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RICHARDSON MEDICAL CENTER CONDOMINIUM DECLARATION

RICHARDSON MEDICAL CENTER ASSOCIATES, LTD., a Texas limited partnership whose sole general partner is Woodhill Joint Venture (a partnership composed of Eddie Clark and David L. Clark) (hereinafter referred to as the "Declarant"), pursuant to the provisions of the Texas Condominium Act, Article 1301a of the Texas Revised Civil Statutes (hereinafter referred to as the "Act") for the purpose of submitting the hereinafter described leasehold estate in a tract of land and the improvements thereon to a condominium regime, does hereby declare as follows:

WHEREAS, Declarant is the owner of the leasehold estate in and to a 6-acre tract of land in Richardson, Dallas County, (hereinafter called the "Land") more particularly described as follows:

The leasehold estate in and to all of a tract of land out of the William Hughes Survey, Abstract No. 573, said tract being more particularly described on Exhibit A attached hereto.

such leasehold estate existing by virtue of a ground lease covering the Land between Richardson Land Associates, Ltd., a Texas limited partnership, as Landlord, and Declarant as Tenant, dated as of May 31, 1979, and recorded at Volume 79108, Page 0022,* Deed Records of Dallas County, Texas (hereinafter called the "Ground Lease") and the improvements now or hereafter located thereon consisting of a two-story plus basement office building complex, to be constructed in two phases (hereinafter called the "Improvements") as more particularly shown and described on the plat of the Land and Improvements attached hereto as Exhibit B; and

WHEREAS, Declarant desires, by recording this condominium declaration (the "Declaration"), to establish a condominium regime known as RICHARDSON MEDICAL CENTER CONDOMINIUM under the provisions of the Act;

NOW, THEREFORE, Declarant does hereby submit the Land and Improvements to this Declaration, and does hereby establish the RICHARDSON MEDICAL CENTER CONDOMINIUM as a Condominium Project under the Act. The Land and Improvements shall hereafter be subject to the provisions of the Act and this Declaration and to the Condominium Bylaws hereinafter described.

Declarant does further declare as follows:

- 1. DEFINITIONS:
- a) "Unit" means an enclosed space consisting of one or more rooms all on one floor connected by doorways to a common hallway as described in Exhibit B attached hereto.
- b) "Condominium" means the separate ownership of a Unit, with the common elements as defined herein.
- "Condominium Project" means RICHARDSON MEDICAL CENTER CONDOMINIUM as a Condominium established in accordance with the Act.
- d) "Owner" means one or more individuals, firms, corporations, partnerships, associations, trusts, or other legal entities, or any combination thereof, owning one or more Units within the Condominium Project.

^{*} and refiled in Volume 79126, Page 3273

- e) "Association" means the non-profit corporation, Richardson Medical Center Condominium Association, organized pursuant to the Texas Nonprofit Corporation Act of which all Owners shall be members, and which shall operate and manage the Condominium Project.
- f) "Directors" shall mean the Board of Directors of the Association.
- "Common Elements" means the General Common Elements as defined in the Act and all other portions of the Land and Improvements described in paragraph 4 hereof not included within the boundaries of a Unit. There are no Limited Common Elements in the Condominium Project.
- h) "Plat" shall mean the plat drawing describing the Land and Improvements attached hereto as Exhibit B.
- i) "Condominium Bylaws" shall mean the Condominium Bylaws attached hereto as Exhibit C.
- 2. IMPROVEMENTS: The Improvements as described in the recitals of this Declaration consist of the office space, commercial space, restaurant and club space, and garage, all as set forth on the Plat showing the number of each unit, its square footage, and the floor on which it is located ("Phase I"). It is contemplated that there will be additional office space, commercial space, garage, restaurant, and club space ("Phase II") developed by Declarant, all of which shall be automatically submitted to the condominium regime and made part of the Condominium Project upon the sale of the first Unit in Phase II and the filing by the Declarant of an Amendment to this Declaration.
- 3. GARAGE: The garage as shown on the Plat shows the location of parking spaces, all of which are part of the Common Elements, but some or all of which may be allocated to the exclusive use of the Owner of a particular Unit by the Directors on a basis of one parking space to be allocated for each multiple of 700 square feet of floor space within the Unit, but not less than one parking space shall be allocated to each Unit.
- 4. GENERAL COMMON ELEMENTS: The General Common Elements include the following:
 - a) The leasehold estate in and to the Land existing by virtue of the Ground Lease.
 - The foundations, bearing walls, and columns (including any windows and doors therein), roofs, halls, lobbies, stairways, entrances, exits, and communication ways which are part of the Improvements, the garage and club area, and the yard, gardens, exterior driveways, walkways, and parking areas.
 - The rooms and facilities, if any, used by janitors or other persons in charge of maintenance, cleaning, and repair of the Condominium Project.
 - The compartments or installations of central services such as electricity, gas, hot and cold water, refrigeration, central heating and air conditioning, water tanks and pumps, conduits for telephone lines, plumbing, and similar installations installed for the common use of the Owners.
 - e) The elevators and elevator shafts.

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- All other devices or installations existing for the common use of the Owners and all other elements of the Improvements desirable or rationally of common use or necessary to the existence, upkeep, and safety of the Condominium Project.
- 5. PERCENTAGE INTEREST: Until the first Unit in Phase II is sold or leased by Declarant, the percentage interest in the ownership of the Common Elements appurtenant to each Unit in Phase I is as set forth on Exhibit D attached hereto. The percentage of ownership set forth on Exhibit D shall determine the proportionate share of each Owner of a Unit in the expenses of the administration of the Condominium Project and the vote such Owner shall have at meetings of the Association until the first Unit in Phase II is sold or leased. At such time as the first unit in Phase II is sold or leased, the percentage of ownership set forth on Exhibit D will be amended by Declarant pursuant to Section 6(e) (4) hereof to provide for a reduction in the percentage of ownership of Units in Phase I as set forth on Exhibit E hereto.
- 6. COVENANTS OF OWNERS: Each Owner, by accepting ownership of a Unit, agrees on behalf of himself, his successors, heirs, personal representatives, and assigns, to the following:
 - a) There shall be such permanent easements through and over each of the Units as may be reasonably necessary for the installation, maintenance, replacement, and repair of the Common Elements and the other Units.
 - b) The Units shall be used and occupied only as office space except for those areas designated on the Plat as intended for use as restaurant, club, and commercial space.
 - In the event any portion of a Unit or a Common Element changes boundaries and thereby encroaches upon another Unit or the Common Elements due to the shifting, settling, or moving of the Improvements, such changed boundaries shall be deemed to constitute the boundaries of the Unit and the Common Elements so affected in accordance with Section 9 of the Act.
 - The administration of the Condominium Project shall be in accordance with the provisions of the Declaration and the Condominium Bylaws. Each Owner, tenant, and occupant of a Unit shall comply with such declaration and Condominium Bylaws as amended from time to time.
 - This declaration may not be amended unless the Owners e) of all of the Units and all of the mortgagees of all deeds of trust or mortgages covering any of the Units unanimously agree to such amendment by an instrument in writing duly recorded, except that (1) prior to the first annual meeting of the members of the Association, Declarant may amend this declaration and the Plat in order to correct survey or other errors made therein; (2) the Declarant may change the percentages of ownership allocated to and the dimensions of any Units owned by the Declarant by an amendment to this declaration duly executed and recorded by the Declarant only, provided such changes do not affect the percentages of ownership allocated to any other Units in the Condominium Project which are not owned by the Declarant; (3) upon the sale of a portion of a Unit or the combining of all or part of adjacent Units into one or more different Units, this declaration may be amended to change the

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boundary lines and adjust the percentage of ownership of the resulting Units by an amendment to this Declaration duly executed and recorded by the owners and mortgagees of the Units involved and by the Association only, provided such changes do not affect the percentages of ownership allocated to any other Units in the Condominium Project and (4) the Declarant shall change the percentages of ownership allocated to the Units in Phase I and modify the Common Elements in accordance with the plat of Phase II upon the sale or lease of the first Unit in Phase II of the Improvements by filing an amendment to this Declaration duly executed and recorded by the Declarant only.

- f) Upon the sale or conveyance of a Unit, all unpaid assessments levied by the Association in accordance with the Condominium Bylaws, whether reduced to judgment or not, and if reduced to judgment the amount of such judgment including attorneys' fees, interest, and costs as provided therein, shall be first paid out of the sales price by the purchaser in preference over any other assessments or charges of whatever nature except the following:
 - i) Assessments, liens, and charges in favor of the State of Texas or any political subdivision thereof for taxes past due and unpaid on the Unit; and
 - ii) Amounts due under any deed of trust or mortgage instruments duly recorded covering a Unit.
- (hereinafter called "Utilities") through the Association, and the cost thereof shall be paid by the Owners as part of the assessments payable in accordance with the Condominium Bylaws, which cost shall not exceed the charge made by public utility companies for similar services. The Owners shall not contract directly for Utilities with any of the utility companies unless required to do so by law.

EXECUTED this 10th day of April, 1981.

RICHARDSON MEDICAL CENTER ASSOCIATES, LTD.

By: Woodhill Joint Venture

Tradition Classic

The Fort Worth National Bank, the owner and holder of a promissory note dated May 31, 1979 in the original principal sum of \$3,500,000 secured by a deed of trust from Richardson Medical Center Associates, Ltd. to Royce L. Lee _____, Trustee, covering the property described in the foregoing Declaration and recorded in the Deed of Trust Records of Dallas County, Texas,

does hereby join in the execution of this Declaration solely for the purposes of subordinating the lien of such deed of trust to the foregoing Declaration in the same manner as if such Declaration had been executed and recorded prior to the recording of such deed of trust.

DATED this 10th day of April, 1981.

THE FORT WORTH NATIONAL BANK

Its Vice-President

THE STATE OF TEXAS

COUNTY OF DALLAS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared EDDIE CLARK, 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, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 1540 day of April, 1981.

Name 📈

NOTARY PUBLIC in and for Dallas

County, Texas

Commission Expires:

THE STATE OF TEXAS S
COUNTY OF TARRANT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Royce L, Lee,

Vice-President , known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said THE FORT WORTH NATIONAL BANK, a national banking association, and that he executed the same as the act of such national banking association for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of April, 1981.

Name Sulla Hamilton NOTARY PUBLIC in and for Tarrant

County, Texas

SANDRA HAMILTON, Notary Public State of Texas

My Commission Expires:

February 8, 1981

Vist 1 And

EXHIBIT "A"

PROPERTY DESCRIPTION

Situated in the County of Dallas, State of Texas, to-wit:

Being a tract of land out of the william Hughes Survey, Abstract No. 573, and in the City of Richardson, Dallas County, Texas, said tract being more particularly described as follows:

Commencing at a point for corner in the South right-of-way line of Campbell Road (140 feet wide) at its intersection with the West right-of-way line of Collins Boulevard (100 feet wide); thence South 0° 06' 07" West, along the said West line of Collins Boulevard a distance of 540 feet to a point for corner; thence South 89° 53' 53" East a distance of 286.30 feet to the beginning of a curve to the left; thence along said curve having a central angle of 35° 03' 37" with a radius of 398.45 feet and an arc length of 243.82 feet; thence South 55° 02' 30" West 6.85 feet to the POINT OF BEGINNING;

THENCE South 28° 26' 50" East a distance of 618.30 feet to a point for corner;

THENCE South 51° 59' West a distance of 370.90 feet to a point for corner;

THENCE North 380 01' West a distance of 560.00 feet to a point;

THENCE North a distance of 91.38 feet to a point on the Southern right-of-way of Municipal Drive;

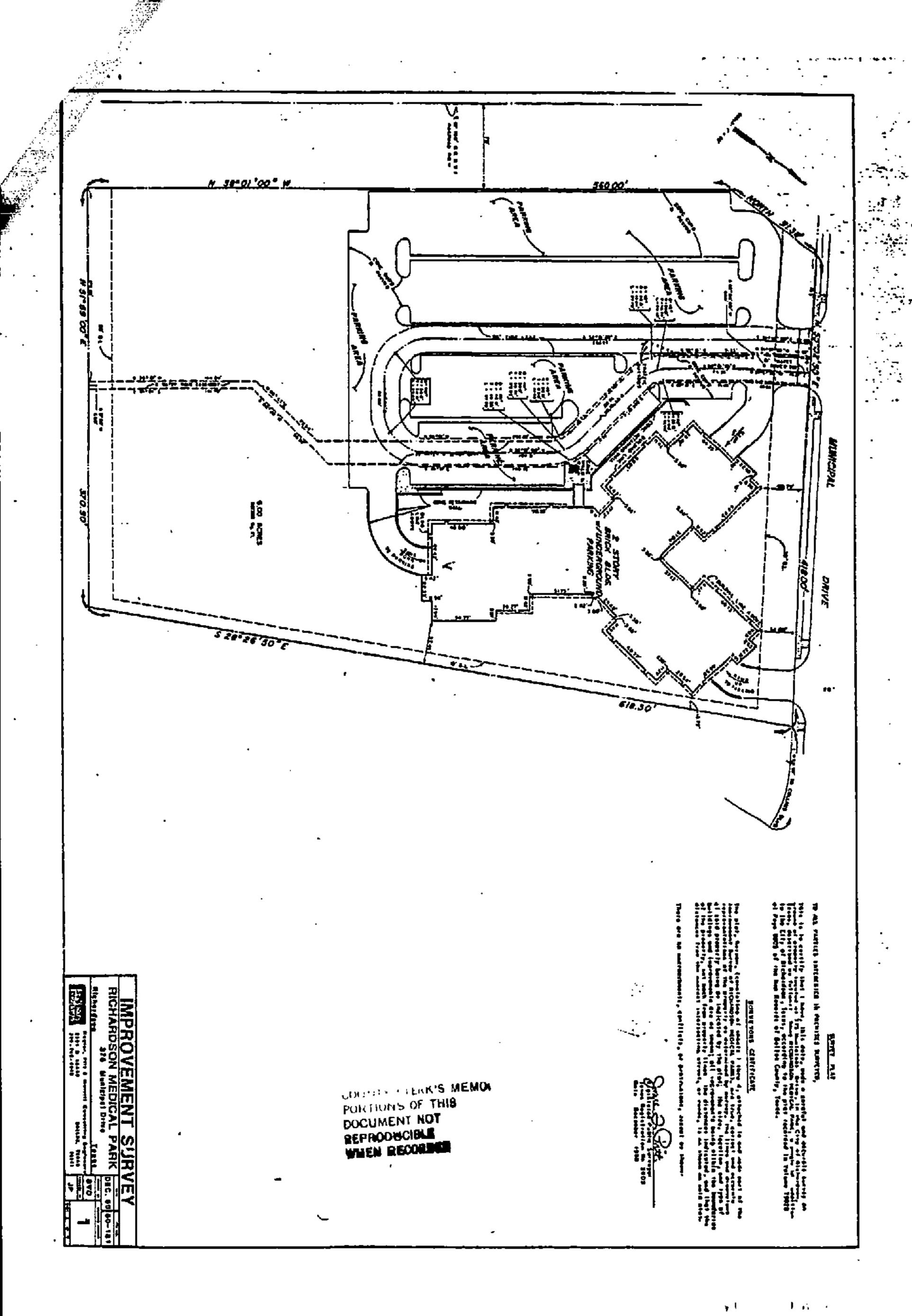
THENCE North 550 02' 30" East, a distance of 418 feet to the POINT OF BEGINNING;

and being the same real property described in Ground Lease dated as of May 31, 1979, by and between Richardson Land Associates, Ltd., Landlord, and Richardson Medical Center Associates, Ltd., Tenant, filed May 31, 1979, and recorded in Volume 79108, Page 0022, Deed Records of Dallas County, Texas; said Lease refiled June 27, 1979, and recorded in Volume 79126, Page 3273, Deed Records of Dallas County, Texas; and being subject to the terms and conditions of said Lease.

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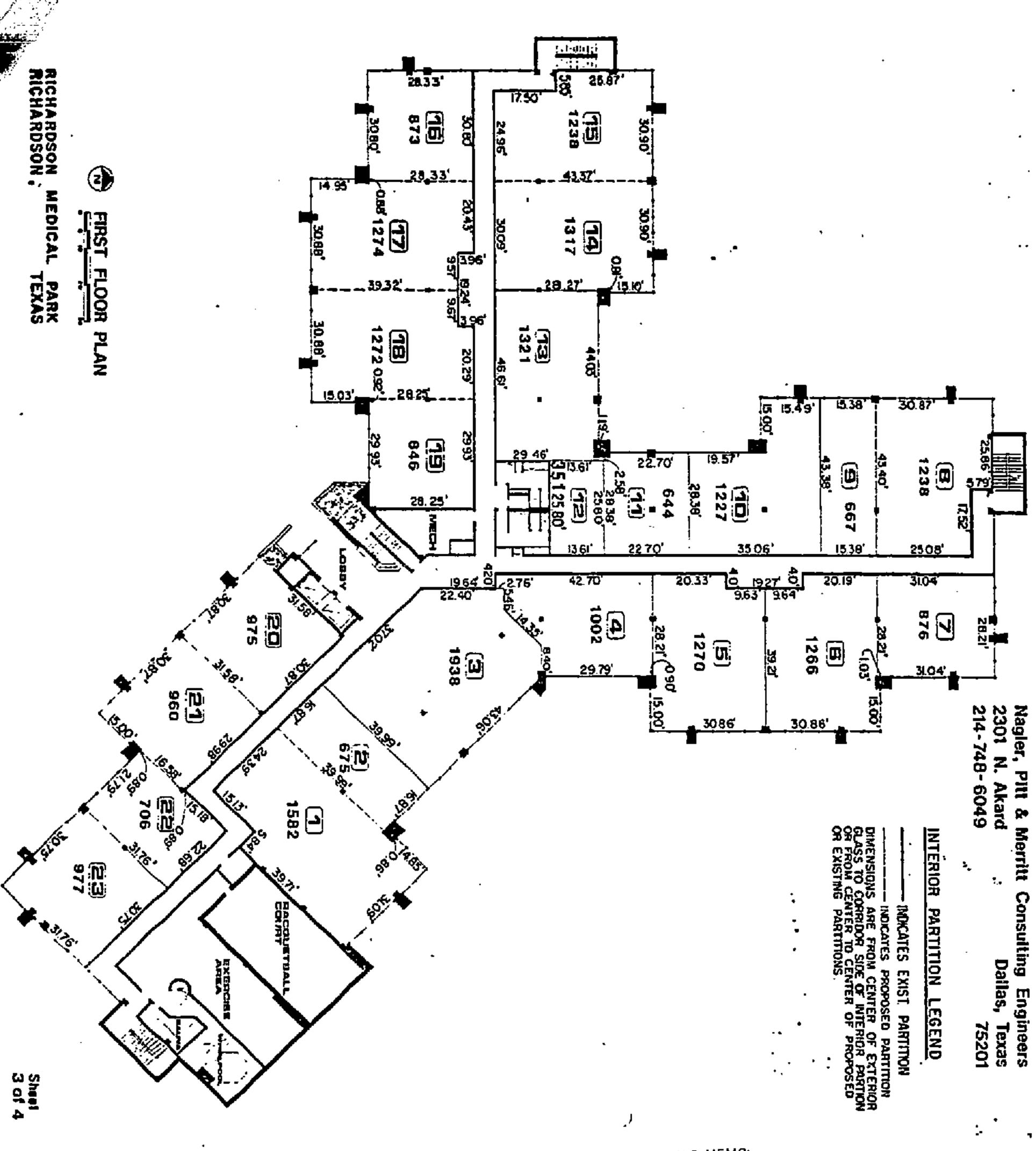
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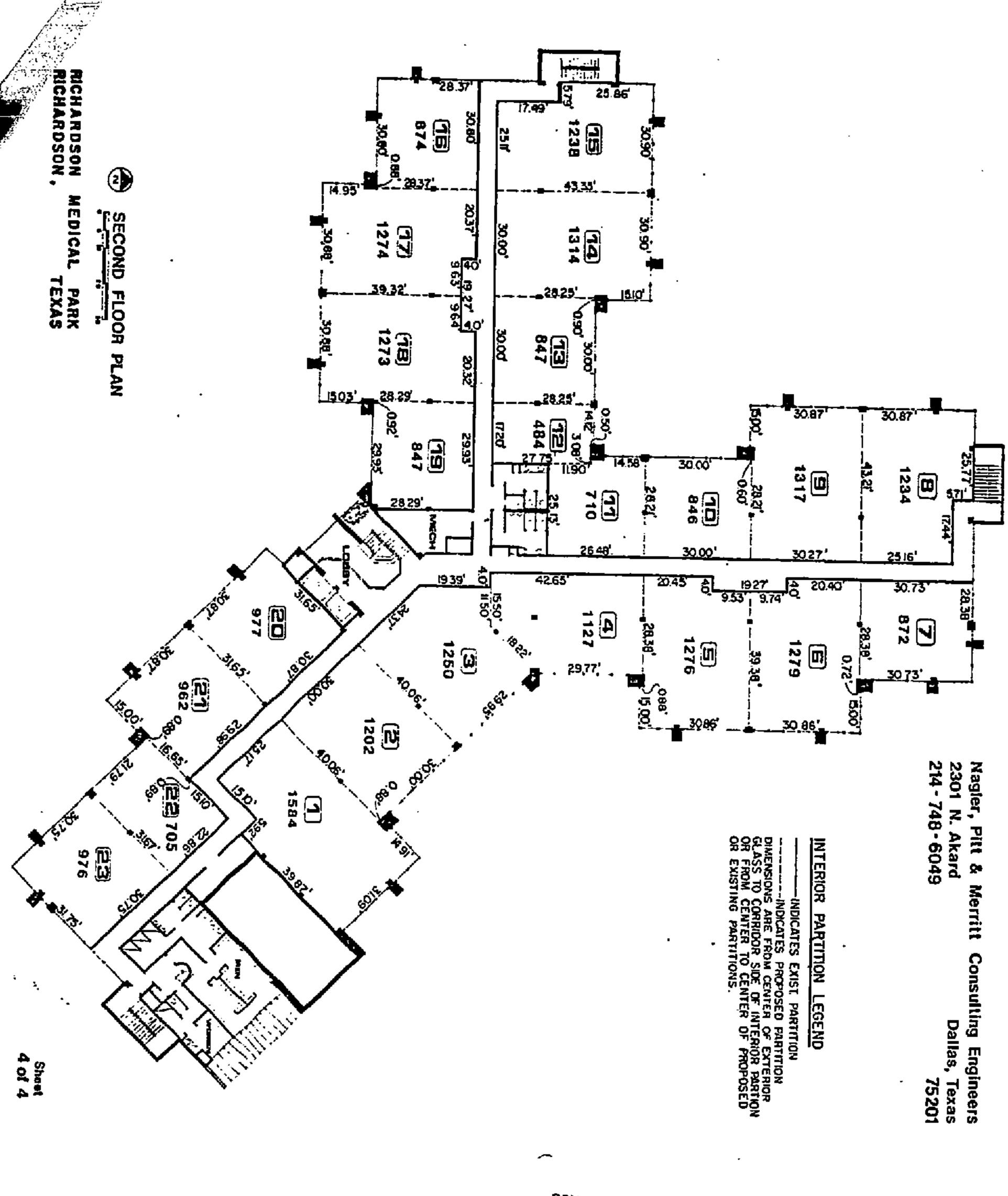
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TO

RICHARDSON MEDICAL CENTER CONDOMNIUM DECLARATION

CONDOMINIUM BYLAWS

OF

RICHARDSON MEDICAL CENTER

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CONDOMINIUM BYLAWS

OF

RICHARDSON MEDICAL CENTER

ARTICLE 1

DEFINITIONS

The words defined in the Condominium Declaration for Richardson Medical Center shall have the same meaning in these Condominium Bylaws.

ARTICLE 2

ASSOCIATION

- 2.01 Administration. Richardson Medical Center, a Condominium Project located in Dallas County, Texas, shall be administered by a Council of Co-Owners as defined in the Act, which shall be a Texas nonprofit corporation organized under the name of "Richardson Medical Center Condominium Association," or such other name as the Declarant may designate (hereinafter called the "Association"). The Association shall be responsible for the management, maintenance, operation, and administration of the Condominium Project and the Common Elements in accordance with the Act, the Ground Lease, the Declaration, these Condominium Bylaws, the Articles of Incorporation, corporate bylaws, and duly adopted rules and regulations of the Association. Owners and all persons using, entering upon, or acquiring any interest in any Units or the Common Elements shall be subject to the provisions of such documents.
- 2.02 Independent Management. The Association may provide for independent management of the Condominium Project.
- 2.03 Membership; Voting. Membership in the Association and voting by members of the Association shall be in accordance with the following provisions:
- (a) Each Owner shall be a member of the Association, and no other person or entity shall be entitled to membership. No Owner shall be required to pay any consideration whatsoever solely for his membership in the Association.
- (b) The share of an Owner in the assets of the Association cannot be assigned, pledged, or transferred in any manner except as an appurtenance to his Unit.
- (c) Each Owner shall be entitled to a vote, the value of which shall equal the total of the percentage of ownership allocated to the Units owned by such Owner as set forth in the Declaration.
- (d) No Owner, other than the Declarant, shall be entitled to vote at any meeting of the Association until he has presented evidence of ownership of a Unit in the Condominium Project to the Association. The vote of each Owner may only be cast by such Owner or by a proxy given by such Owner to his duly authorized representative. If title to a Unit shall be in the name of two or more persons as Owners (hereinafter called "Joint Owners"), any one of such Joint Owners may vote as the Owner of the Unit at any meeting of the Association, and such vote shall

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be binding on such other Joint Owners who are not present at such meeting until written notice to the contrary has been received by the Association, in which case the unanimous action of all such Joint Owners (in person or by proxy) shall be required to cast their vote as Owner. If two or more of such Joint Owners are present at any meeting of the Association then unanimous action shall also be required to cast their vote as Owner.

- (e) There shall be an annual meeting of the members of the Association, and other meetings may be provided for in the Corporate Bylaws of the Association (hereinafter called the "Corporate Bylaws"). Notice of the time, place, and subject matter of all meetings, as provided in the Corporate Bylaws, shall be given to each Owner by mailing the same to such Owner or to the individual representative designated by such Owner at the address given by such Owner to the Association. If any Owner shall fail to give an address to the Association for the mailing of notices, all notices shall be sent to the Unit of such Owner, and such Owner shall be deemed to have been given notice of any such meeting irrespective of actual receipt thereof.
- (f) Except as otherwise provided by statute or these Condominium Bylaws, the presence in person or by proxy of more than 50% of the percentage of ownership of the Owners qualified to vote shall constitute a quorum for holding any meeting of the members of the Association. If, however, such quorum shall not be present or represented at any meeting of the Owners, the Owners present, in person or by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted at the meeting as originally notified.
- (g) At any meeting of the members of the Association, votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association at or before the appointed time of each meeting of the members of the Association.
- (h) When a quorum is present at any meeting of the Association, the vote of more than 50% of the percentage of ownership of those Owners qualified to vote and present, in person or by proxy, at such meeting shall decide any question brought before such meeting, unless the question is one upon which a different vote is required by express provision of the statutes or these Condominium Bylaws, in which case such express provision shall govern. The Owners present in person or by proxy at a duly organized meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough Owners to leave less than a quorum.
- (i) At all meetings of the Owners, cumulative voting shall not be permitted.
- 2.04 Books of Account. The Association shall keep detailed books of account showing all expenditures and receipts of the administration of the Condominium Project which shall specify the expenses of maintenance and repair of the Common Elements and any other expenses incurred by or on behalf of the Association and the Owners. Such books shall be open for inspection by the Owners during reasonable working hours on weekdays and shall be audited annually by qualified auditors. The cost of such audit shall be an expense of administration of the Condominium Project.
- 2.05 Association Expenses and Receipts. All expenses paid and incurred by the Association and all money and other property

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received by the Association shall be so paid, incurred, and received by the Association on behalf of the Owners, and are herein called "Association Expenses" and "Association Receipts." Association Expenses shall include, but not be limited to, the cost of purchase of utilities for the entire Condominium Project and the costs incurred in the satisfaction of any liability arising in connection with the maintenance, operation, or use of the Condominium Project.

- 2.06 Qualification of Board Members. Each Director of the Association other than the initial Directors designated in the Articles of Incorporation of the Association and any replacement Directors selected by the Declarant prior to the first meeting of the Association must be a member of the Association or an officer or director of a corporate member or of a professional association member or a partner of a partnership member.
- 2.07 First Meeting of Members. The first meeting of the members of the Association shall be held within ninety (90) days after conveyance by the Declarant of more than 75% in percentage ownership of the Units in Phase I of the Condominium Project. Until the first meeting of members, the affairs of the Association shall be managed by the first Board of Directors named in the Articles of Incorporation of the Association, or their replacements.

ARTICLE 3

ASSESSMENTS

3.01 Association Assessments. The Association shall be assessed as the person or entity in possession of any tangible personal property of the Condominium Project owned or possessed in common by the Owners, and personal property taxes based thereon shall be treated as Association Expenses.

3.02 Annual and Special Assessments.

- (a) The Directors shall establish in advance for each fiscal year of the Association an annual budget of all Association Expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the Condominium Project, including a reasonable allowance for contingencies and reserves. The assessment of each Owner for his pro rata share of the Association Expenses for such year shall be established by the adoption of such annual budget by the Directors. Copies of such budget shall be delivered to each Owner, although the delivery of a copy of the budget to each Owner shall not affect the liability of any Owner for any existing or future assessments. Should the Directors at any time determine, in their sole discretion, that the assessments levied are insufficient to pay such expenses in any fiscal year, the Directors may at any time and from time to time levy such additional assessments as they shall deem necessary for such purpose.
- (b) Special assessments, other than those described in (a) above, may be made by the Directors at any time and from time to time to meet other requirements of the Association and the Condominium Project, including, but not limited to, capital improvements and the purchase or lease of a Unit pursuant to paragraph 7.09 hereof; provided, however, that any such special assessment shall not be levied without the proper approval of at least seventy-five (75%) of the percentage of ownership of all of the Owners.
- 3.03 Allocation of Assessments. All assessments levied against the Owners to cover Association Expenses shall be

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apportioned among and paid by the Owners in accordance with the percentage of ownership allocated to each Unit in the Declaration. Assessments shall be due and payable monthly on such day of the month as the Directors shall determine, commencing with delivery of a deed to a Unit. The payment of an assessment shall be in default if such assessment, or any part thereof, is not paid to the Association in full on or before the due date for such payment, and shall bear interest at the rate of ten per cent (10%) per annum commencing ten days after the due date thereof until paid in full. Each Owner (whether one or more persons, including all of the shareholders of any corporation and all of the members of any professional association) shall be and remain personally liable for the payment of all assessments which may be levied against such Owner by the Association in accordance with these Condominium Bylaws, and any unpaid assessments with accrued interest thereon owed with respect to a Unit shall be collected out of the sales proceeds of such Unit in accordance with Section 18 of the Act.

- 3.04 Rent, Taxes, and Insurance Premiums. Each Owner shall pay to the Association, together with and as part of his assessment, such Owner's portion of the rent payable under the Ground Lease, ad valorem taxes on the Condominium Project and the premiums on all insurance policies carried by the Association, for repayment to the persons entitled thereto.
- 3.05 Collection of Assessments. The Association may, in addition to its rights under Section 18 of the Act, enforce collection of delinquent assessments by suit at law for a money judgment, and the expenses incurred in collecting unpaid assessments including interest, costs, and attorneys' fees shall be chargeable to the Owner in default. Assessments in default shall constitute a lien upon the Unit of the Owner in default upon the filing of an affidavit stating the amount thereof and describing the Unit in the Contract or Mechanics' Lien Records of Dallas County, Texas, and such lien may be enforced by judicial foreclosure. Such lien shall be subordinate to any deed of trust or mortgage lien on the Unit. The Association may also discontinue the furnishing of any Utilities or other services to an Owner in default of his obligations to the Association or other Owners as set forth herein upon thirty (30) days' written notice to such Owner and to any mortgagee of such Owner's Unit of its intent to do so. An Owner in default of his obligations to the Association or other Owners as set forth herein shall not be entitled to vote at any meeting of the Association so long as such default is in existence.
- 3.06 No Exemption. No Owner may exempt himself from liability for his contribution toward the expenses of the Association and the Condominium Project by waiver of the use or enjoyment of any of the Common Elements, or by the abandonment of his Unit, or by a sale of his Unit which is not made in accordance with paragraph 7.09 of these Condominium Bylaws. In the event of a sale of his Unit in accordance with paragraph 7.09 of these Condominium Bylaws, the former Owner of such Unit shall be relieved from liability for his contribution toward the expenses of the Association and the Condominium Project accruing and becoming payable from and after the date of closing such sale.

ARTICLE 4

OWNER ACTION

Without limiting the other legal rights of any Owner or the Association, legal action may be brought by the Association in its sole discretion on behalf of two (2) or more Owners as their

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respective interests may appear with respect to any cause of action relating to the Common Elements or more than one (1) Unit.

ARTICLE 5

INSURANCE

The Association shall carry a master policy of fire and extended coverage, vandalism and malicious mischief, and liability insurance, workmen's compensation insurance, and such other insurance as the Directors may determine (hereinafter referred to as the "Master Policy"), with respect to the Condominium Project and the Association's administration thereof in accordance with the following provisions:

- (a) The Master Policy shall be purchased by the Association for the benefit of the Association, the Owners and their mortgagees as their interests may appear (subject to the provisions of the Ground Lease, these Condominium Bylaws, the Declaration, and the Act), and provision shall be made for the issuance of appropriate mortgagee endorsements to the mortgagees of the Owners. The Owners shall obtain insurance coverage at their own expense upon their personal property and, in addition, shall obtain comprehensive personal liability insurance covering liability for damage to person or property of others located within such Owner's Unit or in another Unit or upon the Common Elements resulting from the negligence of the insured Owner in such amounts as shall from time to time be determined by the Directors, but in no case less than \$100,000 for each occurrence. All property and liability insurance carried by an Owner or the Association shall contain waivers of subrogation and waivers of any defense based upon coinsurance or invalidity arising from any acts of the insured, and shall provide that such policies may not be cancelled or substantially modified without thirty (30) days' prior written notice thereof to each of the insureds, including all mortgagees of Units and the landlord under the Ground Lease.
- (b) Improvements, personal property, and other Common Elements of the Condominium Project shall be insured against fire and other perils covered by a standard extended coverage endorsement, in an amount equal to the full replacement cost thereof, on not less than an eighty per cent (80%) coinsurance basis, with waiver of depreciation and waiver of subrogation endorsements. The Association shall use its best efforts to cause the liability insurance carried by the Association to contain appropriate provisions to cover liability of each of the Owners, individually and as a group, to another Owner.
- (c) All premiums upon insurance purchased by the Association pursuant to these Condominium Bylaws shall be included in the Association's budget in accordance with paragraph 3.02(a) hereof, except that the amount of increase of such premiums occasioned by the misuse or abandonment of a Unit or the Common Elements by an Owner shall be assessed against such Owner.
- (d) Proceeds of all insurance policies owned by the Association shall be received by the Association as Association Receipts, held in a separate account and distributed to the Owners and their mortgagees (subject to the provisions of the Ground Lease, these Condominium Bylaws, the Declaration, and the Act) as their interests may appear; provided, however, whenever repair or reconstruction of the Condominium Project shall be required as provided in Article 6 of these Condominium Bylaws, the proceeds of any insurance received by the Association as a result of any loss requiring repair or reconstruction under the Declaration and these Condominium Bylaws shall be applied to such repair or reconstruction.

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(e) Each Owner, by ownership of a Unit, shall be deemed to appoint the Association as his true and lawful attorney-in-fact to act in connection with all matters concerning the maintenance of the Master Policy. Without limiting the generality of the foregoing, the Association as said attorney shall have full power and authority to purchase and maintain such insurance, to collect and remit the premiums therefor, to collect proceeds thereof, and to distribute the same as the Association, the Owners, and their respective mortgagees (subject to the provisions of these Condominium Bylaws, the Declaration, and the Act) as their interests may appear, to execute releases of liability and to execute all documents and to do all things on behalf of such Owner and the Association as shall be necessary or convenient to the accomplishment of the foregoing; and any insurer may deal exclusively with the Association in regard to such matters. The Association shall not be responsible for procurement or maintenance of any insurance covering the contents or the interior of any Unit nor the liability of any Owner for occurences therein not caused by or connected with the Association's operation, maintenance, or use of the Condominium Project.

ARTICLE 6

RECONSTRUCTION OR REPAIR

- 6.01 Vote of Members. If less than two-thirds (2/3) of either Phase I or Phase II of the Condominium Project shall be damaged by fire or any other disaster, then that phase of the Condominium Project shall be rebuilt or repaired. If such damage shall affect more than two-thirds (2/3) of either phase of the the Condominium Project, then reconstruction shall not be compulsory without the unanimous consent of all of the Owners of the affected phase.
- 6.02 Plan for Reconstruction. Any reconstruction or repair of the Condominium Project or any Unit located therein shall be substantially in accordance with the Declaration and the original plans and specifications for the Condominium Project unless the Owners shall unanimously decide otherwise.
- 6.03 Repair of Units. Each Owner shall be responsible for the reconstruction, repair, or replacement of the interior of his Unit, including but not limited to the floor coverings, wall coverings, window shades, draperies, interior walls, furniture, furnishings, decorative light fixtures, and all appliances located therein. Each Owner shall also be responsible for the costs, not otherwise covered by insurance carried by the Association, of any reconstruction, repair, or replacement of any portion of the Condominium Project necessitated by his negligence or misuse or the negligence or misuse by his guests, agents, employees, or contractors. In the event damage to all or any part of the interior of an Owner's Unit is covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of such damage upon receipt of the insurance proceeds or any portion thereof from the Association, subject to the rights of the Association to supervise, approve, or disapprove such reconstruction or repair during the course thereof. In the event damage to all or any part of the interior of an Owner's Unit is not covered by insurance held by the Association for the benefit of such Owner, then such Owner shall begin reconstruction or repair of his Unit within sixty (60) days after the date of such damage, subject to the right of the Association to supervise, approve, or disapprove such reconstruction or repair during the course thereof.
- 6.04 Costs of Repair. As soon as possible after the occurrence of a casualty which causes damage to any part of the Condominium Project for which the Association has insurance coverage.

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(hereinafter referred to as the "Casualty"), the Association shall obtain reliable and detailed cost estimates of the following:

- (a) The cost of restoring all damage caused by the Casualty to the Common Elements (hereinafter referred to as the "Common Element Costs"); and
- (b) The cost of restoring that part of the damage caused by the Casualty to each Unit which is or would be covered by insurance held by the Association without regard to the policy limits of such insurance (hereinafter referred to as the "Unit Costs").
- All insurance proceeds available to the Association with respect to the Casualty shall first be applied to the payment of the actual Common Element Costs and the balance thereof, if any, shall thereafter be applied to the payment of the actual Unit Costs. However, if such insurance proceeds are not sufficient to cover such estimated costs, then an assessment shall be made against the Owners by the Association in the following manner:
- (i) All Owners shall be assessed on the basis of their percentage of ownership in the Condominium Project for the payment of the estimated Common Element Costs not otherwise paid for by insurance held by the Association.
- (ii) Each Owner of a damaged Unit shall be assessed an amount equal to the difference between his estimated Unit Costs and a sum calculated by multiplying the amount, if any, of the remaining insurance proceeds held by the Association with respect to the Casualty by a fraction, the numerator of which is his estimated Unit Costs and the denominator of which is the total of all of the estimated Unit Costs.
- 6.05 Eminent Domain. In the event of any taking of any Unit in the Condominium Project by eminent domain, subject to the provisions of the Ground Lease, the Owner and his mortgagee of such Unit shall be entitled to receive the award for such taking, and after acceptance thereof he and his mortgagee shall be divested of all interest in the Condominium Project if such Owner shall vacate his Unit by virtue of such taking. If any repair or rebuilding of the remaining portions of the Condominium Project is required as a result of such taking, a majority in percentage of ownership of the remaining Owners shall determine by vote or written consent whether to rebuild or repair the Condominium Project or to take such other action as such remaining Owners deem appropriate. If no repair or rebuilding shall be required or shall be undertaken, the remaining portion of the Condominium Project shall be resurveyed and the Declaration and Exhibit A thereto shall be amended as provided in paragraph 6 e of the Declaration to reflect such taking and to proportionately readjust the percentages of ownership of the remaining Owners based upon a continuing total ownership of the Condominium Project of one hundred per cent (100%).

ARTICLE 7

RESTRICTIONS

7.01 Modifications. No Owner shall make structural alterations or modifications to his Unit or to any of the Common Elements, including, but not limited to, the erection of antennas, aerials, awnings, the placement of any reflective or other material in the windows of the Unit, or other exterior attachments without the

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written approval of the Association. The Association shall not approve any alterations, decorations, or modifications which would jeopardize or impair the soundness, safety, or appearance of the Condominium Project.

- 7.02 Lease of Units. An Owner may lease his Unit for the same purposes set forth in paragraph 6 b of the Declaration, provided that such lease transaction is in accordance with the provisions of paragraph 7.09 hereof.
- 7.03 Improper Activities. No immoral, improper, unlawful, or offensive activity shall be carried on in any Unit or upon the Common Elements, nor shall anything be done which may be or become an annoyance or a nuisance to the Owners. No Owner shall do or permit anything to be done or keep or permit to be kept in his Unit or on the Common Elements anything that will increase the rate of insurance on the Condominium Project.
- 7.04 <u>Signs</u>. No signs or other advertising devices shall be displayed which are visible from the exterior of any Unit or on the Common Elements, including "For Sale" signs, except in conformity with rules and regulations promulgated by the Directors, provided, however, that the tenants or Owners of the commercial space designated on the Plat may have signs on their windows and doors within such limitations on size and type as the Declarant may personally determine, but not on the exterior walls of the Improvements, and provided, further, that no tenant or Owner of the commercial space can be excluded from any building directory unless prohibited by law or ordinance.
- 7.05 Use of Common Elements. The Common Elements shall not be used for storage of supplies, personal property, or trash or refuse of any kind except common trash receptacles placed at the discretion of the Directors, nor shall the Common Elements be used in any way for the drying, shaking, or airing of clothing or other fabrics. Stairs, entrances, sidewalks, yards, driveways, and parking areas shall not be obstructed in any way nor shall unauthorized persons use them for other than their intended purposes. In general, no activities shall be carried on nor condition maintained by any Owner either in his Unit or upon the Common Elements which despoils the appearance of the Condominium Project.
- 7.06 Maintenance of Unit. Each Owner shall maintain his Unit in clean, safe, and sanitary condition. Each Owner shall also use due care to avoid damaging any of the Common Elements or any other Unit, and each Owner shall be responsible for his negligence or misuse of any of the Common Elements or of his own facilities resulting in damage to the Common Elements or any other Unit.
- 7.07 Regulations. Rules and regulations concerning the use of the Condominium Project shall be promulgated by the first Board of Directors of the Association prior to the first annual meeting of the Association, and such rules and regulations shall be binding on all members of the Association unless duly amended by a majority in percentage of ownership of all of the Owners.
- 7.08 Access of Agents. The Association or its agents shall have access to each Unit from time to time during reasonable working hours, upon notice to its Owner, as may be necessary for the maintenance, repair, or replacement of any of the Common Elements or other Units. The Association or its agent shall also have access to each Unit at all times without notice as may be necessary to make emergency repairs to prevent damages to the

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Common Elements or to another Unit. If requested by the Association, each Owner shall furnish to the Association a duplicate key to the entrance door to his Unit and shall furnish a new duplicate key upon any change of locks thereto.

- 7.09 Sale or Lease. No Owner may dispose of or lease a Unit or any interest therein by sale, gift, lease, or otherwise, without approval of the Association, which approval shall be obtained in the manner hereinafter provided, except for (i) conveyances by gifts to family members or trusts for their benefit, devise, or inheritance; (ii) conveyance by one Joint Owner of a Unit to one or more other Joint Owners of the same Unit; (iii) upon the dissolution of a corporation or association which is an Owner, the conveyance of the Unit to the shareholders or members thereof as Joint Owners; (iv) upon the formation of a corporation or association by Joint Owners to such corporation or association; or (v) upon the admission of a new partner to a partnership which is an Owner or to a partnership formed by an Owner, the conveyance of an individual interest in the Unit to such new partner or the conveyance of such Unit to such partnership.
- (a) An Owner intending to make a sale or lease of a Unit or any interest therein except as hereinabove permitted shall give written notice to the Association of such intention, together with the name and address of the intended purchaser or lessee, and such other information as the Association may reasonably require in connection with such transaction. Such Owner shall, by such notice, also furnish the Association with the terms and conditions of the proposed sale or lease. The giving of such notice shall constitute a warranty and representation by such Owner to the Association and to any purchaser or lessee produced by said Association, as hereinafter provided, that such Owner believes the proposal to be bona fide in all respects. No proposed transaction shall be deemed bona fide which is not evidenced by a written contract of sale or lease, subject to the approval and right of first refusal contained herein, executed by the selling or leasing Owner and the proposed purchaser or lessee and containing all the terms of the sale or lease proposed to be made.
- (b) Within thirty (30) days after receipt of the notice described in (a) above, the Association shall either approve the transaction or furnish a purchaser or lessee satisfactory to it, which purchaser or lessee may be the Association or one or more of its members, and such purchaser or lessee shall execute a contract of sale or lease in accordance with the terms of the notice described in (a) above within thirty (30) days after the selling or leasing Owner is given notice by the Association that such purchaser or lessee is being furnished by the Association. Failure of the Association to either approve such sale or lease or furnish an appropriate substitute purchaser or lessee within such thirty (30) day period for any reason whatsoever shall be deemed to constitute an approval of such sale or lease, following which the Association shall, nevertheless, prepare and deliver written approval in recordable form if requested by such selling or leasing Owner.
- (c) The Declarant shall not be subject to this paragraph 7.09 in the first sale of or any lease of any Unit owned by the Declarant.
- 7.10 Limitation During Sales Period. None of the restrictions contained in this Article 7 shall apply to the commercial activities, signs, or billboards, if any, of the Declarant during the sales period of the Condominium Project or to the activities of the Association in furtherance of its powers and purposes set

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forth herein and in its Articles of Incorporation and Corporate Bylaws as the same may be amended from time to time.

ARTICLE 8

MORTGAGES

- 8.01 Notification of Association. Any Owner who mortgages his Unit shall notify the Association of the name and address of the mortgagee, and the Association shall maintain such information in a book entitled "Mortgages of Units." The Association shall report to such mortgagee any unpaid assessments due from the Owner of such Unit at the same time as the Association makes demand on the Owner of the Unit for payment of such assessment.
- 8.02 Notification of Mortgagees. The Association shall notify each mortgagee appearing in the book described in paragraph 8.01 herein of the name of each company insuring the Condominium Project under the Master Policy and the amounts of the coverages thereunder.

ARTICLE 9

COMPLIANCE

- 9.01 Acceptance of Governing Rules. The Association, all present or future Owners, tenants or future tenants, or any other persons using the facilities of the Condominium Project are subject to and shall comply with the Act, the Ground Lease, the Declaration, the Condominium Bylaws, the Articles of Incorporation, the Corporate Bylaws, and the rules and regulations of the Association; and the acquisition, occupancy, or rental of a Unit shall signify that all such documents are accepted and ratified. In the event of a conflict in any of the provisions of any of such documents, the documents shall govern or control in the following order or preference: (1) the Ground Lease, (2) the Act, (3) the Declaration, (4) the Condominium Bylaws, (5) the Articles of Incorporation of the Association, (6) the Corporate Bylaws of the Association, and (7) the rules and regulations of the Association.
- 9.02 Amendment of Condominium Bylaws. These Condominium Bylaws may be amended from time to time at a meeting of the members of the Association called for such purpose upon the affirmative vote of 75% of the percentage of ownership of the Owners with the consent of the mortgagees, if any, of such Units.

ARTICLE 10

ADDITIONS AND ALTERATIONS BY THE ASSOCIATION

Whenever in the judgment of the Directors the Common Elements shall require additions, alterations, or improvements costing more than Ten Thousand Dollars (\$10,000.00) which are not to be made at the expense of any individual Owner for the Owner's own benefit, and the making of such additions, alterations, or improvements shall have been approved at an annual or special meeting of the Association and by the mortgagees holding mortgages or deeds of trust constituting first liens upon not less than two-thirds (2/3) of the percentage of ownership of the completed Units, the Directors shall proceed to cause such additions, alterations, or improvements to be made and shall assess all Owners for the cost thereof as a special assessment. Any additions, alterations, or improvements costing Ten Thousand Dollars (\$10,000.00) or less may be made by the Directors without further approval of the Owners or any mortgagees of the Units and the cost thereof may be

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assessed against the Owners as a special assessment, provided, however, that no more than Twenty Thousand Dollars (\$20,000.00) shall be expended for any such purposes in any one year without approval by two-thirds (2/3) of the percentage of ownership of the Owners at a meeting of the Assocation.

ARTICLE 11

DEFAULT

- 11.01 <u>Definition</u>. Failure by any Owner to comply with any of the terms of the Declaration, these Condominium Bylaws, the Articles of Incorporation or Corporate Bylaws, or duly adopted rules and regulations of the Association shall constitute an event of default by such Owner and shall be grounds for relief, which may include without intending to limit the same an action to recover sums due for damages and injunctive relief, or any combination thereof.
- 11.02 Costs. In any proceeding arising because of any alleged default by any Owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and reasonable attorneys' fees from such Owner.
- 11.03 No Waiver. The failure of the Association or of any Owner to enforce any right, provision, covenant, or condition which may be granted by the Declaration, these Condominium Bylaws, the Articles of Incorporation, Corporate Bylaws, or duly adopted rules and regulations of the Association shall not constitute a waiver of the right of the Association or of any such Owner to enforce such right, provision, covenant, or condition in the future.
- 11.04 Rights Cumulative. All rights, remedies, and privileges granted to the Association or any Owner pursuant to any provisions of the Declaration, these Condominium Bylaws, the Articles of Incorporation, Corporate Bylaws, or duly adopted rules and regulations of the Association, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other additional rights, remedies, or privileges as may be available to such party at law or in equity.

ARTICLE 12

SEVERABILITY

In the event that any of the terms, provisions, or covenants of these Condominium Bylaws are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions, or covenants hereof or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

ARTICLE 13

TABLE OF CONTENTS; HEADINGS

The table of contents and headings used in these Condominium Bylaws have been inserted for convenience only and do not constitute matter to be construed in interpretation.

AT TVE

RICHARDSON MEDICAL PARK (PHASE I PERCENTAGE INTERESTS)

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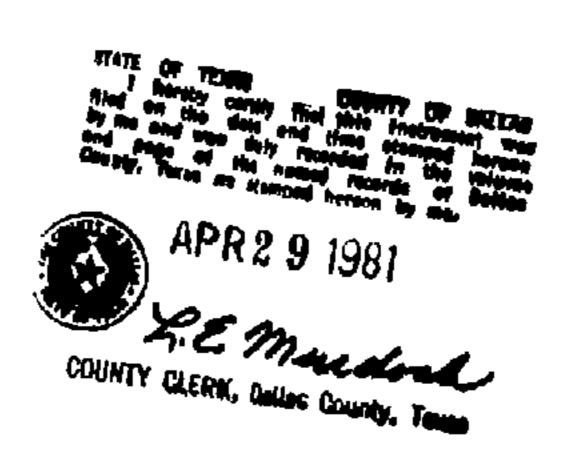
RICHARDSON MEDICAL PARK (PHASE I PERCENTAGE INTERESTS UPON SALE OF A PHASE II UNIT)

Floor	Unit No.	Square Footage	% of Ownership
1	1	1582	1.9060
1	2	. 675 [°]	-8132
Ţ	3	1938	2.3 349
Ţ	4	1002	1.2072
Ţ.	5	1270	1.5301
ļ.	6	1266	1.5253
1	<u>′</u>	876	1.0554
Ţ	8	1238	1.4915
1	9	667	·8036
1	10	1227	1.4783
1	11	644	-7759
<u>†</u>	12 13	351	.4229
†	~ ¥	1321	1.5915
1	14 15	1317	1.5867
1	15 16	1238	1.4915
i	1 7	873 ·	1.0518
i	18	1274	1.5349
วั	19	1272 846	1.5325
Î	20	975	1.0193
ī	21	960	1.1748
ī	22	706	1.1 566 . .8 506
ī	23	977	1.1771
$\bar{2}$.	1	1584	1.9084
$\bar{2}$		1202	1.4482
$\bar{2}$	3	1250	1.5060
<u> 2</u>	ă.	1127	1.3578
2	5	1276	1.5373
2	6	1279	1.5409
2	7	872	1.0506
2	8	1234	1.4867
2	9	1317	1.5867
2	10	846	1.0193
2	11	710	.8554
2	1.2	484	.5831
2	13	847	1.0205
2	14	1314	1.5831
2	15	1238	1.4915
2	16	874	1.0530
2	. 17	1274	1.5350
2	18	1273	1.5337
2	19	847	1.0205
2	20	977 .	1.1771
2	21	962 305	• 1.1590
2 2	2 2	705 076	.8494
L	2 3	<u>976</u>	1.1760
PHASE I		48,963	58.9 908
PHASE II		<u>34,038</u>	41.0092
Total		83,001	100.0000
		=======	

EXHIBIT E

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