

**CONDOMINIUM
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CONDOMINIUM DECLARATION

FOR

SUMMERSET VILLAGE CONDOMINIUMS

(A Condominium Project)

DALLAS, DALLAS COUNTY, TEXAS

A HOLLOWAY DEVELOPMENT CORPORATION PROJECT

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TABLE OF CONTENTS
 CONDOMINIUM DECLARATION
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 SUMMERSET VILLAGE CONDOMINIUMS

	<u>Page</u>
1. Definitions	1
2. Condominium Map	3
3. Division of Property into Condominiums. . .	3
4. Common Elements	3
5. Inseparability of a Condominium.	3
6. Description of Condominium.	4
7. Separate Assessment in Taxation - Notice to Assessor.	4
8. Ownership - Title	4
9. Non-Partitionability of Common Elements . .	4
10. Use and Occupancy	4
11. Easements	5
12. Termination of Mechanic's Lien Rights and Indemnification	6
13. Administration and Management	6
14. Records	6
15. Reservation for Access - Maintenance Repair in Emergencies.	6
16. Compliance with Provisions of Declaration and By-Laws	7
17. Revocation or Amendment to Declaration. . .	7
18. Assessment for Common Expenses.	7
19. Assessment Lien	8
20. Liability for Common Expense Upon Transfer of Condominium.	8
21. Mortgaging a Condominium - Priority	8
22. Association as Attorney in Fact	9
23. Reconstruction or Repair.	9
24. Condemnation.	12
25. Personal Property for Common Use.	14

79181 1.03

26. Period of Condominium Ownership	14
27. Miscellaneous	14

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CONDOMINIUM DECLARATION
FOR
SUMMERSET VILLAGE CONDOMINIUMS
(A Condominium Project)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, Holloway Development Corporation, a Texas corporation hereinafter called "Declarant", is the owner of a certain tract of land and the improvements thereon and to be constructed thereon, situated in Dallas County, Texas, which tract of land is more particularly described on the attached Exhibit "A" which, by this reference, is made a part hereof; and

WHEREAS, Declarant desires to establish a Condominium Project under the Condominium Act of the State of Texas and to establish a plan for the ownership in fee simple of the real property estates consisting of the area or space contained in each of the Units in the Building improvements and the co-ownership by the individual and separate Owners of all of the remaining property, which remaining property is hereinafter referred to as the Common Elements:

NOW, THEREFORE, Declarant does hereby establish SUMMERSET VILLAGE Condominiums as a condominium project under the Condominium Act of the State of Texas and declare that the following terms, covenants, conditions, easements, restrictions, uses, limitations and obligations shall be deemed to run with the land, shall be a burden and a benefit to Declarant and any person or entity acquiring or owning an interest in the real property and improvements, their heirs, personal representatives, devisees, successors and assigns.

1. Definitions. Unless the context shall expressly provide otherwise:

A. "Unit" means an individual air space which is contained within the unfinished perimeter walls, floors, ceilings, windows and doors and the exterior surfaces of patios and balconies, if any, appurtenant to such space (the ceiling elevation of such patios and balconies being a hypothetical extension of the ceiling of the room or rooms adjacent thereto), all as shown on the Condominium Map filed herewith, together with all fixtures and improvements therein contained or appurtenant to the Unit, including air-conditioning and furnace equipment, ducts and piping, servicing such Unit and electrical connections to the individual electrical meter for the Unit, whether or not contained within the perimeter walls of the Unit, but not including any of the structural components of the Building in which such Unit is located.

B. "Condominium" means the fee simple interest and title in and to a Unit together with the appurtenant undivided interest in the Common Elements thereto and the owner's right of use of the appurtenant Limited Common Elements.

C. "Owner" means a person, firm, corporation, partnership, association or other legal entity, or any combination thereof, who owns one or more Condominiums.

D. "General Common Elements" means and includes the land described in Exhibit "A"; all common utility lines, including sewerage, water, gas, and electric wiring leading to the individual electrical meter servicing each Unit; or servicing the common areas; the swimming pool, sauna, whirlpool, fountain, utility rooms and storage rooms as shown on Exhibit "B"; drives, yards, shrubs, trees, walks, parking spaces not otherwise designated as Limited Common Elements; stairways, pavement, foundation, roof, exterior walls, chimneys and hot water boilers; and all other areas of such land and the improvements thereon necessary or convenient to its existence, maintenance and safety which are normal and reasonably in common use, including the air above such land, all of which shall be owned by the Owners of the separate Units, each Owner of a Unit having an undivided percentage interest in such General Common Elements as set forth in Exhibit "C" attached hereto.

E. "Limited Common Elements" means those common elements which are either limited to and reserved for the exclusive use of an Owner of a Condominium or are limited to and reserved for the common use of more than one but fewer than all of the Condominium Owners including parking spaces, such parking areas being shown on the attached Exhibit "B" wherein numbers shown on such parking spaces are tabulated corresponding to the Unit number for which such parking space, balcony is exclusively reserved, each Owner of a Condominium having an undivided percentage interest in such Limited Common Elements as set forth on Exhibit "C" attached hereto.

F. "Condominium Project" or "Project" means all of the land and improvements submitted by this Declaration.

G. "Common Expenses" means and includes expenses for maintenance, repair, operation, management and administration; expenses declared common expenses by the provisions of this Declaration and the By-Laws of SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION and all sums lawfully assessed against the General or Limited Common Elements by the Board of Directors of the Association.

H. "Association of Owners" or "Association" means SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION, a non-profit corporation, its successors and assigns, the By-Laws of which shall govern the administration of this Condominium Project, the members of which shall be all of the Owners of the Condominiums in the Project.

I. "Building" means one or more of the building improvements containing Units as shown on the Map.

J. "Map" means and includes the engineering survey of the land locating thereon all of the improvements, and any other drawing or diagrammatic

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plan depicting a part of or all of the improvements and land.

2. Condominium Map. Attached hereto and incorporated herein for all purposes as Exhibit "B" is the Map. The Map sets forth, among other things, the legal description of the land and a survey thereof showing the location of each Building designated by letter, a general description and plat of each Unit showing its square footage, Building location, floor and Unit number and a general description of the Common Elements, all as set forth and depicted on Exhibit "B" hereto.

The Map contains the certificate of a registered professional engineer or licensed architect, or both, certifying that the Map substantially depicts the location of the Buildings, the Units, the Unit numbers, the dimensions of the Units, the Building designation by letter and that such Map was prepared subsequent to the completion of the improvements. In interpreting the Map the existing physical boundaries of each separate Unit shall be conclusively presumed to be its boundaries. Declarant reserves the right to amend the Map, from time to time, to conform the same according to the actual location of any of the improvements and to establish, vacate and relocate easements, access road easements and on-site parking areas.

3. Division of Property into Condominiums. The tract of land described in Exhibit "A" hereto and the improvements thereon are hereby divided into the following fee simple estates:

The separately designated Units described on Exhibit "B" hereof and the undivided interest in and to the Common Elements appurtenant to each Unit as shown and set forth on Exhibit "C" hereof.

Until the Units are initially transferred by Declarant to a third party, Declarant reserves the right to:

(i) physically combine the space within one Unit with the space within one or more adjoining Units;

(ii) combine a part of or combination of parts of the space within one Unit with part or parts of space within one or more adjoining Units;

(iii) divide into separate Units the space of one Unit; and

(iv) modify or remodel one or more Units into larger or smaller Units, or any combination thereof, to construct, alter, relocate or remove any walls, patios, fences or balconies or do any other work which may be necessary to complete such modification or remodeling.

4. Common Elements. Common Elements are composed of General Common Elements and Limited Common Elements as defined in Paragraph 1 hereof. No reference thereto, whether such Common Elements are Limited or General, need be made in any deed or other instrument, and reference is made to the provisions of Paragraph 6 of this Declaration.

5. Inseparability of a Condominium. Each Unit together with the appurtenant undivided interest in the General

and Limited Common Elements and the Condominium Owner's rights of use of the appurtenant Limited Common Elements shall together comprise one Condominium, shall be inseparable and may be sold, assigned, leased, devised or encumbered only as a single Condominium.

6. Description of Condominium. Every contract for the sale or lease of a Condominium prior to the filing for record of the Map may legally describe a Condominium by its identifying Unit number and the building address, followed by the words, "SUMMERSET VILLAGE Condominiums" with further reference to the Map thereof and the Declaration to be filed of record. Subsequent to the filing of the Map and the recording of the Declaration, every deed, lease, mortgage, deed of trust, will or other instrument may legally describe a Condominium by its identifying number, followed by the words, "SUMMERSET VILLAGE Condominiums" with further reference to the volume and beginning page number of the Condominium Records, Dallas County, Texas, in which this Declaration is recorded. Every such description shall be good and sufficient for all purposes to sell, convey, transfer, encumber or otherwise affect not only the Unit but also the General Common Elements and the Limited Common Elements appurtenant thereto. Each such description shall be construed to include a non-exclusive easement for ingress and egress to a Unit and use of all the General Common Elements, together with the right to the exclusive use of the Limited Common Elements appurtenant to such Unit as shown on Exhibit "B". The initial deeds conveying each Condominium may contain reservations, exceptions and exclusions which the Declarant deems to be consistent with and in the best interests of all Owners and the Association.

7. Separate Assessment and Taxation - Notice to Assessor. Declarant shall give written notice to the Assessor of the County of Dallas, State of Texas, of the creation of condominium ownership in this property, so that each Unit and the undivided interest in the Common Elements appurtenant thereto shall be deemed a parcel and subject to separate assessment and taxation.

8. Ownership-Title. A Condominium may be held and owned by more than one person in any real property relationship recognized under the laws of the State of Texas.

9. Non-Partitionability of Common Elements. The Common Elements shall be owned in common by all of the Owners of Condominiums in the Project and shall remain undivided, and no Owner shall bring any action for partition or division of the Common Elements. Nothing contained herein shall be construed as a limitation of the right of partition of the ownership of a Condominium, but such partition shall not affect any other Condominium.

10. Use and Occupancy. After the initial sale or transfer by Declarant, all Condominiums in the Project shall be used and occupied for single family residence purposes by the Owner, by the Owner's family or the Owner's guests; provided, however, that subject to the terms of this Declaration and the By-Laws attached hereto, an Owner shall have the right to rent his Condominium for a term of not less than thirty (30) days, and provided further, that if any mortgagee forecloses on any Condominium, said mortgagee shall have the right to rent said Condominium upon such terms as it deems advisable until the Condominium is sold. In the event of such sale, the buyer shall be subject to the terms of this paragraph 10. Notwithstanding any of the foregoing, the right of Declarant to rent

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or lease Condominiums until their initial transfer to a third party is hereby specifically reserved.

Declarant and its employees, representatives, and agents may maintain a business and sales office, model Units and other sales facilities necessary or required during the sales periods. Declarant may place signs in or around the common stairways, walks and drives and may use the common areas for sales purposes to the exclusion of other uses during such periods. Owners other than Declarant, however, are prohibited from placing such sales or other signs in or around the common areas. The Managing Agent, if any, may maintain an office in one of the Units in the Condominium Project for the purposes of managing the Condominium Project.

11. Easements. In addition to the exclusive easements hereby established in the Limited Common Elements, the Condominiums and Common Elements shall have appurtenant thereto and be subject to the following easements:

(A) If any portion of the Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. If any portion of a Unit encroaches upon the Common Elements, or upon adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Elements or on the Units. Such encroachment easements shall exist from, but are not limited to, encroachments arising from construction, reconstruction, repairs, shifting, settlement or other natural movement of the improvements, but no easement is hereby given for additions made by an Owner without the prior written consent of the Declarant or the Association.

(B) Subject to such reasonable regulation thereof as may be provided in the By-Laws, the Declarant, the Association, and all public utilities furnishing services for common use to the Condominium Project shall have access to each Unit from time to time as may be necessary for the installation, maintenance, repair, or replacement of any of the utilities or Common Elements located therein, needed therein, or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit.

(C) Declarant shall have and hereby retains for itself and for all of the Owners of the Condominium Project, an easement and right of ingress and egress and of use and enjoyment in and to those portions of the Common Elements which are designed for and provide access to the Units and the Common Elements.

(D) Declarant reserves an easement and right of ingress and egress in and to those portions of the Common Elements which are reasonably necessary to Declarant for the construction of additional improvements in the Condominium Project and further reserves the right to establish easements, reservations, exceptions, and exclusions consistent with the ownership of the Condominium Project and for the best interest of the Owners and the Association in order to serve the entire Condominium Project.

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12. Termination of Mechanic's Lien Rights and Indemnification. No labor performed or materials furnished and incorporated in a Unit with the consent or at the request of an Owner or his agent or his contractor or subcontractor shall be the basis for filing of a lien against the Unit of any other Owner not expressly consenting to or requesting the same, or against the Common Elements. Each Owner shall indemnify and hold harmless each of the other Owners from and against all liability arising from the claim of any lien against the Unit of any Owner or against the Common Elements for construction performed or for labor, materials, services or other products incorporated in the Owner's Unit at such Owner's request. The provisions herein contained are subject to the rights of the Managing Agent or Board Of Directors of the Association as set forth in Paragraph 15.

13. Administration and Management. The administration and management of this Condominium Project shall be governed by the "By-Laws" of SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION (the "Association"), a copy of which is attached hereto as Exhibit "D" and incorporated herein by reference. An Owner of a Condominium, upon becoming an Owner, shall mandatorily become a member of the Association and shall remain a member for the period of his ownership. An Owner's vote in the Association shall be in proportion to the respective percentage of Common Elements appurtenant to his Condominium as set forth in Exhibit "C". The Association shall be governed by a "Board of Directors" as is provided in the By-Laws of the Association. The Association may delegate by written agreement any of its duties, powers, and functions to any person or firm to act as "Managing Agent" at any agreed compensation.

14. Records. The Board of Directors or the Managing Agent shall keep or cause to be kept records with detailed accounts of the receipts and expenditures affecting the Condominium Project and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the regime. The records so kept shall be available for inspection by all Owners, insurers and mortgagees of Condominiums at convenient hours on working days that shall be set and announced for general knowledge. All records shall be kept in accordance with generally accepted accounting principles.

15. Reservation for Access - Maintenance, Repair and Emergencies. The Association shall have the irrevocable right, to be exercised by the Managing Agent or Board of Directors of the Association, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements thereon or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units, or for inspection and eradication of insects and other pests, including the spraying of pesticides. Should any Owner change any lock on any entrance to his Unit, such Owner shall immediately provide to the Managing Agent or Board of Directors a key to the new lock. If an Owner fails to do so, the Managing Agent or Board of Directors may replace such lock and provide a new key to the Owner all at the Owner's expense, which shall be a special assessment to such Owner, the non-payment of which may be enforced as delineated in paragraph 19. Damage to the interior or any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Unit at the instance of the Association, shall be a Common

Expense of all of the Owners; provided, however, that if such damage is the result of the misuse or negligence of an Owner, then such Owner shall be responsible and liable for all such damage. All damaged improvements shall be restored to substantially the same condition of such improvements prior to damage. All maintenance, repairs and replacements as to the General Common Elements, whether located inside or outside of Units (unless necessitated by the negligence or misuse of an Owner, in which case such expense shall be charged to such Owner), shall be the Common Expense of all the Owners.

16. Compliance with Provisions of Declaration and By-Laws. Each Owner shall comply strictly with the provisions of this Declaration and the By-Laws of the Association, and the decisions and resolution of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure and refusal after written notice to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith and interest on all of such amounts at the highest lawful rate, which action shall be maintainable by the Managing Agent or Board of Directors in the name of the Association in behalf of the Owners or, in a proper case, by an aggrieved Owner.

17. Revocation or Amendment to Declaration. This Declaration shall not be revoked unless all of the Owners and all of the holders of any recorded mortgage or deed of trust covering or affecting any or all of the Condominiums unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the Owners representing an aggregate ownership interest of 75%, or more, of the Common Elements and the holders of any recorded mortgage or deed of trust covering or affecting at least seventy-five percent (75%) in common interests of the Condominiums consent and agree to such amendment by instrument(s) duly recorded; provided, however, that the percentage of the undivided interest in the Common Elements appurtenant to each Unit, as expressed in this Declaration, the Unit boundaries, proportion of liability for Common Expenses, percentage of vote in the Association and the fundamental use to which any Unit or Common Element is restricted shall have a permanent character and shall not be altered without the consent of all of the Owners and mortgagees expressed in an amended Declaration duly recorded and further provided that revocation of this Declaration shall always require the consent of all of the Owners. Notwithstanding the foregoing, before the first annual meeting of the Association's Board of Directors, Declarant may, with the written consent of any institutional mortgagee of any Condominium which would be affected (but without the consent of any Owner) amend this Declaration, or the Map, By-Laws and any other Exhibits attached hereto.

18. Assessment for Common Expenses. All Owners shall be obligated to pay the assessments imposed by the Board of Directors of the Association or the Managing Agent to meet the Common Expenses. The total amount of the estimated funds required from assessments to operate the Project shall be set forth in a budget adopted by the Board of Directors of the Association or Managing Agent and shall be assessed against each Owner in proportion to the respective percentage of Common Elements applicable to such Unit as set forth on Exhibit C hereto and shall be a lien against said Owner's Condominium, subject to the provisions hereof. Assessments may be rounded to the nearest dollar amount.

19. Assessment Lien. All sums assessed but unpaid for the share of Common Expenses chargeable to any Condominium shall constitute a lien on such Condominium superior to all other liens and encumbrances, except only for tax and special assessment liens on the Condominium in favor of any assessing agency, and all sums unpaid on a first mortgage or first deed of trust of record, including all unpaid obligatory sums as may be provided by such encumbrance. The lien shall be a covenant running with the property, and to evidence such lien a vendors lien shall be reserved in the deed from Declarant to each owner and in the event an owner fails to make timely payment of any assessment, the Board of Directors or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the name of the Owner of the Condominium and a description of the Condominium. Such a notice shall be signed by one of the Board of Directors or by one of the officers of the Association or by a representative of the Managing Agent and shall be recorded in the office of the County Clerk of Dallas County, Texas. Such lien for the Common Expenses shall attach from the date of failure of payment of the assessment. Such lien may be enforced by the foreclosure of the defaulting Owner's Condominium by the Association in like manner as a mortgage on real property subsequent to the recording of a notice or claim thereof. In any such proceedings the Owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien, and in the event of foreclosure proceedings, the additional costs, all expenses and attorney's fees incurred. The Owner of the Condominium being foreclosed shall be required to pay to the Association the monthly assessment for the Condominium during the period of foreclosure, and the Association shall be entitled to a receiver to collect the same. The Association shall have the power to bid on the Condominium at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any mortgagee holding a lien on a Condominium may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Condominium, and such payment shall not be deemed a waiver of default by the Owner thereof.

20. Liability for Common Expense upon Transfer of Condominium. Upon payment to the Association of a reasonable fee not to exceed the amount permitted by law, (except in the case of a mortgagee in which instance no fee shall be payable) and upon written request of any Owner or any mortgagee or prospective mortgagee of a Condominium, the Association or its Managing Agent shall issue a written statement setting forth the amount of the unpaid Common Expenses, if any, with respect to the subject Condominium, the amount of the current monthly assessment and the date that such assessment becomes due, credit for any advanced payments of common assessments, for prepaid items, such as insurance premiums, but not including accumulated amounts for reserves or sinking funds, if any, which statement shall be conclusive upon the Association in favor of all persons who rely thereon in good faith. Unless such request for a statement of indebtedness shall be complied with within ten (10) days, all unpaid Common Expenses which become due prior to the date of making such request shall be subordinate to the rights of the person requesting such statement. The grantee of a Condominium shall not be personally liable for the unpaid common assessments up to the time of the grant or conveyance, though such unpaid assessments will constitute a lien upon the Condominium.

21. Mortgaging a Condominium - Priority. An Owner shall have the right from time to time to mortgage or encumber

his Condominium including the interests appurtenant thereto by deed of trust, mortgage or other instrument, but the lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder who acquires a Condominium through judicial foreclosure, public sale or other means shall be subject to the terms and conditions of this Declaration except as specifically excepted herefrom.

22. Association as Attorney-In-Fact. This Declaration does hereby make mandatory the irrevocable appointment of an attorney-in-fact to deal with the Condominium Project, in whole or in part, upon its condemnation, destruction, or obsolescence.

Title to any Condominium is declared and expressly made subject to the terms and conditions hereof, and acceptance by any grantee of a deed or other instrument of conveyance from the Declarant or from any Owner or grantor shall constitute appointment of the attorney-in-fact herein provided. All Owners irrevocably constitute and appoint SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION their true and lawful attorney in their name, place and stead for the purpose of dealing with said property upon its condemnation, destruction or obsolescence as is hereinafter provided. As attorney-in-fact, the Association, by its President and Secretary or Assistant Secretary, shall have full and complete authorization, right and power to make, execute and deliver any contract, deed or any other instrument with respect to the interest of an Owner which are necessary and appropriate to exercise the powers herein granted. Any repair, reconstruction or replacement made of the improvement(s) shall be to substantially the same condition existing prior to the damage, with each Unit and the General and Limited Common Elements having substantially the same vertical and horizontal boundaries as before. The proceeds of any insurance or condemnation proceeds collected shall be available to the Association for the purposes of repair, restoration or replacement unless the Owners agree not to rebuild in accordance with the provisions set forth hereinafter. The Association shall have full authority, right and power, as attorney-in-fact, to cause any repair and restoration of the improvement(s) permitted or required hereunder.

Each Owner, by ownership of a Condominium in the Project, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in his behalf without limitation on the generality of the foregoing, the Association as said attorney shall have the 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 Owners and their respective mortgagees (subject to the provisions hereof) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Owner and the 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 Unit or for the liability of any Owner for occurrences therein not caused by or in connection with the Association's operation, maintenance or use of the Condominium Project.

23. Reconstruction or Repair. Reconstruction and repair shall occur as follows:

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A. In the event of damage or destruction due to fire or other disaster, to not more than two-thirds (2/3) of all of the Units, not including land, the insurance proceeds, if sufficient to reconstruct the Common Elements shall be applied by the Association, as attorney-in-fact, to such reconstruction, and the Common Elements shall be promptly repaired and reconstructed. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair and restoration of the Common Elements.

B. If the insurance proceeds are insufficient to repair or reconstruct the Common Elements, and if such damage is to not more than two-thirds (2/3) of all the Units, not including land, then upon resolution of a majority of the Owners setting forth circumstances and anticipated costs of the work, such damage or destruction shall be promptly repaired and reconstructed by the Association, as attorney-in-fact, using the proceeds of insurance and proceeds of an assessment to be made against all of the Owners and their Units. Such deficiency assessment shall be a Common Expense and made pro-rata according to each Owner's percentage interest in the common elements and shall be due and payable within thirty (30) days after written notice thereof. The Association shall have full authority, right and power, as attorney-in-fact, to cause the repair or restoration of the Common Elements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium and may be enforced and collected as is provided in paragraph 19. In addition hereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium of any Owner refusing or failing to pay such deficiency assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium of the delinquent Owner shall be sold by the Association, as attorney-in-fact, pursuant to the provisions of this paragraph. The delinquent Owner shall be required to pay the Association the costs and expenses for filing the notices, interest on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such Condominium shall be used and disbursed by the Association, as attorney-in-fact, in the following order:

(i) For payment of taxes and special assessment liens in favor of any governmental entity and customary expenses of sale;

(ii) For payment of the balance of the lien of any first mortgage;

(iii) For payment of unpaid Common Expenses and assessments and all costs, expenses and fees incurred by the Association;

(iv) For the payment of junior liens and encumbrances in the order of and to the extent of their priority; and

(v) The balance remaining, if any, shall be paid to the Owner.

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C. If less than two-thirds (2/3) of all of the Units, not including land, are damaged or destroyed and the insurance proceeds are insufficient to repair or reconstruct the Common Elements as set forth in sub-paragraph B above, and a majority of the Owners do not adopt a resolution to repair such damage as set forth therein, or, if there is substantial damage to more than two-thirds (2/3) of all of the Units, not including land, and if the Owners representing an aggregate ownership interest of fifty-one percent (51%) or more, of the Common Elements do not voluntarily, within one hundred (100) days thereafter, make provisions for reconstruction, which plan must have the unanimous approval or consent of every first mortgagee, then in either such event the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire remaining property shall be sold by the Association, pursuant to the provisions contained in the Declaration, the Map and the By-Laws. The insurance settlement proceeds and proceeds of sale of the entire property as provided in this paragraph shall be collected by the Association and such proceeds shall be divided and paid into separate accounts according to each Owner's percentage interest in the Common Elements, each such account representing one Condominium. Each such account shall be in the name of the Association, and shall be further identified by the Condominium designation and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall forthwith use and disburse the total amount of each of such account, without contribution from one account to another, for the same purposes and in the same order as is provided in sub-paragraph B (i) through (v) of this Paragraph.

D. Each Owner shall be responsible for the reconstruction, repair or replacement all fixtures, installations or additions comprising the Unit and contained within the unfinished interior surfaces of the perimeter walls, floors and ceilings, as initially installed or replacements thereof, except for such Common Elements as may be contained therein which shall be the obligation of the Association to replace or repair.

E. If more than two-thirds of all the Units not including land are damaged or destroyed and the Owners representing an aggregate ownership interest of fifty-one percent (51%), or more, of the Common Elements adopt a plan for reconstruction, which plan has the unanimous approval of all first mortgagees, then all of the Owners shall be bound by the terms and other provisions of such plan. Any assessment made in connection with such plan shall be a Common Expense and made pro rata according to each Owner's percentage interest in the Common Elements and shall be due and payable as provided by the terms of such plan, but not sooner than thirty (30) days after written notice thereof. The Association shall have full authority, right and power as attorney-in-fact, to cause the repair or restoration of improvements using all of the insurance proceeds for such purpose notwithstanding the failure of an Owner to pay the

assessment. The assessment provided for herein shall be a debt of each Owner and a lien on his Condominium and may be enforced and collected as is provided in this Declaration and the By-Laws. In addition thereto, the Association, as attorney-in-fact, shall have the absolute right and power to sell the Condominium of any Owner refusing or failing to pay such assessment within the time provided, and if not so paid, the Association shall cause to be recorded a notice that the Condominium of the delinquent Owner shall be sold by the Association. The delinquent Owner shall be required to pay to the Association the costs and expenses for filing the notices, interest at the highest rate permitted by law on the amount of the assessment and all reasonable attorney's fees. The proceeds derived from the sale of such Condominium shall be used and disbursed by the Association, as attorney-in-fact, for the same purposes and in the same order as is provided in sub-paragraph B (i) through (v) of this Paragraph.

F. The Owners representing an aggregate ownership interest of seventy-five percent (75%), or more, of the Common Elements may agree that the Common Elements are obsolete and adopt a plan for the renewal and reconstruction, which plan has the unanimous approval of all first mortgagees of record at the time of the adoption of such plan. If a plan for the renewal or reconstruction is adopted, notice of such plan shall be recorded, and the expense of renewal and reconstruction shall be payable by all of the Owners as Common Expenses.

G. The Owners representing an aggregate ownership interest of seventy-five percent (75%) or more, of the Common Elements may agree that the Project is obsolete and that the same should be sold. In such instance, the Association shall forthwith record a notice setting forth such fact or facts, and upon the recording of such notice by the Association's President and Secretary or Assistant Secretary, the entire premises shall be sold by the Association, as attorney-in-fact for all of the Owners, free and clear of the provisions contained in this Declaration, the Map and the By-Laws. The sales proceeds shall be apportioned between the Owners on the basis of each Owner's percentage interest in the Common Elements, and such apportioned proceeds shall be paid into separate accounts, each such account representing one Condominium. Each such account shall be in the name of the Association, and shall be further identified by the Condominium designation and the name of the Owner. From each separate account, the Association, as attorney-in-fact, shall use and disburse the total amount (of each) of such accounts, without contribution from one account to another, for the same purposes and in the same order as is provided in subparagraph B (i) through (v) of this Paragraph.

24. Condemnation.

79181 1746

A. If a part of the Project shall be taken or condemned by an authority having the power of eminent domain, such that no Unit nor Limited Common Element appurtenant thereto, is taken all compensation and

damages for the taking of the Common Elements, exclusive of compensation for consequential damages to certain affected Units, shall be payable to the Association as attorney-in-fact for all Owners and mortgagees according to the loss or damages to the respective interest in the Common Areas. The Association acting through the Board of Directors shall have the right to act on behalf of the Owners with respect to the negotiation and litigation of the issues with respect to the taking and compensation affecting the Common Elements, without limitation on the right of the Owners to represent their interests with respect to their own Condominiums. Such proceeds shall be paid to the Association and shall be used promptly to the extent necessary for restoring or replacing improvements so taken on the remaining property in as substantial compliance to the original plan and elevation of the improvements as possible, to restore the general value of the Condominium. In the event that there is an award in excess of the amount necessary to so substantially restore the Common Elements, it shall be distributed to the Owners in proportion to their share of ownership in the Common Elements. Nothing herein shall prevent Owners whose Units are expressly affected by the taking or condemnation from joining in the condemnation proceedings and petitioning on their own behalf for consequential damages relating to loss of value of the affected Units or personal improvements therein, exclusive of damages relating to the common areas. In the event that the condemnation award does not allocate consequential damages to specific Units, but includes an award for reduction in value of the Units without such allocation, the award shall be divided between affected Owners and the Common Element damages as the interest may appear by agreement between the affected Owners and the Association, or if no such agreement can be reached by arbitration in accordance with the rules of the American Arbitration Association.

B. If part or all of the Project shall be taken or condemned by any authority having the power of eminent domain, such that any unit or a part thereof (including Limited Common Elements appurtenant to any unit) is taken, the Association shall have the right to act on behalf of the Owners, as attorney-in-fact, with respect to Common Elements as set forth in Paragraph A. of this Article, and the proceeds shall be payable as outlined therein, but the portion of the award attributable to the acquisition of a Limited Common Element shall be equally divided among the Owners of the Units that the Limited Common Element was allocated to at the time of acquisition in the event that the Limited Common Element is not rebuilt or replaced. The Owners directly affected by such taking shall represent and negotiate for themselves with respect to the damages affecting their respective Units. If part of a Unit is taken, leaving the Owner with a remanent which may not practically or lawfully be used for any purpose permitted by this Declaration, the award shall compensate the Owner for his Condominium and its Common Element interest, whether or not any Common Element interest is acquired. Upon acquisition, unless the decree otherwise provides, that Condominiums entire

Common Element interest, votes in the Association, and Common Expense liability shall be automatically reallocated to the remaining Condominiums in proportion to the respective interests in the Common Elements of said Condominiums and the Association shall promptly prepare, execute and record any necessary amendment to the Declaration reflecting the reallocations. Any portion of the award made for removal of the remanent of such a Unit shall be paid to the Association.

25. Personal Property for Common Use. The Association as attorney-in-fact for all of the Owners, may acquire and hold for use and benefit of all of the Owners, real, tangible and intangible personal property and may dispose of the same by sale or otherwise. The beneficial interest in any such property shall be owned by all of the Owners in the same proportion as their respective interests in the Common Elements, and such interest therein shall not be transferable except with a transfer of a Condominium. A transfer of a Condominium shall transfer to the transferee ownership of the transferor's beneficial interest in such property without any reference thereto. Each Owner may use such property in accordance with the purpose for which it is intended without hindering or encroaching upon the lawful rights of the other Owners. The transfer of title to a Condominium under foreclosure shall entitle the purchaser to the beneficial interest in such personal property associated with the foreclosed Condominium.

26. Period of Condominium Ownership. The separate and common estates created by this Declaration and the Map shall continue until this Declaration is revoked or terminated in the manner as is provided in this Declaration or the By-Laws.

27. Miscellaneous.

A. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

B. The provisions of this Declaration shall be in addition to and supplemental to the Condominium Act of the State of Texas, and to all other provisions of law. Should any provision of this Declaration or the By-Laws attached hereto as Exhibit "D" conflict with the Condominium Act of the State of Texas then in force, then the latter shall control as to such conflicting point.

C. That whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN WITNESS WHEREOF, Declarant has duly executed this Declaration this 30th day of JULY, 1977.

HOLLOWAY DEVELOPMENT CORPORATION

By: Brian Holloway
Brian Holloway
President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority in and for said County and State, on this day personally appeared _____

of Holloway Development Corporation, a corporation, and acknowledged to me that he executed the foregoing instrument in his capacity as _____ of Holloway Development Corporation, and as the act of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 197__.

(S E A L)

Notary Public in and for
Dallas County, Texas

My Commission Expires:

THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

BEFORE ME, the undersigned authority in and for said County and State, on this day personally appeared Brian Holloway, President of Holloway Development Corporation, a corporation, and acknowledged to me that he executed the foregoing instrument in his capacity as President of Holloway Development Corporation, and as the act of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 30th day of July, 1979.



Kathleen N. Ito

Notary Public in and for
Los Angeles County, California

My Commission Expires:

March 1, 1983

V. D. I. A. .
79181 1049

LEGAL DESCRIPTION

BEING a tract of land situated in the William P. Cordor Survey, Abstract No. 282, said tract of land being all of Lot 6, Block 77206 of Caruth Manor No. 2, revised, an addition to the City of Dallas, Dallas County, Texas, recorded in Volume 80050, page 123, Dallas County Map Records, and being more particularly described as follows:

BEGINNING at the southeast corner of said Lot 6, Block 77206, said point being in the westerly line of Mesbury Drive (a 50' R/W), said point also being in the westerly line of a 15' alley; an iron stake set for corner;

THENCE S 64° 20' W, with the northerly line of said 15' alley, 499.35' to an iron stake set for corner;

THENCE West, with the north line of said 15' alley, 83.60' to the southeast corner of said Lot 6; an iron stake set for corner;

THENCE North, with the west line of said Lot 6, 301.43' to a point in the southerly line of Streibrecht Drive (a 50' R/W), an iron stake set for a corner, said point being on a curve to the left, having a radius of 1,731.74', a central angle of 118° 43' 43" and a tangent bearing of S 93° 03' 43" E;

THENCE in a generally easterly direction with the southerly line of said Streibrecht Drive and along said curve, 314.50' to the end of said curve; an iron stake set for corner;

THENCE N 73° 20' E, and continuing along the southerly line said Streibrecht Drive, 137.33' to an iron stake set for corner;

THENCE S 88° 03' 21" E, 11.26' to a point in the west line of the said aforementioned Mesbury Drive, an iron stake set for corner, said point being on a curve to the left, having a radius of 1,323.67' and a central angle of 8° 59' 16" E;

THENCE in a southerly direction with the westerly line of said Mesbury Drive and along said curve, 207.66' to the end of said curve, said point being the place of beginning and containing 3.19 acres of land.

The legal description marked exhibits A and the map marked exhibits B substantially depict the locations of the buildings, the units, the unit numbers, the dimensions of the units, the building description by letter and was made subsequent to the completion of the improvements. The lines and dimensions of said property are as indicated on the plat. There are no street names, corridors, or easements except as shown.

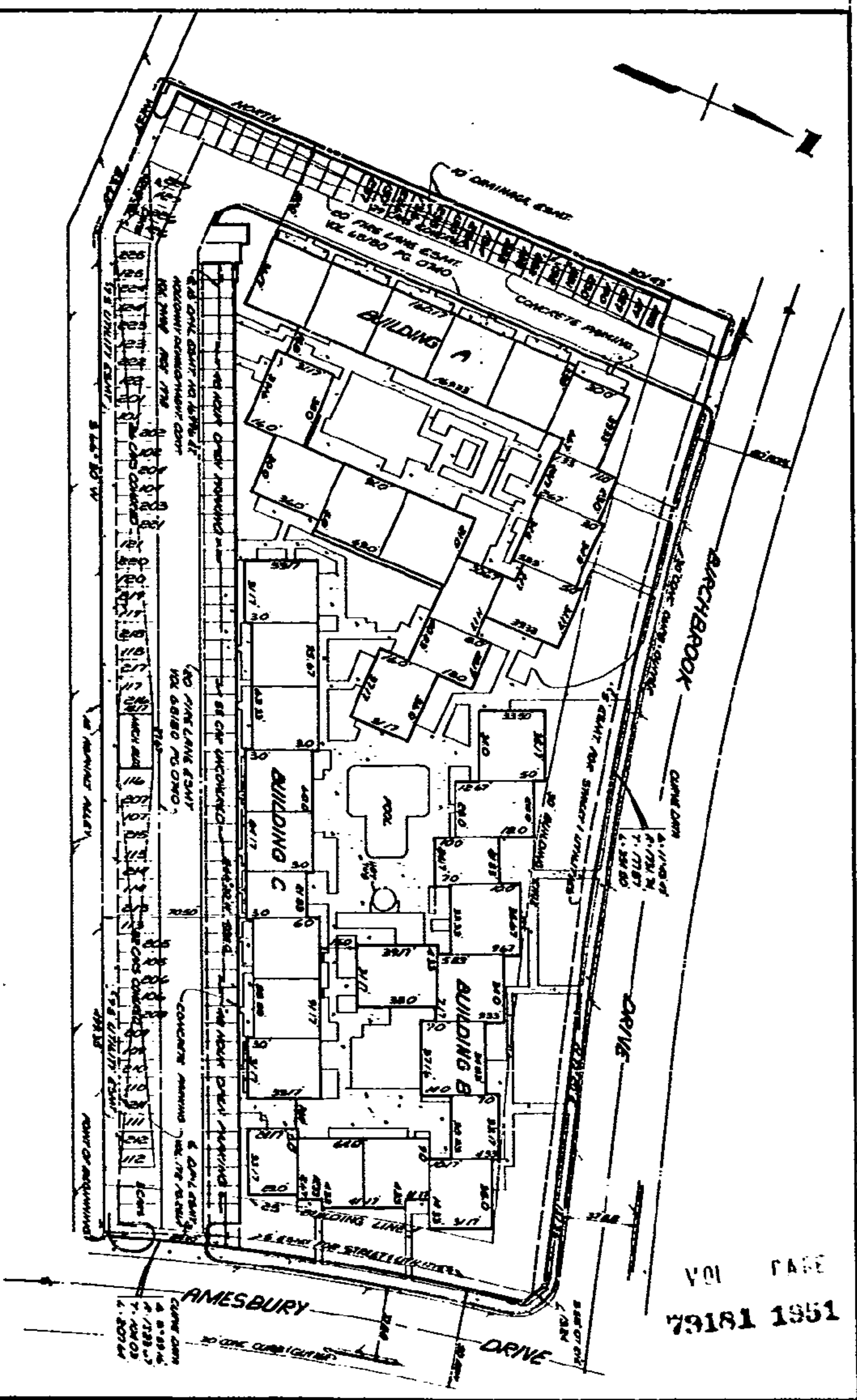
Bill L. Stephenson
 Bill L. Stephenson
 Registered Public Surveyor 1317



1950
 79181

EXHIBIT A

BILLY L. STEPHENSON AND ASSOCIATES CONSULTING ENGINEERS 2200 W. NORTH AVENUE, SUITE 1000 DALLAS, TEXAS 75201	SUMMERSSET VILLAGE LEGAL DESCRIPTION
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NOTE: ALL UNIMPROVED PARKING SPACES ARE LAMINATED CONCRETE FOR CONCRETEWORK AND ALIQUOTS

NOTE: ALL AREAS OUTSIDE CURBS ARE EXISTING CONCRETE WITH LESS NORTH DRIVEWAY.

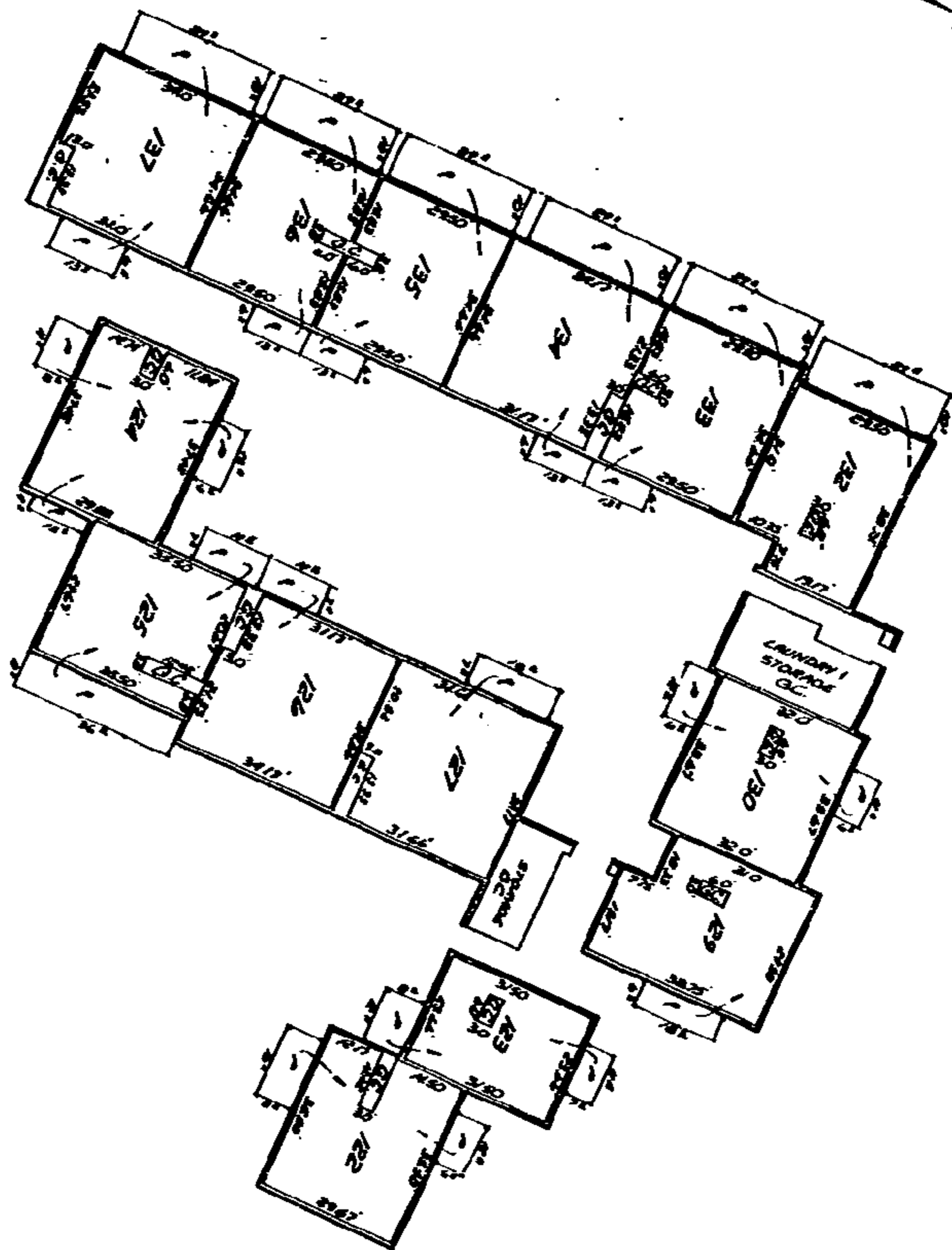


0 10 20 30 40 50
FOOT SCALE

BILLY L. STEPHENSON
AND ASSOCIATES
CONSULTING ENGINEERS
2225 NORTH 10TH AVENUE
DENVER, COLORADO 80202
PHONE 733-3333

SUMMERSSET VILLAGE
BOUNDARY SURVEY
OF
A CONDOMINIUM

EXHIBIT B



BUILDING A
FIRST FLOOR

W. ANDERSON
B. BACCHUS
T.C. SHIMMEL COMPANY
C.E. SHIMMEL COMPANY

0 10 20 30
BARRY
D. SHIMMEL



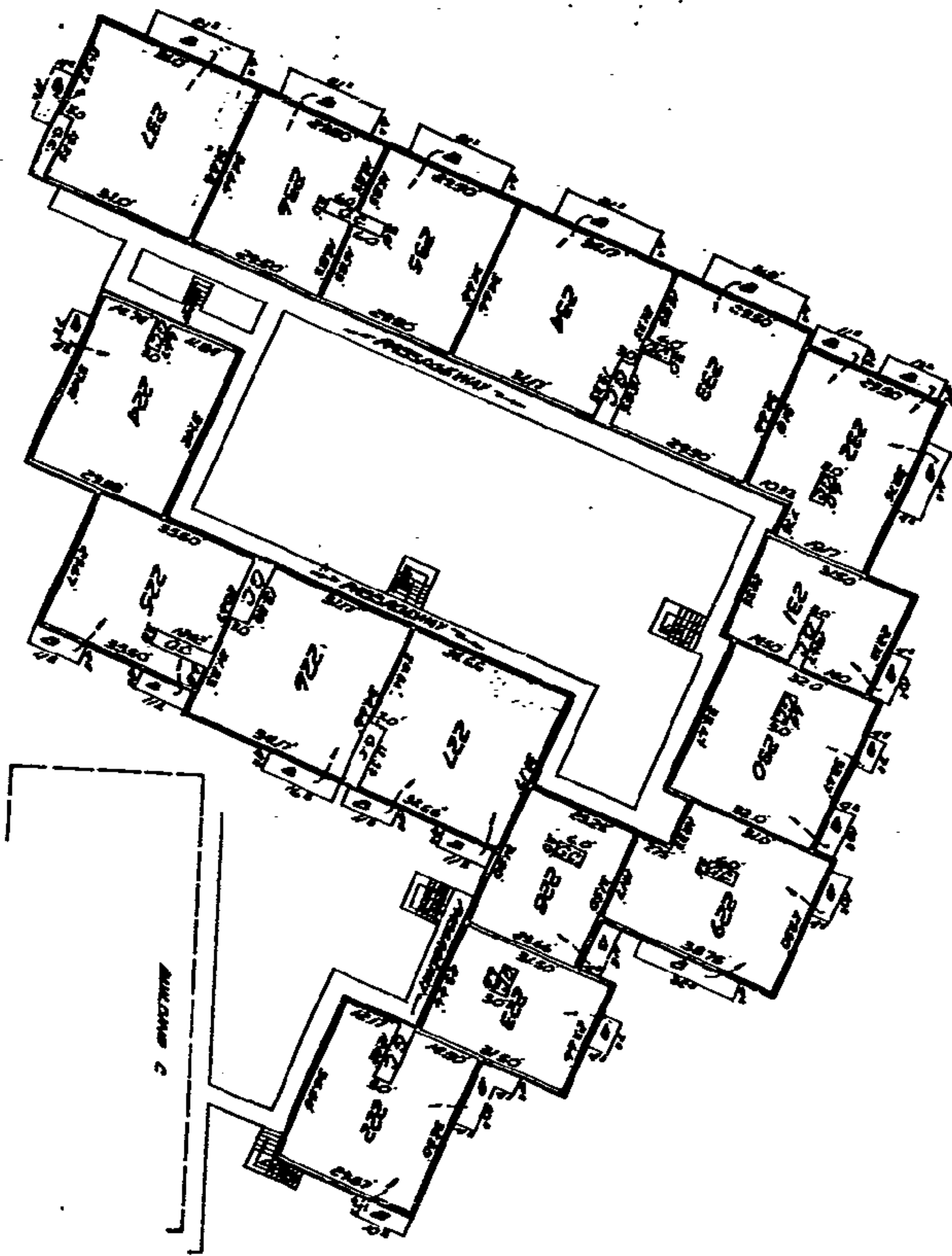
BILLY L. STEPHENSON
AND ASSOCIATES
CONSULTING ENGINEERS
215 S. 1st St.
OAKLAND, CALIF. 94612
442-7373

SUMMERSSET VILLAGE
DETAILS OF UNITS

79181 1952



BUILDING A
SECOND FLOOR



A. ARNO
B. BALCOM

LC: UNITED COMPANY
GC: GENERAL COMPANY

GRAPHIC SCALE

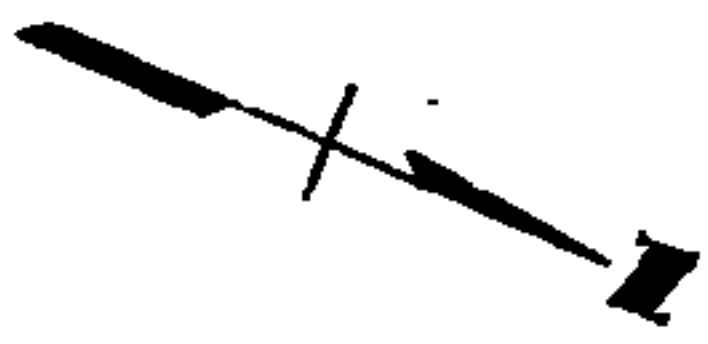


BILLY L. STEPHENSON
AND ASSOCIATES
CONSULTING ENGINEERS
228 N. LAUREL
CHICAGO, ILL. 60610

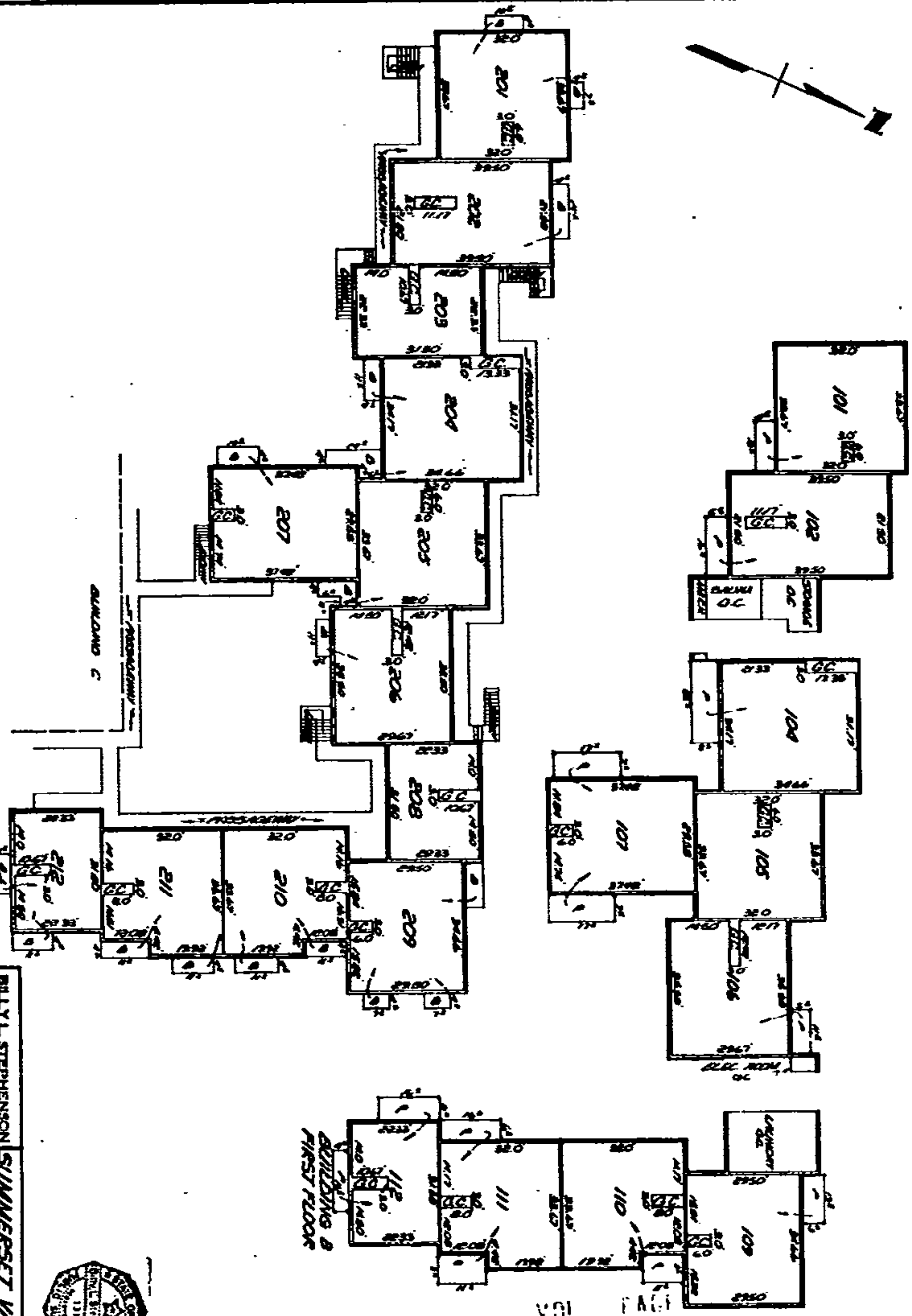
SUMMERSSET VILLAGE

DETAILS OF UNITS

VOL. I AGE
79181 1953



A ROOM
 B BALCONY
 C.C. LIMITED COMMON
 D.C. GENERAL COMMON
 0' 1" 2" 3" 4" 5" 6" 7" 8" 9" 10"
 GRAPHIC SCALE



BUILDING B
SECOND FLOOR

BUILDING B
FIRST FLOOR

BILLY L. STEPHENSON
 AND ASSOCIATES
 CONSULTING ENGINEERS
 2501 TEXAS STREET
 DALLAS, TEXAS 75201
 JAN 1954



EXHIBIT D

BY-LAWS

FOR

SUMMERSET VILLAGE CONDOMINIUMS

(A Condominium Project)

DALLAS, DALLAS COUNTY, TEXAS

A HOLLOWAY DEVELOPMENT CORPORATION PROJECT

79181 1057

DURANT, MANKOFF, DAVIS, WOLENS & FRANCIS
ATTORNEYS AT LAW
3900 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

TABLE OF CONTENTS
 BY-LAWS
 of
 SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION
 A NON-PROFIT ASSOCIATION

	<u>Page</u>
Article I, Purpose and Parties	1
1. Purpose	1
2. Parties	1
Article II, Membership, Voting, Majority of Co- Owners ("Owners"), Quorum, Proxies	1
1. Membership	1
2. Voting	1
3. Majority of Owners	1
4. Quorum	2
5. Proxies	2
Article III, Administration	2
1. Association Responsibilities	2
2. Place of Meeting	2
3. Annual Meetings and Quarterly Meetings	2
4. Special Meetings	2
5. Notice of Meetings	3
6. Adjourned Meetings	3
7. Order of Business	3
Article IV, Board of Directors	3
1. Number and Qualification	3
2. Powers and Duties	3
3. Other Powers and Duties	3
4. No Waiver of Rights	6
5. Election and Term of Office	6
6. Vacancies	7
7. Removal of Managers	7
8. Organization Meeting	7
9. Regular Meetings	7
10. Special Meetings	7
11. Waiver of Notice	7
12. Board of Directors' Quorum	7
13. Fidelity Bonds	8
14. Compensation	8
Article V, Fiscal Management and Accounts	8
Article VI, Officers	8
1. Designation	8
2. Election of Officers	8
3. Removal of Officers	9
4. President	9
5. Vice President	9
6. Secretary	9
7. Assistant Secretary	9
8. Treasurer	9

V II 12.
79181 1359

Article VII, Indemnification of Officers, Directors and Managing Agent	10
1. Civil or Criminal Proceedings.	10
2. Other.	11
Article VIII, Amendments to By-Laws.	11
Article IX, Mortgages.	11
1. Notice to Association.	11
2. Notice of Unpaid Common Assessments.	11
3. Notice of Default.	12
4. Examination of Books	12
5. Notice to Federal Home Loan Mortgage Association.	12
Article X, Evidence of Ownership, Registration of Mailing Address and Designation of Voting Representative	12
1. Proof of Ownership	12
2. Registration of Mailing Address.	12
3. Designation of Voting Representative - Proxy.	12
Article XI, Obligations of the Owners.	13
1. Assessments.	13
2. Vendor's Lien.	15
3. Notice of Lien of Suit	15
4. Owner's Maintenance and Repair	15
5. Mechanic's Lien.	16
6. General.	17
7. Use of Units - Internal Changes.	17
8. Use of General Common Elements and Limited Common Elements.	17
9. Right of Entry	17
10. Rules and Regulations.	18
11. Destruction or Obsolescence.	18
Article XII, Abatement and Enjoinment of Viola- tions by Owners.	18
Article XIII, Committees	18
1. Designation.	18
2. Executive Committee.	19
3. Nominating Committee	19
4. Vacancies.	19
Article XIV, Waiver of Subrogation	19
Article XV, Compensation	19
Article XVI, Execution of Documents.	20
Article XVII, Proxy to Trust	20
Article XVIII, Conflicting or Invalid Provisions	20
Maintenance Responsibility Chart	22
Rules and Regulations.	24

79181 159

BY-LAWS
OF
SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION
A NON-PROFIT CORPORATION

The name of this non-profit corporation shall be the SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION (the "Association").

ARTICLE I

PURPOSE AND PARTIES

1. The purpose for which the Association is formed is to govern the Condominium Project known as SUMMERSET VILLAGE CONDOMINIUMS, situated in the County of Dallas, State of Texas, which property is described in the "Condominium Declaration" of Holloway Development Corporation, a Texas corporation, and which property has been submitted to the regime created by the Condominium Act of the State of Texas by the recording of the Declaration and the Exhibits thereto, including a true and correct copy hereof. All definitions contained in said Declaration shall apply hereto and are incorporated herein by reference.

2. All present or future Owners, tenants, future tenants of any Condominium or any other person who might use in any manner the facilities of the Condominium Project are subject to the provisions and any regulations set forth in these By-Laws. The mere acquisition, lease or rental of any Condominium or the mere act of occupancy of a Condominium will signify that these By-Laws are accepted, approved, ratified, and will be complied with.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF
CO-OWNERS ("OWNERS"), QUORUM, PROXIES

1. Membership. Except as is otherwise provided in these By-Laws, ownership of a Condominium is required in order to qualify for membership in this Association. Any person on becoming an Owner of a Condominium shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Condominium, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, or impair any rights or remedies which the Owners have, either through the Board of Directors of the Association or directly, against such former Owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2. Voting. Voting shall be on a share basis, and the number of votes to which any Owner is entitled shall be in proportion to each Owner's percentage interest in the Common Elements, as such percentage interest is set forth in Exhibit "C" to the Declaration.

3. Majority of Owners. As used in these By-Laws, the term "Majority of Owners" shall mean those voting Owners holding fifty-one percent (51%) of the votes as such votes are determined in Paragraph 2 hereinabove.

4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of fifty-one percent (51%) in interests of the Owners shall constitute a quorum (provided however that the presence in person or by proxy of thirty-three percent (33%) in interests of the Owners shall constitute a quorum at the first meeting of the Association). In the event a quorum is not present, then the meeting called shall be adjourned, and notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of Owners represented in person or by proxy shall be sufficient to constitute a quorum. An affirmative vote of a majority of the Owners present, either in person or by proxy, shall be required to transact the business of the meeting.

5. Proxies. Votes may be cast in person or by written proxy. No proxy shall be valid after eleven (11) months from the date of its execution unless specifically provided in the proxy. All proxies must be filed with the Secretary or Assistant Secretary of the Association before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. The Owners of the Condominiums will constitute the Association which will have the responsibility of administering the Condominium Project through a Board of Directors.

2. Place of Meeting. Meetings of the Association shall be held at such suitable place as the Board of Directors may determine.

3. Annual Meetings. The first meeting of the Association shall be held within thirty (30) days after the expiration of ninety (90) days from the date upon which there has occurred the conveyance by the Declarant of one hundred percent (100%) in numbers of the Condominiums if such event occurs within two (2) years of the effective date hereof, or if such event does not occur within two (2) years of the effective date hereof the date upon which there has occurred the conveyance by Declarant of seventy-five percent (75%) of the Condominiums. At the sole option of Declarant the first meeting of the Association may be held sooner than set forth above but not later. Thereafter, the annual meetings of the Association shall be held during the same month of each succeeding year with the second annual meeting occurring not sooner than twelve (12) months after the first annual meeting. At such meetings there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Paragraph 5 of Article IV of these By-Laws. The Owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by a majority in voting interest of the Owners and having been presented to the Secretary or Assistant Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds (2/3), in interest, of the Owners present, either in person or by proxy.

Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the Secretary or Assistant Secretary of such resolution or petition.

5. Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail or deliver to each Condominium a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Owner of record, at least ten (10) days, but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6. Adjourned Meetings. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained, however, the place of the meetings must remain as stated in the notice.

7. Order of Business. The order of business at all meetings of the Owners shall be as follows:

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

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Qualification. Until the first meeting of the Association, the affairs of this Association shall be governed by a Board of Directors consisting of the three (3) persons delineated in the Articles of Incorporation of the Association and up to six (6) additional persons appointed by Declarant. At the first annual meeting, there shall be elected any nine (9) members of the Association to the Board of Directors who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.

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

3. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be done for and in behalf of the Owners of the Condominiums:

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

79181 1962

mitting the property to the provisions of the Condominium Act of the State of Texas, the By-Laws of the Association and supplements and amendments thereto.

- (b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the Condominium Project with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each owner promptly upon the adoption thereof.
- (c) To keep in good order, condition and repair all of the General and Limited Common Elements and all items of common personal property used by the owners in the enjoyment of the entire premises; except as such duty may be specifically designated herein to each owner.
- (d) To obtain and maintain at all times, insurance covering at least all of the Common Elements of the Condominium Project, other than the land, of the type and kind as is or shall hereafter customarily be carried with respect to other Condominium Projects similar in construction, design and use to this Condominium Project, issued by responsible insurance companies authorized to do business in the State of Texas. The insurance shall be carried in blanket policy form naming the Association as the insured and as attorney-in-fact or trustee for all of the Condominium Owners and their first mortgagees. The policy or policies shall provide that they cannot be cancelled or substantially modified until after ten (10) days prior written notice is first given to the Association and each first mortgagee, and which insurance shall be in an amount equal to the maximum replacement value of such property. Each Owner shall obtain his own insurance upon his Unit including all fixtures, installations, or additions thereto contained within the unfinished interior surfaces of the perimeter walls, floors, and ceilings of such Unit, as initially installed or replacements thereof, except for such Common Elements as may be contained within the Unit. The Board of Directors shall also obtain and maintain, to the extent obtainable, public liability insurance covering the entire Condominium Project in such limits as may from time to time be determined, for the benefit of the Association, each member of the Board of Directors and the Managing Agent. The Association shall not be responsible for procurement or maintenance of any insurance covering the liability of any Owner not caused by or connected with the Association's operation or maintenance of the Condominium Project. Any insurance obtained by the Association or an Owner shall contain appropriate provisions whereby the insurer waives its right of subrogation as to any claims against the Owners Association or their respective servants, agents, or guests.

79181 1063

Each Owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on the furnishings and other items of personal property belonging to an Owner and casualty and public liability insurance coverage within each Unit are specifically made the responsibility of each Owner and each Owner must deposit a copy of his insurance policy with the Association.

- (e) To prepare a Common Expense budget for the Condominium Project, at least annually, determine the amount of Common Charges payable by the Owners to meet the Common Expenses and allocate and assess such amounts among the Owners according to the Condominium Declaration and these By-Laws, and by a majority vote of the Board of Directors to decrease or increase the amount of the monthly assessments, to levy and collect special assessments whenever, in the opinion of the Board of Directors, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.
- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner who may be in default as is provided in the Declaration and these By-Laws. To enforce a late charge of FIVE and 00/100 DOLLARS (\$5.00) per day or such other amount as the Board of Directors may from time to time determine and publish to the owners and to collect interest at the rate of ten percent (10%) per annum in connection with assessments remaining unpaid more than ten (10) days from due date for payment thereof, together with all expenses, including attorney's fees incurred in the collection thereof.
- (g) To protect and defend the entire premises from loss and damage by suit or otherwise.
- (h) To borrow funds in order to pay for any expenditure or outlay required pursuant to authority granted by the provisions of the recorded Declaration and these By-Laws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary. Such indebtedness shall be the several obligation of all of the Owners in the same proportion as their interest in the Common Elements as set forth in Exhibit "C" to the Declaration.
- (i) To enter into contracts within the scope of their duties and powers.
- (j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- (k) To make repairs, additions, alterations and improvements to the Common Elements consistent with managing the Condominium Project in a first

class manner and in the best interests of the Owners and the Declaration and these By-Laws.

- (l) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the Owners, and to cause a complete audit of the books and accounts by a certified or public accountant, once each year.
- (m) To prepare and deliver annually to each Owner a statement showing receipts, expenses and disbursements since the last such statement.
- (n) To meet at least once each quarter; provided that any Board of Directors meeting may be attended and conducted by telephone or other device which permits all of the Directors in attendance to participate in such meeting, and provided further that any action required to be taken at any meeting of the Board of Directors, or any action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board of Directors.
- (o) To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.
- (p) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this Condominium Project.
- (q) The Board of Directors may employ for the Association a management agent ("Managing Agent") who may be delegated and shall exercise some or all of the powers granted to the Board of Directors by the Declaration and By-Laws as determined by the Board of Directors, except for the powers of attorney-in-fact set forth in Paragraph 22 and Paragraph 23 of the Declaration.

Any agreement for professional management of the Condominium Project, or any other contract providing for services by the Declarant, must provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and a maximum contract term of three years.

- (r) At the discretion of the Board of Directors, but do not as a requirement, to make provision, at common expense, for regular checks and preventive maintenance of the heating and air conditioning equipment forming a part of each Unit.

4. No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Declaration, By-Laws or the regulations and house rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the

Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

5. Election and Term of Office. At the first meeting of the Association the term of office of five (5) Directors shall be fixed at two (2) years; and the term of office of four (4) Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

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

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Owners shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present.

9. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors but at least one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Director.

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

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

13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association or of the Managing Agent, if any, handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense.

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

ARTICLE V

FISCAL MANAGEMENT

The provision for fiscal management of the Condominium Project for and in behalf of all of the Owners as set forth in the Condominium Declaration shall be supplemented by the following provisions:

1. Accounts. The funds and expenditures of the Owners by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be Common Expenses:

- (a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
- (c) Reserve for replacement (sinking fund), which shall include funds for repair or replacement required because of damage, wear or obsolescence.

ARTICLE VI

OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice President, a Secretary, an Assistant Secretary, and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. Such officers shall be members of the Board of Directors. The office of President and Treasurer may be held by the same person, and the office of Vice President and Secretary or Assistant Secretary may be held by the same person.

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

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

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

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

6. Secretary. The Secretary shall keep all the minutes of the meeting of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the By-Laws.

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

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

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

review the accounts of the Managing Agent within fifteen (15) days after the first day of each month.

ARTICLE VII

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. Civil or Criminal Proceedings. The Association shall have the power to indemnify any Officer, Director, or Managing Agent thereof, who was, or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the Association) by reason of the fact that such person is or was an Officer, Director, or Managing Agent of the Association, against expenses (including but not limited to attorneys' fees and cost of the proceeding), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with or in defense of such action, suit or proceeding if such person acted in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Association. Provided, that with respect to: (1) any criminal action or proceeding, such person had no reasonable cause to believe that his conduct was unlawful; or (2) any civil claim, issue or matter, such person shall not be guilty of gross negligence or willful misconduct in the performance of his duties to the Association. Termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that such person had reasonable cause to believe that his conduct was unlawful, or that such person did not act in good faith or in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, all such matters being determined solely and exclusively for the purpose of indemnification as herein provided.

Indemnification under the preceding paragraph shall be made by the Association only as authorized in each specific case upon the determination that indemnification of such person is proper in the circumstances because he has met the applicable standards of conduct as set forth herein. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding; or (2) if such a quorum is not obtainable by (a) independent legal counsel in a written opinion, or (b) the members of the Association and no member shall be disqualified from voting because he is or was party to any such action, suit or proceeding. Indemnification so determined may be paid, in part, before the termination of such action, suit or proceeding upon the receipt by the Association of an undertaking by or on behalf of the person claiming such indemnification to repay all sums so advanced if it is subsequently determined that he is not entitled thereto as provided in this Article.

To the extent that an Officer, Director or Managing Agent of the Association has been successful on the merits or otherwise in the defense of any action, suit or proceeding, whether civil or criminal, such person shall be indemnified against such expenses (including costs and attorneys' fees) actually and reasonably incurred by him in connection therewith.

Indemnification provided herein shall be exclusive of any and all other rights and claims to which those indemnified may

79181 1969

be entitled as against the Association, and every Director or Officer thereof under any By-Law, resolution, agreement or law and any request for payment hereunder shall be deemed a waiver of all such other rights, claims or demands as against the Association and each Director, Officer and employee thereof. The indemnification provided herein shall inure to the benefit of the heirs, executors, administrators and successors of any person entitled thereto under the provision of this Article.

The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Association would have the power to indemnify him against such liability under the provision of this Article.

All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII contained shall be deemed to obligate the Association to indemnify any member or owner of a Condominium who is or has been a manager or officer of the Association with respect to any duties or obligations assumed or liability incurred by him under and by virtue of the Declaration and these By-Laws that were assumed or incurred outside of his conduct specifically related to the fulfillment of his duties as an Officer or Director of the Association.

2. Other. Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent shall be made as agent for the Association, and they shall have no personal responsibility on any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners), and the liability of any Owner on such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each Owner bears to the aggregate common interest of all of the Owners as set forth on Exhibit "C" of the Declaration.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

1. Amendments to By-Laws. These By-Laws may be amended in writing by the Association at a duly constituted meeting called for such purpose or in any regular meeting so long as the notice of such meeting sets forth the complete text of the proposed amendment. No amendment shall be effective unless approved by Owners of at least fifty-one percent (51%) of the common elements as set forth on Exhibit "C" of the Declaration.

ARTICLE IX

MORTGAGES

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

79191 1070

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

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

4. Examination of Books. Each Owner, each mortgagee, and each insurer of a condominium shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, after notice, but not more often than once each month.

5. Notice to Federal Home Loan Mortgage Corporation. If requested by a mortgagee, the Board of Directors shall give Federal Home Loan Mortgage Corporation notice (c/o mortgagee at mortgagee's address) in writing of any loss to, or taking of, the Common Elements of the Condominium Project if such loss or taking exceeds \$10,000 or damage to a Condominium covered by a mortgage purchased in whole or in part by Federal Home Loan Mortgage Corporation exceeds \$1,000.

ARTICLE X

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

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

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

All notices or demands intended to be served upon the Association or the Board of Directors thereof shall be sent certified mail, postage prepaid, to SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION Unit 104, 5930 Birchbrook, Dallas, Texas, or such other address as the Board of Directors may establish by notice to all Owners.

3. Designation of Voting Representative - Proxy. If a Condominium is owned by one person, his right to vote shall be established by the record title thereto. If title to a Condominium is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the Owners themselves might collectively cast if they were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that no proxy shall be valid after eleven (11) months from the date of execution unless specifically provided therein. Also, within thirty (30) days after such revocation, amendment or termination, the Owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Paragraph 3.

The requirements herein contained in this Article X shall be first met before an Owner of a Condominium shall be deemed in good standing and entitled to vote at an annual or special meeting of members.

ARTICLE XI

OBLIGATIONS OF THE OWNERS

1. Assessments:

- (a) Monthly Assessments. Assessments shall be due monthly in advance on the first day of each month. After monthly assessments have been set by the Board of Directors, the Board of Directors shall prepare and deliver or mail to each Owner an individual statement of the Owner's monthly assessment; thereafter, monthly statements shall be prepared and delivered or mailed only in the event of a change in the monthly assessment, the levying of a special assessment or in the event an Owner becomes delinquent in payment of the monthly assessments.

The assessments made for Common Expenses shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Directors of the Association determines is to be paid by all of the Owners, including the Declarant as limited in paragraph 1(d) of this Article, to provide for the payment at Dallas, Texas, of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the Common Elements and such Limited Common Elements as delineated in this Article, which sum may include, but shall not be limited to: Expenses of management; taxes and special assessments until separately assessed; premiums for fire, casualty and public liability and other insurance; landscaping and care of the grounds, swimming pool, whirlpool, sauna, fountain, walks, stairways, walkways and all other Common Areas; common lighting; repairs and renovations; removals of pollutants and trash collections; wages; common utility charges;

beautification and decoration; professional, including legal and accounting fees (except that no Association funds may be used for the purpose of bringing suit against the Declarant, its representatives, successors or assigns), management fees, expenses and liabilities incurred by the Managing Agent or Board of Directors on behalf of the owners under or by reason of the Declaration and those By-Laws; for any deficit arising or any deficit remaining from a previous period; the creation of a reasonable contingency fund, reserves, working capital, and sinking funds as well as other costs and expenses relating to the Common Elements. In the event the cash requirements for Common Expenses exceed the aggregate assessments made pursuant to this Article the Board of Directors for the Association may from time to time and at any time make pro rata increases or decreases in the monthly assessments. The omission or failure to fix the assessment for any period shall not be deemed a waiver, modification or a release of the Owners from their obligation to pay the same.

- (b) **Special Assessments.** In addition to those monthly assessments described in Paragraph (a) above, special assessments may be made from time to time by the Board of Directors of the Association to meet other needs or to construct or establish facilities deemed of benefit to the Association and the Owners by the Board of Directors or to overcome deficits in the monthly operating budgets. However, there shall be no special assessments for additions, alterations or improvements of or to the General and Limited Common Elements, requiring an expenditure by the Association in excess of \$25,000.00 in any one calendar year without the prior approval of fifty-one percent (51%) of the Owners. Such limitations shall not be applicable however to special assessments for the replacement, repair, maintenance or restoration of any Common Elements, or to meet any deficit in the operating budget.
- (c) **Voting.** A member shall be deemed in good standing and entitled to vote at any annual or special meeting of the members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the Condominium owned by him.
- (d) **Owner's Personal Obligation for Payment of Assessments.** The amount of total assessments against each Condominium shall be the personal and individual debt of the Owner thereof. No Owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid more than ten (10) days from the due date for payment thereof. In the event of a default by an Owner in the payment of the assessment, such Owner

shall be obligated to pay interest, expenses and late charges. Suit to recover a money judgment for unpaid Common Expenses shall be had in Dallas, County, Texas, and may be maintainable without foreclosing or waiving the lien securing same. Additionally, in the event that the mortgage on a Condominium should so provide, a default in the payment of an assessment shall be a default in such mortgage and if required by the mortgagee, the Board of Directors shall give prompt notice of any default in payment of an assessment to the mortgagee.

During the development and sale period (which shall be defined as the period up to the time of the first annual meeting of the Association) the Declarant shall be responsible for payment of the monthly Association assessment for the unsold units at the time the expense is incurred. In no event, however, shall the Declarant be responsible for the payment of any assessments for deferred maintenance, reserves for replacements, capital improvements, or special assessments on Units owned by it (except special assessments for a deficit in the operating budget for Common Expenses where applicable) until after the first annual meeting of the Association.

So long as Declarant owns one or more of the Condominiums it shall be subject to the provisions of the Declaration and these By-Laws.

2. Vendor's Lien. The obligations of each Owner to pay assessments shall be secured by a Vendor's Lien retained in his Deed to his Condominium.

3. Notice of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance upon his Condominium, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his Condominium, and such notice shall be given within five (5) days after the Owner has knowledge thereof.

4. Owner's Maintenance and Repair.

- (a) For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the unit, including the Unit doors and windows and the exterior unfinished surfaces of patios and balconies, if any, forming part of the Unit. The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are herein and hereafter referred to as utilities) running through his Unit which serve one or more other Units except in common with the other Owners. Such utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Board of Directors. Such right to repair, alter and remodel is coupled with the obligation to do

79181 1074

so promptly and to replace any finishing or other materials removed with similar or other types or kinds of materials of equal quality. An Owner shall be deemed to own the air conditioning and furnace equipment and related piping, ducts and the electrical wiring and connections from his meter to such equipment and shall be responsible for the maintenance and repair thereof. An Owner shall also maintain and keep in repair the interior of his own unit, including all fixtures and equipment installed within the Unit commencing at a point where the utilities enter the Unit. An Owner shall not be responsible for the maintenance or repair of any water heating equipment located in his Unit or components thereof, the expense of maintenance of which shall be a Common Expense. If an Owner fails to so maintain his Unit or make repairs thereto in such a manner as may be determined by the Association to preserve and protect the appearance and value of the Project, the Association shall give written notice to such Owner stating with particularity the work to be done and requesting that it be completed within a reasonable time after such notice. If the Owner fails to undertake and complete the required maintenance or repair within the specified time the Association may cause the work to be done and shall assess the cost thereof to such Owner which assessment shall be due immediately and shall be enforceable in the same manner as is herein provided for other assessments of the Association. An Owner shall not modify or change any of the components of the water heating equipment within his Unit without the prior written consent of the Board of Directors nor make any changes that will impair the structural soundness or integrity of the building or impair any easement or hereditament (nor shall he, without the prior written consent of the Association, make any changes to the patio or balcony forming a part of his Unit, if any).

An Owner shall keep the patios or balconies forming a part of his Unit in a clean, neat and sanitary condition and perform the normal day to day cleaning and maintenance of such areas. However, all substantial repairs or maintenance of such areas shall be the duty of the Association. In the event of any question or ambiguity herein with respect to maintenance responsibility, such responsibility shall be determined pursuant to the Chart of Maintenance Responsibility attached to these By-Laws. Further, each Owner is prohibited from displaying any signs on or about his Unit in such a manner that it can be viewed from the exterior of his Unit, except that Declarant may display signs on the Condominium Project for purposes of selling or renting unsold units at any time prior to all of the Units being sold.

- (b) An Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any General or Limited

79181 1-75

Common Element damaged by his negligence or by the negligence of his tenants or agents or guests, including without limitation the removal of any refuse or debris from patios, balconies, and parking spaces and cleaning out of any common sewer laterals of refuse originating from inside of a particular Unit.

5. Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's lien filed against other Units and the appurtenant Common Elements for labor, materials, services or other products incorporated in the Owner's Unit. In the event such a lien is filed and/or a suit for foreclosure of mechanic's lien is commenced, then within ten (10) days thereafter such Owner shall be required to deposit with the Association cash or negotiable securities equal to one and one-half (1-1/2) of the amount of such claim plus interest for one (1) year together with the sum equal to ten percent (10%) of the amount of such claim, but not less than TWO HUNDRED FIFTY and 00/100 DOLLARS (\$250.00), which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees incurred for legal advice and counsel. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the claim or litigation. Disbursement of such funds or proceeds shall be made by the Association to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees incurred by the Association, shall be paid forthwith by the subject Owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the Owner and constitute a lien against his Condominium that may be foreclosed as is provided in the Declaration for non-payment of debts to the Association. All advancements, payments, costs and expenses, including attorney's fees, incurred by the Association shall be forthwith reimbursed to it by such Owner(s), and the Owner(s) shall be liable to the Association for the payment of interest at the rate of ten percent (10%) per annum on all such sums paid or incurred by the Association.

6. General.

- (a) Each Owner shall comply strictly with the provisions of the Declaration and these By-Laws and any amendments thereto.
- (b) Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this Condominium Project was established.

7. Use of Units - Internal Changes.

- (a) All Units shall be utilized only for residential purposes. No Unit may be utilized for the permanent residence of any person under the age of sixteen (16) years except that persons under the age of sixteen (16) who were residents of the Project at the time the Declaration is filed and children born of Owners who at the time of such birth had been Owners or residents of the Project in excess of seven (7) months may continue to reside in the Project. The term permanent resident shall mean any person who re-

sides in the Project more than one hundred (100) days out of any year. The Board of Directors may make special exception to this restriction for exceptional circumstances upon written application of an Owner. Any such exception in order to be effective must be set forth in writing with reason given for the granting thereof.

- (b) An Owner shall not make structural modifications or alterations to his Unit or installations located therein, nor shall he make any modification whatsoever to the patio or balcony thereof, if any, without the prior written approval of the Association. The Association shall be notified in writing of the intended modification through the Managing Agent, or if no Managing Agent is employed, then through the President or a Vice President of the Association. The Association shall have the obligation to answer an Owner's request within thirty (30) days after such notice, and failure to do so within such time shall mean that there is no objections to the proposed modifications or alterations.

8. Use of General Common Elements and Limited Common Elements. Each Owner may use the General Common Elements, the Limited Common Elements appurtenant to his Unit and sidewalks, walkways, open parking areas, and drives located within the entire Condominium Project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

9. Right of Entry.

- (a) Each Owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Association in case of an emergency originating in or threatening his Unit, whether the Owner is present at the time or not.
- (b) An Owner shall permit other Owners, or their representatives, to enter his Unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other Unit(s); provided that requests for entry are made in advance and that such entry is at a time convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

10. Rules and Regulations.

- (a) The initial rules and regulations, which shall be effective until amended or supplemented by the Association, are annexed hereto and made a part hereof.
- (b) The Board of Directors, pursuant to Paragraph 3(b) of Article IV of these By-Laws, reserves the power to establish, make and enforce compliance with such additional house rules as may be necessary or desirable for the efficient and enjoyable operation, use and occupancy of this

Condominium Project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each Owner prior to the date when the same shall become effective.

11. Destruction or Obsolescence. Each Owner, upon becoming an Owner of a Condominium, hereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the Owner's Condominium upon its damage, destruction or obsolescence.

ARTICLE XII

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

1. Abatement and Enjoinment. The violation of any rule or regulation accepted by the Board of Directors, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent the right, in addition to any other rights set forth therein, (i) to enter the Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, any person, animal, or thing whatsoever using such force as may be necessary in so doing, without being liable to prosecution or any damages therefor; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach. The Board of Directors, or Managing Agent, may assess a fine of up to \$100.00 for each occurrence against any Owner violating the rules and regulations, these By-Laws, or the Declaration in addition to any other remedies herein or in the Declaration provided.

ARTICLE XIII

COMMITTEES

1. Designation. The Board of Directors may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to the standing committees.

2. Executive Committee. The executive committee shall consist of at least three (3) persons who are members and who shall be appointed by the Board of Directors from the members of the Board. One member shall be the President. The executive committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures and commitments, act and carry out the established policies of the Association and report to the Directors at each meeting of the Board. The executive committee may hold regular meetings, monthly or as it may in its discretion determine. Special meetings may be called at any time by the chairman of the committee or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

3. Nominating Committee. Before each annual meeting, the Board of Directors may appoint a committee of three members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days

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before the election. Members may submit names of candidates other than those submitted by the nominating committee at least sixty (60) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not so submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election by the members.

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

ARTICLE XIV

WAIVER OF SUBROGATION

Each and every Owner and/or occupant subject to these By-Laws agrees, by acceptance hereof, to grant and hereby does grant a waiver of subrogation in favor of each and every other Owner and/or occupant, regarding any claims or rights each may have under any insurance policies of physical damage regarding his unit or contents therein held by him individually. To the extent any Unit or contents therein is uninsured (beyond any coverage required to be maintained as herein prescribed), each Owner and/or occupant shall and hereby does waive his right of recovery against all other owners and/or occupants, and shall hold harmless all other Owners and/or occupants to the same extent that he would have had he made recovery for such damaged Unit or contents therein under a standard "replacement value" insurance policy insuring same. All Association insurance policy "deductibles" shall be paid by an Owner if the casualty predicating the claim was caused by an act or failure to act of the Owner or emanated from personalty or fixtures for which the Owner has maintenance or repair responsibilities hereunder, whether or not such act or failure to act constitutes negligence. The Association shall pay all other such deductibles.

ARTICLE XV

COMPENSATION

This Association is not organized for profit. No Owner, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Owner, member of the Board of Directors, or officer, provided, however, always (1) that reasonable compensation may be paid to any member, manager or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, manager or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XVI

EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute any and all contracts, documents, instruments, conveyances or encumbrances including promissory notes, shall be two, one of each of the President or Vice President and the Secretary or Assistant Secretary of the Association.

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ARTICLE XVII

PROXY TO TRUST

Condominium Owners shall have the right to irrevocably constitute and appoint the beneficiary of a deed of trust their true and lawful attorney to vote their membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominees any and all rights, privileges, and powers that they have as Owners under the By-Laws of this Association or by virtue of the recorded Condominium Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary or Assistant Secretary of the Association at such time or times as the beneficiary shall deem its security in jeopardy. Such proxy shall be valid until withdrawn by said Beneficiary or until such time as a release of the beneficiary's deed of trust is executed and a copy thereof delivered to the Secretary or Assistant Secretary of the Association. Nothing herein contained shall be construed to relieve Owners, or to impose upon the beneficiary of the deed of trust, of the duties and obligations of an Owner.

ARTICLE XVIII


CONFLICTING OR INVALID PROVISIONS

Notwithstanding anything contained herein to the contrary, should all or part of any Article of these By-Laws be in conflict with the provisions of the laws of the State of Texas, including specifically the Texas Non-Profit Corporation Act or the Condominium Act of the State of Texas, as amended, such laws shall control; and should any part of these By-Laws be invalid or inoperative for any reason, the remaining parts, so far as is possible and is reasonable, shall be valid and operative.

By our signatures hereto the undersigned, being all of the initial Directors of the Association, hereby adopt the foregoing By-Laws for the Association as of the 10 day of SEPTEMBER, 1999.


Brian Holloway


Steven Fowlkes


Garry L. Brown

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MAINTENANCE RESPONSIBILITY CHART FOR
SUMMERSET VILLAGE CONDOMINIUMS

<u>Items</u>	<u>Association Responsibility</u>	<u>Unit Owner Responsibility</u>
1. Grounds, including all landscaped and paved areas and improvements thereon lying outside the main walls of the buildings with the exceptions noted herein.	All except as noted.	Cleaning of patios, balconies, and Limited Common areas appurtenant to the Unit; replacement and maintenance of plantings and improvements on the patios and balconies made by the Unit Owner.
2. Building roof, vertical walls and foundations.	All in all regards.	- - - - -
3. Unit doors (front and rear).	Painting and repair of exterior of door and portions of door frame which are not exposed to interior of Unit.	Unit side of door, all door hardware, weather stripping and doorsill. Replacement or repair of all sliding screen doors.
4. Windows.	Exterior painting, caulking glazing, and replacement of broken panes caused other than by acts or negligence of an Owner or an Owner's invitees.	Routine cleaning and repair of windows and window mechanisms and replacement of broken panes caused by Owner or an Owner's invitees. Replacement or repair of all screens.
5. Limited Common Area parking parking spaces.	All except for routine cleaning of parking spaces.	Routine cleaning of parking spaces.
6. Plumbing and sewer lines.	Repairs to portions of plumbing and sewer lines outside of the boundaries of a Unit (including plumbing and sewers serving only one Unit) except when caused by the occupants of a Unit. Damage to a Unit occasioned by causes initially occurring outside of the unit (but not consequential damages such as to furniture, clothing or other personal items).	All portions within a Unit serving only that Unit including fixtures and appliances attached thereto, except as part of heating and cooling system. Damage to a Unit originating from causes initially occurring within the Unit that are the responsibility of the Unit owner.

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<u>Items</u>	<u>Association Responsibility</u>	<u>Unit Owner Responsibility</u>
7. Electrical and related systems.	All except electrical and related systems serving only one Unit within the interior of the Unit. Damage to a Unit occasioned from sources outside of the unit originating from electrical systems and components, the maintenance responsibility of which is the Association's.	All portions within a unit serving only that unit including fixtures thereto. Damage to a Unit occasioned by causes initiating within the Unit from electrical and related systems, the maintenance of which is the responsibility of the Unit Owner.
8. Air conditioning, furnaces and water	Water heating system	Air conditioning and furnace equipment ducts, blowers and electric circuits between such equipment and the owner's meter in all regards except for the optional preventative maintenance that may be provided by the association in its discretion.
9. Swimming pool, whirlpool, sauna, fountain, utility rooms and storage rooms.	All in all regards.	- - - - -
10. General Common Areas.	All in all regards.	- - - - -
11. Open parking areas.	All in all regards.	- - - - -
12. Patios and balconies forming a part of a Unit.	All except for routine cleaning and maintenance.	Routine cleaning and maintenance.

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RULES AND REGULATIONS FOR
SUMMERSET VILLAGE CONDOMINIUM ASSOCIATION

1. Any common sidewalks, driveways, hallways and entrances shall not be obstructed or used by any Owner for any other purpose than ingress to and egress from the Units.

2. No article shall be placed on or in any of the General Common Elements (other than driveways) except for those articles of personal property which are the common property of all of the unit owners.

3. Owners, members of their families, their guests, residents, tenants or lessees shall not use hallways, sidewalks, driveways, and entrances as a play area(s).

4. No vehicle belonging to or under the control of any Owner or a member of the family or a guest, tenant, lessee, or employee of a Unit Owner shall be parked in another Owner's limited area parking space nor parked in such manner as to impede or prevent ready access to any entrance to or exit from designated parking areas only. Open parking areas (those not designated as Limited Common or otherwise assigned to one or more Units or specifically reserved for delivery purposes) shall be used only by guests of Unit Owners and shall not be used for regular parking by a Unit Owner.

5. No decoration or article shall be placed upon and no work of any kind shall be done upon the exterior building walls or upon the general common elements by any Unit Owner. Such decoration and work is the responsibility of the Association. No changes can be made in the Limited Common Elements except with prior written approval of the Board of Directors.

6. No Owner, resident or lessee shall install wiring for electrical or telephone installation or for any other purpose, nor shall any television or radio antennae, machines or air conditioner be installed on the exterior of the project or be installed in such a manner that they protrude through the walls or the roof of the condominium improvements or are otherwise visible from the ground, except as may be expressly authorized in writing by the Association.

7. Use of any facilities of the Condominium Project will be made in such manner as to respect the rights and privileges of other owners. The Board of Directors shall have the right to abate all nuisances.

8. Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb Owners, or occupants of other Units.

9. Garbage and trash shall be disposed of only in approval trash receptacles provided by the Association. All trash must be placed in sealed bags or sealed containers prior to being put in the trash receptacles. No trash shall be stacked or left outside of Units or patios, nor shall trash be stacked outside of the trash receptacles or in stairways.

10. Cats, dogs, or other animals or birds or reptiles (hereinafter for brevity termed animals) shall be kept in such a manner so as not to disturb the other Owners. If an animal becomes obnoxious to other Owners, the Owner or person having control of the animal shall be given a written notice by the Board of Directors to correct the problem, or if not corrected, the owner, upon written notice, will be required to remove the animal. The written notices provided for herein shall be issued by the Managing Agent, or, if there is no Managing Agent, then the Board of Directors. An Owner must receive permission in writing from the Board of Directors or Managing Agent in order to keep any animal the adult weight of which will exceed thirty (30) pounds or in order to keep more than two animals on the premises. No animal is permitted outside of a Unit unless on a leash and accompanied by an Owner or his lessee or guest.

11. Any damage to the Common Elements or common personal property caused by the children of an Owner or their guests or by the guests of a Unit Owner shall be repaired at the expense of that Owner.

12. The Managing Agent, or if there is no Managing Agent, then the Board of Directors, shall retain a passkey to each Unit. If an Owner shall alter any lock or install a new lock on any door leading into the Unit, the Owner shall provide a key for the Managing Agent's or the Board of Directors' use.

13. All draperies or drapery linings visible from the exterior of any Unit shall be of a neutral, white or off-white color.

14. No garments, rugs, or any other items may be hung from the exterior of the windows, balconies or walkways or from any of the facades of the buildings.

15. The term "single-family" as used in the By-Laws shall be defined to include a family or other persons sharing a condominium wherein the total number of persons does not exceed the following: no more than six (6) persons may occupy a three bedroom unit, no more than four (4) persons may occupy any two (2) bedroom unit, and no more than two (2) persons may occupy a one (1) bedroom unit on a permanent occupancy basis. For the purposes of this paragraph "permanent occupancy" shall be defined as any occupancy in excess of thirty (30) days not separated by intervals of at least six (6) months.

16. No Owner shall modify or alter in any way the structure or appearance of any patio, walkway or balcony area. All patios, walkways and balconies shall be kept in clean and neat condition, free of debris and refuse. Patios, walkways and balconies shall not be used for storage purposes nor shall any Owner fence in, wire in or in any other way enclose any such area. If an Owner allows the patio, walkway or balcony appurtenant to his Unit to become cluttered or unsightly in any manner, he shall be given notice of such fact by the Board of Directors or Managing Agent, and shall be required to correct such condition within five (5) days of the date of notice and if he fails to do so, then the Board of Directors or Managing Agent may correct such discrepancy (including the removal of any unsightly items) and/or repair or refurbish the patio or balcony at the owner's expense.

17. All Owners, tenants, their family and guests shall abide by the Rules and Regulations posted at the swimming pool. Owners, tenants, their families and guests may use the swimming pool only at their own risk and the Association assumes no liability or responsibility for any injury or death occurring as a result of such use.

18. All moves of furniture, appliances or other heavy objects in or out of the project must be made between the hours of 8:30 a.m. and 4:00 p.m. or at such other time as may be scheduled with the management office.

19. No construction may be done in any unit except between the hours of 8:30 a.m. and 4:00 p.m. Monday through Saturday except with respect to construction performed by or at the request of the Declarant.

20. All owners, residents and guests must wear neat and clean attire when utilizing the General common areas. Shoes and shirts must always be worn in the common areas except the swimming pool.

21. Alcoholic beverages may not be consumed to excess in any of the general common areas nor shall any swearing or loud or boisterous conduct be permitted.

22. An Owner may not physically change the front door to his Unit nor place signs or decorations on the exterior side of such door without the prior written approval of the managing agent.

The foregoing Regulations are subject to amendment and to the promulgation of further regulations.

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PIONEER NATIONAL TITLE INSURANCE COMPANY
ONE DALLAS CENTER
350 NORTH ST. AVE., SUITE 250
DALLAS, TEXAS 75201

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COUNTY CLERK, Dallas County, Texas
L. E. M... ..
SEP 17 1979
I hereby certify that the foregoing was
read on the date and hour specified herein
and was duly recorded in the county
and page of the record books of Dallas
County, Texas as required herein by law.
COUNTY CLERK

SEP 18 1979