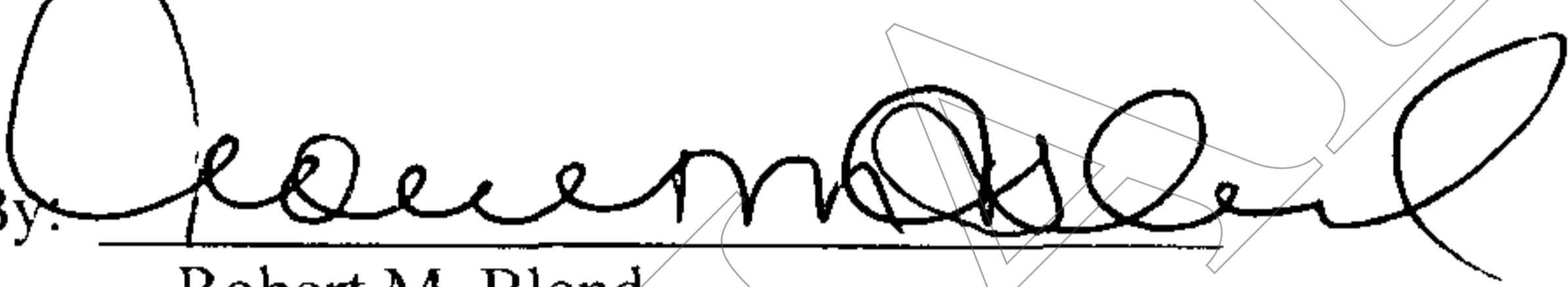


1. Amended and Restated Bylaws of Prestonwood Country Club Condominium Association, Inc.

IN WITNESS WHEREOF, the undersigned agent of Prestonwood Country Club Condominium Association, Inc. certified that as of the effective date of this First Supplement to Notice of Filing of Association Instruments that the foregoing instruments are true and correct copies of the above instruments of the Association.

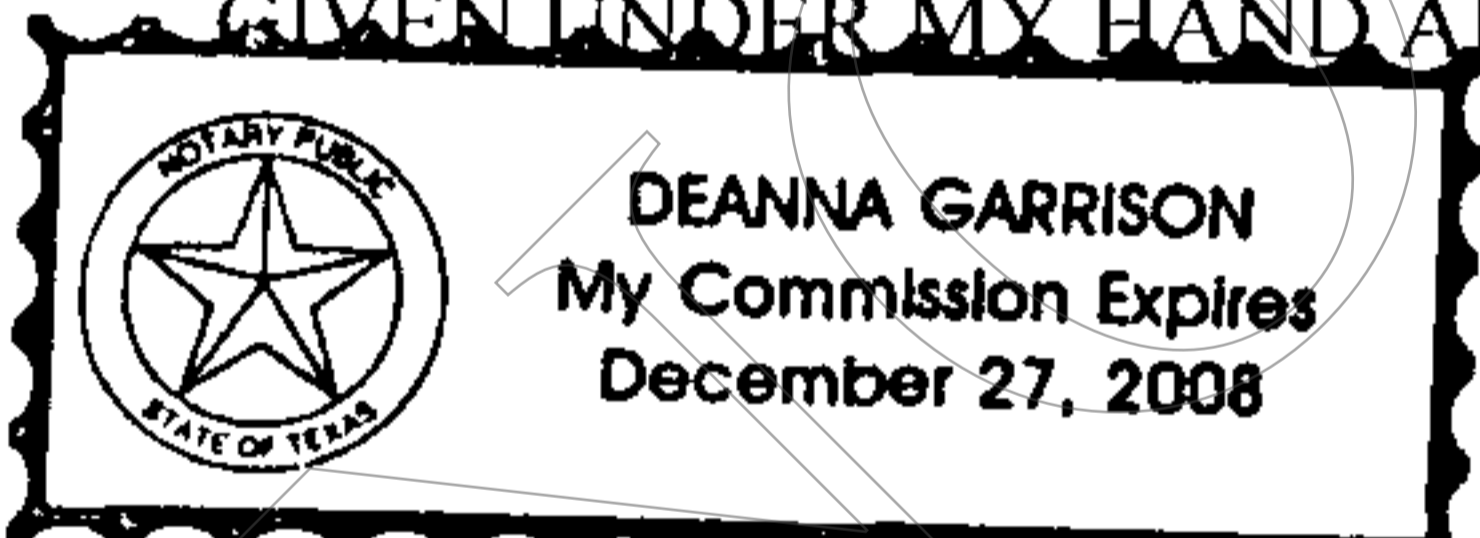
PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION, INC.


By: 
Robert M. Blend
Duly Authorized Agent

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for said county and state, on this day personally appeared Robert M. Blend, a duly authorized agent for Prestonwood Country Club Condominium Association, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of April, 2008.




Notary Public in and for the State of Texas

AFTER RECORDING RETURN TO:

THE BLEND LAW FIRM, P. C.
14131 Midway Road, Suite 1240
Addison, Texas 75001
Tel: (972) 233-1900
Fax: (972) 233-1910
rblend@blendfirm.com

AMENDED AND RESTATED BYLAWS
OF PRESTONWOOD COUNTRY CLUB CONDOMINIUM ASSOCIATION, INC.
Revised and Approved February 27, 2008

The name of the organization shall be Prestonwood Country Club Condominium Association, Inc.

ARTICLE I

PURPOSE AND PARTIES

1. The purpose for which this non-profit Association is formed is to govern the condominium project known as Prestonwood Country Club Condominiums, Inc. situated in the County of Dallas, State of Texas, which property is described in the Condominium Declaration ("Declaration") of IHS Twelve 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. All definitions contained in said Declaration shall apply to these Bylaws and are incorporated herein by reference.
2. All Owners and tenants of any condominium unit, or any other person who might in any manner use the facilities of the condominium project are subject to and shall comply with the provisions of the recorded Condominium Declaration and these Bylaws. The acquisition, lease or rental of any condominium unit, or the act of occupancy of a condominium unit, shall constitute an acceptance, approval, ratification of and agreement to comply with these Bylaws, and each lease or rental agreement shall so specifically state.
3. Every lease shall contain a provision in which the tenant agrees to be bound by the Bylaws and Rules of the Association. Each tenant shall initial this provision and shall be required to sign and provide to the Association office an acknowledgement of receipt of Bylaws and Rules and Regulations.

ARTICLE II

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

1. **Membership.** Except as is otherwise provided in these Bylaws, Ownership of a condominium unit is required in order to qualify for membership in this Association. Every person, on becoming an Owner of a condominium unit shall automatically become a member of this Association and shall be subject to these Bylaws. Membership shall terminate without any formal Association action when one's Ownership ceases. However, such termination shall not relieve the former

Owner from any liability or obligation incurred during his period of Ownership, or impair any rights or remedies which other Owners have, either through the Board of Managers or otherwise, against the former Owner arising out of said Ownership and the covenants and obligations incident thereto.

2. **Voting Rights.** Each vote shall be counted in proportion to each unit's percentage interest in the general common elements as such percentage is set forth in the Declaration.
3. **Election procedures** are described in Exhibit "A" attached. These procedures may be changed from time to time by the Board of Managers.
4. **Majority of Owners.** Whenever in these Bylaws it is provided or required that a matter be approved by a "majority of Owners," it shall mean that the matter requires the approval or affirmative vote by more than fifty per cent (50%) of the votes cast by the Owners voting with respect to such matter, with such votes determined by the percentage of interest of each voting Owner as described herein.
5. **Quorum.** Except as otherwise provided in these Bylaws, the presence in person, by mail or by proxy of twenty five percent (25%) of the Ownership interest 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 purpose 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. A majority of the Owners present, either in person or by proxy, shall be required to transact the business of the meeting.
6. **Proxies.** An Owner may designate in writing an individual as his proxy to attend and vote in his stead. The original written Proxy must be filed with the Secretary or Assistant Secretary of the Association. The person holding the proxy of an Owner shall show identification.
7. **Resolutions.** An Owner may present any matter as a Resolution, to the Board of Managers. The Board may (1) adopt the Resolution if it does not conflict with the Declaration or these Bylaws and does not require ratification by the membership, (2) place it on the agenda of the next general membership meeting for ratification by the membership or (3) reject the Resolution, in which event it may be presented as a Petition in accordance with these Bylaws. Resolutions not on the agenda shall not be presented at general membership meetings.
8. **Petitions.** A written Petition to the Board of Managers signed by fifty (50) or more Owners (an Owner is defined in the Declaration as "a person, firm, corporation, partnership, association or other legal entities or any combination thereof who owns one or more Condominium Units") shall receive the following consideration:

- a. If the Petition does not involve a matter requiring a vote of the membership, the Board must either adopt the proposed Petition or place it on the agenda of the next annual or special meeting (not less than 30 days nor more than 90 days after its submission) for consideration by the membership, in which event the decision of a majority of Owners as defined in these Bylaws shall be binding.
- b. If the Petition involves a matter requiring a vote of the membership, the Board shall place it on the agenda of the next annual or special meeting to be held (not less than 30 days, nor more than 90 days after its submission) for consideration by the membership in which event the decision of a majority of Owners as defined in these Bylaws shall be binding.
- c. In the event a quorum (as defined in these Bylaws) is not present at a meeting called by Petition, the Petition shall be carried over to the agenda of the next Association meeting (annual meeting or an earlier duly-called special meeting).

ARTICLE III MEETINGS

1. **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.
2. **Annual Meeting.** The annual meetings of the Association shall be held during the first quarter of each calendar year. At such meetings, a Board of Managers shall be elected by ballot of the Owners, in accordance with the requirements of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.
3. **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 fifty (50) or more Owners presented to the Secretary or Assistant Secretary of the Association. The notice of the 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, except by consent of two-thirds in interest of the Owners present, either in person or by proxy. Any such meeting shall be held not less than thirty (30) days nor more than ninety (90) days after receipt by the President of such resolution or petition.
4. **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, time and place it is to be held, to each Owner of record at least ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this

paragraph shall be considered notice served. The meeting agenda shall state specific items which will be covered. Any statistical reports, budgets or audits shall accompany the notice of the meeting.

5. **Adjourned Meetings.** If any meeting of Owners cannot be organized because a quorum has not been obtained, then the meeting shall be adjourned as set forth in Article II, Section 5 of these Bylaws. The Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is obtained.
6. **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
 - i. Adjournment.

ARTICLE IV

BOARD OF MANAGERS

1. **Number and qualifications.** There shall be nine (9) members of the Association elected to a Board of Managers charged with governing the affairs of the Association. Only Owners shall be eligible to serve on the Board of Managers. Only Owners who are members in good standing are eligible to serve on the Board of Managers.
2. **Election and Term of Office.** The term of a Manager shall be three (3) years. The Board of Managers of the Association shall be elected and divided into three classes, each class to consist of three Managers. The terms of one-third of the initial Managers shall expire at each annual meeting of the Association. Managers shall serve until their successors have been duly elected and qualified.
3. **Powers and Duties.** The Board of Managers shall have all the powers and duties granted to Boards of Directors by the Association Bylaws, Declaration, and State and Federal laws. 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:

- a. Administering and enforcing the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration and in these Bylaws and amendments hereto.
- b. Establishing, making and enforcing compliance with such reasonable Rules and Regulations as may be necessary or suitable for the operation, use and occupancy of the condominium project with the right to amend same from time to time. A copy of the Rules, as may be amended from time to time, shall be furnished to each Owner prior to the effective date thereof. Any challenge to the Rules by an Owner shall be in accordance with these Bylaws.
- c. Keeping 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. Owners shall be notified in advance of any condominium projects involving treatment of all units (such as painting, shrubbery, roofing, etc.).
- d. Preparing an annual budget for the Association to determine the amount of common charges payable by the Owners to meet the common expenses according to each Owner's respective common Ownership interest in and to the common elements. The Board may decrease or increase the amount of the monthly assessments to meet anticipated expenses for the following year, including an allowance for working capital and reserve funds for deferred maintenance and replacement.
- e. Collecting special (separate) assessments for repairs, replacements, operating or maintenance expenses which cannot be met by the monthly fee for common charges together with available reserve and sinking funds. Such special assessments are subject to approval by majority of Owners as defined in these Bylaws at a regular or special meeting of the Association called for that purpose. In the event of an emergency, as determined by the Board, the Board may, without and Owners' vote, levy and collect a special assessment in the amount required over and above the fees and reserve and sinking funds.
- f. Collecting delinquent assessments and fines by suit or otherwise and seeking damages from any Owner who may be in default as provided in the Declaration and these Bylaws;
- g. Protecting and defending the entire premises from loss and damage by suit or otherwise. If legal action is filed by or against the Association, the Board must notify all Owners in writing within fifteen (15) days from date of filing. Notification shall include a good faith estimate of legal fees required

to conclude the suit, and the amount of damages, if any, being sought, but may exclude any information prejudicial to the Association's participation in the action.

- h. Establishing standing and/or ad hoc committees;
- i. Borrowing funds in order to pay for any expenditure or outlay required by the Declaration or these Bylaws, and executing all instruments evidencing such indebtedness as the Board of Managers may deem necessary or appropriate. Such indebtedness shall be the obligation of all of the Owners in the same proportion as their interest in the general common elements. No funds shall be borrowed without approval of a majority of Owners, as defined herein, at a regular or special meeting of the Association called for that purpose. Notwithstanding the above, it shall not be necessary to secure a vote if the borrowed funds are secured by deposits of the Association, being held by any financial institution, so long as the borrowed funds do not exceed the deposits thereby secured.
- j. Entering into contracts within the scope of their duties and powers. All contracts, promissory notes, instruments of conveyance, encumbrances, or any other documents binding the Association shall be signed by both the President, Vice-President or Treasurer and the Secretary, Assistant Secretary or Operations Manager.
- k. Establishing one or more bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Managers;
- l. Making repairs, additions, alterations and improvements to the general and limited common elements as are consistent with managing the condominium project in a first class manner and consistent with the best interests of the unit Owners, subject to following limitations:

There shall be no one (1) or more additions, alterations or improvements of or to the general and limited common elements requiring an expenditure by the Association in excess of \$15,000 totally in any one (1) calendar year without prior approval of fifty-one per cent (51%) of the Ownership interest. Such limitation shall not be applicable to the replacement, repair, maintenance or restoration of any common element.
- m. Keeping or causing to be kept records with detailed accounts of the receipts, vouchers, and expenditures affecting the Association and specifying the maintenance and repair expenses of the common elements and any other expenses incurred by or on behalf of the Association. The records so kept shall be available for inspection by all Owners and Lenders during normal business hours. All records shall be kept in accordance with generally-accepted accounting procedures and shall be

audited at least once a year by an independent auditor. Copies of the auditor's reports shall be made available to all Owners and Lenders.

- n. Preparing and delivering annually to each Owner a statement showing all Association receipts and disbursements since the last such statement, and all of its assets and liabilities;
- o. Meeting at least once each quarter. Any meeting of the Board of Managers may be conducted by telephone or other method which permits all of the participating Managers to hear one another. Any action which may be taken at any Board meeting may be taken without a meeting if a written consent setting forth the action so taken is signed by all members of the Board. Meetings of Managers may be closed only to discuss the following matters:
 - i. Actions involving Association personnel
 - ii. Contract negotiations
 - iii. Matters involving the privacy of individual unit Owners who request confidentiality which is agreed to by the Board
 - iv. Attorney/Client privilege
 - v. Enforcement actions
- p. Determining the personnel necessary for the proper maintenance and operation of the general and limited common elements. The Board of Managers may employ an individual to serve as Managing Agent for the Association and may delegate to this individual any of the powers granted to the Board of Managers by the Declaration and Bylaws except for the power of attorney-in-fact set forth in the Declaration. The Board of Managers may employ a management company or organization as Managing Agent only with the prior approval of a majority of Owners given at a regular meeting or a special meeting called for that purpose. Any written agreement for employment of a Managing Agent shall be by its express terms terminable by the Board of Managers with or without cause at any time upon 90 days written notice.
- q. Administering the Association and doing all things necessary and reasonable in governing and operating the Condominium property.

5. **Board Vacancies.** Vacancies in the Board of Managers existing for any reason (other than the removal of a Manager by a vote of the Owners) shall be filled by vote of a majority of the remaining Managers, even though they may constitute less than a quorum; each person so elected shall be a Manager until the next annual meeting of the Association. Such vacancies must be filled within 30 days from the date of the vacancy.

6. **Removal of Managers.**

- a. **Removal.** Any Manager(s) may be removed with or without cause by a majority of the Owners at a regular or special meeting called for that purpose, in which case a successor shall be elected to fill the vacancy thus created. Any Manager(s) whose removal is proposed by the Owners shall be given an opportunity to be heard at the meeting.
- b. **Conflict of interest.** A Manager who serves on the Board shall not have a conflict of interest. A conflict of interest is defined as, but not limited to, any direct financial or part-Ownership or employer or employee connection by a Board member or the member's immediate family, with a regular (repeating) supplier of goods and/or services to the Association or for the account of the Association. If a Manager is determined to have a conflict of interest, that Manager shall not vote on the matter.
- c. **Attendance.** By a majority vote, the Board of Managers may remove any Board member who fails to attend two (2) regular meetings in a six-month period without reasonable cause, as determined by the Board.

7. **Meetings**

- a. **Organizational Meeting.** The first meeting of a newly-elected Board of Managers shall be held within ten (10) days following the Annual Meeting at a place designated by the Managers.
- b. **Regular Meetings.** Regular meetings of the Board of Managers must be held at least quarterly at a time and place determined by a majority of the Managers. Notice of regular meetings of the Board of Managers shall be given to each Manager personally, or by mail, telephone, fax or e-mail, at least five (5) days prior to the date of such meeting.
- c. **Special Meetings.** A special meeting of the Board of Managers may be called by the President upon five (5) days notice to each Manager. A special meeting may also be called at the written request of one or more Managers through a Board officer. The notice shall state the time, place and purpose of the meeting and shall be given personally, or by mail, telephone, fax or e-mail at least five (5) days prior to the meeting.
- d. **Waiver of Notice.** Any Manager may waive notice in writing of any meeting which shall be equivalent to giving notice. Personal attendance at any Board meeting shall act as a waiver of notice.
- e. **Quorum.** Five or more Managers shall constitute a quorum for the transaction of business. If a quorum is not present, the meeting shall be adjourned and reconvened within three (3) business days, and 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.

ARTICLE V

FISCAL MANAGEMENT

The provision for fiscal management of the condominium units 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. **Operating expense** - includes all budgeted funds and expenditures within the year, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.
 - b. **Reserve for deferred maintenance** - includes funds for maintenance items which occur less frequently than annually.
 - c. **Reserve for replacement (sinking fund)** - includes funds for repair or replacement required due to damage, wear or obsolescence.
2. **Fidelity Bonds**. The Board of Managers shall obtain a fidelity bond from a company authorized to do business in the State of Texas, for any officer or employee of the Association responsible for Association funds. The premiums on such bonds shall be a common expense. All funds of the Association shall be controlled by the Managing Agent only as authorized and instructed by the Board of Managers in the name of and to the credit of the Association.
3. **Insurance**. To acquire and maintain insurance in accordance with specifications promulgated by the Board of Managers to always include at least the perils of fire, extended coverage, vandalism, Director's and Officer's insurance, hired, unowned vehicle coverage and malicious mischief, in an amount equal to the replacement cost without deduction for depreciation of (1) all of the insurable general common elements and limited common elements of the condominium project, (2) all of the common fixtures, equipment and personal property of the condominium project, and (3) all of the fixtures, installations or additions and improvements comprising a part of the interior surfaces of the perimeter walls, floors and ceilings of individual condominium units initially installed or replaced by the Declarant shown in the Declaration in accordance with the original

condominium plans and specifications (excluding any improvements thereto made by any Owner other than Declarant); and to acquire and maintain comprehensive liability insurance in an amount not less than \$1,000,000 per occurrence for bodily injury and property damage; all proceeds from such physical damage insurance claims to be payable to the Association as Insurance Trustee for the Owners collectively and individually, and their lenders (except as may be otherwise provided in any deeds of trust held by lenders). The insurance companies shall grant and the Association hereby grants waivers of subrogation in favor of all Owners regarding any such policies of physical damages insurance. Each and every Owner and/or occupant subject to these Bylaws 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 by the Association 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 made recovery from 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 of fixtures for which the Owner has maintenance or repair responsibilities hereunder, whether or not such act or failure to act constitutes negligence. Such payment for "deductibles" shall be an assessment by the Association against the responsible Owner. In the event of damage to the interior of one unit, with the cause originating in the interior of another unit (see details in 2nd amendment to Declaration, Paragraph 16) the Association shall promptly make repairs to the damaged unit or may authorize damaged unit Owner to make other arrangements for repairs and receive association reimbursement.

The Association shall pay all other Association insurance policy deductibles.

Each Owner must carry and maintain General Public Liability Insurance covering losses arising out of any occurrence within his unit which causes loss or injury to other Owners, their units, along with all improvements, and all items of personal property in or upon the unit. Owner agrees to provide the Association with certificates of such insurance and to permit the Association at all reasonable times to inspect the policies of insurance required herein. Failure to furnish such certificates upon such request will subject the Owner to fines.

ARTICLE VI

OFFICERS

1. **Designation.** The officers of the Association shall be a President, one or more Vice Presidents, a Secretary and Assistant Secretary, and a Treasurer, all of whom shall be elected by the Board of Managers. The office of the President and Treasurer may not be held by the same person, but 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 five (5) or more members of the Board of Managers, any officer may be removed from office (but not from the Board) for 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. The President shall preside at all meetings of the Association and the Board of Managers. The President shall have all of the powers and duties which are usually exercised in the office of president of a condominium association. The President shall also have the duty to appoint Owners to the committees established by the Board.
5. **Vice President.** The Vice President shall perform all duties of the President in the absence, or at the direction of, the President.
6. **Secretary.** The Secretary shall keep the minutes of the meetings of the Board of Managers and of the Association and shall have charge of such books and papers as the Board of Managers may direct; and shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the Bylaws. Minutes of all meetings of the Association and Board of Managers shall be made available for inspection by all Owners at the condominium office at reasonable times during regular business hours, in accord with requirements of the Bylaws. 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 address as 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, and the names of individuals authorized to exercise voting rights. A copy of such list as of January 1 or later in the current year shall be furnished to any Owner requesting same for purpose of soliciting proxies.

7. **Assistant Secretary.** The Assistant Secretary shall perform the functions and duties of the Secretary in the absence of or at the direction of the Secretary.
8. **Treasurer.** The Treasurer shall be responsible for Association funds and for keeping full and accurate accounts of all receipts and disbursements. The Treasurer shall be responsible for the deposit of all funds in the name of, and to the credit of, the Association in such depositories as may be designated by the Board of Managers. In the event a Managing Agent or Operations Manager has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent by the end of the following 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 outside counsel, retained for that purpose, that the person to be indemnified has not been shown to be 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, officers or managing agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of, arising out of, or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; however, nothing contained in this Article VII 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 insured 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, to the extent authorized by the Board, shall be made as agent for the Owners, and they shall have no personal responsibility on any such contract or commitment except as Owners. The liability of any Owner on such contract or commitment shall be limited to his proportionate share of the total liability as determined by the Declaration and these Bylaws.

ARTICLE VIII

MORTGAGES

1. **Notice to Association.** An Owner who mortgages his condominium shall provide the Association, through the Managing Agent, if any, or the Secretary or Assistant Secretary of the Association, with the name and address of his mortgage company. The Association shall maintain this information solely for use by that Owner for purposes related to their Ownership rights.
2. **Notice of Unpaid Common Assessments.** Upon written request by a Lender, the Board of Managers shall promptly report to the Lender any unpaid assessments or fines by an Owner.
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 and who has requested such information from the Association in writing.
4. **Examination of Books.** In compliance with these Bylaws, each Owner and each lender shall be permitted to examine any of the books and records of the condominium (except data pertaining to another Owner) at any reasonable time, on business days, after notice, but not more than once each month.

ARTICLE IX

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

1. **Proof of Ownership.** Every person or entity, on becoming an Owner of a condominium unit, shall furnish to the Managing Agent or the Board of Managers a true and correct copy of the original of the recorded instrument showing such Ownership in the condominium. The Association shall maintain the copy at the Association office. An Owner shall not be deemed in good standing nor entitled to vote at any annual or special meeting of Owners unless this requirement is first met.
2. **Registration of Mailing Address.** There shall be only one registered address per unit for all notice purposes. Such registered address, signed by all Owners, shall be furnished in writing to the Managing Agent or Board of Managers within fifteen (15) days after transfer of title, or change of address.
3. **Designation of Voting Representative-Proxy.** In the event of multiple Owners of a single unit, all Owners shall designate in writing the name of the individual

authorized to exercise all voting rights. If less than 15 days remain prior to any vote at the time of receipt of a deed or other document transferring Ownership, presentation of such document shall be sufficient to establish voting eligibility.

ARTICLE X

RIGHTS AND OBLIGATIONS OF OWNERS

1. **Assessments.** All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. All assessments shall be due the first day each month and delinquent after the 15th day of each month. In the event any monthly or special assessments shall become more than thirty (30) days past due, the Board of Managers shall mail a notice of the unpaid charges to the Owner of the unit at his last known address appearing in the Association records. If the Owner fails to pay the entire special assessment and/or monthly maintenance charge and all penalties due within ten days from the date of mailing of said final notice, the Association, through its Board of Managers, may upon expiration of said ten day period cause all service of electricity, gas and water to be terminated with respect to said unit. Such service shall not be resumed until all amounts owed by the Owner under the provisions of the Declaration and Bylaws, including but not limited to, monthly maintenance, special and any other assessments, per diem penalty, interest and any attorney's fees owed are paid in full by the Owner of said unit. All delinquent assessments shall be subject to a late charge. An Owner shall be deemed to be in good standing and entitled to vote at any meeting of Owners if, and only if, he shall have fully paid all assessments levied against his unit.

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.

2. **Fines.** The Board of Managers may impose a fine for violations of these Bylaws, the Declaration or the Rules and Regulations or any policies or procedures adopted by the Board in accordance with a schedule of reasonable and appropriate fines adopted by the Board.
3. **Lien.** The obligations of each Owner to pay assessments and all other fines and charges shall be secured by a lien against the unit in favor of the Association as determined by law.
4. **Maintenance and Repair.**
 - a. Utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Board of Managers.

- b. An Owner's right to repair, alter, and remodel his unit is coupled with the obligation to replace any materials removed with materials of at least equal quality.
 - c. An Owner shall maintain all fixtures and equipment installed within his Unit, commencing at a point where the utilities enter the Unit. An Owner shall not be responsible for maintenance or repair of air heating, air cooling or water heating equipment or components thereof, except for routine cleaning. An Owner shall not be entitled to modify or change such heating or cooling equipment and components without the written consent of the Board of Managers.
 - d. The Owner of a Unit shall not be responsible for maintenance or repair of the limited common elements, except for routine cleaning. The expense of such maintenance and repair shall be a common expense, unless the damage is the result of misuse or negligence of an Owner, his tenant, guest or other occupant of the unit. In that event, such Owner shall be responsible and liable for all damages. All cosmetic improvements are the responsibility of the unit Owner.
 - e. An Owner shall not impair the structural integrity of the building or impair any easement, nor shall he make any such changes to the individual patio or balcony appurtenant to his unit, if any. An Owner shall also keep the areas appurtenant to his unit in a clean and sanitary condition.
 - f. Owners or their agents or representatives may not post or display any sign on or about his Unit that is prohibited by the Association Rules.
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 ½) times the amount of such claim plus interest thereon for one (1) year, but not less than Two Hundred Fifty and no/100 Dollars (\$250), which 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, which lien 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. All units shall be utilized only for residential purposes except as provided in the Condominium Declaration. This provision shall not prohibit an in-home office, if the Unit is used primarily for residential purposes.
- b. An Owner shall not make structural modifications or alterations to his Unit without the prior written approval of the Association Board of Managers, which approval shall not be unreasonably withheld. All such modifications or alterations shall conform to current building codes. 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 answer an Owner's request for approval within thirty (30) days after receipt of the request. Failure to do so shall mean that the Board has no objection to the proposed modifications or alterations and the request shall be deemed approved.

7. **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.

8. **Right of Entry.**

- a. An Owner hereby grants 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 such Unit, whether the Owner is present at the time or not.
- b. An Owner shall permit the Managing Agent or any other person authorized by the Association 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 reasonably convenient to the Owner. In case of emergency, such right of entry shall be immediate.

9. **Rules and Regulations.**

- a. The Association's Rules and Regulations as revised from time to time shall be effective upon adoption by the Board of Managers. Said Rules and Regulations shall supersede all prior Rules and Regulations
- b. Fines permitted according to these Bylaws shall be set forth in the Rules and Regulations.

10. **Destruction or Obsolescence.** Each Owner hereby grants his irrevocable power of attorney to the Association to act in his place and stead to resolve any issues resulting from the damage, destruction, or obsolescence of the complex.

ARTICLE XI

REMEDIES OF VIOLATIONS BY OWNERS

1. **Authority.** Upon the violation of any provision of the Declaration, Bylaws, any Rule or Regulation, the Board of Managers shall have the authority to enjoin, abate, or remedy the continuance of any breach by appropriate legal proceedings, either at law or in equity. This shall be accomplished under legal procedures by the proper city, county, or state officer of the law.
2. **No Waiver of Right.** 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, the Bylaws, the Rules and Regulations or any Policy 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.

ARTICLE XII

COMMITTEES

1. **Appointments.** The Board of Managers, upon recommendation of the President, shall appoint three or more Owners to each of the following committees. A vacancy in any committee may be filled by the President until the next meeting of the Board of Managers.

All Committees shall serve at the discretion and direction of the Board of Managers and shall have no authority to bind the Association or the Board of Managers.

The Board of Managers, in its sole discretion, determines the composition of each Committee and has the right to change the composition of the Committee at its discretion, from time to time.

2. **Committees.**

- a. **Building** – To provide guidance to the Board regarding the architectural needs and standards of the community, including but not limited to preservation, safety and enhancement of the physical and aesthetic environment.
- b. **Bylaws & Rules** – To provide guidance to the Board through review and recommendations relative to enforcement of the governing documents; to provide amicable settlement procedures for possible rules violations.
- c. **Finance** – To provide guidance to the Board and assistance to the Treasurer in an ongoing review of the financial status of the Association, together with recommendations regarding ways of improving that financial position. The Treasurer shall serve as a committee member and Board liaison to the Finance Committee.
- d. **Communications** – Primary liaison between the Board, the committees and the community.
- e. **Social & Hospitality** – Responsible for setting the tone and fostering the sense of community for all residents (such as new Owner welcome, social programs and community-sponsored activities).
- f. **Nominating & Elections** - Responsible for nominating candidates to Board positions and overseeing elections.
- g. **Executive** - There shall be no Executive Committee.
- h. **Energy** - To investigate available technology to minimize the cost of electricity, water and gas utilities and to formulate conservation procedures to lessen usage of them.
- i. **Ad Hoc** - Board may also appoint such Ad Hoc Committees as deemed appropriate.

ARTICLE XIII

NOMINATIONS AND ELECTIONS

1. **Nominating Committee** - The Board of Managers shall appoint a Nominating Committee. The Nominating Committee shall be comprised of one Board member and at least two non-Board members (but always an odd number) to serve for one (1) year. Any mid-term vacancy in the Committee shall be filled by the Board within thirty (30) days following notice of the vacancy.
2. **Board vacancies** - The Nominating Committee shall, at least sixty days prior to the Annual Meeting, select for nomination any number of candidates, (but not less than the number of Managers to be elected) for Board of Manager vacancies caused by expiration of terms. The name of each candidate and a brief resume of each shall be included in the Notice of Annual Meeting.

ARTICLE XIV

COMPENSATION

This Association is a non-profit organization. No Owner or member of the Board of Managers shall be lawfully entitled to receive any profit from the operation. Further, no part of the assets of the Association shall be paid as compensation to, distributed to, or inure to the benefit of any Owner or member of the Board of Managers, except that (1) reasonable compensation may be paid to any Owner acting as an agent or employee of the Association for services rendered, and (2) any Owner may be reimbursed for actual and reasonable expenses incurred. Members of the Board of Managers shall receive no compensation for service as a Manager.

ARTICLE XV

APPOINTMENT OF BENEFICIARY OF DEED OF TRUST

An Owner shall have the right to irrevocably appoint the beneficiary of a deed of trust as his true and lawful attorney to vote his unit membership on any issue on which a vote is to be taken, which appointment shall be effective only upon the Association's receipt of beneficiary's written notice. Such beneficiary shall be vested with all rights, privileges, and powers as the Owner under these Bylaws or the Declaration. A release of the beneficiary's deed of trust shall revoke such appointment. Nothing contained herein shall relieve an Owner of his obligations, nor impose upon the beneficiary the obligations of the Owner.

ARTICLE XVI

GENERAL PROVISIONS

As used in these Bylaws, the masculine shall include the feminine and any entity. The singular shall include the plural.

ARTICLE XVII

AMENDMENTS TO BYLAWS

These Bylaws 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 fifty one percent (51%) of the common elements as set forth on Exhibit "B" of the Declaration. Any Owner may propose amendments through a Bylaws Committee, when constituted for that purpose. Otherwise proposed amendments may be presented by petition, per these Bylaws.

The foregoing Bylaws are hereby authenticated as a true copy:

Janet Keckland President

2/27/08 [Date]

EXHIBIT "A"

ELECTION PROCEDURES

Following are the Election Procedures of Prestonwood Country Club Condominium Association, Inc. These procedures may be changed from time to time by the Board of Managers.

1. All notices and voting shall be in accordance with the Bylaws of the Association.
2. Nominations – Nominations for election to the Board of Managers shall be made by a Nominating Committee which shall be comprised of one Board member and at least two members of the Association who are not Board members. The Nominating Committee may select any number of candidates for Board of Manager vacancies caused by expiration of terms with every effort made to have no less than the number of managers to be elected.
3. Nominations from Floor – There shall be no nominations from the floor.
4. A third party will be retained for the following purposes:
 - a. Receive proxies, upon the direction of the Secretary of the Association
 - b. At Annual Meeting will check-in homeowners, including verification of voting eligibility
 - c. Tabulate ballots and report results to Secretary of the Association who will then inform the homeowners

FILED AND RECORDED



OFFICIAL PUBLIC RECORDS

A handwritten signature in black ink, appearing to read "John F. Warren".

John F. Warren, County Clerk
Dallas County TEXAS

April 10, 2008 09:36:51 AM

FEE: \$104.00

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