

**BYLAWS AND RULES AND REGULATIONS  
ARCADIA CONDOMINIUMS  
(A Condominium Project)**

WHEREAS, by instrument entitled Condominium Declaration for Arcadia Condominiums, dated April 26, 1984, of record in Volume 8574, Page 588, Real Property Records of Travis County, Texas, as amended ("Declaration"), certain real property located in Travis County, Texas and described in the Declaration (the "Property") was submitted to a condominium regime as set forth therein; and

*12*  
*9*

WHEREAS, the Declaration provides for an association of property owners ("Members"), which Association was incorporated as ARCADIA HOMEOWNERS ASSOCIATION, INC., a Texas non-profit corporation on May 10, 1984; and

WHEREAS, Bylaws for the Association were adopted by its Members on or about September 11, 1984; and

WHEREAS, Rules and Regulations were adopted by the Board of Directors on or about September 15, 1999 ;

NOW THEREFORE, Cheryl Otto, President of Arcadia Homeowners Association, Inc. and Katherine Alexander, Secretary of said Association, do hereby certify that the following Exhibit "A" is a true, complete and correct statement of the current Bylaws, and Exhibit "B" is a true, complete and correct statement of the current Rules and Regulations of the Association, with all amendments, if any, incorporated therein.

Date: December 17, 1999

ARCADIA HOMEOWNERS  
ASSOCIATION, INC.

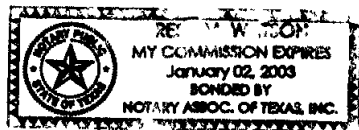
By: *Cheryl Otto*  
Cheryl Otto, President

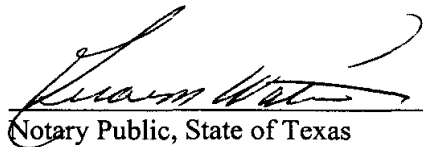
By: *Katherine Alexander*  
Katherine Alexander, Secretary

THE STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 17 day of December, 1999 by Charles Otto, President of Arcadia Homeowners Association, Inc, a Texas non-profit corporation, on behalf of said corporation.

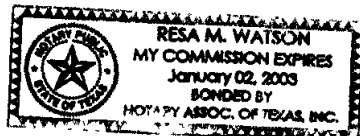


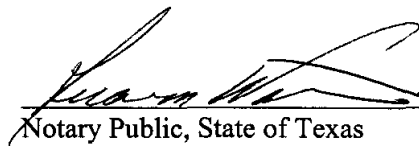
  
Notary Public, State of Texas

THE STATE OF TEXAS

COUNTY OF TRAVIS

This instrument was acknowledged before me on the 17 day of December, 1999 by Lakshmi Srinivas, Secretary of Arcadia Homeowners Association, Inc, a Texas non-profit corporation, on behalf of said corporation.



  
Notary Public, State of Texas

After Recording Return to:  
McMURTRY, EWALD & BLACKWELDER, P.C  
816 WEST 10th STREET  
AUSTIN, TEXAS 78701

EXHIBIT "A"

BY-LAWS

OF

ARCADIA HOMEOWNERS ASSOCIATION, INC.

(A Texas Non-Profit Corporation)

Travis County, Texas

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(A Texas Non-Profit Corporation)

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BY-LAWS  
OF  
ARCADIA HOMEOWNERS ASSOCIATION, INC.  
(A Texas Non-Profit Corporation)

ARTICLE I

NAME

1.1 NAME. The name of the organization shall be ARCADIA HOMEOWNERS ASSOCIATION, INC., hereinafter called "Association".

ARTICLE II

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 Travis, 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 of said Units will signify that these By-Laws are accepted, ratified and will be strictly followed.

ARTICLE III

DEFINITIONS 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 THE ARCADIA CONDOMINIUMS during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of

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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 certificates 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 in 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 one (1) Unit Owner. The present number of votes that can be cast by the Unit Owners is sixty-six (66). The combined weighted votes calculated in accordance with Exhibit "C" to the Condominium Declaration for THE ARCADIA CONDOMINIUMS shall equal 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 may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

#### ARTICLE IV

##### ADMINISTRATION

4.1 DECLARANT CONTROL. Notwithstanding any provision herein to the contrary, and in accordance with Paragraphs 4.2 and 4.3 of the Condominium Declaration for THE ARCADIA CONDOMINIUMS, the Declarant, ARCADIA INC., a Texas 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 Mortgagees of record and for the purpose of insuring both a complete and orderly buildout and a timely sellout of the Project Units. This control shall last no longer than December 31, 1987 or upon sale of seventy-five percent (75%) of the Units 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 MEETINGS. 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 MEETINGS. Annual meetings shall be held the \_\_\_\_\_ each year. The first (1st) annual meeting shall be called by Declarant after the end of the Declarant Control Period.

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 consent of four-fifths (4/5) of the Owners present, either in person or by proxy.

4.6 NOTICE OF MEETINGS. The Secretary shall mail notices 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 notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any Mortgagee of record or its designee may be entitled to receive similar notice.

4.7 ADJOURNED MEETING. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is attained.

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 QUALIFICATION. 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 capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

<u>NAME</u>	<u>ADDRESS</u>
Walter Vackar	1711 Rio Grande Austin, Texas 78701
Clifton Lind	1711 Rio Grande Austin, Texas 78701
Martha Johnson	1711 Rio Grande Austin, Texas 78701

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 all such acts and things that are not by these By-Laws or by the Condominium Declaration for THE ARCADIA CONDOMINIUMS 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 regulation shall be delivered or mailed to each Member promptly upon the adoption thereof.)

c. To keep in good order, condition and repair all of the General and Limited Common Elements and all items of personal property used in the enjoyment of the entire Premises.

d. To insure and keep insured all of the insurable Common Elements 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 amounts not less than One Hundred Thousand Dollars (\$100,000.00) per person, Three Hundred Thousand Dollars (\$300,000.00) per accident and Fifty Thousand Dollars (\$50,000.00) property damages, 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 for the benefit of 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 for 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 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 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 and any First Mortgagee of a Unit, the Veterans Administration or Federal Housing 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, on request, within ninety (90) days following the fiscal year end of the Project.

l. 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 of 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 (1st) annual meeting of the Association the term of office of one (1) of the Directors shall be fixed for one (1) year, the term of office of one (1) of the Directors shall be fixed at two (2) years, and the term of office of the remaining one (1) Director shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first (1st) 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 there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

5.7 ORGANIZATION MEETING. The first (1st) 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 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 the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

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 shall 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.

5.13 ADVISORY BOARD. Within sixty (60) days after Declarant has conveyed title to forty percent (40%) of the Units in the Project, the Board of Directors shall appoint an Advisory Board comprised of three (3) Unit Owners other than Declarant. The Members of the Advisory Board shall attend meetings of the Board of Directors, shall consult with the Board of Directors, and shall aid the Board in performing its functions and duties as the Board of Directors sees fit. Any vacancy in an Advisory Board position shall be filled by the Board of Directors. The Advisory Board shall cease to function upon the event of the first annual meeting of the Association, at which time the Unit Owners shall elect the Members of the Board of Directors.

## 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 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 purpose.

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,

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but not limited to, the power to appoint committees from among the Owners to assist in the administration of the affairs of the Association. He shall co-sign all promissory notes with the Secretary and co-sign all checks with the Treasurer. The President, or his designated alternate, shall represent the Association at all meetings of ARCADIA HOMEOWNERS ASSOCIATION, 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.

6.6 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 of Directors may direct and shall co-sign all instruments of conveyance; and he shall, in general, perform all the duties incident to the office of the Secretary.

b. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name, the number of Members living in the Unit and the garage assigned for use in connection with such 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: co-sign all checks; 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 of each to the Members; and perform all other duties assigned to him by the Board of Directors.

ARTICLE VII

MANAGEMENT CONTRACT

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 Board-approved 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 the 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 approved 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 interests.

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 coverages. 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 promote 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 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 DIRECTORS

8.1 INDEMNIFICATION. The Association shall indemnify every Director or officer, his heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except in matters of gross negligence or 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 or 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 THE QUADRANGLE CONDOMINIUMS 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 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 THE ARCADIA CONDOMINIUMS.

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 Unit 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

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(66-2/3%) of the aggregate interest of the undivided Ownership of the Common Elements except for those amendments provided for in Article VIII of the Declaration, which shall require the approval of Owners and Mortgagees as provided therein. 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 Home Loan Mortgage Corporation, 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 entitled "Mortgagees of 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

##### COMPLIANCE

12.1 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 statute, it is hereby agreed and accepted that the provisions of the statute will apply.

#### ARTICLE XIII

##### NON-PROFIT ASSOCIATION

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 incurred in connection with the administration of the affairs of the Association.

#### ARTICLE XIV

##### PRINCIPAL OFFICE

14.1 ADDRESS. The principal office of the Association shall be located at ~~602 East 43rd~~, Austin, Texas 78752, 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 notes, shall be the President with the co-signature of the 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 DEFINITIONS OF TERMS. The terms used in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as

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set forth in the Declaration for THE ARCADIA CONDOMINIUMS, as the same may be amended from time to time, recorded in the office of the County Clerk of Travis County, Texas.

EXHIBIT "A"

Lots 1 and 2, of Eilers Avenue Addition, a subdivision out of Outlot 15, Division "C", in the City of Austin, Travis County, Texas, according to the map or plat of said subdivision of record in Volume 44, Page 18, Plat Records of Travis County, Texas.

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# **ARCADIA CONDOMINIUM HOMEOWNERS ASSOCIATION**

## **RULES AND REGULATIONS**

These Rules and Regulations supersede all previously published Rules and Regulations

It does not replace or supersede the Association's Declaration or By-laws

Published September 1999

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**ARCADIA CONDOMINIUM HOME OWNER'S ASSOCIATION**  
**RULES AND REGULATIONS**

The following Rules and Regulations, approved by the Board of Directors of the Arcadia Condominium Home Owner's Association pursuant to Article V, Section 5 2 and 5 3 of the By-laws and Article IV, Section 4 4 of the Declaration of the Association, are effective on September 15, 1999

These Rules and Regulations shall apply to the above named condominium project and to all present and future Owners, lessees and occupants of any Unit of the project

The purpose of the Rules and Regulations is to protect all Owners, lessees, or occupants from annoyance and nuisance caused by improper use of the residential condominium Units and also to protect the reputation and desirability thereof by providing the maximum peace and enjoyment of the premises These Rules and Regulations may be amended by the Board, as provided for in the By-laws and Declaration of the Association

Full authority and responsibility for enforcing the Rules may be delegated to the Managing Agent by the Board of Directors

All Owners, lessees, occupants, or their guests shall be bound by these Rules and by standards of reasonable conduct whether covered by these Rules and Regulations or not

**I. OCCUPANCY**

- A. The maximum number of occupants per Unit has been established at four persons in a two bedroom Unit and three persons in a one bedroom Unit
- B. Each Unit shall be used only for residential purposes and no business, professional or other commercial activity of any type shall be operated from or out of any Unit. An Owner, occupants or lessees may keep business records or accounts and handle business telephone calls and correspondence

**II. LEASING OF UNITS**

- A. If any Owner leases their Unit, the Owner (if required by the Board of Directors) shall advise the Board of Directors in writing. This notice shall include a copy of the written lease agreement entered into with the lessee(s). No subleasing shall be permitted. All lease agreements shall provide that the terms of such lease shall be subject in all respects to the provisions of the Declarations, By-laws, and Rules and Regulations, as then existing and as may be amended or modified thereafter, and any failure by the lessee thereunder to comply with the terms of such documents shall constitute a default under such lease
- B. No Owner shall be permitted to lease their Unit for transient or hotel purposes. All leases shall consist of an initial term of at least six (6) months
- C. No Owner may lease less than the entire Unit

- D If the Unit is Owner occupied and the Owner has a roommate, the Owner must provide a lease to the Association for that roommate which meets all the requirements as if the Unit was leased without the Owner occupant
- E Owners that reside outside the City of Austin shall be required to provide the name of a local contact, other than the Unit's lessee All Owners shall file with the association management company their current addresses and telephone numbers in addition to the name, address and telephone number of any required representative

**III. COMMON ELEMENTS**

- A No Owner, occupant or lessee shall use nor permit such Owner's Unit nor any Common Element nor any Limited Common Element to be used for any purpose (i) which would void any insurance in force with respect to the Project, or would make it impossible to obtain any insurance required by the Declaration, (ii) which would constitute a public or private nuisance, (iii) which would constitute a violation of any applicable law, ordinance, rule or regulation (including these Rules and Regulations), or (iv) which would interfere, unreasonably, with the use and occupancy of the Project by other tenants
- B No sidewalk, driveway, parking area, public hallway, walkway, stairway, or any other Common Element area, shall be obstructed in any manner, nor shall any Owner, occupant or lessee(s) store or place or cause to be stored or placed any object in such area, without the prior written consent of the

Board

- C Owners, occupants or lessees may place upon patios and balconies furniture and such decorative items as such Owner, occupant or lessee may seem desirable, provided, however, that the Board shall have the right at any time to direct removal of any item which the Board determines, in its sole discretion, detracts from the general appearance of the Project
- D No sign, notice, or advertisement of any type shall be posted within the confines of the Project This includes "For Sale," "For Lease" or political cause signs
- E No radio or television antennae shall be attached to any of the buildings or maintained outside of any Unit without the prior written consent of the Board
- F No window air conditioners or fans are permitted
- G Each Owner shall keep their Unit in good order and repair. This includes the replacing of broken windows and screens
- H Water faucets and similar apparatus should not be left running for any length of time
- I Washing of vehicles is prohibited at all times
- J The Common Elements are for the use of all Owners, lessees or occupants Owners, lessees and occupants will abide by the rules for public facilities posted in such areas from time to time by the Board Such rules and regulations will be deemed to be a part of these Rules and Regulations and

will be enforceable in the same manner as provided for in the Declaration therefor. These Rules and Regulations may be amended at any time, and from time to time, by the Board.

- K No Owner, occupant or lessee may place litter, rubbish or other unsightly substances anywhere on the Common Elements except in the dumpsters provided for such purpose in those areas so designated by the Board.
- L No fires shall be allowed whatsoever except for barbecue fires contained within the receptacles designed in such a manner that no fire hazard is created and in the patio area not under the balconies. No barbecue fires are allowed on any balcony.
- M No Owner, lessee or occupant may commit any action which interferes with the television reception of any other resident.
- N No one may commit an action which produces a loud noise in the Common Elements. This includes, but is not limited to, the operation of power tools, the revving of engines, excessively loud exhaust systems, the use of fireworks, excessively loud radios, tapes, car radios, etc.
- O No clothing or household fabrics may be aired in such a way as to be visible to other residents.
- P No firearms, BB guns, pellet guns, bows, knives or other weapons may be displayed or used in the Common Elements.
- Q Toys, recreational equipment, bicycles and the like must be removed from all common elements (front yards/entrance areas) by sunset.

R Lights Patio, Balcony and Front Door lights will be clear or yellow No colored lights are permissible

S There will be no change in the landscaping of the general Common Elements without written permission of the Board However, the planting of gardens, trees, shrubs, etc , in the Common Elements is permitted provided that

- 1 The Owner, lessee or occupant who is planting said items has the prior written consent of the Board
- 2 The Owner, lessee or occupant planting said items supplies all maintenance and costs of said items unless waived by the Board at time of approval
- 3 The Owner, lessee or occupant does not allow them to damage any Unit, detract from the visual attractiveness of Arcadia, become a nuisance to another Owner, lessee or occupant, or interfere with maintenance of the Common Elements
- 4 The planting of said items does not conflict with any other rules governing the Common Elements
- 5 Plants and shrubs referred to under this rule shall become a part of the Common Elements and shall belong to the Condominium Owner's Association
- 6 The Board of Directors shall have the authority to remove any tree or shrub from the property, whether it be on the Common Elements or

the Limited Common Elements, if necessary for the beautification or maintenance of the property

#### **IV. PETS**

- A No animal shall be permitted on the Project except those normally considered household pets and lawfully permitted within the city limits. Rodents, reptiles and ferrets shall not be allowed. There shall be allowed only two (2) such pets per Unit. In instances where a pet gives birth, this limit may be exceeded until the litter is weaned. The Board shall have the right to direct the removal of any pet which attacks or regularly disturbs any Owner, lessee or occupant in the Project. The Board of Directors will determine what is a regular disturbance. Any pet required to be on a leash by city ordinance shall be kept on a leash while outside the Unit, dogs shall be kept on a leash unless the dog(s) are in the enclosed Limited Common Element (Patio or Balcony) assigned to the Unit.
- B It shall be the duty of each pet's Owner to clean up after their pet in the Common Elements and within the Limited Common Elements.
- C Owners shall be liable for any damage to person or property done by their pets, their lessees or occupants.
- D Pets shall not be allowed in the pool or the enclosed pool area.
- E No pet may be left unattended outside any Unit except in the enclosed Limited Common Elements (Patio/Balcony) assigned to the Unit.
- F No animals may be raised or bred for commercial purposes.



- G Arcadia Condominium Owners Association will not be responsible for dogs which are left in patios on lawn maintenance days

**V. ARCHITECTURAL CONTROL**

- A No Owner shall have the right to modify, alter, repair, decorate, redecorate, or improve the exterior of such Owner's Unit, or to take any such action with respect to the interior or exterior of any of the Common Elements or the Limited Common Elements without prior Board approval
- B Each Owner shall have the right to modify, alter, repair, decorate, redecorate, or improve the interior of such Owner's Unit, provided that such action does not impair the structural integrity, weaken support, or otherwise adversely affect any of the buildings or any Limited Common Elements or Common Element, and provided that all such action is performed in a good workmanship like manner
- C Each Owner shall maintain the Owner's Unit (including the portions thereof, if any, which are not located within the physical boundaries of the Unit) in good order and repair at all times. If any Owner shall fail to so maintain a Unit, or any portion thereof, the Association shall have the right (but not the obligation) to perform such work as is necessary to put any such Unit in good order and repair, and the cost thereof shall be deemed a debt of such owner to the Association, payable on demand, and payment thereof shall be secured in the same manner as for Maintenance Expense Charges as set out in [Article 4, Section 5 of the Declaration ]

- D The Limited Common Elements and the Common Elements shall be maintained by the Association, the Owner of any Unit to which any Limited Common Elements are appurtenant shall have no right to modify, alter, repair, decorate, redecorate, improve or take any other action with respect to such Limited Common Elements, it being the obligation of the Association under this Declaration to maintain such Limited Common Elements in a uniform and attractive manner for the benefit of all owners
- E Construction of any Board approved change shall be completed within forty-five (45) days after construction has begun. Construction shall begin within ninety (90) days of Board of Directors approval. Damage done to Limited Common Elements or Common Elements during construction or as a result of construction shall be assessed against the Unit Owner and secured as provided for in the Declaration. The Unit Owner shall be given forty-five (45) days in which to reimburse the Association for damages, less deductions for insurance proceeds, if any. All changes to the exterior (such as, but not limited to, screens, storm doors, decks, etc.) must be approved.
- F All additions approved by the Board must conform to the general paint scheme of Arcadia and be maintained in good condition by the Unit's Owner.
- G Awnings, aluminum foil or other unsightly coverings shall not be permitted to cover, surround, or obscure windows and doors.

**VI. PATIOS/BALCONIES**

- A Unsightly objects shall not be stored on the patios and balconies This includes, but is not limited to, household bedding, cooking utensils, towels, bathing suits, air mattresses, etc
- B Patio slab enlargements or patio decks may be done only after approval of the Board as provided in Article V of these Rules and Regulations Patio slab enlargements or decks must be maintained and repaired by the Unit Owner. Approval for patio slab enlargements or decks does not convey any right, title or interest belonging to the Association.

**VII. POOL AND POOL AREA**

- A All persons using the pool do so at their own risk No lifeguard is on duty
- B The pool and the spa are for the use of the Owners, occupants or lessees and their guests only
- C No glass items are allowed in the pool area
- D All children under twelve (12) must be accompanied by an adult in the pool area
- E Gates must be kept closed at all times
- F All furniture (tables, chairs, lounges, etc ) taken to the pool area must be removed when the user leaves the pool area Clothing, towels, air mattresses, shoes, etc will not be left in the pool area
- G The use of the pool and the pool area will be on a first come first served basis There will be no reserving of the pool and pool area except when the

entire condominium Owner's Association is invited to a meeting, barbecue, etc

- H All radios, tapes, etc will be played in such a manner as not to disturb other persons in the pool area or nearby residents
- I Persons with bandages or open wounds will not be allowed in the pool
- J Only persons wearing swim wear will be permitted in the pool or spa Street clothes, and/or cutoffs are not deemed to be swim wear
- K The pool and the pool area are for the enjoyment of all Unit occupants The Board of Directors reserves the right to deny use of these facilities to anyone who fails to abide by the rules set forth above
- L All persons using the pool will abide by the posted "POOL RULES "

#### VIII. CLUBROOM

- A. RESERVATIONS Available on a first come/first serve basis to the residents of Arcadia Call Certified Management at 339-6962 to reserve the clubroom Clubroom reservations *do not include exclusive use of the pool/spa* It is for use of the clubroom only
- B. ELIGIBILITY Owners must be current in all assessments and monies owed the association before use of the clubroom is permitted
- C. DEPOSIT A **non-refundable rental rate of \$35.00**, payable to Arcadia Homeowners' Association, may be mailed or hand delivered to Certified Management of Austin, 3007 Longhorn Blvd , Suite #100, Austin, Texas 78758 A separate **deposit of \$50.00** is required for a clean-up deposit

The resident reserving the clubroom is responsible for any damage or missing items and must pay the full amount to repair or replace the same

D KEY On the day before the reservation, obtain a key from Certified Management of Austin **Return the key by 12:00 noon the following day.**

E PARKING Guests for parties or meetings should park on the street or in the visitor spaces at the clubroom

F CLOSING Weekday usage must end at 10 30 p m On Friday and Saturday nights, the function may last until 11 00 p m , as long as residents are not being disturbed

The only exception from these hours is New Year's Eve--the clubroom will be allowed to be open until 12 30 a m.

G CLEAN-UP.

- 1 All trash must be picked up and placed in the dumpster for pickup
- 2 Sinks and bar area are to be cleaned.
- 3 All counters and tables are to be cleaned
- 4 Chairs and tables returned to their original positions.
- 5 Ash trays emptied and cleaned
- 6 Floor must be vacuumed
- 7 All personally owned decorations removed.
- 8 All personally owned items in refrigerator must be removed
- 9 Turn off the heat and/or air-conditioning and lights
- 10 Lock all doors

11 Check rest rooms

H **NOTE:** Residents may lose the privilege of reserving and using the clubroom for any of the following reasons

1 Noise and disturbances that carries outside the clubroom building to the point that other residents are disturbed

2 Abusive or obnoxious behavior

3 The clubroom has been found not to meet the standards of cleaning or not to have been cleaned by the specified time

4 Failure to leave clubroom at designated time or to return key on time

#### **IX. PARKING**

A Unit Owners, lessees or occupants shall not permit their family, guests, or invitees to use parking spaces assigned to other units. Vehicles not properly parked shall be subject to removal at the vehicle owner's expense.

B No vehicle shall be left standing in a parking space in a nonoperating condition, nor shall any repair work be done to vehicles.

C Boats, RV's, trailers, etc will not be parked at Arcadia.

D Inoperable or not currently inspected nor licensed vehicles may not be parked on property.

E It is the responsibility of the Unit Owner, lessees or occupants to inform their guest to park in approved parking spaces only.

F Violators of these parking regulations shall have their cars towed away at their own expense.

- G Parking spaces are limited at Arcadia. There is only one reserved covered parking space or garage per unit. Garage spaces must be used for parking of vehicle, not storage.
- H Any vehicle parked in an unmarked area is subject to being towed without notice. If for an emergency an Owner, lessee or occupant must park in an unmarked area, the vehicle's emergency flashers must be left on.
- I Commercial vehicles used by Owners, occupants or lessees cannot be parked on Arcadia property.
- J The Unit Owner shall be liable for damage done to parking surfaces caused by leaking vehicle fluids.
- K Vehicles in disrepair that detract from Arcadia will not be allowed to park on property.

**X. SEASONAL DECORATIONS**

- A Seasonal decorations should not be installed any earlier than six (6) weeks before and must be removed no later than one (1) month after the holiday which they celebrate.
- B Christmas lights may be installed on the eaves and along the windows and doorways as long as they are UL approved exterior lights, provided that no lights shall be permitted to annoy the Owners, lessees or occupants of neighboring Units.
- C Decorations which create a safety hazard shall not be installed.
- D Damage done to the Unit, Limited Common Elements or Common

Elements during their installation, operation, or removal shall be the responsibility of the Unit Owner

#### **XI. EXCEPTIONS**

The Board of Directors understands that some of these Rules and Regulations may impose a hardship on certain Owners. If any Owner assumes they are being treated unfairly by these Rules because of conditions that existed before the Rules were adopted, such Owners may petition the Board of Directors for relief.

#### **ENFORCEMENT PROCEDURES**

##### **Step One:**

A violation letter will be mailed from the Managing Agent requesting corrective action immediately and not more than ten (10) days from the date of the letter. If the violation is not corrected within the allotted time frame, or if a second violation of the same rule occurs within ninety (90) days, then the Managing Agent is instructed to proceed with Step Two of the Arcadia Condominium Owner's Association's enforcement procedure. When the Owner receives the first letter they have the right to appeal to the Board of Directors. The Owner may contact the Managing Agent and may attend the next regularly scheduled Board meeting or the Owner may write a letter to the Board of Directors. No verbal statements will be accepted as formal requests. No enforcement costs for Step One.

##### **Step Two:**

If the first violation is not corrected or another violation of the same rule occurs within ninety (90) days of the first violation, then the Managing Agent will write the



Owner a second letter requesting compliance by a certain date. This letter assesses the Owner a fine, the amount to be determined by the Board of Directors. If the violation can be corrected by maintenance staff, their time will be charged to the Owner at a minimum of \$25.00 per hour with a minimum of one (1) hour charge, with one-half hour increment charges thereafter. Any other costs incurred by the Association to enforce the rules such as towing, attorney's fees, etc. will be the costs of the Owner. The Association shall keep any excess over actual costs.

**Step Three:**

If enforcement or compliance is not accomplished by letters one and two, then the violation will be turned over to an attorney for enforcement. [The Owner of the Unit will be responsible for attorney's fees and other charges.]

The above Enforcement Procedures are not exclusive. If the Board of Directors in its sole discretion determines that circumstances so warrant, it may proceed immediately, and without giving the above written notices to the owner/resident, to exercise any remedy provided in the Declaration or by law or equity, including turning the violation over to an attorney for enforcement and/or filing a lawsuit.

## DELINQUENCY COLLECTION

THIRTY DAYS DELINQUENT The Property Manager sends out a computer-printed delinquency notice requesting payment

FORTY-FIVE DAYS DELINQUENT The Property Manager sends out a second notice stating the amount of the delinquency, the fact that the Homeowner's Association cannot loan the owner the money, and, that if he doesn't pay within 10 days or arrange a payment plan the matter will be turned over to an attorney for collection. This letter also states that the delinquent owner will be responsible for all attorney's fees

SIXTY DAYS DELINQUENT The delinquency is turned over to an attorney for collection. A lien warning letter is sent out by the attorney requesting that the owner pay the delinquent dues, attorney's fees, and interest or late charges by a certain date. If the attorney does not hear from the owner by the specified date, a lien will then be filed against the property

OVER SEVENTY-FIVE DAYS DELINQUENT The Property Manager will go to the Homeowner's Association Board of Directors for permission to proceed with foreclosure on the unit

After Recording Return to:  
McMURTRY, EWALD & BLACKWELDER, P.C  
816 WEST 10th STREET  
AUSTIN TEXAS 78701

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

*Dana DeBeauvoir*

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DANA DEBEAUVOIR, COUNTY CLERK  
TRAVIS COUNTY, TEXAS