

EXHIBIT "B"

BYLAWS OF  
HUDSON STREET MASTER ASSOCIATION, INC.  
(THE "ASSOCIATION")

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ARTICLE I  
PLAN OF UNIT OWNERSHIP  
Dallas County, Texas

**Section 1.01. Unit Ownership.** These Bylaws represent the Bylaws of the Association formed pursuant to an Agreement Concerning Operation and Formation of a Master Association and deals with the effective merger of the 5914 Hudson Condominium and the 5916 Hudson Condominium, both Condominiums established pursuant to virtually identical Declarations in the City of Dallas, Dallas County, Texas. The reference herein to "Condominium" shall mean 5914 Hudson Condominium and the 5916 Hudson Condominium collectively. Reference is to "Unit" shall mean a Unit in each of those Condominiums.

**Section 1.02. Applicability of Bylaws.** The provisions of these Bylaws are applicable to the Association and to the use and occupancy thereof. The term "Property" as used herein shall include the land and all improvements thereon (including the "Units" and the "Common Elements"), owned in fee simple absolute, and all easements, rights and appurtenances belonging thereto, and all other property, personal or mixed, intended for use in connection therewith, all of which were submitted to the provisions of said Chapter 82 of the Property Code of the State of Texas by the respective Declarations. The term "Buildings" as hereinafter used shall be defined in the Declaration.

**Section 1.03. Personal Application.** All present and future owners (hereinafter referred to as "Unit Owners") mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the Property in any manner are subject to these Bylaws, the Declaration and the Rules and Regulations.

The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a Unit shall constitute an agreement that these Bylaws, the Rules and Regulations and the provisions of the Declaration, read collectively, as they may be amended from time to time, are accepted, ratified and will be complied with.

ARTICLE II  
UNIT OWNERS-VOTING RIGHTS AND MEETINGS

**Section 2.01. Voting.** Subject to the limitations of Section 9.04 of the Declaration, each Owner of a Unit (including the Declarant if the Declarant shall then own or hold title to one or more Units) shall be entitled to vote at all meetings of Unit Owners for each Unit owned by such Unit Owner, but the Board of Directors shall not cast any of the Association's votes for the election of any member to the Board. The vote of each Unit shall be weighted to correspond to the allocated interest in the Common Elements of the Unit owned. If a Unit is owned by more than one person, as joint tenants, tenants by the entirety or as tenants in common, the persons owning such Unit shall reach agreement as to the matter voted upon and cast their vote for their Unit. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Notwithstanding anything to the contrary which may be contained in these Bylaws or in the Declaration, if a mortgage lender whose name appears on the records of the Association holds a mortgage on a Unit which by its terms (1) prohibits the mortgagor from voting contrary to the interest of the mortgagee or (2) contains an assignment to such mortgagee of the right to

vote hereunder, and (ii) notifies the Board of Directors prior to the date or initial date of canvass on the vote to be taken of its position on the matter being voted upon, a vote of the Unit Owner contrary to the position of such mortgage lender shall not be counted in such canvass, and, if such right to vote has been assigned to such mortgagee, such mortgagee's vote shall be counted in such canvass.

**Section 2.02. Right to Vote.** At any meeting of the Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person or by proxy. Such proxy shall only be valid for such meeting or subsequent adjourned meetings thereof.

**Section 2.03. Proxies.** All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

**Section 2.04. Annual Meetings; First Election of Board of Directors.** All members of the Board of Directors shall be elected by the Unit Owners and shall serve for the terms prescribed by these Bylaws. Annual meetings of the Unit Owners shall be held on the third Wednesday of November of each year commencing in 2012 or on such other date and at such place convenient to the Unit Owners as shall be designated by the Board of Directors. At such meetings the Board of Directors shall be elected by ballot of the Unit Owners in accordance with the requirements of Section 3.04 of these Bylaws. The Unit Owners may transact such other business at such meeting as may properly come before them.

The Association has been or will be organized under the name "Hudson Street Master Association, Inc."

**Section 2.05. Place of Meetings.** Meetings of the Unit Owners shall be held at a suitable place convenient to the Unit Owners as may be designated by the Board of Directors.

**Section 2.06. Special Meetings.** It shall be the duty of the President to call a special meeting of the Unit Owners if so directed by resolution of the Board of Directors or upon a petition signed and presented to the Secretary by the Owners of Units having at least a twenty-five percent (25%) interest in the Common Elements of the Condominium. The notice of any special meeting shall state the time and place of such meeting and purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**Section 2.07. Notice of Meetings.** It shall be the duty of the Secretary to mail a notice of each annual or special meeting of the Unit Owners at least ten (10) but not more than twenty (20) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at the Building in which his Unit is located or at such other address as such Unit Owner shall have designated by notice in writing to the Secretary, and to all mortgagees of a Unit who have requested the same. The mailing of a notice of meeting in the manner provided in this Section shall be considered service of notice.

**Section 2.08. Waiver and Consent.** Whenever the vote of the Unit Owners at a meeting is required or permitted by any provision of the Declaration, statutes or of these Bylaws to be taken in connection with any action of the Association, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners and their mortgagees who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

**Section 2.09. Quorum.** Except as otherwise provided in these Bylaws, the presence in person or by proxy of Unit Owners owning Units having a forty percent (40%) interest in the allocated interests in the Common Elements of the Condominium shall constitute a quorum at all meetings of the Unit Owners. If any meeting of Unit Owners cannot be held because a

quorum has not attended, Unit Owners owning Units having a majority in allocated interests who are present at such meeting, either in person or by proxy, may, without notice other than announcement to those physically present, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called, and from time to time thereafter, until a quorum shall be present or represented. The quorum required for each reconvened meeting shall be one-half of the quorum required for the previous meeting.

**Section 2.10. Majority Vote.** The vote of a majority of the allocated interests of Unit Owners at a meeting at which a quorum shall be present shall be binding upon all Unit Owners for all purposes except where in the Declaration or these Bylaws or by law, a higher percentage vote is required.

**Section 2.11. Inspectors of Election.** The Board of Directors, in advance of any meeting of Unit Owners, may appoint two (2) or more persons, who need not be Unit Owners, to act as inspectors of election at such meeting or any adjournment thereof. If inspectors of election are not so appointed prior to the meeting, the person presiding at such meeting may, and on the request of any Unit Owner entitled to vote thereat shall, appoint two (2) or more inspectors of election. In case any person appointed fails to appear or act, the vacancy may be filled in advance of the meeting by the Board of Directors or at the meeting by the person presiding thereat.

The inspectors of election shall (1) determine the Unit Owners and mortgagees (if necessary) entitled to vote at the meeting; (2) determine the existence of a quorum and the validity and effect of proxies; (3) receive ballots or determine votes or consents; (4) hear and determine any challenges or questions arising in connection with any Unit Owner's right to vote; (5) count and tabulate all votes, ballots or consents and determine the result thereof, and (6) do such other acts as may be proper to conduct an election or vote with fairness to all Unit Owners.

**Section 2.12. Order of Business at Meetings.** The order of business at all meetings of the Unit Owners shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meetings.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Report of Board of Directors.
- (f) Reports of committees.
- (g) Election of inspectors of election (when so required).
- (h) Election of members of the Board of Directors (when so required).
- (i) Unfinished Business.
- (j) New business.

### ARTICLE III BOARD OF DIRECTORS

**Section 3.01. Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors. The Board of Directors shall initially consist of three (3) persons designated by the Declarant. Successors to these designees shall be elected by the Unit Owners at the first meeting of Unit Owners held pursuant to Section 2.04 of these Bylaws.

**Section 3.02. Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things except as by law or by the Declaration or by these Bylaws may not be delegated to

the Board of Directors by the Unit Owners. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following:

- (a) Determination and levying of annual assessments ("common charges") payable in monthly installments to cover the cost of common expenses required for the affairs of the Association, including without limitation, the operation and maintenance of the Condominium. The Board of Directors may increase the annual assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners pro rata according to their allocated interest in the common expenses.
- (b) Collection, use and expending the assessments collected to maintain, care for and preserve the Units, Building, and Common Elements.
- (c) Operation, care, upkeep and maintenance of the Common Elements.
- (d) Making of repairs, additions and improvements to or alterations of the Property and making of repairs to and restoration of the Property in accordance with the other provisions of these Bylaws after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.
- (e) Entering into and upon the Units when necessary and at as little inconvenience to the Unit Owners as possible in connection with the maintenance, care and preservation of the Condominium.
- (f) Purchasing or leasing or otherwise acquiring in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Unit Owners, Units offered for sale or lease or surrendered by their Unit Owners to the Association.
- (g) Obtaining and maintaining insurance for the Property, including the Units, pursuant to the provisions of Section 10.01 of the Declaration.
- (h) Selling, leasing mortgaging, repairing, maintaining, voting the votes appurtenant to (other than the election of members of the Board of Directors), or otherwise dealing with Units acquired by, and subleasing Units leased by the Association or its designee, corporate or otherwise, on behalf of all Unit Owners.
- (i) Leasing of portions of the Common Elements, or portions thereof, and granting of licenses for vending machines.
- (j) Bringing and defending actions by or against more than one Unit Owner and pertinent to the operation of the Condominium or the Association.
- (k) Borrowing money on behalf of the Association when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least sixty-seven percent (67%) in allocated interests in the Common Elements of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these Bylaws, shall be required for the borrowing of any sum in excess of fifteen percent (15%) of the amount of the then current annual budget of the Condominium and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the Unit Owner.

If any sum borrowed by the Board of Directors on behalf of the Association pursuant to the authority contained in this paragraph (k) is not repaid by the Board of Directors, a Unit Owner who pays to the creditor such proportion thereof as his interest in the common expenses bears to the interest of all the Unit Owners in the common expenses shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor shall have filed or shall have the right to file against the Unit Owner's Unit.

- (l) Adoption and amendment of reasonable rules and regulations covering the details of operation and use of the Condominium and use of the Units and the Common Elements. Such rules and regulations and amendments shall be binding upon the Unit Owner's when the Board of Directors has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit.
- (m) Collection of delinquent assessments by suit or otherwise, abatement of nuisances and the enjoyment and/or seeking of damages from the Unit Owners for violations of the rules and regulations referred to herein.
- (n) Employing and terminating the employment of employees and independent contractors, purchasing supplies and equipment, entering into contracts and generally having the powers of manager in connection with the matters hereinabove set forth.
- (o) Maintaining of reserves for the repair and replacement of the Common Elements. The amount of such reserves shall be as the Board of Directors deems to be appropriate and shall be sufficient to meet the reasonable requirements of existing or proposed lenders, holders and insurers of first mortgages on the Units.
- (p) Complying with any change in Texas or local law as it may affect the Condominium.
- (q) Assigning, in its discretion, the use of mailboxes to the Unit Owners.
- (r) Appointing an officer, agent, trustee or attorney to exercise the Association's power of sale to foreclose the lien for unpaid common charges.
- (s) Generally exercising all powers allowed by Section 82.102 of the Texas Property Code.

**Section 3.03. Committees Acting on Behalf of Board of Directors.** Except as limited by this Section 3.03, the Board of Directors may, by resolution or resolutions, passed by a majority of the whole Board of Directors, designate one or more committees, each of such committee to consist of at least three (3) Unit Owners, at least one of whom shall be a member of the Board of Directors, which to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Condominium and may have power to sign all papers which may be required, provided the said resolution or resolutions, shall specifically so provide. However, no such committee shall have or be given the power to (a) determine the common charges and expenses required for the affairs of the Condominium or the Association, (b) determine the common charges payable by the Unit Owners to meet the common charges and expenses of the Condominium or the Association, or (c) adopt or amend the rules and regulations covering the details of the operation and use of the Property. Such committee or committees shall have such name or

names as may be determined from time to time by resolution of the Board of Directors. Committees established by resolution of the Board of Directors shall keep regular minutes of their proceedings and shall report the same to the Board of Directors as required.

**Section 3.04. Nomination, Election and Term of Office.** Nominations for election to the Board of Directors shall be made from the floor at the annual meeting of the Unit Owners.

At the first meeting of the Unit Owners the term of office of two members of the Board of Directors shall be fixed at two (2) years, and the term of office of one (1) member of the Board of Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of two (2) years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Unit Owners.

**Section 3.05. Removal of Members of the Board of Directors.** At any regular or special meeting of the Unit Owners, any one or more of the members of the Board of Directors elected by the Unit Owners may be removed with or without cause by majority vote of the Unit Owners and a successor may then and there or thereafter be elected to fill the vacancy thus created. Any member of the Board of Directors whose removal has been proposed by the Unit Owners shall be given an opportunity to be heard at the meeting.

**Section 3.06. Resignation of Members of the Board of Directors.** A member of the Board of Directors may resign at any time by giving written notice to the Board of Directors, or to the President or Secretary of the Association. Unless otherwise specified in the letter of resignation, the resignation shall take effect immediately upon receipt thereof by the Board of Directors, President or Secretary as the case may be, and acceptance of the resignation shall not be necessary to make it effective.

**Section 3.07. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a member thereof by a vote of the Unit Owners, shall be filled by vote of a majority of the remaining members at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the members present at such meeting may constitute less than a quorum, and each person so elected shall be a member of the Board of Directors until the next annual meeting of the Unit Owners.

**Section 3.08. Meetings.** Organizational, regular and special meetings of the Board of Directors shall be held as follows:

- a. **Organizational Meeting.** The first meeting of each Board of Directors newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter at such date, time, and place, as may be practicable.
- b. **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 members of the Board of Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors personally, by mail or by telegram, at least two (2) days prior to the day set for such meeting.
- c. **Special Meetings.** Special meetings of the Board of Directors may be called by the President on two (2) days notice to each manager either personally or by mail or telegram, which notice shall state the time, place and purpose of the meeting. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least two (2) managers.

Any member of the Board of Directors may at any time waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the board shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

**Section 3.09. Quorum of Board of Directors.** At all meetings of the Board of Directors, a majority of the members thereof shall constitute a quorum for the transaction of business, and, except as may be otherwise specifically provided by statute or by the Declaration or by these Bylaws, the votes of a majority of the members of the Board of Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

**Section 3.10. Liability of Members of the Board of Directors.** The members of the Board of Directors shall not be liable to the Unit Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Unit Owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Condominium unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Condominium. It is also intended that the liability of any Unit Owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the common element bears to the interests of all the Unit Owners in the Common Elements. Every agreement made by the Board of Directors or by the managing agent or the manager, on behalf of the Condominium, shall provide that the members of the Board of Directors, or the managing agent, or the manager as the case may be, are acting only as agents for the Unit Owners and shall have no personal liability thereunder (except as Unit Owners), and that each Unit Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all Unit Owners in the Common Elements.

**Section 3.11. Managing Agent or Director.** The Board of Directors may employ for the Condominium a managing agent or a manager at a compensation established by the Board of Directors, to perform such duties and services as the Board of Directors shall authorize, including but not limited to the duties listed in subdivision (b), (c), (d), (e), and (I) of Section 3.02 of these Bylaws. The Board of Directors may delegate to the manager or managing agent all of the powers granted to the Board of Directors by these Bylaws other than the powers set forth in subdivisions (f), (h), (j), (k), (l), and (q) of Section 3.02 of these Bylaws.

## ARTICLE IV OFFICERS

**Section 4.01. Designation.** The principal officers of the Condominium shall be the President, the Vice President, the Secretary, and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an assistant treasurer, and assistant secretary, and such other officers as in its judgment may be necessary. The President, but no other officer, must be a member of the Board of Directors.

**Section 4.02. Election and Appointment of Officers.** The elective officers of the Condominium shall be elected annually by the Board of Directors at the organizational meeting of each new Board of Directors and shall hold office at the pleasure of the Board of Directors. Appointive officers shall be appointed at such time and shall hold their office for such terms as the Board of Directors shall determine from time to time.

**Section 4.03. Removal of Officers.** Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and a successor to such office may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

**Section 4.04. President.** The President shall (i) be the chief executive officer of the Condominium, (ii) preside at all meetings of the Unit Owners and of the Board of Directors, (iii) have all of the general powers and duties which are incident to the office of president of a non-profit corporation organized under the law of the State of Texas, including but not limited to the power to appoint committees from among the Unit Owners from time to time as the President may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Condominium and (iv) prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

**Section 4.05. Vice President.** The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to act in the place of the President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon such officer by the Board of Directors or by the President.

**Section 4.06. Secretary.** The Secretary shall (i) keep the minutes of all meetings of the Unit Owners and of the Board of Directors; (ii) record all votes and the minutes of all proceedings in a book to be kept for that purpose; (iii) have charge of such books and papers as the Board of Directors may direct; (iv) give or cause to be given, notice of all meetings of Unit Owners and all special meetings of the Board of Directors; and (v) in general, perform all the duties incident to the office of secretary of a non-profit corporation organized under the law of the State of Texas. The Secretary shall prepare and have available at each meeting of the Unit Owners a list in alphabetical order of the names of all Unit Owners, together with the percentage interest in the Common Elements of the Condominium appurtenant to their Unit. The Secretary shall certify which Unit Owners are entitled to vote.

**Section 4.07. Treasurer.** The Treasurer shall (i) have the responsibility for Condominium funds and securities; (ii) be responsible for keeping full and accurate financial records and books of account showing all receipts and disbursements, and for the preparation of all required financial data; (iii) be responsible for the deposit of all moneys and other valuable effects in the name of the Board of Directors, or the managing agent, in such depositories as may from time to time be designated by the Board of Directors; and (iv) in general perform all the duties incident to the office of treasurer of a non-profit corporation organized under the law of the State of Texas.

**Section 4.08. Agreements, Contracts, Deeds, Checks, etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any two

officers of the Condominium or by such other person or persons as may be designated by the Board of Directors.

**ARTICLE V  
COMMON CHARGES AND ASSESSMENTS-  
DETERMINATION, PAYMENT, AND COLLECTION**

**Section 5.01. Determination of Common Charges.** The Board of Directors shall, from time to time, but at least annually, fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium and shall send a copy of the proposed budget to all Unit Owners at least fifteen (15) days prior to the adoption thereof. The Board of Directors shall send a copy of the budget as adopted and any supplement thereto to every Unit Owner and such Unit mortgagees as shall have requested the same. The Board of Directors shall determine the total amount required, including the operational items such as insurance, repairs, reserves, betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover any deficits from prior years. The total annual requirements shall be assessed as a single sum against all Units and prorated against each of said Units according to the respective interests in common expenses appurtenant to such Units, except that the Board of Directors may elect to allocate and apportion expenses, including, but not limited to, water or other utility charges or insurance costs, among Unit Owners based on the special or exclusive availability or use or the exclusive control of particular Units or common areas by a particular Unit Owner or Owners. Said common charges or assessments shall be payable monthly in advance as ordered by the Board of Directors. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular common charges.

**Section 5.02. Payment of Common Charges.** All Unit Owners shall be obligated to pay the common charges and special assessments assessed by the Board of Directors at such time or times as the Board of Directors may determine. Dissatisfaction with the quantity or quality of maintenance furnished to the Property shall not be grounds for the withholding or failure to pay any common charge or special assessment.

No Unit Owner shall be liable for the payment of any part of the common charges assessed against his Unit subsequent to a sale, transfer or other conveyance of such Unit by such Unit Owner. In addition, any Unit Owner may, subject to the terms and conditions specified in these Bylaws, provided that the Unit is free and clear of liens and encumbrances other than a permissible mortgage and the statutory lien for unpaid common charges, convey such Unit to the Board of Directors, or its designee, corporate or otherwise, on behalf of all other Unit Owners, and in such event be exempt from common charges thereafter assessed. A purchaser of a Unit shall be liable for the payment of common charges assessed against such Unit prior to the acquisition of such Unit, except that a mortgagee or other purchaser of a Unit at a foreclosure sale of such Unit shall not be liable for, and such Unit shall not be subject to a lien for, the payment of common charges assessed prior to the foreclosure sale.

**Section 5.03. Collection of Common Charges.** The Board of Directors shall assess common charges against the Unit Owners from time to time and at least annually and may take action to collect any common charge due from any Unit Owner which remains unpaid for more than thirty (30) days from the due date for payment thereof.

**Section 5.04. Default in Payment of Common Charges.** In the event any common charge or special assessment as determined by the Board of Directors, or any installment thereof, is not paid on the due date then such payment shall be deemed delinquent.

If a common charge or assessment or any installment thereof is not paid within 10 days after the due date, the Board of Directors may impose a late charge or charges on such amount

or amounts as the Board of Directors deems reasonable not to exceed five percent (5%) of the amount of such overdue common charges or assessment or installment thereof, provided such late charges are equitably and uniformly applied.

If the common charge or assessment or installment thereof is not paid within thirty (30) days after the due date (i) the common charge or assessment shall bear interest from the due date at such rate as may be fixed by the Board of Directors from time to time, such rate not to exceed the maximum rate of interest then permitted by law; (ii) the Board of Directors may accelerate the remaining installments, if any, of such common charges or assessments upon notice thereof to the Unit Owners which notice shall afford the Unit Owner not less than ten (10) days to pay such installments of common charges; and (iii) the Board of Directors may bring legal action against the Unit Owner personally obligated to pay the same or foreclose the lien on such Unit either (i) judicially or (ii) by exercising its non-judicial power of sale. The cost of any such proceedings and other costs and assessments, including reasonable attorney's fees, shall be added to the amount of such common charge or assessment, accelerated installments, if any, late charges and interest. Any amounts collected on past due common charges or assessments shall be applied in the following order; attorneys' fees, other costs of collection, interest, late charges, and then the common charges or assessments, beginning with the common charge or assessment past due for the longest period.

**Section 5.05. Foreclosure of Liens for Unpaid Common Charges.** In any judicial action brought by the Board of Directors to foreclose a lien on a Unit because of unpaid common charges, the Unit Owner shall be required to pay a reasonable rental for the use of his Unit and the plaintiff in such foreclosure action shall be entitled to the appointment of a receiver to collect the same. The Board of Directors, acting on behalf of all Unit Owners, shall have power to purchase such Unit at the foreclosure or trustee's sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the Unit. A suit to recover a money judgment for unpaid common charges shall be maintainable without foreclosing or waiving the lien securing the same.

**Section 5.06. Notice of Default.** The Board of Directors, when giving notice to a Unit Owner of a default in paying common charges or other default, may, at its option, or shall, at the request of the mortgagee, send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Directors. The mortgagee shall have the right to cure the Unit Owner's default with respect to the payment of common charges or any other default of the Unit Owner which could result in a lien against the Unit of such Owner.

**Section 5.07. Statement of Common Charges.** Upon the written request of a Unit Owner, lessee or mortgagee with respect to the Unit owned by such Owner, leased by such lessee or upon which such mortgagee holds a mortgage, or any prospective purchaser, lessee, mortgagee or title insurer of such Unit, the Board of Directors, or the Association's managing agent, shall promptly furnish a certificate in writing setting forth with respect to such Unit as of the date of such certificate, (i) whether or not the common charges due have been paid; (ii) the amount of such common charges, including interest and costs, if any, due and payable; and (iii) whether any other amounts or charges are owing to the Condominium, e.g. for the cost of extinguishing a violation of the Declaration, these Bylaws or rules and regulations. A reasonable charge, as determined by the Board of Directors, may be made for the issuance of this certificate. Any such certificate, when duly issued as herein provided, shall be conclusive and binding with regard to any matter therein stated as between the Board of Directors and any bona fide purchaser or lessee of, or lender on, or title insurer of, the Unit with respect to which the request was made.

**Section 5.08. Unit Services and Utilities Funded Through Common Charges.** Water and natural gas for the Units as well as water, electricity and natural gas for the Common

Elements and trash removal for the Units shall be a common expense, except that the Board of Directors may, at its option, (I) sub-meter the water consumed in the Units and adjust the common charges paid by the Unit Owners to reflect the varying amount of water consumption and (ii) in accordance with Section 5.01 above, allocate and apportion expenses among Unit Owners based on the special or exclusive availability of use of such services by one or more Unit Owner.

**Section 5.09. Operating Account.** There shall be established and maintained a cash deposit account to be known as the "Operating Account," into which shall be deposited the operating portion of all common charges and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

## **ARTICLE VI RECORDS AND AUDIT**

**Section 6.01. Records and Audits.** The Board of Directors or the managing agent shall keep detailed records of the actions of the Board of Directors and the managing agent, minutes of the meetings of the Board of Directors, minutes of the meeting of the Unit Owners, and financial records and books of account of the Condominium, including a chronological listing of receipts and expenditures, as well as a separate account for each Unit which, among other things, shall contain the amount of each assessment of common charges against such Unit, the dates when installments are due, the amounts paid thereon, and the balance remaining unpaid.

**Section 6.02. Annual Statement.** An annual report of the receipts and expenditures of the Condominium, audited by an independent certified public accountant (if required by the Board of Directors), shall be rendered by the Condominium to all Unit Owners, and to all mortgagees of Units who have requested the same promptly after the end of each fiscal year. In addition, when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, the Board of Directors shall furnish, to the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement and a statement regarding any taxable income attributable to the Unit Owners.

The Board of Directors may engage the services of an independent public accountant to review the accounts, records and financial affairs of the Condominium. Such review shall not be required to be an audit but shall consist of at least a review of the record keeping procedures, a check of bank balances and a review of all expenditures by the Board of Directors. In the event that any substantial irregularities or any defalcation shall be uncovered by such accountants in the course of any such review, such matters shall be promptly reported to each member of the Board of Directors, and to the Unit Owners by such accountants.

The cost of the annual report and other services required by this Section 6.02 shall be paid by the Board of Directors as a common expense.

**Section 6.03. Inspection of Records.** Every Unit Owner and such Owner's representative and mortgagee shall be entitled to examine the books and records of the Condominium on reasonable notice to the Board of Directors but not more often than once a month.

**Section 6.04. Availability of Records and Legal Documents.** The Board of Directors shall make available for inspection upon reasonable notice and during normal business hours,

to existing and prospective purchasers, tenants, mortgagees, mortgage insurers and mortgage guarantors, current copies of the Condominium's Declaration, Bylaws, Rules and Regulations, budget, schedule of assessments and any other books, records, and financial statements of the Condominium. The Board of Directors may furnish copies of such documents to such parties and may charge a reasonable fee to cover the cost of furnishing such copies.

## ARTICLE VII AMENDMENT

**Section 7.01. Amendments to Bylaws.** Except as hereinafter provided herein, these Bylaws may be modified, altered, amended or added to at any duly called meeting of Unit Owners provided that:

- a. a notice of the meeting containing a full statement of the proposed modification, alternation or addition has been sent to all Unit Owners as listed on the books and records of the Condominium and to all mortgagees of Units who have requested the same; and
- b. Unit Owners holding sixty seven percent (67%) or more of the allocated interests in the Common Elements all approve the change except if any provision hereof requires a greater percentage to approve a matter, then at least such percentage must approve an amendment to such provision; and
- c. the Board of Directors does not, prior to the date established for voting on the proposed change, receive written notification of opposition to the change from mortgagees of more than fifty percent (50%) of the number of Units; amendments of a material adverse nature to mortgagees of Units must be affirmatively agreed to by mortgagees that represent at least fifty-one percent (51%) of the undivided interests in the Common Elements.

## ARTICLE VIII MISCELLANEOUS

**Section 8.01. Notices.** All notices hereunder shall be in writing and sent by mail by depositing same in a post office or letter box in a postpaid sealed wrapper, addressed, if to go to the Board of Directors, at the office of the Board of Directors, and if to go to a Unit Owner or Unit Mortgagee, to the address of such Unit Owner or Unit Mortgagee at such address as appears on the books of the Condominium. All notices shall be deemed to have been given when mailed, except notice of change of address which shall be deemed to have been given when received. Whenever any notice is required to be given under the provisions of the Declaration, or of these Bylaws, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

**Section 8.02. Conflicts; Compliance with Chapter 82.** These Bylaws are set forth to comply with the requirements of Chapter 82 of the Property Code of the State of Texas. In case any of these Bylaws conflict with the provisions of said Statute or of the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

**Section 8.03. No Waiver for Failure to Enforce.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

**Section 8.04. Gender.** The use of the masculine gender in these Bylaws shall be deemed to include the masculine, feminine or neuter and the use of the singular shall be deemed to include the plural, whenever the context so requires.

**Section 8.05. Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these Bylaws, or the intent of any provision thereof.

**Section 8.06. Severability.** Should any part of these Bylaws be deemed void or become unenforceable at law or in equity, the validity, enforceability or effect of the balance of these Bylaws shall not be impaired or affected in any manner.

**Section 8.07. HUD/VA Lending Provisions.** So long as any Unit has financing/insurance guaranteed by the U. S. Department of Housing and Urban Development ("HUD") or the Veterans Administration ("VA"), the special provisions contained in each Declaration relating thereto shall apply notwithstanding any contrary language in these Bylaws.

Filed and Recorded  
Official Public Records  
John F. Warren, County Clerk  
Dallas County, TEXAS  
05/26/2011 08:22:32 AM  
\$120.00



A handwritten signature in black ink, appearing to be "JFW".

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