



Master Deed and Bylaws
2009

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Master Deed Islander East

Condominium records vol 2112 page 149

This Declaration and Master Deed is made and executed this 24th day of April 1974 by ISLANDER EAST, a joint venture (hereinafter referred to as the "Developer"), pursuant to the provisions of the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes (hereinafter referred to as the "Act") for the purpose of submitting the hereinafter described real property and the improvements located thereon to a condominium regime.

WITNESSETH

WHEREAS, the Developer is the owner of a certain real property locally known as "Islander East" consisting of approximately 6.43 acres of land with a ten (10) story building containing a total of **one hundred sixty-one (161) sales module units therein**, and certain other improvements located thereon (such real property and the improvements located thereon being hereinafter sometimes referred to as "Islander East"), the metes and bounds of which is more particularly described in the "Field Notes" on page I of Exhibit "B" attached hereto and made a part hereof for all purposes.

WHEREAS, the Developer desires by recording this Declaration and Master Deed, together with the condominium bylaws attached hereto as Exhibit "A", and the condominium subdivision plan attached hereto as Exhibit "B" (both of which are hereby incorporated by reference and made a part hereof), to establish a Condominium Project known as Islander East under the provisions of the Act.

NOW, THEREFORE, the Developer does upon the recording hereof, establish Islander East as a Condominium Project under the Act and does declare that Islander East shall, after such establishment, be held, conveyed, hypothecated, encumbered, leased, rented, occupied, improved and in any other manner utilized, subject to the provisions of the Act and to the covenants, conditions, restrictions, uses, limitations and affirmative obligations set forth in this Declaration and Master Deed and Exhibits "A" and "B" hereto, all of which shall be deemed to run with all or any portion of Islander East and shall be a burden and a benefit to the Developer, its successors and assigns, and any persons acquiring or owning any interest in Islander East, their grantees, successors, heirs, executors, administrators and assigns. In furtherance of the establishment of this Condominium Project, it is provided as follows:

1. Certain terms as used in this Declaration and Master Deed and attached Exhibits shall be defined as follows:
 - (a) "Sales Module Unit" means a space in the Condominium Project. Contiguous Sales Module Units can be grouped to form various combinations to suit the needs of the owner of an Apartment-Home. **The total of 161 Sales Module Units contained in the Condominium Project consists of various groupings of Sales Module Units, all being described and delimited in Exhibit "B" attached hereto.**
 - (b) "Apartment-Home" **means an enclosed space consisting of one or more Sales Module Units** occupying all or part of a floor of the Condominium Project having direct access to a thoroughfare, as such space may be described and delimited in Exhibit "B" attached hereto.
 - (c) "Condominium" means the separate ownership of Apartment-Homes, together with an undivided ownership of an interest in the limited and general Common Elements as set forth and defined herein.
 - (d) "Condominium Project" means Islander East as a condominium project established in conformance with the provisions of the Act.

- (e) "Co-Owner" means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Apartment-Homes in the Condominium Project.
 - (f) "Council of Co-Owners" shall mean the non-profit corporation organized pursuant to the Texas Non-Profit Corporation Act of which all Co-Owners shall be members, which corporation shall administer the operation and management of Islander East as a Condominium Project.
 - (g) "Common Elements" shall mean both the general and limited Common Elements as described in paragraph 3 thereof.
 - (h) "Building Unit Square Footage" shall be the number of square feet contained in an Apartment-Home by measuring from the center line of walls which form the boundaries of the Apartment-Home, except for walls which are exterior to the building containing the Apartment-Homes, for which the exterior face of the wall is utilized. Building Unit Square Footage is shown on Exhibit "B."
 - (i) "Condominium Document Square Footage" shall mean the number of square feet contained in an Apartment-Home by measuring from the interior face of walls which form the boundaries of the Apartment-Home. Condominium Document Square Footage is also shown on Exhibit "B."
 - (j) Whenever any reference herein is made to one gender, the same shall include a reference to any and all genders where the same would be appropriate. Similarly, whenever a reference herein is made to the singular, the same shall include a reference to the plural where the same would be appropriate.
2. The major improvements of the Condominium Project consists of a ten (10) story building containing a swimming pool, two elevators, tennis courts, shuffleboard courts and other improvements. The Condominium Project and the foregoing improvements are described by address, Sales Module Unit number, boundary, dimension and area in the condominium subdivision plan, attached as Exhibit "B" hereto. Each Apartment-Home has its own entrance from and exit to a thoroughfare. Each Co-Owner in the Condominium Project shall have an exclusive right to his Apartment-Home and shall have undivided and inseparable rights to share with other Co-Owners the limited and general Common Elements of the Condominium Project designated herein.
3. The original Common Elements of the Condominium Project are as follows:
- (a) The land in the Condominium Project as described in Exhibit "B" hereto;
 - (b) The foundations, bearing walls and columns (including any windows, doors and chimneys therein), roofs, ceilings and floors, halls, lobbies, or thoroughfares such as stairways of the buildings located on the land described above;
 - (c) The compartments or installations of central services such as power, light, electricity, telephone, gas, cold and hot water, plumbing, reservoirs, water tanks and pumps, incinerators and the like, and all similar devices and installations existing for common use;
 - (d) The premises and facilities, if any, used for the maintenance or repair of the Condominium Project;
 - (e) All common recreational facilities such as the swimming pool and the grounds, yards and walkways;
 - (f) The parking spaces, as set forth on Exhibit "B";
 - (g) The manager's residence, being Sales Module Unit number 101, as described on Exhibit "B" hereto; and
 - (h) All other elements desirable or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Project.

The cost of maintenance, repair and replacement of general Common Elements shall be an expense of administration of the Condominium Project to be assessed in accordance with the bylaws attached hereto as Exhibit "A."

No Co-Owner shall use his Apartment-Home or the general Common Elements: (i) in any manner inconsistent with the purpose of the Condominium Project or (ii) in any manner so as to interfere with or impair the rights of another Co-Owner in the use and enjoyment of his Apartment-Home or the general Common Elements. It is expressly agreed and understood that each Co-Owner shall have the right to lease his Apartment-Home on any basis not inconsistent with the condominium bylaws attached hereto as Exhibit "A."

Public utilities furnishing services for common use such as water, electricity, gas and telephone to the Condominium Project shall have access to the general Common Elements and the Apartment-Homes as may be necessary for the installation, repair or maintenance of such services, and any costs incurred in opening and repairing any wall of the Condominium Project to install, repair or maintain such services shall be an expense of the administration of the Condominium Project to be assessed in accordance with the bylaws attached hereto as Exhibit "A."

There shall be permanent easements to, through and over those portions of Islander East as may be reasonably necessary for the installation, maintenance and repair of all public utilities, the general Common Elements which easements shall run to and be administered by the Council of Co-Owners.

4. In the condominium subdivision plan attached hereto as Exhibit "B" there are one hundred sixty-one (161) Sales Module Units in the Condominium Project and the Sales Module Units located therein are designated numerically. The Sales Module Units have been combined to form Apartment-Homes as set forth below. Where combination has taken place the Building Unit Square Footage and the Condominium Document Square Footage are shown for the combined Apartment-Homes.

The percentage of value assigned to each Apartment-Home in the Condominium Project shall be calculated by determining the aggregate number and class of Sales Module Units contained in each such Apartment-Home. The general warranty deed to each Apartment-Home shall evidence the aggregate number and class of Sales Module Units contained in such Apartment-Home and shall be determinative of the proportionate share of each respective Co-Owner in the proceeds and expenses of administration and the value of such Co-Owner's vote at meetings of the Council of Co-Owners. The total value of the Condominium Project is 100%.

5. So long as the Developer owns one or more Sales Module Units in the Condominium Project, the Developer shall be subject to the provisions of the Master Deed and Exhibits "A" and "B" attached hereto.
6. If the Condominium Project is totally or partially damaged or destroyed or totally or partially taken by eminent domain, the repair, reconstruction or disposition thereof shall be as provided by the bylaws attached hereto as Exhibit "A."
7. In the event any portion of an Apartment-Home, a Sales Module Unit or a general Common Element changes boundaries and thereby encroaches upon another Apartment-Home, Sales Module Unit or such Common Elements due to the shifting, settling or moving of the Condominium Project, such changed boundaries shall be deemed to constitute the boundaries of the Apartment-Homes, Sales Module Units and the general common areas so affected in accordance with Section 9 of the Act.
8. The regime established for the Condominium Project hereby shall not be vacated, waived or revoked or any of the provisions herein amended unless all of the Co-Owners and the mortgagees of all the mortgages covering the Apartment-Homes unanimously agree to such termination, revocation, or amendments by duly approved and recorded instruments;

PROVIDED, however, that prior to the first annual meeting of the members of Council of Co-Owners, the Developer may, with the written consent of any institutional mortgagee of any Apartment-Home in the Condominium Project, (but without the consent of any Co-Owner) amend this Declaration and Master Deed, the bylaws attached hereto as Exhibit "A" and the condominium subdivision plan attached as Exhibit "B" in order to correct surveyor other error made in such documents, and FURTHER PROVIDED that the Developer may change the percentages allocated to and the dimensions of the Sales Module Units owned by the developer by an amendment to this Declaration and Master Deed duly executed and recorded by the Developer only, provided such changes do not affect the percentages allocated to the other Apartment-Homes in the Condominium Project which are not owned by the developer.

ISLANDER EAST:
EAST BEACH AMUSEMENT PARK, INC.
Joint Venture

Note: Original document signed, notarized and filed in the Condominium records in Galveston. Exhibit "B" floor plans are not made a part of this document copy because of size and space limitations. You should have received this at your closing.

EXHIBIT A — AMENDED, CONSOLIDATED, AND RESTATED BYLAWS OF ISLANDER EAST ASSOCIATION, A TEXAS NON-PROFIT CORPORATION

Whereas, a Declaration and Master Deed dated April 24, 1974, signed by Islander East, a joint venture, and relating to the creation of a condominium regime to be known as “Islander East” was recorded in Volume 2112, page 149 of the Galveston County Condominium Records; and

Whereas, the Declaration and Master Deed authorized the creation of a Council of Co-Owners to administer the condominium regime, and on July 1, 1974, Articles of Incorporation for Islander East Association, a Texas non-profit corporation (the “Association”), were filed in the Texas Secretary of State’s Office; and

Whereas, attached as an exhibit to the Declaration and Master Deed was a document entitled “Condominium Bylaws of Islander East”, which instrument has heretofore been referred to as the “Condominium Bylaws”; and

Whereas, following incorporation, the board of directors of the Association adopted as its bylaws a document entitled “Bylaws of Islander East Association,” which instrument has heretofore been referred to as the “Association Bylaws”; and

Whereas, Section 19.07 of the Condominium Bylaws provides that they may be amended from time to time by approval of at least sixty-seven percent (67%) of the percentage values of those Co-Owners qualified to vote and present in person or by proxy at a meeting (annual or special) of the Co-Owners; and

Whereas, the existence of two separate sets of bylaws for governance of the Association has created confusion, and the Co-Owners desire to consolidate the Condominium Bylaws and the Association Bylaws into one instrument, and desire further to amend certain provisions thereof; and

Whereas, this instrument is intended to be an amendment, consolidation, and restatement of the Condominium Bylaws and Association Bylaws, and will be known hereafter as the sole instrument constituting the bylaws for governance of the Association.

ARTICLE I: DEFINITIONS

Certain terms as used in these Bylaws shall be defined as follows:

1.01 “Act” shall mean the Texas Condominium Act, Chapter 81 of the Texas Property Code, as it may from time to time be amended.

1.02 “Apartment-Home” means an enclosed space consisting of one or more rooms occupying all or part of a floor in a building of the Condominium Project having a direct access to a thoroughfare.

1.03 “Association” means Islander East Association, a Texas non-profit corporation.

1.04 “Common Elements” means both the general and Common Elements as described in paragraph 3 of the Declaration and Master Deed.

1.05 “Condominium” means the separate ownership of Apartment-Homes, together with an undivided ownership of an interest in the limited and general Common Elements as set forth and defined in the Declaration and Master Deed.

1.06 “Condominium Project” means Islander East as a condominium project established by the Declaration and Master Deed in conformance with the provisions of the Act.

1.07 “Co-Owner” means a person, firm, corporation, partnership, association, trust or other legal entity or any combination thereof who or which owns one or more Apartment-Homes in the Condominium Project.

1.08 “Council of Co-Owners” means the Association, which shall administer the operation and management of Islander East as a Condominium Project.

1.09 "Declaration and Master Deed" means the instrument recorded in Volume 2112 page 149 of the Condominium Records of Galveston County, Texas establishing Islander East as a Condominium Project.

1.10 "Developer" shall mean Islander East, a joint venture.

1.11 "Islander East" consists of approximately 6.43 acres of land with one ten-story building containing a total of one hundred sixty-one (161) Sales Module Units which can be grouped to form studio apartments, two-bedroom apartments and three-bedroom apartments (depending upon the desires of the purchasers) and certain other improvements located thereon all as more particularly described in the Declaration and Master Deed.

1.12 "TUCA" means The Uniform Condominium Act, Chapter 82 of the Texas Property Code, as it may from time to time be amended.

ARTICLE 2: APPLICABILITY OF BYLAWS

2.01 Association. The provisions of these Bylaws constitute the Bylaws of the Association.

2.02 Project Applicability. The provisions of these Bylaws are applicable to the Condominium Project.

2.03 Personal Application. All present or future owners, present or future tenants, their employees, or other persons that use the facilities of the Condominium Project in any manner are subject to the regulations set forth in these Bylaws. The acquisition or rental of any of the Apartment-Homes of the Condominium Project, or the act of occupancy of any of the Apartment-Homes, will signify that these Bylaws are accepted and ratified and will be complied with by the purchaser, tenant, or occupant.

ARTICLE 3: OFFICES

3.01 Registered Office. The registered office of the Association and the name of the registered agent of the Association at such address shall be as determined from time to time by the Board of Directors in the manner prescribed by law.

3.02 Other Offices. The Association may also have offices at such other places both within and without the State of Texas as the Board of Directors may from time to time determine or the business of the Association may require.

ARTICLE 4: COUNCIL OF CO-OWNERS

4.01 Administration. The Condominium Project shall be administered by the Association. The Association shall be responsible for the management, maintenance, operation and administration of the Condominium Project, the Common Elements and easements appurtenant thereto in accordance with the Declaration and Master Deed, these Bylaws, the Articles of Incorporation, duly adopted Rules and Regulations of the Association and the laws of the State of Texas. Co-Owners in the Condominium Project and all persons using or entering upon or acquiring any interest in any Apartment-Homes therein or the Common Elements thereof shall be subject to the provisions and terms set forth in the aforesaid condominium documents.

4.02 Independent Management. The Association may provide for independent management of the Condominium Project.

4.03 Membership. Membership in the Association shall be in accordance with the following provisions:

- a) Each Co-Owner shall be a member of the Association and no other person or entity shall be entitled to membership. No Co-Owner shall be required to pay any consideration whatsoever solely for his membership in the Association.
- b) The share of a Co-Owner in the funds and assets of the Association cannot be assigned, pledged or transferred in any manner except as an appurtenance to his Apartment-Home in the Condominium Project.

4.04 Books of Account. The Association shall keep or cause to be kept detailed books of account showing all expenditures and receipts of the administration of the Condominium Project which shall specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association and the Co-Owners. Such books shall be open for inspection by the Co-Owners during reasonable working hours weekdays and shall be audited annually by qualified auditors. The cost of such audit shall be an expense of administration of the Condominium Project.

4.05 Association Expenses and Receipts. All costs incurred by the Association including, but not limited to any costs incurred in satisfaction of any liability arising within, caused by or in connection with the Association's operation, maintenance or use of the Condominium Project shall be Association expenses, and all sums received by the Association including but not limited to all sums received as proceeds of, or pursuant to, any policy of insurance carried by the Association shall be Association receipts.

4.06 Qualification of Board Members. Each member of the Board of Directors of the Association must be a member of the Association.

ARTICLE 5: MEETINGS OF CO-OWNERS

5.01 Place of Meetings. Meetings of the Co-Owners may be held at such time and place, within the City of Galveston, Galveston County, Texas, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

5.02 Annual Meeting. An annual meeting of the Co-Owners shall be held annually, within the City of Galveston on such date (provided that such date is on a Saturday or Sunday) and at such time as determined by the Board of Directors which is no earlier than thirty (30) days preceding and no later than thirty (30) days succeeding the annual anniversary date of the preceding annual meeting of the Co-Owners, all as stated in the notice of the meeting to be provided in Section 5.04 hereof. At such annual meeting, the Co-Owners shall elect a Board of Directors, and shall transact such other business as may properly be brought before the meeting.

5.03 Special Meeting. Special meetings of the Co-Owners, for any purpose or purposes, unless otherwise prescribed by statute, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed, may be called by the President, a majority of the Board of Directors, or by Co-Owners having not less than 20% percent of the total percentage values of those Co-Owners entitled to be cast at such meeting. Business transacted at all special meetings shall be confined to the objects stated in the notice of such meeting.

5.04 Notice. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the officer or person calling the meeting, to each Co-Owner entitled to vote at such meeting.

5.05 Quorum. Except as provided by statute or the Declaration and Master Deed, the presence in person or by proxy of more than fifty percent (50%) of the percentage values of the Co-Owners shall constitute a quorum at all meetings of the Co-Owners for the transaction of business. If, however, such quorum shall not be present or represented at any meeting of the Co-Owners, the Co-Owners entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified.

5.06 Majority Vote; Withdrawal of Quorum. When a quorum is present at any meeting, the vote of the holders of a majority (over fifty percent (50%) of the percentage values of those Co-Owners qualified to vote and present in person or by proxy) shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed a different vote is required, in which case such express provision shall govern and control the decision of such question. The Co-Owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Co-Owners to leave less than a quorum.

5.07 Method of Voting; Proxies. Each Co-Owner shall be entitled to a vote, the value of which shall equal the total of the percentages allocated to the Apartment-Home owned by such Co-Owner as set forth in the Declaration and Master Deed. No Co-Owner shall be entitled to vote at any meeting of the Association until such Co-Owner has presented evidence of ownership of an Apartment-Home in the Condominium Project to the Board of Directors. The vote of each Co-Owner may only be cast by such Co-Owner or by a proxy given by such Co-Owner to his or her spouse or to another Co-Owner or to his duly authorized representative bearing a date not more than eleven months prior to such meeting. Such proxy shall be filed with the Secretary of the Association prior to or at the time of the meeting. If title to an Apartment-Home shall be in the name of two or more persons as Co-Owners, all of such persons shall be members of the Association and are referred to herein as "Joint-Owners." Any one of such Joint-Owners may vote at any meeting of the Co-Owners and such vote shall be binding upon such other Joint-Owners who are not present at such meeting until written notice to the contrary has been received by the Board of Directors in which case the unanimous vote of all such Joint-Owners (in person or by proxy) shall be required to cast their vote as Co-Owners. If two or more of such Joint-Owners are present at any meeting, their unanimous action shall also be required to cast their vote as Co-Owners.

5.08 Cumulative Voting Denied. At all meetings of the Co-Owners cumulative voting shall not be permitted.

ARTICLE 6: DIRECTORS

6.01 Management. The business and affairs of the Association shall be managed by its Board of Directors who may exercise all such powers of the Association and do all such lawful acts and things as are not by statute, the Articles of Incorporation, these Bylaws or the Declaration and Master Deed directed or required to be exercised or done by the Co-Owners. Without limiting the generality of the foregoing, the Board of Directors may exercise any right or power granted to it under the Act by virtue of the applicable provisions of TUCA, including but not limited to assign its right to future income, including common expense assessments, as deemed necessary, advisable or desirable for the general business of the Association.

6.02 Number; Qualification; Election; Term. The Board of Directors shall consist of five directors, all of whom shall be Co-Owners. The five directors shall be divided into three classes consisting of two in class 1, two in class 2 and one in class 3. The term of office for each director shall expire at the third annual meeting of Co-Owners after their election. **The directors shall serve without compensation.**

6.03 Removal; Change in Number; Vacancies. Any director may be removed either for or without cause, at any special meeting of the Co-Owners by the affirmative vote of a majority of the Co-Owners present in person or by proxy at such meeting and entitled to vote, if notice of the intention to act upon such matter shall have been given in the notice calling such meeting. **If any vacancy occurs in the Board of Directors, caused by the death, resignation, retirement, disqualification or removal from office of any director or otherwise, a successor or successors may be chosen at a regular meeting or at a special meeting of the Board of Directors called for that purpose, and each successor director so chosen shall be elected for the unexpired term of his predecessor in office.** Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of Co-Owners or at a special meeting of Co-Owners called for that purpose.

6.04 Place of Meetings. The directors of the Association shall hold their meetings, both regular and special, within the City of Galveston, Galveston County, Texas.

6.05 First Meeting. The first meeting of each newly elected board shall be held without further notice immediately following the annual meeting of Co-Owners, and at the same place, unless by unanimous consent of the directors then elected and serving such time or place shall be changed.

6.06 Regular Meetings. Regular meetings of the Board of Directors may be held without notice at such time and place as shall from time to time be determined by the board.

6.07 Special Meetings. Special meetings of the Board of Directors may be called by the President on a three days' notice to each director, either personally or by mail, telephone, e-mail, electronic transmission, facsimile transmission, or by any other method customarily utilized or reasonably calculated to provide actual notice of the meeting; **special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two directors.** Except as may be otherwise expressly provided by statute, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in a notice or waiver of notice.

6.08 Quorum. At all meetings of the Board of Directors the presence of a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business **and the act of a majority of the directors, when present at any meeting at which there is a quorum, shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed.** If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting from time to time, **without notice other than announcement at the meeting, until a quorum shall be present.**

6.09 Committees Having Board Authority. The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more committees, to consist of two or more of the directors of the Association. Any such committee, to the extent provided in said resolution, shall have

and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Association, except where action of the full Board of Directors is required by statute, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed.

6.10 Other Committees. Other committees not having and exercising the authority of the Board of Directors in the management of the affairs of the Association may be designated and appointed by a resolution adopted by a majority of the directors at a meeting at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to directors or Co-Owners.

6.11 Procedure. All committees shall keep regular minutes of their proceedings and shall report the same to the board when required.

6.12 Managing Agents. The Board of Directors may employ for the Association a management agent at a compensation established by the Board of Directors and such management agent shall perform such duties and services with respect to the Condominium Project as the Board of Directors shall authorize, and the Board of Directors may delegate to such management agent such duties with respect to management, repair and maintenance of the Condominium Project which are not by statute, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed required to be performed by or have the approval of the Board of Directors or the Co-Owners. The Board of Directors may also hire and terminate any other employees, agents, and independent contractors as it may from time to time deem appropriate.

ARTICLE 7: NOTICES

7.01 Method. Whenever under the provisions of the statutes, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed, notice is required to be given to any director or Co-Owner, and no provision is made as to how such notice shall be given, it shall not be construed to mean personal notice, but any such notice may be given in writing, by mail, postage prepaid, addressed to such director or Co-Owner at such address as appears on the records of the Association. Any notice required or permitted to be given by mail shall be deemed to be given at the time when the same shall be thus deposited in the United States mails as aforesaid.

7.02 Waiver. Whenever any notice is required to be given to any Co-Owner or director of the Association under the provisions of the statutes, the Articles of Incorporation, these Bylaws, or the Declaration and Master Deed, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be deemed equivalent to the giving of such notice.

ARTICLE 8: OFFICERS

8.01 Number; Titles. The officers of the Association shall be elected by the directors from among the members of the Board of Directors and shall be a President, a Secretary and a Treasurer. The Board of Directors may also choose one or more Vice Presidents, and one or more offices may be held by the same person except that the offices of President and Secretary shall not be held by the same person.

8.02 Election. The Board of Directors at its first meeting after each annual meeting of Co-Owners shall choose a President, a Secretary, and a Treasurer, all of whom shall be members of the board. The Board of Directors may also elect such Vice Presidents from among its members as it may determine.

8.03 Other Officers. The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall be appointed for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

8.04 Salaries. The salaries of the officers of the Association, if any, shall be fixed by the Board of Directors.

8.05 Term of Office. Each officer of the Association shall hold office until the annual meeting of the Board of Directors next following his election and thereafter until his successor is chosen and qualified in his stead or until his death or until his resignation or removal from office. Any officer or agent elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

8.06 President. The President shall be the chief executive officer of the Association; he shall preside at all meetings of the Co-Owners and the Board of Directors, shall have general and active management of the business and affairs of the Association, shall see that all orders and resolutions of the board are carried into effect, and shall perform such other duties as the Board of Directors shall prescribe.

8.07 Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to him.

8.08 Secretary. The Secretary shall attend all sessions of the Board of Directors and all meetings of the Co-Owners and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for any committees when required. He shall give, or cause to be given, notice of all meetings of the Co-Owners and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision he shall be.

8.09 Assistant Secretaries. Each Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time prescribe or as the President may from time to time delegate to him.

8.10 Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements of the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and directors, at the regular meetings of the board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Association, and shall perform such other duties as the Board of Directors may prescribe. If required by the Board of Directors, he shall give the Association a bond in such form, in such sum, and with such surety or sureties as shall be satisfactory to the board for the faithful performance of the duties of his office and for the restoration to the Association, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association.

8.11 Assistant Treasurers. Each Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time prescribe.

ARTICLE 9: ASSESSMENTS

9.01 Association Assessments. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium Project owned or possessed in common by the Co-Owners, and personal property taxes based thereon shall be treated as expenses of administration of the Condominium Project.

9.02 Annual and Special Assessments.

- (a) The Board of Directors of the Association shall establish an Annual Budget in advance for each fiscal year and such budget shall project all revenues and expenditures for the forthcoming year which may be required for the proper operation, management and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. The assessment for such year shall be established by the adoption of such annual budget by the Board of Directors of the Association. Copies of such budget shall be delivered to each Co-Owner, although the delivery of a copy of the budget to each Co-Owner shall not affect the liability of any Co-Owner for any existing or future assessments. Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation, management, and maintenance of the Condominium Project in any fiscal year, then the Board of Directors shall have the authority at any time and from time to time to amend such budget, and, if necessary, levy such additional assessment or assessments as it shall deem to be necessary for that purpose.
- (b) Special Assessments, other than those described in (a) above, may be made by the Board of Directors of the Association at any time and from time to time to meet other needs or requirements of the Association and the Condominium Project including, but not limited to, assessments for costs described in paragraph 4.05 hereof and capital improvements. However, any such special assessment shall not be levied without the prior approval of at least sixty-seven percent (67%) of the percentage values of those Co-Owners qualified to vote and present in person or by proxy at a meeting (annual or special) of the Co-Owners.

9.03 Allocation of Assessments. All assessments levied against the Co-Owners to cover expenses of the Association and the Condominium Project shall be apportioned among and paid by the Co-Owners in accordance with the percentage of value allocated to each Sales Module Unit according to the Declaration and Master Deed without increase or decrease for the existence of any rights with respect to the use of limited Common Elements appurtenant to such Apartment-Home. Assessments shall be due and payable at such times as the Association shall determine, commencing with delivery of a deed to an Apartment-Home. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment. Assessments in default shall bear interest at the rate of ten percent (10%) per annum until paid in full commencing on the fifth day after such assessment becomes delinquent. Each Co-Owner (whether one or more persons) shall be, and remain, personally liable for the payment of all assessments which may be levied against such Co-Owner by the Association in accordance with these Bylaws, and any unpaid assessments and other allowed charges with accrued interest thereon owed with respect to an Apartment-Home may, at the option of the Association, be collected out of the sales proceeds of such Apartment-Home in accordance with Section 18 of the Act or any applicable provisions of TUCA.

9.04 No Exemptions. No Co-Owner may exempt himself from liability for his contribution toward the expenses of the Association and the Condominium Project by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Apartment-Home.

9.05 Collection of Assessments. The Association may, in addition to its rights under Section 18 of the Act or any applicable provisions of TUCA, enforce collection of delinquent assessments by suit at law for a money judgment, and the expenses incurred in collecting unpaid assessments including interest, late charges, returned check charges, costs and attorneys' fees shall be chargeable to the Co-Owner in default. The Association may also discontinue the furnishing of any utilities or other services to a Co-Owner in default of his obligations to the Association or other Co-Owners as set forth herein upon seven (7) days written notice to such Co-Owner of its intent to do so. A Co-Owner in default of his obligations to the Association or other Co-Owners as set forth herein shall not be entitled to vote at any meeting of the Association so long as such default is in existence and has been delinquent for more than 30 days

following assessment. The Association may impose on the Co-Owners reasonable charges for preparing or copying any statements of unpaid assessments. In addition, the Association may exercise any right or power granted to the Association by Section 82.113 of TUCA, as it may from time to time be amended, with respect to enforcement of the Association's lien to secure payment of assessments.

ARTICLE 10: CO-OWNER ACTION

Without limiting the other legal rights of any Co-Owner or the Association, legal action may be brought by the Association in its sole discretion on behalf of two (2) or more Co-Owners as their respective interests may appear with respect to any cause of action relating to the Common Elements of more than one (1) Apartment-Home.

ARTICLE 11: INSURANCE

11.01 Association Insurance. The Association shall carry insurance in the manner required by Section 82.111 of TUCA, as it may from time to time be amended (hereinafter referred to as the "Association Insurance"), with respect to the Condominium Project and the Association's administration thereof in accordance with the following provisions:

- (a) The Association shall use its best efforts to see that all property and liability insurance carried by the Association shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Co-Owners of the Association. All premiums upon insurance purchased by the Association pursuant to these Bylaws shall be included in the Association's budget in accordance with paragraph 9.02(a) hereof, except that the amount of the increase over such premiums occasioned by the use, misuse, occupancy or abandonment of an Apartment-Home or the Common Elements by a Co-Owner shall be assessed against such Co-Owner.
- (b) Proceeds of all insurance policies owned by the Association shall be received by the Association, shall be held by the Association in a manner whereby such proceeds shall be separately accounted for and shall be distributed to the Association and Co-Owners and their mortgagees (subject to the provisions of these Bylaws, the Declaration and Master Deed, the Act, and the applicable provision of TUCA) as their interest may appear, provided, however, whenever repair or reconstruction of the Condominium Project shall be required as provided in Article 12 of these Bylaws, the proceeds of any insurance received by the Association as a result of any loss required repair or reconstruction under the Declaration and Master Deed and these Bylaws shall be applied to such repair or reconstruction.
- (c) Each Co-Owner, by ownership of an Apartment-Home in the Condominium Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the Association Insurance. Without limitation on the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds and to distribute the same to the Association, the Co-Owners and their respective mortgagees (subject to the provisions of these Bylaws, the Declaration and Master Deed, the Act, and the applicable provisions of TUCA) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Co-Owner and the Condominium Project as shall be necessary or convenient to the accomplishment of the foregoing and any insurer may deal exclusively with the Association in regard to such matters. The Association shall not be responsible for

procurement or maintenance of any insurance covering the contents or the interior of any Apartment-Home nor the liability of any Co-Owner for occurrences therein not caused by or connected with the Association's operation, maintenance or use of the Condominium Project.

- (d) The insurance carried by the Association pursuant to the requirements of Section 82.111 of TUCA shall specifically include without limitation; (i) the sliding glass doors (glass, frame, and related fixtures) separating each Unit from the balcony of each Unit and (ii) the entry door (glass, frame, and related fixtures) into each Unit, irrespective of whether such doors/sliding glass doors shall be deemed to constitute portions of the respective Units, Limited common Elements appurtenant to same, or Common Elements.

In the event of a casualty loss to any sliding glass door or entry door, insurance carried by the Association would be made available for the repair or replacement of same (subject to right of the Association to approve the appearance, type and specifications of any such replacement pursuant to Article 13.02 hereof), and that portion of the insurance deductible applicable to such casualty loss which relates to any such sliding glass door(s) or entry door(s) shall be allocated and apportioned to and among the Unit or Units having suffered such casualty loss to such sliding glass door(s) or entry door(s) and such allocation and apportionment shall be the personal obligation of the owner or owners of such Unit(s).

11.02 Co-Owner Insurance. The Co-Owners shall obtain insurance coverage at their own expense upon their personal property and, in addition, shall obtain comprehensive personal liability insurance covering liability for damage to person or property of others located within such Co-Owners Apartment-Home, or in another Apartment-Home, or in another Apartment-Home in the Condominium Project or upon the Common elements resulting from the negligence of the insured Co-Owner or arising as a result of an occurrence within the Co-Owner's Unit, in such amounts as shall from time to time be determined by the Board of Directors of the Association, but in no case less than \$100,000.00 for each occurrence. The insurance coverage required by this Section is presently known as a "HOBCON" policy. In the event a Co-Owner fails or refuses to provide the required insurance coverage, the Association, after 20 days written notice, through its Board of Directors shall have the right, but not the obligation, to purchase such insurance coverage and the cost thereof shall become a lien against the Co-Owner's Apartment-Home and be collectible in the manner provided for collection of all sums due the Association (in no event shall the Association be responsible for the failure of the Association to provide such insurance).

ARTICLE 12: RECONSTRUCTION OR REPAIR

12.01 Vote of Members. Any portion of the Condominium Project for which insurance is required that is damaged or destroyed shall be promptly repaired or replaced by the Association unless the Condominium is terminated, repair or replacement would be illegal under any state or local health or safety statute or ordinance, or at least eighty percent (80%) of the Co-Owners, including each Co-Owner of a unit or assigned limited Common Element that will not be rebuilt, or repaired, vote to not rebuild.

12.02 Plan for Reconstruction. Any reconstruction or repair of the Condominium Project or any Apartment-Home located therein shall be substantially in accordance with the Declaration and Master Deed and the original plans and specifications for the Condominium Project unless a majority of the Co-Owners in value shall decide otherwise.

12.03 Repair of Apartment-Home; Allocation of Repair Responsibilities.

- (a) In the event the damage is covered by the Association's insurance: In the event damage to all or any part of the interior of a Co-Owner's Apartment-Home is covered by insurance held by the Association for the benefit of such Co-Owner (which may include, without limitation, and by way

of illustration only: installed floor coverings such as carpeting or tile, wall coverings, interior walls, built-in cabinets, etc.) the Association shall either (i) reconstruct or repair (or cause to so reconstruct or repair) such damage upon receipt of the insurance proceeds, or (ii) make available to such Co-Owner such insurance proceeds so that such Co-Owner shall be allowed to, and shall reconstruct or repair such damage, subject to the rights of the Association to supervise, approve or disapprove such reconstruction or repair.

- (b) As to damage not covered by the Association's Insurance: A Co-Owner shall be responsible for the reconstruction, repair, or replacement of all damage to such interior of his Apartment-Home not covered by insurance held by the Association (which may include, without limitation, and by way of illustration, furniture, personal property, contents, window shades, draperies, decorative light fixtures, appliances, including air conditioners).
- (c) As to damage resulting from negligence or misuse: Each Co-Owner shall also be responsible for all damage and/or the costs for any reconstruction, repair, or replacement of any portion of the Condominium Project or other Apartment-Homes necessitated by such Co-Owner's negligence, willful misconduct, or misuse or the negligence, willful misconduct, or misuse of such Co-Owner's family, guests, agents, servants, employees, contractors, or invitees.
- (d) As to damage not otherwise covered by the Association's Insurance by application of any stated deductible: To the extent not prohibited by applicable law, each Co-Owner shall also be responsible for any loss or damage to such Co-Owner's Apartment-Home, the Condominium Project, or to any other Apartment-Home to the extent not covered by the Association's insurance by application of any stated policy deductible where such loss or damage results from an occurrence within such Co-Owner's Apartment-Home, and/or the failure or malfunction of any part or portion of such Co-Owner's Apartment-Home or any of the fixtures therein (including plumbing, electrical, built-in appliances, etc.), and/or the failure or malfunction of any item therein (non-built-in appliances, electronic devices, electrical devices, household appliances or other furnishings or contents), all irrespective of any negligence.

12.04 Costs of Repair. As provided by Section 82.111 of the Texas Uniform Condominium Act, a claim for any loss covered by the Association's policy 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 Co-Owner or lienholder.

The insurance trustee or the Association shall hold insurance proceeds in trust for Co-Owners and lienholders as their interests may appear. Unless the Condominium is terminated, repair or replacement would be illegal under any state or local health or safety statute or ordinance, or the Co-Owners vote not to rebuild or repair in accordance with Section 12.01 hereof, the proceeds paid under the Association's policy shall be disbursed first for the repair or restoration of the damaged Common Elements and Apartment-Homes, and Co-Owners and lienholders are not entitled to receive payments 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.

The cost of repair or replacement in excess of the insurance proceeds and reserves ("repair shortfall") shall be a common expense, to be funded by a special assessment against all Co-Owners on the basis of their percentage interest in the Condominium Project. Provided, however, that to the extent not prohibited by law, any repair shortfall occasioned by reason of the application of any stated insurance deductible shall not constitute a common expense and such insurance deductible may be allocated to one or more individual Co-Owners in accordance with applicable provisions of these Bylaws, the Rules, or policies adopted by the Board.

12.05 Eminent Domain. In the event of any taking of any Apartment-Home in the Condominium Project by eminent domain, the rights, duties, and obligations of the Association and of the Co-Owners shall be as prescribed in Section 82.007 of TUCA, as it may from time to time be amended.

ARTICLE 13: RESTRICTIONS

13.01 Single-Family Purpose. No Apartment-Home in the Condominium Project shall be used for other than residence purposes, and the Common Elements shall be used only for purposes consistent with the use of residences.

13.02 Modifications. No Co-Owner shall make structural alterations or modifications to his Apartment-Home or to any of the Common Elements, including the erection of antennas, aerials, awnings, the placement of any reflective or other material in the windows of the Apartment-Home (other than draperies) or other, exterior attachments without the written approval of the Association. The Association shall not approve of any alterations, decorations or modifications which would jeopardize or impair the soundness, safety or appearance of the Condominium Project.

13.03 Lease of Apartment-Home. A Co-Owner may lease his Apartment-Home for any terms (including terms on a weekly or daily basis) authorized by the Board of Directors for the same purposes set forth in paragraph 13.01 herein. All leases shall be written on standard forms furnished by the Association and may not be modified without the written consent of the Association. Any attempted lease of an Apartment-Home on terms or by use of a form not approved by the Board of Directors will be void.

13.04 Improper Activities. No immoral, improper, unlawful or offensive activity shall be carried on in any Apartment-Home or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Co-Owners. No Co-Owner shall do or permit anything to be done or keep or permit to be kept in his Apartment-Home or on the Common Elements anything that will increase the rate of insurance on the Condominium Project. No Co-Owner shall store any dangerous explosive or inflammable liquids or other materials either in his Apartment-Home or upon the Common Elements.

13.05 Signs. No signs or other advertising devices shall be displayed which are visible from the exterior of any Apartment-Home or on the Common Elements, including "For Sale" signs, without written permission from the Association.

13.06 Pets. Rules and Regulations governing pets/animals are set forth in the Rules and Regulations of the Association, as may be adopted or amended from time to time by the Board pursuant to Section 13.09 hereof and by applicable law. Provided, however, that in the event that the Board adopts or amends any rule regulating pets/animals which would deny occupancy of any then-existing pet/animal (i.e. any pet/animal present and existing as of the date of the new rules, and in compliance with the prior existing rules), any such pet/animal shall be entitled to be grandfathered and shall not be subject to any such new or amended rule.

13.07 Use of Common Elements. The Common Elements (other than the utility areas which will be regulated as to use by the Association) shall not be used for storage or supplies, personal property or trash or refuse of any kind except common trash receptacles placed at the discretion of the Board of Directors of the Association, nor shall the Common Elements be used in any way for the drying, shaking or airing of clothing or other fabrics. Stairs, entrances, sidewalks, yards, driveways and parking areas shall not be obstructed in any way nor shall unauthorized persons or pets play therein or thereon or use them for other than their intended purposes. In general, no activities shall be carried on nor condition maintained by any Co-Owner either in his Apartment-Home or upon the Common Elements which despoils the appearance of the Condominium Project.

13.08 Maintenance of Apartment-Home. Each Co-Owner shall maintain his Apartment-Home in a clean, safe and sanitary condition, including, but not limited to, all glass doors and windows. Each Co-Owner shall also use due care to avoid damaging any of the Common Elements including, but not limited to, telephone, water, gas, plumbing, power or other utility systems throughout the Condominium Project, and each Co-Owner shall be responsible for his negligence or misuse of any of the Common Elements or of his own facilities resulting in damage to the Common Elements.

13.09 Regulations and Compliance with Laws. Regulations concerning the use, maintenance, repair, replacement, modification, or appearance of the Condominium Project, or rules regulating the use, occupancy, leasing or sale, maintenance, repair, modification, or appearance of any Apartment-Home or the Common Elements (which may include without limitation the number of occupants per Apartment-Home and the use of parking spaces) shall be promulgated by the Board of Directors of the Association and such rules and regulations shall be binding on all Co-Owners, and their guests, invitees, tenants, family members, and any other person using or occupying such Co-Owner's Apartment-Home, either permanently or temporarily, unless duly amended by a majority in value of all of the Co-Owners. The Board of Directors may from time to time amend such rules and regulations as the board deems advisable. In addition, all Co-Owners and their guests, invitees, tenants, family members, and any other person using or occupying such Co-Owner's Apartment-Home, either permanently or temporarily, must comply with all federal, state, or local laws, ordinances, rules, or regulations applicable to the Condominium Project or to the use or occupancy of an Apartment-Home.

13.10 Access of Agents. The Association or its agents shall have access to each Apartment-Home from time to time during reasonable working hours, upon notice to its Co-Owner, as may be necessary for the maintenance, repair or replacement of any of the Common Elements or to inspect any safety devices, such as smoke or fire alarms or fire suppression systems in an Apartment-Home. Notice may be given in any manner reasonably calculated to give the Co-Owner actual notice, including without limitation posting a written notice on the front door of the Co-Owner's Apartment-Home no less than 24 hours before the Association or its agents enter the Apartment-Home for the purposes described herein. The Association or its agent shall also have access to and may enter each Apartment-Home at all times without notice as may be necessary for bona fide emergency purposes when conditions present an imminent risk of harm or damage to the Common Elements, another Apartment-Home, or the occupants. If requested by the Association, each Co-Owner shall furnish to the Board of Directors of the Association a duplicate key to the entrance door to his Apartment-Home and shall furnish a new duplicate key upon any change of locks thereto.

13.11 Sale. If a Co-Owner intends to sell an Apartment-Home, he must comply with the provisions of Section 82.157 of TUCA, as it may from time to time be amended. In addition, no Co-Owner may dispose of (other than by gift, devise or inheritance) an Apartment-Home or any interest therein by sale without approval of the Association, which approval shall be obtained in the manner hereinafter provided:

- (a) A Co-Owner intending to make a sale of an Apartment-Home or any interest therein shall give written notice to the Association of such intention, together with the name and address of the intended purchaser, and such other information as the Association may reasonably require in connection with such transaction. Such Co-Owner shall, by such notice, also furnish the Association with the terms and conditions of the proposed sale. The giving of such notice shall constitute a warranty and representation by such Co-Owner to the Association and to any purchaser produced by said Association as hereinafter provided, that such Co-Owner believes the proposal to be bona fide in all respects. No proposed transaction shall be deemed bona fide which is not evidenced by a written contract of sale, subject to the approval and right of first refusal contained herein, executed by the selling Co-Owner and the proposed purchaser and containing all the terms of the sale proposed to be made.
- (b) Within thirty (30) days after receipt of the notice described in (a) above, the Association shall either approve the transaction or furnish a purchaser satisfactory to it, and such purchaser shall execute a contract of sale in accordance with the terms of the notice described in (a) above within thirty (30) days after the selling Co-Owner is given notice by the Association that such purchaser is being furnished by the Association. Failure of the Association to either approve such sale or furnish an appropriate substitute purchaser within such thirty (30) day period for any reason whatsoever shall be deemed to constitute approval, following which

the Association shall, nevertheless, prepare and deliver written approval in recordable form if requested by such selling Co-Owner.

13.12 Limitation During Sales Period. None of the restrictions contained in this Article 13 shall apply to the commercial activities or signs or billboards, if any, of the Association in furtherance of its powers and purposes set forth herein and in its Articles of Incorporation and Bylaws as the same may be amended from time to time.

13.13 Fines. The Board of Directors may from time to time adopt a system of imposing reasonable fines for violation of the Declaration and Master Deed, these Bylaws, or any rule or regulation of the Association, provided that no fine may be imposed unless notice and an opportunity to be heard are given to the person subject to the fine.

ARTICLE 14: MORTGAGES

14.01 Notification of Association. Any Co-Owner who mortgages his Apartment-Home shall notify the Association of the name and address of the mortgagee and the Association shall maintain such information in a book entitled "Mortgages of Apartments." The Association may, at the written request of a mortgagee of any such Apartment-Home, report any unpaid assessments due from the Co-Owner of such Apartment-Home.

14.02 Notification of Mortgagees. The Association shall notify each mortgagee appearing in the book described in paragraph 14.01 herein of the name of each company insuring the Condominium Project under the Master Policy and the amounts of the coverages thereunder.

ARTICLE 15: COMPLIANCE

15.01 Acceptance of Governing Rules. The Association, all present or future Co-Owners, tenants, future tenants, or any other persons using the facilities of the Condominium Project are subject to and shall comply with the Act, the Declaration and Master Deed, the Articles of Incorporation, Bylaws, rules and regulations of the Association, and the acquisition, occupancy or rental, of an Apartment-Home in the Condominium Project shall signify that the Declaration and Master Deed, and the Articles of Incorporation, Bylaws, rules and regulations of the Association are accepted and ratified. In the event the Declaration and Master Deed or Articles of Incorporation, Bylaws, rules or regulations of the Association conflict with the provisions of the Act, then the Act shall govern. In the event the Bylaws of the Association shall be inconsistent with the Declaration and Master Deed then the Declaration and Master Deed shall be controlling.

ARTICLE 16: DEFAULT

16.01 Definition. Failure to comply with any of the terms of the Declaration and Master Deed, these Bylaws, the Articles of Incorporation, or duly adopted Rules and Regulations of the Association shall constitute an event of default and shall be grounds for relief, which may include without intending to limit the same, an action to recover sums due for damages and injunctive relief, or any combination thereof.

16.02 Costs. In any proceeding arising because of an alleged default by any Co-Owner, the Association, if successful, shall be entitled to recover the costs of the proceedings and reasonable attorneys' fees.

16.03 No Waiver. The failure of the Association or of any Co-Owner to enforce any right, provision, covenant or condition which may be granted by the Declaration and Master Deed, these Bylaws, the Articles of Incorporation, or duly adopted Rules and Regulations of the Association shall not constitute a waiver of the right of the Association or of any such Co-Owner to enforce such right, provision, covenant or condition in the future.

16.04 Rights Cumulative. All rights, the remedies and privileges granted to the Association or any Co-Owner or Co-Owners pursuant to any terms, provisions, covenants or conditions of the Declaration and Master Deed, these Bylaws, the Articles of Incorporation, or duly adopted Rules and Regulations of the Association, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies or privileges as may be available to such party at law or in equity.

ARTICLE 17: SEVERABILITY

In the event that any of the terms, provisions or covenants of these Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or enforceable.

ARTICLE 18: TABLE OF CONTENTS; HEADINGS

The table of contents and headings used in these Bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

ARTICLE 19: MISCELLANEOUS PROVISIONS

19.01 Reserves. There may be created by resolution of the Board of Directors such reserve or reserves as the directors from time to time, in their discretion, think proper to provide for contingencies, or to repair or maintain any portion of the Condominium Project, or for such other purposes as the directors shall think beneficial to the Association, and the directors may modify or abolish any such reserve in the manner in which it was created.

19.02 Checks. All checks or demands for money and notes of the Association shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

19.03 Fiscal Year. The fiscal year of the Association shall be October 1 through the following September 30, or as may otherwise be fixed by resolution of the Board of Directors.

19.04 Seal. The corporate seal, if any, shall be in such form as may be determined by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed, affixed, reproduced or otherwise.

19.05 Indemnification. The Association shall indemnify any director, officer, or employee or former director, officer, or employee of the Association, against expenses actually and necessarily incurred by him and any amount paid in satisfaction of judgments in connection with any action, suit, or proceeding, whether civil or criminal in nature, in which he is made a party by reason of being or having been such a director, officer, or employee (whether or not a director, officer or employee at the time such costs or expenses are incurred by or imposed upon him) except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct in the

performance of duty. The Association may also reimburse to any director, officer, or employee the reasonable costs of settlement of any such action, suit or proceedings, if it shall be found by a majority of a committee of the directors not involved in the matter in controversy, whether or not a quorum, that it was to the interests of the Association that such settlement be made and that such director, officer or employee was not guilty of gross negligence or willful misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such director, officer, or employee may be entitled by law or under any bylaw, agreement, vote of Co-Owners or otherwise.

Further provided, that the rights of indemnification shall extend to the managing agent acting for and on behalf of the Association, and the Association shall indemnify the Association's managing agent for any expenses actually and necessarily incurred by such managing agent and any amount paid in satisfaction of judgments in connection with any action, suit, or proceeding in which such managing agent is made a party by reason of being or having been managing agent, except in relation to matters as to which such managing agent shall be adjudged in such action, suit, or proceeding to be liable for gross negligence or willful misconduct, to have acted in violation of the terms of the management contract with the Association, or acted outside the scope of such managing agent's authority under such management contract.

19.06 Inconsistencies. In the event these Bylaws shall be inconsistent with the Declaration and Master Deed, then the Declaration and Master Deed shall be controlling.

19.07 Amendment of bylaws. These Bylaws may not be altered, amended or repealed except by the affirmative vote of at least sixty-seven percent (67%) of percentage value of those Co-Owners qualified to vote and present in person or by proxy at a meeting (annual or special) of the Co-Owners.

19.08 Binding arbitration. Any dispute by a Co-Owner arising under these Bylaws, if not settled through informal procedures, must first be submitted to binding arbitration pursuant to such reasonable rules as may be prescribed by the Board of Directors before any legal proceeding may be filed with respect thereto

These Bylaws were adopted by a majority vote of the Co-Owners on the 13th day of June, 1998.

Sections 6.01 and 11.02 were formally amended on the 17th day of July, 2001.

Sections 9.02(b) and 11.01 were formally amended on the 7th day of April, 2004.

Section 19.07 was formally amended on the 12th day of March, 2005.

Section 5.02, 11.01(a) and (b), 11.02, 12.01, 12.03, 12.04, 13.06 and 19.05 were formally amended on the 8th day of March, 2008.