

**ASSOCIATION BY-LAWS
OF
RICHARDSON LIFESTYLE ASSOCIATION**

WHEREAS, RICHARDSON TOWNHOME CORPORATION, A Texas corporation, (hereinafter referred to as the "Developer"), pursuant to the provisions of the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes established Richardson Lifestyle Condominium Project (hereinafter referred to as the "Condominium Project") by recordation of Declaration and Master Deed at Volume 72201, page 2076 of the Condominium Records of Dallas County, Texas;

WHEREAS, the Condominium By-Laws of Richardson Lifestyle Condominium Project (hereinafter referred to as the "Condominium Project"), which were recorded with and incorporated by reference in said Declaration and Master Deed as covenants, conditions, and restrictions on the Condominium Project and which were deemed to run with any and all portions of the Condominium Project, provided that the Condominium Project shall be governed, administered and managed by the Council of Co-Owners and that the Council of Co-Owners shall be a Texas non-profit corporation organized under the name of RICHARDSON LIFESTYLE ASSOCIATION, (hereinafter referred to as the "Association")

WHEREAS, the Association has been duly incorporated as a Texas non-profit corporation and the original Board of Directors, designated in the Articles of Incorporation, or their replacements as selected in accordance with the Condominium By-Laws, desire to establish and adopt Association By-Laws in order to satisfy and implement the requirements of and the Texas Condominium Act;

NOW, THEREFORE, said Board of Directors by corporate resolution duly presented, seconded, and passed at its meeting on the 1st day of OCTOBER, 1980, hereby adopt the following "Association By-Laws of Richardson Lifestyle Association".

RICHARDSON LIFESTYLE ASSOCIATION BY-LAWS

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ARTICLE I

PLAN OF APARTMENT-HOME OWNERSHIP

1. The property above described, together with all improvements thereon, is hereby submitted to the provisions of the Texas Condominium Act.
2. The provisions of these By-Laws shall be applicable to said Condominium Project known as Richardson Lifestyle and to the Council of Co-Owners thereof organized as Richardson Lifestyle Association, a Texas non-profit corporation.
3. All present or future mortgagees, or the employees of either of them, or any other person that might use the facilities of this Condominium project in any manner, are subject to these By-Laws, the Condominium By-Laws and the Declaration and Master Deed. The mere acquiring, leasing, occupying or renting any of the Apartment-Homes shall signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF CO-OWNERS, QUORUMS, PROXIES

1. **Membership**. Each Co-Owner, who or which is defined in the Declaration and Master Deed as a person, firm, corporation, partnership, trust or other legal entity or any combination thereof who or which owns one or more Apartment-Home in the Condominium Project, shall be a member of the Association and no other persons or entity shall be entitled to membership.
2. **Voting**. Each Co-Owner shall be entitled to a vote, the value of which shall equal the total of the percentages allocated to the Apartment-Homes owned by such Co-Owner as computed with reference to Paragraph 4(b) of the Declaration and Master Deed. Cumulative voting is prohibited at all meetings of the Association.
3. **Majority of Co-Owners**. As used in these By-Laws, the term "majority of Co-Owners" shall mean those Co-Owners possessing 51% of the total votes in accordance with the percentages assigned by Paragraph 4(b) of the Declaration and Master Deed.
4. **Quorums**. Except as otherwise provided in these By-Laws, the presence in person or by proxy of 60% of the percentage values of the Co-Owners qualified to vote under this Article shall constitute a quorum. When a quorum is present at any meeting of the Association, the vote of a majority of Co-Owners shall decide any question before such meeting, unless otherwise required by law or these By-Laws.
5. **Proxies**. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.
6. **Loss of Voting Right**. No owner shall be entitled to exercise his right to vote. In person or by proxy, for any purpose so long as any assessments due the Association are in default under any terms or provisions of the Declaration and Master Deed or these By-Laws. Only those Co-Owners who are shown as such on the records of the Association as of the notice date shall be entitled to vote at a meeting of the Association.

ARTICLE III

ADMINISTRATION

1. **Association Responsibilities.** The Association will have the responsibility, which shall be performed and discharged through the Board of Directors, of administering the project, approving the annual budget, establishing and collecting the monthly or other periodical assessments, as well as any special or other assessments agreed upon by the Association, or the Board of Directors pursuant to authority granted to it, and arranging for the management of the project by a management agent in the event the Association shall elect not to manage the project themselves, which arrangement shall be under a written agreement setting forth all of the terms and conditions under which such management agent shall manage the project, including terms as to the duties, obligations, terms of removal and compensation of the management agent. Except as otherwise provided, decisions and resolutions of the Association shall require approval of a majority of the co-owners.
2. **Place of Meeting.** Meetings of the Association shall be held at the principal office of the project or at such other suitable place convenient to the Co-Owners as may be designated by the Board of Directors.
3. **First Meeting of Members.** The first meeting of the members of the Association shall be held within ninety (90) days after conveyance by the Developer of more than eighty (80) percent in number of the Apartment-Homes in the Condominium Project. As provided in the Condominium By-Laws, until the first meeting of members, the affairs of the Association shall be managed by the first Board of Directors named in the Articles of Incorporation of the Association or their replacements.
4. **Annual Meeting.** After the first meeting, all meetings of the Association thereafter shall be held annually on such date within a year of the preceding meeting as is established by the Board of Directors. At the first meeting and at the first of such meetings held each and every succeeding year, a Board of Directors shall be elected by the Co-Owners in accordance with Section 5, Article IV of these By-Laws. The Co-Owners may also transact such other business of the Association as may properly be brought before them.
5. **Special Meetings.** It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Directors, or upon the presenting of a petition signed by a majority of the Co-Owners to the Secretary. The notice of any special meeting shall be mailed to each Co-Owner as hereinafter provided, and shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting which is not stated in the notice unless all of the Co-Owners present, either in person or by proxy, approve of the transaction of such business.
6. **Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each regular or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Co-Owner of record, at least ten (10) days but not more than thirty (30) days prior to such meeting. The date on which notices of an Association meeting are mailed shall be referred to in these By-Laws as the notice date. Such notice shall be mailed to each Co-Owner at the address shown on the records of the Association on the notice date. The mailing of a notice in this manner shall be considered notice served.

7. **Adjourned Meeting.** If any meeting of the Association cannot be organized because a quorum has not attended, the Co-Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less the forty-eight (48) hours from the time the original meeting was called, however, the place of such meeting must remain as stated in the notice.
8. **Order of Business.** The order of business at all meetings of the Association shall be as follows:
 - a) Roll call.
 - b) Proof of notice of meeting or waiver of notice.
 - c) Reading of minutes of last meeting, and approval or disapproval of same.
 - d) Reports of Officers.
 - e) Reports of Committees, if applicable.
 - f) Election of member or members of Board of Directors, if applicable.
 - g) Unfinished business.
 - h) New business.

ARTICLE IV

BOARD OF DIRECTORS

1. **Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors (sometimes herein referred to as the Board) composed of five (5) persons, all of whom must be Co-Owners, or officers and/or employees of a corporate Co-Owner, of units in the Condominium, with the exception of the first Board named in the Article of Incorporation of the Association, or their replacements. Prior to the first meeting of the Association, replacement directors may be selected by the Developer.
2. **Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or these By-Laws directed to be done and/or exercised by the Co-Owners.
3. **Other Duties.** In addition to duties imposed by these By-Laws or by resolution of the Association, the Board of Directors shall be responsible for the following:
 - a) Care, upkeep, maintenance, repair and surveillance of the condominium and the common elements and facilities and the limited common elements and facilities.
 - b) Assessing and collecting the monthly assessments from the Co-Owners and any special assessments authorized by the Association.
 - c) Keeping a book with a detailed account of the receipts and expenditures affecting the project and its administration, specifying the maintenance and repair expenses on the common elements and any other expenses incurred by or in behalf of the project. Both the book and the vouchers accrediting the entries made thereon shall be available for examination by all the Co-Owners and holders of mortgages on any Apartment-Home at convenient hours on working days that shall be set and announced for general knowledge (Appendix I). All books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by a Certified Public Accountant outside of the organization. Any holder of a mortgage on any Apartment-Home, upon request, shall be entitled to receive from the

Board of Directors written notification of any default in the performance by a Co-Owner of any obligation required by these By-Laws or the Declaration and Master Deed which is not cured within sixty (60) days.

- d) Designation and dismissal of the personnel necessary for the maintenance and operation of the Condominium, the common elements and facilities and the limited common elements and facilities.
 - e) Assignment and control of all parking spaces which are not designated as limited common elements by the Declaration and Master Deed or any amendment thereof.
 - f) Without limiting the rights of any Co-Owner, action may be brought by the Board of Directors, or such other person designated by the By-Laws or the Association, on behalf of two (2) or more Co-Owners as their respective interests may appear, with respect to any cause of action relating to the common elements of more than one (1) Apartment-Unit and/or to enforce any of the provisions, covenants, restrictions, conditions or obligations set out in the Declaration and Master Deed, these By-Laws, and/or to recover any sums or damages due.
4. **Management Agent.** The Board of Directors may employ for the Association a management agent, at a compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 3 of this Article.
5. **Election and Term of Office.** At the first meeting of Association, the term of office of 3 members of the Board of Directors shall be fixed for 2 years. The term of office of 2 members shall be fixed at 1 year. At the expiration of the initial term of office of each respective member of the Board, his successor shall be elected to serve a term of 2 years. The members of the Board shall hold office until their successors have been elected and hold their first meeting.
6. **Vacancies.** After the first meeting, vacancies in the Board of Directors caused by any reason other than the removal of a member by a vote of the Association shall be filled by vote of the majority of the remaining members of the Board, even though they may constitute less than a quorum; and each person so elected shall be a member of the Board until a successor is elected at the next meeting of the Association.
7. **Removal.** At any regular or special meeting duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Co-Owners, and a successor may then and there be elected to fill the vacancy thus created. Any member of the Board, whose removal has been proposed by the Co-Owners, shall be given an opportunity to be heard at the meeting.
8. **Organizational Meeting.** The first meeting of the Board of Directors following the election of any new members thereto shall be held within 15 days of the election at such place as shall be fixed by the members of said Board at the meeting at which said new members were elected, and no notice shall be necessary to the newly elected members in order legally to constitute such meeting, provided a majority of the whole Board shall be present.

9. **Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of its members, but at least two (2) such meetings shall be held during each year. Notice of regular meetings of the Board shall be given to each member, personally, or by mail, telephone, or telegraph or other means at least 5 days prior to the day named for such meeting.
10. **Special meetings.** Special meetings of the Board of Directors may be called by the President on 3 days notice to each member, given personally or by mail, telephone or telegraph, or other means, which notice shall state the time, place (as hereinabove provided), and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary in like manner, and on like notice on the written request of at least two (2) members of the Board of Directors.
11. **Waiver of Notice.** Before, or at any meeting of the Board of Directors, any member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of said Board at any meeting of said Board shall be a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of said Board, no notice shall be required and any business may be transacted at such meeting.
12. **Quorum.** At all meetings of the Board of Directors, a majority of the members shall constitute a quorum for the transaction of business, and the acts of the majority of the members present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
13. **Fidelity Bonds.** The Board of Directors may require that all officers and employees of the council of Co-Owners handling or responsible for funds belonging to the Council of Co-Owners shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V

OFFICERS

1. **Designation.** The principal officers of the Association shall be a President, a Vice President, and a Secretary-Treasurer, all of whom shall be elected by and from the Board of Directors. The Board may appoint an Assistant Secretary Treasurer, and such other officers as in their judgment may be necessary.
2. **Election.** The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board, and shall hold office at the pleasure of the Board.
3. **Removal.** Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board, or at any special meeting of the Board called for such purpose.
4. **President.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general

powers and duties, which are usually vested in the office of president of an association, including but not limited to, the power to appoint committees from the Co-Owners from time to time as he may decide is appropriate to assist in the conduct of the affairs of the Association.

5. **Vice President.** The Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board.
6. **Secretary-Treasurer.** The Secretary-Treasurer shall keep the minutes of all meetings of the Association and of the Board of Directors. He shall have charge of such books and papers as the Board may direct and he shall, in general, perform all the duties incident to the office of Secretary. He shall also have responsibility for the funds and securities belonging to the Association, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all moneys and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board.

ARTICLE VI

ASSESSMENTS

1. **Association Assessments.** The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium Project owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration of the Condominium Project.
2. **Annual Assessments.** The Board of Directors shall establish an annual budget in advance of each fiscal year and such budget shall project all expenses for the forthcoming year as may be required for the following purpose:
 - a) The Cost of all operation expenses of the Condominium Project and services furnished, including charges by the Association for facilities and services furnished by it; and
 - b) The cost of necessary management and administration, including fees paid to any management agent; and
 - c) The amount of all taxes and assessments levied against the Association or upon any property which it may own or which it is otherwise required to pay, if any; and
 - d) The cost of fire and extended liability insurance on the project and the cost of such other insurance as the Association may affect; and
 - e) The cost of furnishing water, electricity, heat, gas, garbage and trash collection and/or other utilities, to the extent furnished by the Association; and
 - f) The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or a reserve for replacement; and
 - g) The estimated cost of repairs, maintenance and replacements of the Condominium Project to be made by the Association.

The annual assessment for each year shall be established by the adoption of the annual budget by the Board of Directors. A copy of the annual budget shall be delivered to each Co-Owner, although said delivery shall not affect the liability of any Co-Owner for existing or future assessments. In accordance with Paragraph 5 of this Article, the Board of Directors shall at the time of the adoption of the budget prepare an Annual Assessment Schedule showing the allocable portion of the annual assessment to be paid by each Co-Owner in the forthcoming year. The Schedule shall be kept in the office of the Association and shall be open to inspection by a Co-Owner upon reasonable notice to the Board of Directors.

3. **Special Assessments for Operation and Management.** If the annual assessment and any special assessments levied by the Board of Directors pursuant to this Paragraph, are determined by the Board to be insufficient to pay the costs of operation and management of the Condominium Project, including but not limited to the expenses listed in Paragraph 2 of this Article, the Board may levy such additional special assessment or assessments as it deems necessary for the purpose of curing the insufficiency.
4. **Other Special Assessments.** Special assessments, other than those described in Paragraph 3 of this Article, may be made by the Board of Directors at any time and from time to time to meet other needs or requirements of the Association and the Condominium Project including, but not limited to, assessments for costs of liabilities incurred by the Association pursuant to its operation, maintenance, or use of the Condominium Project, for capital improvements, and for the purchase or lease of an Apartment-Home in the Condominium Project pursuant to Article VIII hereof. However, any such special assessment shall not be levied without the prior approval of at least seventy-five percent (75%) of the percentage values of all of the Co-Owners, and seventy-five percent (75%) of the holders of all first mortgages on all Apartment-Homes.
5. **Allocation and Payment of Assessments.** All Assessments levied against the Co-Owners under this Article shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Apartment-Home according to the Declaration and Master Deed without increase or decrease for the existence of any rights with respect to the use of limited common elements appurtenant to such Apartment-Home. Assessments shall be due and payable at such times as the Board of Directors shall determine, commencing with delivery of a deed to an Apartment-Home to a Co-Owner, and may be payable in installments if it is so determined by the Board.
6. **Default.** The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association on or before the due date for such payments. A late charge equal to five percent (5%) of the unpaid portion of the assessment may be charged to the defaulting Co-Owner if the assessment is not paid within five days of the due date and an additional five percent (5%) of the unpaid portion may be charged if the assessment is not paid within fifteen days of the due date. If the late charge is not assessed, assessments in default shall bear interest at the rate of ten percent (10%) per annum until paid in full commencing on the fifth day after such assessment becomes delinquent. If the late charge is assessed, assessments in default shall bear interest at the rate of ten percent (10%) per annum commencing one year and fifteen days after such assessment becomes delinquent. Each Co-Owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments and accrued interest thereon owed with respect to an Apartment-Home and, at the option of the Association, said payments may be collected out of the sales proceeds of such Apartment-Home in accordance with Section 18 of the Texas Condominium Act. The Association shall notify the holder of the first mortgage on any Apartment-Home for which any assessment becomes delinquent for a period in excess of ten (10) days and in any other case where the Co-Owners of such Apartment-Home is in default with respect to the performance of any other obligation hereunder for a period in excess of ten (10) days.

- a) Collection of Assessments. The Association may, in addition to its rights under Section 18 of the Texas Condominium Act, enforce collection of delinquent assessments by suit at law for a money judgment, and the expenses incurred in collecting unpaid assessments including interest, costs and attorneys' fees shall be chargeable to the Co-Owner in default. The Association may also discontinue the furnishing of any utilities or other services to a Co-Owner in default of his obligations to the Association or other Co-Owners as set forth herein upon seven (7) days written notice to such Co-Owner of its intent to do so. A Co-Owner in default of his obligations to the Association or other Co-Owners as set forth herein shall not be entitled to vote at any meeting of the Association so long as such default is in existence.

- b) Lien for Assessments. In addition to the foregoing, any delinquent assessment, together with interest thereon and the cost of collection thereof shall be a continuing lien upon the Apartment-Home(s) belonging to the Co-Owner against whom such assessment is levied and shall bind such Apartment-Home(s) in the hands of the then owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the Co-Owner to pay such assessment shall remain and a suit to recover a money judgment for non-payment of any assessment may be maintained without foreclosing or waiving the lien herein. The lien established by this Article shall have preference over any other assessments, lines, judgments or charges of whatever nature, except the following:
 - (a) General and special assessments for real estate taxes on the Apartment-Home; and

 - (b) The lines of any deeds of trust, duly recorded on the Apartment-Home prior to the assessment of the lien thereon or duly recorded on said unit after receipt of a written statement from the Board of Directors reflecting that payments on said lien were current as of the date of recordation of said deed of trust.

ARTICLE VII

OBLIGATIONS OF THE CO-OWNERS

1. All Co-Owners are bound and obligated to contribute monthly or as otherwise periodically assessed by the Association, or by the Board of Directors when authorized to do so by these By-Laws or by resolution of the Association, their pro-rata part, in the same percentages established for undivided ownership of the general common elements by Paragraph 4(b) of the Declaration and Master Deed, of the expenses of administration, upkeep, maintenance, and repair of the general common elements of the Condominium, and in the proper case, of the limited common elements, as any and all such common elements are described and defined in said Declaration, and toward any other expense lawfully agreed upon the Association.

2. Every Co-Owner must promptly perform all maintenance and repair work within his own unit, which if omitted would affect the property in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender.

3. All the repairs of internal installations such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lamps, and all other accessories belonging to the individual unit area shall be at the Co-Owner's expense.
4. A Co-Owner shall reimburse the Association for any expenditure(s) incurred in repairing or replacing any common elements and facilities damaged through his negligence.
5. All Apartment-Homes shall be used and occupied for residential purposes only, except for those Apartment-Homes designated by the Board of Directors for use as the office(s) for any management agent employed by the Association. The Common Elements shall be used only for purposes consistent with the use of single-family residences.
6. An owner shall not make structural modifications or alterations in his Apartment-Homes or installations located therein without previously notifying the Association in writing, through the Management Agent, if any, or through the President of the Board of Directors, if no Management Agent is employed. The Association through said agent or President of the Board shall have the obligation to answer within 30 days, and failure to do so within said time shall mean that there is no objection to the proposed modification or alteration. However, if such owner shall be notified of any reasonable objection thereto, then such owner shall not make such structural modifications or changes.
7. A Co-Owner shall not place or cause to be placed in the lobbies, halls, vestibules, stairways, elevators, if any, other areas of a similar nature, any furniture, packages or objects of any kind. These areas shall be used for no other purpose than for normal transit through them.
8. A Co-Owner shall permit the representatives of the Board of Directors, when so required, to enter his Apartment-Home for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.
9. No resident of the Condominium Project shall post any advertisements, or posters of any kind in or on the buildings except as authorized by the Board of Directors.
10. The parking or storage of inoperative motor vehicles upon the property is prohibited.
11. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb other residents. Keeping of small domestic animals as pets is allowed if written permission is received from the Board of Directors. The Board of Directors may withdraw such approval in the event any such pet becomes a disturbance to other residents or if the keeping of such pet violates the ordinances of the City of Richardson.
12. It is prohibited to hang garments, rugs, or any other items from the windows or from any of the facades of the buildings.
13. It is prohibited to dust rugs or any other items from the windows, or to clean rugs or any other items by beating on the exterior part of the buildings.

14. It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas.
15. No Co-Owner, resident, or lessee shall install wiring for electrical or telephone installation, television antennae, machines, or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or the roof of the buildings, except as authorized by the Board of Directors.
16. Each Co-Owner, and such Co-Owner's lessee, shall keep and perform all obligations imposed upon him under these By-Laws, by the Declaration and Master Deed, and/or the Texas Condominium Act.
17. No immoral, improper, unlawful or offensive activity shall be carried on in any Apartment-Home or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-Owners. No-Co-Owner shall do or permit anything to be done or keep or permit to be kept in his Apartment-Home or on the Common Elements anything that will increase the rate of insurance on the Condominium Project. No Co-Owner shall store any dangerous explosive or inflammable liquids or other materials either in his Apartment-Home or upon the Common Elements. No waste shall be committed on any Common Elements.
18. Regulations concerning the use of the Condominium Project (which may include limitations as to the age of minor children, number of occupants per Apartment-Home and the use of parking spaces which are not limited Common Elements) shall be promulgated by the first Board of Directors of the Association, or their replacements, prior to the first annual meeting of the Association and such regulations shall be binding on all members of the Association unless duly amended by a majority in value of all the Co-Owners.
19. The Association or its agents shall have access to each Apartment-Home from time to time during reasonable working hours, upon notice to its Co-Owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements. The Association or its agent shall also have access to each Apartment-Home at all times without notice as may be necessary to make emergency repairs to prevent damage to the Common Elements or to another Apartment-Home. If requested by the Association, each Co-Owner shall furnish to the Board of Directors of the Association a duplicate key to the entrance door to his Apartment-Home and shall furnish a new duplicate key upon any change of locks thereto.
20. Nothing shall be done or maintained in any Apartment-Home unit or upon any Common Element which will increase the rate of insurance on any Apartment-Home or Common Element or result in the cancellation thereof, without the prior written consent of the Board of Directors of the Association.

ARTICLE VIII

SALE OR LEASE

1. **Sale or Lease**. No Co-Owner may dispose of (other than by gift, devise or inheritance) or lease an Apartment-Home or any interest therein by sale or lease, as the case may be, without approval of the Association, which approval shall be obtained in the manner hereinafter provided.

- a) A Co-Owner intending to make a sale or lease of an Apartment-Home or any interest therein shall give written notice to the Association by and through its Secretary-Treasurer, of such intention, together with the name and address of the intended purchaser or lessee, and such other information as the Association may reasonably require in connection with such transaction. Such Co-Owner shall, by such notice, also furnish the Association with the terms and conditions of the proposed sale or lease. The giving of such notice shall constitute a warranty and representation by such Co-Owner to the Association and to any purchaser or lessees produced by said Association as hereinafter provided, that such Co-Owner believes the proposal to be bona fide in all respects. No proposed transaction shall be deemed bona fide which is not evidenced by a written contract of sale, or lease, subject to the approval and right of first refusal contained herein, executed by the selling or leasing Co-Owner and the proposed purchaser or lessee and containing all the terms of the sale or lease proposed to be made. All leases shall be written on standard forms furnished by the Association and may not be modified without the written consent of the Association.
 - b) Within thirty (30) days after receipt of the notice described in (a) above, the Board of Directors of the Association shall either approve the transaction or shall execute a contract of sale or lease in accordance with the terms of the notice described in (a) above within thirty (30) days after the selling or leasing Co-Owner is given notice by the Association that it is purchasing or leasing. Failure of the Association to either approve such sale or lease or purchase or lease itself within such thirty (30) day period for any reason whatsoever shall be deemed to constitute approval, following which the Association shall, nevertheless, prepare and deliver written approval in recordable form if requested by such selling or leasing Co-Owner.
 - c) The Developer shall not be subject to this Article in the initial sale or lease of any Apartment-Home following establishment of the Condominium Project.
 - d) The provisions of this Article shall not apply to any holder of a deed of trust on any Apartment-Home who comes into possession of an Apartment-Home as a result of a trustee's sale, or transfer in lieu of a trustee's sale, nor shall it apply to transfers made solely for the purpose of securing the performance of an obligation, transfers involving a trustee's sale, a transfer in lieu of a trustee's sale, the transfer of one joint tenant's interest to another, by operation of law or otherwise, or transfers by will or intestate distribution.
2. **Limitation During Sales Period.** None of the restrictions contained in Article VII or VIII hereof shall apply to the commercial activities or signs or billboards, if any, of the Developer during the sales period of the Condominium Project or of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation as the same may be amended from time to time.

ARTICLE IX

INDEMNIFICATION OF OFFICERS, MEMBERS OF THE BOARD OF DIRECTORS AND MANAGING AGENT

1. Indemnification. The Association shall indemnify every member of the Board of Directors, each Officer, the Managing Agent, their respective successors, personal representatives and heirs, against all loss, cost and expense, including attorneys' fees, reasonably incurred in connection with any action, suit or proceedings to which any of them may be a party for being or having been a member of the Board, an Officer, or Managing Agent of the Association, except as to matters finally adjudged in such action, suit or proceeding to have constituted willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of willful misconduct in the performance of his duty as such member of the Board or as Officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such member of the Board, Officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses; provided, however, that nothing herein contained shall obligate the Association to indemnify any member who is or has been a member of the Board or Officer of the Association with respect to any duties or obligations assumed or liabilities incurred by him as the owner of an Apartment-Home.
2. Contracts. Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent shall be made as agent for the Association and the Co-Owners; and members of the Board of Directors, Officers or Managing Agent shall have no personal responsibility thereon, except as Co-Owners. The liability of any Co-Owner on any such contract or commitment shall be limited to the proportionate share of the total liability thereof as the interest in the Common Elements of each Co-Owner bears to the aggregate interest in the Common Elements of all of the Co-Owners.

ARTICLE X

AMENDMENTS

1. These By-Laws may be amended by the Association in a duly constituted special meeting for such purpose or in any regular meeting. No amendment shall take effect unless approved by Co-Owners representing at least 51% of the total votes in accordance with percentages established for undivided ownership in the general common elements by Paragraph 4(b) of the Declaration and Master Deed.

ARTICLE XI

MORTGAGEES

1. Notice. A Co-Owner who mortgages his unit, shall notify the Association through the Management Agent, if any, or the President of the Board of Directors in the event there is no Management Agent, the name and address of his mortgagees; and the Association shall maintain such information in a book kept for that specific purpose.
2. Mortgagees Request. The Association shall at the request of a mortgagee of an Apartment-Home report any unpaid assessments due from the Co-Owner of said mortgaged Apartment-Home.

ARTICLE XII

DEFAULT

1. Definition. Failure to comply with any of the terms of the Declaration and Master Deed, the Condominium Bylaws, the Articles of Incorporation, these Bylaws, or duly adopted Rules and Regulations of the Association shall constitute an event of default and shall be ground for relief, which may include without intending to limit the same, an action to recover sums due for damages and injunctive relief, or any combination thereof,
2. Costs. In any proceeding arising because of an alleged default by any Co-Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees.
3. No Waiver. The failure of the Association or of any Co-Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration and Master Deed, the Condominium Bylaws, the Articles of Incorporation, these Bylaws, or duly adopted Rules and Regulations of the Association shall not constitute a waiver of the right of Association or any such Co-Owner to enforce such right, provision, covenant or condition in the future.
4. Rights Cumulative. All rights, the remedies and privileges granted to the Association or any Co-Owner or Co-Owners pursuant to any terms, provisions, covenants or conditions of the Declaration and Master Deed, the Condominium Bylaws, the Article of Incorporation, these Bylaws or duly adopted Rules and Regulations of the Association, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus, exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE XIII

LIMITATION OF LIABILITY

The Association shall not be liable for any failure of water supply or other services to be obtained by the Association or paid for out of the annual Assessments, or for injury or damage to person or property caused by the elements or by the owner of any Apartment-Home, or any other person, or resulting from electricity, water, snow, or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment. The Association shall not be liable to the owner of any Apartment-Home for loss or damage, by theft or otherwise, of articles which may be stored upon any of the Common Elements.

ARTICLE XIV

COMPLIANCE

1. Acceptance of Governing Rules. The Association, all present or future Co-Owners, tenants, future tenants, or any other persons using the facilities of the Condominium Project are subject to and shall comply with the Texas Condominium Act, the Declaration and Master Deed, the Condominium Bylaws and the Articles of Incorporation, Bylaws, Rules and Regulations of the Association, and the acquisition, occupancy or rental of an Apartment-Home in the Condominium Project shall signify that the Declaration and Master Deed, Condominium Bylaws, and the Articles

of Incorporation, By-Laws, Rules and Regulations of the Association are accepted and ratified. In the event the Declaration and Master Deed, Condominium By-Laws or Articles of Incorporation By-Laws, Rules or Regulations of the Association conflict with the Texas Condominium Act, then the Act shall govern. In the event the By-Laws of the Association shall be inconsistent with the Declaration and Master Deed and the Condominium By-Laws then the Declaration and Master Deed and the Condominium By-Laws shall be controlling.

ARTICLE XV

MISCELLANEOUS

1. **Severability.** In the event that any of the terms, provisions or covenants of these By-Laws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof of the remaining portions.
2. **Table of Contents; Headings.** The Table of Contents and headings used in these By-Laws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretations.

APPENDIX I

VERNON'S TEXAS CIVIL STATUTES

CHAPTER 9. NON-PROFIT, COOPERATIVE, RELIGIOUS AND CHARITABLE

Art. 1396-2.23. Books and Records

- A. Each corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its members, board of directors, and committees having any authority of the board of directors and shall keep at its registered office or principal office in this State a record of the names and addresses of its members entitled to vote.
- B. A member of a corporation, on written demand stating the purpose of the demand, has the right to examine and copy, in person or by agent, accountant, or attorney, at any reasonable time, for any proper purpose, the books and records of the corporation relevant to that purpose, at the expense of the member.

Acts 1959, 56th Leg., p. 286, ch. 1692, art. 2.23. Amended by Acts 1993, 73rd Leg., ch. 733, Sec. 12, eff. Jan. 1, 1994.