

EXHIBIT D

BY-LAWS

THE PADDOCK HOME OWNER'S ASSOCIATION INC.

The name of the organization shall be THE PADDOCK HOME OWNER'S ASSOCIATION INC., hereinafter called "Association".

ARTICLE I

OBJECT

(Plan of Condominium Ownership)

3-08-2705

1. The purpose for which this non-profit corporation is formed is to govern the condominium property situated in the County of Brazos, State of Texas, which property is described on Exhibit "A", attached to the Condominium Declaration for THE PADDOCK CONDOMINIUMS, which by this reference is made a part hereof, and which property has been submitted to the provisions of the Condominium Act of the State of Texas. All the terms, conditions, definitions and covenants of the said Condominium Declaration for THE PADDOCK CONDOMINIUMS, hereinafter referred to as the "Declaration" are incorporated herein by reference for all purposes.

2. All present or future owners, tenants, future tenants, or any other person that 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 complied with.

ARTICLE II

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Any person on becoming an owner of a condominium unit as that term is defined in the Declaration 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, but 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 PADDOCK CONDOMINIUMS during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, may, if it so elects, issue one membership card 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 shall terminate.

2. Voting. Voting shall be based upon the undivided interest of each unit owner in the general common elements. An owner of an undivided interest in and to a condominium unit shall be entitled to a vote equal to his ownership interest in such unit. Cumulative voting is prohibited.

3. Majority of Unit Owners. As used in these By-Laws the term "majority of unit owners" shall mean those owners of more than fifty percent (50%) of the aggregate interest of the undivided ownership of the general common elements.

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 of this Article shall constitute a quorum. Unless otherwise provided in the Declaration or these By-Laws, when a quorum of owners is present at any meeting, a majority vote of the owners present, either in person or by proxy, shall be sufficient to either defeat or approve any proposed action. If a quorum is not present, the provision of Article III, Paragraph 6 of these By-Laws will control.

5. Proxies. Votes may be cast in person or by proxy. Proxies must be in writing, and filed with the Secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

3-03-2706

1. 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 project through a Board of Directors.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Directors may determine.

3. Annual Meetings. The first annual meeting of the Association shall be held on the second Monday of the month after the expiration of the sale and development period as defined in Article III, §3.01 of the Declaration. Thereafter, the annual meetings of the Association shall be held on the first Monday of October of each succeeding year. At the first annual meeting and each meeting, thereafter, the Association shall elect a Board of Directors in accordance with the requirements of Paragraph 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

4. 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 a majority of the owners 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 two-thirds (2/3) of the owners present, either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to mail 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 least five (5) but not more than twenty (20) days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6. 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 for not less than five (5) days, but not more than twenty (20), and the required quorum at the subsequent meeting shall be twenty-five (25%) percent of the aggregate interest of the undivided ownership of the general common elements.

7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call and certifying proxies.
- (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 IV

BOARD OF MANAGERS

3-98-2707

1. Number and Qualification. The affairs of this Association shall be governed by a Board of Directors composed of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until the expiration of two (2) years from the date the Declaration is filed for record, or until their successors are elected, to-wit: MCCLURE BINTLIFF, R. W. LIVINGSTON, JR., and OSCAR ROHNE. If for any reason one of these three resigns, the remaining directors will appoint a successor until a successor can be elected by the Association. Except for the persons appointed to the initial Board of Directors pursuant to this Article IV, paragraph 1, a Director must own an interest in a condominium unit of THE PADDOCK CONDOMINIUMS to qualify for election of the Board of Directors.

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 first-class residential condominium project. The Board of Directors may do all such acts and things as are not by these By-Laws, the Articles of Incorporation or by the Condominium Declaration for THE PADDOCK CONDOMINIUMS directed to be exercised and done by the owners.

3. Other Powers and Duties. The Board of Directors shall be empowered and shall have the duties as follows:

- (a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Condominium Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Texas.
- (b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. A copy of such rules and regulations 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 general 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 such amounts as the Board of Directors deems necessary. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the owners of the condominium units and their

mortgagees. The limits and coverage shall be reviewed at intervals of not less than three (3) years and adjusted, if necessary to provide such coverage and protection as the Association may deem prudent. So long as the Federal Home Loan Mortgage Company (FHLMC), Federal National Mortgage Association (FNMA) and Governmental National Mortgage Association (GNMA) is a mortgagee of a condominium unit in the Project, or owns a unit therein, the Association shall maintain in effect at least such casualty, flood and liability insurance and a fidelity bond, meeting standards established by FHLMC, FNMA and GNMA for planned developments, as published in the FHLMC, FNMA and GNMA "Servicer's Guide, or otherwise, except to the extent such requirements shall have been waived in writing by FHLMC, FNMA or GNMA. Workmen's compensation insurance shall at all times be carried to the extent required to comply with any applicable law with respect to the employees, if any, of the Association.

3-58-2708

- (e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners towards the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments. To levy and collect special assessments whenever in the opinion of the Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.
- (f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is 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 expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration, the Articles of Incorporation and these By-Laws, and to execute all such instruments evidencing such indebtedness as this Board of Directors may deem necessary. Such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.
- (i) To enter into contracts within the scope of their duties and powers.
- (j) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- (k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent certified public accountant once each year.
- (l) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.
- (m) To meet at least once each quarter.
- (n) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.

(o) To employ accountants, bookkeepers, architects, attorneys, and other professional services necessary in the operation of the Homeowners Association.

(p) 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.

(q) To make available to each Owner, upon request, during normal business hours, current copies of the constituent documents, including the Declaration, By-Laws, and Articles of Incorporation.

(r) To grant permits, licenses and easements over the common elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the project.

4. Managing Agent. The initial Managing Agent shall be THE HAMLETS CORPORATION, whose address is 4111 Medical Parkway, Suite 101, Austin, Texas 78756, and who, notwithstanding the provisions of Paragraph 1 of Article III, shall have all the powers and shall perform all the duties of the Board of Directors until the expiration of the sale and development period as defined in Article III, § 3.01 of the Declaration, or until such earlier time as said Managing Agent, at its option, may relinquish control of the management and administration of the Association to the Board of Directors. Thereafter, the Board of Directors may employ for the Association a Managing Agent at a compensation to be established by the Board to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Paragraph 3 of this Article. 3-88-2709

5. Election and Term of Office. At the first annual meeting of the Association the term of office of one Director shall be fixed for three (3) years, the term of office of one Director shall be fixed at two (2) years, and the term of office of one Director shall be fixed at one (1) year. 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 three (3) persons acting as Directors shall hold office until their successors have been elected and hold their first meeting.

6. 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; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association. The person elected at the next annual meeting of the Association to replace the vacancy will serve until the expiration of the term of the person whose position was vacated.

7. Removal of Directors. At any regular or special meeting duly called, any one 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.

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

9. 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 or by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

10. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally, or by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two (2) Directors.

11. 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.

12. Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the 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 be 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 further notice.

13. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association. Such fidelity bonds shall name the Association as an obligee, and shall be written in an amount equal to at least the estimated maximum of funds, including reserve funds, in the custody of the Association or the Managing Agent, as the case may be, at any given time during the term of each bond. However, in no event may the aggregate amount of such bonds be less than a sum equal to three (3) months' aggregate assessments on all units plus reserve funds.

14. Compensation. No member of the Board of Managers shall receive any compensation for acting as such.

ARTICLE V

OFFICERS

1. Designation. The officers of the Association shall be a President, a Vice-President, Secretary/Treasurer and Assistant Secretary all of whom shall be elected by the Board of Directors, all of whom, except the Assistant Secretary, must own an interest in a condominium unit of THE PADDOCK CONDOMINIUMS.

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.

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 elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide are appropriate to assist in the conduct of the affairs of the Association. 3-88-2711

5. Vice-President. The Vice-President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the President.

6. Secretary/Treasurer. The Secretary/Treasurer shall:

(a) keep all 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 he shall, in general, perform all the duties incident to the office of Secretary.

(b) 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 also show opposite each member's name the number or other appropriate designation of the apartment unit owned by such members and parking space, if any, assigned for use in connection with such apartment 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.

(c) have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

7. Assistant Secretary. The Board of Directors shall elect, as necessary, such persons as it desires to have serve as Assistant Secretary and such person so elected need not be an owner of a condominium unit. The Assistant Secretary will perform the duties of Secretary, as delegated by the Board except any duties dealing with the funds of the Association.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every director, officer, and managing agent, his heirs, executors and administrators, and successors against all losses, costs 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 manager or officer of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross

negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by 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 manager or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such manager or officer may be entitled. All liability, loss, damage, costs and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses; provided, however, that nothing contained in this Article VI contained 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 PADDOCK CONDOMINIUMS as a member or owner of a condominium unit covered thereby. This Right of Indemnification extends to every director, officer, or managing agent whether suit is brought against them in their official capacity or individual capacity.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

3-08-2712

1. Assessments. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be made pro-rata according to undivided interest in and to the general common elements and shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if and only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Maintenance and Repair.

(a) Every owner must perform promptly at his own expense all maintenance and repair work within his own apartment unit, which if omitted would affect the project in its entirety or in part belonging to other owners.

(b) All the repairs of internal installations of the unit such as water, light, gas power, sewage, telephone, air conditioners, sanitary installations, doors, windows, glass, electrical fixtures, floor and wall coverings and all other accessories, equipment and fixtures belonging to the unit area shall be at the owner's expense.

(c) An owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred, by it in repairing or replacing any general or limited common element damaged by his negligence or by the negligence of his tenants or agents, or the owner's failure to maintain those items of which the owner is responsible for maintenance.

3. Mechanic's Lien. Each owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against other condominium units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's apartment unit. In the event suit for foreclosure is commenced, then within ten (10) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to double the amount of such claim plus interest at the rate of 10% for one year together with a sum equal to ten percent (10%) of the amount of

such claim but not less than One Hundred Fifty and No/100 (\$150.00) Dollars, which latter sum may be used by the Association for any costs and expenses incurred, including attorney's fees. Except as is otherwise provided, such sum or securities shall be held by the Association pending final adjudication or settlement of the litigation. Disbursement of such funds or proceeds shall be made to insure payment of or on account of such final judgment or settlement. Any deficiency, including attorney's fees, shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment, and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided in Article IV of the Declaration. Such owner shall be liable to the Association for payment of interest at the rate of 10% of all such sums paid by the Association until the date of repayment by such owner.

4. General.

(a) Each owner shall comply strictly with the provisions of the Condominium Declaration for THE PADDOCK CONDOMINIUMS, the Articles of Incorporation and these By-Laws and amendments and supplements thereto.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which THE PADDOCK CONDOMINIUMS was established.

5. Use of Units - Internal Changes.

(a) All units shall be utilized for residential purposes only. 3-08-2713

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein.

6. Use of General Common Elements/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 without hindering or encroaching upon the lawful rights of the other owners.

7. Right of Entry.

(a) An owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board of Directors in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

8. Rules and Regulations.

(a) All owners shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of any recreational facilities afforded, in order that all owners and their guests shall achieve maximum utilization of such facilities consonant with the rights of each of the other owners thereto.

(b) Nothing shall be done in any residential unit, nor shall same be occupied or used for any purpose, nor shall any commodity, product or personal property be kept therein or thereon, which shall cause such improvements to be un-insurable against loss by fire or the perils included in an extended coverage endorsement under the rules of the State of Texas Insurance Commission or which might cause or warrant any policy or policies covering said premises to be cancelled or suspended by the issuing company.

(c) Owners and occupants of units shall at all times exercise extreme care to avoid making or permitting to be made loud or manner as may disturb or tend to disturb owners, tenants, or other occupants of condominium units of THE PADDOCK CONDOMINIUMS. No unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants or other residents of adjoining units, nor shall any nuisance, or immoral or illegal activity be committed or permitted to occur in or on any unit or upon any part of the common elements of THE PADDOCK CONDOMINIUMS.

(d) The common area is intended for use for the purposes of affording vehicular and pedestrian movement within the condominium, and of providing access to the units; those portions thereof adapted therefor, for recreational use by the owners and occupants of units; and all thereof for the beautification of the condominium and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the common area shall be obstructed so as to interfere with its use for the purposes hereinabove cited, nor shall any part of the common area (common elements) be used for general storage purposes, except maintenance storage room, nor anything done thereon in any manner which shall increase the rate for hazard and liability insurance covering said area and improvements situated thereon.

(e) No animals shall be kept on the Condominium Project, provided, however, pet birds and fish may be kept within such owner's unit. Such pet, if any, may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. (Any owner who causes any animal to be brought upon the premises of the condominium project shall indemnify and hold harmless the Association for any loss, damage, cost or liability which the Association may sustain as a result of the presence of such animal on the premises.) Notwithstanding the generality of the foregoing, after (i) repeated violations of this provision, (ii) ten (10) days prior written notice to the owner of such pet, and (iii) an opportunity for such owner to have a hearing before the Board of Managers, such pet may be taken from such owner and given to the Society for the Prevention of Cruelty to Animals, of Brazos County, Texas.

(f) No resident of the condominium shall post any advertisements, signs, or posters, of any kind in or on the project except as authorized by the Association.

(g) Parking of automobiles and motorcycles shall be only in the spaces designated as parking for each unit; no unattended vehicle shall at any time be left in the alleyways or streets in such manner as to impede the passage of traffic or to impair property access to parking area. No storage of any objects shall be permitted in the parking area and the same shall at all times be kept free of unreasonable accumulation of debris or rubbish of any kind. Guest parking areas, if any, are not intended for use by owners for parking or storing boats, trailers, camping units or any personal

vehicles, and the Board may insure the proper use of said areas in such manner as it deems necessary.

(h) Each owner shall keep clean and in good condition the interior of his condominium unit including windows and shall not permit garments, rugs, laundry or other unsightly items to extend from or be placed outside of his condominium unit, including but not limited to over windows or the balcony.

(i) It is prohibited to dust rugs or other materials from the windows, or to clean rugs by beating on the exterior part of the condominium units, or to throw any dust, trash or garbage out of any of the windows or doors of any of the units.

(j) It is prohibited to throw garbage or trash outside the disposal areas provided for such purposes.

(k) No owner, resident or lessee shall install wiring for electrical or telephone installation, radio and television antennae, machines or air conditioning units or any other devices whatsoever on the exterior of the project or that protrude through the walls or out of the windows, or on the roof of the project unless expressly approved in writing by the Association.

(l) No owner or other occupant of any condominium unit shall make any alteration, modification or improvement, nor add any awnings, patio covers or other devices to the common elements of the condominium or remove or add to any planting, structure, furnishings or other equipment or object therefrom except with the written consent of the Association.

(m) No drilling, digging, quarrying or mining operation of any sort shall be permitted on the Property.

(n) Motorcycles, motorbikes, motor scooters or other similar vehicles shall not be operated within the Property except for the purpose of transportation directly from a parking area to a point outside the Property, or from a point outside the Property directly to a parking space.

(o) All window covering exposed to the exterior of the building or in any way visible from the exterior of the condominium project must be of a white or off-white color.

9. Destruction or Obsolescence. Each owner shall, upon request therefor, 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 or obsolescence as is provided in Article VI D and E of the Condominium Declaration for THE PADDOCK CONDOMINIUMS.

ARTICLE VIII

AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

1. By-Laws. 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 70% of the aggregate interest of the undivided ownership of the general common elements.

2-08-2715

ARTICLE IX

MORTGAGES

1. Notice to Association. An owner who mortgages his unit, shall notify the Association through the Managing Agent, if any, or the President of the Board of Directors, giving the name and address of his mortgagee.

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 X

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Ownership 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. If any of the provisions of these By-Laws conflict with the Declaration, the provisions of the Declaration shall prevail. To the maximum extent possible, these By-Laws will be construed to be in compliance with the Texas Condominium Act, and the invalidity of any section, or paragraph herein will not effect the validity of the remaining portions hereof.

ARTICLE XI

NON-PROFIT ASSOCIATION

This Association is not organized for profit. No member, 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 salary or 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 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 XII

REGISTERED OFFICE

The Registered office and the principal office for the transaction of business of this Association shall be 4111 Medical Parkway, Suite 101, Austin, Texas 78756, and the Registered Agent shall be McClure Bintliff at the same address.

ARTICLE XIII

EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the President, Vice-President and Secretary of the Association.

3-38-2716

ARTICLE XIV

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

The violation of any rule or regulation promulgated by the Board of Directors, or the breach of any By-Law, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent, the right, in addition to any other rights set forth therein, (a) to enter the unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out same, using such force as may be necessary in so doing, without being liable to prosecution or in damages therefor; and (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

ARTICLE XV

RIGHTS OF ACTION

The Association and any aggrieved unit owner shall have an appropriate right of action against unit owners for failure to comply with the provisions of the Declaration and these By-Laws, or with decisions of the Association which are made pursuant thereto. Any unit owner shall have similar rights of action against the Association.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this the 26th day of January, 1982.

BOARD OF DIRECTORS

By McClure Bintliff
McClure Bintliff

By R. W. Livingston, Jr.
R. W. Livingston, Jr.

By Oscar Rohne
Oscar Rohne

NO SEAL

3-08-2717

STATE OF TEXAS
I hereby certify that this instrument was FILED on the
state and at the time stamped hereon by me, and was duly
RECORDED, in the Volume and Page of the named RECORDS
of Travis County, Texas, as stamped hereon by me, on

JAN 26 1983

Laris Angeline
COUNTY CLERK
TRAVIS COUNTY, TEXAS

FILED
JAN 26 12 46 PM '83
TRAVIS COUNTY, TEXAS