

EXHIBIT "E"

BY-LAWS OF ASSOCIATION OF OWNERS

OF

WOODRIDGE

PREAMBLE

WOODRIDGE PROPERTIES, Inc., the "Developer" named in the attached and foregoing Declaration of Condominium Regime and hereinafter called "Developer", being the sole owner of the project property submitted to the provisions of the Condominium Act of the State of Texas (hereinafter called the "Act") for establishment of a condominium apartment project or regime, to be known as "WOODRIDGE", as more particularly defined, described and provided for in said attached Declaration of Condominium Regime (hereinafter called the "Declaration"), does hereby adopt the following By-Laws which shall govern administration of such condominium regime as provided for in compliance with said act.

All present or future owners, tenants, future tenants, or their employees, or any other person who might use the facilities of this Condominium Project, in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the family units of the project or the mere act of occupancy of any of said apartment will signify and constitute a ratification and acceptance of these By-Laws by any such owner or person.

ARTICLE ONE - NAME

This condominium apartment project and the condominium regime established under the foregoing and attached Declaration, shall be known as the "WOODRIDGE".

ARTICLE TWO - VOTING MAJORITY OF OWNERS, QUORUM, PROXIES

1. Voting. Voting shall be on a percentage basis, and the percentage vote to which each Owner is entitled is the percentage assigned to the apartment unit as set forth in the Declaration of Condominium Regime of WOODRIDGE (hereinafter called the Declaration) as recorded in the records of the County Clerk of Dallas County, Texas. (The total percentage of all apartment units as a whole shall equal 100%). There shall be one Voting Owner for each apartment ownership. The Voting Owner shall be designated by (a) the record Owner with the power of management over such property as may be determined according to the community and separate property laws of the State of Texas for each apartment, or (b) by written instrument signed by each Owner of an interest in an apartment unit, or their legal representatives; and such designation shall be by written notice to the Secretary of the Association (or, prior to the first annual meeting of the Owners, to the Developer). Said designation of a person as a Voting Owner shall be revocable at any time by actual notice to the council (or, if prior to first annual meeting of the Owners, to the Developer). In the event of legal disability, incompetence or death of an apartment unit owner, the power herein conferred to designate the Voting Owner of an apartment unit, and to revoke said designation, may be exercised by the apartment unit Owner's successors or representatives in whom

the power or management of such Owner's property may legally reside. In any such event, if no Voting Owner of an apartment unit has been designated or said designation has been revoked as herein provided, no vote may be cast in behalf of such apartment unit ownership until a Voting Owner has been designated as provided for herein. Developer or any Owner owning more than one apartment unit shall be entitled to cast such proportionate vote for each apartment unit owned.

2. Majority of Owners. As used in these By-Laws, the term "majority of Owners" shall mean those Owners holding in excess of fifty percent of the votes in accordance with the percentages hereinabove assigned.

3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Owners whose interests collectively exceed fifty percent (50%) shall constitute a quorum;

4. 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 THREE - ADMINISTRATION

1. Association Responsibilities: The Owners of the apartment units shall constitute the Association of Owners (herein referred to as "Association"), who shall have the responsibility of administering the project, approving the annual budget, establishing and collecting monthly assessments referred to herein. Except as otherwise provided, decisions and resolutions of the Association shall require approval of the Owners whose collective voting interests exceed fifty percent (50%).

2. Place of Meetings. Meetings of the Association shall be held at the principal office of the project or such

other suitable place convenient to the Owners, as may be designated by the Council of Owners (herein sometimes called "Council").

3. Annual Meetings. The first annual meeting of the Association shall be held as designated in Article Six 'E' of the DECLARATION. Thereafter, the annual meetings of the Association shall be held on the first day in July. At such meetings there shall be elected by ballot of the Owners a Council of Owners in accordance with the requirements of paragraph "3. Election and Term of Office" of Article Four of these By-Laws. The Owners shall also transact such other business of the Association as may properly come before them. The newly elected Council shall appoint one of its members as chairman to serve as such as long as such Chairman is a member of the Council.

4. Special Meetings. It shall be the duty of the Chairman to call a special meeting of the Owners as directed by Resolution of the Council or upon a petition signed by Owners whose voting interests collectively exceed fifty percent (50%) and having been 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 Owners whose collective voting interests equal or exceed seventy-five percent (75%), such consent may be given either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to mail or deliver a notice of each Annual or Special Meeting stating the purpose thereof as well as the time

and place where it is to be held, to each Owner of record, at his respective apartment or such other address as the Owner of record shall specify to the Secretary at least five (5) but not more than ten (10) days prior to such meeting. The mailing of a notice in the manner provided in this Section shall be considered notice served.

6. Adjourned Meetings. 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 to a time not less than forty-eight (48) hours from the time the original meeting was called, and may continue to so adjourn such meeting until a quorum is obtained.

7. Order of Business. The order of the business at the annual 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) Report of Officers..
- (e) Report of Committees.
- (f) Election of inspectors of election.
- (g) Election of Council Members.
- (h) Unfinished business.
- (i) New business.

ARTICLE FOUR - COUNCIL OF OWNERS

1. Number of Qualifications. Affairs of the Association shall be governed by a Council of Owners composed of three (3) persons, all of whom must be Owners of apartments in the project, to serve without compensation.

2. Powers and Duties. The Council shall have the powers and duties necessary for the administration of the affairs of the Association, and may do all acts and things that are not by law or these By-Laws directed to be done and exercised by the owners, and including, without limitation on the foregoing by reason of specification, the following:

- (1) The care, upkeep and surveillance of the project and common areas and facilities; the collection of monthly assessments from the Owners; the designation and dismissal of personnel necessary for maintenance and operation of the project, the common areas and facilities.
- (2) To obtain and pay for out of the maintenance fund for the benefit of all apartment unit ownerships and all apartment unit Owners:
 - (a) Water service for the common areas and all apartments and gardening service for the common areas;
 - (b) Gas or electricity for the common areas;
 - (c) Maintenance of the machinery and equipment appurtenant thereto in good condition and repair and in a safe, healthy, efficient and neat appearing condition;
 - (d) Policies of insurance payable as provided hereinafter for fires, hazard and extended coverage for each apartment unit and the common areas in an amount equal to the full insurable value of each apartment

unit and the full insurable value of the common areas. Such insurance coverage as is called for under the provisions of the By-Laws or Declaration shall be provided for by master or blanket insurance policies in insurance companies approved by the council.

- (e) Insurance to protect against any liability of any owner and of the group of owners to the public or to any other owner, incident to the ownership and use of the common areas, the liability under such insurance to be not less than \$100,000 for any one person injured, \$300,000 for any one accident, and \$100,000 for property damage. Such limits shall be reviewed at intervals not exceeding three (3) years and adjusted if necessary to provide such coverage and protection as is customarily carried by prudent apartment house owners and operators in the City of Dallas, Texas;
- (f) If required by the laws of the State of Texas or any other governmental body or authority having jurisdiction over the property, Workmen's Compensation Insurance with limits as required by law;
- (g) Legal accounting and management service required for the maintenance and operation of the common areas and restricted common areas;
- (h) A fidelity bond naming the council as principal, and the owners as obligees in an amount

equal to (i) for the first year twice the estimated total receipts of the maintenance fund; (ii) for all subsequent years twice the total receipts of the maintenance fund for the preceding year;

- (i) All taxes and assessments that may be levied or assessed against the common areas or any part thereof.
- (j) Painting, maintenance and repair of the common areas and (not including, the interior surfaces of the walls, floors, ceilings and doors of any family unit or the windows thereof, all of which will be repaired by the Owner of the family unit);
- (k) Taxes levied against any family unit which in the opinion of the Association may constitute a lien against any part of the common areas, but the Association shall levy a special assessment against such family unit for the amount thereof to the extent such amount is separately determinable;
- (l) Maintenance and repair of any unit if such maintenance and repair is necessary in the discretion of the Association to protect the common areas or any portion of the building outside said family unit, and the Owners of said family unit have failed or refused to perform such maintenance or repair

- within a reasonable time after written notice of the necessity of such maintenance or repair, delivered by the Association to such Owner or Owners, provided that the Association shall levy a special assessment against such unit ownership for the cost of said maintenance or repair;
- (m) Any other goods, material, supplies, labor, services, painting, maintenance, repair, structural alterations, insurance, taxes or assessments which the Association is authorized to secure or pay for pursuant to the terms of these By-Laws or which are reasonably necessary to the discretion of the Association for the convenient operation of the common areas.
- (n) All costs of enforcing the provisions of these By-Laws or the Declaration, including attorneys' fees and court costs provided that all costs incurred for the enforcement of the provisions of the Declaration against any family unit owner shall be assessed specially against such family unit ownership.
- (3) The Council shall have the exclusive right to contract for all goods and services, payment for which is to be made from the maintenance fund; provided, however, that in no event shall any Owner be liable for more than his proportionate share, any contractual liability of Owners for contracts of or through

Association or Council being several and not joint. Each unit Owner shall have the exclusive right, at his sole cost and expense, to maintain, repair, paint, panel, paper, plaster, tile and furnish the interior surfaces of the ceilings, floors and perimeter walls of the family and the surfaces of the bearing walls included within the family unit. Said Owners and their agents shall have the exclusive right to maintain, repair, paint, finish, alter, substitute, add or remove any fixtures attached to said ceilings, floors or perimeter walls. This paragraph shall not be construed as permitting any interference with or damage to the structural integrity of the building.

- (4) It is expressly agreed that all members of the Council shall not be liable and shall be exonerated from all acts and omissions to act, except willful misconduct.
- (5) In the event that the Association, or Council, shall have the right to receive, acquire, or hold property, real or personal, on behalf of the Owners, or otherwise in performance of duties hereunder, title to such property shall be taken in the name of the individual members of the Council and their successors, as trustees, or such other nominee as they shall designate, as trustee for the association, and subject to the control of the Council.

(6) The Council may adopt such administrative rules and regulations governing the details of the operation and use of the common areas as it may deem advisable.

3. Election and Term of Office. At the first annual meeting of the Association, three Council members shall be elected. All Council Members shall serve terms of two (2) years. The Council Members shall hold office until their successors have been elected and hold their first meeting.

4. Vacancies. Vacancies in the Council caused by any reason other than the removal of a Council Member by the vote of the Association, shall be filled by vote of the majority of the remaining Council Members, even though they may constitute less than a quorum; and each person so elected shall be a Council Member until a successor is elected at the next annual meeting of the Association.

5. Removal of Council Members. At any regular or special meeting duly called, any one or more of the Council Members may be removed without or with cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Council Member whose removal has been proposed by the Owners shall be given an opportunity to be heard at the Meeting.

6. Organization Meeting. The first meeting of the newly elected Council shall be held within ten (10) days of election at such place as may be fixed by the Council Members at the meeting at which such Council Members were elected, and no notice shall be necessary to the newly elected Council Members in order to legally constitute such meeting, providing a majority of the whole Board shall be present.

7. Regular Meetings. Regular meetings of the Council may be held at such time and place as shall be determined from time to time by a majority of the Council Members, but at least two such meetings shall be held during each fiscal year. Notice of regular meetings of the Council shall be given to each Council Member personally or by mail, telephone or telegraph, at least (3) three days prior to such meeting.

8. Special Meetings. Special meetings of the Council may be called by the Chairman on three (3) days notice to each Council Member, given personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting. Special meetings of the Council shall be called by the Chairman or Secretary in like manner and on like notice, on the written request of at least three (3) Council Members.

9. Waiver of Notice. Before or at any meeting of the Council, any Council Member may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to giving of such notice. Attendance by a Council Member at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Council Members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

10. Quorum. At all meetings of the Council a majority of the Council Members shall constitute a quorum for the transaction of business and acts of a majority of the Council Members present at a meeting at which a quorum is present shall be acts of the Council. If at any meeting of the Council there be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any

such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

11. Fidelity Bonds. The Council shall require that all members of the Association handling or responsible for the Association funds, shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE FIVE - ASSESSMENTS

1. Budget. (a) The Council shall prepare or cause to be prepared an estimated annual budget for each fiscal year of the Association which shall take into account and provide for the estimated common expenses and requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, water service, power and other common utilities, management fees and other common expenses, and also a reserve for contingencies for the year and a reserve for replacements of the common elements in reasonable amounts as fixed by the Council. Any surplus or deficit in regard to previous budgets shall also be considered.

(b) The estimated annual Budget for each year shall be approved by the Council, and copies thereof shall be furnished to each Owner not later than 30 days after the beginning of each fiscal year. Unless the Council otherwise determines, each fiscal year shall be from the first day of July of each calendar year, beginning July 1, 1967, to the last day of June of the succeeding calendar year. The Council may designate a different fiscal year at its pleasure.

2. Obligation of Unit Owners. On or before the first day of the first month, and of each succeeding month of

the fiscal year covered by each annual budget, each Owner shall pay to the Council, or such person as the Council may designate, as his respective monthly assessment for the common expenses, one-twelfth of his proportionate share of the common expenses for such fiscal year as estimated and shown by such annual budget. Such proportionate share for each Owner shall be in the ratio of his respective ownership interest in the common elements as set out in the Declaration. The managing agent, Council or other person authorized to collect and receive such monthly assessments shall receive and hold the same in trust as trustee for each Owner and shall use, disburse, pay and expend the same for the purposes authorized by said Act, the Declaration, By-Laws or resolution of the Association, for the benefit of the Owners. Such assessments so collected and held in trust may be known as a "maintenance fund".

3. Statements. The managing agent or Council or other person authorized to collect such monthly assessments, may send or cause a statement to be sent to each Owner each month for his respective monthly assessment, but the failure to send or receive any such statement for any month shall not relieve the obligation or excuse the failure to pay such assessment or any part thereof. In the event the Council shall not approve an estimated budget for any fiscal year, or until such time as the Council approves an estimated annual budget for a new fiscal year and notifies each Owner of such, each Owner shall continue to pay each month the amount of his monthly assessment as last determined.

4. Supplemental Budget. In the event it shall appear to the Council that the estimated annual budget for any fiscal

year shall be inadequate to cover the estimated common expenses of any nature, including special assessments lawfully agreed to by the Association in accordance with the provisions of the Act, Declaration, or these By-Laws, then the Council shall prepare or cause to be prepared a supplemental estimated budget to cover the estimated deficiency for the remainder of the fiscal year, and each Owner shall pay his pro-rata part thereof in the ratio of his ownership interest in the common elements as hereinabove provided.

5. Capital Expenditures. - Contracts. The Council shall not approve capital expenditures for new improvements on any part of the common elements, excluding repair or replacement of existing improvements, in excess of Two Thousand Five Hundred (\$2,500.00) and No/100 Dollars, nor enter into contracts for more than three years, without the approval of Owners who in the aggregate own more than fifty (50) percent of the common elements.

6. Assessments During Period of Temporary Administration. No budget or estimated budget as such for the common expenses shall be prepared or adopted during the limited period of the temporary administration of this condominium project by developer, as the temporary administrator, as provided for in the attached Declaration; however, for and during this limited period of temporary administration, there shall be assessed against each Family unit and the Owner thereof, and each such Owner agrees to pay, each month his fractional pro-rata share of the common expenses actually incurred or estimated by the Temporary Administrator or the temporary managing agent each month for the maintenance, repairs, upkeep, replacement and other services to the common elements, as

well as for insurance, water, power and other common utilities or services and all other common expenses for the operation, administration, maintenance and management of this condominium project, as shall be shown by a statement which the administrator shall send to each Owner each month, and each such statement shall constitute an assessment for common expenses against each family unit and the Owner thereof for its said pro-rata share of such common expenses. Each Owner shall and agrees to pay the amount of his assessment each month to the Developer, as Temporary Administrator, within fifteen (15) days from the date each statement is sent. Such statements may be mailed or personally delivered to each apartment unit. Each assessment thus made shall constitute a lien against each apartment unit for its pro-rata share thereof in the same manner and to the same extent as the liens provided for in the Declaration to secure the payment of assessments for common expenses.

Upon termination of the temporary administration by Developer, as provided for in the Declaration, it shall be the duty of the first Council to be elected by the association, and their successors, to prepare or cause to be prepared and approve an estimated annual budget for common expenses as hereinabove provided in these By-Laws and to make and collect assessments pursuant thereto, as provided for in the Declaration and these By-Laws.

ARTICLE SIX - AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

1. By-Laws. These By-Laws may be amended by the Association in a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Owners

representing at least seventy-five percent (75%) of the total fractional or percentage interest of all units in the project as shown hereinabove.

Notwithstanding, no amendment.

ARTICLE SEVEN - MORTGAGEES

1. Notice to Association. An Owner who mortgages his unit shall notify the Association through the Chairman of the Council, the name and address of his Mortgagee; and the Association shall maintain such information in a book entitled "Mortgagees of Units".

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 EIGHT - COMPLIANCE

These By-Laws are set forth to comply with the requirements of the laws of the State of Texas. In case any of these By-Laws conflict with the provisions of such Statutes, it is hereby agreed and accepted that the provisions of the Statutes will apply.

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