

amendments; and

WHEREAS, the amendments have also been approved by each first lienholder on a Unit in the condominium.

NOW, THEREFORE, the Original Condominium Bylaws and the First Amendment are hereby superseded and replaced by these Bylaws, and the real property described in Exhibit "A", to the Declaration, including the improvements constructed thereon, is hereby subjected to the provisions of these Bylaws and shall be held, sold, transferred, conveyed, used, occupied and mortgaged or otherwise encumbered subject to the following covenants, conditions, restrictions, easements, assessments and liens, which are for the purpose of protecting the value and desirability of, and which shall run with the title to, such real property. These Bylaws shall be binding on and shall inure to the benefit of all persons having any right, title or interest in all or any portion of such real property, their respective heirs, legal representatives, successors, successors-in-title and assigns.

ARTICLE I

DEFINITIONS

Generally, the terms used in these Bylaws shall be given their normal, generally-accepted meanings. Unless the context otherwise requires, capitalized terms used in these Bylaws shall have the same meaning as that set forth in the Declaration or shall be defined as follows:

1.01 Area of Common Responsibility: The Common Elements, together with those areas, if any, which the Association has assumed responsibility pursuant to the terms of these Bylaws, or other applicable covenants, contracts, or agreements.

1.02 Articles or Articles of Incorporation: The Articles of Incorporation of Holly Glen Condominium Owners Association, Inc., a Texas non-profit corporation, as filed with the Texas Secretary of State.

1.03 Association: Holly Glen Condominium Owners Association, Inc., a Texas non-profit corporation, its successors or assigns.

1.04 Board or Board of Directors: The body responsible for management and operation of the Association, selected as provided in the Corporate Bylaws.

1.05 Building Plats: The drawings attached to the Declaration as Exhibit "C" which identifies the horizontal and vertical boundaries of the Units and Common Elements of the Condominium.

1.06 Common Elements: That portion of the Condominium which is not included within the boundaries of any Unit, as further described in the Declaration. The term shall include the Limited Common Elements and the General Common Elements.

1.07 Common Expenses: The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to the Condominium Instruments and shall include, without limitation, the expenses described in Paragraph 11 of the Declaration.

1.08 Condominium Acts: The Texas Condominium Act (the "Act") and the Texas Uniform Condominium Act ("TUCA"), as the same may be amended from time to time.

1.09 Condominium or Condominium Project: The condominium regime established by the recording of the Declaration, the name of which is Holly Glen Condominiums.

1.10 Condominium Instruments: The Declaration, these Bylaws, the Corporate Bylaws, the Articles of Incorporation and any rules promulgated thereunder, as each may be amended from time to time.

1.11 Corporate Bylaws: The Corporate Bylaws of Holly Glen Condominium Owners Association, Inc. attached hereto as Exhibit "1", as amended from time to time.

1.12 First Mortgage or First Lien Deed of Trust: Any Mortgage which is not subject to any lien or encumbrance except for taxes or other liens which are given priority by statute or by agreement.

1.13 First Mortgagee: The holder of record of a First Mortgage.

1.14 General Common Elements: The Common Elements, except for the Limited Common Elements, as described in Paragraph 5 of the Declaration.

1.15 Limited Common Elements: A portion of the Common Elements reserved for the exclusive use of those entitled to occupy one (1) or more, but less than all, Units, as described in Paragraph 6 of the Declaration.

1.16 Majority: Those eligible votes, Owners or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number. Each Owner's vote shall be weighted in accordance with the Percentage Interest in the Common Elements, attributable to such Owner's Unit, as set forth on Exhibit "D" to the Declaration.

1.17 Manager or Managing Agent: The Person, if any, appointed or retained by the Association, acting through the Board, to manage the Condominium.

1.18 Mortgage: Any mortgage, deed to secure debt, deed of trust or other encumbrance, transfer or conveyance of any interest in a Unit for the purpose of securing the performance of an obligation including, but not limited to, a transfer or conveyance of fee title for such purpose.

1.19 Mortgagee or Mortgage Holder: The holder of any Mortgage.

1.20 Occupant: Any Person occupying all or any portion of a Unit for any period of time, regardless of whether such Person is the Owner of such Unit, a tenant, or a family member or guest of the Owner or tenant.

1.21 Owner: The record holder of title to a Unit, excluding any party holding an interest merely as security for the performance of an obligation.

1.22 Percentage Interest: The undivided percentage interest in the Common Elements

assigned to each Unit, as set forth on Exhibit "D" to the Declaration.

1.23 Person: A natural person, a corporation, a partnership, a trustee, a limited liability company, or any other legal entity.

1.24 Property: All that real property described on Exhibit "A" attached to the Declaration, and all improvements and structures on such property, and all easements and other rights appurtenant to such property.

1.25 Site Plan: The plan attached to the Declaration as Exhibit "C", Page 1, which depicts the legal description of the Property, showing the location and letter designation of each building and parking structure, and numerically designating parking spaces.

1.26 Unit: An enclosed space described on the Building Plats attached to the Declaration as Exhibit "C" consisting of one or more rooms occupying all or part of a floor in a condominium building, together with the undivided interest in the Common Elements assigned to such Unit by the Declaration. A Unit's boundaries shall be as set forth in Paragraph 4 of the Declaration.

ARTICLE II

EASEMENTS

2.01 Easement for Support. Every portion of a Unit and all Common Elements contributing to the support of an abutting Unit or Common Element shall be burdened with an easement of support for the benefit of such abutting Unit or Common Element.

2.02 Easement for Access. Each Owner shall have a non-exclusive easement for use and enjoyment of the General Common Elements and for ingress and egress over and through the General Common Elements, subject to the exclusive rights of certain Owners to use of the Limited Common Elements. Such easements shall be subject to the right of the Association to regulate time and manner of use, including the right to limit guest use, and to the other rights and restrictions specifically set forth in the Condominium Instruments. Any Owner may extend his easement rights under this Section to his family, guests and invitees or to his tenant, the tenant's family, guests and invitees.

2.03 Easement for Maintenance. There is hereby reserved unto the Association an easement over and through each Unit and the Common Elements to do all things necessary to perform its responsibilities under the Condominium Instruments, including maintenance and repair of electrical, plumbing or other mechanical or structural components of the Property which are contained within or most readily accessed from such Unit or Common Element.

2.04 Easements to Third Parties. There is hereby reserved unto the Association the right to grant to third parties easements in, on and over the Common Elements for the purpose of constructing, installing and maintaining utilities and services, and each Owner, by accepting a deed to his Unit, expressly consents to the granting of such easements. However, no such easement shall interfere with any exclusive easement previously granted or with the use, occupancy or enjoyment of any Unit.

(iii) to enforce the provisions of the Condominium Instruments by any means authorized under the Condominium Instruments, which shall include the right to impose reasonable monetary fines, suspend the right to use the Common Elements and any property owned by the Association other than for direct access to the Unit occupied by the violating Owner or Occupant, suspend the right to vote on Association matters, suspend services (including, without limitation, utility services) provided to the violating Owner or Occupant or to his Unit, abate violations through self-help and otherwise (including, without limitation, the removal of personal property kept in violation of the Condominium Instruments) and to bring a suit for monetary damages or equitable relief. Any monetary fines shall be considered an assessment against the Unit of the violating Owner or Occupant and may be collected as an Individual Assessment under Article IV of these Bylaws;

(iv) to grant permits, licenses, concessions and utility easements and other easements over and through the Common Elements;

(v) to control, manage, operate, maintain, improve and replace all portions of the Condominium for which the Association has maintenance responsibility under the Condominium Instruments;

(vi) to deal with the Condominium in the event of damage or destruction as a result of casualty loss, condemnation or eminent domain, in accordance with the provisions of the Condominium Acts and the Condominium Instruments;

(vii) to represent the Owners in dealing with governmental entities or any matter related to the Common Elements, including but not limited to zoning matters;

(viii) to temporarily close or discontinue operation of any portion of the Common Elements;

(ix) to permanently close or discontinue operation of any portion of the Common Elements; provided, any such action shall be approved by a Majority of the Owners who are present, in person or by proxy, at a duly held meeting of the Association;

(x) to add or discontinue any service, benefit or item provided as a Common Expense to the Owners or provided as an Individual Assessment to less than all of the Owners;

(xi) to maintain, repair, replace and insure parking facilities, landscaping, irrigation systems, drainage systems, roadways and access easements located adjacent to the Property and to enter into agreements with adjacent landowners for the payment of certain costs including, without limitation, utility costs and real and personal property taxes;

(xii) to acquire, hold and dispose of tangible and intangible personal property and real property; and

2.05 Remodeling Easement. There is hereby reserved unto the Association, and to the Owners, a right and easement in and about the buildings for the construction and installation of any duct work, additional plumbing or other additional services or utilities in the Common Elements which have been approved by the Board in connection with the improvement or alteration of any Unit, including the right of access to such areas of the Common Elements as is reasonably necessary to accomplish such improvements. In the event of a dispute among Owners or with the Association with respect to the scope of the easement reserved in this Section, the decision of the Board shall be final.

2.06 General Reservations. There is hereby reserved unto the Association (i) the right to dedicate any access roads and streets serving the Property for and to public use, to grant road easements with respect thereto and to allow such street or road to be used by owners of adjacent land, and (ii) the right to enter into, establish, execute, amend and otherwise deal with contracts and agreements for the use, lease, repair, maintenance or regulation of parking and/or common facilities which may or may not be a part of the Property for the benefit of the Owners and/or the Association.

ARTICLE III

ASSOCIATION, MEMBERSHIP AND VOTING RIGHTS

3.01 Association.

(a) The Association shall have all rights, powers and duties of a "unit owners association", as that term is defined in Section 82.003(a)(3) of TUCA, and shall have the right, power and obligation to provide for the maintenance, repair, replacement, insurance, administration and operation of the Condominium as provided in the Condominium Instruments.

(b) The affairs of the Association shall be managed by the Board, which shall be entitled to exercise all rights and powers and perform all functions and duties of the Association, except to the extent that the Condominium Instruments or the Condominium Acts specifically require approval of the Owners.

(c) In addition to all other rights of the Association under the Condominium Acts, the Texas Non-Profit Corporation Act (the "Non-Profit Act") and the Condominium Instruments, the Association shall have the right and authority:

(i) to enter into Units for emergency, security or safety purposes, which right may be exercised by the Board, the Association's officers, agents, employees, managers, and all police officers, firemen, ambulance personnel and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall be only during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit;

(ii) to make and to enforce reasonable rules and regulations governing the use, occupancy, leasing or sale, maintenance, repair, modification, and appearance of the Condominium, including the Units, the Limited Common Elements and the General Common Elements;

(xiii) to impose and receive payments, fees or charges for the use, rental, or operation of the Common Elements and for services provided to Unit Owners.

3.02 Membership. Every Owner, by ownership of a Unit, is a Member of the Association; provided, there is only one membership per Unit. Such membership shall automatically be transferred upon transfer of record title to the Unit, except that the giving of a Mortgage shall not transfer membership in the Association.

3.03 Voting Rights. Except as otherwise provided in the Condominium Instruments, each Owner shall be entitled to vote on all matters upon which members of the Association are entitled to vote pursuant to the Condominium Instruments and the Condominium Acts, except that there shall be only one vote exercised for each Unit. In the case of a Unit in which more than one person holds the ownership interest required for membership in the Association, the vote for such Unit shall be cast as all co-Owners of such Unit agree among themselves. If only one such co-Owner attempts to cast the vote on a particular matter, it shall be assumed that all co-Owners of such Unit agree unless the Secretary is otherwise notified in writing prior to the matter being put to a vote. If more than one co-Owner of a Unit attempts to cast the vote for such Unit, the vote shall not be counted.

The vote assigned to each Unit shall be weighted in accordance with the Percentage Interest in the Common Elements attributable to the Unit, as set forth on Exhibit "D" to the Declaration.

ARTICLE IV

ASSESSMENTS

4.01 Covenant to Pay. Each Owner, by acceptance of a deed to his Unit, whether or not it shall be so expressed in such deed or other instrument of transfer, is deemed to covenant and agree to pay to the Association each assessment levied against such Owner and his Unit pursuant to the Condominium Instruments. No Owner may waive or otherwise escape liability for or withhold payment of assessments for any reason whatsoever, including, but not limited to, non-use of the Common Elements, abandonment of his Unit, the Association's failure to perform its obligations, or inconvenience or discomfort arising from the Association's performance of its duties.

Notwithstanding any other provision contained in the Condominium Instruments to the contrary, during the period in which a Unit is owned by the Association, the assessment which otherwise would be due and payable by the Owner of such Unit shall be a Common Expense.

4.02 Purpose of Assessments. The assessments levied for Common Expenses pursuant to the Condominium Instruments are for the general purposes of promoting the recreation, welfare, common benefit and enjoyment of the Owners in the Condominium and are intended to be used for the purposes of defraying expenses related to the ownership, operation, maintenance, repair, replacement, furnishing, improvement and insurance of the Common Elements (including all personal property of the Association used in connection with the Common Elements) and such other costs as are incurred by the Association in exercising its rights and powers and performing its responsibilities under the Condominium Instruments.

4.03 Types of Assessments.

(a) Annual Assessments.

(i) Not later than sixty (60) days prior to the beginning of the Association's fiscal year, the Board shall prepare a budget covering the estimated costs of operating the Condominium during the coming fiscal year. The budget shall include as line items a reasonable provision for contingencies and a contribution to a reserve fund for the repair and/or replacement of capital improvements. Upon approval of the budget by the Board, the estimated cash requirement shall be allocated among all Units according to the Percentage Interests in the Common Elements assigned to each.

(ii) The Board shall send a copy of the budget, together with notice of the amount of the Annual Assessment to be levied pursuant thereto, to each Owner at least thirty (30) days prior to the effective date of such budget. The failure to send the budget shall not relieve any Owner of his obligation to pay his Annual Assessment.

(iii) In the event that the Board fails for any reason to determine the budget for any year, then the budget shall be the prior year's budget.

(b) Special Assessments.

(i) If the Annual Assessment proves inadequate for any year, or if the Association expects to incur or incurs expenses which were not anticipated at the time the budget was adopted, the Board may levy, assess and collect a Special Assessment. Any Special Assessment shall be effective upon approval of the Board unless disapproved at a meeting of Members representing at least fifty-one percent (51%) of the Percentage Interests in the Common Elements. There shall be no obligation to call a meeting for the purpose of considering a Special Assessment except on petition of the Members as provided for special meetings in the Corporate Bylaws, which petition must be presented to the Board within ten (10) days after delivery of the notice of assessment.

(ii) Any Special Assessment shall be allocated among all Units according to the Percentage Interests in the Common Elements assigned to each.

(c) Individual Assessments. The Board shall have the power to levy an Individual Assessment against any Owner and such Owner's Unit if:

(i) the conduct of such Owner or any Occupant of his Unit was in violation of any provision of the Condominium Instruments and resulted in a monetary fine being imposed against the Unit of such Owner, in which case the fine shall constitute an Individual Assessment; or

(ii) the conduct of such Owner or any Occupant of his Unit resulted in damage to any portion of the Condominium which is the maintenance responsibility of the Association, in which case the costs incurred in repairing such damage and any applicable insurance deductible may be assessed as an Individual Assessment

against such Owner and his Unit;

(iii) the Owner failed to perform any obligation under the Condominium Instruments and, after notice to the Owner, the Association exercised its power to perform such obligation on behalf of the Owner or incurred costs to obtain compliance, including attorney's fees, whether or not suit was filed, in which case the costs incurred by the Association may be assessed against such Owner and his Unit as an Individual Assessment;

(iv) the Owner, at the Owner's request, receives benefits, items or services not provided to all Unit Owners, in which case the amount of the benefit received may be assessed against such Owner and his Unit as an Individual Assessment; and

(v) the Condominium Instruments or the Condominium Acts otherwise provide for the levying of any other amount due the Association against a particular Owner(s) or his Unit.

Failure of the Board to exercise its authority under this subsection (c) shall not be grounds for any action against the Association or the Board and shall not constitute a waiver of the Board's right to exercise its authority under this subsection in the future.

4.04 Payment of Assessments.

(a) Due Dates. Annual Assessments, Special Assessments and Individual Assessments (collectively, the "Assessments") shall be paid in such manner and on such dates as may be fixed by the Board; unless otherwise provided by the Board, the Annual Assessments shall be paid in equal monthly installments due on the first (1st) day of each calendar month. Special Assessments and Individual Assessments shall be due and payable on or before the thirtieth (30th) day following the date of the invoice for such Special Assessment. All assessments and related charges not paid on or before the tenth (10th) day following the due date shall be delinquent, and the Owner shall be in default.

(b) Enforcement of Assessment Obligation. If any Assessment, or any allowed installment thereof, is delinquent, the Association shall be authorized to invoke the following rights and remedies, in addition to any other rights and remedies of the Association under the Condominium Instruments or Texas law:

(i) Interest. Any Assessment or installment thereof which is delinquent shall accrue interest from the due date thereof on the principal amount due at the rate of ten percent (10%) per annum, unless the rate of interest is restricted by law to a lesser amount, in which case the rate shall be the maximum amount allowed by law at the time such Assessment became due. Such interest, as and when it accrues, shall be added to and become a part of the Assessment and may be collected in the same manner as any Assessment.

(ii) Late Charges. The Board may levy a late charge not exceeding \$25.00 for each installment of an Assessment or portion thereof which is past due. Such late charges, as and when levied, shall be added to and become part of the Assessment

upon which they have been levied and may be collected in the same manner as any Assessment.

(iii) Returned Check Fee. The Board may levy reasonable fees for each check that is dishonored for any reason by the drawee of such check. Such fees, as and when levied, shall be added to and become part of the Assessment for which the dishonored check was tendered in payment and may be collected in the same manner as any Assessment.

(iv) Form of Payment. The Board may prescribe the form and method of payment by which delinquencies must be cured, such as by cashier's or certified check. Such instructions may be issued by the Board on a case-by-case basis, as circumstances warrant.

(v) Collection Expenses. An Owner in default in payment of any Assessment or part thereof is also liable to the Association for collection expenses, including, but not limited to, reasonable attorney's fees and additional management fees or costs, incurred by the Association to collect such Assessment, interest and late charges. Such collection expenses, as and when incurred by the Association or its Managing Agent, if any, shall become part of the Assessment, the collection of which generated such expenses and may be collected in the same manner as any Assessment.

(vi) Suspension of Voting Privileges. The vote attributable to any Unit as to which Assessments are in default may be suspended by the Board so long as the default exists upon notice to the Owner of the default and failure of the Owner to cure the default within thirty (30) days from the date of the notice.

(vii) Assignment of Rents. Each Owner absolutely and unconditionally assigns, transfers and conveys to the Association all rents from the lease of his Unit to secure the payment of all Assessments due on his Unit, in accordance with the following provisions:

(A) Each Owner reserves the right, unless and until the Owner becomes delinquent in the payment of Assessments, to collect such rents as a trustee for the benefit of the Association; and

(B) If an Owner is delinquent in the payment of any Assessment or part thereof for sixty (60) days or more, upon ten (10) days' written notice to the Owner and lessee, the Association may demand and receive from a lessee of the Owner's Unit the rent due the Owner from the lessee. The lessee shall continue making rent payments directly to the Association until such time as all past due Assessments, late charges, interest, attorney's fees and collection expenses are paid in full or until notified by the Association to discontinue such payments, whichever occurs earlier. The delinquent Owner and lessee hereby consent, upon notice from the Association as herein provided, to the lessee's payment of all rents directly to the Association upon default in the payment of Assessments and lessee's attornment to all other obligations thereunder directly to the Association; and

(C) All rents collected by the Association shall be held and applied as

the Board shall direct and the Board shall promptly return to the Owner any rents collected in excess of the then outstanding Assessments; and

(D) Nothing in this subsection, nor the exercise of any right, power or authority granted by this subsection to the Association, shall be construed to be (1) an assumption by the Association of liability under any tenancy, lease or option, (2) consent to or approval of the lease, (3) a release or discharge of any other obligations of the Owner who is delinquent in the payment of amounts due the Association or (4) a waiver of any of the Association's right or duties.

(viii) Termination of Utilities. The Board may terminate water or other utility services to a Unit, the Owner of which is delinquent in the payment of an Assessment that is used, in whole or in part, to pay the cost of that utility.

(c) Cumulative Remedies. The preceding remedies are in addition to and not in substitution for all other rights and remedies which the Association may have under the Condominium Instruments and applicable law, including, without limitation, judicial or non-judicial foreclosure of the Association's assessment lien or pursuit of a personal judgment against the delinquent Owner, as provided in Section 4.05 of these Bylaws.

4.05 Lien to Secure Payment of Assessments; Subordination to Certain Mortgages.

(a) Creation of Lien. In order to secure payment of the Assessments levied under the Condominium Instruments, a lien was created and validly existing upon, from and after the recording date of the Declaration on each Unit and on rents and insurance proceeds received by the Owner and relating to the Owner's Unit. This lien secures payment of Assessments, fees, charges, fines, reasonable attorney's fees, interest, late charges, collection expenses and any other amount due to the Association by the Owner or levied against the Unit by the Association as authorized by this Article and/or the Condominium Acts. Such lien is prior and superior to all other liens, except (i) a lien for real property taxes and other governmental assessments or charges against the Unit, unless otherwise provided by Section 32.05, Texas Tax Code [Tex. Tax Code Ann. §32.05 (Vernon 1992), as amended from time to time]; (ii) a Mortgage recorded before the Declaration was recorded; (iii) a First Mortgage recorded before the date on which the assessment sought to be enforced becomes delinquent under the Condominium Instruments; and (iv) a lien for construction of improvements to a Unit or an assignment of the right to insurance proceeds on the Unit if the lien or assignment is recorded or duly perfected before the date on which the assessment sought to be enforced becomes delinquent under the Condominium Instruments. The lien shall be self operative and shall continue in inchoate form without being reserved or referenced in any deed or other document and without any other action required.

To evidence the assessment lien, the Board may prepare, but is not required to prepare, a written notice setting forth (i) the amount of any unpaid indebtedness, including Assessments, interest, late charges, costs and reasonable attorney's fees; (ii) the name of the Owner of the Unit; and (iii) a sufficient legal description of the Unit. Such notice shall be signed and acknowledged by an officer or duly authorized agent or attorney of the Association and shall be recorded with the Clerk of the Real Property Records of Dallas County, Texas. The assessment lien will become enforceable from the date such Assessments became due and will continue so until all sums owing have been fully paid or otherwise satisfied. Upon timely curing of the default for which

a Notice of Lien was filed by the Association, the Board shall cause to be recorded an appropriate Notice of Payment of such amounts. The cost of preparing and recording such Notice of Payment is the defaulting Owner's expense, which, as and when incurred, will become an Assessment owing and, as such, will be subject to recovery in the manner provided herein for Assessments.

(b) Enforcement of Lien. Upon default in the payment of any Assessment, such lien may be enforced by judicial or non-judicial foreclosure in the same manner as a mortgage on real property under Texas law including, without limitation, the manner set forth in Tex. Prop. Code Ann. §51.002 (Vernon 1984) (the "Foreclosure Statute") and Section 82.113 of TUCA, except that the Association may not foreclose its lien consisting solely of unpaid fines. In connection therewith, each Owner grants the Association a power of sale to be exercised in accordance with the Declaration, the Condominium Acts and the Foreclosure Statute. By written resolution, the Board may appoint, from time to time, an officer, agent, trustee or attorney of the Association to exercise the power of sale on behalf of the Association.

(c) Effect of Transfer on Lien. The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent Assessments. However, the sale or transfer of any Unit pursuant to foreclosure of any lien having priority over the Association's lien pursuant to subsection (a) above shall extinguish the lien as to any installments of such Assessments due prior to such sale or transfer. Any Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of its prior lien shall not be personally liable for any installments of an assessment on such Unit due prior to such acquisition of title.

4.06 Statement of Account. Any Owner, Mortgagee or Person having executed a contract for the purchase of a Unit, and any lender considering a loan to be secured by a Unit, shall be entitled, upon written request, to a statement from the Association with respect to such Unit setting forth any amounts due and unpaid to the Association, including any Assessments, late charges, interest, fines or other charges, the amount of any credit for advance payments and prepaid items, and the amount of the current Annual Assessment and the due dates of each installment and any other information required by Section 82.157 of TUCA. The Association shall respond in writing within ten (10) days of receipt of the request for a statement. Such statement shall be binding on the Association as to the amount due on the Unit as of the date specified in such statement. The Association and/or its Managing Agent, if any, may require the advance payment of a fee for issuing such a statement.

4.07 Exempt Property. The following portions of the Property shall be exempt from the Assessments, charges and liens created under the Condominium Instruments:

- (a) All properties to the extent of any easement or other interest therein dedicated and accepted by the City of Dallas and County of Dallas and devoted to public use;
- (b) All utility lines and easements; and
- (c) The Common Elements.

ARTICLE V

INSURANCE

5.01 General Requirements. The Association shall obtain and maintain at all times, as a Common Expense, insurance as required by this Article and the Condominium Acts. All such insurance coverage shall be written in the name of the Association as trustee for itself, each of the Owners and the Mortgagees, if any. Such insurance shall run to the benefit of the Association, the Board, officers, all agents and employees of the Association, the Owners and their respective Mortgagees and all other persons entitled to occupy any Unit, as their interests may appear.

The Board shall use reasonable efforts to obtain policies that will provide that:

(i) the insurer waives its rights of subrogation of any claims against directors, officers, the Managing Agent, Occupants and their respective household members;

(ii) any "other insurance" clause contained in the master policy shall expressly exclude individual Owners' policies from its operation;

(iii) the policy may not be canceled, substantially modified or subjected to nonrenewal without at least thirty (30) days' prior notice in writing to the Board and all Mortgagees of Units.

All insurance policies required to be maintained by the Association pursuant to Sections 5.02(a)(i) and 5.02(a)(ii) below shall provide that:

(i) each Owner is an insured person under the policy with respect to liability arising out of the person's ownership of an undivided interest in the Common Elements or membership in the Association;

(ii) the insurer waives its right to subrogation under the policy against an Owner;

(iii) no action or omission of an Owner, unless within the scope of the Owner's authority on behalf of the Association, will void the policy or be a condition to recovery under the policy; and

(iv) if, at the time of a loss under the policy, there is no other insurance in the name of an Owner covering the same property covered by the policy, the Association's policy provides primary insurance.

All policies of insurance shall be written with a company licensed to do business in the State of Texas with a Best's rating of A or better, or the most nearly equivalent rating which is reasonably available. The company shall provide insurance certificates to each Owner and each Mortgagee upon request.

In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by Owners individually or by their Mortgagees, and the insurance carried by the Association shall be primary. Each Owner shall notify the Board of all structural improvements made by the Owner to his or her Unit. Any Owner who obtains an individual insurance policy covering any portion of the Condominium, other than improvements and betterments made by such Owner at his or her expense and personal property belonging to such

Owner, shall file a copy of such individual policy or policies with the Board within thirty (30) days after the purchase of such insurance. Such Owner shall also promptly notify the Board in writing in the event such policy is canceled.

5.02 Association's Insurance.

(a) The Association shall obtain as a Common Expense:

(i) a property insurance policy providing "all risk" coverage, if reasonably available, in an amount equal to full replacement cost, before application of deductibles, of all improvements, including the Units, located on the Condominium. If "all risk" coverage is not available at a reasonable cost, the Board shall obtain, at a minimum, fire and extended coverage, including coverage for vandalism and malicious mischief, in like amounts. Unless the Association otherwise provides notice in writing to the Owners, the improvements and betterments made by the individual Owners shall be excluded from this required coverage. However, each Owner shall have the right to obtain additional coverage for such improvements, betterments or personal property at his or her own expense. The policy may contain a reasonable deductible, and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance equals at least the replacement cost of the insured property;

(ii) comprehensive commercial general liability insurance, including medical payments insurance, in an amount not less than \$100,000.00 per occurrence, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership or maintenance of the Area of Common Responsibility; and officers' and directors' liability insurance in such amounts as the Board may determine appropriate. The commercial general liability insurance shall contain a cross liability endorsement;

(iii) worker's compensation insurance, if and to the extent necessary to meet the requirements of law;

(iv) fidelity bonds, if reasonably available, covering officers, directors, employees and other persons who handle or are responsible for handling Association funds. Such bonds, if reasonably available, shall be in an amount of no less than three (3) month's assessments plus reserve funds in the custody of the Association at any time during the term of the bond; provided such fidelity coverage may be reduced if one or more of the following financial controls is implemented: (A) the Association or management company, if any, maintains a separate bank account for the working account and the reserve account, each with appropriate access controls and the bank in which funds are deposited sends copies of the monthly bank statements directly to the Association; (B) the Managing Agent, if any, maintains separate records and bank accounts for each association that uses its services and the Managing Agent does not have the authority to draw checks on, or to transfer funds from, the Association's reserve account; or (C) two members of the Board must sign any checks written on the reserve account; and

(v) such other insurance as the Board may determine to be advisable.

(b) Property insurance carried by the Association as a Common Expense shall not be required to include any part of a Unit which is not depicted on the Building Plats or Site Plan or included in the original Mortgage, nor shall the Association's commercial general liability insurance provide coverage for individual Owners for liability arising within the Unit.

(c) A claim for any loss covered by the policy under Subsection 5.02(a)(i) must be submitted by and adjusted with the Association. The insurance proceeds for that loss shall be payable to an insurance trustee designated by the Association for that purpose, if the designation of an insurance trustee is considered by the Board to be necessary or desirable, or otherwise to the Association, and not to any Unit Owner or Mortgagee.

(d) The insurance trustee or the Association shall hold insurance proceeds in trust for Unit Owners and Mortgagees as their interests may appear. The proceeds paid under a policy must be disbursed first for the repair or restoration of the damaged Common Elements and Units and Unit Owners and Mortgagees are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the Property has been completely repaired or restored or the Condominium is terminated.

(e) In the event of an insured loss, the applicable insurance deductible, if any, shall be considered a maintenance expense to be paid by the person or persons who would be responsible for such loss in the absence of insurance. If the loss affects more than one Unit or a Unit and the Common Elements, the cost of the deductible may be apportioned equitably by the Board among the parties suffering loss in proportion to each affected Owner's portion of the total cost of repair. Notwithstanding this, if the insurance policy provides that the deductible will apply to each Unit separately or to each occurrence, each Owner shall be responsible for paying the deductible pertaining to his or her Unit, if any. If any Owner fails to pay the deductible when required under this subsection (e), then the Association may pay the deductible and assess the cost to the Owner as an Individual Assessment.

5.03 Owner's Insurance. Every Owner shall be obligated to obtain and maintain at all times a standard Texas insurance policy for betterments and improvements installed by the Owner and not insured by policies maintained by the Association and shall furnish a copy of such insurance policy

or policies to the Association. In the event that any such Owner fails to obtain insurance as required by this Section 5.03, the Association may purchase such insurance on behalf of the Owner and assess the cost to the Owner as an Individual Assessment.

ARTICLE VI

DAMAGE AND DESTRUCTION

6.01 The Role of the Board. Except as provided in Section 6.06, in the event of damage to or destruction of all or any part of a Unit, the Common Elements or other property covered by insurance written in the name of the Association under Article V, the Board shall arrange for and supervise the prompt repair and restoration of the damaged areas of the Condominium which are

covered by insurance obtained by the Association. Notwithstanding the foregoing, each Owner shall have the right to supervise the redecorating of his Unit.

6.02 Estimate of Damage or Destruction. As soon as practicable after an event causing damage to or destruction of any part of the Condominium, unless such damage or destruction shall be minor, the Board shall obtain an estimate or estimates that it deems reliable and complete of the costs of repair and reconstruction of that part of the Condominium so damaged or destroyed. "Repair and reconstruction" as used in this Article shall mean restoring the damaged or destroyed part of the Condominium to substantially the same condition in which it existed immediately prior to the damage or destruction, with each Unit and the Common Elements having substantially the same vertical and horizontal boundaries as before.

6.03 Repair and Reconstruction. As soon as practical after the damage occurs and any required estimates have been obtained, the Association shall diligently pursue to completion the repair and reconstruction of that part of the Condominium so damaged or destroyed. As attorney-in-fact for the Owners, the Association may take any and all necessary or appropriate action to effect repair and reconstruction, and no consent or other action by any Owner shall be necessary. Assessments of the Association shall not be abated during the period of insurance adjustments and repair and reconstruction.

6.04. Funds for Repair and Reconstruction. Subject to the provisions of Section 6.06 below, the proceeds received by the Association from any hazard insurance carried by the Association shall be used for the purpose of repair and reconstruction. If the proceeds of the Association's insurance are insufficient to pay the estimated or actual cost of such repair and reconstruction, the Association may, without the necessity of Owner approval, levy, assess and collect in advance from the Owners a Special Assessment sufficient to provide funds to pay such estimated or actual costs of repair and reconstruction. The cost of repair and reconstruction in excess of insurance proceeds and reserves shall be a Common Expense.

6.05 Disbursement of Funds for Repair and Reconstruction. The insurance proceeds held by the Association and the amounts received from the Special Assessments provided for above constitute a fund for the payment of the costs of repair and reconstruction after casualty. Such fund shall be applied by the Association, as attorney-in-fact for such reconstruction, and the improvements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the improvements. It shall be deemed that the first money disbursed in payment for the costs of repair and reconstruction shall be made from insurance proceeds and the balance from the Special Assessments. If there is a balance remaining after payment of all costs of such repair and reconstruction, such balance shall be distributed to the Owners in proportion to the contributions each Owner made as Special Assessments, or if no Special Assessments were made, then in proportion to their Percentage Interest in the Common Elements, first to the Mortgagees and then to the Owners, as their interests appear.

6.06 Decision Not to Rebuild. Any portion of the Condominium for which insurance is required pursuant to the provisions of this Declaration or the Condominium Acts which is damaged or destroyed must be repaired or replaced promptly by the Association unless:

- (i) the Condominium is terminated pursuant to Paragraph 20 of the

Declaration and the Condominium Acts;

(ii) repair or replacement would be illegal under any state or local statute or ordinance governing health or safety;

(iii) Owners representing at least eighty percent (80%) of the Percentage Interests in the Common Elements (including the vote of every Owner of a Unit or assigned Limited Common Elements that will not be rebuilt); at least fifty-one percent (51%) of the total First Mortgages held by Eligible Mortgage Holders (based on one vote for each Mortgage owned); and any other persons required by the Condominium Acts, vote not to repair and reconstruct the Condominium.

If the entire Condominium is not repaired or replaced, the insurance proceeds attributable to the damaged Common Elements must be used to restore the damaged area to a condition compatible with the remainder of the Condominium and, except to the extent that the other persons will be distributees, the insurance proceeds attributable to Units and Limited Common Elements that are not rebuilt must be distributed to the Owners of those Units and the Owners of the Units to which those Limited Common Elements were allocated, or to Mortgagees, as their interest may appear, and the remainder of the proceeds must be distributed to all the Unit Owners or Mortgagees, as their interests may appear, in proportion to their Percentage Interest in the Common Elements.

6.07 Repairs. All repairs and reconstruction contemplated by this Article VI shall be performed substantially in accordance with this Declaration, the Building Plats and the Site Plans, unless other action is approved by the Association in accordance with the requirements of this Declaration and the other Condominium Instruments.

6.08 Notice of Damage or Destruction to First Mortgagees. In the event that any portion of the Condominium encompassing more than one Unit is substantially damaged or destroyed by fire

or other casualty, then written notice of the damage or destruction shall be given by the Association to each Owner and First Mortgagee of the affected Units within a reasonable time following the event of casualty damage.

ARTICLE VII

CONDEMNATION

7.01 Consequences of Condemnation. If, at any time or times during the continuance of the Condominium pursuant to this Declaration, all or any part of the Condominium shall be taken or condemned by any public authority or sold or otherwise disposed of in lieu or in avoidance of condemnation, then all compensation, damages or other proceeds of condemnation, the sum of which is referred to as the "condemnation award" below, shall be payable to the Association, and the provisions of this Article VII shall apply.

7.02 Complete Taking. In the event that the entire Condominium is taken or condemned

or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership pursuant to the Condominium Instruments shall terminate. The condemnation award shall be paid to the Association for the use and benefit of the Owners and the Mortgagees as their interest may appear. Such award shall be apportioned among the Owners and the Mortgagees on the basis of the undivided interest in the Common Elements appurtenant to the Unit in which such Owners and Mortgagees have an interest; provided, however, that if a standard different from the value of the Condominium as a whole is employed to measure the condemnation award in the negotiation, judicial decree or otherwise, then in determining such apportionment the same standard shall be employed. The Association shall, as soon as practical, determine the share of the condemnation award to which each Owner and Mortgagee is entitled in accordance with each Owner's Percentage Interest in the Common Elements, and such shares shall be paid first to the Mortgagees and then to the Owners, as their interests appear.

7.03 Partial Taking. In the event that less than the entire Condominium is taken or condemned or sold or otherwise disposed of in lieu or in avoidance of condemnation, the condominium ownership under the Condominium Instruments shall not terminate. Each Owner (and Mortgagee holding an interest in such Owner's Unit) shall be entitled to a share of the condemnation award to be determined under the following provisions. The condemnation award shall be paid to the Association for the use and benefit of Owners and the Mortgagees as their interests may appear. As soon as practical, the Association shall reasonably and in good faith allocate the condemnation award between compensation, damages or other proceeds and shall apportion the amounts so allocated among the Owners as follows:

(a) Subject to Section (c) below, the total amount allocated to a taking of or injury to the Common Elements shall be apportioned among owners and their Mortgagees on the basis of each Owner's Percentage Interest in the Common Elements, and any portion of the award attributable to the acquisition of a Limited Common Element must be equally divided among the Owners of the Units to which the Limited Common Element was allocated at the time of acquisition;

(b) The total amount allocated to severance damages shall be apportioned to the Owners and Mortgagees of those Units which were not taken or condemned;

(c) The respective amounts allocated to the taking of or injury to a particular Unit or to improvements an Owner has made within the Owner's own Unit (including compensation to the Owner for the Unit and its allocated interest in the Common Elements, whether or not the Common Elements are acquired) shall be apportioned to the Owner and Mortgagees of that particular Unit involved; and

(d) The total amount allocated to consequential damages and any other takings or injuries shall be apportioned as the Association determines to be equitable under the circumstances.

If an allocation of the condemnation award is already established in negotiation, judicial decree or otherwise, then in allocating the condemnation award the Association shall employ such allocation. Distribution of apportioned proceeds shall be made by checks payable jointly to the respective Owners and their respective Mortgagees.

7.04 Reorganization. In the event a partial taking results in the taking of a Unit, the Owners thereof shall automatically cease to be members of the Association, and their ownership interests

in the Common Elements shall terminate and vest in the Owners of the remaining Units. Thereafter, subject to the provisions of the Condominium Acts, the Association shall reallocate the ownership, voting rights and assessment ratios determined in accordance with these Bylaws and the Condominium Acts, according to the same principles employed in the Declaration at its inception and as required under the Condominium Acts and the Board shall amend the Declaration accordingly.

7.05 Repair and Reconstruction. Any repair and reconstruction necessitated by condemnation shall be governed by the procedures contained in Article VI above.

7.06 Notice of Condemnation. In the event that any portion of the Condominium shall be made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then timely written notice of such condemnation shall be given by the Association to each Owner and First Mortgagee.

ARTICLE VIII

USE RESTRICTIONS AND RULES

8.01 Activities Within Units. No rule shall interfere with the activities carried on within the confines of Units, except that the Association may prohibit activities that create monetary costs for the Association or other Owners, that create a danger to the health or safety of Occupants of other Units, that create excessive noise or traffic, that create unhealthy conditions, that create an unreasonable source of annoyance or that detract from the Property's appearance.

8.02 Rules. The Board may adopt reasonable rules for the use of the Units and Common Elements, said rules to be furnished in writing to the Owners. The rules may include provisions establishing procedures for the imposition of fines against Owners for conduct or activities within the Property maintained or carried on by such Owner, his agents, employees, servants, independent contractors, guests or invitees that damage the reputation or property of the Condominium. Copies of said rules shall be furnished by the Association to each Owner.

8.03 Use Restrictions. The use and occupancy of Units and the use of Common Elements is subject to the following restrictions and such additional regulations as may be adopted by the Board in accordance with the terms of the Condominium Instruments.

(a) Use of Units. Each Unit designated on the Building Plats as a "Unit" shall be used for residential purposes only, and no trade or business of any kind may be conducted in or from such Unit or any part of the Condominium, including business uses ancillary to a primary residential use, except that the Owner or Occupant residing in such Unit may conduct such ancillary business activities within the Unit so long as (i) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from the exterior of the Unit; (ii) the business activity does not involve unreasonable visitation of the Unit by employees, clients, customers, suppliers or other business invitees; (iii) the business activity conforms to all zoning requirements for the Condominium; (iv) the business activity does not increase traffic in the Condominium; (v) the business activity does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; and (vi) the business activity does not constitute a nuisance or a hazardous or offensive use, or threaten the security or

safety of other residents of the Condominium, as may be determined in the sole discretion of the Board.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on or ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor.

This provision shall not restrict leasing of any Unit, provided such leasing is conducted in accordance with all other provisions of the Condominium Instruments.

(b) Storage. There shall be no obstruction of the Common Elements. Nothing may be stored in the Common Elements without the prior written consent of the Board. Any item stored in violation of this Section may be removed and sold or stored by the Association at the Owner's expense without liability for trespass or damage to such property.

(c) Temperature Within Units. During cool or cold weather and regardless of the status of use or occupancy of any Unit, each Owner shall keep the heat maintained in his Unit at such reasonably high temperature as will be necessary to prevent freezing of water in the plumbing system and damage of any property. Any Owner failing to maintain such level of heat shall be liable for all damages sustained therefrom by other Owners and the Association.

(d) Interference with Use of Common Elements. No Owner shall interfere unreasonably with the use of the Common Elements by the remaining Owners and their guests.

(e) Common Elements. All Occupants and their guests shall have a non-exclusive right to use the Common Elements, other than Limited Common Elements, for the purposes for which they are intended subject, however, to provisions elsewhere contained herein and the following provisions: (a) no such use shall encroach upon the lawful rights of other persons; (b) the right of the Association to limit the number of guests that may use the Common Elements; (c) the right of the Association to limit the time within which guests may use the Common Elements; (d) the right of the Association to charge reasonable admission and other fees for the use of any common facilities comprising a portion of the Common Elements; (e) the right of the Association to provide for the exclusive use of such common facilities by one or more persons during such times and on such terms and conditions as the Association may determine; (f) the right of the Association to suspend the right to use such common facilities by a Unit Owner, Occupants of his Unit and their guests for any period during which any assessment or other charge against his Unit remains unpaid; and (g) the right of the Association to restrict the use and govern the operation of the Common Elements by promulgating reasonable rules and regulations with respect thereto. Other persons shall have the right to use such common facilities only to the extent and upon such conditions as the Association may from time to time determine.

(f) Subdivision of Units and Relocation of Unit Boundaries. Except as authorized pursuant to Article X hereof, no Unit may be subdivided into two (2) or more Units nor may the boundaries between adjoining Units be altered except with the prior written approval of the Board and in accordance with the requirements of the Condominium Acts. The Owners of the Units to be

subdivided or altered shall be responsible for all costs, including legal and engineering fees, incurred by the Association to effect such subdivision or alteration of boundaries.

(g) Prohibition of Damage, Nuisance and Noise. Nothing shall be done or kept on the Condominium which would increase the rate of insurance on the Condominium or any Unit or which would be in violation of any statute, rule, ordinance, regulation, permit or other validly imposed requirements of any governmental body. Noxious, destructive or offensive activity shall not be carried on upon the Condominium.

No damage to or waste of the Common Elements shall be permitted by any Owner or Occupant. Each Owner shall indemnify and hold the Association and the other Owners harmless against all loss to the Association or other Owners resulting from any such damage or waste caused by such Owner or Occupant of his or her Unit.

(h) Firearms and Fireworks. The display or discharge of firearms or fireworks on the Common Elements is prohibited; provided, however, that the display of lawful firearms on the Common Elements is permitted for the limited purpose of transporting the firearms across the Common Elements to or from the Owner's Unit. The term "firearms" includes "B-B" guns, pellet guns and other firearms of all types, regardless of size.

(i) Pets. No Owner or Occupant may keep any animals, livestock or poultry other than generally recognized household pets on any portion of the Condominium. Notwithstanding the above, no more than two (2) dogs or cats per Unit may be kept in the Condominium. Dogs shall be kept on a leash or otherwise confined whenever outside the Unit. It is the pet owner's responsibility to keep the Condominium clean and free of pet waste. All animals must be properly tagged for identification. Notwithstanding the above, those pets which are permitted to roam free or, in the sole discretion of the Board, endanger the health, make objectionable noise or constitute a nuisance or inconvenience to the Occupants of other Units shall be removed upon request of the Board. The keeping of pets shall be subject to rules adopted by the Board, which may include a reasonable limitation on number and size. No Owner or Occupant may keep, breed or maintain any pet for any commercial purpose. Each Owner shall indemnify and hold the Association harmless from and against any claim arising out of the keeping of any pet upon the Property, whether or not the Association has allowed such pet to remain on the Property.

(j) Signs. Except as provided in Article X and as may be required by legal proceedings, no signs, advertising posters or billboards of any kind shall be erected, placed or permitted to remain on the Condominium without the prior written consent of the Board. The Board shall have the right to erect reasonable and appropriate signs on behalf of the Association.

(k) Rubbish, Trash and Garbage. All rubbish, trash and garbage shall be regularly removed from the Unit and shall not be allowed to accumulate therein. No garbage or trash shall be placed on the Common Elements or Limited Common Elements outside the Unit, temporarily or otherwise, except as provided herein. Rubbish, trash and garbage shall be disposed of in sealed plastic bags and placed in proper receptacles designated by the Board for collection or shall be removed from the Condominium.

(l) Impairment of Units and Easements. An Owner shall do no act nor any work that will impair the structural soundness or integrity of another Unit or impair any easement or other interest

in real property, nor do any act nor allow any condition to exist which will adversely affect the other Units or their Owners or Occupants without the consent of the affected Owners.

(m) Unightly or Unkempt Conditions. The pursuit of hobbies or other activities, including, but not limited to the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken on any part of the Condominium. Clothing, bedding, rugs, mops, appliances, indoor furniture and other household items shall not be placed or stored outside the Unit unless approved by the Board.

(n) Window Treatments. All window treatments visible from outside the Unit must be tan, white or off-white in color. No aluminum foil or other material objectionable to the Board shall be placed in or next to any window or sliding glass door.

(o) Parking. No Owner or Occupant may keep or bring onto the Condominium a motor vehicle unless it is registered with the Association and displays a parking sticker issued by the Association; however, this provision shall not prohibit an Owner or Occupant from having guests or service vehicles park on the Condominium if otherwise in compliance with this subsection (p). Trucks with tonnage in excess of three-quarters (3/4) ton (except vehicles commonly known as sports utility vehicles or mini-vans such as Suburbans, Ford Explorers, Jeep Cherokees, etc.), commercial vehicles, buses, vehicles with commercial writing on their exteriors, vehicles transporting inflammatory or explosive cargo, all-terrain vehicles, military vehicles, farm or landscape vehicles or equipment, golf carts, inoperable vehicles, stored vehicles, tractors, motorcycles, bicycles, motor homes, camp mobiles, mobile homes, recreational vehicles, go-carts, trailers (either with or without wheels), campers, camper trailers, boats, jet-skis and other water craft, and water craft trailers are prohibited from being parked on the Condominium. For purposes of this subsection, a vehicle shall be considered "inoperable" if it (i) does not have lawfully attached to it an unexpired license plate or valid motor vehicle inspection certificate; (ii) is wrecked, partially or totally dismantled, or abandoned; (iii) is obviously not capable of being operated as a vehicle and such inability continues for more than thirty (30) days within a given six (6) month period; or (iv) is in poor aesthetic or physical condition as determined by the Board in its sole discretion. A vehicle shall be considered "stored" if it remains on the Condominium for fourteen (14) consecutive days or longer without being moved without the prior written permission of the Board. Vehicles shall be parked only in designated parking spaces and shall not be allowed to extend out into the driving lane.

If any vehicle is parked on any portion of the Condominium in violation of this subsection (o) or in violation of the Association's rules and regulations, the Board may tow the vehicle in accordance with Texas law. If a vehicle is towed in accordance with this subsection, neither the Association nor any officer or agent of the Association shall be liable to any person or any claim of damage as a result of the towing activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, in addition to or in lieu of its authority to tow.

(p) Antennas. No exterior antennas, aerials, satellite dishes or other apparatus for the transmission of television, radio, satellite or other signals of any kind shall be placed, allowed or maintained upon any portion of the Condominium, except that (i) antennas or satellite dishes designed to receive video programming services via multi-point distribution services which are one

meter or less in diameter or diagonal measurement; (ii) antennas or satellite dishes designed to receive direct broadcast satellite service which are one meter or less in diameter; or (iii) antennas or satellite dishes designed to receive television broadcast signals [(i), (ii) and (iii) are collectively referred to as "Permitted Devices"] shall be permitted to be installed on the Limited Common Elements, provided that any such Permitted Device is placed in the least conspicuous location on the Limited Common Elements at which an acceptable quality signal can be received and is screened from the view from the General Common Elements and other Units.

Section 8.04 Leasing Restrictions. Leasing of Units shall be governed by the following provisions:

(a) Definition. "Leasing", as used in this Section, is defined as regular, exclusive occupancy of a Unit by any person other than the Owner for which the Owner, or any designee of the Owner, receives any consideration or benefit, including, but not limited to, a fee, service, gratuity or emolument. For purposes of this Section, if a Unit is owned by a trust and the beneficiary of the trust is living in the Unit, that Unit shall be considered Owner-occupied rather than leased.

(b) Notice of Lease to Board. Within seven (7) days of executing a lease agreement for the leasing of any Unit, the Owner shall provide written notice to the Board of the lease. Such notice shall attach a copy of the signed lease and identify the names of all lessees and all those residing in the Unit. Owners are encouraged to perform background checks on their lessees.

(c) General. Units may be leased only in their entirety. All leases must be in writing. There shall be no subleasing of Units or assignment of leases unless prior written approval is obtained from the Board. No transient tenants may be accommodated in a Unit. All leases must be for an initial term of not less than six (6) months. The Owner must make available to the lessee copies of the Condominium Instruments.

(d) Contents of Lease. Each Owner acknowledges and agrees that any lease of a Unit shall be deemed to contain the following language and that if such language is not expressly contained in the lease, then such language shall be incorporated into the lease by existence of this covenant. Any lessee, by occupancy of a Unit, agrees to the applicability of this covenant and incorporation of the following language into the lease:

The lessee shall comply with all provisions of the Declaration, Bylaws and rules of the Association and shall control the conduct of all other Occupants and guests of the leased Unit in order to ensure their compliance.

Any violation of the Declaration, Bylaws or rules and regulations by the lessee, any Occupant or any person living with the lessee, is deemed to be a default under the terms of the lease and authorizes the Owner to terminate the lease without liability and to evict the lessee or any Occupant in accordance with Texas law. The Owner hereby delegates and assigns to the Association, acting through the Board, the power and authority of enforcement against the lessee or any Occupant for breaches resulting from the violation of the Declaration, Bylaws and the rules and regulations of the Association, including the power and authority to evict the lessee or any Occupant as attorney-in-fact on behalf and for the benefit of the Owner.

The Owner of a Unit transfers and assigns to the lessee, for the term of the lease, any

and all rights and privileges that the Owner has to use the Common Elements of the Condominium including, but not limited to, and any and all common facilities and other amenities. The Owner of a Commercial Unit transfers and assigns to the lessee for the term of the lease those rights and privileges specified in this lease.

Upon request by the Board, the lessee shall pay to the Association all unpaid Annual and Special Assessments, as lawfully determined and made payable during the term of the lease and any other period of occupancy by the lessee; provided, however, the lessee need not make such payments to the Association in excess of or prior to the due dates for rental payments unpaid at the time of the Board's request. All such payments made by the lessee shall reduce, by the same amount, the lessee's obligation to make rental payments to the Owner.

(e) Compliance with Condominium Instruments. Each Owner shall cause all Occupants of his or her Unit to comply with the Condominium Instruments and shall be responsible for all violations and all losses or damages resulting from violations by such Occupants, notwithstanding the fact that such Occupants of the Unit are fully liable and may be personally sanctioned for any violation.

In the event that the lessee or an Occupant violates the Condominium Instruments for which a fine is imposed, such fine shall be assessed against the lessee; provided, however, if the fine is not paid by the lessee within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Unit. Any Occupant charged with a violation of the Condominium Instruments is entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction.

In the event the Association proceeds to evict an Occupant, any costs, including attorney's fees and court costs, associated with the eviction shall be assessed as an Individual Assessment against the Unit and the Owner, such being deemed an expense which benefits the leased Unit and the Owner thereof.

(f) Applicability. This Section 8.04 shall not apply to any leasing transaction entered into by the holder of any First Mortgage on a Unit who becomes the Owner of a Unit through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage; provided, however, that it shall apply to any leases by any purchaser from such Mortgagee and any successor to such a purchaser.

(g) Notice to Board of Vacancy. Within five (5) days of any Unit becoming vacant, the Owner shall notify the Board of such vacancy. Vacancy is defined as any time the Unit becomes unoccupied, whether created by the Owner not living in the Unit or a lessee moving out without another tenant moving into the Unit.

ARTICLE IX

MAINTENANCE RESPONSIBILITY

9.01 Association. Except as otherwise specifically provided herein, the Association shall

maintain and keep in good repair as a Common Expense, the "Area of Common Responsibility", which is limited to:

(a) Maintenance, repair, replacement and, in the discretion of the Board, improvement of the Common Elements, including Limited Common Elements, and of any Units owned by the Association;

(b) Maintenance, repair and replacement of all exterior doors (excluding hardware), door frames and window frames forming an exterior surface of the building containing the Units; and

(c) Maintenance of utility lines, chutes, flues, pipes, ducts, wires, vents and conduits serving more than one Unit or the Common Elements to the extent that such utility lines, chutes, flues, pipes, ducts, wires, vents and conduits are not maintained by public, private or municipal utility companies.

(d) Maintenance of any property dictated by any contract or agreement for maintenance thereof entered into by the Association, including any covenant to pay costs for the maintenance, repair and insurance of parking facilities, landscaping, irrigation systems, drainage systems, roadways and access easements located adjacent to the Property.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner or Occupants of any Unit or such Owner's Occupant, guest or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner or Occupant for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities.

The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. In performing its responsibilities, the Association shall have the authority to delegate its duties to such persons as the Board may deem appropriate.

The Association may maintain other property which is not part of the Property, including property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the overall appearance and level of maintenance generally prevailing at the Property.

9.02 Unit Owners. Each Owner shall be responsible for:

(a) Maintaining, repairing and replacing all portions of his or her Unit, except those portions which are to be maintained, repaired or replaced by the Association under Section 9.01 above. The responsibility of the Owner shall include, but not be limited to, the maintenance, repair and replacement of all exterior glass and windows, fixtures and equipment installed in his or her Unit and all utility lines, chutes, flues, pipes, ducts, wires, vents and conduits which exclusively serve the Unit, whether located wholly or partially within or outside the boundaries of the Unit;

maintain and keep in good repair as a Common Expense, the "Area of Common Responsibility", which is limited to:

(a) Maintenance, repair, replacement and, in the discretion of the Board, improvement of the Common Elements, including Limited Common Elements, and of any Units owned by the Association;

(b) Maintenance, repair and replacement of all exterior doors (excluding hardware), door frames and window frames forming an exterior surface of the building containing the Units; and

(c) Maintenance of utility lines, chutes, flues, pipes, ducts, wires, vents and conduits serving more than one Unit or the Common Elements to the extent that such utility lines, chutes, flues, pipes, ducts, wires, vents and conduits are not maintained by public, private or municipal utility companies.

(d) Maintenance of any property dictated by any contract or agreement for maintenance thereof entered into by the Association, including any covenant to pay costs for the maintenance, repair and insurance of parking facilities, landscaping, irrigation systems, drainage systems, roadways and access easements located adjacent to the Property.

The Association shall not be liable for injury or damage to person or property caused by the elements or by the Owner of any Unit, or any other person, or resulting from any utility, rain, snow or ice which may leak or flow from any portion of the Common Elements or from any pipe, drain, conduit, appliance or equipment which the Association is responsible to maintain hereunder. The Association shall not be liable to the Owner or Occupants of any Unit or such Owner's Occupant, guest or family, for loss or damage, by theft or otherwise, of any property which may be stored in or upon any of the Common Elements. The Association shall not be liable to any Owner or Occupant for any damage or injury caused in whole or in part by the Association's failure to discharge its responsibilities under this Section where such damage or injury is not a foreseeable, natural result of the Association's failure to discharge its responsibilities.

The Association shall repair incidental damage to any Unit resulting from performance of work which is the responsibility of the Association. In performing its responsibilities, the Association shall have the authority to delegate its duties to such persons as the Board may deem appropriate.

The Association may maintain other property which is not part of the Property, including property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the overall appearance and level of maintenance generally prevailing at the Property.

9.02 Unit Owners. Each Owner shall be responsible for:

(a) Maintaining, repairing and replacing all portions of his or her Unit, except those portions which are to be maintained, repaired or replaced by the Association under Section 9.01 above. The responsibility of the Owner shall include, but not be limited to, the maintenance, repair and replacement of all exterior glass and windows, fixtures and equipment installed in his or her Unit and all utility lines, chutes, flues, pipes, ducts, wires, vents and conduits which exclusively serve the Unit, whether located wholly or partially within or outside the boundaries of the Unit;

(b) Keeping in a neat, clean and sanitary condition any Limited Common Elements serving his or her Unit, including the patios (terraces), garden areas and balconies;

(c) Performing his or her responsibility in such manner so as not to unreasonably disturb other persons in other Units;

(d) Promptly reporting to the Association or its agent any defect or need for repairs for which the Association is responsible;

(e) Not making any alterations to any portion of a Unit which are to be maintained by the Association;

(f) Not doing anything with respect to the Unit which would or might jeopardize or impair the safety or soundness of any Unit without first obtaining the written consent of the Board and all Unit Owners and Mortgagees of the Units affected, nor impair any easement without first obtaining written consent of the Association and of the Unit Owner or Owners and their Mortgagees for whose benefit such easement exists;

(g) Paying for the cost of repairing, replacing or cleaning up any item which is the responsibility of the Unit Owner but which responsibility such Owner fails or refuses to discharge (which the Association shall have the right, but not the obligation, to do), or to pay for the cost of repairing, replacing or cleaning up any item which, although the responsibility of the Association, is necessitated by reason of the willful or negligent act of the Unit Owner, his or her family, tenants or guests, with the cost thereof to be assessed against the Unit and the Owner as an Individual Assessment;

(h) Paying for the cost of maintaining, repairing, replacing or insuring any item constructed or installed on the Common Elements by the Owner, or any item which is the responsibility of the Association, but which has been replaced by the Owner with an item of superior grade or quality.

9.03 Failure to Maintain. If the Board determines that any Owner has failed or refused to discharge properly his or her obligation with regard to the maintenance, repair or replacement of items of which he or she is responsible, the Association shall give the Owner written notice of the Owner's failure or refusal and of the Association's right to provide necessary maintenance, repair or replacement at the Owner's cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement deemed necessary by the Board.

Unless the Board determines that an emergency exists, the Owner shall have ten (10) days within which to complete maintenance or repair, or if the maintenance or repair is not capable of completion within such time period, to commence replacement or repair within ten (10) days. If the Board determines that (a) an emergency exists, or (b) that an Owner has not complied with the demand given by the Association as herein provided; then the Association may provide any such maintenance, repair or replacement at the Owner's sole cost and expense, and such costs shall be added to and become a part of the assessment to which such Owner is subject, shall become and be a lien against the Unit, and shall be collected as an Individual Assessment as provided in Section 4.03(c) hereof.

If the Board determines that the need for maintenance or repair is in the Area of Common

Responsibility and is caused through the willful or negligent act of any Owner or Occupant or their family, guests, lessees or invitees, then the Association may assess the cost of any such maintenance, repair or replacement against the Owner's or Occupant's Unit, shall become a lien against the Unit and shall be collected as an Individual Assessment.

9.04 Measures Related to Insurance Coverage.

(a) The Board, upon resolution, shall have the authority to require Owner(s) to do any act or perform any work involving portions of the Condominium which are the maintenance responsibility of the Owner, which will, in the Board's sole discretion, decrease the possibility of fire or other damage in the Condominium, reduce the insurance premium paid by the Association for any insurance coverage or otherwise assist the Board in procuring or maintaining such insurance coverage. This authority shall include the authority to require Owners to install smoke detectors; require Owners to make improvements to the Owner's Unit; and such other measures as the Board may reasonably require so long as the cost of such work does not exceed five hundred dollars (\$500.00) per Unit in any twelve (12) month period.

(b) In addition to, and not in limitation of, any other rights the Association may have, if any Owner does not comply with any reasonable requirement made by the Board pursuant to subsection (a) above, the Association, upon fifteen (15) days' written notice (during which period the Owner may perform the required act or work without further liability), may perform such required act or work at the Owner's sole cost. Such cost may be charged as an Individual Assessment. The Association shall have all rights necessary to implement the requirements mandated by the Board pursuant to subsection (a) of this Section including, but not limited to, a right of entry during reasonable hours and after reasonable notice to the Owner or Occupant of the Unit, except that access may be had at any time without notice in an emergency situation.

9.05 Maintenance Standards and Interpretation. The maintenance standards and the enforcement thereof and the interpretation of maintenance obligations under this Declaration may vary from one term of the Board to another. These variances shall not constitute a waiver by the Board of the right to adopt and enforce maintenance standards under this Article. No decision or interpretation by the Board shall constitute a binding precedent with respect to subsequent decisions or interpretations of the Board.

ARTICLE X

ARCHITECTURAL CONTROL

10.01 Rights With Respect to Remodeling and Construction. No improvement shall be erected, placed, reconstructed, replaced, repaired, repainted or otherwise altered, nor shall any construction, repair or reconstruction be commenced until plans for the improvements shall have been submitted to and approved in writing by the Board; provided, however, that minor cosmetic improvements (such as painting of interior walls or wallpapering) that are not visible from the outside of the buildings, that do not affect any of the other Units, General Common Elements or the Limited Common Elements, and that do not cause any noise or other disturbance may be undertaken without such approval.

10.02 Purpose and General Authority. The Board shall review and either approve or reject

proposed improvements within thirty (30) days after receipt of plans. In the event the Board fails to respond to the request for approval within this thirty (30) day period, approval shall be deemed given. All improvements shall be constructed only in accordance with approved plans. As a condition to approval under this Section, an Owner shall assume all responsibilities for the maintenance, repair, replacement and insurance to and on the pipes, lines, conduits and/or other apparatus installed by the Owner to connect Common Element utilities to the Unit.

10.03 Board Discretion. The Board shall exercise reasonable efforts to provide that all improvements conform and harmonize with the Condominium as to design, quality and type of construction, seals, materials, color and location in the Unit, and the schemes and aesthetic considerations set forth in the Condominium Instruments. The actions of the Board in the exercise of its discretion by its approval or disapproval of plans and other information submitted to it, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

10.04 Expenses. Except as provided in this Section below, all expenses of the Board shall be paid by the Association and shall constitute a Common Expense. The Board shall have the right to charge a fee for each application submitted to it for review, in an amount which may be established by the Board from time to time, and such fees shall be collected by the Board and remitted to the Association to help defray the expenses of the Board's operation.

10.05 Other Requirements. Compliance with the Board's process is not a substitute for compliance with the City of Dallas and Dallas County, Texas, building, zoning and subdivision regulations, and each Owner is responsible for obtaining all approvals, licenses and permits as may be required prior to commencing construction of any improvements.

10.06 Limitation on Liability. The Board shall use its judgment in accepting or disapproving all plans and specifications submitted to it. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only. Approval by the Board does not necessarily assure approval by the appropriate governmental board or commission for the City of Dallas and Dallas County, Texas. Notwithstanding that the Board has approved plans and specifications, neither the Board nor any of its members shall be responsible or liable to any Owner or contractor with respect to any loss, liability, claim or expense which may arise by reason of such approval of the construction of the improvements. Neither the Board nor any agent thereof, nor any of its partners, employees, agents or consultants shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the provisions of the Condominium Instruments, nor for any structural or other defects in any work done according to such plans and specifications.

10.07 Enforcement and Inspection. Any member or authorized consultant of the Board, or any authorized officer, director, employee or agent of the Association may enter upon any Unit at any reasonable time after notice to the Owner, without being deemed guilty of trespass, in order to inspect improvements constructed or under construction in the Unit to determine whether the improvements have been or are being built in compliance with the Condominium Instruments and the plans and specifications approved by the Board.

10.08 Deemed Non-Conforming. Every violation of this Article is hereby declared to be non-conforming, and every public or private remedy allowed by such violation by law or equity against an Owner shall be applicable. Without limiting the generality of the foregoing, violations

of this Article may be enforced as provided below.

(a) The Board may adopt a schedule of fines for failure to abide by the Board's rules and regulations, including fines for failure to obtain any required approval from the Board.

(b) After reasonable notice to the offender and, if different, to the Owner, the Association may enter upon any Unit, without being deemed guilty of trespass, and remove any improvement constructed, reconstructed, refinished, altered or maintained in violation of this Article. The Owner of the improvement shall immediately reimburse the Association for all expenses incurred in connection with such removal. If the Owner fails to reimburse the Association within thirty (30) days after the Association gives the Owner notice of the expenses, the sum owed to the Association shall be assessed against such Owner and his Unit as an Individual Assessment.

10.09 Continuity of Construction. All improvements commenced on the Property shall be prosecuted diligently to completion and shall be completed within six (6) months after commencement, unless an exception is granted in writing by the Board. If an improvement is commenced and construction is then abandoned for more than thirty (30) days, or if construction is not completed within the required six (6) month period, then after notice and opportunity for hearing as provided in the Bylaws, the Association may impose a fine in an amount established from time to time by the Board to be charged against the Owner of the Unit until construction is resumed, or the improvement is completed, as applicable, unless the Owner can prove to the satisfaction of the Board that such abandonment is for circumstances (other than the Owner's failure or refusal to pay money) beyond the Owner's control. Such charges shall be assessed against such Owner and his Unit as an Individual Assessment.

10.10 Association Exempt. The Association shall be exempt from the requirements of this Article.

ARTICLE XI

MORTGAGEE'S RIGHTS

11.01 Eligible Mortgage Holders. Any First Mortgagee who submits a written notice of its interest in a Unit to the Association, identifying the name and address of the Mortgagee and identifying the Unit as to which its Mortgage relates, shall be an "Eligible Mortgage Holder". Eligible Mortgage Holders shall be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Condominium or any Unit on which there is a Mortgage held by such Eligible Mortgage Holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a Mortgage held by such Eligible Mortgage Holder which remains unsatisfied for a period of sixty (60) days, and any default in the performance by an individual Unit Owner of any other obligation under the Condominium Instruments which is not cured within sixty (60) days;

(c) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders, as specified in the Condominium Instruments or the Condominium Acts;

(e) any First Mortgagee shall be entitled, upon written request, to receive within a reasonable time after such request, a copy of the financial statement of the Association for the immediately preceding fiscal year, free of charge to the Mortgagee so requesting; or

(f) any judgment rendered against the Association.

11.02 First Mortgagees' Rights.

(a) Payment of Taxes and Insurance. First Mortgagees, jointly or singly, may pay taxes or other charges which are in default and which may or have become a charge against any of the Common Elements, and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Common Elements. First Mortgagees making such payments shall be owed immediate reimbursement from the Association.

(b) Payment of Assessments. Eligible Mortgage Holders shall be entitled to cure any delinquency of the Owner of the Unit encumbered by the Eligible Mortgage Holder in the payment of Assessments of which the Eligible Mortgage Holder has received notice under Section 11.01 above. In that event, the Eligible Mortgage Holder shall be entitled to obtain a release from the lien imposed or perfected by reason of such delinquency.

11.03 Title Taken by First Mortgagee. Any First Mortgagee who obtains title to the Unit pursuant to the remedies provided in the First Mortgage, including foreclosure of the First Mortgage, shall be liable for all Assessments due and payable as of the date title to the Unit vests in the First Mortgagee under the statutes of Texas governing foreclosures. Except as provided in the Condominium Acts, such First Mortgagee shall not be liable for any unpaid dues and charges attributable to the Unit which accrue prior to the date such title vests in the First Mortgagee.

ARTICLE XII

GENERAL PROVISIONS

12.01 Security. The Association may, but shall not be required to, from time to time, provide measures or take actions which directly or indirectly improve safety on the Condominium; however, each Owner, for himself or herself and his or her tenants, guests and licensees, acknowledges and agrees that the Association is not a provider of security and shall have no duty to provide security on the Condominium. It shall be the responsibility of each Owner to protect his or her person and property and all responsibility to provide security shall lie solely with each Owner.

The Association shall not be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of safety measures undertaken.

12.02 Dispute Resolution. Prior to filing a lawsuit against the Association, the Board, or any officer, director or property manager of the Association, an Owner or Occupant must request and attend a hearing with the Board. Any such request shall be in writing and shall be personally delivered to any member of the Board or the Occupant shall, in such request and at the hearing,

make a good faith effort to explain the grievance to the Board and resolve the dispute in an amicable fashion, and shall give the Board a reasonable opportunity to address the Owner's or Occupant's grievance before filing suit. Upon receiving a request for a hearing, the Board shall give notice of the date, time and place of the hearing to the person requesting the hearing. The Board shall schedule this hearing for a date not less than seven (7) nor more than twenty-one (21) days from the date of receipt of the request.

12.03 No Discrimination. No action shall be taken by the Association or the Board which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or handicap.

12.04 Implied Rights. The Association may exercise any right or privilege given to it expressly by the Condominium Instruments, any use restriction or rule, and every other right or privilege reasonably to be implied from the existence of any right or privilege given to it therein or reasonably necessary to effectuate any such right or privilege.

12.05 Term. The covenants and restrictions of these Bylaws shall run with and bind the Property and shall inure to the benefit of and shall be enforceable by the Association or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of thirty (30) years from the date these Bylaws are recorded. After such time, the covenants and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case these Bylaws shall be modified or terminated as specified therein.

12.06 Amendment.

(a) By the Board. The Board may unilaterally amend these Bylaws if such amendment is (i) necessary to bring any provision into compliance with any applicable governmental statutes, rule, regulation or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (iv) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units.

(b) By Owners. Except as provided in the Condominium Acts and otherwise specifically provided in the Declaration, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing fifty-one percent (51%) of the Percentage Interests in the Common Elements.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under the clause. To be effective, any amendment must be recorded in Dallas County, Texas.

If an Owner consents to any amendment to these Bylaws, it will be conclusively presumed that such Owner has the authority so to consent, and no contrary provision in any

Mortgage or contract between the owner and a third party will affect the validity of such amendment. Any action to challenge the validity of an amendment adopted under this Section must be brought within one (1) year of the effective date of such amendment. No action to challenge such amendment may be brought after such time.

No meeting to consider or adopt an amendment to these Bylaws or any rules of the Association shall be held unless such Owner has been provided a document showing the specific amendment to be considered before the tenth (10th) day and no later than the twentieth (20th) day preceding the date of the meeting. The information is considered to have been given to an Owner on the date the information is personally delivered to the Owner, as shown by a receipt signed by the Owner, or on the date shown by the postmark on the information after it is deposited in the United States mail with a proper address and postage paid.

12.07 Usury. It is expressly stipulated that the terms of these Bylaws shall at all times comply with usury and other applicable laws. If such laws are ever revised, repealed or judicially interpreted so as to render usurious any amount called for hereunder or contracted for, charged or received in connection with any amounts due hereunder, or if the Association's exercise of any provisions hereof results in any party having paid any interest in excess of that permitted by law, then it is the Association's express intent that all excess amounts theretofore collected by the Association be credited on the principal balance of any indebtedness (or, if the indebtedness has been paid in full, refunded to the payor), and the provisions of the Condominium Instruments shall immediately be deemed performed and the amounts thereafter collected be reduced, without the necessity of execution of any new document, so as to comply with then applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

12.08 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order or otherwise shall in no way affect the application of such provision to other circumstances or affect any other provision(s), which shall remain in full force and effect.

12.09 Indemnification. The Association shall indemnify every officer, director and committee member against any and all expenses (including reasonable attorney's fees and costs), reasonably incurred by or imposed upon such officer, director or committee member in connection with any action, suit or other proceeding (including any settlement thereof, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director or committee member to the fullest extent provided by Article 1396-2.22(A) of the Non-Profit Act. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

12.10 Use of "Holly Glen" Word or Mark. No person shall use the word "Holly Glen" or any logo or derivative in any printed or promotional material or web page without the prior written consent of the Board. However, Owners may use the term "Holly Glen" where such term is used solely to specify that a Unit is located in the Condominium.

IN WITNESS WHEREOF, the Association has caused this instrument to be adopted and delivered this 9th day of June, 2000.

ASSOCIATION:

HOLLY GLEN CONDOMINIUM OWNERS
ASSOCIATION, INC.

By: *Ray Jennings*

Its: President

STATE OF TEXAS §

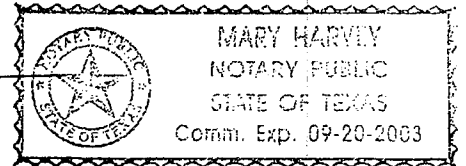
§

COUNTY OF DALLAS §

The foregoing instrument was acknowledged before me this 9th day of June, 2000, by *Ray Jennings*, President of Holly Glen Condominium Owners Association, Inc., on behalf of said corporation.

Mary Harvey
Notary Public

My Commission Expires: _____



AFTER RECORDING, RETURN TO:

Holly Glen Condominium Owners Association, Inc.
c/o Principal Management Group
5622 Dyer Street
Dallas, Texas 75206