the complete budget for the operation of the Condominiums for a period of one year is attached hereto as Exhibit F. The annual budget will be prepared by the Manager and approved by the Board prior to the beginning of each fiscal year. The amount of the Monthly Operation Fee will be based on the budget.

VII. Future Liability

Developer does not aniticpate any future timeshare liability other than each owner's obligation to pay all Monthly Operation Fees, Special Operation Fees and Personal Charges which may be levied by the Board of Directors as set forth in Article XII of the Declaration and as more fully explained in Article X herein. All

such Operation Fees, Personal Charges and any late fees, interest and costs of collection, including reasonable attorney's fees, are a personal debt against the Owner against whom they are assessed. All such Operation Fees, Personal Charges and related sums are secured by a lien in favor of the Council, which is created by the Declaration. Such lien may be enforced by the Council by foreclosure of the lien against the defaulting Owner's Co-Ownership Estate in accordance with the Declaration and Texas law.

VIII. SUBSIDY PAYMENTS BY DEVELOPER

Pursuant to the Subsidy Agreement between the Developer and the Council, the form of which is attached as Exhibit D to the Declaration, the Developer will not be required to pay any Operation Fee attributable to any Co-Ownership Estate of which it is deemed the Owner as long as it pays to the Council the excess of the actual Common Expenses, over the Monthly Operation Fee assessed and payable to the Council by the Owners, other than Developer. When the Subsidy Agreement is terminated pursuant to its terms, the Developer will be required to pay Monthly Operation Fees on the Co-Ownership Estates owned by it. Except for the subsidy payments discussed above, the Developer does not provide any services or pay any expenses which are expected to become a timeshare liability in the future.

IX. AMENITIES

There are no on-site amenities as of this date. Pursuant to use agreements attached hereto as Exhibit J, each Owner will have the right to use the pool facilities located at San Luis Hotel and tennis courts owned by Developer until December 16, 2050.

X. DUES, ASSESSMENTS, FEES AND CHARGES

A. Monthly Operation Fee - Pursuant to Article XII of the Declaration, each Owner will be required to pay a proportionate share of the Common Expenses. The liability for payment of the Common Expenses will be apportioned among Owners according to the Unit Type and percentage interest owned. The total expenses applicable to a Unit Type will be set forth in the annual budget which is approved by the Board of Directors. The current allocation of expenses for each Unit Type is set forth in the budget attached as Exhibit F hereto. The current Monthly Operation Fee for Owners of Co-Ownership Estates in Seafarer $83.48, Tartan $167.14, Windward $196.77, Martingale $250.66 and Corsair $280.25. The Common Expenses of the Council include each Owner's share of the maintenance, repair, and replacement of the interior of the Units and Common Furnishings, domestic services, including cleaning, maid service, basic telephone service, basic cable TV services, utility charges, insurance coverage, reserves, the management fee to the Manager, administrative costs and assessments payable to the Association. However, until three (3) years

following the date of the Declaration, the Board is not allowed to adopt a budget requiring an increase in the Monthly Operation Fee in an amount exceeding the percentage increase in the Houston, Texas Consumer Price Index for all Urban Consumers (as defined by the U.S. Department of Labor, Bureau of Labor Statistics) for the previous year unless such budget is approved by a majority of the Owners. This Monthly Operation Fee will be due and payable to the Council or the Manager on the 1st of each month, unless the Board elects, in its sole discretion, to change the time and manner of payment. Common Expenses do not include any property tax that may be assessed on an Owner's Co-Ownership Estate.

B. Special Operation Fee - The Board also has the power to levy a Special Operation Fee upon the Owners if the Monthly Operation Fee collected from Owners are for any reason inadequate to pay all of the Common Expenses of the Council or if there are extraordinary expenses. Each Owner's proportionate share of any Special Operation Fee will be apportioned among Owners according to the Unit Type and percentage interest owned.

C. Personal Charges - Each Owner will be responsible for paying all Personal Charges which he incurs. Personal Charges include, but are not limited to, long distance telephone charges, additional cleaning and maid services requested by an Owner, late fees, fines, costs of repair for damage to a Unit, Common Elements or Common Furnishing (to the extent not covered by insurance), dues and other fees and charges due to the Galveston Country Club and such other costs as are described in Section 10.4 of the Declaration.

XI. JUDGMENTS

As of the date of this Disclosure Statement the Developer has no actual knowledge of any unsatisfied final judgments against the Developer, Manager or Resort condominiums International, Inc., the exchange company with which the Developer is under contract.

XII. LAWSUITS AND ADMINISTRATIVE ACTIONS

As of the date of this Disclosure Statement the Developer has no actual knowledge of any pending lawsuit or administrative action that would materially affect a timeshare interest.

XIII. INSURANCE COVERAGE

Article XIV of the Declaration requires the Council to procure and maintain insurance for the benefit of the Council and its members. All premiums for such insurance will constitute Common Expenses. Accordingly, each Owner will pay a proportionate share of such premiums through his Monthly Operation Fee. The insurance coverage obtained by the Council as of date hereof includes the following:

1. Property insurance for replacement value of Common Furnishings in the Units that are presently furnished

against loss or damage by fire, lightning, theft and other casualties in the amount of Four Hundred Sixty-Eight Thousand Five Hundred Dollars ($468,500.00). As more Units are furnished and become available for sale, insurance will be added to cover the Common Furnishings therein.

2. Liability insurance against damage for personal injury, death or property damage occurring within the Condominiums in the amount of One Million Dollars ($1,000,000) per occurrence.

The Insurance Coverage obtained by San Luis Condominiums Association, Inc. as of the date hereof includes the following:

1. Property insurance for all Units against loss or damage by fire, lightning and other perils in the amount of Twelve Million Five Hundred Fifty-Three Thousand Dollars ($12,553,000).

2. Liability insurance against damage claims for personal injury, death or property damage occurring within the Common Areas of the project.

XIV. LIABILITY FOR LIENS

Each Co-Ownership Estate is subject to separate tax assessments by the various taxing authorities. In the event an Owner fails to timely pay the tax assessments, only the Owner's Co-Ownership Estate against whom the claim has arisen and for which the claim has been filed should become subject to a tax lien.

See Article VII herein regarding the lien created in favor of the Council for payment of Operating Fees pursuant to the Declaration and Article XIX herein regarding lien created in favor of Association for payment of assessments pursuant to Restriction.

The Declaration provides that any liens against an Owner's interest in the Unit shall be limited to such Owner's Co-Ownership Estate only, and shall not entitle any lienholder to assert any claim against the Co-Ownership Estate of any other Owner or any other Owner's interest in his Unit.

Each Owner is required to give written notice to the Council of every lien upon his Co-Ownership Estate, within seven (7) days after the Owner receives notice thereof.

XV. PURCHASER'S RIGHT TO CANCEL

A Purchaser may cancel the purchase contract without penalty or obligation before the sixth (6th) day after the date on which the purchaser signed the purchase contract. Pursuant to the Texas Timeshare Act, the Developer cannot require a purchaser to waive this right to cancel the purchase contract and any purchase contract containing such a waiver is voidable by the purchaser. A

purchaser should not rely on statements other than those included in this Disclosure Statement and the purchase contract.

If a Purchaser decides to cancel the contract as permitted above, he/she may do so by either hand-delivering notice of cancellation to the seller or by mailing notice by prepaid United States mail to the seller or the seller's agent for service of process. The notice of cancellation is effective on the date sent or delivered to Mitchell/Southwest at 2201 Timberloch Place, The Woodlands, Texas 77380. All payments made by a purchaser before exercising this right of cancellation shall be refunded before the twenty-first (21st) day after the date on which the seller's received notice of such cancellation.

XVI. RESTRAINT ON TRANSFER

A. Mortgagor's Restraint. If a purchaser finances the purchase of a Co-Ownership Estate through the Developer, the deed of trust securing the promissory note contains a clause which allows the holder of the note to accelerate the note and requires the note to be paid in full if the borrower sells or transfers his Co-Ownership Estate without the prior written consent of the holder of the note.

B. Right of Repurchase. For a period of two (2) years from the closing date Developer has the right, but not the obligation, to repurchase any Co-Ownership Estate at a purchase price equal to the purchase price paid by the Owner plus six percent (6%) in the event Developer has not closed the sale of at least two additional Co-Ownership Estates within the Unit of which said Co-Ownership is a part.

XVII. RETURN OF DEPOSIT

Any deposit made in connection with the purchase of a Co-Ownership Estate will be held in an escrow account until the expiration of any right to cancel the purchase contract or any later time specified in the purchase contract and will be returned to the purchaser if he elects to exercise his right of cancellation.

XVIII. EXCHANGE PROGRAM

The Developer has executed an agreement with Resort Condominiums International ("RCI"), P.O. Box 80229, Indianapolis, Indiana 46280, under which RCI will offer its reciprocal exchange service to each purchaser. The purpose of this service is to provide Owners with the option of temporarily exchanging their Use Period for occupancy at other resorts participating in the RCI exchange program.

Each Owner's participation in the program will be voluntary and subject to the payment by Owner of membership and other fees as are required by RCI. Current fees are shown on Exhibit A to the

Disclosure Guide to Vacation Exchange but are subject to change from time to time by RCI.

RCI is not controlled by the Developer, and consequently, any representations made regarding the exchange program, either orally by RCI's employees or within the brochures and literature to be provided by RCI, will be solely the representations of RCI and not those of the Developer. The Developer makes no guarantee that a purchaser will be able to exchange his Use Period in a particular year, or even that a service such as that offered by RCI will continue to exist.

ALL PURCHASERS SHOULD CAREFULLY READ THE DISCLOSURE GUIDE TO VACATION EXCHANGE PROVIDED BY RCI PURSUANT TO THE TEXAS TIMESHARE ACT.

XIX. SAN LUIS CONDOMINIUM ASSOCIATION, INC.

The San Luis Condominium Association, Inc. is a Texas non-profit corporation which is responsible for the maintenance of the Common Elements of the San Luis Condominiums. The Association is also responsible for the enforcement of the Condominium Declaration, a copy of which is attached hereto as Exhibit G.

The Condominium Declaration and the bylaws of the Association provide for an annual assessment and special assessments against each Unit, payment of which is secured by a lien against each Unit. The Declaration provides that the Council shall include any Association assessments in the annual budget and that the Council shall be responsible for the payment of all such assessments upon collection of the Operation Fee. If the Association assessments are not paid, the Association has the right to enforce its lien against the Units.

The Association is governed by a board of directors, as provided in the Association articles of incorporation and bylaws. The Declaration provides that each Owner appoints the Board of Directors of the Council as his Attorney-in-Fact for purposes of voting his interest in the Association.

The Association is an entirely separate organization from the Council. The Association is governed entirely by its own articles of incorporation and bylaws which are attached hereto as Exhibits H and I respectively.

XX. ADDITIONAL INFORMATION

The Declaration, Articles of Incorporation and Bylaws of the San Luis Condominium Council, initial Rules and Regulations, the Condominium Declaration, articles of incorporation and bylaws of the San Luis Condominiums Association, Inc., use agreements and other Exhibits to this Disclosure Statement contain information not set forth in this Disclosure Statement. Each prospective purchaser is encouraged to review all Exhibits which are attached hereto and incorporated herein by reference.

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DECLARATION OF CO-OWNERSHIP
FOR
SAN LUIS CONDOMINIUMS

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EXHIBIT A

AKW/ns/2BDCSLC/02-23-88

005-75-1060

DECLARATION OF CO-OWNERSHIP FOR SAN LUIS CONDOMINIUMS

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

This Declaration of Co-Ownership for San Luis Condominiums, is made and executed on this 17th day of March, 1988, by The Woodlands Corporation a Delaware corporation whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380.

W I T N E S S E T H

Whereas, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as San Luis Condominiums, to wit:

Unit Nos. 435, 531, 537, 732, 733, 734, 835, 837, 934, 1031, 1035, 1130, 1134, 1135, 1233, 1234, 1235, 1434, 1435, 1530, 1534, 336/337, 438/439, 532/533, 538/539, 636/637, 738/739, 838/839, 936/937, 938/939, 1036/1037, 1038/1039, [redacted]/1133, 1136/1137, 1138/1139, 1236/1237, 1238/1239, 1432/1433, 1436/1437, 1438/1439, 1532/1533, 1536/1537, 1538/1539 and the space encompassed by the boundaries thereof, together with an undivided interest in and to the common elements of the San Luis Condominium, a condominium project located in the City of Galveston, Galveston County, Texas, according to and as described by the Declaraion of Condominium for The San Luis Condominium and exhibits recorded under County Clerk's File No. 8502838, Real Property Records of Galveston County, Texas

Whereas, Declarant desires to submit the above-described Units and all rights and privileges belonging or in any wise pertaining thereto, to a Timeshare Regime pursuant to Texas Condominium Code, §201. et. seq. (Vernon Supp. 1987).

Now, Therefore, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and

EXHIBIT A

assigns, does hereby submit the Condominium to a Timeshare Regime and does hereby declare that the Condominium shall be held, sold, conveyed, encumbered, rented, occupied and used subject to the covenants, conditions, reservations, restrictions and limitations contained herein or incorporated herein by reference. All such covenants, conditions, reservations, restrictions, and limitations shall run with the land and be binding upon and inure to the benefit of Declarant, all Owners, and any other persons or entities having or acquiring any right, title, or interest therein. Declarant may, in its sole and absolute discretion, submit additional units hereto in the manner set forth herein in Article VII herein, and may delete Units from this Timeshare Regime by compliance with the provision of Article VIII herein.

In consideration of receiving and by acceptance of a warranty deed or of any other instrument of transfer, whether from Declarant, its successors or assigns, or from any Owner, each Owner for himself, his heirs, legal representatives, successors, assigns, or any other person or persons holding or occupying by, through, or under such Owner, and whether or not expressly stated therein, covenants, consents, and agrees to be bound by, observe, comply with, and perform the covenants, conditions, reservations, restrictions and limitations contained in this Declaration and in the Articles of Incorporation and Bylaws of San Luis Condominium Council, as each of the aforesaid documents may lawfully be amended and/or supplemented from time to time.

ARTICLE I
DEFINITIONS

The terms used in this Declaration, and all amendments and supplements thereof, shall have the meaning stated in the Act and as follows unless the context otherwise requires or otherwise expressly provides:

1.1. **Act** shall mean Texas Timeshare Act, Texas Condominium Code, §201 et. seq. (Vernon Supp. 1987).

1.2. **Administered Property** shall mean Common Furnishing and Units, excluding the Common Elements which is to be maintained by the Association pursuant to the Condominium Declaration.

1.3. **Articles of Incorporation** shall mean the Articles of Incorporation of the Council.

1.4. **Association** shall mean the San Luis Condominiums Association, Inc. a Texas non-profit corporation.

EXHIBIT A

1.5. **Board or Board of Directors** shall mean the Board of Directors of the Council.

1.6. **Bylaws** shall mean the bylaws of the Council.

1.7. **Common Elements** shall mean all the property which is made a part of the Timeshare Regime except for the interior of the Units and without limiting the generality of the foregoing, shall include those items defined as "general common elements" in Texas Property Code §81.002(6).

1.8. **Common Expenses** shall mean and include all expenses incurred by the Council or its duly authorized agent(s) for the maintenance, repair, replacement, restoration, improvement, operation and administration of the Condominiums, Common Furnishings and the operation and administration of the Council and shall include, but not be limited to, the Common Expenses described in Section 12.1 herein.

1.9. **Common Furnishings** shall mean all furniture, furnishings, fixtures and equipment or other personal property, including replacements from time, to time owned in common by all Owners, the percentage of ownership being set forth on Exhibit C attached hereto.

1.10. **Condominium(s)** shall mean all Units, Common Elements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges belonging or in any wise pertaining thereto which are subject to this Declaration.

1.11. **Condominium Declaration** shall mean that certain Declaration of Condominiums for San Luis Condominium and exibits recorded under County Clerk's File Number 8502838 in the Real Property Records of Galveston County, Texas, and any amendments thereto.

1.12. **Co-Ownership Estates** shall mean an undivided one-fourth (1/4) fee simple ownership interest in a Unit and the right to use that estate and the amenities and appurtenances thereto for a specified Use Period.

1.13. **Council** shall mean San Luis Condominium Council a Texas non-profit corporation.

1.14. **Declarant** shall mean The Woodlands Corporation, its successors and assigns, provided such successor or assignee is designated in writing by Declarant as a successor or assignee of the rights of Declarant set forth herein.

EXHIBIT A

1.15. **Declaration** shall mean this instrument, by which the Condominiums are submitted to the provisions of the Act, as hereinafter provided, and including all amendments and Supplemental Declarations which may from time to time be executed and filed of record.

1.16. **Director** shall mean any person appointed or elected to the Board of Directors.

1.17. **Exchange User** shall mean any person who occupies a Unit pursuant to a reciprocal exchange program.

1.18. **Maintenance Period(s)** shall mean that period designated and shown on the chart of Use Periods in on Exhibit E as the time during which maintenance for a particular Unit is performed.

1.19. **Management Agreement** shall mean the then-effective agreement between Council and the Manager which provides for the management of the Condominium.

1.20. **Manager** shall mean the person or entity, its successors and assigns, engaged by the Council to undertake the duties, responsibilities and obligations of managing the Condominium, pursuant to the then-effective Management Agreement.

1.21. **Operation Fee(s)** shall mean any amount which, from time to time, is levied by the Board of Directors of the Council upon the Owners. The following are the two (2) types of Operation Fees:

(a) **Monthly Operation Fee** shall mean a fee levied by the Board upon the Owners for their proportionate share of the Common Expenses of the Council; and

(b) **Special Operation Fee** shall mean a fee levied by the Board upon the Owners in the event that the Monthly Operation Fee is inadequate to meet the Common Expenses of the Council, or other extraordinary or unbudgeted items deemed reasonably necessary by the Board.

1.22. **Owner** shall mean or refer to the record Owner of any Co-Ownership Estate which is part of this Timeshare Regime, excluding those having such interest merely as security for performance of any obligation. Declarant shall be deemed an Owner for all purposes hereunder unless otherwise indicated.

1.23. **Personal Charge(s)** shall mean an amount levied by the Board against a particular Owner or Owners as set forth in Section 12.4.

1.24. **Rules and Regulations** shall mean the Rules and Regulations adopted from time to time by the Manager and approved by the Board of Directors.

1.25. **Supplemental Declaration** shall mean an instrument recorded by the Declarant when adding additional Units to this Timeshare Regime or deleting Units previously submitted to this Timeshare Regime in the manner set forth in Articles VII and VIII herein.

1.26. **Subsidy Agreement** shall mean an agreement entered into between Declarant and the Council which shall be substantially the same as the agreement attached hereto as Exhibit D.

1.27. **Timeshare Regime** shall mean all Condominiums, including the Common Elements, submitted to a Timeshare Regime pursuant to the provisions of the Act and of this Declaration.

1.28. **Unit(s)** shall mean an enclosed space consisting of one or more rooms occupying part of a floor in the condominium building excluding all Common Elements. Each Unit will be identified by the number assigned to it on the plat attached to the Condominium Declaration.

1.29. **Unit Type** shall mean collectively all of the following unit configurations:

(a) **Seafarer** shall mean the units constructed on Units 531, 537, 732, 837, and 1031 as shown on Exhibit B-1.

(b) **Tartan** shall mean the units constructed on Units 435, 733, 734, 835, 934, 1035, 1134, 1135, 1233, 1234, 1235, 1434, 1435, and 1534 as shown on Exhibit B-2.

(c) **Windward** shall mean the units constructed on Units 1130 and 1530 as shown on Exhibit B-3.

(d) **Martingale** shall mean the units constructed on Units 336/337, 532/533, 636/637, 936/937, 1036/1037, 1132/1133, 1136/1137, 1236/1237, 1432/1433, 1436/1437, 1532/1533, and 1536/1537 as shown on Exhibit B-4.

(e) **Corsair** shall mean the units constructed on Units 438/439, 538/539, 738/739, 838/839, 938/939, 1038/1039, 1138/1139, 1238/1239, 1438/1439, and 1538/1539 as shown on Exhibit B-5.

1.30. **Use Period** shall mean that specific period of consecutive days during which an Owner is allowed to occupy the Unit as set forth in Exhibit E.

EXHIBIT A

ARTICLE II
DESCRIPTION OF PROPERTY

2.1. The property initially consists of Units 435, 531, 537, 732, 733, 734, 835, 837, 934, 1031, 1035, 1130, 1134, 1135, 1233, 1234, 1235, 1434, 1435, 1530, 1534, 336/337, 438/439, 532/533, 538/539, 636/637, 738/739, 838/839, 936/937, 938/939, 1036/1037, 1038/1039, 1132/1133, 1136/1137, 1138/1139, 1236/1237, 1238/1239, 1432/1433, 1436/1437, 1438/1439, 1532/1533, 1536/1537, 1538/1539 together withan interest in and to the common elements appurtenant thereto. There shall be excluded from the Condominium any Unit deannexed from the Timeshare Regime pursuant to Article VIII herein, and there shall be included in the Condominium any Unit annexed to the Timeshare Regime pursuant to Article VII herein.

2.2. A ground plan indicating the location of the existing building is attached hereto as Exhibit A.

ARTICLE III
DESCRIPTION OF UNITS

3.1. Units 531, 537, 732, 837 and 1031 each consist of 1 bedroom, 1 bath, comprise approximately 406 square feet of space including balcony as more fully shown on Exhibit B-1 attached hereto and incorporated herein.

3.2. Units 435, 733, 734, 835, 934, 1035, 1134, 1135, 1233, 1234, 1235, 1434, 1435 and 1534 consist of 1 bedroom, 1 bath, comprise approximately 813 square feet of space including balcony as more fuly shown on Exhibit B-2 attached hereto and incorporated herein.

3.3. Units 1130 and 1530 each consist of 1 bedroom, 1½ bath, comprise approximately 957 square feet of space including a balcony as more fully shown on Exhibit B-3 attached hereto and incorporated herein.

3.4. Units 336/337, 532/533, 636/637, 936/937, 1036/1037, 1132/1133, 1136/1137, 1236/1237, 1432/1433, 1436/1437, 1532/1533, and 1536/1537 each consist of 2 bedrooms, 2 baths, comprise approximately 1219 square feet of space including balcony as more fully shown on Exhibit B-4 attached hereto and incorporated herein.

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3.5. Units 438/439, 538/539, 738/739, 838/839, 938/939, 1038/1039, 1138/1139, 1238/1239, 1438/1439 and 1538/1539 consist of 2 bedrooms, 2½ baths, comprise approximately 1363 square feet of space and including a balcony as more fully shown on Exhibit B-5 attached hereto and incorporated herein.

ARTICLE IV
DESCRIPTIONS OF AMENITIES

4.1. There are no on-site amenities as of the date of this Declaration.

4.2. Pursuant to that certain Shared Facilities Use Agreement dated February 18, 1985, by and between The Fort Crockett Hotel Limited and the Association, each Owner, their guests and invitees have the non-exclusive right to use the swimming pool, landscaped area and rest room facilities located on a tract of land adjacent to the Condominiums, as more fully described in said agreement, until December 16, 2050. The right to use the pool facilities is subject to the terms and conditions of the agreement and to reasonable rules and regulations established by the hotel. The Association is obligated to pay a prorata share of the expenses of maintaining, operating and managing of the pool.

4.3. Pursuant to that certain Common Area and Tennis Court Use Agreement, dated February 18, 1985 by and between Mitchell Development Corporation of the Southwest and the Association, each Owner, their guests and invitees have the non-exclusive right to use certain tennis courts on a tract of land north across Ft. Crockett Boulevard from the Condominiums, as more fully described in the agreement, until December 16, 2050. The right to use the tennis courts is subject to the terms and conditions of the agreement and to reasonable rules and regulations established by Mitchell Development Corporation of the Southwest. The Association is obligated to pay a prorata share of the expenses of maintaining, operating and managing the tennis courts.

ARTICLE V
PERCENTAGE INTEREST IN TIMESHARE REGIME

5.1. The Declarant proposes to convey four (4) undivided fee simple interests in each Unit together with the exclusive right to occupy said Unit for a specific Use Period.

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5.2. Each Co-Ownership Estate represents 25% or ¼ of each Unit and .581% or 1/172 of the entire Timeshare Regime.

5.3. In the event additional Units are annexed to the Timeshare Regime or deannexed from the Timeshare Regime, as the case may be, pursuant to Articles VII and VIII herein, the percentage part that each Co-Ownership Estate bears to the entire Timeshare Regime shall be reallocated, and Section 5.2 above shall be amended to reflect said reallocation.

ARTICLE VI
PERCENTAGE OF INTEREST IN COMMON FURNISHINGS

6.1. Each Owner of a Co-Ownership Estate shall have an undivided percentage interest in the Common Furnishings as set forth in Exhibit C hereto and incorporated by reference. Each Owner shall have the exclusive right to use the Common Furnishings in his Unit during his Use Period. Declarant is obligated to place such Common Furnishings as it deems reasonably appropriate in each Unit prior to the sale of the first Co-Ownership Estate in that Unit.

6.2. An Owner's percentage interest in the Common Furnishings appurtenant to a particular Unit Type will change in the event Units are annexed or deannexed from the Declaration. If Units are annexed or deannexed, the interest in the Common Furnishings shall be reallocated to the remaining Owners in the same manner as the allocation of interests were originally calculated, and the Supplemental Declaration shall amend Exhibit C to state the new percentage of interest each Owner will have in the Common Furnishings. Upon deannexation of a Unit, Owners shall relinquish all right, title and interest in and to the Common Furnishings located within said Unit.

6.3. In the event of any damage or destruction to the Common Furnishings other than by ordinary wear and tear, the Board shall promptly cause such damage to be repaired and shall use any available insurance proceeds for such purpose. If the damage is not covered by insurance, or if the available insurance proceeds are insufficient, the Board shall levy a Special Operation Fee upon each of the Owners. In the event the damage or destruction was caused by the intentional or negligent act or omission of an Owner, a member of his family, his guests, tenants, invitees, or licensees, then the cost of such repair or the amount of such deficiency shall be a Personal Charge to such Owner, to be paid in the manner provided herein.

ARTICLE VII
ANNEXATION

7.1. Declarant may in its sole and absolute discretion, annex additional unit(s) to the Timeshare Regime at any time or from time to time by filing a Supplemental Declaration in the County Clerk's Office of Galveston County, Texas.

7.2. Said Supplemental Declaration shall contain the following:

(a) A statement that the Condominium is being added or annexed in accordance with the provisions of this Declaration and that the Condominium being annexed shall be developed, held, used, sold and conveyed in accordance with and subject to the provisions of this Declaration;

(b) A statement that all of the provisions of this Declaration shall apply to the Condominium being added or annexed with the same force and effect as if said unit were originally included herein as part of the original development;

(c) A statement that the Condominium being added or annexed is submitted to the jurisdiction of the Council with the same force and effect as if said Condominium were originally included in this Declaration.

(d) An amendment to Section V changing the percentage part each Co-Ownership Estate bears to the entire Timeshare Regime.

(e) An amendment to Exhibit C reallocating the percentage interest each Owner has in the Common Furnishings.

7.3. Nothing in this Declaration shall be construed to represent or imply that Declarant, its successors or assigns, are under any obligation to add or annex additional Condominium to this Timeshare Regime.

7.4. No Condominium may be added or annexed to this Timeshare Regime by any person or entity other than the Declarant.

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ARTICLE VIII
DEANNEXATION

8.1. Any Unit subject to this Timeshare Regime and owned entirely by Declarant may be deannexed from the Timeshare Regime, provided Declarant shall execute a Supplemental Declaration setting forth the Unit number. Said Supplemental Declaration shall be filed in the County Clerk's Office, Galveston County, Texas.

8.2. Said Supplemental Declaration shall contain the following:

(a) A statement that the Unit is being deleted or deannexed in accordance with the provisions of this Declaration;

(b) An amendment to Section V changing the percentage part each Co-Ownership Estate bears to the entire Timeshare Regime;

(c) An amendment to Exhibit C reallocating the percentage interest each Owner has in the Common Furnishings; and

8.3. Any attempted deannexation from this Timeshare Regime other than by Declarant shall be null and void.

ARTICLE IX
SAN LUIS CONDOMINIUM COUNCIL

9.1. Declarant shall cause to be created a non-profit corporation under the Texas Non-Profit Corporation Act which shall be known as San Luis Condominium Council, for the purpose of administering the operation and maintenance of the Units and providing the other functions herein delegated to the Council.

9.2. Each Owner shall be a member of the Council. An Owner's membership shall automatically terminate when he ceases to be an Owner as herein defined. Upon conveyance or transfer of an Owner's interest to a new owner the new owner shall simultaneously succeed to the former Owner's membership in the Council.

9.3. Each Owner shall be entitled to one vote per Co-Ownership Estate. If any Co-Ownership Estate is owned by more than one person, the voting rights of such Owners shall not be divided but shall be exercised as if the Owner consisted of only

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one person. The Board has the right to suspend an Owner's right to vote upon violation of the Bylaws, Rules and Regulations or with any obligation of Owners hereunder, including but not limited to failure to pay Operation Fees.

9.4. The Board of Directors of the Council shall be appointed or elected in accordance with the provisions of the Bylaws.

9.5. The Council may exercise any and all rights and powers granted to it by law, by its Articles of Incorporation, its Bylaws or this Declaration as amended or supplemented.

ARTICLE X
MANAGEMENT, MAINTENANCE AND REPAIRS

10.1. Responsibility for the maintenance and repair of the Common Elements is vested in the Association pursuant to the provisions of the Condominium Declaration.

10.2. Exclusive control and responsibility over the maintenance, repair, modification, replacement, restoration, alteration, operation and administration of all the Administered Property is vested in the Council. No Owner shall make any repairs, modifications, alterations, additions, redecorations, or replacements to any of the Administered Property without the prior written consent of the Council. Each Owner, during his Use Period shall keep his Unit in a clean, sanitary and attractive condition, and shall be personally liable for any damage or destruction thereto caused by such Owner, the members of his family, his guests, tenants, invitees or licensees. The Council shall at all times maintain and keep the Administered Property in good condition and repair. The Council shall have complete discretion to determine the interior color scheme, the decor and the furnishings of each Unit, as well as the timing, extent and nature of all redecorations, repairs and replacements thereof.

10.3. The Council, acting through the Manager or such other person or persons as they shall designate, shall have an irrevocable right of access to each Unit, without liability for trespass, during reasonable hours, as may be necessary to perform and carry out their respective rights, duties and responsibilities as set forth herein, in the Bylaws, in the Rules and Regulations and in the Management Agreement, including but not limited to:

(a) Making emergency repairs therein;

(b) Abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity in such Unit;

(c) Protecting the Condominium rights and general welfare of the Owners; and

(d) Any other purpose reasonably related to the Council and/or the Manager of their respective duties and responsibilities under this Declaration and the Bylaws.

Such right and authority to enter any Unit shall be exercised in such manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment of any Unit by any occupant thereof, and shall be preceded by reasonable notice to the occupant whenever the circumstances permit. No Owner may at any time change a lock on the entrance to any Unit. If an Owner changes any such lock, the Council may replace such lock and assess the cost thereof as a Personal Charge to the responsible Owner.

10.4. The Council shall reserve a period each year as the Maintenance Period for such Unit. The Council and its agents shall have free access to each Unit during its designated Maintenance Period for the purpose of effecting any necessary or appropriate maintenance, repairs, modifications, alterations, replacements and additions to such Unit and to the Common Furnishings therein.

ARTICLE XI
USE RIGHTS AND RESTRICTIONS

11.1. Each Owner shall be designated as Owner A, B, C or D in the deed conveying a one-fourth interest in a Unit, and shall have the exclusive right to occupy and use said Unit, to use and enjoy the Common Furnishings and to exercise the rights appurtenant thereto and to authorize others so to do (including placing the Unit in a vacation exchange program) during the Use Period specified in Exhibit E attached hereto and incorporated herein.

11.2. No Owner shall occupy the Unit, or exercise any other rights of ownership in respect to the Unit or Common Elements during any other Owner's Use Period unless expressly so authorized by the Owner entitled to occupy the Unit during that Use Period.

11.3. Each Owner shall keep the Unit, Common Elements and Common Furnishings in good condition and repair during his Use Period, vacate the Unit at expiration of his Use Period in

accordance with Section 11.1 above, remove all persons and personal Condominium excluding Common Furnishings therefrom, leave the Unit in good and sanitary condition and repair and otherwise comply with such reasonable checkin and checkout and other procedures as may from time to time be contained in the then-current Rules and Regulations.

11.4. Each Owner or Exchange User shall be liable for the uninsured cost and expense of any maintenance, repair, or replacement of the Units, Common Elements or Common Furnishings necessitated by his negligence or intentional act or omission. The negligent or intentional act or ommission of an Owner's family members, guest, tenants, licensees or invitees (excluding Exchange Users) shall be deemed to be the act of the Owner, and such persons shall be held jointly and severally liable with such Owner. The Manager shall submit a bill to the responsible Owner or Exchange User for all amounts payable to the Council under this Section, which amounts shall be enforceable as a claim for money damages against an Exchange User and shall constitute a Personal Charge to an Owner secured by a lien against the Owner's Co-Ownership Estate. Any loss, damage or destruction to the extent not covered by insurance or recovered shall become a Common Expense.

11.5. No Owner shall cause or permit any unlawful, improper, or offensive use of any Unit, Common Element or Common Furnishing, nor shall any Owner permit any portion of the Unit to be used in any manner contrary to or not in accordance with the provisions of the Condominium Declaration or this Declaration. Furthermore, no Owner shall cause or permit anything to be done or kept in a Unit which will increase the rate of any of the Council's insurance coverage, or which will obstruct or interfere with the rights of the Owners or annoy them by unreasonable noises or otherwise, nor shall any Owner commit or permit any nuisance, objectionable or disruptive behavior or illegal acts in or about the Unit or Common Elements.

11.6. If any Owner fails to vacate the Unit at the conclusion of Use Period in accordance with the terms hereof, or any other rules or regulations as may be adopted by the Council, or otherwise uses or occupies the Unit during a Use Period assigned to another Owner, or prevents another Owner from using or occupying the Unit during such Owner's Use Period, the Owner in wrongful possession shall: (a) be subject to immediate removal, eviction and ejection from the Unit wrongfully occupied; (b) be deemed to have waived any notices required by law with respect to any legal proceedings regarding the removal, eviction or ejection of such Owner in wrongful possession, to the extent that such notice may be waived under law; (c) pay to the Owner entitled to use the Unit during such wrongful occupancy, as liquidated

damages for the wrongful use of the Unit and the appropriation of such other Owner's use, a sum equal to two hundred percent (200%) of the fair rental value per day of the Unit that is wrongfully occupied for each day or portion thereof, including the day of surrender, during which the Owner in wrongful possession occupies the Unit; (d) reimburse the Owner entitled to use the Unit during the wrongful occupancy of the Unit, for all costs and expenses, including but not limited to, court costs and reasonable attorneys' fees, incurred in connection with the ruling, evicting or ejecting of the Owner in wrongfull possession of the Unit; and (e) until all aforementioned sums are paid, the Owner in wrongful possession shall be denied the use of his Unit.

11.7. Declarant, for itself and its successors, assigns, agents, employees, contractors, subcontractors and other authorized personnel, reserves, for an exclusive easement in, over and through the Units and the Common Elements for the purposes of: (a) marketing and selling the Units; (b) maintaining customer relations and providing post-sales service to Owners; (c) displaying signs and erecting, maintaining and operating, for sales and administrative purposes, model Units and a customer relations, customer service and sales office complex at the Condominium; and (d) showing the Units and common area to prospective purchasers; provided, however, that use of such easement shall not interfere with or diminish the rights of Owners to use and occupy the premises in accordance with this Declaration.

ARTICLE XII
OPERATION FEE AND PERSONAL CHARGES

12.1. Each Owner, including Declarant subject to the provision of Section 12.3 below, shall be required to pay an Operation Fee for each Co-Ownership Estate owned. The Monthly Operation Fee shall be levied by the Council, through the Board of Directors, to meet Common Expenses; provided however, until three (3) years following the date of this Declaration, the Board shall not adopt a budget requiring an increase in the Monthly Operation Fee in an amount exceeding the percentage increase in the Houston, Texas Consumer Price Index for all Urban consumers (as defined by the U.S. Department of Labor, Bureau of Labor Statistics) for the previous year unless such budget is approved by a majority of the Owners. The liability for payment of the Common Expenses will be apportioned among Owners according to the Unit Type owned as set forth on Exhibit C attached hereto and incorporated herein by reference. The total expenses applicable to a Unit Type will be set forth in the annual budget which is approved by the Board of Directors. In the event the Board shall not approve an annual budget or shall fail to determine a new

Monthly Operation Fee for any year, each Owner shall continue to pay each month the amount of his Monthly Operation Fee as last determined. The Common Expenses shall include, but shall not be limited to, the costs of the following items:

(a) Taxes and any other fees or assessments levied against the Council by a governmental authority;

(b) The maintenance, repair, modification, alteration and redecoration of the Units;

(c) The maintenance, repair, modification, alteration, and redecoration of the Common Furnishings;

(d) Utility charges;

(e) Basic telephone service;

(f) Cable television service;

(g) Insurance coverage, as provided for herein;

(h) Domestic services, including cleaning and maid service, the frequency of which is to be determined by the Board or the Manager, furnished to or on behalf of the Owners;

(i) The purchase, repair and replacement of any furniture, fixtures and equipment which may be owned or leased by the Council;

(j) Assessments owed to the Association pursuant to the Condominium Declaration;

(k) Administrative costs;

(l) Reserves for the replacement, repair and acquisition of Common Furnishings;

(m) Management fees;

(n) Legal and accounting fees; and

(o) Any other costs incurred by the Council in connection with the maintenance, repair, replacement, restoration, redecoration, improvement, operation and administration of the Condominium, and in connection with the operation and administration of the Council.

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The Monthly Operation Fee shall be due and payable by an Owner on or before the 1st day of each month unless and until the Board of Directors at its sole discretion institutes a different payment schedule by providing written notice thereof to each Owner.

12.2. In the event that the Monthly Operation Fee collected from the Owners are at any time inadequate to meet the costs and expenses incurred by or imposed upon the Council for any reason, including but not limited to (i) the non-payment by any Owner of any Operation Fee or Personal Charge, (ii) a judgment has been filed against the Council, or (iii) there are other extraordinary or unbudgeted items deemed reasonably necessary by the Board, the Board shall immediately determine the approximate amount of such inadequacy, prepare a supplemental budget and levy a Special Operation Fee upon each Owner in such amounts as the Board determines to be necessary in order to pay the Council's costs and expenses. Such Special Operation Fee shall be allocated to the Owners according to the Unit Type and percentage interest owned as set forth on Exhibit C. Any Special Operation Fee shall be due and payable within thirty (30) days after the date upon which a written notice of such Special Operation Fee is mailed to the Owner, unless the Board determines that installment payments shall be permitted and provides each Owner with an approved payment schedule, in which case each Owner's payments must be made no later than is specified in such payment schedule. In the event that the Board authorizes the payment of any Special Operation Fee in installments, no notice of the due date of each individual installment payment shall be required to be given, other than the aforesaid Special Operation Fee notice.

12.3. Notwithstanding any provision to the contrary contained herein, Declarant shall not be required to pay to the Council any Operation Fee attributable to any Co-Ownership Estate of which it is deemed the Owner during any period of time in which Declarant has entered into and is not in breach of a Subsidy Agreement with the Council in a form substantially the same as the Subsidy Agreement attached hereto as Exhibit D.

12.4. Each Owner shall be responsible for paying to the Council all Personal Charges which are any expenses incurred as a result of the act or omission to act of that Owner during his Use Period or at any other time or of any other persons occupying such Owner's Unit during his Use Period (except an Exchange User), including but not limited to the cost of:

(a) Long distance telephone charges;

(b) Additional cleaning and maid services as reasonably may be requested by an Owner;

(c) Any expenses arising from an intentional or negligent act or omission of an Owner, a member of his family, his guests, tenants, invitees or licensees (to the extent not covered by insurance) or resulting from his or their breach of any of the provisions of this Declaration; and

(d) Any reasonable late fees, attorneys' fees and other amounts which are incurred by the Council to collect any Operation Fees or Personal Charges.

Personal Charges from an Owner shall be due and payable within thirty (30) days from the date upon which a notice of such Personal Charges is mailed to the responsible Owner.

12.5. No Owner may exempt himself, his successors or assigns, from his obligation to pay any Operation Fee by his waiver of the use and enjoyment of his Unit or of the Common Furnishings, by his failure to occupy the Unit during his assigned Use Period or by the abandonment of his Co-Ownership Estate.

12.6. In the event that the Board determines at any t e during the Council's fiscal year that the aggregate amount of Operation Fees is, or will be, in excess of the amounts needed to meet the Common Expenses such excess amount shall appear as a line item on the Council's budget for the immediately succeeding fiscal year, and shall be applied to reduce the amount assessed to meet the Common Expenses, as appropriate, for such fiscal year. Any such excess shall not relieve any Owner from his obligation to pay any delinquent amounts which he owes the Council, nor shall any Owner be entitled to a refund of all or any portion of any Operation Fee previously paid on account of such excess.

12.7. Nothwithstanding the foregoing provisions of this Declaration, the Board shall from time to time establish one or more reserves as are necessary for the operation and improvement of the Timeshare Regime by including amounts intended for such purpose in the Council's budget or by levying Special Operation Fees upon all of the Owners in such amount as the Board determines to be necessary and appropriate.

12.8. All Operation Fees or Personal Charges which are not paid when due shall be delinquent, shall be increased by a reasonable late charge as imposed by the Board, and shall bear interest from the date of delinquency at the highest rate allowable by law.

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ARTICLE XIII
REMEDIES FOR NON-PAYMENT OF OPERATION FEES

13.1. Each such Operation Fee, Personal Charge and any late fees, interest and costs of collection, including reasonable attorneys' fees, shall be a personal debt of the Owner against whom they are assessed. All such foregoing Operation Fees, Personal Charges and other related sums owed or incurred by Owner shall also be a charge on the land and shall be secured by a continuing lien on the Owner's interest in a Unit and his Co-Ownership Estate which lien shall be superior to all other liens and security interests except only for mortgages granted to secure purchase price by such Owner against his Co-Ownership Estate.

13.2. Such lien shall be in favor of the Council for the benefit of all Owners and may be enforced by the Council by all methods available for enforcement of such liens including foreclosure of such lien by an action brought in the name of the Council in a like manner as a mortgage or deed of trust lien on real Condominium and such Owner hereby expressly grants to the Council a power of sale in connection with said lien, same to be exercised in compliance with the terms of Article 3810 of the Texas Civil Statutes. In any such lien foreclosure, the Owner shall be required to pay to the Council its costs and expenses incurred by such foreclosure, including without limitation its attorney's fees. The Council, acting on behalf of the Owners, shall have the power to bid the interest of Owner at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Notwithstanding any provision hereof to the contrary, the Council shall also have the right to recover a money judgment against such defaulting Owner without foreclosing or waiving the lien securing such debt, all remedies of the Council being cumulative of each other.

ARTICLE XIV
INSURANCE

14.1. The Council shall, at its sole cost and expense, keep all of the Units and the Common Furnishings, as well as any property of the Council, insured for the benefit of all Owners and the Council for the total amount, after application of deductibles, of the replacement value thereof against loss or damage by fire and lightning, and other perils included under a Standard Texas Fire and Extended policy form applicable for properties located in coastal areas. If such insurance includes

a windstorm exclusion, the Council, to the extent obtainable, shall obtain coverage through the Texas Catastrophe Property Insurance Association, or other association or insurance company underwriting windstorm coverage on coastal properties. All Condominium insurance shall include a waiver of subrogation in favor of The Woodlands Corporation and the Association.

14.2. The Council shall, at its sole cost and expense, procure and maintain, for the mutual benefit of the Council and all Owners, a general liability insurance policy against third party claims for personal injury, death or property damage arising out of or in connection with the use, ownership or maintenance of the Units or the Common Furnishings. Such insurance shall afford protection to such limits as the Board may deem reasonable and appropriate and include in addition to Council and Owner, The Woodlands Corporation and the Association as named insured.

14.3. If reasonably available, in the judgment of the Council, the Council shall procure and maintain a policy of Directors' and Officers' liability insurance in such amount as the Board may decide.

14.4. The Council may also procure insurance against such additional risks as the Board deems advisable for the protection of the Owners and the Council. Owners may carry other insurance for their benefit, and at their expense, provided that liability of the carriers issuing insurance obtained by the Council shall not be affected or diminished by reason of any such additional insurance carried by Owner.

14.5. All policies of insurance provided for in this article shall name the Council and each of the Owners, as insured, as their respective interest may appear. The policy or policies described in Section 14.1 shall inure to the benefit of the holder of any mortgage, as the interest of any such mortgagee may appear, by standard policy or policies described in Section 14.1, shall be adjusted with the insurance company or companies by the Council. Each such policy shall, to the extent obtainable, contain a provision that no act or omission of Declarant, the Council, the Board, or any Owner shall void such policy or affect or limit the obligation of the insurance company to pay the amount of any loss sustained. Each such policy issued by the insurer shall, to the extent reasonable obtainable, contain an agreement by the insurer that such policy shall not be cancelled without at least thirty (30) days' prior written notice to Declarant and Owner.

14.6. For so long as Declarant retains a legal or equitable interest in any Unit, the Condominium may, at Declarant's

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election, be insured under such blanket insurance policies as may be available to Declarant from time to time, unless prohibited by law. The procurement of such coverage shall be deemed to constitute full compliance with the insurance requirements contained herein, provided that the coverage afforded the Council by the blanket insurance policy includes protection against each of the perils enumerated herein, with reasonable limits. The blanket insurance policy premium shall be allocated between the Council and Declarant.

ARTICLE XV
THIRD PARTY LIENS

15.1. Any liens against an Owner's interest in a Unit shall be limited to the interest of such Owner in his Co-Ownership Estate only, and shall not entitle any lienholder to assert any claim against the interest or Co-Ownership Estate of any other Owner, the Common Furnishings or any Condominium of the Council.

15.2. Each Owner shall furnish written notice to the Council of every lien upon his Co-Ownership Estate within seven (7) days after the Owner receives notice thereof.

ARTICLE XVI
SAN LUIS CONDOMINIUM ASSOCIATION, INC.

16.1. This Declaration incorporates by reference and is made subject to the terms and conditions of the Condominium Declaration.

16.2. The Condominium Declaration provides for an annual assessment to be set by the board of directors of the Association to be assessed against each Unit, as well as for special assessments as determined by the board of directors of the Association. Each Owner shall be deemed to have assumed and agreed to pay one-fourth (¼) of the assessment applicable to such Owner's Unit. The Board of Directors of the Council shall include the annual, any supplemental and any special assessment imposed by the board of directors of the Association upon the Owners as an item in the annual budget and shall be responsible for the payment of all such assessments upon collection of the Operation Fee from the Owners.

16.3. The Condominium Declaration provides that each member of the Association shall have certain voting rights. Each Owner hereby irrevocably appoints the Board of Directors of the Council

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as his Attorney-In-Fact in his name, place and stead for the purpose of voting his interest in the affairs of the Association.

16.4. The Association is an entirely separate organization apart from the Council. All Owners will be members of two (2) non-profit corporations (i) the Council and (ii) the Association.

ARTICLE XVII
AMENDMENT

17.1. This Declaration may be amended or modified by vote of three-fourths (3/4) of all of the Owners of Co-Ownership Estates provided, however, that no such amendment may affect or alter the right of any Owner to occupy his Unit during his assigned Use Period unless such Owner shall expressly so consent; provided further that notwithstanding the foregoing so long as Declarant remains the Owner of one or more Co-Ownership Estates this Declaration shall not be amended so as to adversely affect the Declarant, including but not limited to increasing any obligation or decreasing any right of Declarant hereunder, without the Declarant's consent. Subject to the foregoing provision, any amendment shall be binding upon every Owner whether the burdens thereon are increased or decreased. It can also be amended by Declarant only, without vote of the other Owners of Co-Ownership Estates, if so required by the Texas Real Estate Commission.

17.2. Any such amendments to this Declaration shall become effective upon the recording in the County Clerk's Office, Galveston County, Texas, of any instrument executed solely by Board of Directors or Declarant as the case may be. Amendments executed by Board of Directors must set forth a list of all Owners who voted for the amendment.

ARTICLE XVIII
ENFORCEMENT PROVISION

18.1. In the event that any Owner should fail to comply with any of the provisions of this Declaration, the Declarant, the Council and/or any Owner may bring action for damages, to enjoin the violation, or specifically enforce the provisions of this Declaration. In any such legal proceeding, the prevailing party shall be entitled to costs and reasonable attorneys' fees. All sums payable hereunder by any Owner shall bear interest at

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eighteen percent (18%) from the date due. Nothing contained herein, however, shall authorize the collection of interest in excess of the highest rate allowed by law.

18.2. The remedies set forth herein shall be cumulative and in addition to all other remedies which may be available at law or in equity; provided, however, that no breach of any provision hereof by any Owner or by Declarant or failure of any Owner to comply with any provision hereof shall permit or empower any other Owner to terminate any such provision or excuse any such breach or failure, and each Owner shall continue to perform and comply with and hold his Co-Ownership Estate subject to all of the provisions of this Declaration notwithstanding any such breach or failure.

ARTICLE XIX
MISCELLANEOUS PROVISIONS

19.1. Neither the Declaration nor any of the deeds conveying a Co-Ownership Estate shall be deemed to evidence a joint venture, partnership or any other similar arrangement, and no party shall have the right to participate in the individual profits, if any, of any other party arising out of the rental of the Unit.

19.2. The captions used in this Declaration and in any exhibits annexed thereto are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of the provisions thereof.

19.3. Whenever the context so requires, the use of any gender in the Declaration shall be deemed to include both genders, and the use of the singular shall be deemed to include the plural and the plural shall include the singular.

19.4. The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision hereof.

19.5. No restriction, condition, obligation or provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

19.6. This Declaration shall be construed in accordance with the laws of the State of Texas.

EXHIBIT A

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 17th day of March, 1988.

THE WOODLANDS CORPORATION

By: Roger L Galatas
Name: Roger L Galatas
Title: President

THE STATE OF TEXAS §
§
COUNTY OF GALVESTON §

This instrument was acknowledged before me this 17th day of March, 1988, by Roger L Galatas, President, of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.

Jennifer Amason
Printed Names: Jennifer Amason
Notary Public, State of Texas
My Commission Expires: 6/12/89

JENNIFER A...
Notary Public in and for ...
My Commission Expires ...

EXHIBIT A

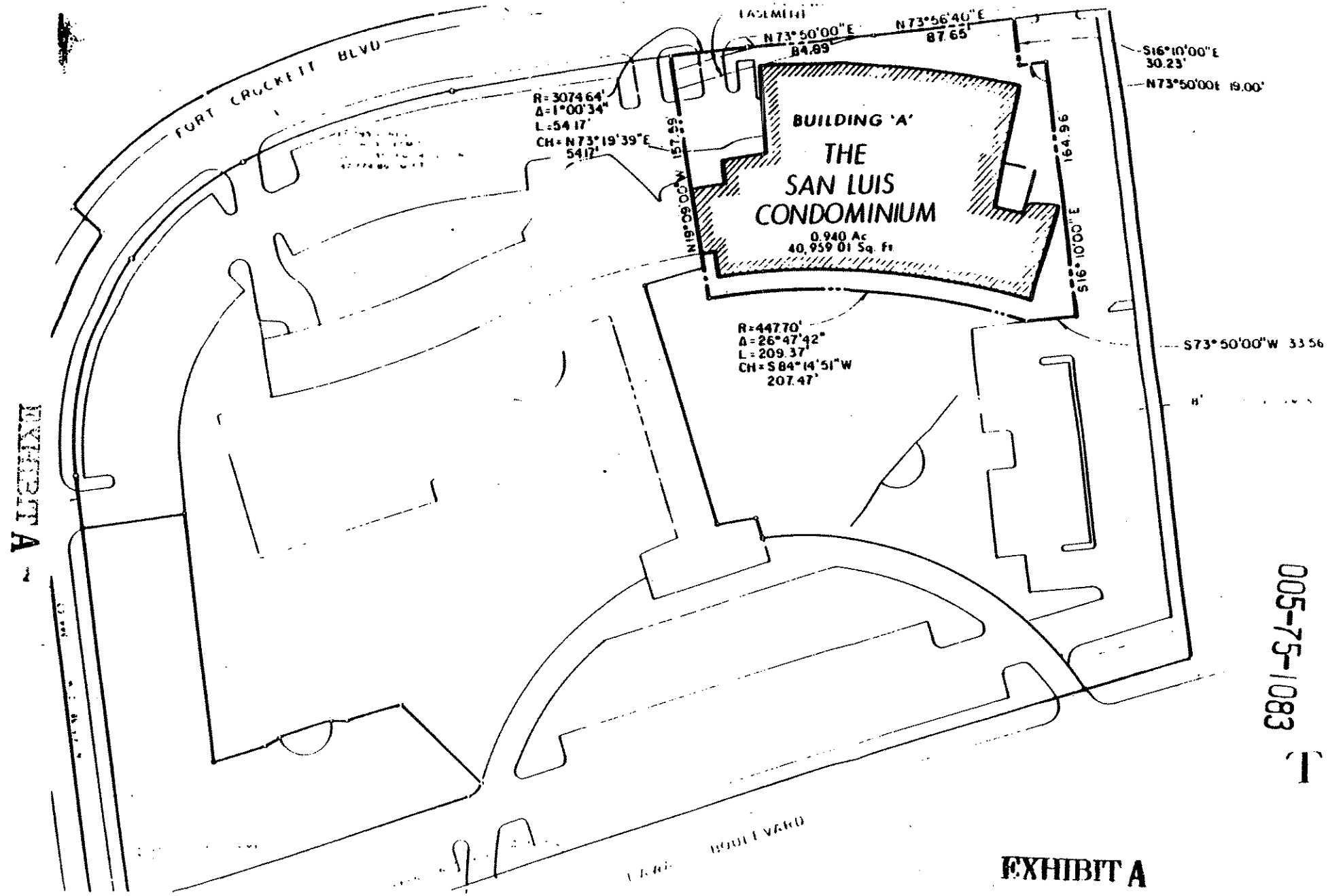


EXHIBIT A

005-75-1083

005-75-1084

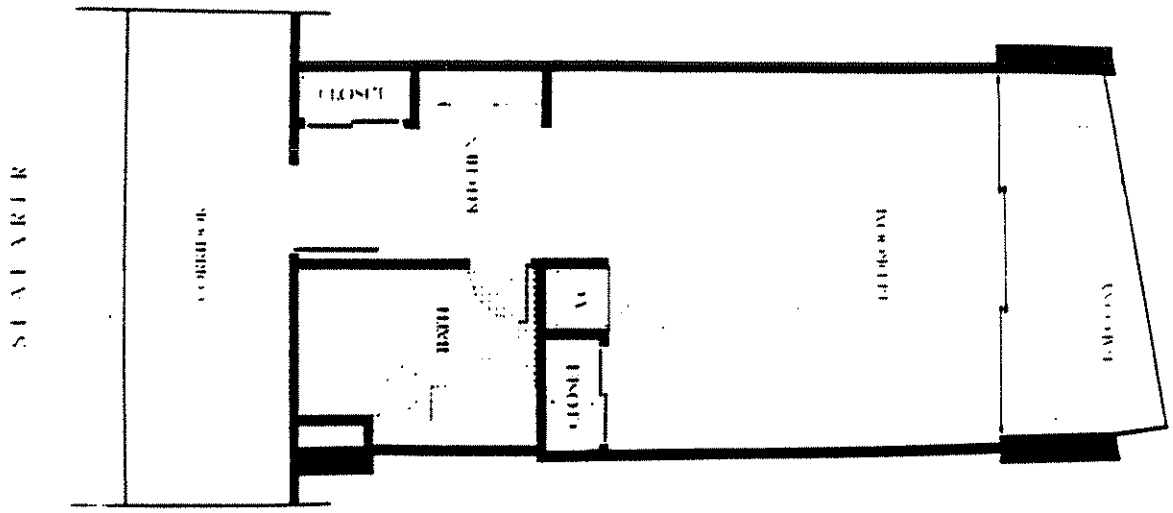


EXHIBIT "B-1"

EXHIBIT A

005-75-1085

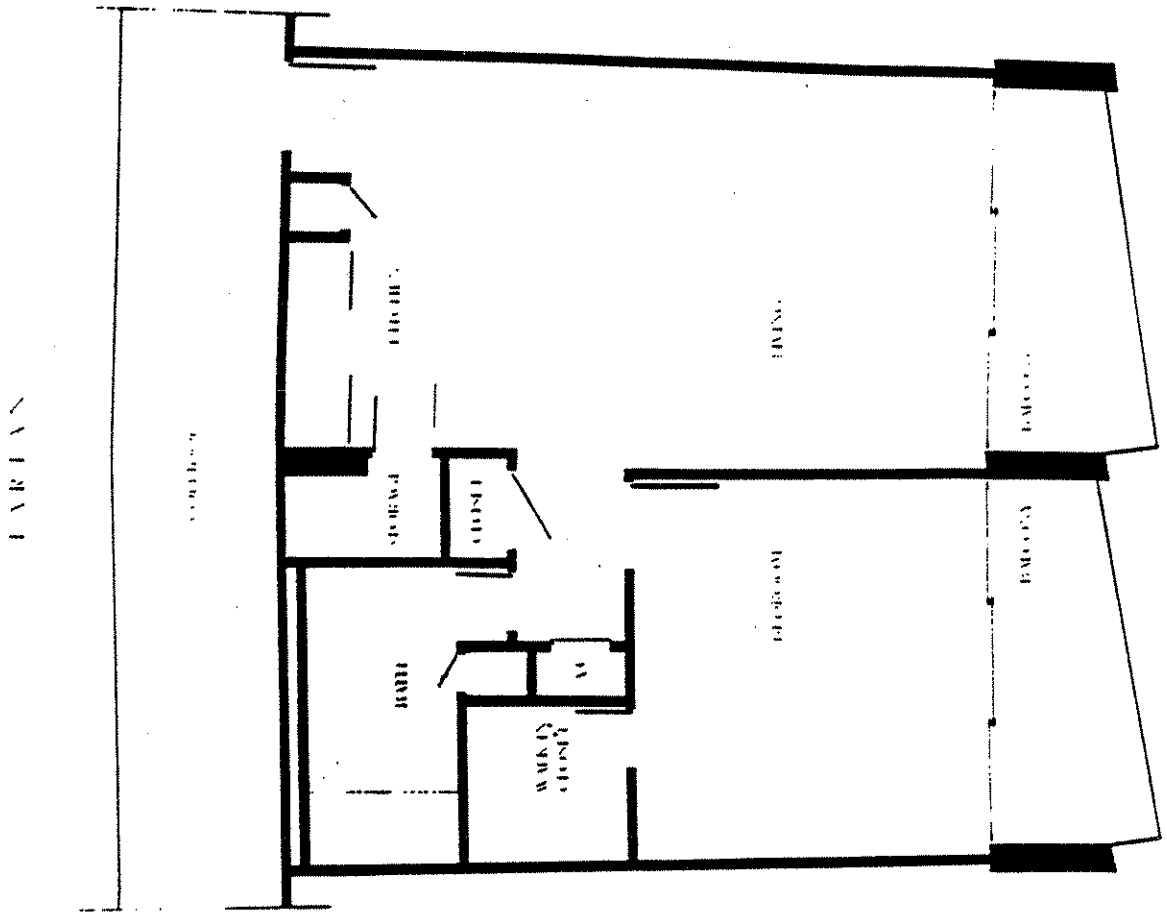


EXHIBIT B-2"

EXHIBIT A "

005-75-1086

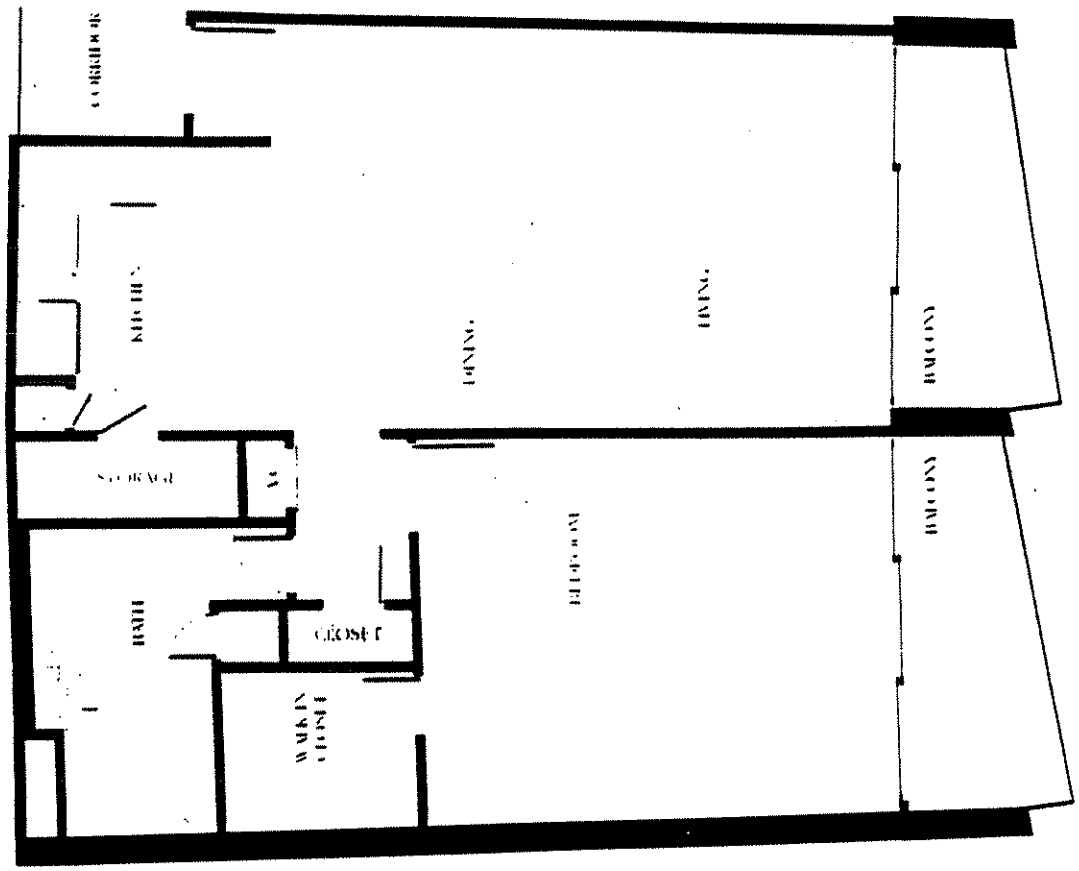


EXHIBIT "B-3"

EXHIBIT A

005-75-1087.

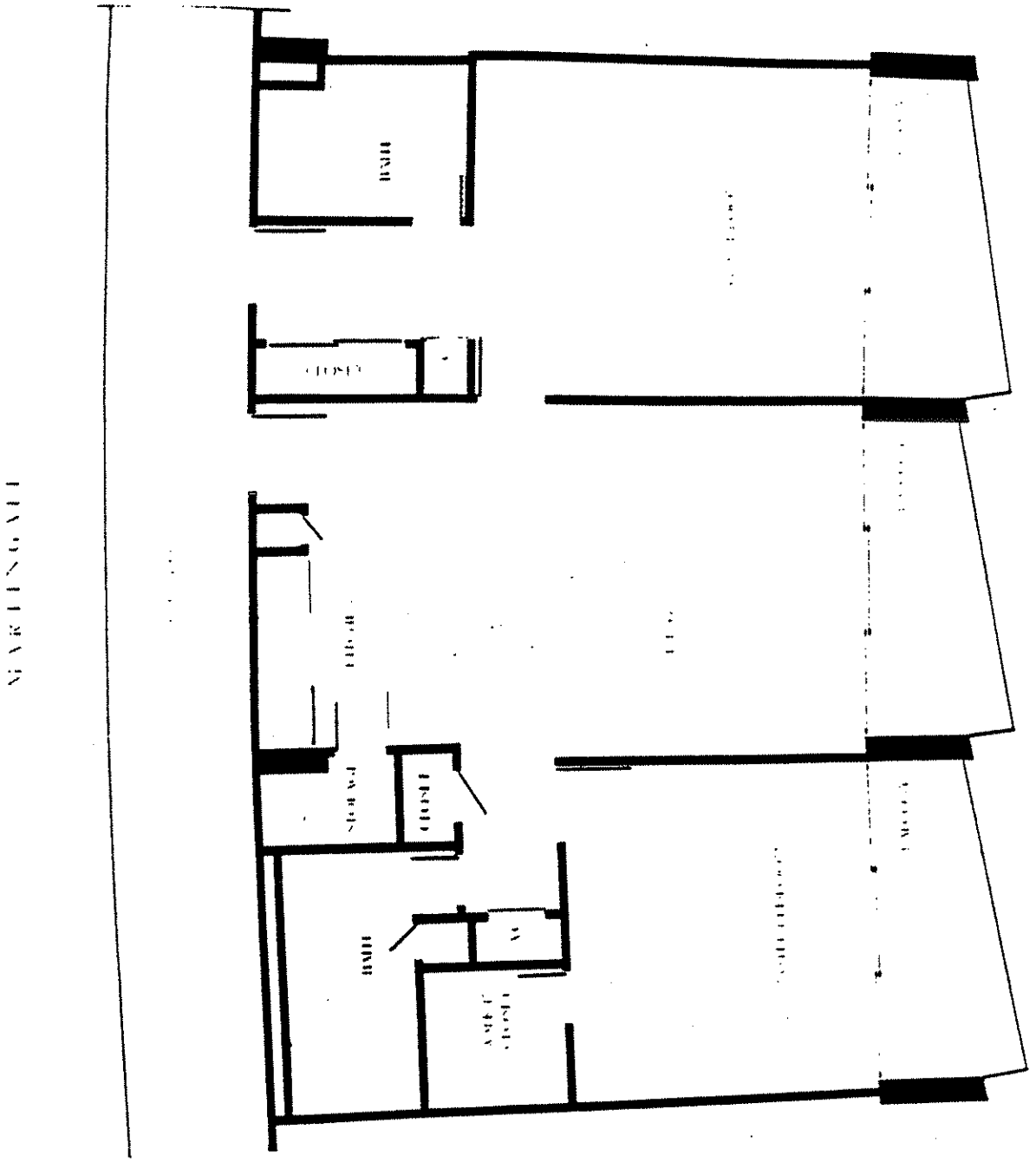


EXHIBIT "B-4"

EXHIBIT A

005-75-1088

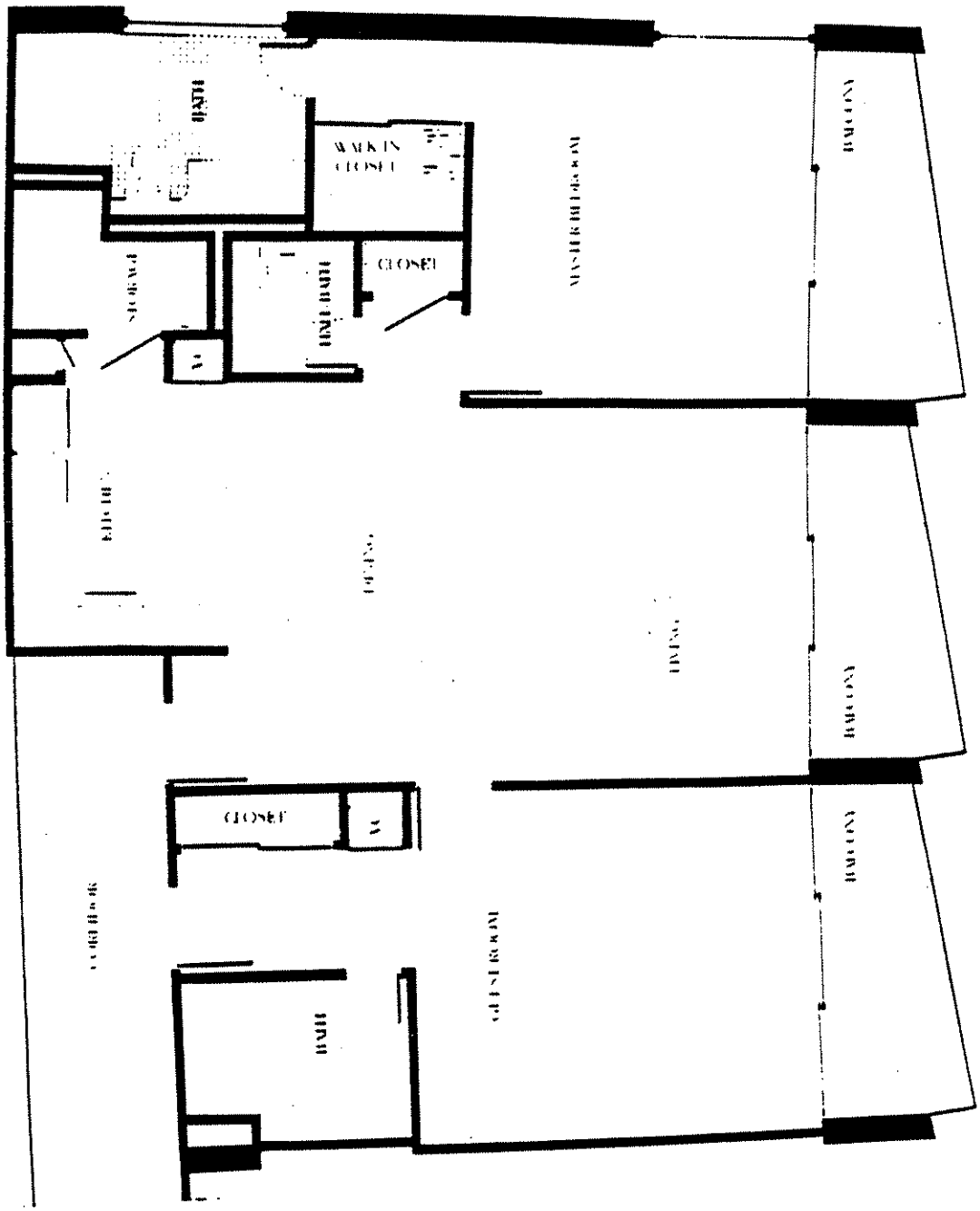


EXHIBIT "B-5"

EXHIBIT A

005-75-1089

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	S.F.	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
336337 A	304.75	0.6992%
336337 B	304.75	0.6992%
336337 C	304.75	0.6992%
336337 D	304.75	0.6992%
435 A	203.25	0.4663%
435 B	203.25	0.4663%
435 C	203.25	0.4663%
435 D	203.25	0.4663%
438439 A	340.75	0.7818%
438439 B	340.75	0.7818%
438439 C	340.75	0.7818%
438439 D	340.75	0.7818%
531 A	101.50	0.2329%
531 B	101.50	0.2329%
531 C	101.50	0.2329%
531 D	101.50	0.2329%
532533 A	304.75	0.6992%
532533 B	304.75	0.6992%
532533 C	304.75	0.6992%
532533 D	304.75	0.6992%
537 A	101.50	0.2329%
537 B	101.50	0.2329%
537 C	101.50	0.2329%
537 D	101.50	0.2329%
538539 A	340.75	0.7818%
538539 B	340.75	0.7818%
538539 C	340.75	0.7818%
538539 D	340.75	0.7818%
636637 A	304.75	0.6992%
636637 B	304.75	0.6992%
636637 C	304.75	0.6992%
636637 D	304.75	0.6992%
732 A	101.50	0.2329%
732 B	101.50	0.2329%
732 C	101.50	0.2329%
732 D	101.50	0.2329%
733 A	203.25	0.4663%
733 B	203.25	0.4663%
733 C	203.25	0.4663%
733 D	203.25	0.4663%
734 A	203.25	0.4663%
734 B	203.25	0.4663%
734 C	203.25	0.4663%
734 D	203.25	0.4663%
738739 A	340.75	0.7818%
738739 B	340.75	0.7818%

EXHIBIT A

005-75-1090

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	S.F.	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
738739 C	340.75	0.7818%
738739 D	340.75	0.7818%
835 A	203.25	0.4663%
835 B	203.25	0.4663%
835 C	203.25	0.4663%
835 D	203.25	0.4663%
837 A	101.50	0.2329%
837 B	101.50	0.2329%
837 C	101.50	0.2329%
837 D	101.50	0.2329%
838839 A	340.75	0.7818%
838839 B	340.75	0.7818%
838839 C	340.75	0.7818%
838839 D	340.75	0.7818%
934 A	203.25	0.4663%
934 B	203.25	0.4663%
934 C	203.25	0.4663%
934 D	203.25	0.4663%
936937 A	304.75	0.6992%
936937 B	304.75	0.6992%
936937 C	304.75	0.6992%
936937 D	304.75	0.6992%
938939 A	340.75	0.7818%
938939 B	340.75	0.7818%
938939 C	340.75	0.7818%
938939 D	340.75	0.7818%
1031 A	101.50	0.2329%
1031 B	101.50	0.2329%
1031 C	101.50	0.2329%
1031 D	101.50	0.2329%
1035 A	203.25	0.4663%
1035 B	203.25	0.4663%
1035 C	203.25	0.4663%
1035 D	203.25	0.4663%
10361037 A	304.75	0.6992%
10361037 B	304.75	0.6992%
10361037 C	304.75	0.6992%
10361037 D	304.75	0.6992%
10381039 A	340.75	0.7818%
10381039 B	340.75	0.7818%
10381039 C	340.75	0.7818%
10381039 D	340.75	0.7818%
1130 A	239.25	0.5489%
1130 B	239.25	0.5489%
1130 C	239.25	0.5489%
1130 D	239.25	0.5489%

EXHIBIT A

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

005-75-1091

UNIT NUMBER	S.F.	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
11321133 A	304.75	0.6992%
11321133 B	304.75	0.6992%
11321133 C	304.75	0.6992%
11321133 D	304.75	0.6992%
1134 A	203.25	0.4663%
1134 B	203.25	0.4663%
1134 C	203.25	0.4663%
1134 D	203.25	0.4663%
1135 A	203.25	0.4663%
1135 B	203.25	0.4663%
1135 C	203.25	0.4663%
1135 D	203.25	0.4663%
11361137 A	304.75	0.6992%
11361137 B	304.75	0.6992%
11361137 C	304.75	0.6992%
11361137 D	304.75	0.6992%
11381139 A	340.75	0.7818%
11381139 B	340.75	0.7818%
11381139 C	340.75	0.7818%
11381139 D	340.75	0.7818%
1233 A	203.25	0.4663%
1233 B	203.25	0.4663%
1233 C	203.25	0.4663%
1233 D	203.25	0.4663%
1234 A	203.25	0.4663%
1234 B	203.25	0.4663%
1234 C	203.25	0.4663%
1234 D	203.25	0.4663%
1235 A	203.25	0.4663%
1235 B	203.25	0.4663%
1235 C	203.25	0.4663%
1235 D	203.25	0.4663%
12361237 A	304.75	0.6992%
12361237 B	304.75	0.6992%
12361237 C	304.75	0.6992%
12361237 D	304.75	0.6992%
12381239 A	340.75	0.7818%
12381239 B	340.75	0.7818%
12381239 C	340.75	0.7818%
12381239 D	340.75	0.7818%
14321433 A	304.75	0.6992%
14321433 B	304.75	0.6992%
14321433 C	304.75	0.6992%
14321433 D	304.75	0.6992%
1434 A	203.25	0.4663%
1434 B	203.25	0.4663%

EXHIBIT C

EXHIBIT A

UNIT NUMBER	S.F.	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
1434 C	203.25	0.4663%
1434 D	203.25	0.4663%
1435 A	203.25	0.4663%
1435 B	203.25	0.4663%
1435 C	203.25	0.4663%
1435 D	203.25	0.4663%
14361437 A	304.75	0.6992%
14361437 B	304.75	0.6992%
14361437 C	304.75	0.6992%
14361437 D	304.75	0.6992%
14381439 A	340.75	0.7818%
14381439 B	340.75	0.7818%
14381439 C	340.75	0.7818%
14381439 D	340.75	0.7818%
1530 A	239.25	0.5500%
1530 B	239.25	0.5500%
1530 C	239.25	0.5500%
1530 D	239.25	0.5500%
15321533 A	304.75	0.6992%
15321533 B	304.75	0.6992%
15321533 C	304.75	0.6992%
15321533 D	304.75	0.6992%
1534 A	203.25	0.4663%
1534 B	203.25	0.4663%
1534 C	203.25	0.4663%
1534 D	203.25	0.4663%
15361537 A	304.75	0.6992%
15361537 B	304.75	0.6992%
15361537 C	304.75	0.6992%
15361537 D	304.75	0.6992%
15381539 A	340.75	0.7818%
15381539 B	340.75	0.7818%
15381539 C	340.75	0.7818%
15381539 D	340.75	0.7818%
TOTAL 172	43,584.00	100.0000%

EXHI[illegible]

EXHIBIT A =

AKW/ns/2CSASLC/02-19-88

005-75-1093

SUBSIDY AGREEMENT

THIS SUBSIDY AGREEMENT is entered into this 17th day of March, 1988, by and between The Woodlands Corporation a Delaware corporation (the "Declarant") and SAN LUIS CONDOMINIUM COUNCIL, a Texas non-profit corporation (the "Council").

W I T N E S S E T H:

WHEREAS, Declarant is the owner in fee simple of certain real property and improvements which have been submitted to a Timeshare regime pursuant to that certain Declaration of Co-Ownership for San Luis Condominiums, recorded or to be recorded in the County Clerk's Office, Galveston County, Texas, and all amendments and supplements thereto (the "Declaration");

WHEREAS, pursuant to Section XII of the Declaration, each Owner, including Declarant, with respect to any Co-Ownership Estate of which it is deemed the Owner, is required to pay any Operation Fee which may from time to time be levied upon his Co-Ownership Estate;

WHEREAS in lieu of the payment of any the Monthly Operation Fees by Declarant which are attributable to any Co-Ownership Estate owned by Declarant, Section 12.3 of the Declaration entitles Declarant to enter into this Subsidy Agreement; and

WHEREAS by their execution hereof, Declarant and the Council intend to establish a method whereby Declarant will subsidize, in accordance with the terms hereof, certain specified amounts which arise in connection with the costs and expenses of operating and administering the Timeshare Regime.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto hereby agree as follows:

1. DEFINITIONS. Unless otherwise defined herein, the terms used in this Subsidy Agreement shall be defined as said terms are defined and used in the Declaration.

"Adjusted Common Expenses" shall mean the actual Common Expenses incurred or payable or paid less the amounts included in the Budget for the Common Furnishings Reserves.

"Adjusted Operation Fees" shall mean the Monthly Operation Fees provided for in each annual Budget assessed against and payable by each Co-Ownership Estate not owned by Declarant.

EXHIBIT A

"Budget" shall mean the annual Budget adopted by the Council.

"Common Furnishings Reserves" shall mean a reserve fund established to repair and replace the Common Furnishings on a timely basis.

"Declarant's Share of Common Furnishings Reserve" as to each Unit, shall mean that portion of the Common Furnishings Reserves applicable to each Co-Ownership Estate of such Unit owned by Declarant after Declarant has sold the first Co-Ownership Estate in such Unit.

"Deficiency" shall mean, for each calendar month for each year for which the Council has adopted a Budget, the amount, if any, by which the Adjusted Common Expenses exceed the Adjusted Operation Fees for that month.

2. ADOPTION OF ANNUAL BUDGET. Prior to the beginning of each year, the Council agrees to adopt for such year an annual Budget to cover all anticipated Common Expenses, including a Common Furnishings Reserve, and providing for a Monthly Operation Fee sufficient to pay all costs included in such annual Budget without a deficit in any month.

3. PAYMENT OF DEFICIENCIES. During each year in which the Council has adopted a Budget as provided for in paragraph 2 above, Declarant agrees to pay the following:

(a) On or before the tenth (10th) day of the following month, the Deficiency for the preceding month;

(b) On or before 30 days following the end of each fiscal year, the Declarant's Share of the Common Furnishings Reserves for the preceding year;

(c) All Special Operation Fees levied by the Council against the Co-Ownership Estates owned by Declarant, as and when they become due.

4. REIMBURSEMENT TO DECLARANT. Notwithstanding anything to the contrary contained herein, Declarant shall never be required to pay to Council any amount over that amount which would otherwise have been payable by Declarant in the absence of this Subsidy Agreement. Within sixty (60) days following the end of any fiscal year of the Council during the term hereof, the Council shall reimburse Declarant for the amount, if any, by which the total of all subsidy payments made by Declarant during such fiscal year in accordance with the provisions hereof exceeds

EXHIBIT A

the cumulative total of Monthly Operation Fees which would otherwise have been payable by Declarant for such fiscal year in the absence of this Subsidy Agreement. To the extent that the Council levies a Special Operation Fee against the Owners in order to provide the necessary funds for such reimbursement, Declarant shall be entitled to receive a credit against its proportionate share of such Special Operation Fee for any sums due to it.

5. EFFECT OF THIS SUBSIDY AGREEMENT UPON DECLARANT'S OBLIGATION TO PAY OPERATION FEES. Provided Declarant shall not be in default in the performance of any of its obligations hereunder, Declarant shall not be required to pay to the Council any Monthly Operation Fee attributable to any Co-Ownership Estate of which it is the Owner. In the event Declarant fails to perform any material obligation required to be performed by it hereunder, and should Declarant not cure any such failure within twenty (20) days from the date upon which it receives written notice of the alleged breach from the Council, then Declarant shall be in default hereunder, in which event: (a) the obligation of Declarant to pay Monthly Operation Fees attributable to those Co-Ownership Estates of which it is the Owner shall resume, as of the date of such default, and (b) in the event of the non-payment of Monthly Operation Fees, the Council shall be entitled to exercise each and all of the rights and remedies afforded it, pursuant to Article XIII of the Declaration; provided, however, that notwithstanding Declarant's failure to cure any default hereunder within the time period specified, Declarant shall have the right thereafter to cure such default, and upon so doing, Declarant may notify the Council of Declarant's future intention to comply with all of the terms and provisions of this Subsidy Agreement, in which case all of the rights, duties and obligations of Declarant and the Council hereunder shall continue unabated, and any Operation Fees theretofore paid by Declarant shall be applied to Declarant's future Subsidy Payments hereunder.

6. TERM. The term of this Subsidy Agreement shall commence on the Starting Date and shall expire on the earlier to occur of: (a) the date as of which title to ninety percent (90%) of all of the Co-Ownership Estates which have been authorized for sale pursuant to the Declaration have been conveyed by Declarant to third persons or entities; or (b) the date which is thirty (30) days following the date upon which Declarant elects, at its sole option, by written notice to the Council, to terminate this Subsidy Agreement.

7. EFFECT OF TERMINATION. When this Subsidy Agreement is terminated pursuant to paragraph 6 above, the Declarant shall be required to pay Monthly Operation Fees on Co-Ownership Estates owned by it.

EXHIBIT D

EXHIBIT A

8. MISCELLANEOUS.

(a) Notices. Any notice, request, demand, instruction or other information or document to be given hereunder shall be in writing and shall be deemed to have been duly given and effective when personally delivered or five (5) business days after being deposited in the United States mail as registered or certified mail, postage prepaid, return receipt requested or by overnight courier service and addressed as follows:

If to the Council:

SAN LUIS CONDOMINIUM COUNCIL
2201 Timberloch Place
The Woodlands, Texas 77380

If to the Declarant:

THE WOODLANDS CORPORATION
2201 Timberloch Place
The Woodlands, Texas 77380

In the event either of these addresses changes, the appropriate party is required to notify the other party in writing of such change.

(b) Waiver. No restriction, condition, obligation or provision contained herein shall be deemed to have been abrogated or waived by reason of any failure to enforce same, irrespective of the number of violations or breaches thereof which may occur.

(c) Entire Agreement. This agreement constitutes the entire agreement between the parties with respect to the subsidization program contemplated herein and replaces any prior negotiations, representations, agreements and understandings, both oral and written. Any modification to this agreement shall not be effective unless such modification is set forth in a written instrument which is signed by each of the parties hereto.

(d) Captions. The captions used in this Agreement are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of the provisions hereof.

(e) Survival of Agreement. This agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto.

EXHIBIT D

EXHIBIT A

(f) Severability. The provisions hereof shall be deemed to be independent and severable, and the invalidity or partial invalidity of any one provision shall not effect the validity or enforceability of any other provision hereof.

(g) Attorneys' Fees. In the event any controversy, claim or dispute between the parties hereto arising out of or relating to this agreement or the breach thereof results in arbitration or litigation, the prevailing party in such proceeding (s) shall be entitled to recover from the losing party, reasonable expenses, attorneys' fees and other costs.

(h) Governing Law This agreement is made and entered into in the State of Texas and shall be governed, interpreted and construed under the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Subsidy Agreement as of the date first written above.

"DECLARANT"
THE WOODLANDS CORPORATION

By: Trayce L Galatas
Name: Rebecca L. Galatas
Title: President

"COUNCIL"
SAN LUIS CONDOMINIUM COUNCIL

By: [signature]
Name: Tim Wolbes
Title: Vice President

EXHIBIT A

EXHIBIT "E"

005-75-1098

A

USE PERIODS: FOR YEARS 1988 TO 2047

1988, 1992, 1996, 2000, 2004
2008, 2012, 2016, 2020, 2024
2028, 2032, 2036, 2040, 2044

Owner A Week	Owner B Week	Owner C Week	Owner D Week
2*	3	4	1*
5	7	9	11
6	8	10	12
13	15	17	19
14	16	18	20
21	23	25	27
22	24	26	28
29	31	33	35
30	32	34	36
37	39	41	43
38	40	42	44
45	47	49	51
46	48	50	52

1989, 1993, 1997, 2001, 2005
2009, 2013, 2017, 2021, 2025
2029, 2033, 2037, 2041, 2045

Owner A Week	Owner B Week	Owner C Week	Owner D Week
1*	2*	3	4
11	5	7	9
12	6	8	10
19	13	15	17
20	14	16	18
27	21	23	25
28	22	24	26
35	29	31	33
36	30	32	34
43	37	39	41
44	38	40	42
51	45	47	49
52	46	48	50

1990, 1994, 1998, 2002, 2006
2010, 2014, 2018, 2022, 2026
2030, 2034, 2038, 2042, 2046

Owner A Week	Owner B Week	Owner C Week	Owner D Week
4	1*	2*	3
9	11	5	7
10	12	6	8
17	19	13	15
18	20	14	16
25	27	21	23
26	28	22	24
33	35	29	31
34	36	30	32
41	43	37	39
42	44	38	40
49	51	45	47
50	52	46	48

1991, 1995, 1999, 2003, 2007
2011, 2015, 2019, 2023, 2027
2031, 2035, 2039, 2043, 2047

Owner A Week	Owner B Week	Owner C Week	Owner D Week
3	4	1*	2*
7	9	11	5
8	10	12	6
15	17	19	13
16	18	20	14
23	25	27	21
24	26	28	22
31	33	35	29
32	34	36	30
39	41	43	37
40	42	44	38
47	49	51	45
48	50	52	46

*Weeks 1 and 2 are extended maintenance periods - no occupancy rights

EXHIBIT

THE STATE OF TEXAS
County of Galveston

I, JESSIE G. KIRKENDALL, County Clerk, in and for Galveston County, State of Texas, do hereby CERTIFY that the above and foregoing is a true and correct copy of Declaration of Co-Ownership For

SAN LUIS CONDOMINIUMS

as the same appears of record in my office, in the Official Public Records of Real Property having Microfilm Identification Number 005-75-1058 through Microfilm Identification Number 005-75-1099, inclusive.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the impress of the official seal of said County Court, at my office, in the City and County of Galveston, State of Texas, on this the 23rd day of March A.D., 19 88.

JESSIE G. KIRKENDALL,
County Clerk, in and for
Galveston County, Texas.

BY Sydonia Musicat Deputy
Sydonia Musicat

EXHIBIT A

The schedule of assigned weeks shall automatically repeat at the end of each schedule. All of the weeks above shall start at five o'clock (5:00) P.M. on the Friday noted and shall end at eleven o'clock (11:00) A.M. on the following Friday. In each year where there is a fifty-third (53rd) Friday, the fifty-third (53rd) week shall become a part of the fifty-second (52nd) week and shall be considered a part of Week 52 which shall start at five o'clock (5:00) P.M. on the fifty-third (53rd) Friday and end at five o'clock (5:00) P.M. on the following Friday (which shall be the beginning of week number one (1) for that year).

(b) Intervening Maintenance Periods: The intervening Maintenance Periods shall begin at eleven o'clock (11:00) A.M. on Friday and end at five o'clock (5:00) P.M. on Friday. There shall not be an intervening Maintenance Period whenever the Use Periods both before and after such intervening Maintenance Period are owned by the same owner. In that event, the intervening Maintenance Period shall be treated as a part of the preceding Use Period.

(c) Extended Maintenance Periods: Two annual extended Maintenance Periods, the first of which shall begin on the first (1st) Friday in each year at eleven (11:00) A.M. and shall end at five o'clock (5:00) P.M. on the Friday of the following week, and the second of which shall begin the second (2nd) Friday in each year at five o'clock (5:00) P.M. and shall end at five o'clock (5:00) P.M. on the Friday of the following week. Necessarily, as these weeks rotate pursuant to the provisions set forth above, the Owner's occupancy rights for these specific weeks will be deemed waived in favor of the Declarant or Manager for purposes of the extended maintenance.

FILED FOR RECORD
MAR 17 2 50 PM '88
COUNTY TX.

STATE OF TEXAS COUNTY OF GALVESTON
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Real Property of Galveston County Texas, on

MAR 17 1988

Jessie D. Kirkendall
COUNTY CLERK
GALVESTON CO., TEXAS

The schedule of assigned weeks shall automatically repeat at the end of each schedule. All of the weeks above shall start at five o'clock (5:00) P.M. on the Friday noted and shall end at eleven o'clock (11:00) A.M. on the following Friday. In each year where there is a fifty-third (53rd) Friday, the fifty-third (53rd) week shall become a part of the fifty-second (52nd) week and shall be considered a part of Week 52 which shall start at five o'clock (5:00) P.M. on the fifty-third (53rd) Friday and end at five o'clock (5:00) P.M. on the following Friday (which shall be the beginning of week number one (1) for that year).

(b) Intervening Maintenance Periods: The intervening Maintenance Periods shall begin at eleven o'clock (11:00) A.M. on Friday and end at five o'clock (5:00) P.M. on Friday. There shall not be an intervening Maintenance Period whenever the Use Periods both before and after such intervening Maintenance Period are owned by the same owner. In that event, the intervening Maintenance Period shall be treated as a part of the preceding Use Period.

(c) Extended Maintenance Periods: Two annual extended Maintenance Periods, the first of which shall begin on the first (1st) Friday in each year at eleven (11:00) A.M. and shall end at five o'clock (5:00) P.M. on the Friday of the following week, and the second of which shall begin the second (2nd) Friday in each year at five o'clock (5:00) P.M. and shall end at five o'clock (5:00) P.M. on the Friday of the following week. Necessarily, as these weeks rotate pursuant to the provisions set forth above, the Owner's occupancy rights for these specific weeks will be deemed waived in favor of the Declarant or Manager for purposes of the extended maintenance.

FILED FOR RECORD
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[illegible] COUNTY TX.

STATE OF TEXAS COUNTY OF GALVESTON
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Real Property of Galveston County Texas, on

MAR 17 1988

Jessie B. Kirkendall
COUNTY CLERK
GALVESTON CO., TEXAS

ARTICLES OF INCORPORATION

OF

SAN LUIS CONDOMINIUM COUNCIL

We, the undersigned natural persons of the age of eighteen (18) years or more, at least two (2) of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Non-Profit Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

NAME

The name of the corporation is SAN LUIS CONDOMINIUM COUNCIL.

ARTICLE TWO

NONPROFIT CORPORATION

The corporation is a nonprofit corporation.

ARTICLE THREE

DURATION

The period of its duration is perpetual.

EXHIBIT B

ARTICLE FOUR

PURPOSES

The purposes for which the corporation is organized are:

(a) The primary purpose is to operate, maintain and manage a timeshare regime in Galveston, Texas, pursuant to the Texas Timeshare Act, Texas Property Code, §201 et.seq. (Vernon Supp. 1987) and the Declaration of Co-Ownership for San Luis Condominium Council filed in the County Clerk's office of Galveston County, Texas.

(b) The general provisions and powers are to have and exercise all rights and powers conferred on nonprofit corporations under the laws of Texas, or which may hereinafter be conferred, including the power to contract, rent, buy or sell personal or real property.

(c) To do all other acts necessary or expedient to the administration of the affairs and attainment of the purposes of this corporation.

(d) Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of this corporation.

This corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit to the members thereof and is organized for nonprofit purposes.

EXHIBIT R

ARTICLE FIVE

INITIAL REGISTERED AGENT AND OFFICE

The corporation's initial registered agent for service of process shall be Thomas P. Battle. The street address of the initial registered agent's office shall be: 2002 Timberloch Place, The Woodlands, Texas 77380.

ARTICLE SEVEN

BOARD OF DIRECTORS

The number of directors constituting the initial board of directors of the corporation is five, and the names and addresses of the persons who are to serve as the initial board of directors are:

Roger L. Galatas
2201 Timberloch Place
The Woodlands, Texas 77380

Jeff Harris
2201 Timberloch Place
The Woodlands, Texas 77380

Timothy Welbes
2201 Timberloch Place
The Woodlands, Texas 77380

Ron Vuy
5220 Seawall Boulevard
Galveston, Texas 77550

A. Karen West
2002 Timberloch Place
The Woodlands, Texas 77380

EXHIBIT R

ARTICLE EIGHT

INCORPORATORS

The name and street address of each incorporator is:

G. David Bumgardner
2002 Timberloch Place
The Woodlands, Texas 77380

Eileen C. Stilson
2002 Timberloch Place
The Woodlands, Texas 77380

A.Karen West
2002 Timberloch Place
The Woodlands, Texas 77380

IN WITNESS WHEREOF, we have hereunto set out hands, this 24th day of January, 1988.

G. David Bumgardner

Eileen C. Stilson

A. Karen West

EXHIBIT A

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

I, Nancy Stucky, a notary public, do hereby certify that on the 24th day of February, 1988, personally appeared G. David Bumgardner, Eileen C. Stilson and A. Karen West, who, each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year written.

NOTARY PUBLIC • STATE OF TEXAS

Nancy Stucky
Notary Public - State of Texas
Printed Name: Nancy Stucky
My Commission Expires: 5-19-90

AKW/sp/2BAofSLC

EXHIBIT B

AKW/ns/2HBSLC/02-19-88

BYLAWS
OF
SAN LUIS CONDOMINIUM COUNCIL

ARTICLE I
GENERAL PROVISIONS

1.1. Introduction. San Luis Condominium Council (hereinafter referred to as the "Council") is a Texas nonprofit corporation, organized and existing under the laws of the State of Texas for the purpose of administering the Timeshare Regime created by that certain Declaration of Co-Ownership for San Luis Condominium, filed of record in County Clerk's Office of Galveston County, Texas, and all amendments and supplements thereto (hereinafter referred to as the "Declaration").

1.2. Definitions.

(a) Unless expressly indicated otherwise, capitalized terms used herein shall have the same meanings assigned to them in the Declaration.

(b) Member as used in these Bylaws means and shall refer to Owner as defined in the Declaration.

1.3. Conflicts. In the event of any conflict between these Bylaws, as amended from time to time, and the Declaration, the Declaration shall control.

ARTICLE II
MEMBERSHIP

2.1. Eligibility. Every person or entity who is the record Owner of an interest in a Lot and a Co-Ownership Estate in a Lot which is subject to the Timeshare Regime pursuant to the Declaration is a Member of the Council. If a Co-Ownership Estate is owned by more than one (1) person, then all of the persons so owning said Co-Ownership Estate shall be Members of the Council and shall be eligible to hold office, attend meetings, and exercise all of the other rights of an Owner; provided however, votes shall be cast only by the voting Member, as provided in Section 3.8 below.

2.2. Termination. The membership of any Owner shall terminate when he ceases to be an Owner. Transfer of a Co-Ownership Estate whether such transfer occurs voluntarily or by operation

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of law, shall immediately and automatically terminate the transferor's membership in the Council, except to the extent that such transferor retains an interest in any other Co-Ownership Estate. The transfer of a Co-Ownership Estate shall not terminate the liability of the transferor for any unpaid Operation Fees and Personal Charges due the Council. The transferee shall, immediately and automatically upon the valid transfer of the Co-Ownership Estate, become a Member of the Council.

2.3. Transfer of Membership. Membership in the Council is neither transferable nor assignable, other than by transfer of a Co-Ownership Estate as set forth above.

ARTICLE III
COUNCIL MEETINGS

3.1. Annual Meetings. An annual meeting of the Members shall be held within the first ninety (90) days of the beginning of each calendar year, commencing with the year 1989, for the purpose of electing directors in accordance with the provisions of these Bylaws and for the transaction of other business as may come before the meeting.

3.2. Special Meetings. Special Council meetings for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or the Secretary at the request, in writing, of a majority of the Board of Directors, or at the request, in writing, of Members representing twenty-five percent (25%) of the total votes eligible to be voted by all of the Members of the Council. Each such request shall state the purpose or purposes of the proposed meeting. The business transacted at all special Council meetings shall be confined to the subject(s) stated in the notice thereof.

3.3. Place of Meetings. All Council meetings shall be held in a suitable place, which is reasonably convenient to the Members, which is designated by the Board and stated in the notice of the meeting. Each Council meeting shall be open to all of the Members, the Manager and such other persons as are not expressly excluded from such meeting by the affirmative vote of Members representing a majority of the total votes eligible to be voted by the Members present at such meeting, either in person or by proxy.

3.4. Notice of Meeting. Written notice stating the place, day, and hour of a meeting of Members shall be delivered either personally or by mail to each Member at the address given to the Board by the Member for such purpose, or to the Unit address if no address for such purpose was given to the Board,

EXHIBIT C

not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the Secretary of the Council, or the persons calling the meeting. In case of a special meeting, or when required by law or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed the notice shall be deemed to be delivered when deposited in the United States mail.

3.5. Action Without a Meeting. Any action required to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members representing all the votes entitled to be cast on the subject matter thereof.

3.6. Quorum. A quorum of Members for any meeting shall be constituted by Members represented in person or by proxy and holding at least ten percent (10%) of the votes entitled to be cast at such meeting.

3.7. Voting.

(a) Subject to Section 3.7(c) below, each Owner shall be entitled to one (1) vote for each Co-Ownership Estate with respect to which a deed in such Owner's name is recorded in the County Clerk's Office, Galveston County, Texas. Declarant shall be entitled to one (1) vote for each Co-Ownership Estate of which it is the Owner.

(b) Except as otherwise provided by law, the Declaration, or by these Bylaws, the votes of Members, present either in person or by proxy at any duly called Council meeting at which a quorum has been established, casting a majority of the total votes eligible to be voted by such Members shall decide any question under consideration, and shall constitute the act of and be binding upon the Council.

(c) The Board of Directors shall have the right to suspend the voting right of any Member who is in violation of the Bylaws, Rules and Regulations or with any obligation of the Owners pursuant to the Declaration, including but not limited to the failure to pay Operation Fees.

3.8. Designation of Voting Members. If a Co-Ownership Estate is owned by more than one person, only one (1) Owner shall be entitled to cast votes for that Co-Ownership Estate. The Owners shall designate a voting Member to cast such votes on their behalf.

3.9. Proxies. Votes may be cast by the Members either in person or by proxy. All proxies shall be in writing and signed

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and dated by the person entitled to vote. In no event shall any proxy be valid for a period longer than eleven (11) months from the date of its execution, unless otherwise provided therein. A proxy shall be revocable only in writing at any time in the sole discretion of the Member who executed it. If a Co-Ownership Estate is owned by more than one (1) person a proxy must be signed by each Owner.

3.10. Waiver and Consent. Whenever the vote of Members at a Council meeting is required or permitted by any provision of these Bylaws to be taken in connection with any action of the Council, the meeting and vote of Members may be dispensed with, and matter(s) in question maybe voted upon by mail-in ballot if Members representing a majority of the total votes eligible to be voted by all of the Members consent in writing to dispense with the meeting and to vote upon the matter(s) in question by mail-in ballot. Mail-in ballots may accompany the required consent of Members, and may be completed and returned simultaneously therewith.

3.11. Rules of Meeting. The Board may prescribe reasonable order of business and rules for the conduct of all meetings of the Members and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE IV
BOARD OF DIRECTORS

amended March 2, 2002 see attachment A

4.1. Number and Qualifications. The affairs of the Council shall be governed by a Board of Directors composed of five (5) persons, each of whom, with the exception of the directors appointed by the incorporators and any director appointed by the Declarant, shall be a Member of the Council in good standing including but not limited to being current on all Operation Fees and in compliance with all Rules and Regulations provided however, if an Owner is a trustee of a trust, a director may be a beneficiary of such trust or if an Owner is a corporation, a director may be an officer, partner or employee of such Owner. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant. The number of directors may be increased or decreased from time to time by an amendment to these Bylaws; provided, however, that the Board shall be composed of at least three (3) but no more than seven (7) persons; and provided, further, that the Board shall at all times be composed of an odd number of directors. No decrease in the number of directors shall have the effect of shortening the term of an incumbent director.

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4.2. Term. Except for the first Board of Directors named in the Articles of Incorporation, the initial Board of Directors elected by the Members at the third annual meeting, and any director appointed by the Declarant, each director shall serve for a term of three (3) years or until the election of his successor, whichever occurs later, or until his death, incapacity, resignation, or removal. One (1) of the first directors elected by the Members shall serve for a one (1) year term, one (1) of the first directors elected by the Members shall serve for a two (2) year term, and the remaining two (2) directors first elected by the Members shall serve for a three (3) year term. The director appointed by the Declarant shall serve until such time as Declarant appoints a replacement director or until his successor has been qualified and duly elected by the Members of the Council when Declarant's right to appoint a director terminates as provided herein.

4.3. Election.

(a) The initial Board of Directors shall be appointed by the incorporators and shall serve for a three (3) year term. Any such director appointed by the incorporators shall serve until such time as his successor has been qualified and duly elected by the Members of the Council.

(b) At the third annual meeting of Members of the Council, the Members shall elect directors to succeed the initial Board of Directors. Notwithstanding the foregoing, Declarant shall be entitled to appoint one (1) director for so long as Declarant holds for sale, in the ordinary course of its business, and not for its own use, one (1) or more Co-Ownership Estate in the San Luis Condominium.

(c) Those candidates for election as director receiving the greatest percentage of the votes cast either in person or by proxy at the meeting shall be elected.

4.4. Vacancies. If the office of any director becomes vacant by reason of his death, incapacity, resignation, removal from office, or otherwise, a majority of the remaining directors, though less than a quorum, shall choose a successor or successors to fill such vacancy; provided, however, a vacant position on the Board which was last filled by a person appointed by Declarant or the incorporators shall be filled by a person appointed by Declarant. The election held for the purpose of filling such vacancy may be held at any annual or special meeting of the Board of Directors.

4.5. Removal. Any one or more of the directors, other than the director appointed by the Declarant, may be removed, with cause, by the affirmative vote of Members casting a majority

EXHIBIT "

of the total votes eligible to be voted by all of the Members of the Council at any annual or special meeting of the Council. A successor shall be elected at such meeting for the remainder of the term to fill the vacancy thus created. Should the membership fail to elect such a successor, the Board of Directors shall fill the vacancy in the manner provided herein. Any director whose removal has been proposed by the Members shall be given prompt written notice of his proposed removal and shall be provided with a reasonable opportunity to attend and be heard at the meeting at which removal is voted upon.

4.6. Annual Meetings. An annual meeting of the Board of Directors shall be held immediately after, and at the same place as, the annual meeting of Members.

4.7. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors. The person or persons authorized to call special meetings of the Board of Directors may fix any time and place for holding any such special meetings called by them.

4.8. Notice of Special Meeting. Written notice stating the place, day, and hour of a special meeting of the Board of Directors shall be delivered to each director at least five (5) days before the date of the meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail with postage prepaid. If notice is given by telegram, the notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting unless his attendance is for the purpose of protesting the legality of the meeting.

4.9. Meetings by Telephone Conference. Both annual and special Board meetings may be conducted by telephone conference; provided however, no such telephone conference shall be held unless the director appointed by the Declarant is included in such telephone conference. To the extent permitted by law, any director who is not physically in attendance at any meeting of the Board of Directors, but who is in telephone contact with the other directors during such meeting and is thereby able to participate in the discussions, reports, debates, votes, and other matters conducted thereat, shall be deemed to be in attendance at said meeting for all purposes, including but not limited to the purpose of creating a quorum.

4.10. Action by Consent. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the directors.

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4.11. Quorum At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors a quorum is not established, a majority of those directors present may adjourn the meeting, one or more times, to a subsequent time, date, and place.

4.12. Attendance by Manager. Each Manager, as long as its Management Agreement with the Council remains in effect, shall be entitled to notice of all Board meetings, shall be entitled to attend the Board meetings, and may designate such person(s) as it desires to attend such Board meetings on its behalf; provided however, Manager shall be excluded from discussions regarding the Management Agreement.

4.13. Compensation. Directors shall receive no compensation for their services as directors, unless provided for in resolution duly adopted by a majority of the Members. Nothing contained herein shall preclude any director from serving the Council in any other capacity and receiving compensation therefor.

4.14. Voting. The vote of a majority of those directors present at a meeting at which a quorum is in attendance shall constitute the decision of the Board of Directors.

4.15. Powers and Duties. The Board of Directors shall have all of the powers and duties necessary for the maintenance, repair, replacement, restoration, improvement, and operation of the Timeshare Regime, and for the operation and administration of the Council. The powers and duties of the Board of Directors shall be subject to approval by the Members only when such approval is specifically required by law or by the Bylaws. Such powers and duties shall include, but shall not be limited to, the following:

(a) To elect and remove the officers of the Council as herein provided;

(b) To exercise all of the powers specifically set forth in the Declaration and in these Bylaws, and to exercise all powers incidental thereto;

(c) To repair, maintain, repaint, improve, alter, furnish, or refurnish the interior portions of all Units together with the Common Furnishings; to establish reserves for anticipated costs, including but not limited to the costs of acquisition and replacement of the Common Furnishings; to acquire and pay for equipment, materials, supplies, furniture, Common Furnishings, labor or services

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which the Board deems necessary or proper for the maintenance and repair of the Units and the Common Furnishings;

(d) To cause to be prepared and to approve an annual budget;

(e) To levy, collect, and enforce Operation Fees and Personal Charges against the Owners in the manner provided in the Declaration in order to pay all of the costs of the Timeshare Regime operation and to do all things necessary to enforce each Owner's obligations under the Declaration;

(f) To employ, dismiss and control the personnel necessary for the maintenance and operation of the Timeshare Regime including legal counsel, accountants, contractors and other professionals, as needed;

(g) To delegate all or a portion of the responsibilities of the Board for management of the Timeshare Regime and the Council, respectively, to one (1) or more agents, including without limitation, the Manager;

(h) To adopt, publish, and enforce, from time to time, Rules and Regulations pertaining to the possession, use and enjoyment of the Units and the Common Furnishings, which Rules and Regulations shall be consistent with the provisions of the Declaration and these Bylaws;

(i) To open bank accounts on behalf of the Council and its Members, and to designate the signatures required therefor;

(j) To procure insurance, pursuant to the provisions of the Declaration and these Bylaws;

(k) To appoint such committee(s) as the Board may deem appropriate, which, to the extent provided in the resolution appointing such committee(s), shall have the powers of the Board of Directors in the affairs and business of the Council;

(l) To enter into and terminate agreements, on behalf of the Council, including but not limited to the Management Agreement and agreements with organizations allowing Owners to exchange the use of their Co-Ownership Estates with owners, lessees or certificate holders of time periods at other resorts;

(m) To perform all other acts deemed by the Board to be necessary, desirable or appropriate in order to ensure

the proper maintenance, repair, replacement, restoration, improvement and operation of the Timeshare Regime and to ensure the proper operation and administration of the Council; and

(n) To suspend the voting rights of a Member for failure to comply with these Bylaws or the Rules and Regulations of the Council or with any other obligations of the Owners pursuant to the Declaration.

4.16. Non-Delegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

ARTICLE V
OFFICERS

5.1. Designation. At each annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Council by a majority vote:

(a) a President who shall be a director and who shall preside over the meetings of the Board and of the Members and who shall be the chief executive officer of the Council;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Members, and who shall, in general, perform all the duties incident to the office of Secretary;

(c) a Treasurer, who shall be responsible for establishing and maintaining bank accounts, preparing the annual budget, maintaining financial records and books of account and establishing the manner in which such records and books are kept and reported; and

(d) such additional officers, including one or more Vice Presidents, as the Board shall see fit to elect.

5.2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

5.3. Term of Office. Each officer shall hold office for the term of one year or until his successor shall have been elected.

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5.4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the Board at a duly called meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of majority of the Board at a duly called meeting.

5.5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by a majority of the Members. Nothing contained herein shall preclude any officer from serving the Council in any other capacity and receiving compensation therof.

5.6. Execution of Instruments. All agreements, contracts, deeds, leases, checks and other instruments of the Council shall be executed by the President, Vice President or by such other person or persons, including the Manager, as may be designated by the Board of Directors.

5.7. Inspection of Records. Any Member may inspect the Council records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten days' notice to the Board of Directors or Manager, if any, and upon payment of a reasonable fee, any Member shall be furnished a statement of account setting forth the amount of any unpaid Operation Fee or other charges due and owing from such Member.

ARTICLE VI
INDEMNIFICATION

6.1. General. To the fullest extent permitted by law the Council shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the Bylaws of the Council, the Board, and Declarant, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members, or declarant, on behalf of the Owners or arising out of their status as directors, Board, officers or committee members, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including but not limited to, counsel fees, amounts of judgemnts paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, or committee member may be

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involved by virtue of such persons being or having been such director, officer, Board or committee member; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board or committee member.

6.2. Success on Merits. To the extent that the Declarant or a member of the Board of Directors or an officer of the Council or a member of any committee appointed pursuant to the Bylaws of the Council has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.1, or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

6.3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Council in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Council as authorized in this Article VI.

6.4. Miscellaneous. The Council and the Board shall have the power to raise and the responsibility for raising, by Special Operation Fee or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Declarant, or out of the aforesaid indemnity in favor of the directors, board, officers, members of such committees, or Declarant shall be limited to such proportion of the total liability hereunder as said Owner's percentage of the ownership bears to the total percentage of ownership of all the Owners. In every agreement made by the directors, Board, officers, member of such committees, Declarant or the Manager, as the case may be, said persons are acting only as agents for the Owners and shall have no personal liability thereunder, and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentate of

EXHIBIT C

ownership bears to the total percentage of ownership of all Owners. The indemnification provided by this Article VI shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Council or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be a member of the Board of Directors, officer of the Council or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each person or entity.

ARTICLE VII
CONTRACTUAL POWERS

7.1. Interested Directors. No contract or other transaction between the Council and one or more of its directors or between the Council and any corporation or association in which one or more of the directors of this Council are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the contract or transaction is just and reasonable to the corporation at the time it is authorized or approved.

ARTICLE VIII
RULES AND REGULATIONS

8.1. Adoption. The Board of Directors shall have the right to establish and amend, from time to time, such uniform Rules and Regulations as the Board may deem necessary and appropriate for the management, preservation, safety, control and orderly operation of the Timeshare Regime and for the benefit of all of the Owners. Such Rules and Regulations may, to the extent not in conflict with the provisions of the Declaration and these Bylaws, impose reasonable restrictions upon the use and occupancy of the Units as the Board, in its sole discretion, deems necessary or appropriate.

8.2. Compliance with Rules and Regulations. Each Owner shall obey the Rules and Regulations, as the same may lawfully be amended from time to time, and shall ensure that the same are faithfully observed by the members of his family, his guests, invitees, and licensees. Each person who comes within the Time-

EXHIBIT 1

share Regime shall be subject to the Rules and Regulations for the duration of his presence therein. A copy of the Rules and Regulations, as amended from time to time, shall be made available to Owners upon request.

8.3. Conflict. In the event of any conflict between the Rules and Regulations, as amended from time to time, and the Declaration or these Bylaws, the Declaration and Bylaws shall control.

ARTICLE IX
FINANCES AND OPERATION FEE

9.1. Operation Fees. Operation Fees shall be paid by Members and collected by the Council in the manner and according to the terms and provisions set forth in Article XII of the Declaration.

9.2. Lien to Secure Payment. All sums assessed by the Board pursuant to the provisions of the Declaration shall constitute a lien on the Co-Ownership Estate of the Owner and shall be enforceable by the Council on behalf of its Members as set forth in Article XIII of the Declaration.

9.3. Depositories. The funds of the Council shall be deposited in a federally insured institution and shall be withdrawn by the person or persons so designated by the Board. Said funds shall be deposited in one or more accounts; provided however, all funds allocated as reserves in the annual budget and collected by the Council shall be deposited in a separate and segregated account with no other funds being comingled therewith. No withdrawals shall be made from said reserve account for any purpose other than for the replacement, repair and/or acquisition of Common Furnishings.

9.4. Fiscal Year. The Council shall operate on a fiscal year which begins on the first day of January of each year; provided, however, that the Board of Directors may, in its sole discretion, change to a different fiscal year in the event that the Board of Directors deems it advisable to do so.

9.5. Records and Statement of Account. The Board shall cause to be kept detailed records of the receipts and expenditures of the Council specifying and itemizing the Common Expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. All such books and records shall be kept in accordance with generally accepted accounting principles, consistently applied.

EXHIBIT C

ARTICLE X
AMENDMENTS

10.1. Members. These Bylaws may be amended or modified by vote of three-fourths (3/4) of all of the Members eligible to vote; provided, however, so long as Declarant remains the Owner of one or more Co-Ownership Estate these Bylaws shall not be amended so as to adversely effect the Declarant, including but not limited to taking away the Declarant's right to appoint a director as herein provided.

10.2. Board. The Board shall have the authority, without the joinder or consent of any other party, to make any amendment to these Bylaws necessary to clarify any conflicting provisions hereof, to correct any mistakes or errors of a clerical nature and/or to carry out the requirements of the Texas Real Estate Commission.

10.3. Records. Such amendments shall be maintained in the corporate records of the Council.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Secretary of the San Luis Condominium Council does hereby certify that the above and foregoing Bylaws were duly adopted by the directors of the Council as the Bylaws of the Council on the ____ day of _____, 1988.

_____
Secretary

EXHIBIT C

AKW/sp/2BRRSLC/02-23-88

EXHIBIT "D"

SAN LUIS CONDOMINIUM COUNCIL

RULES AND REGULATIONS

These Rules and Regulations, promulgated as of February 1, 1988, shall govern the reservation, use, and occupancy of the Units, Common Elements and Common Furnishings of the San Luis Condominiums, and shall be deemed in effect until amended by the Board of Directors of The San Luis Condominium Council and shall apply to and be binding upon all Owners and Unit Occupants. Owners shall at all times obey said Rules and Regulations and shall use their best efforts to ensure that such Rules and Regulations are fully and faithfully observed by members of their families, their guests, tenants, licensees, and invitees. All of these Rules and Regulations are subordinate to and intended to supplement the Declaration of Co-ownership for San Luis Condominiums (the "Declaration"), and in the event there is a conflict between these Rules and Regulations and the Declaration, the Declaration shall control. Said Rules and Regulations are as follows:

A. DEFINITIONS

1. All terms used in these Rules and Regulations shall be defined as said terms are defined and used in the Declaration and in the Condominium Declaration.

2. "Assigned Unit" shall mean any Unit within the Condominium Project, the use and occupancy of which has been assigned to a particular Owner or Unit Occupant by the Manager for one (1) or more Use Periods in accordance with the provisions of these Rules and Regulations.

3. "Unit Occupant" shall mean any person other than the Owner who is authorized to use and occupy a unit within the property either as a guest of the Owner, a tenant, or as a result of the Owner's participation in the reciprocal exchange program.

B. RESERVATION PROCEDURE

Under no circumstances shall an Owner or Unit Occupant have the right to use and occupy a Unit within the property unless such Unit has been reserved by him in accordance with the procedure set forth below.

EXHIBIT D

1. The Owner shall have the right to use or occupy, and the Mananger shall make available to the Owner, the Unit specified in his deed during the Use Period assigned to him.

2. Reservation of a Use Period and occupancy of an Assigned Unit shall at all times be subject to the prior payment by the Owner of any and all amounts owed to the Council, including, without limitation, Operation Fees and Personal Charges, pursuant to the Declaration.

3. If an Owner intends to exchange his Use Period pursuant to the reciprocal exchange program provided by RCI, such exchange shall be subject to the trading rules which govern reservation exchange requests, and such Owner will be required to obtain a confirmed reservation request for an Assigned Unit and Use Period within the time constraints imposed by RCI in order to make an exchange.

C. OCCUPANCY OF UNITS

1. Check-In and Check-Out Time

Check-in time shall be 4:00 P.M. on the first day of an Owner's reserved Use Period. All Owners and Unit Occupants shall vacate their Assigned Units no later than 10:00 A.M. on the last day of their reserved Use Period, or at such other time as may be determined by the Board from time to time. The six (6) hour period between check-in and check-out is reserved exclusively as a service period to permit the routine cleaning, repair, and maintenance of the Units by the Council.

An Owner who fails to vacate his Unit at check-out time or at such earlier time as may be fixed by these Rules and Regulations shall be deemed a "Holdover Owner." The Council, acting through the Manager, shall take such prompt and immediate steps as may be necessary to remove such Holdover Owner from the Unit wrongfuly occupied, in accordance with the Declaration. Such Owner will be responsible for the costs and expenses resulting from or assessed in connection with his wrongful occupancy.

2. Inventory of Common Furnishings

Upon check-in, each Owner and Unit Occupant will be given an inventory checklist which lists all of the furniture and furnishings which should be contained within the Owner's or Unit Occupant's Assigned Unit. Each Owner and Unit Occupant should inspect his Assigned Unit carefully and promptly report to the Manager any discrepancies between the inventory checklist and such items as are actually contained within the Unit, together with the condition thereof. If an Owner or Unit Occupant fails

EXHIBIT D

to report any such discrepancy and a particular item is found to be damaged, above and beyond normal wear and tear, or missing immediately following the termination of such Owner's or Unit Occupant's Use Period, such Owner or Unit Occupant shall be charged for the cost of such item.

3. Maid Service

Maid service, the frequency of which is to be determined by the Board, is provided to assure that each Unit will be clean and neat during each Owner's and Unit Occupant's stay. Under ordinary circumstances, there is no separate charge for maid service, but if an Owner or Unit Occupant desires additional maid service or causes additional maid service to be required over and above that which would ordinarily be provided, then said Owner or Unit Occupant may be charged for such additional maid service.

4. Guests and Tenants

With the exception of guests accompanied by an Owner, upon check-in, the guests or tenants of an Owner shall present identification in a form acceptable to the Manager, together with written authorization to enter and use such Owner's Assigned Unit.

5. Keys

At the time an Owner or Unit Occupant checks in to use an Assigned Unit, he will receive a key to the Assigned Unit. A key deposit of $25.00 will be required. Each Owner and Unit Occupant shall return to the Manager upon check-out all keys to his Assigned Unit. Each Owner or Unit Occupant will be responsible for any lost keys.

D. USE RESTRICITONS

1. Personal Property

Except in areas which may be designated for such purpose by the Manager, the personal property of all Owners and Unit Occupants shall not be stored within their Assigned Units. The Manager shall not be responsible for any belongings left by an Owner, members of his family, or his guests, tenants, invitees, or licensees at the expiration of his Use Period.

EXHIBIT 1

2. Obstruction of Common Elements

There shall be no obstruction of, nor shall anything be stored in, the Common Elements without the prior written consent of the Board. No garbage cans, supplies, milk bottles, or other articles shall be placed on the patios, decks, balconies or entry ways, nor shall any linens, cloths, clothing, curtains, rugs, mops, laundry of any kind or other articles be shaken or hung from any of the windows, doors, patio, decks, balconies, or entry ways, or exposed in any part of the Common Elements.

3. Exterior Surfaces of Buildings

No sign, awning, canopy, shutter, screen, radio or television antenna, or anything else, shall be displayed from, affixed to, or placed upon the exterior walls, windows (both exterior and interior), doors, or roofs of the buildings or from, to or upon any other part of the Common Elements outside the buildings without the prior written consent of the Board, other than those originally provided by the Declarant.

4. Laundry or Rubbish in Common Elements

No clothes, sheets, blankets, laundry of any kind or other articles shall be hung or exposed on any part of the Common Elements, except as may be expressly permitted under rules adopted by the Board. The Common Elements shall be kept free and clear of garbage, rubbish, debris and other unsightly materials.

5. Storage in Common Elements

There shall be no parking of baby carriages, playpens, wagons, toys, benches or chairs on any part of the Common Elements, except that deck and patio areas may be used for their intended purposes.

No Owner or Unit Occupant shall store or leave boats, trailers, bicycles, mobile homes, or other recreational vehicles in the property, except in such areas as are specifically designated for same.

6. Prohibited Activities

a. No industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, shall be conducted, maintained, or permitted on any part of the Condominium property.

b. No Owner or Unit Occupant shall allow anything whatsoever to fall from the windows, patios, decks, balconies,

entry ways or doors of the premises, nor shall he sweep or throw from his Unit any dirt or other substances outside of his Unit or in the Common Elements of the project.

c. Employees of the Council or the Manger shall not be sent outside of the Council premises by any Owner at any time for any purpose. No Owner or Unit Occupant shall direct, supervise, or in any manner attempt to assert any control over the employees of the Manager or the Council.

d. No Owner or Unit Occupant shall make or permit any disturbing noises or offensive odors by himself, members of his family, his guests, invitees, or licensees, nor do or permit anything by such persons that will interfere with the rights, comfort, or convenience of the other Owners or Unit Occupants. No Owner or Unit Occupant shall play upon or suffer to be played upon any musical instrument, or operate or suffer to be operated a phonograph, television, radio, or sound amplifier in his Unit in such manner as to disturb or annoy other occupants of the Units in the property. All Owners and Unit Occupants shall lower the volume as to the foregoing from 10:00 P.M. to 8:00 A.M. each night. The Board of Directors shall have the right to abate all nuisances in or about the project.

e. No radio, television installation, or other wiring shall be made without the prior written consent of the Board.

f. No barbecue grills of any type may be used on balconies, within Units or on Common Elements.

g. No flammable, combustible, explosive, or otherwise dangerous fluid, chemical, or substance shall be kept in any Unit, except such as are required for normal household use.

h. Water shall not be left running for any unreasonable or unnecessary length of time.

7. Disposal of Refuse

Refuse and bagged garbage shall be deposited only in the area provided therefor.

8. Use by Others

An Owner may rent or lend his Use Period to others, and may invite guests to share occupancy of his Unit, provided that the maximum occupancy limit for such Unit is not exceeded. Owners are responsible for the conduct of their

EXHIBIT J

guests, and for all financial obligations incurred by their guests at the project.

9. Conduct of Unit Occupants

Owners and Unit Occupants shall be responsible for the conduct of members of their family, their guests, invitees, and licensees. Owners and Unit Occupants shall ensure that such persons' behavior is neither offensive to any occupant of the project nor damaging to any Unit or portion of the Common Elements.

10. Complaints

Complaints regarding the operation and maintenance of the project shall be made in writing to the Manager, as long as any Management Agreement remains in effect, and thereafter, to the Board.

11. Occupancy Limits

No Unit shall be occupied overnight by a number of persons in excess of such occupancy limits as are imposed by law or as set forth in these Rules and Regulations. A one-bedroom Unit shall be occupied overnight by no more than four adult persons. A two-bedroom Unit shall be occupied by no more than six adult persons. A three-bedroom Unit shall be occupied by no more than eight adult persons. For the purpose of determining maximum occupancy, a person will be deemed an adult if he is at least 12 years of age. The maximum occupancy limits shall not be interpreted to limit social entertaining.

12. No Pets

No animals or pets of any kind may be kept in any Unit or elsewhere within the property.

13. Parking

The parking facilities shall be used in accordance with such regulations pertaining thereto as shall be adopted from time to time by the Board.

14. Pass Keys

The Board and the Manager may retain a passkey to all Units within the property. No Owner or Unit Occupant shall alter any lock or install a new lock on the door of any Unit within the property.

EXHIBIT D

E. MISCELLANEOUS

1. Rules and Regulations

The Manager, with the approval of the Board of Directors of the Council, reserves the right to promulgate from time to time, without the consent of the members, such additional Rules and Regulations as may be deemed necessary or desirable. Such additional Rules and Regulations shall be as binding upon the members as all other Rules and Regulations previously adopted.

2. Attorney's Fees

The Board shall be entitled to recover reasonable costs and attorneys' fees in the event it prevails in an action brought against an Owner or Unit Occupant to enforce these Rules and Regulations.

RECORDED

AKW/ns/2GMASLC/03-24-88

MANAGEMENT AGREEMENT

THIS AGREEMENT, made as of the _____ day of _____, 1988, by and between SAN LUIS CONDOMINIUM COUNCIL, a Texas non-profit corporation, (hereinafter called the "Council"), and THE FORT CROCKETT HOTEL LIMITED, a Texas limited partnership with principal place of business in Galveston County, Texas (hereinafter called "Manager"):

W I T N E S S E T H:

WHEREAS, the Council is a nonprofit corporation whose members are owners of various timeshare properties, being more particularly described and listed in that certain Declaration of Co-Ownership For San Luis Condominiums, dated March 17, 1988, filed for record under Clerk's File No. 8809478, of the Real Property Records of Galveston County, Texas (the "Declaration"), said properties located at 5220 Seawall Boulevard, Galveston, Galveston County, Texas (such properties covered by the Declaration hereinafter collectively referred to as the "Property").

WHEREAS, Council desires to obtain the benefits of Manager's expertise in the management and operation of the Property, and Manager desires to provide its management upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, Council and Manager agree as follows:

ARTICLE I
Definitions

Unless otherwise defined herein or unless the context shall plainly require otherwise, the terms used in this Agreement shall have the same meaning as defined in the Declaration.

1.1. Budget. An estimate of income, revenues and expenditures (including capital expenditures and replacements) approved by Council pursuant to paragraph 3.1 below.

1.2. Fiscal Year. The year commencing January 1, and ending December 31, which is the fiscal year established by Council.

ARTICLE II
Term of Agreement

2.1. Term. This Agreement shall commence as of the date hereof, and shall continue for a term of five (5) years, and shall be automatically renewed, upon the same terms and conditions as stated herein, for successive one year terms.

2.2. Early Termination. This Agreement is subject to early termination as set forth in Article VII below.

ARTICLE III
Duties of Manager

During the term of this Agreement, Manager agrees, for and in consideration of the compensation hereinafter provided, to

EXHIBIT E

supervise, direct and provide for the management and operation of the Property as the independent contractor of the Council, and the Council hereby grants Manager the sole and exclusive right to do so. Manager shall manage and operate the Property in the same manner as is customary and usual in the operation of comparable facilities and shall consult with the Council, through the Board, and keep the Board advised as to all major policy matters affecting the management of the Property. Manager will make no major policy changes not reflected in the Budget without the prior approval of the Council; provided, however, Manager shall have all reasonable discretion, subject to the terms of this Agreement, in the operation, direction, supervision and management of the Property. Without limiting the generality of the foregoing, Manager agrees to perform the following for the Council:

3.1. Financial Management. Under the direction of the Treasurer of the Council, Manager shall manage the financial matters of the Property, assist and/or advise the Council in all matters relating to revenues and expenditures for the Property, including without limitation, the following:

(a) Budget. Manager shall operate and manage the Property in accordance with the Budget adopted by the Council. Any Budget required hereunder shall serve as the supporting document for the schedule of assessments of the Operation Fee for the next Fiscal Year. Any Budget item in excess of $5,000.00 shall be itemized. Such Budget shall also constitute the major

EXHIBIT

control instrument used by the Council under which Manager shall operate; provided, however, that subject to the limitations contained in this Agreement, Manager may deviate from a budget if in Manager's reasonable judgment a deviation is necessary or desirable for the efficient operation of the Property. Manager will notify Council as soon as reasonably possible of any anticipated or actual significant variance in the budgeted income or expenses, and will provide an explanation of the reason for the variance and measures being taken in response to it. Without Council approval, no Budget line item may be exceeded by $2,500.00.

(b) Initial Budget. Manager shall submit for Council's approval, within sixty (60) days from the date hereof, a Budget in reasonable detail for remainder of the present Fiscal Year, including an estimate of Common Expenses to be incurred.

(c) Annual Budget. Manager shall assist the Board and its Treasurer in the preparation of the Budget, including, but not limited to, the following: At least thirty (30) days before the start of each Fiscal Year, Manager shall submit to the Board, a proposed budget for the ensuing Fiscal Year. This proposed Budget shall include a scope of services to be provided, an analysis of repair and maintenance needs, Common Expenses, other operating expenses, and any capital improvements anticipated for that period. A reserve fund for the replacement of Common Furnishings shall also be included in the proposed

EXHIBIT M

(7) Payment of an accounting fee for any direct or allocated expenses incurred by Manager in the preparation of any necessary financial reports, statements or books of account as required in this Agreement. It is agreed that such reports, statements or books of account may be prepared by Manager's employees or independent accountants.

(8) Any approved purchases of new or replacement furnishings.

(9) Sums otherwise due and payable as Common Expenses authorized to be incurred under the terms of this Agreement, any approved Budget or otherwise. Council shall provide all necessary corporate resolutions required in order to open cash accounts within a reasonable period of time, not to exceed 30 days from such time as the same are required in connection with the ownership, maintenance and operation of the Property.

(f) Quarterly Financial Report. Manager shall prepare a written quarterly financial report covering the operations of the preceding period within thirty (30) days of each calendar quarter.

(g) Tax Returns. Manager shall prepare and file a United States corporate tax return and any necessary franchise tax returns with the State of Texas.

3.2. General Administration. Manager shall manage the Property, assist and/or advise Council in all matters relating to

EXHIBIT E

administration of the Property, including, without limitation, the following:

(a) Billings and Collections. Manager shall bill and collect all Operation Fees as same become due and payable and all monies due from any source which are obligated to and for the benefit of the Council. Council hereby authorizes Manager, as its Agent, to request, demand, collect, receive, and receipt for any and all charges, assessments, or rents which may at any time become due by way of legal process or otherwise as may be required for the collection of delinquent Assessments from the Owners or otherwise.

(b) Personnel. To employ, dismiss, and control, on behalf of the Council, such personnel as it deems necessary for the maintenance and operation of the Property, including, without limitation, attorneys, accountants, contractors, and other professionals, as needed.

(c) Compliance With Laws. Council and Manager covenant to each other that throughout the term of this Agreement, they will not take any action which would violate any statutes, ordinances, laws, rules, regulations, orders and requirements of any federal, state or municipal government and appropriate departments, commissions, boards and officers having jurisdiction over the Property or the construction, maintenance or operation thereof, and will comply with all orders and requirements of the local Board of Fire Underwriters or any other

EXHIBIT 4

body which may hereafter exercise similar functions and any requirements of any agreements concerning financing of the Property (other than the payment of loan monies, taxes or insurance).

(d) Legal Matters. To institute, in its own name or in the name of Council, and at the Council's expense, any and all legal actions or proceedings to collect any Operation Fee, Personal Charge or other income derived from the Property. The institution of any other legal action or proceeding by Manager shall require prior written approval of the Council.

(e) Contracts. To enter into contracts for the furnishing to the Property of electricity, gas, water, telephone, cleaning, vermin exterminators, acquisition of new or replacement furnishings, air conditioning maintenance, cable television installation and service, and other utilities and services which are provided in connection with the maintenance and operation of the Property.

(f) Council Meetings. Attend meetings as determined by the Board. If desired by the Board, Manager will organize an annual meeting of the Owners, including the preparation and delivery of a notice of the meeting and the preparation of proxy forms. Manager shall ensure that the minutes of the Council and Board are kept current and maintained in an accurate and businesslike manner. Manager will cause the proper organization of meetings of the Council, including preparation of reports,

EXHIBIT E

selection of materials and procedures and securing necessary personnel. Manager will report to the Board on any actual or anticipated violations of the Declaration, Bylaws, Articles of Incorporation, Rules and Regulations or Board resolutions, which come to Manager's attention, and take actions within its scope of authority to seek cures for such violations.

3.3. Property Management. Manager shall manage the Property, assist and/or advise the Council in any and all matters relating to the maintenance of the Property according to the standards contained in the Declaration and the instructions of the Council, including, without limitation, the following:

(a) Maintenance. Manager shall assume control of the Property and shall supervise its upkeep and maintenance. Manager shall direct, supervise, and order to be done those items directed by the Council or which are within the approved Budget and necessary to preserve and protect the Property to the standards acceptable to the Council, including, but not limited to, cleaning, painting, and decoration; plumbing; carpentry; and fumigation. However, notwithstanding anything contained herein to the contrary, emergency repairs, involving danger to life or property, or for the safety of the Owners or their guests or required to avoid the suspension of any necessary services to the Property, may be made by the Manager, irrespective of cost.

(b) Supplies. Manager shall purchase all necessary supplies, services and other materials as agent for the Council.

EXHIBIT E

(c) Check-in Office. Manager will establish and maintain, seven (7) days a week during normal business hours, an office where various Owners, Exchange Users, and guests may check-in and out of the Property.

(d) Inspection. Manager shall inspect and inventory each Unit at the end of each and every stay in such Unit.

(e) Rules and Regulations. Manager shall assist the Board in the administration of provisions of the organizational documents for the Council and the policies, rules and regulations contained in Board resolutions and any promulgated rules. Also, Manager shall assist the Board in drafting resolutions, rules and regulations. In addition, Manager shall provide a copy of the Rules and Regulations in each Unit and/or furnish a copy to the persons occupying each such Unit at check-in. To the extent reasonably possible, Manager shall see that the provisions of the Rules and Regulations and the Declaration are observed and enforced.

(f) Reservations. To administer the reservations system established in the Rules and Regulations, together with any applicable exchange program in which one or more Owners are entitled to participate. To the extent reasonably possible, Manager shall arrange for comparable alternative accommodations for Owners unable to occupy their Units because of the occupancy thereof by a Holdover Owner or as a result of needed maintenance or repairs.

EXHIBIT

(g) Insurance. Manager shall cause the development of a comprehensive insurance program together with procedures for claim processing. When authorized by the Council, Manager shall cause to be placed and kept in force, all forms of insurance to protect the Property, the Council, the Owners, and mortgagees holding mortgages covering Co-Ownership Estates as their respective interest may appear including, but not limited to, worker's compensation insurance, public liability insurance, equipment insurance, fire and extended coverage insurance, and burglary and theft insurance.

ARTICLE IV
Compensation

4.1. Payment. The Board shall be obligated to pay, and Manager shall receive as compensation for its services under this Agreement, a monthly fee of nine and 58/100 dollars ($9.58) per Co-Ownership Estate it manages, payable monthly in advance, plus postage and office supplies, mileage allowances and any other direct out-of-pocket expenses; provided however, compensation payable hereunder shall never be less than five thousand dollars ($5,000) per year not including out-of-pocket expenses. Manager is authorized and directed to deduct such compensation when due from the Council's funds then in its possession, regardless of any other payments then required to be made. The compensation provided for herein shall be increased annually by adding an amount equal to the product obtained by multiplying the

EXHIBIT E

compensation amount by the percentage by which the level of the Houston, Texas Consumer Price Index for All Urban Consumers ("Index"), as reported by the United States Department of Labor Bureau of Labor Statistics, has increased over its prior annual level for the closest reporting date.

ARTICLE V
General Covenants of Council and Manager

5.1. Books and Records. Manager shall keep, supervise and direct the keeping of full and adequate books of account and such other records reflecting the results of the operation of the Property, including, but not limited to, detailed records of the Council's receipts and disbursements, an individual account of each Owner designating such Owner's name and address and the amounts of any Operation Fees paid and/or due by such Owner, minutes of meetings, correspondence, amendments to the Declaration, the Bylaws, and the Rules and Regulations, and a list of the names and current mailing addresses of Council members and mortgagees of record. Such books and records shall be kept in all material respects in a manner satisfactory to the Council and/or as set forth in this Agreement. All accounting records shall be maintained in accordance with generally accepted accounting principles. Originals of all records will be maintained by Manager; however, they shall be deemed the property of the Council.

EXHIBIT "A"

5.2. Inspection. All office records, books, and accounts maintained either at the Council's offices or in Manager's offices shall be made available for inspection by any and all Owners or their authorized representatives, the President or Treasurer of the Council, and the Board upon reasonable notice, during normal business hours.

5.3. Indemnification of Manager. Manager, its agents and employees, shall not be liable to Council or to any other person for any act or omission, negligent, tortious or otherwise, of any agent or employee of Council or Manager in the performance of this Agreement, except this provision will not apply to any such liability arising from any fraud, willful misconduct or gross negligence of Manager, its employees or agents. Council hereby agrees to indemnify and hold harmless Manager, its shareholders, directors, officers, agents and employees, from and against any such liability, loss, damage, cost or expense (including attorneys' fees) by reason of any such act or omission which is covered by this paragraph 5.3.

5.4. Major Contracts. Any expenditure, concession, contract or agreement made by Manager under this Agreement which has a term (including renewal options) longer than one (1) year, or involves a total expenditure in excess of Five Thousand and 00/100 Dollars ($5,000.00), is called a "Major Contract" and must have Board's prior approval. Unless otherwise provided for herein, or Council otherwise consents, Major Contracts will be in Council's name.

EXHIBIT 4

5.5. Administration of Contractors. Manager shall assist the Board in obtaining any necessary contractors. In addition, Manager shall oversee the activities of contractors including, but not limited to, the receiving of certificates of insurance, copies of bonds, manufacturers' warranties and releases of lien. Review of the quality of workmanship and enforcement of contractors' warranties shall be the duty of Manager. Manager also shall fully cooperate with consultants that may be retained by the Board to accomplish specialized functions for the Council in the areas of law, public accounting, or other areas.

ARTICLE VI
Transfers

6.1. Transfer by Manager. Manager may sell, transfer or assign any of its interest in this Agreement, so long as any transferee is a reputable manager or operator of similar type properties who can provide a similar level of service with comparable quality. Manager shall notify Council of any sale, transfer or assignment of its interest herein, no less than thirty (30) days prior to its effective date.

6.2. Transfer by Council. Council may not sell, transfer or assign any of its interest in this Agreement without the prior written consent of Manager.

6.3. Effect of Transfer. This Agreement will inure to the benefit of, and be binding upon, any permitted successors and assigns of the parties. No transfer or assignment will relieve

EXHIBIT H

the transferring party of its outstanding or accrued obligations hereunder.

ARTICLE VII
Termination

7.1. By Council. Council may terminate this Agreement if:

(a) Default. Manager shall fail to keep, observe or perform any covenant, agreement, term or provision of this Agreement to be kept, observed or performed by Manager and such default shall continue for a period of 30 days after notice thereof by Council, through the Board, to Manager, or if such default cannot be cured within 30 days, then such additional period as shall be reasonable, provided that Manager has commenced to cure such default.

(b) Seventy-five percent (75%) of the Owners vote not to renew this Agreement and Council gives Manager notice of such cancellation thirty (30) days prior to the expiration of any term.

7.2. By Manager. Manager may terminate this Agreement if:

(a) Default. Council shall fail to keep, observe or perform any covenant, agreement, term or provision of this Agreement to be kept, observed or performed by Council and such default shall continue for a period of 30 days after notice thereof by Manager to Council, or if such default cannot be cured within 30 days, then such additional period as shall be reasonable, provided that Council has commenced to cure such default;

EXHIBIT E

(b) Casualty. The Property or any portion thereof shall be materially damaged by fire or other casualty and if it is not repaired, restored, rebuilt or replaced within 120 days after such fire or other casualty.

(c) Notice. Manager gives the Council or the Board notice of its election to cancel this Agreement ninety (90) days prior to the expiration of any term.

7.3. Procedure.

(a) Generally. Termination shall be by written notice from the party entitled to terminate which will specify the effective date of termination, which will not be less than 60 or more than 90 days after the notice is delivered, ("Termination Date"). On the Termination Date, Manager will transfer to Council all funds, accounts, deposits, receivables, supplies, equipments, reservations, contracts, and other items or things of any kind under its control or supervision pertaining to the operation and management of the Property and will fully disclose to Council any information Manager may have concerning operation or management of the Property which had not previously been made available to Council. As promptly as possible after termination, Manager will deliver to Council financial statements for the Property up to the date of termination.

(b) Effect of Termination. All obligations of the parties under this Agreement shall automatically terminate on the Termination Date, except as otherwise explicitly provided for

EXHIBIT H

hereunder, and except for any such obligations which have accrued or arose prior to the Termination Date.

ARTICLE VIII
Notices

8.1. General. Any approvals, consents or notices by either party to the other shall be in writing and shall be given and be deemed to have been duly given if either delivered personally or five days after having been mailed in a registered or certified postpaid envelope addressed as set forth below, or, if the address for notice of either party shall be duly changed as hereinafter provided, delivered or mailed as aforesaid to such party at such changed address. Either party may at any time change the person or address for notice to such party by the delivery or mailing as aforesaid of a notice stating the change and setting forth the changed address. Notices shall be addressed as follows:

If to Council, to 2201 Timberloch Place, The Woodlands, Texas 77380.

If to Manager, to 5220 Seawall Boulevard, Galveston, Texas 77550.

8.2. Approvals. If any approvals or consents are required by this Agreement, they will be given within the time period specified, or if none is specified, within 30 days. Failure to either approve or deny within the required time will be deemed approval.

EXHIBIT F

ARTICLE IX
Miscellaneous Provisions

9.1. No Partnership or Joint Venture. Nothing contained in this Agreement shall constitute or be construed to be or create a partnership or joint venture between Council, its successors or assigns, on the one part, and Manager, its successors or assigns, on the other part.

9.2. Agreement Not an Interest in Real Property; Subject and Subordinate. This Agreement shall not be deemed at any time to be an interest in real estate or a lien of any nature against the Property or the land on which it is erected. This Agreement shall at all times be subject and subordinate to all mortgages on the Property or the land on which it is erected which may now or hereafter be outstanding, and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self operative and no further instrument of subordination shall be required by any mortgagee. However, Council and Manager shall execute promptly any certificate or other document that any mortgagee may request as to the subordination of this Agreement.

9.3. Force Majeure. Except for the failure to pay any sums required by this Agreement, neither party hereto shall be in default for failure to perform any of its obligations pursuant to this Agreement if and to the extent that it can establish that

EXHIBIT J

such failure was occasioned by any circumstances which were beyond its control and which by the exercise of due diligence and foresight it could have not prevented or overcome.

9.4. Modification and Changes. This Agreement cannot be changed or modified except by another agreement in writing signed by the party sought to be charged therewith or by its duly authorized agent.

9.5. Understandings and Agreements. This Agreement constitutes all of the understandings and agreements of whatsoever nature or kind existing between the parties with respect to Manager's management of the Property.

9.6. Headings. The article and paragraph headings contained herein are for convenience of reference only and are not intended to define, limit or describe the scope or intent or any provision of this Agreement.

9.7. Costs of Enforcement. In any action to enforce this Agreement, collect damages as a result of a breach of its provisions, or to collect any indemnity provided for herein, the prevailing party shall also be entitled to collect all its costs in such action, including the costs of investigation, settlement, expert witnesses and reasonable attorneys' fees, together with all additional costs incurred in enforcing or collecting any judgment rendered.

9.8. Governing Law. This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the State of Texas.

EXHIBIT E

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Agreement, all as of the day and year first above written.

COUNCIL:

SAN LUIS CONDOMINIUM COUNCIL

By: _____
Name: _____
Title: _____

MANAGER:

THE FORT CROCKETT HOTEL LIMITED

By: The Woodlands Corporation, its general partner

By: _____
Name: _____
Title: _____

EXHIBIT E

Attachment to
SHARED POOL FACILITIES USE AGREEMENT

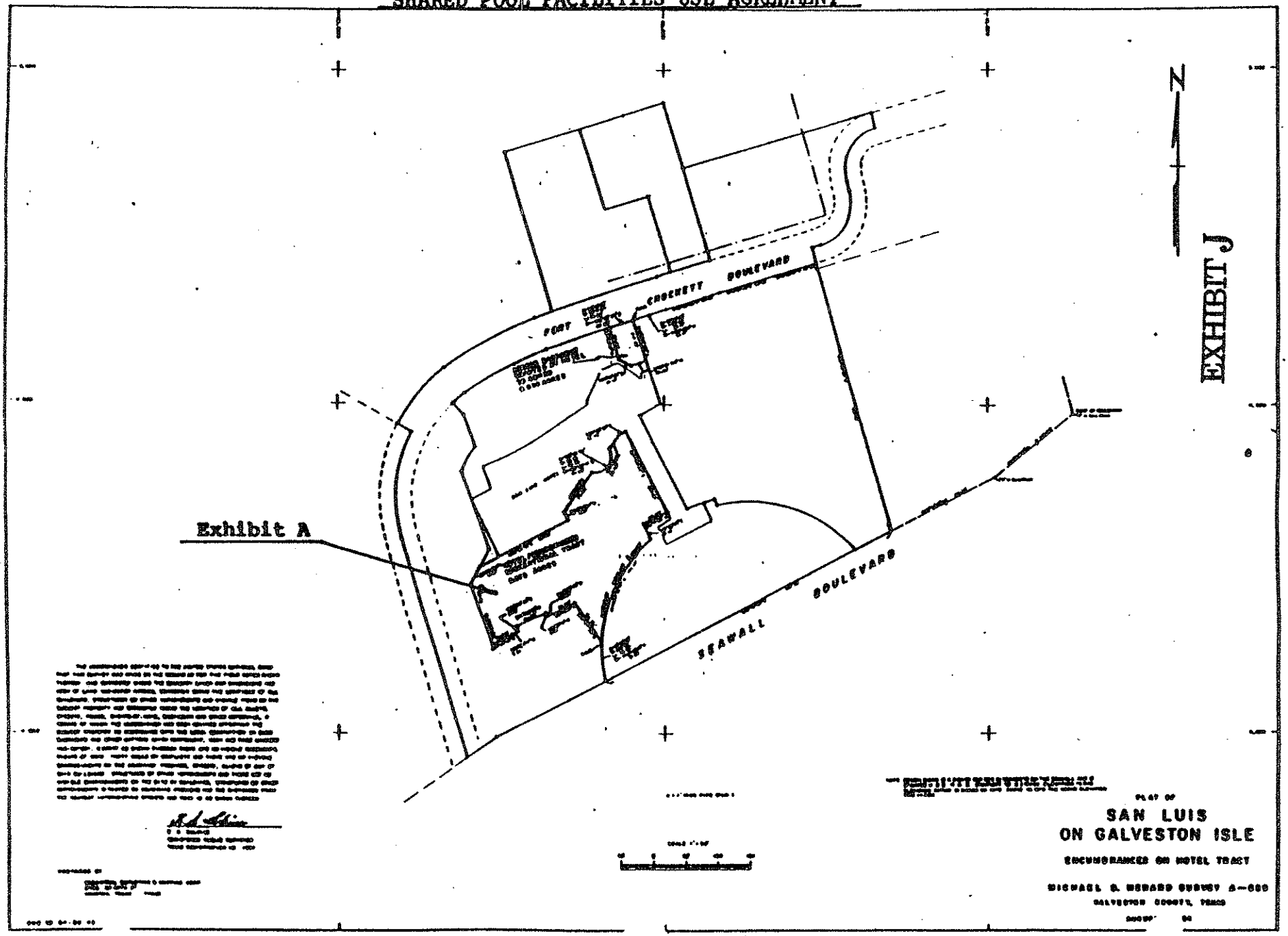


EXHIBIT A

November, 1984

HOTEL/CONDO RECREATIONAL TRACT

STATE OF TEXAS

Michael B. Menard Survey
Abstract No. 628

COUNTY OF GALVESTON

A description of a 0.973 acre (42,392.59 square feet) tract of land located in Galveston County, Texas, situated in the Michael B. Menard Survey, Abstract No. 628, recorded in Volume 1281, Page 284, of the Official Public Records of Galveston County Deed Records and being more particularly described by metes and bounds as follows:

COMMENCING at a point for corner, being the Southwesterly corner of a 3.0303-acre tract conveyed to Sam Alberal, Trustee, recorded in Volume 3213, Page 530 of the Deed Records of Galveston County, Texas, in the original South boundary line of a 22.4680-acre tract formerly owned by Mitchell Development Corporation of the Southwest, common with the North right-of-way boundary of Seawall Boulevard (varying width), said point being referenced in two calls from the Southeast corner of said 22.4680-acre tract, marked by an "X" in concrete on the Northerly edge of a concrete sidewalk, as follows: South 51° 34' 00" West, 345.00 feet to an "X" in concrete and South 62° 51' 00" West, 361.55 feet to said commencing point;

THENCE, South 62° 51' 00" West, along the Northerly right-of-way line of Seawall Boulevard, 497.78 feet to a point for corner;

THENCE, Northwesterly, along the arc of a curve to the right with a radius of 226.99 feet, a central angle of 14° 39' 02", a long chord of bearing North 03° 26' 48" West, 57.88 feet, and a total arc distance of 58.04 feet to the POINT OF BEGINNING;

THENCE, North 33° 57' 33" West, 71.71 feet to a point for corner;

THENCE, South 64° 26' 01" West, 35.96 feet to a point;

THENCE, South 64° 38' 49" West, 10.08 feet to a point;

THENCE, North 26° 09' 14" West, 5.94 feet to a point;

THENCE, South 64° 49' 58" West, 51.63 feet to a point;

THENCE, South 25° 50' 08" East, 6.24 feet to a point;

THENCE, South 64° 55' 17" West, 9.81 feet to a point;

THENCE, South 64° 50' 50" West, 36.05 feet to a point;

THENCE, North 19° 59' 34" West, 95.00 feet to a point;

THENCE, North 29° 43' 43" East, 31.81 feet to a point;

EXHIBIT J

THENCE, North 62° 52' 33" East, 152.62 feet to a point;

THENCE, North 28° 20' 34" West, 13.91 feet to a point;

THENCE, North 35° 20' 04" East, 74.68 feet to a point;

THENCE, Northeasterly, along the arc of a curve to the left with a radius of 25.50 feet, a central angle of 120° 41' 56", a long chord bearing North 35° 34' 47" East, 44.32 feet, and a total arc distance of 53.72 feet to a point;

THENCE, North 34° 53' 19" East, 26.94 feet to a point;

THENCE, North 62° 23' 38" East, 12.76 feet to a point for corner;

THENCE, South 27° 09' 00" East, 138.00 feet to a point;

THENCE, South 62° 51' 00" West, 40.50 feet to a point;

THENCE, South 27° 09' 00" East, 27.18 feet to a point;

THENCE, Southwesterly, along the arc of a curve to the left with a radius of 226.99 feet, a central angle of 45° 12' 08", a long chord bearing South 26° 28' 47" West, 174.47 feet and a total arc distance of 179.08 feet to the POINT OF BEGINNING and containing 0.973 acre (42,392.59 square feet) of land, more or less;

EXHIBIT J

BYLAWS OF

THE SAN LUIS CONDOMINIUM ASSOCIATION, INC.

ARTICLE I

Members -- (Owners)

Section 1. Eligibility. The members of The San Luis Condominium Association, Inc., a Texas nonprofit corporation, shall consist of the respective Unit Owners of the Property known as The San Luis Condominium, Galveston, Texas, in accordance with the respective percentages of ownership interest in the Common Elements of the Property owned by the respective Unit Owners, (these and other terms are used in these Bylaws as they are defined in the Declaration of Condominium for The San Luis Condominium which Declaration is recorded in the office of the County Clerk of Galveston County, Texas. The words "member" or "members" as used in these Bylaws means and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration). If a Unit Owner is a corporation or partnership, the members may be an officer, partner or employee of such Unit Owner.

Section 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. Regular Meetings. The first regular annual meeting of Unit Owners (the "First Meeting") shall be held, subject to the terms hereof, within one year of the date title to the first Unit is conveyed. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held each year on a date which is within thirty (30) days of the anniversary of the First Meeting. All such meetings of Unit Owners shall be held at such place in Galveston, Texas, and at such time as specified in the written notice of such meeting which shall be given to all Unit Owners at least ten (10) days prior to the date of such meeting.

Section 4. Special Meetings. Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, or by Unit Owners having at least two-fifths (2/5) of the votes entitled to be at such meeting. Said special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of said meeting stating the date, time and place of said special meeting and the matters to be considered.

EXHIBIT 1

Section 5. Delivery of Notice of Meetings. Notices of meetings may be delivered either personally or by mail to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board.

Section 6. Voting. The aggregate number of votes for all Unit Owners shall be one hundred (100), and shall be divided among the respective Unit Owners, in accordance with their respective percentages of ownership interest in the Common Elements. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person in accordance with the proxy or other designation made by the persons constituting such Unit Owners. The Declarant may exercise the voting rights with respect to Units owned by it. Except as otherwise provided in these Bylaws or in the Declaration, an affirmative vote of a majority of those votes present at a meeting at which a quorum is in attendance shall be necessary to transact business and to adopt decisions binding on all Unit Owners. Cumulative voting in the election of the Board of Directors shall not be permitted.

Section 7. Quorum. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners represented in person or by proxy and holding at least thirty percent (30%) of the votes entitled to be cast at such meeting.

Section 8. Order of Business. The order of business at all meetings of the Unit Owners shall be as follows:

(a) Roll call;
(b) Proof of notice of meeting or waiver of notice;
(c) Reading of minutes;
(d) Reports of Officers;
(e) Reports of Committees;
(f) Election of Directors (annual meetings only);
(g) Unfinished business;
(h) New business;
(i) Adjournment.

Section 9. Rules of Meetings. The Board may prescribe reasonable rules for the conduct of all meetings of the Board and Unit Owners and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association (referred to herein as the "Board"), shall consist of five (5) members (hereinafter referred

 EXHIBIT 1

to as "directors"). Directors shall be elected at the regular annual meeting of Association members by the vote of Unit Owners, except that the directors listed in the Articles of Incorporation of the Association (hereinafter called "members of the first Board") shall be appointed by the Declarant and that pursuant to paragraph 31 of the Declaration, Declarant shall be solely entitled to elect directors of the Board of Directors until 75% of the Units in the Property have been sold or until three (3) years after title to the first Unit is conveyed ("Turnover Date"), whichever occurs first. Those candidates for election as director receiving the greatest percentage of the votes cast either in person or by proxy at the meeting shall be elected.

At the first annual meeting of the Association, subsequent to the termination of the Declarant's right to elect members of the Board of Directors, five (5) directors shall be elected; two (2) of which shall serve for terms of three (3) years each, two (2) of which shall serve for terms of two (2) years each, and one (1) of which shall serve for one (1) year, all directors holding office for such term and until his successor shall be elected and qualified.

The number of directors may be increased or decreased by amendment of these Bylaws; provided however, that the number of directors shall not be reduced to less than three nor increased to more than five.

Section 2. Qualifications. Except for members of the First Board and directors elected by the Declarant pursuant to paragraph 31 of the Declaration, each director shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a trustee of a trust, a director may be the trustee or a beneficiary of such trust, and if a Unit Owner or such beneficiary is a corporation or partnership, a director may be an officer, partner or employee of such Unit Owner or beneficiary). If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

Section 3. Vacancies. Any vacancy occurring on the Board shall be filled by majority vote of the remaining directors thereof, except that a vacant position on the Board which was last filled by a member of the First Board or his successor or a director elected by the Declarant pursuant to paragraph 31 of the Declaration or his successor may be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director whom he succeeds.

Section 4. Meetings. A regular annual meeting of the Board shall be held within ten (10) days following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each

director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting.

Section 5. Removal. Any director, except directors appointed by the Declarant, may be removed from office for cause by the vote of Unit Owners having two-thirds (2/3) of the total percentage of ownership at any annual or special meeting of the Association, duly called.

Section 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions duly adopted by a majority of the Unit Owners.

Section 7. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 8. Voting. An affirmative vote of a majority of those directors present at a meeting at which a quorum is in attendance shall be necessary to transact business.

Section 9. Powers and Duties. The Board shall have the following powers and duties:

(a) to elect and remove the officers of the Association as hereinafter provided;

(b) to administer the affairs of the Association and the Property;

(c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent"), subject to the provisions of the Declaration, to maintain, repair, replace, administer and operate the Property or any part thereof in substantially the same physical, mechanical and architectural condition of the Property as originally constructed for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein, shall have authority to ratify and approve a Management Agreement between the Declarant,

on behalf of the Association, and a management corporation, which may be a corporation related to the Declarant, to act as Managing Agent for the Property. Notwithstanding any delegation of its powers and duties to a Managing Agent, the Board shall not be relieved of its responsibilities under the Declaration or these Bylaws to maintain the Property in substantially the same mechanical, physical and architectural condition of the Property as originally constructed.

(d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;

(e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;

(f) to provide for the maintenance, repair and replacement of the Common Elements and payments therefor, and to approve payment vouchers or delegate such approval to the officers or the manager of Managing Agent;

(g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);

(h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;

(j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as herein provided; to levy and collect special assessments in accordance with the provisions of the Bylaws, whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All special assessments shall be in statement form and shall set forth in detail the various expenses for which the assessments are being made;

(k) to enter into any lease or purchase agreement for the lease or purchase of premises suitable for use by Building personnel, upon such terms as the Board may approve;

 EXHIBIT

(l) to establish bank accounts which are interest bearing or non-interest bearing, as may be deemed advisable by the Board of Directors;

(m) to enter such contracts and agreements in addition to the Management Agreement relating to the providing of maintenance, management and operational services as the Board may deem advisable;

(n) to enter such leases of portions of the Common Elements as the Board may deem advisable; and

(o) to suspend the voting rights of a Unit Owner for failure to comply with these Bylaws or the rules and regulations of the Association or with any other obligations of the Unit Owners pursuant to the Project Declaration;

(p) to exercise all powers and duties of the Unit Owners as a group referred to in the Act, and all powers and duties of a Board of Directors referred to in the Declaration or these Bylaws; and

(q) in general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of The San Luis Condominium.

Section 10. Non-Delegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

ARTICLE III

Officers

Section 1. Designation. At each regular annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

(a) a President who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent and who may also be Treasurer;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

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soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, including a balance sheet and statements of earnings and changes in financial condition and such other information as the Board may deem advisable.

Section 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made on each Unit Owner for his proportionate share of such supplemental budget.

Section 6. Special Assessments. In addition to the regular monthly Assessments authorized above, the Board may levy, in any year, one or more special Assessments applicable to that year for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of any capital improvements upon the Common Elements, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated expense or other action or undertaking normally covered by a regular Assessment (and, where necessary, for taxes assessed against the Common Elements or the Project as a whole). Said special Assessments shall be assessed against each Owner in proportion to the percentage of ownership of such Owner as set forth in the Declaration. Special Assessments may also be levied against an individual Unit and its Owner to reimburse the Association for costs incurred in bringing that Owner and his Unit into compliance with the provisions of this Declaration and the Bylaws including actual attorneys' fees and costs.

Section 7. Expenditures. Except for expenditures and contracts specifically authorized by the Declaration and Bylaws, the Board shall not approve any expenditure in excess of One Hundred Thousand Dollars ($100,000.00), unless required for emergency repair, protection or operation of the Common Elements or Limited Common Elements, nor enter any contract for more than five (5) years without the prior approval of Unit Owners having two-thirds (2/3) of the total percentage of ownership in the Common Elements.

Section 8. Lien for Non-Payment of Common Expenses. All sums assessed by the Board pursuant to any provision of the Declaration and these Bylaws, including, without limitation, the share of Common Expenses chargeable to any Unit, shall constitute

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a lien on such Unit superior (prior) to all other liens and encumbrances, excepting only:

(i) Tax and special assessment liens on the Unit in favor of any governmental assessing unit, and

(ii) All sums unpaid on a prior recorded first Mortgage, including all unpaid obligatory sums as may be provided by such encumbrance.

(a) If any assessment shall remain unpaid after 10 days after the due date thereof, such unpaid sums shall, at the discretion of the Board, bear interest from and after the due date thereof in an amount not to exceed the maximum lawful rate of interest per annum and the Board of Directors may impose a late charge on such defaulting Unit Owner in an amount as set by the Board from time to time to cover the extra cost and expenses involved in handling such delinquent assessments.

(b) To evidence such lien, the Board shall prepare a written notice setting forth the amount of such unpaid indebtedness, the name of the Unit Owner of the Unit and a description of the Unit. Such a notice shall be signed by one of the Board of Directors or the Managing Agent and shall be recorded in the office of the County Clerk, Galveston County, Texas. Such lien may be enforced by foreclosure of the defaulting Unit Owner's Unit by the Association in like manner as a mortgage on real property, upon the recording of a notice or claim thereof. In any such foreclosure the Unit Owner shall be required to pay the costs and expenses of such proceedings, the costs and expenses for filing the notice or claim of lien and all reasonable attorney's fees. The Unit Owner shall also be required to pay to the Association the monthly assessment for the Unit during the period of foreclosure, and the Association shall be entitled to the appointment of a Receiver to collect the same. The Board of Directors shall have the power to bid on the Unit at foreclosure sale and to acquire and hold, lease, mortgage and convey same.

(c) Any encumbrancer holding a lien on a Unit may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Unit, and upon such payment such encumbrancer shall have a lien on such Unit for the amounts paid of the same rank as the lien of his encumbrance, provided that any first Mortgagee who acquires a Unit by foreclosure or by a deed in lieu thereof shall acquire title to such Unit free and clear of any lien for unpaid Common Expenses and shall only be responsible for Common Expenses arising after the date upon which such first Mortgagee acquires title to the Unit.

EXHIBIT I

Section 9. Records and Statement of Account. The Board shall cause to be kept the records required by the Act and detailed and accurate records of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. All such books and records shall be kept in accordance with generally accepted accounting principles, consistently applied, and shall be audited at least once a year by an independent auditor selected by the Board.

Section 10. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance which in the opinion of the Board may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorney's fees, incurred by reason of such lien.

Section 11. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder and under the Declaration against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Unit Owners according to their percentages of ownership.

Section 12. Inspection of Records. Any Unit Owner or first Mortgagee may inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon ten days' notice to the Board of Directors or Managing Agent, if any. Upon payment of a reasonable fee, any Unit Owner or first Mortgagee of such Unit Owner shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

ARTICLE V

Contractual Powers

No contract or other transaction between the Association and one or more of its directors or between this corporation and any corporation, or association in which one or more of the directors of this corporation are directors, or are financially interested, is void or voidable because such director or directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

EXHIBIT J

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or

(b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a commitee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VI

Amendments

The provisions of these Bylaws may be changed, modified or rescinded by an instrument in writing setting forth such change, modification or rescission and signed and acknowledged by Unit Owners owning not less than eighty percent (80%) of the total ownership of Common Elements; provided, however, that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such insrument. The prior written approval of all lien holders of record of a first mortgage will be required for any material amendment to the provisions of these Bylaws.

However, if the Act, the Declaration or the Bylaws require the consent or agreement of all Unit Owners or of all Mortgagees for any action specified in the Act, the Declaration or these Bylaws, then any instrument changing, modifying or rescinding any provision of these Bylaws with respect to such action shall be signed by all the Unit Owners or all Mortgagees or both as required by the Act, the Declaration or Bylaws.

The Board shall have the authority, without the joinder or consent of any other party, to make any amendment of these Bylaws necessary to clarify any apparently conflicting provisions hereof and/or to correct any mistakes or errors of a clerical nature resulting from typographical or similar errors.

Such amendments shall be maintained in the corporate records of the Association.

EXHIBIT 1

ARTICLE VII

Indemnification

Section 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the Bylaws of the Association, and the Board, and Declarant, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members, or Declarant, on behalf of the Unit Owners or arising out of their status as directors, Board, officers, committee members or Declarant, unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which any such director, officer, Board, committee member, or Declarant may be involved by virtue of such persons being or having been such director, officer, Board, committee member, or Declarant; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member, or Declarant, or (b) any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such persons being adjudged liable for gross negligence or fraud in the performance of his duties as such director, officer, Board, committee member or Declarant.

Section 2. Success on Merits. To the extent that the Declarant or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the Bylaws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entity seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article VIII.

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Section 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising, by special assessment or otherwise, any sums required to discharge its obligations under this Article; provided, however, that the liability of any Unit Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Declarant, or out of the aforesaid indemnity in favor of the directors, board, officers, members of such committees, or Declarant shall be limited to such proportion of the total liability hereunder as said Unit Owner's percentage of ownership bears to the total percentage of ownership of all the Unit Owners. Every agreement made by the directors, Board, officers, member of such committees, Declarant or the Managing Agent, as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of ownership bears to the total percentage of ownership of all Unit Owners. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Declarant or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of each person or entity.

ARTICLE VIII

Definition of Terms

The terms used in these Bylaws, to the extent they are defined in the Declaration, shall have the same definition as set forth in the Declaration of Condominium for The San Luis Condominium, recorded in the Office of the County Clerk, Galveston County, Texas, as the same may be amended or supplemented from time to time.

In the event of any conflict between the terms and provisions of these Bylaws and the Declaration, the provisions of the Declaration shall control. These Bylaws shall not be amended or altered in any manner inconsistent with the Declaration.

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Secretary of The San Luis Condominium Association, Inc., does hereby certify that the above and foregoing Bylaws were duly

EXHIBIT I

adopted by the directors of said corporation as the Bylaws of said corporation on the 30th day of January ; 1985.

Secretary

JFM/csc/2BBylaws/11-19-84

EXH 1

Proposed Revision of San Luis Council By-Laws

REVISION 1

Purpose: Allow up to seven (7) members to serve on the Board of Directors. This change will allow the possibility of greater owner participation in the operation of the Board of Directors.

Current Paragraph 4.1
Number and Qualifications. The affairs of the Council shall be governed by a Board of Directors composed of five (5) person, each of whom, with the exception of the directors appointed by the incorporators and any director appointed by the Declarant, shall be a member of the Council in good standing including but not limited to being current on all operations fees and in compliance with all Rules and Regulations provided however, is an Owner is a trustee of a trust, a director may be a beneficiary of such trust or if an owner is a corporation, a director may be an officer, partner or employee of such owner. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant. The number of directors may be increased or decreased from time to time by an amendment to the bylaws, however, that board shall be composed of at least three (3) but no more than seven (7) persons; provided, further that the Board shall at all time be composed of an odd number of directors. No decrease in the number of directors shall have the effect of shortening the term of an incumbent director.

Proposed Paragraph 4.1
Number and Qualifications. A Board of Directors composed of either five (5) or seven (7) persons shall govern the affairs of the Council. The specific number, based upon the availability of candidates, shall be determine by vote of the full Council membership at the annual board elections. Regardless of the number of persons serving on the board, three (3) members shall be considered a quorum. Each Director must be current on all operations fees and in compliance with all Rules and Regulations. If an Owner is a trustee of a trust, a director may be a beneficiary of such trust or if an owner is a corporation, a director may be an officer, partner or employee of such owner. If a director shall cease to meet such qualifications during his term, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant. No decrease in the number of directors shall have the effect of shortening the term of an incumbent director.

Current Paragraph 4.11
Quorum. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors, a quorum is not established, a majority of those directors present may adjourn the meeting, one of more times, to a subsequent time, date and place.

Proposed Paragraph 4.11
Quorum. At all meetings of the Board of Directors, three directors shall constitute a quorum for the transaction of business. If at any meeting of the Board of Directors, a quorum is not established, those directors present may adjourn the meeting to a subsequent time, date and place.

REVISION 2

Purpose: Allow up to seven (7) members to serve on the Board of Directors. Update text to reflect 2002 reality, original paragraph is no loner valid.

Current Paragraph 4.2

Term. Except for the first Board of Directors named in the Articles of Incorporation, the initial Board of Director elected by the members at the third annual meeting, and any director appointed by the Declarant, each director shall serve a term of three (3) years or until election of his successor, whichever occurs later, or until his death, incapacity, resignation, or removal. One (1) of the first directors elected by the Members shall serve for a one (1) year term, one (1) of the first directors elected by the Members shall serve for a two (2) year term, and the remaining two (2) directors first elected by the Members shall serve for a three (3) year term. The director appointed by the Declarant shall serve until such time as Declarant appoints a replacement director or until his successor has been qualified and duly elected by the Members of the Council when the Declarant's right to appoint a director terminates as provided herein.

Proposed Paragraph 4.2

Term. A five (5) member Board shall be comprised of three, 3 year members and two, 2 year members. A seven (7) member Board shall be comprised of three (3), 3 year members and four (4) two year members. In order to ensure that there is always an experienced set of Directors, there will be no one (1) year term of office submitted to the membership to be filled.

Current Paragraph 4.3

Election.

(a) The initial Board of Directors shall be appointed by the incorporators and shall serve for a three- (3) year term. Any such director appointed by the incorporators shall serve until such time as his successor has been qualified and duly elected by the Members of the Council.

(b) At the third annual meeting of the Members of the Council, the Members shall elect directors to succeed the initial Board of Directors. Not withstanding the foregoing, Declarant shall be entitled to appoint one (1) director for so long as Declarant holds for sale, in the ordinary course of business, and not for its own use, 0ne (1) or more Coo-Ownership Estate in the San Luis Condominium.

(c) Those candidates for election as directors receiving the greatest percentage of the votes cast either in person of by proxy at the meeting shall be elected.

Proposed Paragraph 4.3

Election. For the Year 2002, the following Director positions need to be filled: For a 5 member ~~Board; one 3 year position, and an extension of a 1 year position for an additional year. For a 7~~ member Board; one 3 year position, an extension of a 1 year position for an additional year, and two 2 year positions.

9004222

FOURTH SUPPLEMENTAL DECLARATION OF CO-OWNERSHIP FOR SAN LUIS CONDOMINIUM

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

This Fourth Supplemental Declaration of Co-Ownership for San Luis Condominiums, is made and executed on this 30th day of January, 1990, ("Fourth Supplemental Declaration") by The Woodlands Corporation a Delaware corporation whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380 ("Declarant").

W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for San Luis Condominiums ("Declaration") filed for record under County Clerk File No. 8809478, that certain Supplemental Declaration of Co-Ownership for San Luis Condominium ("Supplemental Declaration") filed for record under County Clerk File No. 8837345, that certain Second Supplemental Declaration of Co-Ownership for San Luis Condominium ("Second Supplemental Declaration") filed for record under County Clerk's File No. 8917339, and that certain Third Supplemental Declaration of Co-Ownership for San Luis Condominium ("Third Supplemental Declaration") filed for record under County Clerk's File No. 8924924, all of the Real Property Records of Galveston County, Texas were filed whereby certain units in the San Luis Condominiums were submitted to a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as San Luis Condominiums, to wit:

> Unit 1435 and the space encompassed by the boundaries thereof, together with an undivided interest in and to the common elements of the San Luis Condominium, a condominium project located in the City of Galveston, Galveston County, Texas, according to and as described by the Declaration of Condominium for The San Luis Condominium and exhibits recorded under County Clerk's File No. 8502838, Real Property Records of Galveston County, Texas

EXHIBIT N

WHEREAS, Declarant now desires to deannex Unit 1435 from the Timeshare Regime pursuant to the Act and to Article VIII of the Declaration;

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Deannex Unit 1435 from the Timeshare Regime and declare that Unit 1435 is no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration; and

2. Amend the Declaration as provided in Article II below.

ARTICLE I
DEANNEXATION

1.1. Unit 1435 is hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.

1.2. The provisions of the Declaration shall no longer apply to Unit 1435.

1.3. Unit 1435 shall no longer be subject to the jurisdiction of the Council.

ARTICLE II
AMENDMENTS TO THE DECLARATION

2.1. Sections 1.29(b), 2.1 and 3.2 of the Declaration are hereby amended to delete Unit 1435.

2.2. Section 5.2 of the Declaration is hereby amended by deleting the phrase ".500% or 1/200 of the entire Timeshare Regime" where it appears therein and substituting the phrase ".510% or 1/196 of the entire Timeshare Regime".

2.3. Exhibit C to the Declaration shall be deleted in its entirety and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Second Supplemental Declaration and the Third Supplemental Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Fourth Supplemental Declaration this 30th day of January, 1990.

THE WOODLANDS CORPORATION

By: _____
Name: Timothy J. Welbes
Title: Vice President

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on January 30, 1990, by Timothy J. Welbes, Vice President of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.

_____
Notary Public, State of Texas

DONNA LEE UPTON
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
11/03/91

AKW/csc/B4THSDSL

When Recorded Return To:
The Woodlands Corporation
Attn: Mary Rose
P. O. Box 4000
The Woodlands, Texas 77380

EXHIBIT N

SLCOTRUNITS-5
PREPARED BY: SJM
05-Jan-90
03:58 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
336337 A	304.75	0.6932%
336337 B	304.75	0.6932%
336337 C	304.75	0.6932%
336337 D	304.75	0.6932%
435 A	203.25	0.4623%
435 B	203.25	0.4623%
435 C	203.25	0.4623%
435 D	203.25	0.4623%
436437 A	304.75	0.6932%
436437 B	304.75	0.6932%
436437 C	304.75	0.6932%
436437 D	304.75	0.6932%
438439 A	340.75	0.7750%
438439 B	340.75	0.7750%
438439 C	340.75	0.7750%
438439 D	340.75	0.7750%
531 A	101.50	0.2309%
531 B	101.50	0.2309%
531 C	101.50	0.2309%
531 D	101.50	0.2309%
532533 A	304.75	0.6932%
532533 B	304.75	0.6932%
532533 C	304.75	0.6932%
532533 D	304.75	0.6932%
537 A	101.50	0.2309%
537 B	101.50	0.2309%
537 C	101.50	0.2309%
537 D	101.50	0.2309%
538 A	101.50	0.2309%
538 B	101.50	0.2309%
538 C	101.50	0.2309%
538 D	101.50	0.2309%
539 A	239.25	0.5442%
539 B	239.25	0.5442%
539 C	239.25	0.5442%
539 D	239.25	0.5442%
633 A	203.25	0.4623%
633 B	203.25	0.4623%
633 C	203.25	0.4623%
633 D	203.25	0.4623%
636637 A	304.75	0.6932%
636637 B	304.75	0.6932%
636637 C	304.75	0.6932%
636637 D	304.75	0.6932%
732 A	101.50	0.2309%
732 B	101.50	0.2309%
732 C	101.50	0.2309%
732 D	101.50	0.2309%
733 A	203.25	0.4623%
733 B	203.25	0.4623%
733 C	203.25	0.4623%
733 D	203.25	0.4623%
734 A	203.25	0.4623%
734 B	203.25	0.4623%
734 C	203.25	0.4623%
734 D	203.25	0.4623%
737 A	101.50	0.2309%
737 B	101.50	0.2309%
737 C	101.50	0.2309%
737 D	101.50	0.2309%
738739 A	340.75	0.7750%
738739 B	340.75	0.7750%
738739 C	340.75	0.7750%
738739 D	340.75	0.7750%
835 A	203.25	0.4623%
835 B	203.25	0.4623%
835 C	203.25	0.4623%
835 D	203.25	0.4623%
836 A	203.25	0.4623%
836 B	203.25	0.4623%

EXHIBIT C

EXHIBIT N

SLCOTRUNITS-S
PREPARED BY: SJM
05-Jan-90
03:58 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
836 C	203.25	0.4623%
836 D	203.25	0.4623%
837 A	101.50	0.2309%
837 B	101.50	0.2309%
837 C	101.50	0.2309%
837 D	101.50	0.2309%
932933 A	304.75	0.6932%
932933 B	304.75	0.6932%
932933 C	304.75	0.6932%
932933 D	304.75	0.6932%
934 A	203.25	0.4623%
934 B	203.25	0.4623%
934 C	203.25	0.4623%
934 D	203.25	0.4623%
936937 A	304.75	0.6932%
936937 B	304.75	0.6932%
936937 C	304.75	0.6932%
936937 D	304.75	0.6932%
1031 A	101.50	0.2309%
1031 B	101.50	0.2309%
1031 C	101.50	0.2309%
1031 D	101.50	0.2309%
1035 A	203.25	0.4623%
1035 B	203.25	0.4623%
1035 C	203.25	0.4623%
1035 D	203.25	0.4623%
1036 A	203.25	0.4623%
1036 B	203.25	0.4623%
1036 C	203.25	0.4623%
1036 D	203.25	0.4623%
1037 A	101.50	0.2309%
1037 B	101.50	0.2309%
1037 C	101.50	0.2309%
1037 D	101.50	0.2309%
1038 A	101.50	0.2309%
1038 B	101.50	0.2309%
1038 C	101.50	0.2309%
1038 D	101.50	0.2309%
1039 A	239.25	0.5442%
1039 B	239.25	0.5442%
1039 C	239.25	0.5442%
1039 D	239.25	0.5442%
1130 A	239.25	0.5442%
1130 B	239.25	0.5442%
1130 C	239.25	0.5442%
1130 D	239.25	0.5442%
11321133 A	304.75	0.6932%
11321133 B	304.75	0.6932%
11321133 C	304.75	0.6932%
11321133 D	304.75	0.6932%
1134 A	203.25	0.4623%
1134 B	203.25	0.4623%
1134 C	203.25	0.4623%
1134 D	203.25	0.4623%
1135 A	203.25	0.4623%
1135 B	203.25	0.4623%
1135 C	203.25	0.4623%
1135 D	203.25	0.4623%
11361137 A	304.75	0.6932%
11361137 B	304.75	0.6932%
11361137 C	304.75	0.6932%
11361137 D	304.75	0.6932%
11381139 A	340.75	0.7750%
11381139 B	340.75	0.7750%
11381139 C	340.75	0.7750%
11381139 D	340.75	0.7750%
1233 A	203.25	0.4623%
1233 B	203.25	0.4623%
1233 C	203.25	0.4623%
1233 D	203.25	0.4623%

EXHIBIT N

000 05-1524

SLCOTRUNITS-5
PREPARED BY: SJM
05-Jan-90
03:58 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
1234 A	203.25	0.4623%
1234 B	203.25	0.4623%
1234 C	203.25	0.4623%
1234 D	203.25	0.4623%
1235 A	203.25	0.4623%
1235 B	203.25	0.4623%
1235 C	203.25	0.4623%
1235 D	203.25	0.4623%
12361237 A	304.75	0.6932%
12361237 B	304.75	0.6932%
12361237 C	304.75	0.6932%
12361237 D	304.75	0.6932%
1238 A	101.50	0.2309%
1238 B	101.50	0.2309%
1238 C	101.50	0.2309%
1238 D	101.50	0.2309%
1239 A	239.25	0.5442%
1239 B	239.25	0.5442%
1239 C	239.25	0.5442%
1239 D	239.25	0.5442%
14321433 A	304.75	0.6932%
14321433 B	304.75	0.6932%
14321433 C	304.75	0.6932%
14321433 D	304.75	0.6932%
1434 A	203.25	0.4623%
1434 B	203.25	0.4623%
1434 C	203.25	0.4623%
1434 D	203.25	0.4623%
14361437 A	304.75	0.6932%
14361437 B	304.75	0.6932%
14361437 C	304.75	0.6932%
14361437 D	304.75	0.6932%
14381439 A	340.75	0.7750%
14381439 B	340.75	0.7750%
14381439 C	340.75	0.7750%
14381439 D	340.75	0.7750%
1530 A	239.25	0.5442%
1530 B	239.25	0.5442%
1530 C	239.25	0.5442%
1530 D	239.25	0.5442%
15321533 A	304.75	0.6932%
15321533 B	304.75	0.6932%
15321533 C	304.75	0.6932%
15321533 D	304.75	0.6932%
1534 A	203.25	0.4623%
1534 B	203.25	0.4623%
1534 C	203.25	0.4623%
1534 D	203.25	0.4623%
1535 A	203.25	0.4623%
1535 B	203.25	0.4623%
1535 C	203.25	0.4623%
1535 D	203.25	0.4623%
15361537 A	304.75	0.6932%
15361537 B	304.75	0.6932%
15361537 C	304.75	0.6932%
15361537 D	304.75	0.6932%
TOTAL 196	43965.00	100.0000%

FILED FOR RECORD
90 FEB -7 PM 3:23
COUNTY CLERK
GALVESTON COUNTY, TEXAS

STATE OF TEXAS COUNTY OF GALVESTON
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Real Property of Galveston County Texas, on

FEB 7 1990

Jennie B. Kirkendall
COUNTY CLERK
GALVESTON CO., TEXAS

When Recorded Return To:
The Woodlands Corporation
Attn: Mary Rose
P. O. Box 4000
The Woodlands, Texas 77380

EXHIBIT N

THE STATE OF TEXAS
County of Galveston

I, JESSIE G. KIRKENDALL, County Clerk, in and for Galveston County, State of Texas, do hereby CERTIFY that the above and foregoing is a true and correct copy of FOURTH SUPPLEMENTAL DECLARATION OF CO-OWNERSHIP

THE WOODLANDS COOPERATION
FOR
SAN LUIS CONDOMINIUM

as the same appears of record in my office, in the Official Public Records of Real Property having Microfil Identification Number 006-83-1319 through Microfil Identification Number 006-83-1324.

IN WITNESS WHEREOF, I have hereunto set my hand an affixed the impress of the official seal of said Count Court, at my office, in the City and County of Galveston State of Texas, on this the 9th day o FERRUARY A.D., 1990.

JESSIE G. KIRKENDALL,
County Clerk, in and fo
Galveston County, Texas

BY Velma Henry Deputy
Velma Henry

9023574

007-11-1227

SIXTH
SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
SAN LUIS CONDOMINIUM

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

This Sixth Supplemental Declaration of Co-Ownership for San Luis Condominiums, is made and executed on this 30th day of July, 1990, ("Sixth Supplemental Declaration") by The Woodlands Corporation, a Delaware corporation, whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380 ("Declarant").

W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for San Luis Condominiums ("Declaration") filed for record under County Clerk File No. 8809478, that certain Supplemental Declaration of Co-Ownership for San Luis Condominium ("Supplemental Declaration") filed for record under County Clerk File No. 8837345, that certain Second Supplemental Declaration of Co-Ownership for San Luis Condominium ("Second Supplemental Declaration") filed for record under County Clerk's File No. 8917339, that certain Third Supplemental Declaration of Co-Ownership for San Luis Condominium ("Third Supplemental Declaration") filed for record under County Clerk's File No. 8924924, that certain Fourth Supplemental Declaration of Co-Ownership of San Luis Condominium ("Fourth Supplemental Declaration") filed for record under County Clerk's File No. 9004222, and that certain Fifth Supplemental Declaration of Co-Ownership for San Luis Condominium ("Fifth Supplemental Declaration") filed for record under County Clerk's File No. 9013881, all of the Real Property Records of Galveston County, Texas were filed whereby certain units in the San Luis Condominiums were submitted and/or deleted from a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as San Luis Condominiums, to wit:

Unit 436/437, Unit 532/533, Unit 633, Unit 738/739, Unit 1039, Unit 1132/1133, Unit 1135, Unit 1436/1437 and Unit 1536/1537 and the space encompassed by the boundaries thereof, together with an undivided interest in and to the common elements of

the San Luis Condominium, a condominium project located in the City of Galveston, Galveston County, Texas, according to and as described by the Declaration of Condominium for The San Luis Condominium and exhibits recorded under County Clerk's File No. 8502838, Real Property Records of Galveston County, Texas.

WHEREAS, Unit 436/437, Unit 532/533 and Unit 1132/1133 were previously submitted to the Timeshare Regime as a two (2) bedroom, two (2) bath condominium, and the Declarant has subsequently reconstructed said Units to create Unit 436, Unit 437, Unit 532, Unit 533, Unit 1132 and Unit 1133 which are now one (1) bedroom, one (1) bath condominiums; and

WHEREAS, Unit 738/739 was previously submitted to the Timeshare Regime as a two (2) bedroom, two and one-half (2 1/2) bath condominium, and the Declarant has subsequently reconstructed said Unit to create Unit 738 which is now a one (1) bedroom, one (1) bath condominium and Unit 739 which is now a one (1) bedroom, one and one-half (1 1/2) bath condominium; and

WHEREAS, Declarant now desires to deannex Unit 533, Unit 633, Unit 1039, Unit 1135, Unit 1436/1437 and Unit 1536/1537 from the Timeshare Regime pursuant to Article VIII of the Declaration.

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Deannex Unit 533, Unit 633, Unit 1039, Unit 1135, Unit 1436/1437 and Unit 1536/1537 from the Timeshare Regime and declare that said Units are no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.

2. Amend the Declaration as provided in Article II below.

ARTICLE I
DEANNEXATION

1.1. Unit 533, Unit 633, Unit 1039, Unit 1135, Unit 1436/1437 and Unit 1536/1537 are hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.

2.2. Unit 533, Unit 633, Unit 1039, Unit 1135, Unit 1436/1437 and Unit 1536/1537 shall no longer be subject to the jurisdiction of the Council.

007-11-1229

ARTICLE II
AMENDMENTS TO THE DECLARATION

2.1 Article 3.1 of the Declaration is hereby amended by adding Unit 437, Unit 532, Unit 738 and Unit 1132 thereto.

2.2 Article 3.2 of the Declaration is hereby amended by (i) deleting Unit 633 and Unit 1135 and (ii) adding Unit 436 and Unit 1133.

2.3 Article 3.3 of the Declaration is hereby amended by (i) deleting Unit 1039 and (ii) adding Unit 739.

2.4 Article 3.4 of the Declaration is hereby amended by (i) deleting Unit 1436/1437, Unit 1536/1537, Unit 436/437, Unit 532/533 and Unit 1132/1133.

2.5 Article 3.5 of the Declaration is amended by deleting Unit 738/739.

2.6. Article 5.2 of the Declaration is hereby amended by deleting the phrase ".521% or 1/192 of the entire Timeshare Regime" where it appears therein and substituting the phrase ".543% or 1/184 of the entire Timeshare Regime".

2.7. Exhibit C to the Declaration shall be deleted in its entirety, and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Second Supplemental Declaration, the Third Supplemental Declaration, the Fourth Supplemental Declaration and the Fifth Supplemental Declaration shall remain in full force and effect as originally written and recorded.

IN WITNESS WHEREOF, Declarant has duly executed this Sixth Supplemental Declaration this 30th day of July, 1990.

THE WOODLANDS CORPORATION

By: _____
Name: Timothy J. Welbes
Title: Vice President

007-11-1230

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on July 30, 1990, by Timothy J. Welbes, Vice President of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.

Marie J. Wheeler
Notary Public, State of Texas

MARIE J. WHEELER
Notary Public, State of Texas
My Commission Expires
JUNE 19, 1994

AKW/ns/B6THSDSL

007-11-1231

SLCOTRUNITS-S
PREPARED BY: SJH
24-Jul-90
10:25 AM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
336337 A	304.75	0.8166%
336337 B	304.75	0.8166%
336337 C	304.75	0.8166%
336337 D	304.75	0.8166%
435 A	203.25	0.5446%
435 B	203.25	0.5446%
435 C	203.25	0.5446%
435 D	203.25	0.5446%
436 A	203.25	0.5446%
436 B	203.25	0.5446%
436 C	203.25	0.5446%
436 D	203.25	0.5446%
437 A	101.50	0.2720%
437 B	101.50	0.2720%
437 C	101.50	0.2720%
437 D	101.50	0.2720%
438439 A	340.75	0.9131%
438439 B	340.75	0.9131%
438439 C	340.75	0.9131%
438439 D	340.75	0.9131%
531 A	101.50	0.2720%
531 B	101.50	0.2720%
531 C	101.50	0.2720%
531 D	101.50	0.2720%
532 A	101.50	0.2720%
532 B	101.50	0.2720%
532 C	101.50	0.2720%
532 D	101.50	0.2720%
537 A	101.50	0.2720%
537 B	101.50	0.2720%
537 C	101.50	0.2720%
537 D	101.50	0.2720%
538 A	101.50	0.2720%
538 B	101.50	0.2720%
538 C	101.50	0.2720%
538 D	101.50	0.2720%
539 A	239.25	0.6411%
539 B	239.25	0.6411%
539 C	239.25	0.6411%
539 D	239.25	0.6411%
636637 A	304.75	0.8166%
636637 B	304.75	0.8166%
636637 C	304.75	0.8166%
636637 D	304.75	0.8166%
732 A	101.50	0.2720%
732 B	101.50	0.2720%
732 C	101.50	0.2720%
732 D	101.50	0.2720%
733 A	203.25	0.5446%
733 B	203.25	0.5446%
733 C	203.25	0.5446%
733 D	203.25	0.5446%
734 A	203.25	0.5446%
734 B	203.25	0.5446%
734 C	203.25	0.5446%
734 D	203.25	0.5446%
737 A	101.50	0.2720%
737 B	101.50	0.2720%
737 C	101.50	0.2720%
737 D	101.50	0.2720%
738 A	101.50	0.2720%
738 B	101.50	0.2720%
738 C	101.50	0.2720%
738 D	101.50	0.2720%
739 A	239.25	0.6411%
739 B	239.25	0.6411%
739 C	239.25	0.6411%
739 D	239.25	0.6411%
835 A	203.25	0.5446%
835 B	203.25	0.5446%

SLCOTRUNITS-S
PREPARED BY: SJM
24-Jul-90
10:25 AM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

007-11-1232

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
835 C	203.25	0.5446%
835 D	203.25	0.5446%
836 A	203.25	0.5446%
836 B	203.25	0.5446%
836 C	203.25	0.5446%
836 D	203.25	0.5446%
837 A	101.50	0.2720%
837 B	101.50	0.2720%
837 C	101.50	0.2720%
837 D	101.50	0.2720%
932933 A	304.75	0.8166%
932933 B	304.75	0.8166%
932933 C	304.75	0.8166%
932933 D	304.75	0.8166%
936937 A	304.75	0.8166%
936937 B	304.75	0.8166%
936937 C	304.75	0.8166%
936937 D	304.75	0.8166%
1031 A	101.50	0.2720%
1031 B	101.50	0.2720%
1031 C	101.50	0.2720%
1031 D	101.50	0.2720%
1035 A	203.25	0.5446%
1035 B	203.25	0.5446%
1035 C	203.25	0.5446%
1035 D	203.25	0.5446%
1036 A	203.25	0.5446%
1036 B	203.25	0.5446%
1036 C	203.25	0.5446%
1036 D	203.25	0.5446%
1037 A	101.50	0.2720%
1037 B	101.50	0.2720%
1037 C	101.50	0.2720%
1037 D	101.50	0.2720%
1038 A	101.50	0.2720%
1038 B	101.50	0.2720%
1038 C	101.50	0.2720%
1038 D	101.50	0.2720%
1130 A	239.25	0.6411%
1130 B	239.25	0.6411%
1130 C	239.25	0.6411%
1130 D	239.25	0.6411%
1132 A	101.50	0.2720%
1132 B	101.50	0.2720%
1132 C	101.50	0.2720%
1132 D	101.50	0.2720%
1133 A	203.25	0.5446%
1133 B	203.25	0.5446%
1133 C	203.25	0.5446%
1133 D	203.25	0.5446%
1134 A	203.25	0.5446%
1134 B	203.25	0.5446%
1134 C	203.25	0.5446%
1134 D	203.25	0.5446%
11361137 A	304.75	0.8166%
11361137 B	304.75	0.8166%
11361137 C	304.75	0.8166%
11361137 D	304.75	0.8166%
11381139 A	340.75	0.9131%
11381139 B	340.75	0.9131%
11381139 C	340.75	0.9131%
11381139 D	340.75	0.9131%
1233 A	203.25	0.5446%
1233 B	203.25	0.5446%
1233 C	203.25	0.5446%
1233 D	203.25	0.5446%
1234 A	203.25	0.5446%
1234 B	203.25	0.5446%
1234 C	203.25	0.5446%
1234 D	203.25	0.5446%

SLCOTRUNITS-S
PREPARED BY: SJH
24-Jul-90
10:25 AM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

007-11-1233

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
1235 A	203.25	0.5446%
1235 B	203.25	0.5446%
1235 C	203.25	0.5446%
1235 D	203.25	0.5446%
12361237 A	304.75	0.8166%
12361237 B	304.75	0.8166%
12361237 C	304.75	0.8166%
12361237 D	304.75	0.8166%
1238 A	101.50	0.2720%
1238 B	101.50	0.2720%
1238 C	101.50	0.2720%
1238 D	101.50	0.2720%
1239 A	239.25	0.6411%
1239 B	239.25	0.6411%
1239 C	239.25	0.6411%
1239 D	239.25	0.6411%
14321433 A	304.75	0.8166%
14321433 B	304.75	0.8166%
14321433 C	304.75	0.8166%
14321433 D	304.75	0.8166%
1434 A	203.25	0.5446%
1434 B	203.25	0.5446%
1434 C	203.25	0.5446%
1434 D	203.25	0.5446%
14381439 A	340.75	0.9131%
14381439 B	340.75	0.9131%
14381439 C	340.75	0.9131%
14381439 D	340.75	0.9131%
1530 A	239.25	0.6411%
1530 B	239.25	0.6411%
1530 C	239.25	0.6411%
1530 D	239.25	0.6411%
15321533 A	304.75	0.8166%
15321533 B	304.75	0.8166%
15321533 C	304.75	0.8166%
15321533 D	304.75	0.8166%
1534 A	203.25	0.5446%
1534 B	203.25	0.5446%
1534 C	203.25	0.5446%
1534 D	203.25	0.5446%
1535 A	203.25	0.5446%
1535 B	203.25	0.5446%
1535 C	203.25	0.5446%
1535 D	203.25	0.5446%
TO 184	37318.00	100.0000%

STb

007-11-1234

STATE OF TEXAS COUNTY OF GALVESTON
I hereby certify that this instrument was filed on the date and time stamped hereon by me and was duly recorded in the Official Public Records of Real Property of Galveston County Texas, on

AUG 6 1990

Jessie B. Kirkendall
COUNTY CLERK
GALVESTON CO., TEXAS

FILED FOR RECORD
90 AUG -6 PM 3:16
COUNTY CLERK
GALVESTON COUNTY, TEXAS

THE STATE OF TEXAS
County of Galveston

I, JESSIE G. KIRKENDALL, County Clerk, in and for Galveston County, State of Texas, do hereby CERTIFY that the above and foregoing is a true and correct copy of Sixth Supplement Declaration of Co-Ownership for San Luis Condominium

THE WOODLANDS CORPORATION

TO

TO THE PUBLIC

as the same appears of record in my office, in the Official Public Records of Real Property having Microfilm Identification Number 007-11-1227 through Microfilm Identification Number 007-11-1234.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the impress of the official seal of said County Court, at my office, in the City and County of Galveston, State of Texas, on this the 7th day of August A.D., 1990.

JESSIE G. KIRKENDALL,
County Clerk, in and for
Galveston County, Texas.

BY Sydonia Muscat Deputy
Sydonia Muscat

9110259

SEVENTH
SUPPLEMENTAL
DECLARATION OF CO-OWNERSHIP
FOR
SAN LUIS CONDOMINIUM

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

This Seventh Supplemental Declaration of Co-Ownership for San Luis Condominiums, is made and executed on this 28th day of March, 1991, ("Seventh Supplemental Declaration") by The Woodlands Corporation, a Delaware corporation, whose principal place of business is 2201 Timberloch Place, The Woodlands, Texas 77380 ("Declarant").

W I T N E S S E T H

WHEREAS, that certain Declaration of Co-Ownership for San Luis Condominiums ("Declaration") filed for record under County Clerk File No. 8809478, that certain Supplemental Declaration of Co-Ownership for San Luis Condominium ("Supplemental Declaration") filed for record under County Clerk File No. 8837345, that certain Second Supplemental Declaration of Co-Ownership for San Luis Condominium ("Second Supplemental Declaration") filed for record under County Clerk's File No. 8917339, that certain Third Supplemental Declaration of Co-Ownership for San Luis Condominium ("Third Supplemental Declaration") filed for record under County Clerk's File No. 8924924, that certain Fourth Supplemental Declaration of Co-Ownership of San Luis Condominium ("Fourth Supplemental Declaration") filed for record under County Clerk's File No. 9004222, that certain Fifth Supplemental Declaration of Co-Ownership for San Luis Condominium ("Fifth Supplemental Declaration") filed for record under County Clerk's File No. 9013881, and that certain Sixth Supplemental Declaration of Co-Ownership for San Luis Condominium ("Sixth Supplemental Declaration") filed for record under County Clerk's File No. 9025454 all of the Real Property Records of Galveston County, Texas were filed whereby certain units in the San Luis Condominiums were submitted and/or deleted from a Timeshare Regime. (All capitalized terms used herein shall have the same meaning ascribed to them in the Declaration unless otherwise stated);

WHEREAS, Declarant is the owner of the following described real property and all appurtenances thereto situated in County of Galveston, State of Texas and being known as San Luis Condominiums, to wit:

EXHIBIT Q

Unit 636/637, Unit 1236/1237, Unit 632, Unit 1235, Unit 1434, Unit 936/937, Unit 1136/1137, Unit 1532/1533 and Unit 438/439 and the space encompassed by the boundaries thereof, together with an undivided interest in and to the common elements of the San Luis Condominium, a condominium project located in the City of Galveston, Galveston County, Texas, according to and as described by the Declaration of Condominium for The San Luis Condominium and exhibits recorded under County Clerk's File No. 8502838, Real Property Records of Galveston County, Texas.

WHEREAS, Unit 636/637, and Unit 1236/1237 were previously submitted to the Timeshare Regime as a two (2) bedroom, two (2) bath condominium, and the Declarant has subsequently reconstructed said Units to create Unit 636, Unit 637, Unit 1236 and Unit 1237, which are now one (1) bedroom, one (1) bath condominiums; and

WHEREAS, Declarant now desires to annex Unit 632 to the Timeshare Regime pursuant to Article VII of the Declaration.

WHEREAS, Declarant now desires to deannex Unit 1235, Unit 1434, Unit 936/937, Unit 1136/1137, Unit 1532/1533 and Unit 438/439 from the Timeshare Regime pursuant to Article VIII of the Declaration.

NOW, THEREFORE, Declarant, as the owner of the real property hereinabove described for itself, its successors, grantees and assigns, does hereby:

1. Annex Unit 632 to the Timeshare Regime and declare that said Unit shall be bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.

2. Deannex Unit 1235, Unit 1434, Unit 936/937, Unit 1136/1137, Unit 1532/1533 and Unit 438/439 from the Timeshare Regime and declare that said Units are no longer bound by the covenants, conditions, reservations, restrictions and limitations contained in the Declaration.

3. Amend the Declaration as provided in Article II below.

ARTICLE I
ANNEXATION

1.1 Unit 632 is hereby annexed to the Timeshare Regime in accordance with the provisions of Article VII of the Declaration.

2.2. Unit 632 is hereby made subject to the jurisdiction of the Council.

EXHIBIT Q

ARTICLE II
DEANNEXATION

1.1. Unit 1235, Unit 1434, Unit 936/937, Unit 1136/1137, Unit 1532/1533 and Unit 438/439 are hereby deannexed from the Timeshare Regime in accordance with the provision of Article VIII of the Declaration.

2.2. Unit 1235, Unit 1434, Unit 936/937, Unit 1136/1137, Unit 1532/1533 and Unit 438/439 shall no longer be subject to the jurisdiction of the Council.

ARTICLE III
AMENDMENTS TO THE DECLARATION

2.1 Article 3.1 of the Declaration is hereby amended by adding Unit 632, Unit 637 and and Unit 1237 thereto.

2.2 Article 3.2 of the Declaration is hereby amended by (i) deleting Unit 1235 and Unit 1434 and (ii) adding Unit 636 and Unit 1236.

2.3 Article 3.4 of the Declaration is hereby amended by deleting Unit 636/637, Unit 936/937, Unit 1136/1137, Unit 1236/1237 and Unit 1532/1533.

2.4 Article 3.5 of the Declaration is amended by deleting Unit 438/439.

2.5. Article 5.2 of the Declaration is hereby amended by deleting the phrase ".543% or 1/184 of the entire Timeshare Regime" where it appears therein and substituting the phrase ".581% or 1/172 of the entire Timeshare Regime".

2.6. Exhibit C to the Declaration shall be deleted in its entirety, and Exhibit C attached hereto shall be substituted in place thereof.

Except as herein amended, all the provisions of the Declaration, the Supplemental Declaration, the Second Supplemental Declaration, the Third Supplemental Declaration, the Fourth Supplemental Declaration, the Fifth Supplemental Declaration and the Sixth Supplemental Declaration shall remain in full force and effect as originally written and recorded.

EXHIBIT Q

IN WITNESS WHEREOF, Declarant has duly executed this Seventh Supplemental Declaration this 28th day of March, 1991.

THE WOODLANDS CORPORATION

By: _____
Name: Timothy J. Welbes
Title: Vice President

akw

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me on March 28, 1991, by Timothy J. Welbes, Vice President of The Woodlands Corporation, a Delaware corporation, on behalf of said corporation.

Marie J. Wheeler
Notary Public, State of Texas

AKW/pf/B7THSDSL

MARIE J. WHEELER
Notary Public, State of Texas
My Commission Expires
JUNE 19, 1994

When Recorded Return To:
The Woodlands Corporation
Attn: Mary Rose
P. O. Box 4000
The Woodlands, Texas 77380

EXHIBIT O

5:SLCQTRUNITS
PREPARED BY: PSD
12-Mar-91
03:56 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
336337 A	304.75	0.9806%
336337 B	304.75	0.9806%
336337 C	304.75	0.9806%
336337 D	304.75	0.9806%
435 A	203.25	0.6540%
435 B	203.25	0.6540%
435 C	203.25	0.6540%
435 D	203.25	0.6540%
436 A	203.25	0.6540%
436 B	203.25	0.6540%
436 C	203.25	0.6540%
436 D	203.25	0.6540%
437 A	101.50	0.3266%
437 B	101.50	0.3266%
437 C	101.50	0.3266%
437 D	101.50	0.3266%
531 A	101.50	0.3266%
531 B	101.50	0.3266%
531 C	101.50	0.3266%
531 D	101.50	0.3266%
532 A	101.50	0.3266%
532 B	101.50	0.3266%
532 C	101.50	0.3266%
532 D	101.50	0.3266%
537 A	101.50	0.3266%
537 B	101.50	0.3266%
537 C	101.50	0.3266%
537 D	101.50	0.3266%
538 A	101.50	0.3266%
538 B	101.50	0.3266%
538 C	101.50	0.3266%
538 D	101.50	0.3266%
539 A	239.25	0.7698%
539 B	239.25	0.7698%
539 C	239.25	0.7698%
539 D	239.25	0.7698%
632 A	101.50	0.3266%
632 B	101.50	0.3266%
632 C	101.50	0.3266%
632 D	101.50	0.3266%
636 A	203.25	0.6540%
636 B	203.25	0.6540%
636 C	203.25	0.6540%
636 D	203.25	0.6540%
637 A	101.50	0.3266%
637 B	101.50	0.3266%
637 C	101.50	0.3266%
637 D	101.50	0.3266%
732 A	101.50	0.3266%
732 B	101.50	0.3266%
732 C	101.50	0.3266%
732 D	101.50	0.3266%
733 A	203.25	0.6540%
733 B	203.25	0.6540%
733 C	203.25	0.6540%
733 D	203.25	0.6540%
734 A	203.25	0.6540%
734 B	203.25	0.6540%
734 C	203.25	0.6540%
734 D	203.25	0.6540%
737 A	101.50	0.3266%
737 B	101.50	0.3266%
737 C	101.50	0.3266%
737 D	101.50	0.3266%
738 A	101.50	0 3266%
738 B	101.50	0.3266%
738 C	101.50	0.3266%
738 D	101.50	0.3266%
739 A	239.25	0.7698%
739 B	239.25	0.7698%

EXHIBIT Q

S:SLCQTRUNITS
PREPARED BY: PSD
12-Mar-91
03:56 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
739 C	239.25	0.7698%
739 D	239.25	0.7698%
835 A	203.25	0.6540%
835 B	203.25	0.6540%
835 C	203.25	0.6540%
835 D	203.25	0.6540%
836 A	203.25	0.6540%
836 B	203.25	0.6540%
836 C	203.25	0.6540%
836 D	203.25	0.6540%
837 A	101.50	0.3266%
837 B	101.50	0.3266%
837 C	101.50	0.3266%
837 D	101.50	0.3266%
932933 A	304.75	0.9806%
932933 B	304.75	0.9806%
932933 C	304.75	0.9806%
932933 D	304.75	0.9806%
1031 A	101.50	0.3266%
1031 B	101.50	0.3266%
1031 C	101.50	0.3266%
1031 D	101.50	0.3266%
1035 A	203.25	0.6540%
1035 B	203.25	0.6540%
1035 C	203.25	0.6540%
1035 D	203.25	0.6540%
1036 A	203.25	0.6540%
1036 B	203.25	0.6540%
1036 C	203.25	0.6540%
1036 D	203.25	0.6540%
1037 A	101.50	0.3266%
1037 B	101.50	0.3266%
1037 C	101.50	0.3266%
1037 D	101.50	0.3266%
1038 A	101.50	0.3266%
1038 B	101.50	0.3266%
1038 C	101.50	0.3266%
1038 D	101.50	0.3266%
1130 A	239.25	0.7698%
1130 B	239.25	0.7698%
1130 C	239.25	0.7698%
1130 D	239.25	0.7698%
1132 A	101.50	0.3266%
1132 B	101.50	0.3266%
1132 C	101.50	0.3266%
1132 D	101.50	0.3266%
1133 A	203.25	0.6540%
1133 B	203.25	0.6540%
1133 C	203.25	0.6540%
1133 D	203.25	0.6540%
1134 A	203.25	0.6540%
1134 B	203.25	0.6540%
1134 C	203.25	0.6540%
1134 D	203.25	0.6540%
11381139 A	340.75	1.0964%
11381139 B	340.75	1.0964%
11381139 C	340.75	1.0964%
11381139 D	340.75	1.0964%
1233 A	203.25	0.6540%
1233 B	203.25	0.6540%
1233 C	203.25	0.6540%
1233 D	203.25	0.6540%
1234 A	203.25	0.6540%
1234 B	203.25	0.6540%
1234 C	203.25	0.6540%
1234 D	203.25	0.6540%
1236 A	203.25	0.6540%
1236 B	203.25	0.6540%
1236 C	203.25	0.6540%
1236 D	203.25	0.6540%

EXHIBIT A

5:SLCOTRUNITS
PREPARED BY: PSD
12-Mar-91
03:56 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
1237 A	101.50	0.3266%
1237 B	101.50	0.3266%
1237 C	101.50	0.3266%
1237 D	101.50	0.3266%
1238 A	101.50	0.3266%
1238 B	101.50	0.3266%
1238 C	101.50	0.3266%
1238 D	101.50	0.3266%
1239 A	239.25	0.7698%
1239 B	239.25	0.7698%
1239 C	239.25	0.7698%
1239 D	239.25	0.7698%
14321433 A	304.75	0.9806%
14321433 B	304.75	0.9806%
14321433 C	304.75	0.9806%
14321433 D	304.75	0.9806%
14381439 A	340.75	1.0964%
14381439 B	340.75	1.0964%
14381439 C	340.75	1.0964%
14381439 D	340.75	1.0964%
1530 A	239.25	0.7698%
1530 B	239.25	0.7698%
1530 C	239.25	0.7698%
1530 D	239.25	0.7698%
1534 A	203.25	0.6540%
1534 B	203.25	0.6540%
1534 C	203.25	0.6540%
1534 D	203.25	0.6540%
1535 A	203.25	0.6540%
1535 B	203.25	0.6540%
1535 C	203.25	0.6540%
1535 D	203.25	0.6540%
TO 172	31078.00	100.0000%

FILED FOR RECORD
91 APR -1 AM 9:25
Janice D. Kirkendall
COUNTY CLERK
GALVESTON COUNTY, TEXAS

A TRUE COPY I CERTIFY UNDER MY HAND AND SEAL OF OFFICE.
JEORIE G. KIRKENDALL, County Court
Galveston County, TX
By Sydonia Muscat Deputy
Sydonia Muscat

EXHIBIT Q

5:SLCQTRUNITS
PREPARED BY: PSD
12-Mar-91
03:56 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
336337 A	304.75	0.9806%
336337 B	304.75	0.9806%
336337 C	304.75	0.9806%
336337 D	304.75	0.9806%
435 A	203.25	0.6540%
435 B	203.25	0.6540%
435 C	203.25	0.6540%
435 D	203.25	0.6540%
436 A	203.25	0.6540%
436 B	203.25	0.6540%
436 C	203.25	0.6540%
436 D	203.25	0.6540%
437 A	101.50	0.3266%
437 B	101.50	0.3266%
437 C	101.50	0.3266%
437 D	101.50	0.3266%
531 A	101.50	0.3266%
531 B	101.50	0.3266%
531 C	101.50	0.3266%
531 D	101.50	0.3266%
532 A	101.50	0.3266%
532 B	101.50	0.3266%
532 C	101.50	0.3266%
532 D	101.50	0.3266%
537 A	101.50	0.3266%
537 B	101.50	0.3266%
537 C	101.50	0.3266%
537 D	101.50	0.3266%
538 A	101.50	0.3266%
538 B	101.50	0.3266%
538 C	101.50	0.3266%
538 D	101.50	0.3266%
539 A	239.25	0.7698%
539 B	239.25	0.7698%
539 C	239.25	0.7698%
539 D	239.25	0.7698%
632 A	101.50	0.3266%
632 B	101.50	0.3266%
632 C	101.50	0.3266%
632 D	101.50	0.3266%
636 A	203.25	0.6540%
636 B	203.25	0.6540%
636 C	203.25	0.6540%
636 D	203.25	0.6540%
637 A	101.50	0.3266%
637 B	101.50	0.3266%
637 C	101.50	0.3266%
637 D	101.50	0.3266%
732 A	101.50	0.3266%
732 B	101.50	0.3266%
732 C	101.50	0.3266%
732 D	101.50	0.3266%
733 A	203.25	0.6540%
733 B	203.25	0.6540%
733 C	203.25	0.6540%
733 D	203.25	0.6540%
734 A	203.25	0.6540%
734 B	203.25	0.6540%
734 C	203.25	0.6540%
734 D	203.25	0.6540%
737 A	101.50	0.3266%
737 B	101.50	0.3266%
737 C	101.50	0.3266%
737 D	101.50	0.3266%
738 A	101.50	0 3266%
738 B	101.50	0.3266%
738 C	101.50	0.3266%
738 D	101.50	0.3266%
739 A	239.25	0.7698%
739 B	239.25	0.7698%

EXHIBIT "C"

S:SLCOTRUNITS
PREPARED BY: PSD
12-Mar-91
03:56 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
739 C	239.25	0.7698%
739 D	239.25	0.7698%
835 A	203.25	0.6540%
835 B	203.25	0.6540%
835 C	203.25	0.6540%
835 D	203.25	0.6540%
836 A	203.25	0.6540%
836 B	203.25	0.6540%
836 C	203.25	0.6540%
836 D	203.25	0.6540%
837 A	101.50	0.3266%
837 B	101.50	0.3266%
837 C	101.50	0.3266%
837 D	101.50	0.3266%
932933 A	304.75	0.9806%
932933 B	304.75	0.9806%
932933 C	304.75	0.9806%
932933 D	304.75	0.9806%
1031 A	101.50	0.3266%
1031 B	101.50	0.3266%
1031 C	101.50	0.3266%
1031 D	101.50	0.3266%
1035 A	203.25	0.6540%
1035 B	203.25	0.6540%
1035 C	203.25	0.6540%
1035 D	203.25	0.6540%
1036 A	203.25	0.6540%
1036 B	203.25	0.6540%
1036 C	203.25	0.6540%
1036 D	203.25	0.6540%
1037 A	101.50	0.3266%
1037 B	101.50	0.3266%
1037 C	101.50	0.3266%
1037 D	101.50	0.3266%
1038 A	101.50	0.3266%
1038 B	101.50	0.3266%
1038 C	101.50	0.3266%
1038 D	101.50	0.3266%
1130 A	239.25	0.7698%
1130 B	239.25	0.7698%
1130 C	239.25	0.7698%
1130 D	239.25	0.7698%
1132 A	101.50	0.3266%
1132 B	101.50	0.3266%
1132 C	101.50	0.3266%
1132 D	101.50	0.3266%
1133 A	203.25	0.6540%
1133 B	203.25	0.6540%
1133 C	203.25	0.6540%
1133 D	203.25	0.6540%
1134 A	203.25	0.6540%
1134 B	203.25	0.6540%
1134 C	203.25	0.6540%
1134 D	203.25	0.6540%
11381139 A	340.75	1.0964%
11381139 B	340.75	1.0964%
11381139 C	340.75	1.0964%
11381139 D	340.75	1.0964%
1233 A	203.25	0.6540%
1233 B	203.25	0.6540%
1233 C	203.25	0.6540%
1233 D	203.25	0.6540%
1234 A	203.25	0.6540%
1234 B	203.25	0.6540%
1234 C	203.25	0.6540%
1234 D	203.25	0.6540%
1236 A	203.25	0.6540%
1236 B	203.25	0.6540%
1236 C	203.25	0.6540%
1236 D	203.25	0.6540%

5:SLCQTRUNITS
PREPARED BY: PSD
12-Mar-91
03:56 PM

SAN LUIS CONDOMINIUM
CO-OWNERSHIP PROGRAM

UNIT NUMBER	SQUARE FEET	PERCENTAGE OF COMMON FURNISHINGS COMMON EXPENSES
1237 A	101.50	0.3266%
1237 B	101.50	0.3266%
1237 C	101.50	0.3266%
1237 D	101.50	0.3266%
1238 A	101.50	0.3266%
1238 B	101.50	0.3266%
1238 C	101.50	0.3266%
1238 D	101.50	0.3266%
1239 A	239.25	0.7698%
1239 B	239.25	0.7698%
1239 C	239.25	0.7698%
1239 D	239.25	0.7698%
14321433 A	304.75	0.9806%
14321433 B	304.75	0.9806%
14321433 C	304.75	0.9806%
14321433 D	304.75	0.9806%
14381439 A	340.75	1.0964%
14381439 B	340.75	1.0964%
14381439 C	340.75	1.0964%
14381439 D	340.75	1.0964%
1530 A	239.25	0.7698%
1530 B	239.25	0.7698%
1530 C	239.25	0.7698%
1530 D	239.25	0.7698%
1534 A	203.25	0.6540%
1534 B	203.25	0.6540%
1534 C	203.25	0.6540%
1534 D	203.25	0.6540%
1535 A	203.25	0.6540%
1535 B	203.25	0.6540%
1535 C	203.25	0.6540%
1535 D	203.25	0.6540%
TO 172	31078.00	100.0000%

BLR/rb/2CCommon/02-18-85

COMMON AREA AND TENNIS COURT USE AGREEMENT

THIS AGREEMENT entered into on this the 18th day of February, 1985, by and between MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST ("MDCSW") and THE SAN LUIS CONDOMINIUM ASSOCIATION, INC. (the "Condominium Association"), a Texas nonprofit corporation.

W I T N E S S E T H:

WHEREAS, MDCSW is the owner of a tract of land adjacent to The San Luis Condominium (the "Condominium") in Galveston, Texas, and in conjunction therewith has constructed a landscaped area between the Condominium and Seawall Boulevard (the "Common Area") and a tennis court area north across Ft. Crockett Boulevard from the Condominium (the "Courts"); and

WHEREAS, Condominium Association, whose members (the "Association Members") are the owners of condominium units in the Condominium, desires to make available said Common Area and Courts for the use and benefit of the Association Members and their guests, and to pay a pro rata share of the costs of operating and maintaining same;

NOW THEREFORE, for and in consideration of the mutual benefits and obligations herein contained, MDCSW and the Condominium Association hereby covenant and agree as follows:

1. Right to Use. MDCSW hereby conveys to the Condominium Association, for the use and benefit of the Association Members, their guests and invitees, the non-exclusive right to use those tracts of land described in attached Exhibits A and B, together with all improvements thereon, commencing on the First Closing Date (as defined below). Said tracts shall be used solely for landscaping, park areas and recreational facilities, including one or more tennis courts. The right to use the Common Area and the Courts shall be subject to the terms and conditions of this Agreement and to such reasonable rules and regulations as may be adopted by MDCSW to assure the fullest possible use and enjoyment of the Common Area and the Courts by all users, including regulations limiting the use of all or portions of the Common Area and the Courts during such reasonable periods when exclusive use of all or a portion of the same has been reserved by certain users as provided for in said rules and regulations. All improvements upon the Common Area and the Courts shall be architectually compatible with the San Luis Hotel and Condominium.

2. Duty to Maintain Shared Facilities. MDCSW shall be obligated to and shall provide for high quality care, operation, management, maintenance and repair of the Common Area and the Courts, and shall pay all taxes, assessments and insurance

EXHIBIT J

premiums relating to the Common Area and the Courts. MDCSW shall have the right and authority to hire employees, agents or subcontractors to perform the various functions and services necessary to fulfill MDCSW's obligations under this Agreement, and to purchase such supplies and equipment as may be necessary to fulfill such obligations. MDCSW shall pay all costs incident to performance of such duties, and shall obtain reimbursement from the Condominium Association for a portion of such costs pursuant to Paragraph 3 below. MDCSW shall have the right to relocate the Courts to another comparable site, so long as tennis courts of at least the same quantity and quality are constructed at the relocated site, and so long as use of the existing or relocated courts is not interrupted for more than thirty consecutive days.

3. Condominium's Share. The Condominium Association agrees to pay to MDCSW the Condominium's Share (as hereinafter defined) of all costs and expenses incurred from and after the date of the closing of the sale of the first unit in the Condominium (the "First Closing Date"), for the care, operation, management, maintenance and repair of the Common Area and the Courts.

The Condominium's Share of such costs and expenses shall be that amount of such costs and expenses which bears the same relation to the total costs and expenses as the number of bedrooms in the Condominium (as designated in the recorded condominium declaration, with each efficiency unit deemed to include one bedroom) bears to the sum of the number of bedrooms in the Condominium and sleeping rooms in the San Luis Hotel located adjacent to the Condominium, as of the date of any such determination.

4. Operating Costs and Payment. MDCSW shall prepare annually, in advance, an estimate of all costs and expenses incident to the care, operation, management, maintenance and repair of the Common Area and the Courts, including, without limitation, the following:

(i) Utility costs, including, without limitation, charges for water, electricity, sewer and gas;

(ii) Cleaning, landscaping and routine upkeep costs, including janitorial and trash removal services;

(iii) The cost of supplies, furniture and equipment for the operation of the Common Area and the Courts;

(iv) The cost of repair and maintenance of the Common Area and the Courts, including a reserve for replacement or repair;

(v) Any additional amount for extraordinary costs and expenses in the nature of alterations, remodeling,

 EXHIBIT J

renovation or restoration of the Common Area and the Courts which may be necessary for continued high quality operation of same in the judgment of MDCSW, but excluding the cost of any expansions, additions or improvements to the Common Area and the Courts (except with the prior written approval of the Condominium Association);

(vi) The cost of general real estate taxes and special assessments attributable to the Common Area and the Courts.

(vii) The cost of liability insurance premiums relating to the Common Area and the Courts, as provided for in Paragraph 5 below; and

(viii) Allocated compensation costs (including employee benefits) of all employees who may be hired to provide services necessary for the operation of any of the Common Area and the Courts.

Any costs incurred solely because of a special event held at the Common Area or the Courts shall be excluded from operating costs and shall be paid by MDCSW (subject to MDCSW's right to reimbursement from any third party). Indirect management costs shall not exceed 5% of the total annual operating cost for the Common Area and the Courts.

MDCSW shall mail or deliver to the Condominium Association a statement of the Condominium's Share of the estimated costs and expenses and a schedule of monthly or quarterly amounts for payments to be made by the Condominium Association. The Condominium Association shall pay each such amount to MDCSW in advance, on or before the due date shown thereon, without further notice. All amounts due hereunder shall bear interest from the due date until paid at a rate three percent in excess of the announced prime interest rate of U. S. National Bank of Galveston, from time to time.

Within 30 days after the end of each year, MDCSW shall prepare and mail or deliver to the Condominium Association an accounting of the actual costs and expenses incurred by MDCSW in the preceding year with regard to the Common Area and the Courts, and of the Condominium's Share of such actual costs and expenses. If the Condominium's Share of actual costs and expenses exceeds the amount of payments made by the Condominium Association for that year, the Condominium Association shall forthwith pay to MDCSW the amount of the deficiency. If the Condominium's Share of actual costs and expenses is less than the amount of such payments made by the Condominium Association, MDCSW shall forthwith refund to the Condominium Association the amount of its overpayment. The Condominium Association shall have the right to audit the records of MDCSW relating to the charges under this Agreement, annually, at its cost, and at reasonable times.

EXHIBIT J

5. Taxes and Insurance. MDCSW shall obtain and keep in full force and effect at all times broad form comprehensive public liability insurance coverage, with a single limit for bodily injury and property damage for each person and occurrence of at least $500,000.00, containing such deductible provisions as good business may dictate. Said policy shall name the Condominium Association as an additional insured. MDCSW shall provide the Condominium Association, upon request, with a certificate evidencing such insurance. Any such policy may cover facilities and improvements in addition to the Common Area and the Courts. Association shall maintain similar coverage under its multi peril insurance policy applicable to the Condominium Building.

In determining the amount of general real estate taxes, special or other assessments, and insurance premiums levied against or attributable to the Common Area and the Courts, the amount of such taxes, assessments and insurance premiums, if not separately stated, shall be a fair allocation thereof as determined by the good faith estimate of MDCSW.

6. Casualty Damage, Obsolescence and Condemnation. In the event of damage, destruction, or a complete or partial condemnation of the Common Area and/or the Courts, the Condominium Association shall not be entitled to share in any insurance proceeds or condemnation awards, and same shall not abate payments of operating expenses which are due from the Condominium Association under this Agreement. In the event that the Common Area and/or the Courts are not repaired, reconstructed or renewed within 90 days following casualty damage, destruction or condemnation, this Agreement and all rights and obligations of the parties hereunder with respect to the damaged or destroyed facilities shall terminate, except for accrued obligations.

7. Enforcement of Rules and Regulations. Each Association Member and their guests shall comply with and abide by all rules and regulations adopted by MDCSW. MDCSW may exclude or eject any Association Member or their guests from the Common Area and/or the Courts for so long as any violation of said rules and regulations continues.

8. Enforcement and Remedies. The failure of the Condominium Association to pay any sum due in accordance with the provisions of this Agreement or to abide by the other terms of this Agreement shall give MDCSW the right to exercise any remedies available to it at law or in equity, including without limitation the following:

(i) MDCSW may bring an action to recover a money judgment against the Condominium Association for any amount due together with costs and attorneys' fees incident to such action. The bringing of such an action shall not waive the right of MDCSW to pursue any other remedy hereunder.

EXHIBIT J

(ii) MDCSW may exclude from and deny the use and enjoyment of the Common Area and/or the Courts to Association Members and their guests until such default is cured.

(iii) MDCSW may terminate the rights of the Condominium Association under this Agreement by giving the Condominium Association written notice of the default, specifying the nature thereof, and specifying its intention to terminate, and termination shall occur automatically if the default is not cured within 45 days after the date such notice is given.

9. View. Except for an elevated pedestrian walkway which may be constructed across Seawall Boulevard from a point at or near the top of the bunker, no structure may be constructed, placed or permitted to remain on the Common Area which materially obstructs the view from any unit in the Condominium to the Gulf of Mexico.

10. Successors and Assigns. All of the covenants and conditions herein contained shall be binding upon the parties and their successors and assigns; provided, however, that the Condominium Association may not transfer or assign its rights hereunder to any person or entity except an entity succeeding to the rights, duties and obligations of the Condominium Association under that certain Declaration of Condominium for the San Luis Condominium which is or will be filed of record in the Office of the County Clerk of Galveston County, Texas. The rights, obligations and interests of MDCSW hereunder and in and to the Common Area and the Courts are freely transferable.

11. Duration and Amendment. The term of this Agreement shall be for a period of sixty-eight years from and after December 16, 1982, and may be amended only by the mutual written agreement of the parties hereto.

12. Notice and Approval. Any notice required hereunder shall be given in writing, delivered in person or deposited in the United States Mail, postage prepaid, certified, return receipt requested, to the following addresses:

Mitchell Development Corporation of the Southwest
P. O. Box 4000
The Woodlands, TX. 77387-4000

The San Luis Condominium Association, Inc.
5222 Seawall Boulevard
Galveston, TX. 77550

Such address may be changed by either party by notice given in accordance with this Section. Notice will be deemed given on the date of personal delivery or on the third day following the date of post mark, if sent by mail. Any approval required by the terms of this Agreement shall be deemed given if the party whose

EXHIBIT J

approval is required has not responded to any notice requesting an approval within 15 days from the date said notice was given.

MITCHELL DEVELOPMENT CORPORATION
OF THE SOUTHWEST

By: _____ BIR

THE SAN LUIS CONDOMINIUM
ASSOCIATION, INC.

By: _____ BIR

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on March 11, 1985, by George C. Lake, Treasurer of Mitchell Development Corporation of the Southwest, a Delaware corporation, on behalf of said corporation.

_____
Printed Name: Lou Ann Smith
Notary Public
State of Texas
My Commission Expires: 11/15/86

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on MARCH 11, 1985, by ROBERT L. GALATAS, PRESIDENT of The San Luis Condominium Association, Inc., a Texas nonprofit corporation, on behalf of said corporation.

_____
Printed Name: KATHY J. WARD
Notary Public
State of Texas
My Commission Expires: 9/28/87

EXHIBIT J

Attachment to
Common Area and Tennis Court Use Agreement

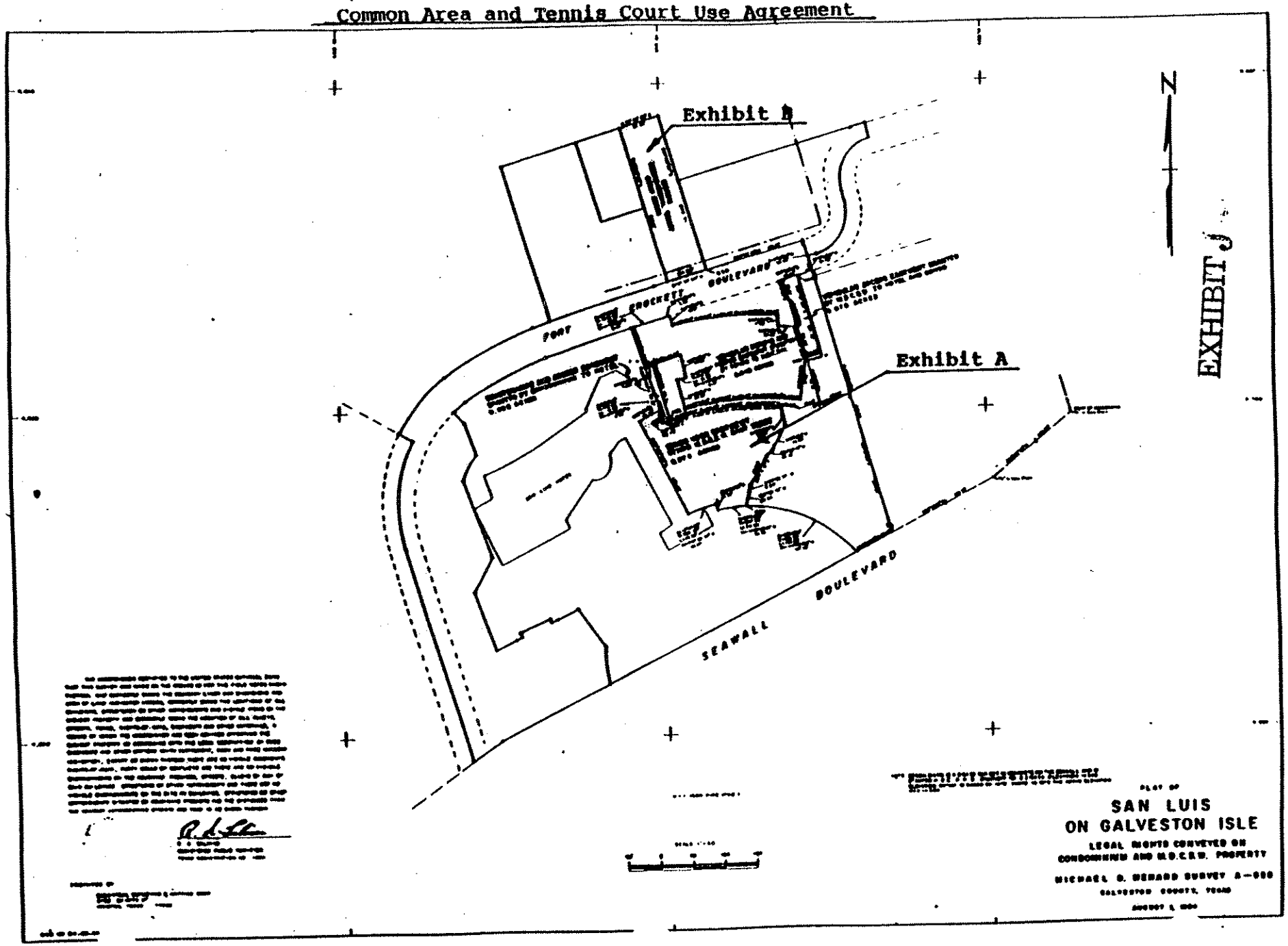


EXHIBIT A

CONDO USER EASEMENT WITHIN H.D.C.S.W. EAST TRACT

STATE OF TEXAS

Michael B. Menard Survey
Abstract No. 628

COUNTY OF GALVESTON

A description of a 0.574 acre (25,012.61 square feet) tract of land located in Galveston County, Texas, situated in the Michael B. Menard Survey, Abstract No. 628, recorded in Volume 1281, Page 284, of the Official Public Records of Galveston County Deed Records and being more particularly described by metes and bounds as follows:

COMMENCING at a point for corner, being the Southwesterly corner of a 3.0303-acre tract conveyed to Sam Alberal, Trustee, recorded in Volume 3213, Page 530 of the Deed Records of Galveston County, Texas, in the original South boundary line of a 22.4680-acre tract formerly owned by Mitchell Development Corporation of the Southwest, common with the North right-of-way boundary of Seawall Boulevard (varying width), said point being referenced in two call from the Southeast corner of said 22.4680-acre tract, marked by an "X" in concrete on the Northerly edge of a concrete sidewalk, as follows: South 51° 34' 00" West, 345.00 feet to an "X" in concrete and South 62° 51' 00" West, 361.55 feet to said commencing point;

THENCE, South 62° 51' 00" West, along the Northerly right-of-way line of Seawall Boulevard, 62.22 feet to a point;

THENCE, Northwesterly, along the arc of a curve to the left with a radius of 226.99 feet, a central angle of 48° 42' 43" a long chord bearing North 67° 53' 01" West, 187.22 feet, and a total arc distance of 192.98 feet to the POINT OF BEGINNING;

THENCE, Southwesterly, along the arc of a curve to the left with a radius of 226.99 feet, a central angle of 09° 50' 20", a long chord bearing South 82° 50' 28" West, 38.93 feet, and a total arc distance of 38.98 feet to a point for corner;

THENCE, North 27° 09' 00" West, 11.38 feet to a point;

THENCE, Southwesterly, along the arc of a curve to the left with a radius of 238.00 feet, a central angle of 11° 18' 08", a long chord bearing South 71° 33' 29" West, 46.87 feet, and a total arc distance of 46.95 feet to a point for corner;

THENCE, North 27° 09' 00" West, 159.95 feet to a point for corner;

THENCE, North 62° 51' 00" East, 39.40 feet to a point for corner;

THENCE, South 19° 09' 00" East, 22.75 feet to a point for corner;

THENCE, Northeasterly, along the arc of a curve to the right with a radius of 447.70 feet, a central angle of 23° 18' 31", a long chord bearing North 82° 30' 15" East, 180.88 feet, and a total arc distance of 182.13 feet to a point for corner;

EXHIBIT J

CONDO USER EASEMENT WITHIN M.D.C.S.W. EAST TRACT

THENCE, South 13° 06' 33" East, 33.71 feet to a point for corner;

THENCE, South 29° 18' 11" West, 44.94 feet to a point;

THENCE, South 32° 12' 43" West, 10.12 feet to a point;

THENCE, South 29° 19' 01" West, 52.30 feet to a point;

THENCE, South 29° 23' 57" West, 9.86 feet to a point;

THENCE, South 29° 52' 26" West, 20.85 feet to the POINT OF BEGINNING and containing 0.574 acre (25,012.61 square feet) of land, more or less.

EXHIBIT J

EXHIBIT B

M.D.C.S.W. RECREATIONAL TRACT

STATE OF TEXAS

COUNTY OF GALVESTON

Michael B. Menard Survey
Abstract No. 628

A description of a 0.366 acre (15,956 square feet) tract of land located in Galveston County, Texas, situated in the Michael B. Menard Survey, Abstract No. 628, recorded in Volume 1281, Page 284, of the Official Public Records of Galveston County Deed Records and being more particularly described by metes and bounds as follows:

COMMENCING at a point for corner, being the Southwesterly corner of a 3.0303-acre tract conveyed to Sam Albaral, Trustee, recorded in Volume 3213, Page 530 of the Deed Records of Galveston County, Texas, in the original South boundary line of a 22.4680-acre tract formerly owned by Mitchell Development Corporation of the Southwest, common with the North right-of-way boundary of Seawall Boulevard (varying width), said point being referenced in two call from the Southeast corner of said 22.4680-acre tract, marked by an "X" in concrete on the Northerly edge of a concrete sidewalk, as follows: South 51° 34' 00" West, 345.00 feet to an "X" in concrete and South 62° 51' 00" West, 361.55 feet to said commencing point;

THENCE, North 16° 10' 00" West, 418.92 feet to a point in the Southerly right-of-way line of Fort Crockett Boulevard (50-foot wide);

THENCE, North 16° 10' 00" West, 50.00 feet to a point in the Northerly right-of-way line of Fort Crockett Boulevard;

THENCE, South 73° 56' 40" West, along the Northerly right-of-way line of Fort Crockett Boulevard, 155.15 feet to the POINT OF BEGINNING;

THENCE, South 73° 50' 00" West, along the Northerly right-of-way line of Fort Crockett Boulevard, 64.00 feet to a point;

THENCE, North 16° 40' 00" West, 248.95 feet to a point for corner;

THENCE, North 73° 09' 00" East, 64.00 feet to a point for corner;

THENCE, South 16° 40' 00" East, 249.71 feet to the POINT OF BEGINNING and containing 0.366 acre (15,956 square feet) of land, more or less.

EXHIBIT J

SECURITY SYSTEM-SAN LUIS CONDOMINIUMS

The security system is designed to protect your property by restricting access to the building to condominium owners, their guests, expected deliverymen, and other authorized persons, such as maintenance and service people, security guard, etc. The system is a perimeter security system, utilizing electric locks to secure all points of entry into the building. Entry is obtained by using a blue access card at the card reading sensors located at all access points. Access cards are furnished to you.

Access to the penthouse levels is restricted to penthouse owners and other authorized persons.

The automobiles of condominium owners are secured in reserved levels of the parking garage. Only condominium owners have access to this area.

DIRECTIONS FOR USING ACCESS CARD

1. AT DOORS- A black, square card reading sensor is conveniently located near each entrance door to the condominium building. To gain entrance, simply present your access card within a few inches of the sensor. The door will unlock and will automatically relock behind you after a brief time.

   When leaving the building, simply press the red button located near the edge of the door or open the door from the inside if you are exiting to the parking garage.

2. IN PARKING GARAGE- When you are entering the area reserved for condominium owners, present your access card within a few inches of the pedestal-mounted sensor located in the center of the ramp. The gates will open and you may drive through. The gates will automatically close behind you.

   When leaving, approach the gates slowly. The gates will automatically open and close behind you. You do not need to present your access card when leaving the parking garage.

VISITORS AND DELIVERYMEN

If you are expecting visitors or a delivery, instruct your visitor or deliveryman to dial your condominium number on the special visitors' phone mounted on the wall in the ground-floor lobby. This will automatically dial your telephone. When the person has satisfactorily identified himself to you, punch the number "6" on your telephone. This will briefly unlock the entrance doors in the lobby and permit your visitor to come inside and take the elevator to your floor.

EXHIBIT J

BLR/rb/2CUse/02-18-85

SHARED POOL FACILITIES USE AGREEMENT

THIS AGREEMENT entered into on this the 18th day of February, 1985, by and between FORT CROCKETT HOTEL LIMITED, dba THE SAN LUIS ON GALVESTON ISLE ("Limited") and THE SAN LUIS CONDOMINIUM ASSOCIATION, INC. (the "Condominium Association"), a Texas nonprofit corporation.

W I T N E S S E T H:

WHEREAS, Limited is the owner of The San Luis on Galveston Isle Hotel (the "Hotel") located on a tract adjacent to The San Luis Condominium (the "Condominium") in Galveston, Texas, and in conjunction therewith has constructed and owns a swimming pool and landscaped area on the Hotel property; and

WHEREAS, Condominium Association, whose members (the "Association Members") are the owners of condominium units in the Condominium, desires to make available said pool facilities for the use and benefit of the Association Members and their guests, and to pay a pro rata share of the costs of operating and maintaining said pool area;

NOW THEREFORE, for and in consideration of the mutual benefits and obligations herein contained, Limited and the Condominium Association hereby covenant and agree as follows:

1. Right to Use. Limited hereby conveys to the Condominium Association, for the use and benefit of the Association Members, their guests and invitees, the non-exclusive right to use that tract of land described in attached Exhibit A, together with all improvements thereon, and the restrooms located adjacent to said tract as shown on Exhibit A (the "Shared Pool Facilities") commencing on the First Closing Date (as defined below). The right to use the Shared Pool Facilities shall be subject to the terms and conditions of this Agreement and to such reasonable rules and regulations as may be adopted by Limited to assure the fullest possible use and enjoyment of the Shared Pool Facilities by all users, including regulations limiting the use of all or portions of the Shared Pool Facilities during such reasonable periods when exclusive use of all or a portion of the same has been reserved by certain users as provided for in said rules and regulations.

2. Duty to Maintain Shared Facilities. Limited shall be obligated to and shall provide for high quality care, operation, management, maintenance and repair of the Shared Pool Facilities, and shall pay all taxes, assessments and insurance premiums relating to the Shared Pool Facilities. Limited shall have the right and authority to hire employees, agents or subcontractors to perform the various functions and services necessary to

EXHIBIT J

fulfill Limited's obligations under this Agreement, and to purchase such supplies and equipment as may be necessary to fulfill such obligations. Limited shall pay all costs incident to performance of such duties, and shall obtain reimbursement from the Condominium Association for a portion of such costs pursuant to Paragraph 3 below.

3. Condominium's Share. The Condominium Association agrees to pay to Limited the Condominium's Share (as hereinafter defined) of all costs and expenses incurred from and after the date of the closing of the sale of the first unit in the Condominium (the "First Closing Date") for the care, operation, management, maintenance and repair of the Shared Pool Facilities, excluding any costs attributable solely to the operation or maintenance of those portions of the Shared Pool Facilities used exclusively for food service or as a bar.

The Condominium's Share of such costs and expenses shall be that amount of such costs and expenses which bears the same relation to the total costs and expenses as the number of bedrooms in the Condominium (as designated in the recorded condominium declaration, with each efficiency unit deemed to include one bedroom) bears to the sum of the number of bedrooms in the Condominium and sleeping rooms in the Hotel as of the date of any such determination.

4. Operating Costs and Payment. Limited shall prepare annually, in advance, an estimate of all costs and expenses incident to the care, operation, management, maintenance and repair of the Shared Pool Facilities, including, without limitation, the following:

(i) Utility costs, including, without limitation, charges for water, electricity, sewer and gas;

(ii) Cleaning, landscaping and routine upkeep costs, including pool chemicals, maid, janitorial and trash removal services;

(iii) The cost of supplies, furniture and equipment for the operation of the Shared Pool Facilities;

(iv) The cost of repair and maintenance of the Shared Pool Facilities, including a reserve for replacement or repair;

(v) Any additional amount for extraordinary costs and expenses in the nature of alterations, remodeling, renovation or restoration of the Shared Pool Facilities which may be necessary for continued high quality operation of same in the judgment of Limited, but excluding the cost of any expansions, additions or improvements to the Shared Pool Facilities (except with the prior written approval of the Condominium Association);

EXHIBIT J

(vi) The cost of general real estate taxes and special assessments attributable to the Shared Pool Facilities;

(vii) The cost of liability insurance premiums relating to the Shared Pool Facilities, as provided for in Paragraph 5 below; and

(viii) Allocated compensation costs (including employee benefits) of all employees who provide services necessary for the operation of any of the Shared Pool Facilities.

Any costs incurred solely because of a special event held at the Shared Pool Facilities shall be excluded from operating costs and shall be paid by Limited (subject to Limited's right to reimbursement from any third party). Indirect management costs shall not exceed 5% of the total annual operating cost for the Shared Pool Facilities.

Limited shall mail or deliver to the Condominium Association a statement of the Condominium's Share of the estimated costs and expenses and a schedule of monthly or quarterly amounts for payments to be made by the Condominium Association. The Condominium Association shall pay each such amount to Limited in advance, on or before the due date shown thereon, without further notice. All amounts due hereunder shall bear interest from the due date until paid at a rate three percent in excess of the announced prime interest rate of U. S. National Bank of Galveston, from time to time.

Within 30 days after the end of each year, Limited shall prepare and mail or deliver to the Condominium Association an accounting of the actual costs and expenses incurred by Limited in the preceding year with regard to the Shared Pool Facilities and of the Condominium's Share of such actual costs and expenses. If the Condominium's Share of actual costs and expenses exceeds the amount of payments made by the Condominium Association for that year, the Condominium Association shall forthwith pay to Limited the amount of the deficiency. If the Condominium's Share of actual costs and expenses is less than the amount of such payments made by the Condominium Association, Limited shall forthwith refund to the Condominium Association the amount of its over-payment. The Condominium Association shall have the right to audit the records of Limited relating to the charges under this Agreement, annually, at its cost, and at reasonable times.

5. Taxes and Insurance. Limited shall obtain and keep in full force and effect at all times broad form comprehensive public liability insurance coverage, with a single limit for bodily injury and property damage for each person and occurrence of $500,000.00, containing such deductible provisions as good business may dictate. The liability insurance shall name the

EXHIBIT J

Condominium Association as an additional insured. Limited shall provide the Condominium Association, upon request, with a certificate evidencing such insurance. Any such policy may cover facilities and improvements in addition to the Shared Pool Facilities. Association shall maintain similar coverage under its multi peril insurance policy applicable to the Condominium Building.

In determining the amount of general real estate taxes, special or other assessments, and insurance premiums levied against or attributable to the Shared Pool Facilities, the amount of such taxes, assessments and insurance premiums, if not separately stated, shall be a fair allocation thereof as determined by the good faith estimate of Limited.

6. Casualty Damage, Obsolescence and Condemnation. In the event of damage, destruction, or a complete or partial condemnation of the Shared Pool Facilities, the Condominium Association shall not be entitled to share in any insurance proceeds or condemnation awards, and same shall not abate payments of operating expenses which are due from the Condominium Association under this Agreement. In the event that the Shared Pool Facilities are not repaired, reconstructed or renewed within 180 days following casualty damage, destruction or condemnation, this Agreement and all rights and obligations of the parties hereunder with respect to the damaged or destroyed facilities shall terminate, except for accrued obligations.

7. Enforcement of Rules and Regulations. Each Association Member and their guests shall comply with and abide by all rules and regulations adopted by Limited. Limited may exclude or eject any Association Member or their guests from the Shared Pool Facilities for any violation of said rules and regulations.

8. Enforcement and Remedies. The failure of the Condominium Association to pay any sum due in accordance with the provision of this Agreement or to abide by the other terms of this Agreement shall give Limited the right to exercise any remedies available to it at law or in equity, including without limitation the following:

(i) Limited may bring an action to recover a money judgment against the Condominium Association for any amount due together with costs and attorneys' fees incident to such action. The bringing of such an action shall not waive the right of Limited to pursue any other remedy hereunder.

(ii) Limited may exclude from and deny the use and enjoyment of the Shared Pool Facilities to Association Members and their guests until such default is cured.

(iii) Limited may terminate the rights of the Condominium Association under this Agreement by giving the Condominium Association written notice of the default, specifying the

nature thereof, and specifying its intention to terminate, and termination shall occur automatically if the default is not cured within 45 days after the date such notice is given.

9. Successors and Assigns. All of the covenants and conditions herein contained shall be binding upon the parties and their successors and assigns; provided, however, that the Condominium Association may not transfer or assign its rights hereunder to any person or entity except an entity succeeding to the rights, duties and obligations of the Condominium Association under that certain Declaration of Condominium for the San Luis Condominium which is or will be filed of record in the Office of the County Clerk of Galveston County, Texas.

10. Duration and Amendment. The term of this Agreement shall be for a period of sixty-eight years from and after December 16, 1982, and may be amended only by the mutual written agreement of the parties hereto.

11. Notice and Approval. Any notice required hereunder shall be given in writing, delivered in person or deposited in the United States Mail, postage prepaid, certified, return receipt requested, to the following addresses:

Fort Crockett Hotel Limited
c/o Mitchell Development Corporation of the Southwest
P. O. Box 4000
The Woodlands, TX. 77387-4000

The San Luis Condominium Association, Inc.
5222 Seawall Boulevard
Galveston, TX. 77550

Such address may be changed by either party by notice given in accordance with this Section. Notice will be deemed given on the date of personal delivery or on the third day following the date of post mark, if sent by mail. Any approval required by the terms of this Agreement shall be deemed given if the party whose approval is required has not responded to the notice requesting an approval within 15 days from the date said notice was given.

FORT CROCKETT HOTEL LIMITED

BY: MITCHELL DEVELOPMENT CORPORATION OF THE SOUTHWEST, IT GENERAL PARTNER

By: _____

EXHIBIT J

THE SAN LUIS CONDOMINIUM
ASSOCIATION, INC.

By: Roger L Galatas BIK

STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on March 11, 1985, by George C. Lake, Treasurer of Mitchell Development Corporation of the Southwest, General Partner of The Fort Crockett Hotel Limited, a Texas Limited Partnership, on behalf of said partnership.

Lou Ann Smith
Printed Name: Lou Ann Smith
Notary Public
State of Texas
My Commission Expires: 11/15/86

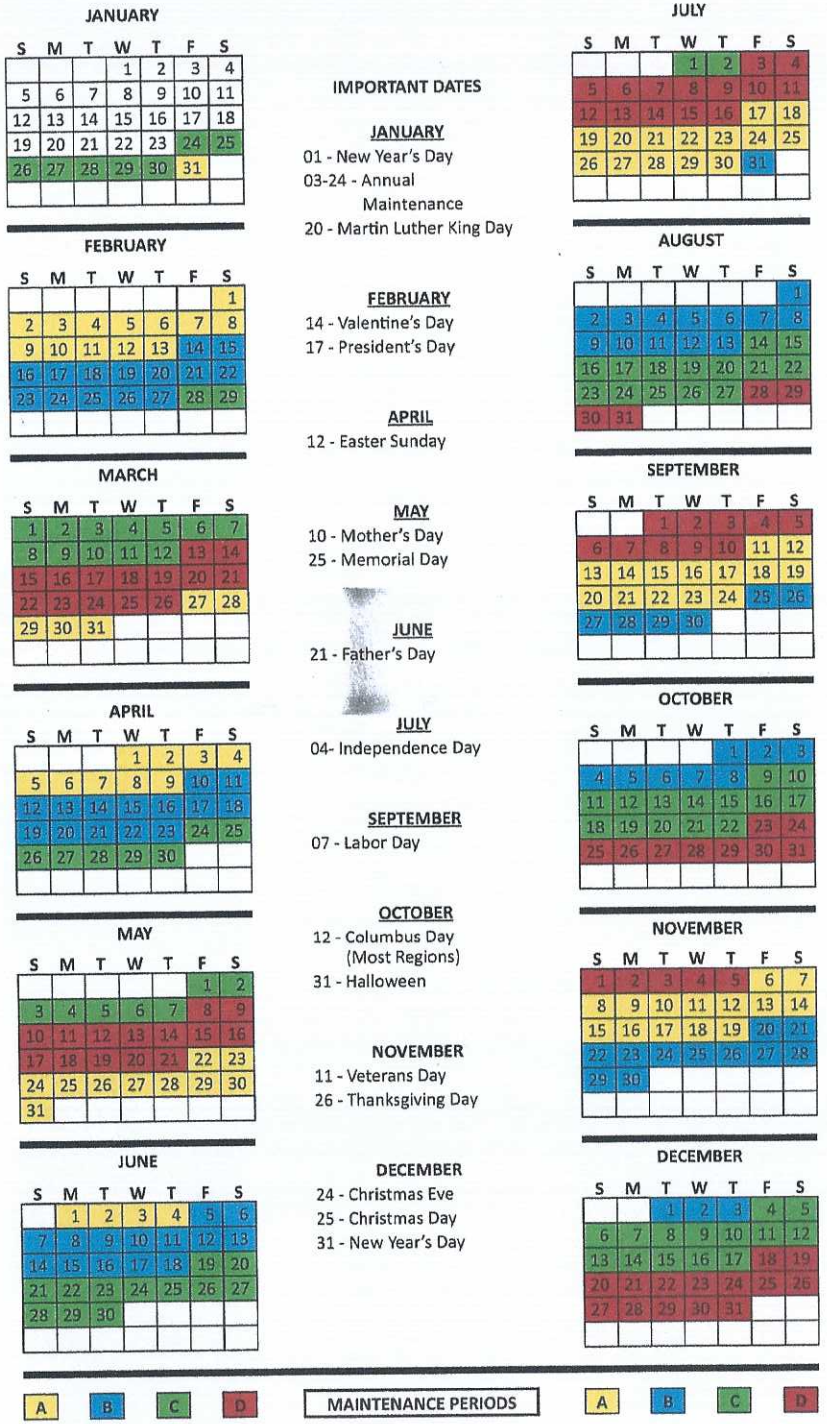
STATE OF TEXAS §
COUNTY OF §

This instrument was acknowledged before me on March 11, 1985, by ROGER L. GALATAS, President of The San Luis Condominium Association, Inc., a Texas nonprofit corporation, on behalf of said corporation.

Cathy J. Ward
Printed Name: CATHY J. WARD
Notary Public
State of Texas
My Commission Expires: 9/28/87

EXHIBIT J

SAN LUIS CONDOS QUARTER-SHARE CALENDAR 2020



IMPORTANT DATES

JANUARY
01 - New Year's Day
03-24 - Annual Maintenance
20 - Martin Luther King Day

FEBRUARY
14 - Valentine's Day
17 - President's Day

APRIL
12 - Easter Sunday

MAY
10 - Mother's Day
25 - Memorial Day

JUNE
21 - Father's Day

JULY
04- Independence Day

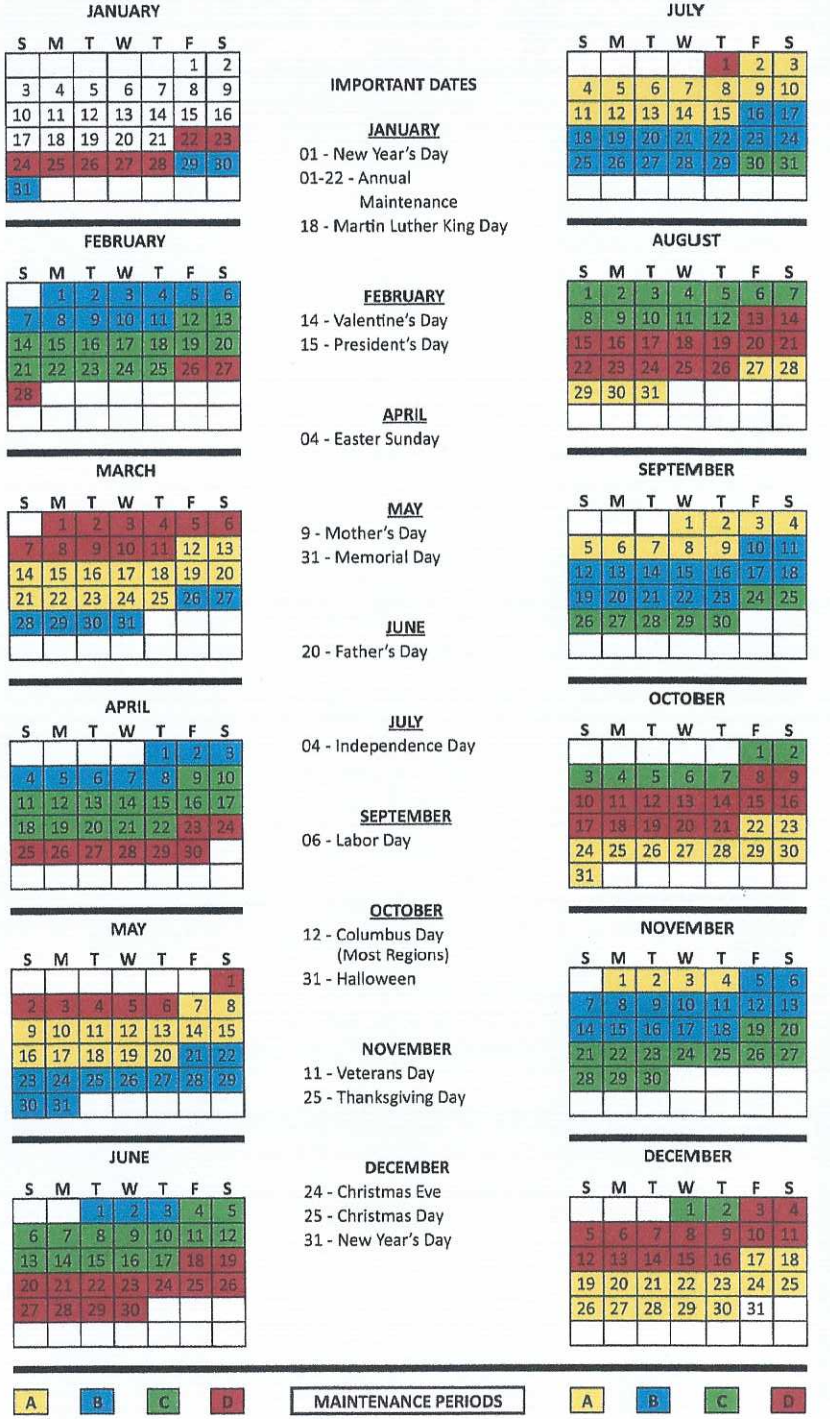
SEPTEMBER
07 - Labor Day

OCTOBER
12 - Columbus Day (Most Regions)
31 - Halloween

NOVEMBER
11 - Veterans Day
26 - Thanksgiving Day

DECEMBER
24 - Christmas Eve
25 - Christmas Day
31 - New Year's Day

SAN LUIS CONDOS QUARTER-SHARE CALENDAR 2021



IMPORTANT DATES

JANUARY
01 - New Year's Day
01-22 - Annual Maintenance
18 - Martin Luther King Day

FEBRUARY
14 - Valentine's Day
15 - President's Day

APRIL
04 - Easter Sunday

MAY
9 - Mother's Day
31 - Memorial Day

JUNE
20 - Father's Day

JULY
04 - Independence Day

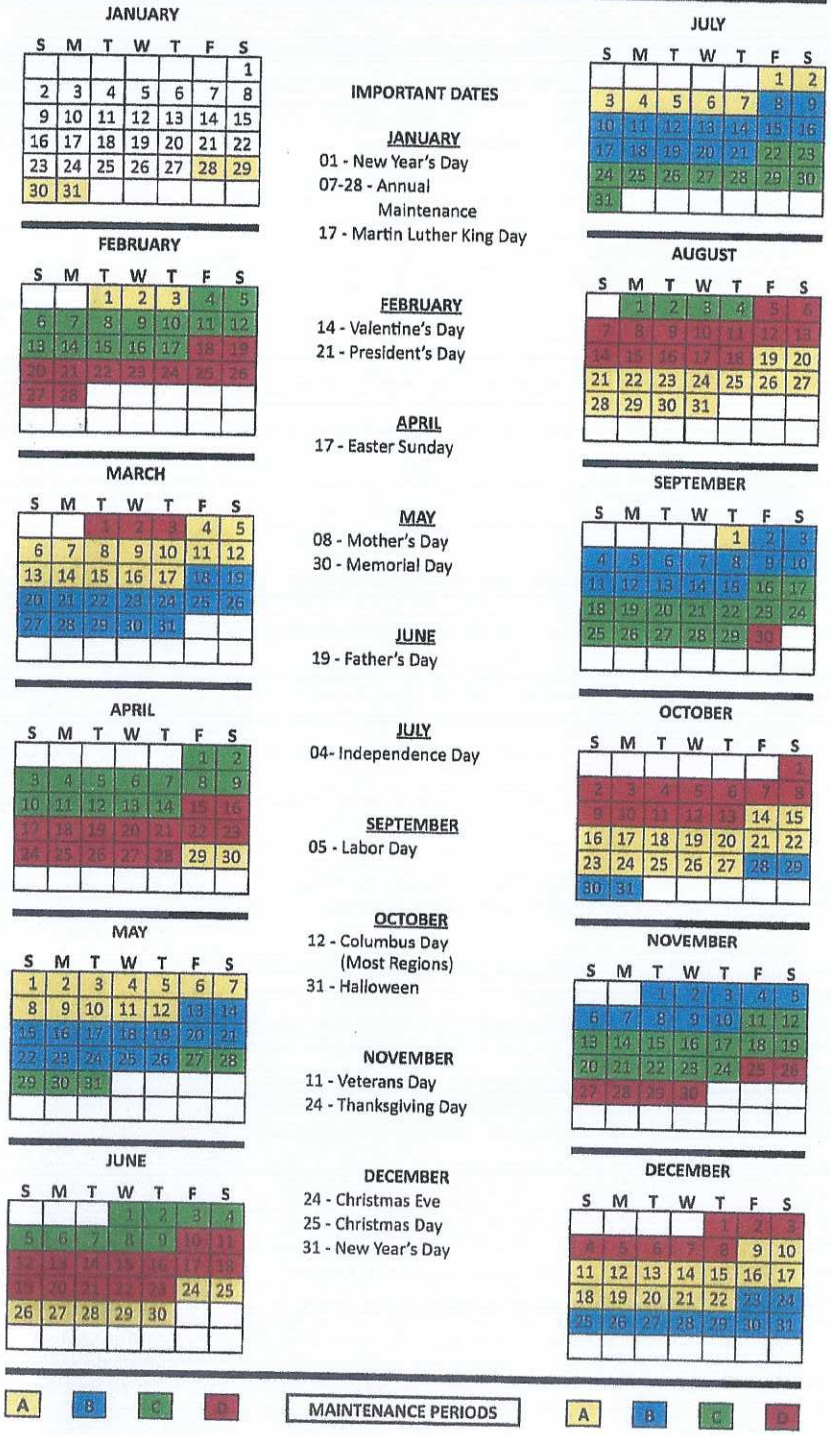
SEPTEMBER
06 - Labor Day

OCTOBER
12 - Columbus Day (Most Regions)
31 - Halloween

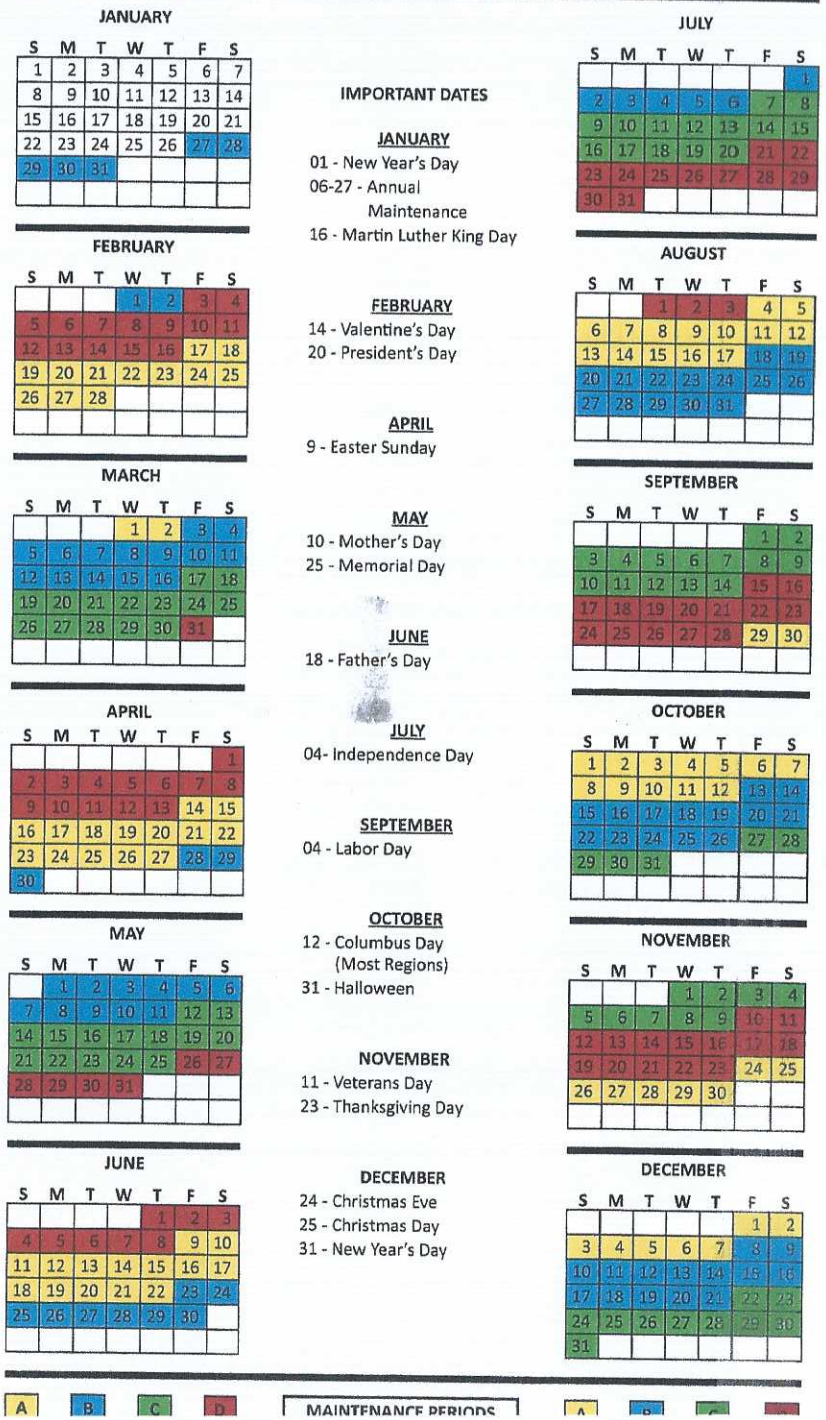
NOVEMBER
11 - Veterans Day
25 - Thanksgiving Day

DECEMBER
24 - Christmas Eve
25 - Christmas Day
31 - New Year's Day

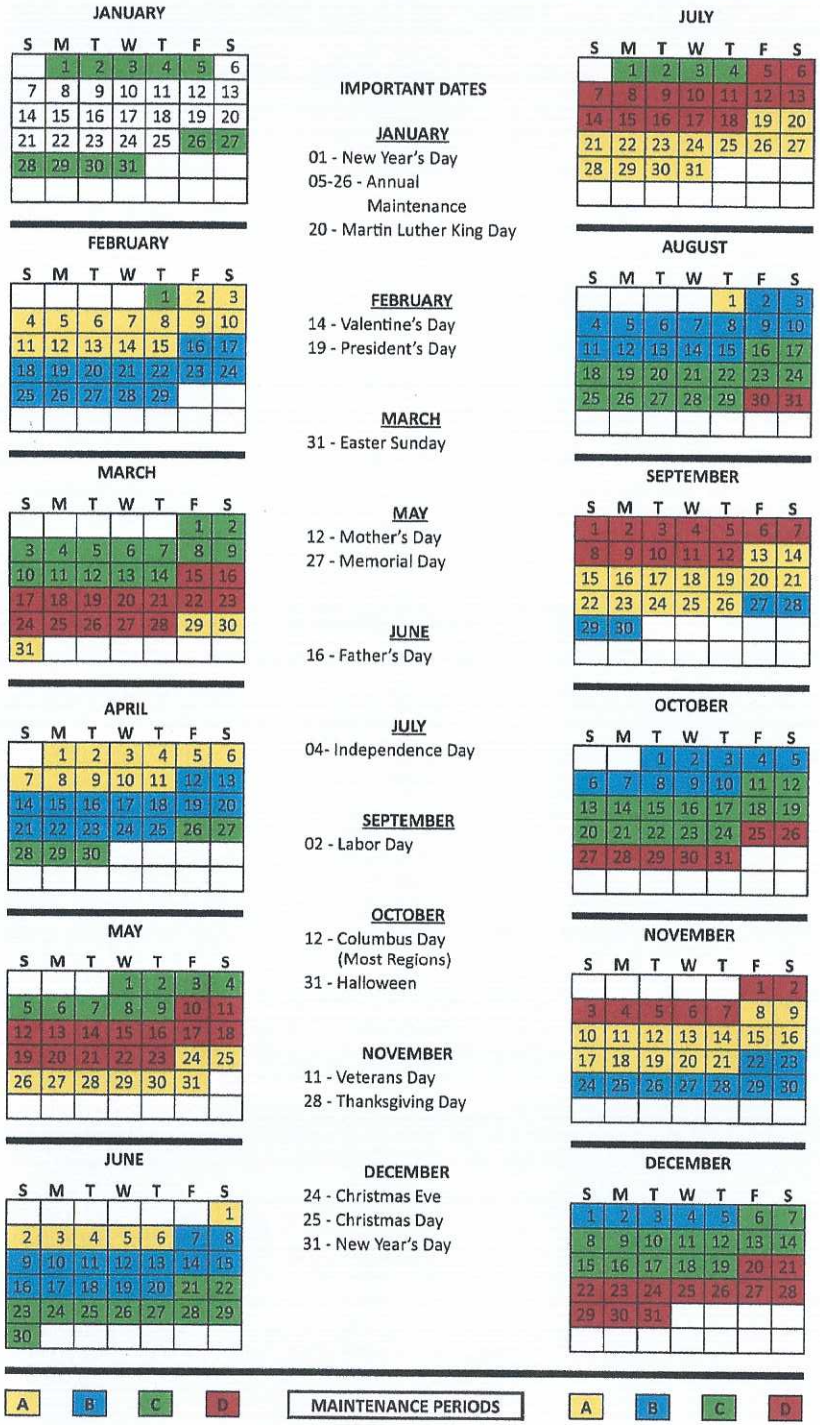
SAN LUIS CONDOS QUARTER-SHARE CALENDAR 2022



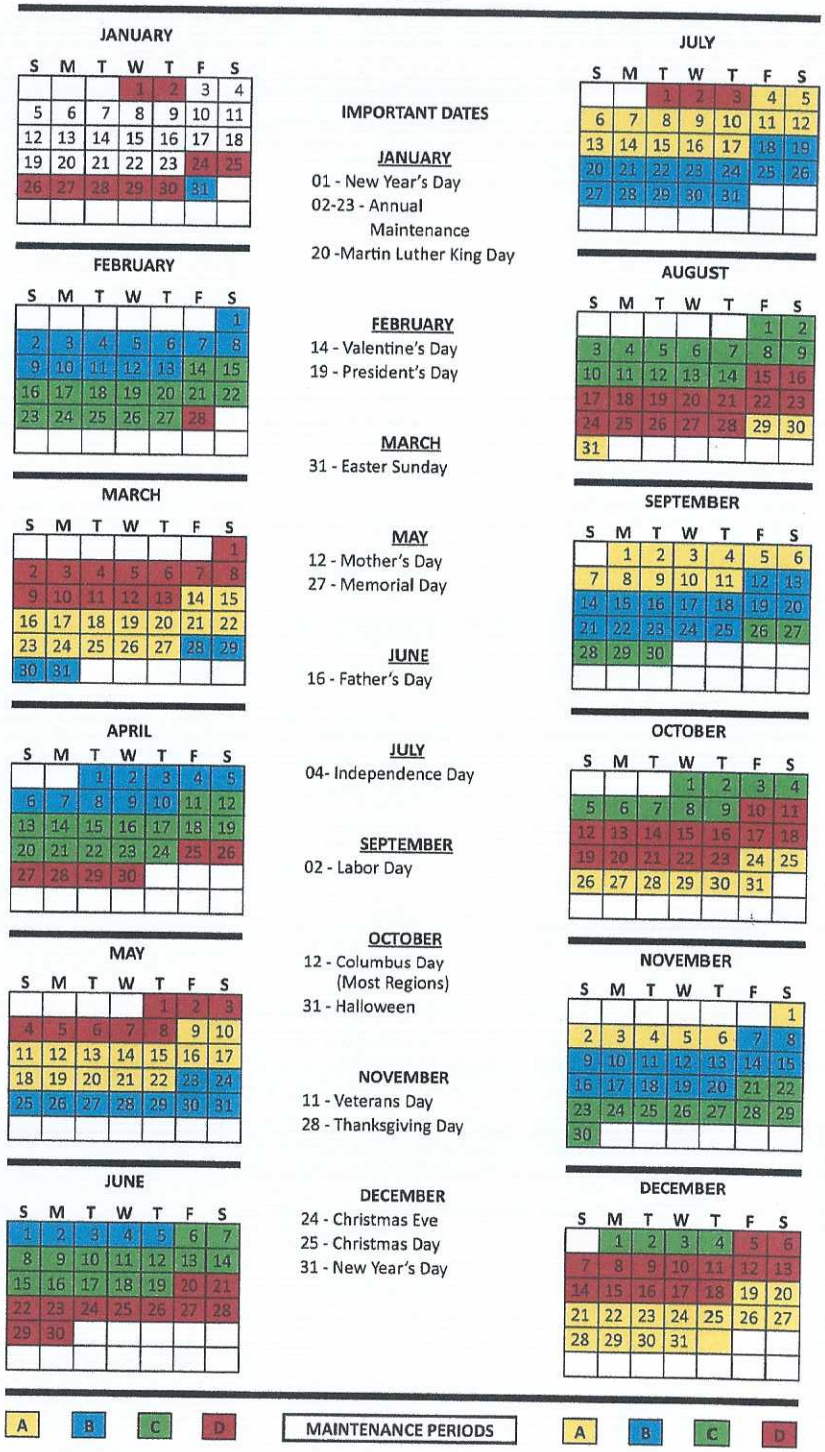
SAN LUIS CONDOS QUARTER-SHARE CALENDAR 2023



SAN LUIS CONDOS QUARTER-SHARE CALENDAR 2024



SAN LUIS CONDOS QUARTER-SHARE CALENDAR 2025



THE SAN LUIS CONDOMINIUM COUNCIL

5220 Seawall Boulevard, Galveston, TX 77551
409-740-8629; Fax-409-740-2853
condos@ldry.com

Serving the Quarter Share Owners at The San Luis Resort

President
Michael W. Say, Units 538C; 636A(2)
michaelwsay@yahoo.com

Vice President
David Neider, Unit 336/337B
david@hciamerica.com

Secretary
Jerald E. (Jerry) Smith, Unit 1535C
jerlisbrie@aol.com

Treasurer
Wanda Buttner, Unit 835C
wbuttner@yahoo.com

Directors
Joseph P. Aiello, Unit 1239C
joeaiello@hotelmakeover.com

Gene Hollier, Unit 1130A
doddholl@aol.com

Kim R. W. Bennetts, Unit 1432/33C
Kbennetts2018@gmail.com

Condominium Manager
Sharoldene Lopez
condos@ldry.com

Website
www.sanluiscondominiums.com

December 2018

To Quarter Share Owners at The San Luis:

It is always a challenge to the Condominium Council Directors to maintain the aging quarter share units annually while only updating each unit on a seven-year schedule. Unfortunately, that challenge is snowballing as the result of failing air conditioning units, Hurricane Harvey-related damages, and building roof leaks.

As you may recall, the Condominium Council has responsibility for the interiors of the 36 quarter share units, while the Condominium Association (of which the Condominium Council is a member) is responsible for the common features (building roof, garage, balconies, hallways, elevators, etc.) as well as external utilities (cooling towers, etc.) of the condo portion of The San Luis Resort. The $316,018 fee that the Condominium Council will pay the Condominium Association in 2019 is over one-half of the Council's 2019 Operating Fund Costs & Expenses budget of $615,888.00. That fee represents a 3.85% increase over last year.

Not included in the Condominium Council's portion of the 2019 Association fee is the $62,125.62 invoice the Council received from the Association in 2018 for its portion of Hurricane Harvey-related damages that were not covered by insurance. That invoice has been paid, but doing so further depleted the Council's Reserve Fund that we must maintain for major unexpected expenses.

In addition to storm damages, those unexpected expenses include repairs to and replacements of HVAC units, which occurred in an unusually large number in 2018. An example of the cost magnitude is the $5,883 cost to repair and still have an old HVAC unit versus the $6,789 cost for a new unit. Since 16 of the original 40 HVAC units have not been replaced, the 35+ years of age of those units caused your Directors to budget for those replacement costs over the next two years. Thus, we found it necessary to increase the Reserve Fund by $121,922 for annual refurbishments, maintenance and repairs.

Those increases, coupled with slight increases in other Operating Fund line items, will result in approximately a 17.9% increase in each quarter share unit's monthly maintenance assessments in 2019. While this is a very significant increase, it is one that your Directors feel is mandatory in order to protect and maintain the investment we each have made in purchasing a San Luis Resort quarter share unit.

The $926,103 Revenues total budget adopted by the Condominium Council for 2019 provides for maintenance fees revenues to be split between the Operating Fund ($610,168) and the Reserve Fund ($309,900). The remaining $5,935 in Operating Fund revenues are budgeted for Late Fees, interest, sale-related transfer fees, and rounding. The Reserve Fund is also budgeted to receive $100 from interest income.

(Continued)

Operating Fund expenditures are budgeted for $615,888 with the largest amount ($316,018) representing the fees the Condominium Council pays the Condominium Association. Other major expenditures budgeted for 2019 include $100,000 for non-major Maintenance and Repair, $65,000 for Housekeeping services, $49,170 for Management fees, $29,925 for Accounting and Billing services, $26,000 for Electric Utilities, $12,000 for Insurance, $5,000 for Relocation expenses related to the adopted Emergency Housing policy, and $4,000 for Transfer fees. Operating Fund expenses of $2,000 or less are budgeted for Audit and tax return fees, Cable TV, Legal fees, Bank charges, Postage, Printing and Office expenses, Board meeting expenses, and Bad Debts.

Reserve Fund expenditures for 2019 include $230,000 for Annual Refurbishments, and $80,000 for Maintenance and Repairs,

Maintenance Fees

The monthly maintenance fees are based on the square foot size of the quarter share unit. The following 2019 fees are rounded to the nearest dollar.

TYPE AND NUMBER	2019 MONTHLY FEE	2018 MONTHLY FEE	MONTHLY INCREASE
Efficiency (17 units)	$ 313.00	$266.00	$ 47.00
One bedroom/one bath (11 units)	$ 627.00	$532.00	$ 95.00
One bedroom/1.5 bath (4 units)	$ 739.00	$626.00	$ 113.00
Two bedroom/two bath (3 units)	$ 941.00	$798.00	$ 143.00
Two bedroom/2.5 bath (1 unit)	$1,052.00	$892.00	$ 160.00

If you are not taking advantage of the ACH draft program to pay maintenance fees, please remember that your maintenance fees are to be mailed to The San Luis Condominium Council, P. O. Box 538, Galveston, Texas 77553 and ARE NOT to be mailed to or left with Condominium Manager Sharoldene Lopez.

Please be aware that failure to pay two or more monthly maintenance fees on time will result in you and/or your guest being "locked out" of use of the unit during your assigned time. The Condominium Council Directors have adopted a policy to require payments of all outstanding maintenance and late fees to be received at the payment address of The San Luis Condominium Council (P.O. Box 538, Galveston, Texas 77553) by the Friday prior to the scheduled usage of such unit for the lock-out to be lifted.

Thank you for your understanding and continued support of the efforts of the Condominium Council's Directors as we attempt to ensure the value of our investment!

Michael W. Say
President
The San Luis Condominium Council

THE SAN LUIS CONDOMINIUM COUNCIL UNINHABITABLE HOUSING POLICY

STATEMENT OF PURPOSE

Just as damage may make a personal home uninhabitable and result in the owner of that home to incur expenses for temporary housing, so shall it be the expectation for each quarter share owner that his/her unit at The San Luis Condominiums may, at times, be unavailable for their personal use, or use of their guest, or use of an RCI exchange guest, or a rental guest through the rental program of The San Luis Resort. The expense of the temporary housing after the first 24 hours, and/or the loss of rental income after the first 24 hours, and/or compliance with RCI exchange requirements shall be the sole responsibility of the affected quarter share owner and not of The San Luis Condominium Council.

Quarter share ownership makes The San Luis Condominiums unusual among timeshare facilities in that the ownership by individuals does not create an inventory of available rooms for persons who wish to exchange into The San Luis Condominiums through the RCI exchange program. This situation becomes critical when a unit assigned for exchange is or becomes uninhabitable.

DEFINITIONS

"Uninhabitable" means that a quarter share unit cannot be safely occupied by an owner, an owner's guest, an RCI exchange guest, or a rental guest due to damage by fire and resulting water, or by broken water pipe(s), or by plumbing stoppages and/or overflows, or by failure of heating or air conditioning equipment, or by breakage of the patio window(s) due to an act of nature, not a person-caused accident, or due to incomplete repairs or renovations, or if there is a total closure of The San Luis Resort and/or Condominiums due to fire or storm damage.

"Uninhabitable" **does not** mean that a quarter share unit cannot be safely occupied by an owner, an owner's guest, an RCI exchange guest, or a rental guest due to outside noise, problems with heating or air conditioning equipment, water supply or plumbing, or inoperative utilities.

"Uninhabitable" does not include a condominium unit owned full-time and which may have suffered damages due to an issue in a quarter-share unit.

DETERMINATION OF STATUS

It shall be the sole discretion of The San Luis Condominium Manager or designee, after consultation with The San Luis Resort engineer and The San Luis Resort security director and any current Council Director in residence at the time, to declare the quarter share unit uninhabitable. Such designation shall be justified in writing and e-mailed to all Council Directors within 24 hours of the designation.

PROCEDURAL ACTIONS

When a quarter share unit is deemed uninhabitable, The San Luis Condominium Manager shall:

1. take immediate and appropriate action to return the unit to habitable status;
2. arrange for temporary housing of the unit occupier (or scheduled unit occupier, if necessary) for a period not to exceed 24 hours in (a) an available, unoccupied quarter share unit, or (b) a hotel room at The San Luis Resort, or (c) a hotel room at a property owned by Fertitta Hospitality, or (d) a condominium unit in the rental program; and
3. arrange for transfer of the inhabitable unit's owner/guest and their personal belongings to the temporary unit.

4. If the uninhabitable quarter share unit is or is to be occupied by an RCI exchange guest, The San Luis Condominium Manager or designee MUST immediately notify RCI of the situation so that RCI can take appropriate action to find a replacement exchange for the guest at no cost to The San Luis Condominium Council.

As soon as The San Luis Condominium Manager deems the affected quarter share unit habitable, but within not more than 24 hours, The San Luis Condominium Manager shall arrange for the transfer of the affected owner/guest and their personal belongings back to the quarter share unit or to their mode of transportation.

Cost, if any, for the temporary housing and transfer of personal belongings shall be charged to an “Emergency Housing” account in the annual budget.

If the affected quarter share unit is unavailable for use during the next assigned usage period, The San Luis Condominium Manager shall make every effort (documented in writing) to contact the quarter share owner assigned that usage period to advise them of the unit’s status.

If the affected quarter share unit is in the RCI exchange program, The San Luis Condominium Manager shall also notify RCI of the unit’s status.

Notification to RCI of the quarter share units scheduled for annual renovations shall also be made by The San Luis Condominium Manager by November 1 annually.

CAUSE OF ACTION

If the cause of the uninhabitable status of a quarter share unit is determined by The San Luis Condominium Manager and appropriate other officials to be due to the illegal or intentional action of the owner or guest, The San Luis Condominium Council shall take appropriate legal action.

ADOPTED: August 27, 2010

AMENDMENT DATE:September 28, 2018

ADOPTED POLICY

THE SAN LUIS CONDOMINIUM COUNCIL
"SPLIT" SPECIFIC TIME-USAGE POLICY

The Declarations and Bylaws of The San Luis Condominium Council only address quarter-share ownership of units. However, if a quarter-share owner "splits" ownership of the specific time-usage period titled to the unit, the multiple owners of the specific time-usage period (A, B, C or D) titled to the unit must designate one of the owners as the "agent of record" to receive monthly maintenance fee statements for the specific time-usage period titled to the unit, and to remit a single monthly payment of the maintenance fees for the specific time-usage period titled to the unit. Such designation must be submitted in writing to both the Condominium Manager and to the accountant's office for The San Luis Condominium Council.

If an "agent of record" for the specific time-usage period titled to the unit is not designated by the multiple owners within 30 days of the specific time-usage period's ownership split, The San Luis Condominium Council shall designate one of the multiple owners as the "agent of record" for that specific time-usage period.

Even with the designation of an "agent of record", each owner of a "split" specific time-usage period titled to the unit shall be held responsible for payment of monthly maintenance fees by each of the owners among whom the specific time-usage period titled to the unit is "split". The failure to make monthly maintenance fee payments by any of the owners of the "split" specific time-usage period titled to the unit will subject all of the "split" owners of that specific time-usage period titled to the unit to the provisions of The San Luis Condominium Council's "Use of Locked-Out Unit" policy.

The Condominium Manager shall communicate to the closing agent for each proposed sale of a quarter-share unit an "agent of record" form for use by the multiple owners of a unit with a "split" specific time-usage period to designate one of the owners to receive monthly maintenance fee statements for the "split" specific time-usage period, and to remit a single monthly payment of the maintenance fees for the specific time-usage period.

ADOPTED: October 20, 2017

AMENDED: October 20, 2017; December 1, 2017

March 25, 2010

The San Luis Condominiums:

We have completed the installation of the new access control system for the condominiums. Improvements have been made for your convenience. In preparation for activating the system we wanted to pass along the following information. The security system will be activated Monday April 19, 2010 common area doors and the parking garage will require an access card for entry.

- The new system uses newer technology and as such your old access cards will no longer work. **New access cards will be issued** to all authorized persons. Please make arrangements with your property manager to pick up the new access cards.
- The new access control system does utilize proximity access cards which simply means you will need to **hold the card near the reader to gain access to the building from any card reader.**
- We have installed motion sensors above each door to automatically release the lock whenever someone approaches a door.
- The red button is there only as a backup and it is not necessary to push the button under normal circumstances to exit the building. The new system button has a delay built in so once you push the button the lock will release for thirty seconds to allow access.
- A new card reader has been installed below the automatic gate allowing access to the upper levels of the parking garage. You will need to present your card to the reader to open the parking garage gate.
- The card reader on the front wall in the condominium lobby has been replaced and relocated to the left of the double doors leading to the elevator lobby. This is a combination keypad and proximity card reader. All new access cards are activated for entry into the building.
- A card reader has been installed on the parking garage side of the doors leading from the garage to the elevator lobby on the ground level,P-2,P-3 P-4 and the south side exterior from the seawall, including entry from the hotel into
  the condominium building. Hold your access card against the card reader and
  the lock will release.

San Luis Condominium Council
Statement of Assets and Liabilities
Tax Basis
As of December 31, 2018

ASSETS

	Operating fund	Reserve fund	TOTAL
ASSETS			
MNB Operating	$ 38,279.23	$ 0.00	$ 38,279.23
MNB Owner Deposit Acct.	103,580.30	0.00	103,580.30
MNB Reserve Fund	0.00	45,239.01	45,239.01
Accounts receivable	56,024.52	3,600.00	59,624.52
Prepaid refurbishment	0.00	190,768.61	190,768.61
S.L. Assoc. owner deposit	16,339.00	0.00	16,339.00
Fixtures and equipment	182,752.74	4,174.39	186,927.13
Accumulated depreciation	(176,833.90)	(4,174.39)	(181,008.29)
TOTAL ASSETS	$ 220,141.89	$ 239,607.62	$ 459,749.51

LIABILITIES & CAPITAL

	Operating fund	Reserve fund	TOTAL
LIABILITIES & CAPITAL			
Deposits from owners	$ 98,898.28	$ 0.00	$ 98,898.28
Unearned revenue	50,819.00	25,825.00	76,644.00
Total Liabilities	149,717.28	25,825.00	175,542.28
Retained Earnings	70,424.61	213,782.62	284,207.23
TOTAL LIABILITIES & CAPITAL	$ 220,141.89	$ 239,607.62	$ 459,749.51