

This a complete redraft of the original Bayou Bend Townhomes By-Laws as adopted in 1977 and amended in 1978. This version was prepared to assist electronic transmission. Original copies are available to Owners at Bayou Bend upon request.

## BY-LAWS

### BAYOU BEND TOWNHOMES

#### ARTICLE I DEFINITIONS AND CONSTRUCTION

1.1 Definitions. Unless the context shall expressly provide otherwise:

(a) “Central Association” or “Association” means the group or association to be incorporated under the Texas Non-Profit Corporation Act composed of the owners of condominium units located on the Combined Properties.

(b) “Condominium Documents” means and includes the Declarations, these By-Laws and the Rules and Regulations

(c) “Properties” means and includes that one certain condominium projects know as BAYOU BEND TOWNHOMES established pursuant to Declaration (the “Declaration”) duly recorded in the office of the county Clerk of Harris county, Texas.

(d) “Council” means and includes the group or association comprised of the owners of condominium units located in' BAYOU BEND TOWNHOMES.

1.2 Construction. According to. the context, the singular may include the plural, the plural may include the singular and the plural and any gender may include all genders.

#### ARTICLE II PLAN OF OWNERSHIP

2.1 Purpose. The purpose for which this non-profit Association is formed is to govern the Properties.

2.2 Acceptance of By-Laws. All persons, now or in the future, owning, renting, leasing or otherwise acquiring an interest in or occupying a condominium unit located on the Properties or any other person that might use in any manner the facilities of the Properties shall by the mere

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fact of such acquisition, occupancy or use be deemed to have accepted and ratified these By-Laws and personally assumed each and every duty and obligation herein imposed.

ARTICLE III  
MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

3.1 Membership. Except as otherwise provided herein, ownership of a condominium unit in BAYOU BEND TOWNHOMES is a prerequisite to membership in the Association.

Each membership together with all interests and rights thereunto appertaining shall terminate immediately without any action by the Association whenever a member ceases to own a condominium unit; provided, however such termination shall not relieve or release any such former owner from any liability or obligation arising rem and occurring during the period of such ownership and membership in the Association, or impair any rights or remedies which the owners have, through the Association, or directly, against such former owner arising out of or in any way connected with such ownership, membership and the covenants and obligations incident thereto.

3.2 Voting. Each owner shall be entitled to the number of votes assigned to the condominium owned by him as set forth in Schedule "A" attached hereto and made a part hereof.

3.3 Eligible Votes. In any election or other voting held by the Association, only those votes held by owners of condominium units in BAYOU BEND TOWNHOMES shall be eligible Votes.

3.4 Quorum. Except as otherwise provided in the Condominium Documents:

(a) the presence in person or by proxy of owners representing fifty percent (50%) of the Eligible Votes shall constitute a quorum, and

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(b) when a quorum of Eligible Voters is present at any meeting, a majority vote of the owners present, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action.

3.5 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary or Assistant Secretary of the Association before the appointed time of the meeting for which such proxy was given.

#### ARTICLE IV ADMINISTRATION

4.1 Administrative Bodies. The administrative affairs and responsibilities of the Association shall be managed by a five (5) member board of Directors (the “Board of Directors” or “Board”).

4.2 Place of Meeting. Except as otherwise provided herein, meetings of the Association shall be held at such places as the respective administrative bodies may determine.

4.3 Annual Meetings of the Association. The first meeting of the Association shall be held one (1) month after the termination of the development and sale period as defined in Paragraph 15 of the Declarations. Thereafter, the annual meetings of the Association shall be held during the month of January of each succeeding year. At such meetings there shall be elected by ballot of the members of the Association, a Board of Directors in accordance with the requirements of: Section 6.1 of these By-Laws. The members may also transact such other business of the Association as may properly come before them.

4.4 Special Meetings. It shall be the duty of the President to call a special meeting of the Association as directed by resolution of the Board of Managers or upon a petition signed by at least one-third ( $\frac{1}{3}$ ) of the members thereof and presented to the Secretary or Assistant Secretary

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of the Association. The notice of any special meeting shall. state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds ( $\frac{2}{3}$ ) of the members, either present, in person or by proxy. Any such meetings shall be held within thirty (30) days after receipt by the appropriate officers of such resolution or petition.

4.5 Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place.it .is to.be held, to each member of record, at least thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

4.6 Adjourned Meetings. If any meeting cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained.

4.7 Order of Business. The order of business at all meetings shall, to the extent applicable, be as follows:

- (a) Roll call and certifying proxies,
- (b) Proof of notice of meeting or waiver of notice,
- (c) Reading and disposal of unapproved minutes,
- (d) Reports of officers,
- (e) Reports of committees,
- (f) Election of Directors,
- (g) Unfinished business,
- (h) New business, and

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(i) Adjournment.

4.8 Performance of Functions by Declarant. Any express or implied provisions of the Condominium Documents to the contrary notwithstanding, the rights, duties and functions of the Board of Directors shall be exercised b Declarant until termination of the development and sale period as defined in paragraph 15 of the Declaration.

## ARTICLE V BOARD OF DIRECTORS

5.1 Number and Qualification. At the first annual meeting of the Association the initial five (5) members of the Board of Directors shall be elected.

The Board shall constitute the Initial Board of Directors and shall, thereafter, subject to the Condominium Documents, govern the affairs of the Association until their successors have been duly elected and qualified.

5.2 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first-class residential condominium project. The Board may do all such acts and things except as by law or by the Condominium Documents may not be delegated to the Board of Directors.

5.3 Other Powers and Duties. Such powers and duties of the Board shall include, but shall not be limited to, the following, all of which shall be done for and 'in behalf of the owners of the condominium units:

(a) To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Condominium Documents.

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(b) To establish, maintain and enforce compliance with such reasonable house rules as may be necessary for the operation, use, and occupancy of the Properties with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the general and limited common elements and all items of common personal property used by the owners in the enjoyment of the Properties.

(d) To insure and keep insured all of the insurable common elements of the Properties in an amount equal to their maximum replacement value; and to insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the owners of the condominium units and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damages.

(e) To prepare a budget for the Properties at least annually, determine the amount of the common charges payable by the unit owners to meet the common expenses of the Combined Properties, assess the unit owners for their share of the common expenses, and by majority vote of the Board adjust, decrease or increase the amount of the monthly assessments, and remit or return to the owners at the end of each operating year any excess of assessments over expenses, working capital, sinking funds, and reserves for deferred maintenance and replacement. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies,

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Each unit owner shall be assessed an amount equal to the sum of the lawfully determined common expenses multiplied by the fraction shown on Exhibit "A-1" to the Declaration.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Condominium Documents. To enforce a late charge of Five and No/100 Dollars (\$5.00) and to collect interest at the rates provided in the Declaration in connection with assessments remaining unpaid more than fifteen (15) days from due date for payment thereof, together with all expenses, including attorney's fees incurred. To prohibit use by the owner, his guests, tenants, lessees and invitees of the general common elements in the event the assessments remain unpaid more than thirty. (30) days from due date for payment thereof.

(g) To protect and defend the Properties from damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Condominium Documents, and to execute all such instruments evidencing such indebtedness as the Board may deem necessary. Such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.

(i) To enter into contracts within the scope of their duties and powers.

(j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board.

(k) To make repairs, additions, alterations and improvements to the common elements consistent with managing the condominium project in a first-class manner and consistent with the best interests of the unit owners.

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(l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a certified or public accountant once each year.

(m) To prepare and deliver annually to each owner a statement showing receipts, expenses or disbursements since the last such statement.

(n) To meet at least once each quarter.

(o) To employ the personnel necessary for the maintenance and operation of the general and limited common elements.

(p) In general, to carry on the administration of the Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of the Properties.

(q) The Board of Directors may employ a managing agent (Managing Agent) who shall, subject to the control of and the conditions imposed by the Board, have and exercise any of the powers granted to the Board of Directors by the Declaration and By-Laws except those powers set forth in paragraph 28 of the Declaration.

5.4 No Waiver of Rights. The omission or failure of the Association or any condominium unit owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of any of the Condominium Documents, shall not constitute or be deemed a waiver, modification or release thereof, and the Board or the Managing Agent shall have the right to enforce the same thereafter.

5.5 Election and Term of Office. At the first meeting of the Association, the initial term of office of the Directors shall be as follows:



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Two (2) Directors – Three (3) year terms

Two (2) Directors – Two (2) year terms

One (1) Director – One (1) year term

At the expiration of the initial term of office of each Director, his successor shall be elected in conformity with Section 5.1 hereof and shall serve the same term as his predecessor. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

5.6 Vacancies. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

5.7 Removal of Directors. At any regular or special meeting of the Board or the Association duly called, the Director elected pursuant to Section 5.1 may be removed with or without cause by majority vote of the Board or the Association, as the case may be, and a successor may then and there be elected by the Board in conformity with Section 5.1. No Director may be removed without the prior opportunity to be heard by the Association.

5.8 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days following the annual meeting of the Association. Such meeting shall be at the place fixed by the Directors at such annual meeting subsequent to their election. Further notice to the newly constituted Board shall not be required providing a majority of the Board shall be present.

5.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least

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one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.10 Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one (1) or more Director(s).

5.11 Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors represent at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.12 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

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5.13 Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

5.14 Compensation. No member of the Board of Directors shall receive any compensation for acting as such.

## ARTICLE VI FISCAL MANAGEMENT

The provisions for fiscal management of the condominium units for and in behalf of all of the unit owners as set forth in the respective Declarations shall be supplemented by the following provisions:

6.1 Accounts. The funds and expenditures of the unit owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements;

(b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually; and

(c) Reserve for replacement (sinking fund), which shall include funds for repair or replacement required because of damage, wear or obsolescence.

## ARTICLE VII OFFICERS

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7.1 Designation. The officers of the Association shall be a President, a Vice President, a Secretary, an Assistant Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. Such officers need not be members of the Board of Directors, but each shall be an owner of a BAYOU BEND TOWNHOMES condominium unit located on the Property of Declarant or its representative(s). The office of President and Treasurer may be held by the same person, and the office of Vice President and Secretary or Assistant Secretary may be held by the same person.

7.2 Election of Officers. The officers of the association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office subject to the continuing approval of the Board.

7.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

7.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association or as may be established by the Board or by the members of the Association at any regular or special meetings.

7.5 Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability

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for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the President.

7.6 Secretary. The Secretary shall keep all, the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary as is provided in the Condominium Documents.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member, the undivided interest in the general common elements and a description of the limited, common elements assigned for exclusive use in connection with such condominium unit. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7.7 Assistant Secretary. The Assistant Secretary shall have all the powers and authority and perform all the functions and duties of the Secretary, in the absence of the Secretary, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the Secretary.

7.8 Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors. In the event a Managing Agent has the

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responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days. after the first day of each month.

#### ARTICLE VIII INDEMNIFICATION OF OFFICERS, MANAGERS AND MANAGING AGENT

8.1 Indemnification. The Association shall indemnify every Director, Officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by them in connection with any action, suit or proceedings to which they may be made a party by reason of being or having been a Director or Officer of the Association, except as to matters as to which they shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or Officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or Officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing contained in this Article IX shall be deemed to obligate he Association to indemnify any member of a condominium unit who is or has been a Director or Officer of the Association with respect to any duties, obligations or liabilities voluntarily assumed or incurred by him under and by virtue of the Combined Condominium Documents.

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8.2 Other. Contracts or other commitments made by the Board of Directors or Officers shall be made as agent for the unit owners, and they shall have no personal responsibility on any such contract or commitment (except as unit owners), and the liability of any unit owner on any such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each unit owner bears to the aggregate common interest of all of the unit owners.

#### ARTICLE IX AMENDMENTS TO BY-LAWS

9.1 Amendments to By-Laws. These By-Laws may be amended by a majority vote of the Association members at a meeting duly called and constituted for such purpose.

#### ARTICLE X MORTGAGES

10.1 Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Secretary or Assistant Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

10.2 Notice of Unpaid Common Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a condominium unit, shall promptly report any then unpaid common assessments due from, or any other default by, the owner of a mortgaged unit.

10.3 Notice of Default. The Board of Directors, when giving notice to a unit owner of a default in paying common assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such condominium unit whose name and address has theretofore been furnished to the Board of Directors.

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10.4 Examination of Books. Each unit owner and each mortgagee of a condominium unit shall be permitted to examine the books of account of the condominium at reasonable times, on business days, but not more often than once a month.

ARTICLE XI  
EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS  
AND DESIGNATION OF VOTING REPRESENTATIVE

11.1 Proof of Ownership. Except for those owners who initially purchase a condominium unit from Declarant, any person on becoming an owner of a condominium unit shall furnish to the Managing Agent or Board of Directors a machine or a certified copy of the recorded instrument vesting that person with an interest or ownership in the condominium unit, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or at a special meeting of members unless this requirement is first met.

11.2 Registration of Mailing Address. The owners or several owners of an individual condominium unit shall have the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium unit owner or owners shall be furnished by such owners to the Managing Agent or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the condominium unit or by such persons as are authorized by law to represent the interest of (all of) the owners thereof.



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11.3 Designation of Voting Representative – Proxy. If a condominium unit is owned by one (1) person, his right to vote shall be established by the record title thereto. If title to a condominium unit is held by more than one (1) person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one (1) person or alternate persons to attend all annual and special meetings and members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owners shall reappoint and authorize one (1) person or alternate persons to attend all annual and special meetings as provided by this Section 11.3.

The requirements contained in this Article XI shall be first met before an owner of a condominium unit shall be deemed in good standing and entitled to vote at any annual or special meeting of members.

## ARTICLE XII OBLIGATIONS OF THE OWNERS

12.1 Assessments. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses, which shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

12.2 Notice of Lien or Suit. An owner shall give notice to the Association of every lien or encumbrance upon his condominium unit, other than for taxes and special assessments, and

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notice of every suit or other proceeding which may affect the title to his condominium unit, and such notice shall be given within five (5) days after the owner has knowledge thereof.

12.3 Maintenance and Repair.

(a) Every owner must perform promptly at his own expense all maintenance and repair work within his own unit which, if omitted, would affect the Property, or any part thereof.

(b) All the repairs of internal installations of the unit (as defined in the Declaration) shall be at the owner's expense.

(c) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by such owner's negligence or by the negligence of his tenants or agents or guests.

12.4 Mechanic's or Materialmen's Lien. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's or materialmen's liens filed against other condominium units and the appurtenant common elements for labor, materials, services or other products incorporated in such owner's condominium unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's or materialmen's lien is commenced, then within ten (10) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to double the amount of such claim plus interest for one (1) year together with a sum equal to ten percent (10%) of the amount of such claim but not less than One Hundred Fifty and No/100 Dollars (\$150.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association

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pending final adjudication or settlement of the claim or litigation, Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of such owner and a lien against his condominium unit may be foreclosed as is provided in Paragraph 24 of the Declarations. All advancements, payments, costs and expenses, including attorney's fees, incurred by the Association shall be forthwith reimbursed to it by such owner, and such owner shall be liable to the Association for the payment of interest at the rate of one percent (1%) per annum below the then highest legal rate of interest for individuals on all such sums paid or incurred by the Association from the date of payment by the Association until the date of repayment by such owner.

#### 12.5 General.

(a) Each owner shall comply strictly with the provisions of the Condominium Documents.

(b) Each owner shall always, endeavor to observe and promote the cooperative purposes for the accomplishment of which this condominium project was built.

#### 12.6 Use of Units – Internal Changes.

(a) All units shall be utilized only for residential purposes except as is otherwise provided in the Condominium Documents.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without the written approval of the Association. The Association shall be notified in writing of the intended modifications through the Managing

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Agent, or if no Managing Agent is employed, then through the President of the Association.

The Association shall have the obligation to answer an owner's request within thirty (30) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

12.7 Use of General Common Elements and Limited Common Elements. Each owner shall use the general common elements and the limited common elements; in accordance with the purpose for which they were intended without hindering-or encroaching upon the lawful rights of the other owners.

12.8 Right of Entry.

(a) An owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Association in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other unit(s); provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

12.9 Rules and Regulations.

(a) The initial rules and regulations (the "Rules and Regulations") which shall be effective until amended or supplemented by the Association, are annexed hereto and made a part hereof Schedule B.

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(b) The Board of Directors, pursuant to Section 5.3(b) of these By-Laws, reserves the power to establish, make and enforce compliance with such additional house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. Copies of such Rules and Regulations shall be furnished to each unit owner prior to the date when the same shall become effective.

12.10 Destruction or Obsolescence. Each owner, upon becoming an owner of a condominium unit, thereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium unit upon the damage, destruction or obsolescence of any common or limited common element physically made a part of or incorporated into such unit including, without limitations, the roofs, walls, foundations and utility lines and connections.

### ARTICLE XIII ABATEMENT AND ENJOINMENT OF VIOLATIONS BY UNIT OWNERS

13.1 Abatement and Enjoinment. The violation by an owner of any rule, regulation or other provision of the Condominium Documents, shall give the Board of Directors or the Managing Agent the rights, in addition to any other rights, set forth therein, (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Condominium Documents, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out any person, structure, thing or condition that may exist, using such force as may be.-necessary in so doing, without being liable to prosecution or in damages

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therefor; and (b) to enjoin, abate, or remedy by appropriate ;legal proceedings, either at law or in equity, the continuance of any breach.

#### ARTICLE XIV COMMITTEES

14.1 Designation. The Board of Directors may, but shall not be required to, appoint a management committee, and it may designate and appoint members to the standing committees.

14.2 Vacancies. A vacancy in any Association committee shall be filled by the President until the next meeting of the Board of Directors.

#### ARTICLE XV COMPENSATION

15.1 No Compensation To Be Paid. This Association is not organized for profit. No member, member of the Board of Directors, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to; or inure to the benefit of any member of the Board of Directors, Officer or member, provided, however, (a) that reasonable compensation may be paid to any member, Director or Officer while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association, and (b) that any member, Director or Officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

#### ARTICLE XVI EXECUTION OF DOCUMENTS

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16.1 Authorized Parties. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the President and the Secretary or Assistant Secretary of the Association.

ARTICLE XVII  
PROXY TO TRUST

17.1 Means and Effect. Condominium unit owners shall have the right to irrevocably constitute and appoint the beneficiary of a deed of trust their true and lawful attorney to vote their unit membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominees any and all rights, privileges, and powers that they have as unit owners under the By-Laws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary or Assistant Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy by reason of the failure, neglect, or refusal of the Association, the Managing Agent, or the unit owners to carry out their duties as set forth in the Condominium Declaration. A release of the beneficiary's deed of trust shall operate to revoke such proxy. Nothing herein contained shall be construed to relieve condominium unit owners, as mortgagors of their duties and obligations as condominium unit owners or to impose upon the beneficiary of the deed of trust the duties and obligations of a unit owner.