## By-laws <br> OF

## RICHLAND TRACE OWNERS ASSOCIATION, INC

(A Texas Non-Profit Corporation)

# BY-LAWS <br> OF <br> RICHLAND TRACE OWNERS ASSOCIATION, INC (A Texas Non-Profit Corporation) 

## ARTICLE I <br> NAME

1.1- NAME. The name of the organization shall be RICHLAND TRACE OWNERS ASSOCIATION, INC., hereafter called "Association".

## ARTICLE II <br> PURPOSE AND OWNER OBLIGATION

2.1 - PURPOSE. The purpose for which this non-profit Association is formed is to govern the Condominium Property situated in the County of Dallas, State of Texas, which property is described on the attached Exhibit A, which by this reference is made a part hereof, and which Property has been submitted to a Regime according to the provisions of the Condominium Act of the State of Texas
2.2 - OWNER OBLIGATION. All present or future owners, tenants, future tenants or any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Condominium Units (hereinafter referred to as "Units") of the project or the mere act of occupancy of any said Units will signify that these By-laws are accepted, ratified and will be strictly enforced.

## ARTICLE III DEFINTIONS AND TERMS

3.1 MEMBERSHIP. Any person on becoming an Owner of a Condominium Unit 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 Unit. Such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with Richland Trace Condominium during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificate of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one (1) Membership

Card per Unit to the Owner(s) of a Condominium Unit. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon is terminated.
3.2 VOTING. Unit ownership shall entitle the Owner(s) to cast one (1) vote per Unit to the affairs of the Association, which vote will be weighted to equal the proportionate share of ownership of the Unit Owner in the Common Elements. Voting shall not be split among more than (1) Unit Owner. The present number of votes that can be cast by the Unit Owners is seventytwo (72). The combined weighted votes calculated in accordance with Exhibit " C " to the Condominium Declaration for Richland Trace Condominium shall equal one hundred percent (100\%). Should additional property be annexed in accordance with Paragraph 2.10 of the Declaration, the total number of votes shall be increased accordingly, and the weighted adjusted to total one hundred percent (100\%).
3.3 MAJORITY OF UNIT OWNERS. As used in these By-Laws the term "majority" of Unit Owners" shall mean those Owners with fifty one percent (51\%) of the votes entitled to be cast.
3.4 QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Unit Owners" as defined in Paragraph 3.3 of this Article shall constitute a quorum.
3.5 PROXIES. Votes maybe cast in person or by proxy. Proxies must be filled with the Secretary before the appointed time of each meeting.

## ARTICLE IV <br> ADMINISTRATION

4.1 - DECLARANT CONTROL. Notwithstanding any provision herein to the contrary, and in accordance with Paragraph 4.2 and 4.3 of the Condominium Declaration for RICHLAND TRACE CONDOMINIUM, the Declarant, U.S. HOME CORPORATION, shall retain control over management of the affairs of the Association. This retention of control shall be for the benefit of the Unit Owners and any First Mortgages of Record and for the purpose of insuring both a complete and orderly buildout and a timely sellout of the Project Units, including any annexations. This control shall last no later than June 1, 1984, or upon sale of seventy-five percent ( $75 \%$ ) of the Units, including subsequent annexations, or when in the sole opinion of the Declarant the Project is viable, self-supporting and operational.
4.2 - ASSOCIATION RESPONSIBILITIES. The owners of the Units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the Condominium Project through a Board of Directors.
4.3 - PLACE OF MEETING. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of
such meetings.
4.4 - ANNUAL MEETING. Annual meetings shall be held the fourth $\left(4^{\text {th }}\right)$ Tuesday of January each year.
4.5 -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 at least one-tenth $(1 / 10)$ of the Owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by four-fifths (4/5) of the owners present, either in person or by proxy.
4.6 - NOTICE OF MEETINGS. The Secretary shall mail notice of annual and special meetings to each Member of the Association, directed to his last known post office address, as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than ten (10) days nor more than twenty (20) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notices as herein provided, such notice may be delivered by hand of left at his residence in his absence. If required, any Mortgage or Record or its designee may be entitled to receive similar notice.

## 4.7 - ADJOURNING MEETINGS. If any meeting of Owners cannot be organized because of 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 attended.4.8 - ORDER OF Business. The order of business at all meetings of the Owners of Units shall be as follows:
a. Roll call.
b. Proof of notice of meeting or waiver of notice.
c. Reading of minutes of preceding meeting.
d. Reports of officers.
e. Reports of committees.
f. Election of Directors
g. Unfinished business
h. New business

## ARTICLE V BOARD OF DIRECTORS

5.1 - NUMBER AND QUALFICATIONS. The affairs of this Association shall be governed by a Board of Directors composed initially of three (3) persons. The following persons shall act in such a capacity and shall manage the affairs of the Association until their successors are elected, to wit,

| NAME | ADDRESS |
| :--- | :--- |
| Johnny A. Zellmer | 13771 North Central Expressway <br> Suite 624 <br> Dallas, Texas 75243 |
| Ron H. Forrest | 13771 North Central Expressway <br> Suite 624 <br> Dallas, Texas 75243 |
| Mark H. Murphy | 13771 North Central Expressway <br> Suite 624 <br> Dallas, Texas 75243 |

At the first annual meeting of the members of the Association, or any annual meeting thereafter, or special meeting of the Association called for that purpose, the number of Directors may be increased to seven (7).
5.2 -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 residential Condominium Project. The Board of Directors may do such acts and things that are not by these By-Laws or by the Condominium Declaration for RICHLAND TRACE CONDOMINIUM directed to be exercised and done by the Owners.
5.3 - OTHER POWERS AND DUTIES. The Board of Directors shall have the following duties:
a. To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the condominium Declaration.
b. To establish, make and enforce compliance with rules necessary for the orderly operation, use and occupancy of this Condominium Project. (A copy of such rules and regulations shall be delivered or mailed to each Member promptly upon adoption thereof.)
c. To keep in good order, condition and repair of the General and Limited Common Elements and all items of personal property used in the enjoyment of the entire Premises.
d. To insure and keep insured all of the insurable General Common Element of the Property in an amount equal to their maximum replacement value, as provided in the Declaration. Further to obtain and maintain comprehensive liability insurance covering the entire Premises in amount not less than One Hundred Thousand Dollars ( $\$ 100,000.00$ ) per person, Three Hundred Thousand Dollars ( $\$ 300,000.00$ ) per accident and Fifty Thousand $(\$ 50,000.00)$ property damage, plus a One Million Dollar ( $\$ 1,000,000.00$ ) umbrella policy. To insure and keep insured all the fixtures, equipment and personal property acquired by the Association, the Owners of the Condominium

Units and their First Mortgagees.
e. To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners; and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, and additional capital expenses. All monthly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.
f. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these By-Laws.
g. To protect and defend the entire Premises from loss and damage by suit or otherwise.
h. To borrow funds in order to pay any required expenditure or outlay; to execute all such instruments evidencing such indebtedness which shall be the several obligations 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 power.
j. To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
k. 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, any First Mortgagee of a Unit, and the Veterans Administration, and to cause a complete audit of the books and accounts by a competent accountant, once each year. The association shall cause to be prepared and delivered annually to each Owner an audited statement showing all receipts, expenses or disbursements since the last such statement. Such audited financial statements shall be available to any First Mortgagee of a Unit, or request, within ninety (90) days following the fiscal year of the Project.
I. To meet at least once each quarter.
m . To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.
n. In general, to carry on the administration of this Association and to do all those things, necessary and reasonable, in order to carry out the communal aspect of Condominium Ownership.
5.4 ELECTION AND TERM OF OFFICE. At the first annual meeting of the Association the term of office of one-third (1/3) of the Directors shall be fixed for one (1) year, the term of one-third (1/3) of the Directors shall be fixed at two (2) years, and the term of office of the remaining one-third ( $1 / 3$ of the Directors shall be fixed at three (3) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first meeting.
5.5 VACANCIES. Vacancies on 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. Each Director so elected shall serve out the remaining term of his predecessor.
5.6 - REMOVAL OF DIRECTORS. At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and thee 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.
5.7 - ORGANIZATION MEETING. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election 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 shall be present.
5.8 - REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director personally, by mail, telephone or telegraph at least three (3) days prior to the day named for such meeting.
5.9 - SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days personal notice to each Director by mail, telephone, or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.
5.10 - 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 give the giving of such meeting. 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.
5.11 - BOARD OF DIRECTOR'S QUORUM. At all meetings of the Board of Directors, a majority of 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 is 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 additional notice.
5.12 - FIDELITY BONDS. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

## ARTICLE VI

OFFICERS
6.1 -DESIGNATION. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors.
6.2 -ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.
6.3 - 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 may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purposes.
6.4 - PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of both the Association and the Board of Directors. He shall have all 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 to assist in the administration of the affairs of the Association. The President, or his designated alternate, shall represent the Association at all meetings of RICHLAND TRACE OWNERS ASSOCIATIION, INC.
6.5 - VICE PRESIDENT. The Vice-President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

## 6.7 - SECRETARY.

a. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board may direct; he shall, in general, perform the entire duties incident to the office of Secretary.
b. The Secretary shall compile a complete list of members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name, the number of Members and the parking space assigned for use in connection with each Unit. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.
6.7 -TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors, including authority to: sign all checks and promissory notes of the Association; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy to each to the Members; and perform all other duties assigned to him by the Board of Directors.

## ARTICLE VII MANAGEMENT COMPANY

7.1 MANAGEMENT COMPANY. The Board of Directors may enter into a management agreement with a management company at a rate of compensation agreed upon by the Board of Directors. In accordance with the Declaration and these By-Laws, the management company shall have, but shall not be limited to the following functions, duties and responsibilities:

## a. Fiscal Management.

(1) Prepare annual operating budget detailed to reflect expected operation for each month. This budget is established to show expected recurring receipts and operating disbursements. It is further used for comparison with actual monthly income and expenditures.
(2) Prepare five (5)-year sinking fund reserve budget projection for capital expenditures on items recurring only periodically, i.e., painting, etc., for common elements.
(3) Prepare monthly operating and cash position statements and statements concerning sinking fund reserve accounts.
(4) Analyze and compare operating receipts and disbursements against the Boardapproved budget. Where a significant variation is shown ( $10 \%$ above or below the budgeted amount), prepare explanations of variations from budgeted figures. Suggest corrective recommendations, if applicable.
(5) Collect maintenance fees and special assessments; deposit them in checking, savings or other income producing accounts on behalf of the Board and maintain comprehensive records thereof. Establish individual checking and sinking fund reserve accounts, as directed by the Board.
(6) Mail notices of delinquency to any Owner in arrears and exert reasonable effort to collect delinquent accounts.
(7) Examine all expense invoices for accuracy and pay all bills in accordance with terms of the property management agreement.
(8) Prepare year-end statement of operations for Owners.
b. Physical Management.
(1) Assume full responsibility for maintenance and control of Common Area improvements and equipment. Maintain the Property in constant repair to reflect Owner pride and to insure high property values in accordance with the provisions of the operating budget, as approved by the Board of Directors.
(2) Enter into contracts and supervise services for lawn care, refuse hauling, pump maintenance, etc., as operating, budgets.
(3) Select, train, and supervise competent personnel, as Directed by the Board.
(4) Compile, assemble and analyze data; and prepare specifications and call for bids for major improvement projects. Analyze and compare bids, issue contracts and coordinate the work; maintain close and constant inspection to insure that work is performed according to specifications.
(5) Perform any other projects with diligence and economy in the Board's best interest.
c. Administrative Management.
(1) Inspect contractual services for satisfactory performance. Prepare any necessary compliance letters to Vendors.
(2) Obtain and analyze bids for insurance coverage specified in By-Laws, recommend modifications or additional cover ages. Prepare claims when required and follow up on payment; act as Board's representative in negotiating settlement.
(3) Exercise close liaison and supervision over all personnel to insure proper operational maintenance and to prepare good Management-Resident-Owner relationships
(4) Act as liaison for the Association in any negotiations or disputes with local, federal, or state taxing agencies or regulatory bodies.
(5) Exercise close supervision over hours and working conditions of employed personnel and working conditions or employed personnel to insure compliance with Wage and Hour and Workman's Compensation Laws.
(6) Assist in resolving individual Owner's problems as they pertain to the Association, Common Elements and governing rules and regulations.
(7) Represent an absentee Owner when requested.
(8) Administer the Condominium Project in such a way as to promote a pleasant and harmonious relationship within the complex for all Owners, Residents and Tenants alike.

## ARTICLE VIII

## INDEMNIFICATION OF OFFICERS AND MANAGERS

8.1 - INDEMNIFICATION. The Association shall indemnify every Director, his heirs, executors and administrators, against all loss, cost, and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made party by reason of his being or having been a Director or office of the Association, except in matters of gross negligence of willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved.
The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in this Article VIII shall be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit, who is or has been a Director officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration for RICHLAND TRACE CONDOMINIUM as a Member or Owner of a Condominium Unit covered thereby.

## ARTICLE IX OBLIGATIONS OF THE OWNERS

9.1 - ASSESSMENTS. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. The assessments shall be made pro rata according to the proportionate share of the unit owner in and to the General Common elements and shall be due monthly in advance. 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, only if he is current in the assessments made or levied against him and the Condominium Unit owned by him.
9.2 - GENERAL.
a. Each Owner shall comply strictly with the provisions of the Condominium Declaration for RICHLAND TRACE CONDOMINIUM.
b. Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Project was built.
9.3 - USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

Each Owner may use the General Common Elements and the Limited Common Elements in accordance with the purposes for which they were intended.
9.4- DESTRUCTION OR OBSOLESCENCE. Each owner shall, if necessary execute a power of attorney in favor of the Association, irrevocably appointing the Association his Attorney-IN-Fact to deal with the Owner's Condominium Unite upon its destruction, obsolescence or condemnation, as is provided in Paragraph 6.1 of the Condominium Declaration.

## ARTICLE X AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP

10.1 - BY-LAWS.
a. After relinquishment of Declarant control of the Association, as set forth in Article IV, these By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Owners representing at least sixty-six and two-thirds percent ( $662 / 3 \%$ ) of the aggregate interest of the undivided Ownership of the General Common Elements. In no event shall the By-Laws be amended to conflict with the Declaration. In the event of a conflict between the two (2) documents, the Declaration shall control.
b. Until relinquishment of Declarant control of the Association, these By-Laws may be unilaterally amended by the Declarant to correct any clerical or typographical error or omission, or to change any provision to meet the requirements of Federal National Mortgage Association, Veterans Administration or Federal Housing Administration.

## ARTICLE XI MORTGAGES

11.1 - NOTICE TO ASSOCIATION. An Owner who mortgages his Unit shall notify the Association through the President of the Association giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitles "Mortgagees of the Condominium Units.
11.2 - NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a Mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

## ARTICLE XII

 COMPLIANCE12.1 - LEGAL REQUIREMENTS. These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these By-Laws conflict with the provisions of said statue, it is hereby agreed and accepted that the provisions of the statue will apply.

## ARTICLE XIII- <br> NON-PROFIT PURPOSE

13.1 - NON-PROFIT PURPOSE. This Association is not organized for profit. No Unit Owner, Member of the Board of Directors 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 a salary or as compensation to, or distributed to or inure to the benefit of any Member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association and (2) that any Member of the Board of Directors may, from time to time, be reimbursed for his actual and reasonable expenses in connection with the administration of the affairs of the Association.

> ARTICLE XIV PRINCIPAL OFFICE.
14.1 - ADDRESS. The principle office of the Association shall be located at 13771 North Central Expressway, Suite 6234, Dallas, Texas, 75243 , but may be located at such other suitable and convenient place as shall be permitted by law and designated by the Directors.

## ARTICLE XV EXECUTION OF INSTRUMENTS.

15.1 - AUTHORIZED AGENTS. The persons who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory shall be the President and Secretary of the Association.

## ARTICLE XVI CORPORATE SEAL

16.1 CORPORATE SEAL. The Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association.

## ARTICLE XVII DEFINITIONS OF TERMS

17.1 DEFINITION OF TERMS. The terms used in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration for RICHLAND TRACE CONDOMINIUM, as the same may be amended from time to time, recorded in the office of the County Clerk of Dallas County, Texas.

## CERTIFICATE

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3.J !!A!URITY UF UN!T. Oh!li!S. As uned In these By-Laws the term
 (jlz) of the votes entliJtu to be cast.
3.4 IUURUM. Lixecpl ns ulliribine piovided in these Dj-Laws, the


3.5 l'Ruxitis. Vates miny ho cost liffersun or by proxy; fruxies must be flled with the sucietary liefore the nipointed time of each あertlig.

\section*{AKJICLE IV}

MIPINEISIIATIUN
4.1 DECLARNNT COIGIROL. NULGIthstinding any provision lierein to the
 Condenifalum Deciaintion far kicilland trace condohiniuh, the Declarant, U.S. IIUHE CURFURATIOK, shinll retaln control over management of the
 beneflt uf the thit Dwiris nind any firkt Hortgageea of Record and for the purpose of insuring both a complete and orderly buildout ad a timely sellout of the rroject Units, including any annexations. This control shall jast no louger Lhan June 1 , 1984 , or upon gele of eeventyfive percent (75x) of the Units, including subsequeot annexations, or when In lic tale oplalnn of the Deriniant the rioject is viable, eelf"ulimilisu: imi riprotismal.
4.2 ASSOCIATION RESPONSIBILITIES. The OWNers of the Units wll
 "Assuclallon", who wlll hive the responalbility of administering the Cuminngmiun lisujnct thersit n Benral ul Hristure.
4.3 l!ack of Pictilnis. All numal and rpecial meethigs of the
 nt such other sultable nut culverifent place as may be permilted by law
 notlees of such mentligs.
4.4 NHNUAL HEETIMGS. Amual meetings shall be held the fourth \({ }^{\text {- }}\) (hit) Tuctiday of damiary vach jear.
4.S SPEC!AL MEETINGS. It shall be the Juty of the President to





 Lhe Numers present, elther in fiefron or by jroxy.
4.6 NOTICE UF MEFPIHCS. The Sccictary shall mall notice of annual
 1ast knewn pust office inficiss, \(n\) shernil on the recurds of the Assuclatiun, by uncertifled minll, fustage freprajd. Such notice shall be
 the datc of such mectlug; nond shali stale the date, lime and place of the
 ne licigin pruvided. sueli rotice mny be delivered by liand or deft at file
residence In his absence, If requested, any Hortgagee of Record or its defigitee may be entitled to recelve simllar notice.
4.7 ADJUURAED HEETIMG. If any weeting of Ownere cannoi be organized because quorum has not stiended, the ounere who are present, either lin persull or hy iroxy, may ndjourn the meeting from time to time untlin quorum 1 g ntenlied.
4.8 UllIER OF BLSIHESS. The order of business at nll meetings of the (huriref ne thitis shall be ne fallowg:
a. Roll call.
b. Froul of notice of mictling ar walver of notice.
c. Rendilg of minutef of preceding mecting.
d. Heports of ufficers.
e. Reports of cominitecs.
r. Election of blrectors.

h. Riew limalice:as.

Alt!Icti.: \(\underline{v}\)
b(iARI) UF DIRECTORS
 shall be guverned by a nmiril ni birectors composed initially of chree (3)
 manage the offalrs of the A:snelation untll thelr fuccessors are elected, to-wlt:
KiNIE NRURESS
Jolinis: A. Zcljmer
Ron Il. Forrest
Maik II. Pinspiliy
\(\because\)
1.1/11 Kurll Ccontral Expressway
Sulte 624
Dallas, Texas 75243
At the first anming melithg of the mimbere of the hasociation, or
any anmal mecting thereafter, or speclal oucling of the Association
called for that furpase, the momber of virectors may be incressed to
fuven (1).
5.2 INLEERSARU VU!IES. The Buard of Uirectors shall liave the

Assuclation and for the uperatlon and malintenance of residential Cundumlintun Frojuct. Thu Dnard ol Dlrectors mey do all such acte and things that are not by these By-Laus or by the Condominium Deciaration for RICILANU TRACE CONUOMIMIUH dIrected to be exercised and done by the Owners.
5.3 OTILER FONERS AND DUTIES. The Board of DIrectors shall have the folluwing dutice:
a. To adinisifiter nud enfurce the cuvenante, conditione, . restrletions, uses, lifitatluns, obligations and all other

b. To cstablish, make and enforce compliance ulth rules necessary for the urderly operation, use and occupancy of thile Condominlum froject. (A copy of such rules and regulations
 ndoplion thereof.)
c. T'o kecp lit siond urder, rimditiun and repalr ail of
 persomit property ured in the unjusment of the entire premaea.
d. To Insure atid keep Insured all of the insurable Colleral Comminn litrimetre of the froperty in an nsount equal to

 jfabllity insurance coviring the entire Prealses in smounts not Jess than line limisfrd Thonsand bojlars ( \(\$ 100,000.00\) ) per person, Three liunclited Thousand Vollars ( \(\$ 300,000.00\) ) per areitlent nad Fifty Thonsinal liollars ( \(550,000.00\) ) property dimage, flus a Onc Milifon lioline ( \(\$ 1.000,000.00\) ) uabrelia pulley. To lurure and kecp lifured nll the fletures, equiforent and perkomal property arifulred by the Associallon for the
 and thr-ir figst Hiertifif:res.
e. Tu flx, dulitinline, jevy nud enllect the monthly puraled nstiessments to be fald by each of the Oriers; and by majurlly vote of lice llard to adjust, decresse or increase the anount of the munthly nssessments subject to provisions of the Meclaration; 10 levj and collect spectal assessments in order
- Vul
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to meet lucreased ufcrating or msintenance expenses or costa.
and additionml cofiltal expetisec. Nl monthly or other
osfcsinents sliall be In itemized statement forn and shall set
forth in detall the various expenses for which the acsessente
ere being made.

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[. To collect dalliquent asteasmente by cult or ollicrulfe and to rifjuln or neek damages froan onner, as provided in the lecingaplunt and thene By-Laws.
8. Tu protect nud delend the entire Fremises from lose and damoge by sult or olherwise.
h. To hurrow finils in order to pay for any required "xpeuditure ur oullay; to exirule all mach dustrumente culdenclig such findebtoduses which shall be the several


 dutics and power.
J. To establish a bank arconut for the common treasury ald for all separate fiuds which are required or may be deemed advisalife by the lionid of bitecturs.
k. To kecp anil minfinin fill and accurate books and


 Voterans hiministratlen, and in ranse e cumplete sudfl of the
 The As:rnclation shall entise to be propared and delfered


 avillable to any Fitat Hertgage of a Unle, on request, whinn

1. To mect at least vire fach quarter.
\(m\). 70 destanalr the fursmerel merestary for the
 1.11 .101911.
n. In feneral, to carcy on the adalniatration of this Abrociation and to do all uf those thinge, neceseary and reasumable, in ofder to carry out the cummunal aspect of Conderalniur Ownerehip.
 the Association the term of office of olle-third (1/3) of the Directors shall be flxed for one (1) ycar, the term of office of one-third (1/3) of the Directnrg shinli lie fixed nt two (2) yenre, and the term of office of the remaining one-third (1/3) of the Dircetors shall beflxed at: three (3) years. At the expirntion of the inftial terim of office of cach respective Director, his succefsor shall be elected to serve a tera of Lliree (3) years. The lersons neting ne Dlrectors shall hold offlce



 lhough they may comstitutr leas that n quorum. Each Director so clected shall nerve out the remninlug teitn of his predecessor.
5.6 REMO!AL. OF D!RFCIORS. At any regular or special meeting duly cajlril, any one (1) or mene uf the lirecturit long be removed with or


 we herard ne then meetinli.










 prios to the day wimed lar sith incerting.
5.9 Sieclal Hextincs. Special meetings of the Board of Directors may be called by the Fresident or Sceretary, or upon the written request of at least two (2) Directurs. The President or Secretary will give three (3) days' persuml nutlec to ench Director by wall, telephone or telcgraph, wilch notice shinll state the time, place (as hereinabove provided) and purpuse of the meetling.
5.10 HAIVER OF HOTICE. Before or at ang meeting of the Board of Herectors, any blracior may ln wrllag, walve notice of such meeting and soch batuer shall be decured vinivnlent to the giving of such notice. . Attembance by a Hicetor at any merting of the board ahall be \(n\) wiver of nertier liy lifn of the lime and place thercof. If all the Directors "re proant al aly merlin; ol lhr Murt, no mollee shall be required and aby huslness may be trinencted at sich meeting.
 Dirertors, a majurity of lifritorf : :hall renstitute a quorum for the
 prerent at a merting at wilch n gurum \(i s\) present shall be the acts of Lhe Noard of Directors. if, at any mecting of the Board of Directors, Lliere is less than a quormipre:ent, the majurity of those present may

 oricimally called, may be irnitacted without additional notice.
S.12 FIDELITY RONUS. The Board of DIrectors may require that all officers and empluecs of the Association handing or responsible for Assorlation funds sliall furnish adequate fidelity bonds. The premium on such bunds shadt be piodi hy the Assuctation.

\section*{NH:HCII: VI \\ OFFICERS}
 Preslifent, Vice fiesident, Sucrelarj and Treasurer, all of thom shall be clericil by and from the Barard of Directors.
6.2 ELt.CYION OF OPYCERS. The officers of the Association shall Le "frotrd ammalls by the bunrd of Dhreturs at the organization
 Aliaid.
 the infinturs of the Buald of Directurs, athy olllect way be removed, efther with or without cause, and his successor may be elected at any regular recting of the Board of Directors or at atiy epecial aeeting of the Board. . called for such purpose.
6.4 PRESIDENT. The Iresident sliall be the chief executive officer: of the Associatioli. He shall preside at all meetloge of both the Asfuctation and the Auard of brecturs. He shall have all the general * powers and dutics wilchare unimally vested in the office of president of an at:sorlation, ficlufing, but not limited to, the power to appoint comentuces from among the Uwers to nssist in the adainistration of the allairs of the Assuchatiolt. The fiestilent, or hiss designated nlternate, shall represemt the hesuriatlon at all meetings of RICIILAND TRACE OHIERS assor:iation, ime.
6.5 VICE YRESIUENT. The Vice president shall perform all of the
 required of him lion dime du time by the board of birectors.

\subsection*{6.6 SECRETARY.}
a. The Secretary shall keep the minutes of all meetings of the noard of virertura und the inimites of afl meetings of the Assofighton. He shall have cliarge of such books and papers
 perform all the dutirs bincident to the office of the Secretary.
b. The Sucitiary shindi compile and kectp up to date at the principal oflice of the Association a corplete list of
 of the Assuciation. Such list shall show opposite each Meroher'r mame, the munher of Hembers and the parking space assigned for use ill cernection with such Unft. Such list shall be upen to dir:pretiun lig rintilets and ollier persons davfully © bisfine:s hours.
6.7 TREASUKER. The Treasurer sliall receive and deposit in approprlate hank aceomits all money ar the Assoctation and shall
disburee such as directed by resolution of the Board of Directora; provided, however, that a resolution of the Board of Directors shall not. be necessary for disbursementsmade lo the ordinary course of business conducted within the 1 fmits of a budget adopted by the Board of Difectors, including authority to: sign all checks and proalssory notes of the Associatlon; keep proper books of account; cause an annual statement of the Associatlotis books to be mode at the coapletion of parli fisral yrar; propare nu antiunl budget and a statement of income expenditures to be presunted to the Membership at lis regular annual meeting, and deliver a, copy of each to the Members; and perfora all


\section*{ARYICLE VII}

\section*{HANAG:I:MFNI (:UNTRACT}

 agreed upou by the board of mrectors. In accordance with the
 shatl not lie fimfled to, lle folforlige functlons, dutice and resproslblitiles:
a. Fiscal Manugement.
(1) Prepiare nunual operating budget detalled to reflect fipected operation for each month. This hudect Is establisined to show expreted recurting recefples and ofrerotlig disbursoments. It is further uscid for comparlion wilh actual monlhy fincome and ciperditures.
(2) Trepinc flve (5)-jear sinking fund reserve budget projection for ciplial expenditures on iteme
 Ior Cubmon Elerternts.
(3) Freforte intuilily uperoting and cash postidon statemente and statements concerning slinkIng: furid trotetve norounts.
(4) Analjice and compare operating recelpts and diflurgements nealngt the Rnard-approved budget.

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balow the budgeled noounl), prepare explanationa of.
varintione from linigetud figurca. Suggest.
correclive recommerdations, if spplicable.

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``` asscssments; dejosit them in checklng, savinge or olher finconc prodicitug necunits on behalif of the Board and rainiain compreliensive records thereof. Establish individual checklug and sinking fund reserve accounts, as dirccted by the Board.
(G) Mall moltres of dolinquency to any Owner fin nirears, and exert renfonable effort to collect deJfrquent neromits.
(7) Exanlife all expense invoices for accuracy and pay all bills in accurtance with the terms of the property manalement agrecoment.
(B) Prepare yenr-ind fintement of operstions
``` for Owhers.
b. lhysfenl Hinngencui.
(1) Assume rull respulisibility for waintenance and control of Cimmen Aren imporamente and ©qulgnent. Mintain the lropirty in constant repair
 valurs in iterodiance with the provistons of the
 bluretes.



(3) Firfret, trifin and inflervise complint priswmint, is. difiecied liy Llir Moard.
(4) Cimpilin, nrifimble and nunlyze data; and prepre specificatlons and call for blds for major limitivement intiorif. Amilyzr and rompare bide, Ifsile cuntratis and ruordinate the wark; maintain
 performed aceording to rpecificationg.
\(\because ., L\)
8023900 !
(5) Jesfurm nuy other projectimith diligence : and crommey fir the Bonrd'g locet interesta.
c. Aduinistrative Managenent.
(1) Inspect contractural services for Folf:finctory performance. Prepare any necesaary cinipliniter jetimer to Vendurs.
(2) Obinin and analyze bids for insurance coverge specified In By-Laws, recommend modiflcations or additlonal coverages. Prepare claims witn reluifed anil fullow up on pnyment; act as Buncd's reprefentative ith segotiating settlement.
 over all persommel to sustire proprer operational malnltaince and to fromule fuod Management-ResidentOunter rejationshifis.
(4) Act as 1 ifison for the Assuciation in any negotiatinns or dirputes with lucal, federal or state lnxing fqcucies or requiatury bodiea.
(5) Excerci::t elunt: sumuivisfoll aver hours and wotking comelictons of rifluybd prestumel to firsure compliance with liaf.e and llour and Workman's Compron:at fon l:au: .
(b) A!sist fil icsolving individual Owner's




 n was os tb fromote a Mrasaml and harmonfous redationshif withlit the conflex for all owners,


\section*{A!!1!:!!: v!!!}

IHDEAKIFIGATIUN OF UFFICERS AND DIRECTORS
 Diferior or offfcer, lifs liffis, cixculors ind administratorg, againce

by him in cunnection with nuy artion, suit or proceeding to which he may be made a party by reason of his luylug or liaving been a Director or offlece of the Aspocintioll, exernt din matlers of grose negligence or willfil infscumbict. In the everit. of \(n\) settlement, Indemnifleation shall be provided only in connecilun whth nuclitatiers in which the Associstion 15 advisad by cnumsed that the persoll to be dindemnifled has not been guilty bf gross negligence or wlllful misconduct in the performance of



 the formoing indenulficatimitnviticun :latll he treated and handed by







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\section*{Altrent: Ix}








 the Condomintum Unit whind liy him.




\begin{abstract}
b. Each Uwner shall always endeavor to observe and pronote the couperative purpnecs for which the Project was built.
\end{abstract}
9.3 USE OF GENERAL CUYYON ELEMENTS AND LIMITED COMMON ELEMENTS.

Each Owner may use che Ceneral Common Elements and the Limited Comon Elements In accordance with the purposes for which they were iotended.
9.4 DESTKUCTION OR OBSOLESCENCE. Each Owner shall, if necessary,


 is provided in Paripraph G.l of the Cundominiom Declarallon.

AltII:!.I: X

10.1 BY-LAL'S.
n. After rejluruishment of heclarant control of the Associntion, ns set forth In Artirle lV, these By-Laws may be

 approved by Owers representiag at least sixty-six and two-

 Cucut shall the liy-Lith: be inmented to cunflict with the Drelaratjuti, \(\ln\) the evestl of a remflict between the two (2) ducmments, lice Drejaraliun minall cumtrol.
 Asseciation, these liy-laws may lie millaternlly amended by the Deraneant to corrict ally cjerical ur typograplifeal error or minf:rforn, or to rhinipe iny pirvision to meet the requifements
 Hurigage Assorjailen, Vileriame Admindstration or Federal Ilcut: In: Adminlstintion.
\begin{tabular}{|c|c|c|}
\hline & V'il. & : \(:\) : , 1* \\
\hline NTTICLE XI & 80239 & 003 \\
\hline multincifs & & \\
\hline
\end{tabular}
\(11.1^{\circ}\) N(IIICETO ASSMCIAIJUR. An Owner who morigages his Unit shall


11.2 NOTICE OF UHPAID ASSESSMENTS. The Association shall, at the
 the Dwines of ruch Undt.

\section*{ARTICLE X11 \\ COMPLIANCE}
12.1 LEGAL KEQULREMFNTS. Thesc By-l.aws are eet forth to comply uith the requirements of the state of Texas Condominium Act. If ony of thesc lfy-hass conflict uith the provirluns of sald statute, it is hereby agrend and accepled that the provisions of the statute will apply.

\section*{AMTIGLEXII}

\section*{NON-IRROFIT ASSCOCIATION}


 shald he dawfully entitird to rective nay fecundary profit from the njeration lherenf, and in movent shall any part of the funds or ensecs
 distrfliticil in ar fure to llac hemefjt of any licmber of the noard of Hircetors; providiod, however, always (l) that reasonable compensation liaty he pild to any Monluer whild irfing, as an ngent or employe of the
 purpuses of the Arsuciation ind (2) Hint any Hember of the Board of
 reasonable expenses fucurird in comertion with the adrolnistration of Lhe affalre of the Resociallon.

AKTICLE XIV
IUINCIPAL UFFICE
14.1 NHEESS. The firincipal offlec of the Association shall be located at 13171 Horth Central Expressicay, Suite 624, Dallas, Texas 752!.], hut may lic lorated at anch vilice fuitable and convenient place as


ARTICLE XV
EXECUSION OF INSTRUHENTS
15.1 AUTIIORIZED ACENTS. The persons who shall be authorked to execute any and all ingtruments of conveyance or encuabrances, including promissory notes, shall be the President adod the Secretary of the Associallun.

ARTICLE XVI
CUIU'ORATE SEAL
 whlch shall be circular in furm and shall have ingeribed thereon the name of the Associatlon.

\section*{AHTICLE XV11}
briFINITIONS UF TERIS
17.1 DEFINITIUNS OF TFIUSS. The terins used in these sy-Laws, to the




(:HTIFICATE

1 IERFAY CERTIFS that the forrgnias is utrue, complete and correct
 Holl-polit curpuratiun, as adopled by the initial Board of Directors at tus organdzation meeting on the lith day of December 1980, А. \(\mathbf{U}\).

JN WITNFSS WHLREOF, 1 herrunto set my hand and affir the Seal of the Coiproraison, this the ...4t! day ol ....... becember

1HIll. A.li.
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