

CONDOMINIUM DECLARATION OF TONILA SQUARE.

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

STATE OF TEXAS

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COUNTY OF WEBB

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PREAMBLE

This Declaration is made on the 12 day of December, 2008, at Webb County, Texas, by FOUR FORCES LTD, A Texas Limited Partnership ("Declarant") (collectively referred to as "Declarant"), whose mailing address is 5714 Cerrito Prieto, Laredo, Texas 78041

RECITALS

1. Declarant is the owner of all of the real property, including the land; all improvements and structures on the property; and all easements, rights, and appurtenances belonging to the property that is located in the, County of Webb, State of Texas (the "Property"). more particularly described in Exhibit "A". which is attached and incorporated by reference.
2. Declarant submits the Property to a condominium regime established by the Texas Uniform Condominium Act (TUCA), which is codified in Chapter 82 of the Property Code.
3. The Property constitutes a condominium project (the "Project") within the meaning of TUCA. The formal name of th Project is TONILA SQUARE, a Condominium.
4. Declarant intends and desires to establish by this Declaration a plan of ownership for the condominium project ("Project"). The plan consists of individual ownership of commercial units (the "Unit(s)") and other areas. The Project shall be divided into no more than twenty-five (25) Units.
5. The Declarant intends to impose on the Project mutually beneficial restrictions for the benefit of all Units and the persons who own those Units (the "Owners"). The Declarant further intends, in accordance with the terms set forth herein, that the Owners will govern the Project by means of an organization of Owners (herein the "Association"), as more particularly set forth herein. The formal name of the Association is TONILA SQUARE OWNER'S ASSOCIATION INC.

6. The Units and other areas of the Project are more particularly described in Exhibit "B" which are attached and incorporated by reference. The Owners each have an undivided interest in the remaining property of the Project (referred to as the "Common Elements"), which is also more particularly described in Exhibit "B". Exhibit "C" sets forth the allocation to each Unit of a) a fraction or percentage of undivided interests in the common elements of the condominium; b) a fraction or percentage of undivided interests in the common expenses of the Association; c) number of votes in the Association, as set forth therein; and d) number of parking spaces assigned to each unit.
7. Therefore, the Declarant declares that the Project is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property and the division of the Property into Units, and all of which are established and agreed on for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Project and every part of the Project. All of the covenants, conditions, and restrictions shall run with the Property and shall be binding on all parties having or acquiring any right, title, or interest in or any part of the Property and shall be for the benefit of each Owner of the Project or any interest in the Project and shall inure to the benefit of and be binding on each successor in interest of the Owners.

Article I DEFINITIONS

- 1.1 ARTICLES mean the Articles of Incorporation of the Association that are or shall be filed in the Office of the Secretary of State of the State of Texas.
- 1.2 ASSOCIATION means the TONILA SQUARE OWNER'S ASSOCIATION, INC., a corporation organized under the Texas Corporation Act for the management of the Project, the membership of which consists of all of the Owners in the Project.
- 1.3 BOARD means the Board of Directors of the Association.
- 1.4 BYLAWS mean the Bylaws of the Association and amendments to the Bylaws that are or shall be adopted by the Board.
- 1.5 CONDOMINIUM means the separate ownership of single units in a multiple-unit structure or structures with common elements.
- 1.6 COMMON ELEMENTS mean all elements of the Project except the separately owned Units, and includes both general and limited common elements.

- 1.7 DECLARANT means FOUR FORCES LTD, A Texas Limited Partnership and its successors and assigns.
- 1.8 DECLARATION means this Declaration document and all that it contains.
- 1.9 GENERAL COMMON ELEMENTS mean all the Common Elements except the Limited Common Elements.
- 1.10 GOVERNING INSTRUMENTS mean the Declaration, and the Articles of Incorporation and Bylaws of the Association.
- 1.11 LIMITED COMMON ELEMENTS mean the Common Elements allocated for the exclusive use of one or more but less than all of the Units.
- 1.12 MANAGER means the person or corporation, if any, appointed by the Board to manage the Project.
- 1.13 OWNER(S) means any person that owns a Unit within the Project.
- 1.14 PERSON means an individual, firm, corporation, partnership, association, trust, other legal entity, or any combination of persons or entities.
- 1.15 PROJECT means the entire parcel or the Property described in Exhibit "A", including the land, all improvements and structures on the Property, and all easements, rights, and appurtenances belonging to the Property that are divided or are to be divided into Units to be owned and operated as a Condominium. The Project shall be divided into no more than twenty-five (25) Units.
- 1.16 RULES mean and refer to the Rules and Regulations for the Project adopted by the Board pursuant to this Declaration and the initial Rules and Regulations attached hereto as Exhibit "E".
- 1.17 UNIT means a physical portion of the condominium designated by Exhibits B and C for separate ownership and occupancy.

Article II

THE PROPERTY

- 2.1 Property Subject to Declaration All the real property described in Exhibit "A" to this declaration, including the land; all improvements and structures on the property; and all

easements, rights, and appurtenances belonging to the property (referred to as the "Property") shall be subject to this Declaration.

- 2.2 Exclusive Ownership and Possession Each Owner shall be entitled to the exclusive ownership and possession of the Owner's Unit. Any Unit may be jointly or commonly owned by more than one Person. No Unit (except Unit 8) may be subdivided. The boundaries of the Unit shall be and are the interior surfaces of the perimeter walls, floors, ceilings, and the exterior surfaces of balconies and terraces. All lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and other finish surface materials are a part of the Unit. An Owner shall not be deemed to own the utilities running through the Owner's Unit that are utilized for or serve more than one Unit, except as a tenant in common with the other Owners. An Owner shall be deemed to own and shall have the exclusive right to paint, repaint, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of the walls, floors, ceilings, windows, and doors bounding the Owner's Unit.
- 2.3 Common Elements Each Owner shall be entitled to an undivided interest in the Common Elements described in Exhibit "C" in the percentage expressed in Exhibit "C". The percentage of the undivided interest of each Owner in the Common Elements, as expressed in Exhibit "C", shall have a permanent character and shall not be altered without the consent of all Owners, expressed in an amended, duly recorded Declaration. The percentage of the undivided interest in the Common Elements shall not be separated from the Unit to which it pertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though the interest is not expressly mentioned or described in the conveyance or other instrument. Each Owner may use the Common Elements in accordance with the purpose for which they are intended as long as the lawful rights of the other Owners are not hindered or encroached on.
- 2.4 Limited Common Elements The Common Elements designated as Limited Common Elements, if any, in Exhibit "C" are reserved for the exclusive use of the Owners of the Units to which they are appurtenant.
- 2.5 Partition of Common Elements The Common Elements, both General and Limited, shall remain undivided and shall not be the object of an action for partition or division of ownership so long as, the Property remains a Condominium Project. In any event, all mortgages must be paid prior to the bringing of an action for partition or the consent of all mortgagees must be obtained.
- 2.6 Nonexclusive Easements Each Owner shall have a nonexclusive easement for the use and enjoyment of the General Common Elements and for ingress, egress, and support over and through the General Common Elements. These easements shall be appurtenant to and shall pass with the title to each Unit and shall be subordinate to the exclusive easements granted elsewhere in this Declaration, as well as to any rights reserved to the Association to regulate time and manner of use, to charge reasonable admission fees, and to perform its obligations

under this Declaration.

- 2.7 Other Easements The Association may grant to third parties easements in, on, and over the Common Elements for the purpose of constructing, installing, or maintaining necessary utilities and services. Each Owner, in accepting the deed to the Unit, expressly consents to such easements. No such easement may be granted, however, if it would interfere with any exclusive easement or with any Owner's use, occupancy, or enjoyment of the Owner's Unit.
- 2.8 Easements for Maintenance of Encroachments None of the rights and obligations of the Owners created in this Declaration or by the deeds granting the Units shall be altered in any way by encroachments due to settlement or shifting of structures or any other cause. There shall be valid easements for the maintenance of such encroachments so long as they shall exist provided, however, that in no even It shall a valid easement for an encroachment be created in favor of any Owner if the encroachment occurred because of the willful conduct of the Owner.
- 2.9 Reservation of Special Declarant Rights.
- a Rights.
- 1 Completion of Construction. Declarant reserves the right to do what is reasonably necessary or advisable in connection with the completion of any work in the Project; and the right to construct and maintain the Common Elements and Units owned or controlled by Declarant, its successors or assigns, or its or their contractors or subcontractors, as may be reasonably necessary for the conduct of its or their business of completing any work and developing, selling, leasing, or managing of the Units in the Project.
 - 2 Model Units and Offices. Declarant reserves the right to maintain, for the above purposes, one or more onsite model units and sales/marketing offices, the size, number, location, and relocation of which shall be determined solely by Declarant; and the right of exclusive use of any sales office(s) and storeroom(s) located in Common Areas.
 - 3 Signs. Declarant reserves the right to maintain a sign or signs for the purpose of marketing the Units in the Project.
 - 4 Assessments. Declarant reserves the assessment payments rights and duties as set forth herein, as permitted by TUCA.
 - 5 Landscaping. Declarant reserves the right to modify the landscaping as provided herein

- b Declarant's Mortgage. Any mortgage of the Declarant's interest in the Project shall be deemed to include the Special Declarant Rights; and any foreclosure sale pursuant to such mortgage shall automatically convey the Special Declarant Rights.
- c Assignment. The rights reserved by Declarant under this Declaration may be transferred as provided in §82.104 of TUCA. A conveyance by the Declarant shall not convey any Special Declarant Rights unless expressly so provided and unless the transferee also executes the conveyance instrument, as required by TUCA.
- d Declarant's Reservation of Development Rights: Declarant hereby reserves any and all rights to the future development of the rear (west) 1.85 acres of the property as shown in Exhibit D-1 attached hereto. Declarant also reserves for itself and to run with the land to the rear 1.85 acres an access easement also depicted in Exhibit D-1.

Article III

UNIT OWNERS ASSOCIATION

- 3.1 Association The Association, organized as a corporation under the Texas Corporation Act, operating under the name TONILA SQUARE OWNER'S ASSOCIATION, INC., is charged with the duties and invested with the powers prescribed by law and set forth in this Declaration and in the Association's Articles of Incorporation and Bylaws.
- 3.2 Membership Membership in the Association is automatically granted to the Owner or Owners of each Unit in the Project. On the transfer of title to any Unit, the membership of the transferor automatically ceases and each new Owner becomes a member.
- 3.3 Voting Rights Voting shall be on a percentage basis. The Owner of each Unit is entitled to a percentage of the total vote equal to the percentage interest that the Owner's Unit bears to the entire Project as assigned in Exhibit "C". If a Unit has more than one Owner, the aggregate vote of the Owners of the Unit may not exceed the percentage of the total vote assigned to the Unit.
- 3.4 Membership Meetings Meetings of the Owners shall be called, held, and conducted in accordance with the requirements and procedures set forth in the Bylaws.
- 3.5 General Powers and Authority The Association through its board of directors shall have all of the powers allowed by TUCA, as well as all the powers of a corporation established under Texas law, subject only to the limitations contained in this Declaration and in the other Governing Instruments. The Association through its board of directors may perform all acts that may be necessary for, or incidental to, the performance of the obligations and duties

imposed on it by this Declaration and the other Governing Instruments. The powers of the Association through its board of directors shall include, but are not limited to' the following:

- a The power to establish, fix, and levy assessments against Owners in accordance with the procedures and subject to the limitations set forth in Article 4 of this Declaration.
- b The power to adopt reasonable operating rules governing the use of the Common Elements and any facilities located on the Common Elements, as well as the use of any other Association property.
- c The right to institute and maintain actions for damages or to restrain any actual or threatened breach of any of the provisions of the Governing Instruments or Association Rules in its own name, either on its own behalf or on behalf of any consenting Owner .
- d The right to discipline owners for violation of any of the provisions of the Governing Instruments or Association Rules by suspension of the violator's voting rights or privileges for use of the Common Elements or by imposition of monetary penalties, subject to the following limitations:
 - 1 The accused Owner must be given written notice of the violation or property damage, stating the amount of any proposed fine or damage charge and that the Owner may make written request for a hearing before the Board within thirty (30) days of the notice.
 - 2 The accused Owner must be given a reasonable time, by a date specified in the notice, to cure the violation and avoid the fine, unless the Owner was given notice and a reasonable opportunity to cure a similar violation within the preceding twelve (12) months.
 - 3 The accused Owner must be given written notice of a levied fine or damage charge within thirty (30) days after the date of levy.
 - 4 Any suspension of privileges or imposition of monetary penalties shall be reasonably related to the Owner's violation.
- e The power to delegate its authority, duties, and responsibilities, through the Board of Directors, to such committees, officers, or employees as are permitted to be retained under the Governing Instruments.
- f The right, through its agents or employees, to enter any Unit when necessary in connection with any maintenance, landscaping, or construction for which the association is responsible. Such entry shall be made with as little inconvenience to

the Owner as is practicable and any damage caused by the entrance shall be repaired by the Association at its own expense.

- 3.6 Board of Directors and Officers of the Association The affairs of the Association shall be managed and its duties and obligations performed by a Board of Directors. Provisions regulating the number, term, qualifications, manner of election, and conduct of meetings of the members of the Board of Directors shall be set forth in the Bylaws of the Association. The Board shall elect officers, which shall include a President, Treasurer, Secretary, and such other officers as the Board may deem proper. Provisions regulating the numbers, term, qualifications, manner of election, powers and duties of the officers shall be set forth in the Bylaws of the Association.
- 3.7 Duties of the Association In addition to the duties delegated to the Association or its agents and employees elsewhere in these Governing Instruments, the Association shall be responsible for the following;
- a Operation and maintenance of the Common Elements and the facilities located on the Common Elements. This duty shall include, but shall not be limited to, exterior painting, maintenance, repair, and landscaping of the Common Elements and of the furnishings and equipment for the Common Elements as the Board shall determine are necessary and proper.
 - b Acquisition of and payment from the maintenance fund for the following:
 - 1 Water, sewer, garbage, electrical, telephone, gas, and other necessary utility service for the Common Elements and, to the extent not separately metered and charged, for the Units.
 - 2 A policy or policies of fire insurance with extended coverage endorsement for the full insurable replacement value of the Units and Common Elements payable as provided in Article 6 of this Declaration, or such other fire and casualty insurance as the Board shall determine gives substantially equal or greater protection to the Owners and their mortgagees, as their respective interests may appear.
 - 3 A policy or policies insuring the Board, the Owners and/or the Association against any liability to the public or to the Owners and their tenants and invitees, incident to the ownership and/or use of the Project, including the personal liability exposure of the Owners. Limits of liability under such insurance shall not be less than \$500,000.00 for any one person injured, \$1,000,000.00 for any one accident, and \$500,000.00 for property damage. The limits and coverage shall be reviewed at least annually by the Board and varied in its discretion, provided, however, that the said limits and coverage

shall never be of fewer kinds or lesser amounts than those set forth in this Paragraph. The policy or policies shall be issued on a comprehensive liability basis and shall provide cross-liability endorsement in which the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her, or their action against another named insured.

- 4 Workers' compensation insurance to the extent necessary to comply with any applicable laws.
 - 5 The services of personnel that the Board shall determine to be necessary or proper for the operation of the Common Elements.
 - 6 Legal and accounting services necessary or proper for the operation of the Common Elements or the enforcement of this Declaration.
- c Preparation and distribution, on a regular basis, of financial statements to the Owners in accordance with the following:
- 1 A pro forma operating statement for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.
 - 2 A balance sheet, as of an accounting date that is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a Unit in the Project, and an operating statement for the period from the date of the first closing to the accounting date shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the numbers of the Project units and the names of the persons assessed.
 - 3 A balance sheet as of the last day of the Association's fiscal year and an operating statement for the fiscal year shall be distributed within 90 days after the close of the fiscal year.
 - 4 Maintenance of the following books and records, such books and records to be kept in accordance with generally accepted accounting procedures:
 - a) Financial records with a detailed account of the receipts and expenditures affecting the Project and its administration and specifying the maintenance and regular expenses of the Common Elements and any other expenses incurred by or on, behalf of the Project.
 - b) Minutes of proceedings of Owners, Board of Directors, and

Committees to which any authority of the Board of Directors has been delegated.

- c) Record of the names and addresses of all Owners with voting rights.
- d) Plans and specifications used to construct the Project.
- e) The condominium information statement given to all Owners by the Declarant before sale.
- f) Voting records, proxies, and correspondence relating to declaration amendments.

- 5 Arrangement for an annual review or compilation of the financial statements prepared by the Association to be done by an independent certified public accountant unless the Association, because of state law, requires otherwise.

3.8 Declarant's Control Period Declarant shall have the power to appoint and remove officers and members of the Board until one hundred twenty (120) days after Declarant has conveyed seventy-five percent (75%) of the Units in the Project to Owners other than Declarant, provided, however, that, not later than the one hundred twentieth (120th) day after Declarant's conveyance of fifty percent (50%) of the Units to Owners other than a Declarant, not less than one third of the Board members must be elected by Owners other than Declarant.

3.9 Powers and Duties of the Board of Directors The Board shall act in all instances on behalf of the Association, unless otherwise provided by this Declaration. The Board's powers and duties shall include, but shall not be limited to, the following:

- a Enforcement of the applicable provisions of this Declaration, the Bylaws, and any Rules of the Association.
- b Payment of taxes and assessments that are or could become a lien on the Common Elements or a portion of the Common Elements.
- c Contracting for casualty, liability, and other insurance on behalf of the Association.
- d Contracting for goods and services for the Common Elements, facilities, and interests of the Association.
- e Delegation of its powers to such committees, officers, or employees of the Association as are expressly authorized by the Governing Instruments.

- f Preparation of budgets and financial statements for the Association as prescribed in the Governing Instruments.
 - g Formulation of rules of operation for the Common Elements and facilities owned or controlled by the Association.
 - h Initiation and execution of disciplinary proceedings against Owners for violations of provisions of the Governing Instruments in accordance with procedures set forth in the Governing Instruments.
 - i Authorizing entry into any Unit as necessary in connection with construction maintenance, or emergency repair for the benefit of the Common Elements or the Owners in the aggregate.
- 3.10 Limitations on Powers of Board of Directors Notwithstanding the powers set forth in Paragraph 3.8 and 3.9 of this Declaration, the Board shall be prohibited from taking any of the following actions except with the approval of a majority of the voting power of the Association residing in the Owners:
- a Entering into i) a contract with a third person under which the third person will furnish goods or services for a term longer than one year, except for a management contract approved by the Federal Housing Administration or Veterans' Administration; ii) a contract with a public utility if the rates charged are regulated by the Public Utilities Commission, provided that the term shall not exceed the shortest term for which the utility will contract at the regulated rate; or iii) prepaid casualty and/or liability insurance of not more than two (2) years duration, provided that the policy provides for short-rate cancellation by the insured.
 - b Incurring aggregate expenditures for capital improvements to the Common Elements in any fiscal year in excess of five (5) percent of the budgeted gross expenses of the Association for that fiscal year.
 - c Selling during any fiscal year property of the Association having an aggregate fair market value in excess of five (5) percent of the budgeted gross expenses of the Association for that fiscal year .
 - d Paying compensation to Directors or to officers of the Association for services rendered in the conduct of the Association's business, provided, however, that the Board may cause a Director or officer to be reimbursed for expenses incurred in carrying out the business of the Association.

Article IV ASSESSMENTS

- 4.1 Covenant to Pay The Declarant covenants and agrees for each Unit owned by it in the Project, and each Owner by acceptance of the deed to such Owner's Unit is deemed to covenant and agree, to pay to the Association the regular and special assessments levied pursuant to the provisions of this Declaration. All moneys collected shall be put into a maintenance fund to be used to defray expenses attributable to the ownership, operation, and maintenance of common interests by the Association. The Owner may not waive or, otherwise escape liability for these assessments by non-use of the Common Elements or by abandonment of the Owner's Unit.
- 4.2 Regular Assessments Regular assessments shall be made in accordance with the following. Within sixty (60) days prior to the beginning of each calendar year, the Board shall estimate the net charges to be paid during that year, including a reasonable provision for contingencies and replacements with adjustments made for any expected income and surplus from the prior year's fund. This estimated cash requirement shall be assessed to each Owner according to the ratio of the number of saleable square footage owned by said Owner to the total number of saleable square footage in the Project subject to assessment. Each Owner is obligated to pay assessments to the Board in at least semi-annual installments on or before January 1st and July 1st of each calendar year.
- 4.3 Initial Assessments The initial assessment to be charged to and paid by any Owner for the first year from date such Owner acquires title to such Commercial Unit shall be an amount equal to the estimated current annual operating budget multiplied by the Owner's prorata ownership percent (Exhibit "C") for each Commercial Unit and shall be paid twelve (12) months in advance at time of sale to and purchase of such Commercial Unit by Owner. In the event the actual operating expenses in the first year exceeds the estimated annual operating budget, then each Unit Owner shall pay their prorata share of any such deficiency within thirty (30) days of request for payment of same by the Owner's Association. Provided however, Declarant shall not be responsible to pay such assessments on any unsold Condominium units it retains, except those retained for lease, by Declarant, which will require payment of all assessments provided for herein upon commencement of such lease or leases.
- 4.4 Special Assessments Special assessments shall be made in accordance with the following. If the Board determines that the amount to be collected from regular assessments will be inadequate to defray the common expenses for the year because of the cost of any construction, unexpected repairs, replacements of capital improvements on the Common Elements, or for any other reason, it shall make a special assessment for the additional amount needed. Such special assessments shall be levied and collected in a manner decided upon by the Association.
- 4.5 Limitations on Assessments The Board may not, without the approval of a majority of the voting power of the Association residing in Owners other than Declarant, impose a regular annual assessment per Unit that is more than twenty (20) percent greater than the regular

annual assessment for the preceding year, or levy special assessments that in the aggregate exceed five (5) percent of the budgeted gross expenses of the Association for that year. These limitations shall not apply to a special assessment levied against an Owner to reimburse the Association for funds expended in order to bring the Owner into compliance with the provisions of the Association's Governing Instruments.

- 4.6 Commencement of Assessments Regular assessments for each unit shall commence on the date of closing of the sale or lease of each Unit in the Project.
- 4.7 Liability for Assessments Each portion of a regular assessment and each special assessment shall be a separate, distinct, and personal debt and obligation of the Owner against whom the assessments are assessed. The amount of any assessment not paid when due shall be deemed to be delinquent and become a charge upon the land and the Commercial Unit(s) to which it pertains. Each such assessment together with interest, collection costs and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Commercial Unit or Units at the time when the assessment fell due. Any assessments which are not paid within thirty (30) days after the due date shall bear interest from the date of delinquency at the highest rate permitted by law and such assessment, together with interest, collection costs and reasonable attorney's fees shall become a continuing lien on the Commercial Unit or Units, which shall bind such Commercial Unit or Units in the hands of the then Owner, his heirs, devisees, successors, personal representatives and assigns.
- 4.8 Payment of Assessments on Conveyance of Unit On the sale or conveyance of a Unit, all unpaid assessments against an Owner for the Owner's share in the expenses to which Articles 4.02, 4.03 and 4.04 of this Declaration refer shall first be paid out of the sale price or by the purchaser in preference over any other assessments or charges of whatever nature, except the following:
- a Assessments, liens, and charges in favor of the State of Texas and any political subdivision of the State of Texas, the County of Webb and/or the City of Laredo for taxes past due and unpaid on the Unit.
 - b Amounts due under mortgage instruments duly recorded.
- 4.9 Lien and Foreclosure for Delinquent Assessments The Association shall have a lien on each Unit for any delinquent assessments attributable to that Unit. The Association is authorized to enforce the lien through any available remedy, including nonjudicial foreclosure pursuant to Texas Property Code Section 51.002. The Owners expressly grant to the Board a power of sale, through a trustee designated in writing by the Board, in connection with any such liens. The Board may bring an action at law against the Owner personally obligated to pay any Assessments, interest, collection costs and reasonable attorney's fees or foreclose the lien against the Commercial Unit or Units, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Each Owner, by his

acceptance of a deed to a Commercial Unit or Units, hereby expressly vests in the Board or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien and these covenants by all methods available for the enforcement of such lien. The lien provided for in this section shall be in favor of the Board and shall be for the common benefit of all Owners. The Board action on behalf of the Owners shall have the power to bid upon an interest foreclosed at a foreclosure sale and to acquire and hold, lease mortgage and convey the same.

Article V RESTRICTIONS AND COVENANTS

5.1 General Restrictions on Use The right of an Owner and the Owner's guests to occupy or use the Owner's Unit or to use the Common Elements or any of the facilities on the Common Elements is subject to the following restrictions:

- a No Owner shall occupy or use the Owner's Unit, or permit the Unit or any part of it to be occupied or used, for any purpose other than as a commercial business Unit. In this connection, the Commercial Units to be created pursuant to this Declaration shall be limited to uses consistent with retail stores, offices, professional offices, administrative offices of the association, restaurants, specialty food shops (such as coffee, ice cream, candy, doughnut shops, etc.) and other uses consistent with retail uses or establishments. Also other prohibited uses of any units whether by the owners of such units, their tenants and/or assigns of the owners and/or their tenants may not be used for establishments that allow on-premises liquor consumption, except when part of a restaurant, or pool hall. No Establishment with Gaming Machines (eight liners/slot machines etc.) will be allowed. In connection with these restrictions no more than three (3) units/locations may be used which offer the same type of goods and/or services within the Project. Two (2) or more units operating the same business enterprise shall be considered one unit. Any deviation from these enumerated uses must be approved by seventy-five percent (75%) vote of the ownership of the Condominium Project, except as hereinbefore provided. No unit shall be used for residential purposes. Nothing in this Declaration shall prevent the Owner from leasing or renting out the Owner's Unit, provided that the Unit is not used for transient or hotel purposes and that the term of the lease is for a period of at least sixty (60) days and is subject to the Association's Governing Instruments and Rules and this Declaration.
- b There shall be no obstruction of the Common Elements. Nothing shall be stored in the Common Elements without the prior consent of the Board, except as expressly provided for in the Declaration, or in designated storage areas.
- c Nothing shall be done or kept in any Unit or in the Common Elements that will

increase the rate of insurance on the Common Elements without the prior written consent of the Board. No Owner shall permit anything to be done or kept in the Owner's Unit or in the Common Elements that will result in the cancellation of insurance on any Unit or on any part of the Common Elements or that would be in violation of any law. No waste shall be permitted in the Common Elements. No gasoline, kerosene, cleaning solvents, or other flammable liquids shall be stored in the Common Elements or in any Unit, provided, however, that reasonable amounts in suitable containers may be stored in storage spaces of each unit.

- d Declarant is to provide a Building Name Directory on the outside of the building on the sign post located on the Common Elements advertising the Condominium Project itself to be used solely for the purpose of identifying the Owners' Commercial Unit, name of such Owners' business situated in the Project and/or the name of any business to which any Owner may be leasing its Commercial Unit to be situated in the Building which houses the Commercial Condominium Units. Such directory shall be a reasonable size as determined by Declarant, which size may not be increased without approval of the Board and additional expense of the Association.
- e Declarant hereby appoints Rhino Builders Ltd. and a representative of Declarant as the Architectural Control Committee to approve or disapprove any owner's proposed finish-outs of its/his/her unit(s) prior to such finish-outs and the right to approve any contractor, any owner may employ to do such finish-outs. Such approval shall not be unreasonably withheld. In the event the Architectural Control Committee fails to take action to approve or disapprove the finish-out plans and/or contractor selected to construct same within thirty (30) days after submittal to the Architectural Control Committee, then such finish-out plans and contractor selected will have been deemed to be accepted.
- f No animals, livestock, or poultry of any kind shall be raised, bred, kept or sold in the Units or in the Common Elements.
- g No noxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done in any Unit or in the Common Elements that may be or become an annoyance or nuisance to the other Owners. No Unit shall be used solely as a bar and/or billiard hall serving its customers alcoholic beverages.
- h Nothing shall be altered or constructed in or removed from the Common Elements, except on the written consent of the Board.
- i There shall be no violation of the Rules adopted by the Board and furnished in writing to the Owners pertaining to the use of the Common Elements. The Board is authorized to adopt such Rules.

- j The common elements attributed to parking is for use of the Owners, their guests, and customers. All Owners have equal right to use such parking in such proportion as they own in the common elements. No one Owner has the exclusive right to use or limit the use of any parking for its/his/her Commercial Unit. No Owner shall repair any automobile or other motor vehicle in the Common Elements. The Board has the right to adopt such Rules for use of the parking lot area (Common Elements) as is necessary for the orderly and beneficial utilization of such by all Owners.
- 5.2 Maintenance Except for the parking area, sign directory located on the Common Elements, which the Association is required to maintain and repair, each Owner shall, at its/his/her sole cost and expense, maintain and repair its/his/her Commercial Unit, including but not limited to the interior portions of such unit(s) roof, walls, floor, air-conditioning system, plumbing, electrical, glass windows, glass doors, and other structural portions of such Owner's Commercial Unit, keeping the same in good condition and repair. Each Owner shall also maintain and repair those portions of the Common Elements subject to an exclusive easement appurtenant to its/his/her Commercial Unit.
- 5.3 Damage Liability Each Owner shall be liable to the Association for all damage to the Common Elements or to other Association property that is sustained by reason of the negligence or willful misconduct of that Owner or the Owner's family, guests, tenants, or customers.
- 5.4 Exemption Declarant shall be exempt from the restrictions of Article 5.1 of this Declaration to the extent reasonably necessary for completion of construction, sales, or additions to the Project. Such exemption includes, but is not limited to, maintaining Units as model units, placing advertising signs on Project property, and generally making use of the Project and Common Elements as is reasonably necessary to carry on construction activity.
- 5.5 **SIGNS AND EXTERIOR ATTACHMENTS:** Declarant will provide a pylon type sign post to be used for the purpose of identifying the condominium project as TONILA SQUARE. The sign will be designed to allow each Unit Owner to place the name of their business on the sign. The area on the sign located to each Unit will be in proportion to the size of each Unit. Letters only naming the business will be allowed. Each Unit is required to display its business name on the sign post. The sign will be situated in the Common Area and be maintained from the maintenance fund. Such sign shall be a reasonable size and shape as determined by Declarant. Size, shape and location of the sign may not be changed without Board approval. Each Unit must display a sign in the sign panel locations described in the Declaration. This sign will be solely for the purpose of identifying the business located in the Unit and not be used for any type of promotional advertising. The sign must be lighted seven days a week.
- a All signage must be approved in writing by Declarant or the Architectural Control

Committee (as the case may be) before installation. Each Unit must display a sign on the exterior surface of the canopy side wall at the stucco sign panel assigned to the Unit. The size limitations of the sign are the same as those required by the City of Laredo Development Code and as approved by Declarant or the Architectural Control Committee. Each sign must be lighted. However, no type of flashing sign shall be allowed.

- 1 All signs must be installed within Forty-Five (45) days of opening business. Temporary signs or grand opening signs cannot be displayed for more than One Hundred Twenty (120) days.
- 2 All lettering must be individually mounted, fully enclosed channel lettering having a minimum of 5 " depth.
- 3 No channelume lettering, bare bulb lighting, billboards, painted wood, plastic or metal panels, internally lighted box-type signs, temporary signs, attraction boards, non-illuminated signs, or movable signs of any nature are allowed.
- 4 All signs must be lighted with neon-tubing. Neon tubing must be 30MA. The number of rows of tubing shall depend on the face width (stroke) of the letters to achieve even light distribution.
- 5 All fasteners, screws, bolts and similar hardware used in the fabrication or installation of each sign must be rustproof.
- 6 Declarant or Committee shall have complete authority to grant whatever variances to the signage requirements or to change the signage requirements as is deemed to be in the best interest of the project.

Article VI DAMAGE OR DESTRUCTION

6.1 Application of Insurance Proceeds

- a If the Project is damaged by fire or any other disaster, the insurance proceeds, except as provided in Paragraph 6.1(b) of this Declaration, shall be applied to reconstruct the Project.
- b Reconstruction shall not be compulsory if at least 80 percent of the vote of the Owners, which shall include the vote of each Owner of a unit or assigned limited common element that will not be rebuilt or repaired, is cast not to rebuild. If the Owners so vote to not rebuild any Unit, that Unit's allocated interests shall be automatically reallocated on the vote as if the Unit had been condemned, and the

Association shall prepare, execute, and record an amendment to Exhibit "C" of the Declaration reflecting the reallocation. If the entire Project is not repaired or replaced and unless otherwise unanimously agreed to by the Owners, the proceeds shall be delivered pro rata to the Owners or their mortgagees, as their interest may appear, in accordance with the percentages or fractions set forth in Exhibit "C" of this Declaration.

- 6.2 Insufficient Insurance Proceeds When the insurance proceeds are insufficient to cover the cost of reconstruction and reconstruction is required by Paragraph 6.1, above, all costs in excess of the insurance proceeds shall be paid by all the Owners directly affected by the damage, in proportion to their ownership interest in the respective Commercial Units. If anyone or more of those composing the minority shall refuse to make such payments, the majority may proceed with the reconstruction at the expense of all the Owners benefitted thereby, on proper resolution setting forth the circumstances of the case and the costs of the work. The provisions of this Paragraph may be changed by unanimous resolution of the parties concerned, adopted subsequent to the date on which the fire or other disaster occurs.
- 6.3 Obtaining Bids for Reconstruction If the Project is damaged by fire or any other disaster, the Board shall obtain firm bids, including the obligation to obtain a performance bond, from two or more responsible contractors to rebuild the Project in accordance with its original plans and specifications. The Board shall also, as soon as possible after obtaining the bids, call a special meeting of the Owners to consider the bids. If the Board fails to do so within sixty (60) days after the casualty occurs, any Owner may obtain bids and conduct a meeting as provided by this Article.
- 6.4 At such meeting, the Owners may, by a vote of not less than sixty-seven (67) percent of the votes present, elect to reject all of the bids or, by not less than fifty-one (51) percent of the votes present, elect to reject all the bids requiring amounts more than five hundred dollars (\$500) in excess of available insurance proceeds. If all bids are rejected, the Board shall obtain additional bids for presentation to the Owners. Failure to reject all bids shall authorize the Board to accept the unrejected bid it considers most favorable.

Article VII RIGHTS OF BENEFICIARIES UNDER DEEDS OF TRUST

- 7.1 Declarant warrants that beneficiaries under deeds of trust to Units in the Project shall be entitled to the following rights and guaranties:
- a Should any of the Association's Governing Instruments provide for a "right of first refusal" such right shall not impair the rights of a beneficiary under a first lien deed of trust to the following:

- 1 To exercise the power of sale, foreclose, or take title to a Unit pursuant to the remedies provided in the deed of trust.
 - 2 To accept a deed or assignment in lieu of sale or foreclosure in the event of default by a grantor.
 - 3 To interfere with a subsequent sale or lease of a Unit so acquired by the beneficiary.
- b A beneficiary under a first lien deed of trust is entitled, on request, to written notification from the Association of any default in the performance by the grantor of any obligation under the Association's Governing Instruments that is not cured within sixty (60) days.
- c Any beneficiary under a first lien deed of trust who obtains title to a Unit pursuant to the remedies provided in the deed of trust will be liable to pay to the Owners Association up to six (6) months accrued unpaid delinquent assessments, if any, that accrue prior to the acquisition of title to the Unit by the beneficiary.
- d Unless at least two thirds (2/3rds) of the beneficiaries under first lien deeds of trust (based on one vote for each first lien deed of trust owned) or Owners other than Declarant give their prior written approval, the Association shall not be entitled to the following:
- 1 By act or omission, to seek to abandon or terminate the Project.
 - 2 To change the prorata interest or obligations of any individual Unit for the purpose of:
 - a) Levying assessments or charges.
 - b) Allocating distributions of hazard insurance proceeds or condemnation awards.
 - c) Determining the pro rata share of ownership of each Unit in the Common Elements and in the improvements in the Common Elements.
 - 3 To partition or subdivide any Unit Except Unit 8.
 - 4 By act or omission, to seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Elements. The granting of easements for utilities or for other public purposes consistent with the intended use of the Common

Elements shall not be deemed a transfer within the meaning of this clause.

- 5 In case of loss to a Unit and/or Common Elements of the Project, to use hazard insurance proceeds for losses to any Project property (whether to Units or to the Common Elements) for other than the repair, replacement, or reconstruction of such property, except as provided by statute.
- e All taxes, assessments, and charges that may become liens prior to the first mortgage under local law shall relate only to the individual Units and not to the Project as a whole.
- f No provision of the Governing Instruments of the Association gives any Owner, or any other party, priority over any rights of a beneficiary under a first deed of trust to a Unit pursuant to its deed of trust in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or taking of Units and/or the Common Elements or portions of the Common Elements.
- g Association assessments shall be large enough to provide for an adequate reserve fund for maintenance, repairs, and replacement of those Common Elements that must be replaced on a periodic basis. The reserve fund will be funded through the regular semi-annual assessments rather than by special assessments.

Article VIII GENERAL PROVISIONS

8.1 Amendment

- a This Declaration may be amended only at a meeting of the Unit Owners at which the amendment is approved by the holders of at least sixty-seven (67%) percent of the ownership interests in the Project.
- b An amendment of the Declaration may not alter or destroy a Unit or a Limited Common Element without the consent of the affected Owners and the Owners' first lien mortgagees.
- c Any amendment shall be evidenced by a writing that is prepared, signed, and acknowledged by the President or other officer designated by the Board to certify amendments. The amendment shall be effective on filing in the office of the county clerk of Webb County, Texas.

8.2 Nonwaiver of Remedies Each remedy provided for in this Declaration is separate, distinct, and nonexclusive. Failure to exercise a particular remedy shall not be construed as a waiver of the remedy.

- 8.3 Severability The provisions of this Declaration shall be deemed independent and severable. The invalidity, partial invalidity, or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.
- 8.4 Binding This Declaration, as well as any amendment to this Declaration, and any valid action or directive made pursuant to it shall be binding on the Declarant and the Owners and their heirs, grantees, tenants, successors, and assigns.
- 8.5 Interpretation The provisions of this Declaration shall be liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of a Condominium Project. Failure to enforce any provision of this Declaration shall not constitute a waiver of the right to enforce the provision or any other provision of this Declaration.
- 8.6 Limitation of Liability The liability of any Owner for performance of any of the provisions of this Declaration shall terminate on sale, transfer, assignment, or other divestment of the Owner's entire interest in the Owner's Unit with respect to obligations arising from and after the date of such divestment.
- 8.7 Fair Housing Neither Declarant nor any Owner shall, either directly or indirectly, forbid the conveyance, encumbrance, renting, leasing, or occupancy of the Owner's Unit to any person on the basis of race, color, sex, religion, ancestry, or national origin.
- 8.8 Notices
- a Notices provided for in this Declaration shall be in writing and shall be deemed sufficiently given with when delivered personally at the appropriate address set forth in Article 8.8.2 of this Declaration, or seventy-two (72) hours after deposit in any United States post office box, postage prepaid, addressed as set forth in Article 8.8.2 of this Declaration.
 - b Any notice to an Owner required under this Declaration shall be addressed to the Owner at the last address for the Owner appearing in the records of the Association or, if there is none, at the address of the Unit in the Project. Notice to the Association shall be addressed to the address designated by the Association by written notice to all Owners. Notices to the Manager shall be addressed to the address designated by the Manager. Notices to Declarant shall be addressed to 315 Calle Del Norte, Suite 1-C, Laredo, Texas 78041.
- 8.9 Number, Gender, and Headings As used in this Declaration, the singular shall include the plural and the masculine shall include the feminine and the neuter, unless the context requires the contrary. All headings are not a part of this Declaration and shall not affect the

interpretation of any provision.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 12 day of December, 2005.

DECLARANT

FOUR FORCES LTD, A Texas Limited Partnership

By Four Forces Mgt LLC, A Texas Limited Liability Company
General Partner

By: [Signature]
Moises Gonzalez, Manager

By: [Signature]
Elvira Gonzalez, Manager

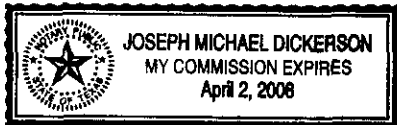
STATE OF TEXAS

§
§

COUNTY OF Webb

§

This instrument was acknowledged before me on this 12 day of December 2005, By **Moises Gonzalez, Manager of Four Forces Mgt LLC, General Partner, of FOUR FORCES LTD, A Texas Limited Partnership.**



[Signature]
Notary Public, State of Texas

STATE OF TEXAS

§
§

COUNTY OF Webb

§

This instrument was acknowledged before me on this 12 day of December 2005, by **Elvira Gonzalez, Manager of Four Forces Mgt LLC, General Partner of FOUR FORCES LTD, A Texas Limited Partnership.**



[Signature]
Notary Public, State of Texas

EXHIBIT "A" To Declaration of Condominium Regime of TONILA SQUARE

Legal Description

Situated in Webb County, Texas, and being the Surface Only of Lot One (1), Block One (1), San Isidro/McPherson No. 1 Subdivision, according to Plat thereof recorded in Volume 16, Page 38, Plat Records of Webb County, Texas.

EXHIBIT "B" To Declaration of Condominium Regime of TONILA SQUARE

Square Footage of Complex

| BUILDING | UNIT NUMBER | ASSESSABLE SQUARE FOOTAGE | NON ASSESSABLE SQUARE FOOTAGE |
|----------|-------------|---------------------------------|-------------------------------------|
| A | 1 | 2,855.49 | 0.00 |
| A | 2 | 1,006.60 | 615.00 |
| A | 3 | 1,026.67 | 615.00 |
| A | 4 | 1,026.67 | 615.00 |
| A | 5 | 1,026.67 | 615.00 |
| A | 6 | 1,026.67 | 0.00 |
| A | 7 | 1,026.67 | 0.00 |
| A | 8 | 1,026.67 | 0.00 |
| A | 9 | 1,026.67 | 0.00 |
| A | 10 | 1,026.67 | 0.00 |
| A | 11 | 948.00 | 0.00 |
| A | 12 | 1,262.00 | 0.00 |
| A | 13 | 1,026.67 | 0.00 |
| A | 14 | 1,026.67 | 0.00 |
| A | 15 | 2,340.00 | 0.00 |
| A | 16 | 1,026.67 | 0.00 |
| A | 17 | 1,026.67 | 0.00 |
| A | 18 | 1,026.67 | 0.00 |
| A | 19 | 1,026.67 | 0.00 |
| A | 20 | 1,026.67 | 0.00 |
| A | 21 | 948.00 | 0.00 |
| A | 22 | 1,412.00 | 0.00 |
| A | 23 | 1,026.67 | 0.00 |

| | | | |
|-------------------------------------|----|-----------|----------|
| A | 24 | 1,026.67 | 0.00 |
| A | 25 | 2,340.00 | 0.00 |
| Total Assessable Square Footage | | 30,565.48 | |
| Total Non Assessable Square Footage | | | 2,460.00 |

Notes

Square footage totals based on measurements from center of party walls to outside edges of outside walls.

Allocation of common element interest formula and common expense liabilities formula based on measurement from centers of party walls to outside edges of outside walls.

EXHIBIT "C" To Declaration of Condominium Regime of TONILA SQUARE

Undivided Interest

| Building | Unit Number | Square Footage | Percentage interest in common elements | Votes | Annual Assessment Per Condominium |
|----------|-------------|----------------|----------------------------------------|-------|-----------------------------------|
| A | 1 | 2,855.49 | 10.362 | 10 | \$6,726.24 |
| A | 2 | 1,006.60 | 3.327 | 3 | \$2,160.00 |
| A | 3 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 4 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 5 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 6 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 7 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 8 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 9 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 10 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 11 | 948.00 | 3.154 | 3 | \$2,047.68 |
| A | 12 | 1,262.00 | 4.199 | 4 | \$2,725.92 |
| A | 13 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 14 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 15 | 2,340.00 | 7.523 | 7 | \$4,881.60 |
| A | 16 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 17 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 18 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 19 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 20 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 21 | 948.00 | 3.154 | 3 | \$2,047.68 |
| A | 22 | 1,412.00 | 4.199 | 4 | \$2,725.92 |

| | | | | | |
|---|----|-----------|-------|----|-------------|
| A | 23 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 24 | 1,026.67 | 3.327 | 3 | \$2,160.00 |
| A | 25 | 2,340.00 | 7.523 | 7 | \$4,881.60 |
| | | 30,565.48 | 100 | 92 | \$64,916.64 |

EXHIBIT "D" To Declaration of Condominium Regime of TONILA SQUARE

Floor Plan

EXHIBIT E
**RULES AND REGULATIONS OF
TONILA SQUARE**

1. **OBSTRUCTIONS:** The sidewalks, entrances, passages, courts, public halls, vestibules, corridors, and stairways of the Project shall not be obstructed or used for any other purpose than ingress to and egress from the Commercial Units in the Project. Fire exits shall not be obstructed in any manner .
2. **STATE OF MAINTENANCE:** Each Co-Owner shall keep his Commercial Unit, and area in front of the Unit to which he has ole access, in good state of preservation and cleanliness.
3. **WINDOW COVERINGS:** No shades, Venetian blinds, awnings other than awnings used as part of initial construction, or window guards, shall be used in or about any Commercial Unit without the prior written approval of the Board of Directors or the Managing Agent, which approval shall not be unreasonably withheld. Windows may not be tinted.
4. **SIGNS AND EXTERIOR ATTACHMENTS:** Declare will provide a pylon type sign post to be used for the purpose of identifying the condominium project as TONILA SQUARE. The sign will be designed to allow each Unit Owner to place the name of their business on the sign. The area on the sign located to each Unit will be in proportion to the size of each Unit. Letters only naming the business will be allowed. Each Unit is required to display its business name on the sign post. The sign will be situated in the Common Area and be maintained from the maintenance fund. Such sign shall be a reasonable size and shape as determined by Declarant. Size, shape and location of the sign may not be changed without Board approval. Each Unit must display a sign in the sign panel locations described in the Declaration. This sign will be solely for the purpose of identifying the business located in the Unit and not be used for any type of promotional advertising. The sign must be lighted seven days a week.
 - a. All signage must be approved in writing by Declarant or the Architectural Control Committee (as the case may be) before installation. Each Unit must display a sign on the exterior surface of the canopy side wall at the stucco sign panel assigned to the Unit. The size limitations of the sign are the same as those required by the City of Laredo Development Code and as approved by Declarant or the Architectural Control Committee. Each sign must be lighted. However, no type of flashing sign shall be allowed.
 - i. All signs must be installed within Forty-Five (45) days of opening business. Temporary signs or grand opening signs cannot be displayed for more than One Hundred Twenty (120) days.

- ii. All lettering must be individually mounted, fully enclosed channel lettering having a minimum of 5 " depth.
 - iii. No channelume lettering, bare bulb lighting, billboards, painted wood, plastic or metal panels, internally lighted box-type signs, temporary signs, attraction boards, non-illuminated signs, or movable signs of any nature are allowed.
 - iv. All signs must be lighted with neon-tubing. Neon tubing must be 30MA. The number of rows of tubing shall depend on the face width (stroke) of the letters to achieve even light distribution.
 - v. All fasteners, screws, bolts and similar hardware used in the fabrication or installation of each sign must be rustproof.
 - vi. Declarant or Committee shall have complete authority to grant whatever variances to the signage requirements or to change the signage requirements as is deemed to be in the best interest of the project.
5. VENTILATION AND AIR-CONDITIONING SYSTEMS: No ventilator or air-conditioning device shall be installed in any Commercial Unit without the prior written approval of the Board of Directors or the Managing Agent as to the type, location, and manner of installation of such device. No device which protrudes from the window of the Commercial Unit shall be allowed. No Co-Owner shall permit any such device to leak condensation, or to make any noise which may unreasonably disturb or interfere with the rights, comforts, or conveniences of any other occupant of the building. If the Co-Owner shall fail to keep any such device in good order d repair and properly painted, the Board of Directors or the Managing Agent, after giving the Co-Owner's notice and reasonable opportunity to cure the problem, may cure the problem charging cost to the Co-Owner.
6. ELECTRIC EQUIPMENT: All radio television, or other electrical equipment of any kind or nature installed or used in each Commercial Unit shall fully comply with all the rules, regulations, and requirements or recommendations of the local fire authorities and the insurance underwriters. The Co-Owner shall be liable for any damage or injury caused by any radio, television, or other electrical equipment in such Co-Owner's Commercial Unit. No exterior antennas or electrical equipment shall be attached to the Unit other than air-conditioning equipment or other equipment allowed by the Council.
7. LIGHTWEIGHT VEHICLES: No bicycles, scooters, motorcycles, baby carriages or similar vehicles, shall be stationed or allowed in the public halls, passageways, courts or other public or common areas of the Project.
8. NOISE: No Co-Owner shall operate or permit to be operated in such Co-Owner's Commercial Unit any phonograph, radio, or television set, nor conduct any activity in such

a manner as to disturb the other occupants of the Project.

9. USE OF COMMON ELEMENTS BY CHILDREN: Children shall not play in the halls, vestibules, stairways, fire towers, any of the exterior landscaped areas, nor any other Common Areas.
10. ANIMALS: No birds, reptile, or animal shall be permitted, kept, or harbored in the Project, unless the same in each instance shall be expressly permitted in writing by the Board of Directors, or the Managing Agent and such consent, if given, shall be revocable by the Board of Directors or the Managing Agent in their sole discretion, at any time.
11. GARBAGE: No refuse from the Commercial Units shall be allowed to be placed or stacked in front of each Commercial Units or the Project. Commercial garbage dumpsters shall be provided to the Project for the Co-Owner's use.
12. WATER OUTLETS: Any water closets and other water apparatus in the Common Area shall not be used for any purpose other than those for which they were designed, nor shall, rags, or any other article be thrown into the same. Any damage resulting from misuse of any water closets or other apparatus in the Common Area shall be repaired and paid for by the Owner of the Commercial Units causing any damage.
13. USE OF CONDOMINIUM EMPLOYEES: No occupant of the Project shall send any employee of the Board of Directors or of the Managing Agent out of the Project on any private business.
14. PARKING: No vehicle belonging to a Co-Owner or a member of the family or guest, tenant, customer or employee of a Co-Owner, shall be parked in such a manner as to impede or prevent ready access to any entrance to or exit from the Project by another vehicle. No vehicles shall be repaired on the premises of the Project.
15. STORAGE SPACE: The Board of Directors or the Managing Agent may from time to time curtail or relocate any space devoted to storage or service purposes.
16. COMPLAINTS: Complaints regarding the service of the Project shall be made in writing to the Board of Directors or to the Managing Agent.
17. AMENDMENTS: Any consent or approval given under these rules and regulations may be added to, amended, or replaced at any time by resolution of the Board of Directors.
18. USE OF ROOF: Co-Owners, their families, guests, customers, tenants, servants, employees, agents, visitors, or licensees shall not at any time or for any reason whatsoever enter upon

or attempt to enter on the roof of the Project.

19. **FLAMMABLE MATERIALS:** No Co-Owner or any of his agents, servants, tenants, employees, licensees, or visitors shall at any time bring into or store in any Commercial Unit or Common Area any gasoline, kerosene, cleaning solvents or other flammable liquids. Reasonable amounts in suitable containers for business purposes may be stored in storage spaces.
20. **ENTRUSTING KEYS:** If any key or keys are entrusted by a Co-Owner or by any member of his family or by his agent, servant, tenant, employee, licensee, or visitor to any employee of the Board of Directors or of the Managing Agent, whether for such Co-owner's commercial use or automobile, trunk, or other item of personal property, the entrusting of the key shall be at the sole risk of such Co-Owner and neither the Board of Directors nor the Managing Agent shall be liable for injury, loss, or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

EXHIBIT "F" To Declaration of Condominium Regime of TONILA SQUARE

Projected Budget

| Projected Expenses | Monthly | Annual |
|----------------------------------------------------------------------------------|------------|-------------|
| Management Fees | \$1,000.00 | \$12,000.00 |
| Electric Expense (Common Area, Security Lighting, Sign Light & Walkway Lighting) | \$1,000.00 | \$12,000.00 |
| Garbage Removal Service | \$350.00 | \$4,200.00 |
| Water | \$400.00 | \$4,800.00 |
| Insurances (Association only) | \$375.00 | \$4,500.00 |
| Legal & Accounting Services | \$150.00 | \$1,800.00 |
| Landscape Maintenance | \$500.00 | \$6,000.00 |
| Parking Lot Maintenance | \$125.00 | \$1,500.00 |
| Common Area Wash Down | \$150.00 | \$1,800.00 |
| Administrative Supplies | \$50.00 | \$600.00 |
| Miscellaneous | \$500.00 | \$6,000.00 |
| Projected Total Monthly Expenses | \$4,600.00 | |
| Projected Total Annual Expenses | | \$55,200.00 |

| Projected Revenues | Monthly | Annual |
|---------------------------|------------|-------------|
| Assessment | \$0.18 | \$2.04 |
| Assessable Square Footage | 30,054 | 30,054 |
| Total Assessments: | \$5,409.72 | \$61,310.16 |

Assumptions: The above first year budget is prepared with the following assumptions:

- A. 100% Occupancy
- B. 0% inflation factor

Reserves: The difference between the total projected annual expenses and the total projected assessments is a reserve fund. In case the reserve fund would be the total annual revenues minus the total annual expenses

This budget was prepared on _____ by _____

CONDOMINIUM INFORMATION STATEMENT FOR TONILA SQUARE

Pursuant to Texas Property Code, Sections 82.151 through 82.156, which require that purchasers of a Unit in a condominium project be given certain information before executing a Contract to Purchase such a Unit, FOUR FORCES LTD, Declarant, provide the following information package regarding the TONILA SQUARE (the "Project").

NAME AND ADDRESS OF DECLARANT:

The Units in the Project are being offered by FOUR FORCES LTD, ("Declarant"), whose principal address is 5714 Cerrito Prieto, Laredo, Texas 78041

GENERAL DESCRIPTION OF PROJECT:

The Project consists of TWENTY-FIVE (25) commercial Units located at 9902 McPherson Rd., Laredo, Webb County Texas .

ADDITIONAL UNITS

The Declarant does not plan to develop any additional Units as a part of the project, under a separate condominium regime.

RIGHTS RESERVED BY DECLARANT:

Declarant has not reserved development rights in the project.

ENCUMBRANCES AFFECTING TITLE:

After conveyance by the Declarant of the Units in the project to purchasers, the following encumbrances will affect title to the project:

1. Restrictions set out in Condominium Declaration of TONILA SQUARE.
2. Restrictive Covenants of Record at Volume 16, Page 38, Webb County Plat Records and Volume 433, Page 673 Official Public Records of Webb County.
3. 25' Set Back Line along the Southwest and Southeast Property lines as shown on Plat recorded in Volume 16, Page 38, Webb County Plat Records.
4. 12' Utility Easement along the Northeast property line as set out in Volume 16, Page 38 Webb County Plat Records.

5. 6' Utility Easement along the Northwest Property line as set out in Volume 16, Page 38, Plat Records of Webb County, Texas.
6. Southwestern Bell Telephone Co. Transmission and Distribution Line Easement as set out in Volume 1274, Page 186, Webb County Real Property Records.
7. Central Power and Light Company Easement as set out in Volume 191 Page 554, Webb County Official Public Records.
8. All Oil, gas and mineral of every character in and under the herein described property, reserved by Blackstone Dilworth, Jr., J.B. "Scott" Dilworth, III, and Diane Dilworth Gates, in instrument dated August 16, 1996, recorded in Volume 433, Page 673, of the Webb County Official Public Records.

PENDING SUITS AND UNSATISFIED JUDGMENTS:

There are no pending lawsuits to which the Council of Co-Owners for the project is a party.

There are no pending lawsuits about which Declarant has actual knowledge that are material to the land, title and construction of the condominium project.

There are no unsatisfied judgments against the Council of Co-Owners.

INSURANCE:

The Council carries or will carry insurance for the benefit of the Unit Owners as follows: (A) Property insurance on the Units and insurable common elements for fire with extended coverage endorsement for the full insurable replacement value; (B) Policy or policies insuring the Board, the Co-Owners and the Council against any liability to the public or the Co-Owners, their tenants or invitees, incident to the ownership and/or use of the project including the personal liability exposure of the Co-Owners. Limits of liability under such insurance shall not be less than \$300,000.00 for any one person injured, \$1,000,000.00 for any one accident and \$300,000.00 for property damage. Such limits and coverage shall be reviewed at least annually by the Board.

EXPECTED FEES AND CHARGES:

The current fees or charges to be paid by Unit Owners for the use and maintenance of the common areas and to provide necessary insurance and maintain adequate reserves as may be determined by the Board is \$2.20 per assessable square foot per Unit per year.

ATTACHED DOCUMENTS:

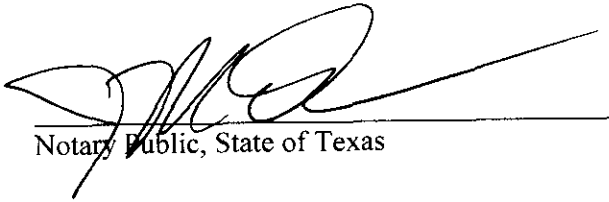
The following documents are provided together with this statement:

- This Condominium Information Statement is given on this 17th day of December, 2007.

By: Elvira Gonzalez
Elvira Gonzalez, Manager

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 Notary Public, State of Texas

STATE OF TEXAS

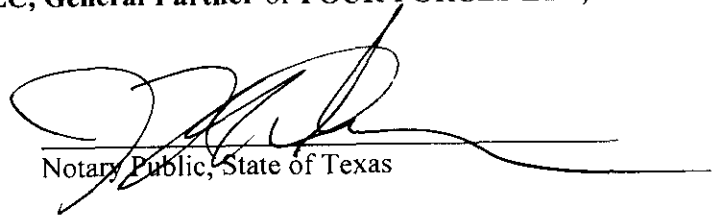
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COUNTY OF Webb


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This instrument was acknowledged before me on this 12 day of December 2005, by **Elvira Gonzalez, Manager of Four Forces Mgt LLC, General Partner of FOUR FORCES LTD, A Texas Limited Partnership.**




 Notary Public, State of Texas

Doc# 903012
 Recorded
 12/12/2005 4:27PM

Signed: 
 BY DEPUTY
 MARGIE RAMIREZ IBARRA
 COUNTY CLERK
 Fees \$164.00