

BY-LAWS  
OF  
THE PINES  
CONDOMINIUM ASSOCIATION

The name of the organization shall be The Pines Condominium Association.

ARTICLE I

PURPOSE AND PARTIES

1. The purpose for which this non-profit Association is formed is to govern the condominium project known as The Pines Condominiums, situated in the County of Harris, State of Texas, which property is described in the Condominium Declaration ("Declaration") of IHS thirteen Ltd., 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 condominium owners have, either through the Board of Managers 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 general 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 interest of the owners shall constitute a quorum. 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. 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 Pines Condominium Association, hereinafter referred to as "Association," who will have the responsibility of administering the condominium project through a Board of Managers.

2. Place of Meeting. Meetings of the Association shall be held at such suitable place, convenient to the owners, as the Board of Managers 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 units in the condominium project or sooner, at option of Declarant. Thereafter, the annual meetings of the Association shall be held during the month of February of each succeeding year. At such meetings there shall be elected by ballot of the owners a Board of Managers 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 Managers 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 President 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 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 owner 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 of the condominium 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 managers;
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

8. Performance of Function by Declarant. The rights, duties and functions of the Board of Managers shall be exercised by Declarant until the first annual meeting of the Association.

#### ARTICLE IV

##### BOARD OF MANAGERS

1. Number and Qualification. Until the first meeting of the Association, the affairs of this Association shall be governed either by Declarant or by a Board of Managers consisting of from one (1) to nine (9) persons appointed by Declarant. At such first meeting, there shall be elected any nine (9) members of the Association to the Board of Managers 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 Managers 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 Managers 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 Managers.

3. Other Powers and Duties. Such powers and duties of the Board of Managers 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 submitting 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.
- (d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to their maximum replacement value as is provided in the Declaration. To insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the owners of the condominium units and their first mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damages.
- (e) To prepare a budget for the condominium project, at least annually, determine the amount of common charges payable by the owners to meet the common expenses of the condominium project, and allocate and assess such common charges among the owners according to their respective common ownership interests in and to the common elements, and by a majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.
- (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 per diem late charge of FIVE and 00/100 DOLLARS (\$5.00) and to collect interest at the rate of ten percent (10%) per annum in connection with assessments remaining unpaid more than fifteen (15) days from due date for payment thereof, together with all expenses, including attorney's fees incurred.

- (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 the 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 Managers may deem necessary. Such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.
- (i) To enter into contracts within the scope of their duties and powers.
- (j) To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Managers.
- (k) To make repairs, additions, alterations and improvements to the general common elements consistent with managing the condominium project in a first class manner and consistent with the best interests of the unit owners.
- (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 of disbursements since the last such statement.
- (n) To meet at least once each quarter; provided that any Board of Managers meeting may be attended and conducted by telephone or other device which permits all of the Managers in attendance to participate in such meeting, and provided further that any action required to be taken at any meeting of the Board of Managers,



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.

- (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 property.
- (q) The Board of Managers may employ for the Association a management agent (Managing Agent) who shall have and exercise all of the powers granted to the Board of Managers by the Declaration and By-Laws except for the powers of attorney-in-fact set forth in Paragraph 27 and Paragraph 28 of the Declaration.
- (r) To make provision, at common expense, for regular checks and preventive maintenance of the heating and air conditioning equipment associated with each condominium.

4. No Waiver of Rights. The omission or failure of the Association or any condominium owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provision of the Condominium Declaration, the 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 Managers 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 four (4) shall be fixed at two (2) years; and the term of office of five (5) Managers shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of two (2) years. The Managers 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 Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association.

7. Removal of Managers. At any regular or special meeting duly called, any one or more of the Managers 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 Manager 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 Managers following the annual meeting of the unit owners shall be held within ten (10) days thereafter at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but at least one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Managers shall be given to each Manager, 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 Managers may be called by the President on five (5) days notice to each Manager, 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 Managers 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 Manager.

11. Waiver of Notice. Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers 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 Managers' Quorum. At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers, 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 Managers may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

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

## ARTICLE V

### FISCAL MANAGEMENT

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

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

- (a) Current expense, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.
- (b) Reserve for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
- (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, one or more Vice Presidents, a Secretary, an Assistant Secretary, and a Treasurer, all of whom shall be elected by the Board of Managers, and such assistant officers as the Board of Managers shall, from time to time, elect. Such officers need not be members of the Board of Managers, but each shall be an owner of a Condominium Unit or the Declarant or his representative(s). The office of President and Treasurer may be held by the same person, and the office of Vice President and Secretary or Assistant Secretary may be held by the same person.
2. Election of Officers: The officers of the Association shall be elected annually by the Board of Managers 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 Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, 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 Managers. 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 Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers 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 general 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 Managers. 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, MANAGERS AND MANAGING AGENT

1. Indemnification. The Association shall indemnify every manager, officer, managing agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceedings to which he may be made a party by reason of his being or having been a manager, officer or managing agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such manager, officer or managing agent in relation to the matter involved. The foregoing

rights shall not be exclusive of other rights to which such manager, officer or managing agent may be entitled. 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 unit 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 Condominium Declaration.

2. Other. Contracts or other commitments made by the Board of Managers, Officers or the Managing Agent shall be made as agent for the owners, and they shall have no personal responsibility on any such contract or commitment (except 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."

2. Notice of Unpaid Common Assessments. The Board of Managers, 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 Managers, 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 Managers.

4. Examination of Books. Each owner and each mortgagee 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.

## 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 unit from Declarant, any person, on becoming an owner of a condominium unit, shall furnish to the Managing Agent or Board of Managers 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 monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a condominium owner or owners shall be furnished by such owner(s) to the Managing Agent or Board of Managers 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.

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 owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owners shall reappoint and authorize one 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 unit 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. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be determined in accordance with the categories set forth in Paragraph 21 of the Declaration.

The assessment imposed hereunder shall be due and payable monthly in advance. The amount of such assessments may be altered in accordance with Paragraph 21 of the Declaration. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and condominium owned by him.

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. Maintenance and Repair.

(a) Every owner must perform promptly at his own expense all maintenance and repair work within his own unit which, if omitted, would affect the project in its entirety or in part belonging to other owners.

(b) All maintenance and repair of internal installations of the unit such as water, lights, gas, power, sewerage, telephone, sanitary installations, doors, windows, electrical fixtures and



the interiors of patios and/or balconies and all other accessories, equipment and fixtures and any additional items mentioned in the Declaration shall be at the owner's expense.

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

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 a lien against his condominium may be foreclosed as is provided in Paragraph 23 of the Declaration. 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 recorded Condominium Declaration and these By-Laws and amendments thereto.

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

7. Use of Units - Internal Changes.

- (a) All units shall be utilized only for residential purposes except as is otherwise provided in the Condominium Declaration and Map.
- (b) An owner shall not make structural modifications or alterations to his unit or installations located therein 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 twenty (20) 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, pathways, roads and streets 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) An owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Association in case of 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 as Schedule A.
- (b) The Board of Managers, 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, thereby grants his power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium 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 Managers, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Managers 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 unit 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 Managers or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, 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.

## ARTICLE XIII

## COMMITTEES

1. Designation. The Board of Managers 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 Managers 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 Managers 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 Managers 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 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 Managers.

## ARTICLE XIV

## COMPENSATION

This Association is not organized for profit. No member, member of the Board of Managers, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any member of the Board of Managers, officer or member, 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 XV

##### EXECUTION OF DOCUMENTS

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

#### ARTICLE XVI

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