

BY-LAWSOFRAYBURN COUNTRY CONDOMINIUM MANAGEMENT ASSOCIATION

ARTICLE I.

PURPOSE

1. The purpose for which this non-profit Association is formed is to govern the condominium property and all future condominium properties, villas, duplexes, townhouses, or apartment properties, situated in the County of Jasper, State of Texas, which property is described in the Declaration of Rayburn Country, Inc. and DMI Investment Corp. as to Condominium Covenants and Restrictions at Rayburn Country, Jasper County, Texas, to which reference is here made, and which property has been submitted to the provisions of the Condominium Act of the State of Texas.

2 All present or future owners, tenants, lessees, or any other person that might use the facilities of the condominium regime 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 regime 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, QUORUM

1. Membership. The members of the Association shall consist of all of the record owners of the condominium units in this regime. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit or an interest therein but such termination shall not relieve or release any such person from any liability or obligation incurred under, or in any way connected with the said Condominium during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Managers or 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 Managers may, if it so elects, issue one membership card to the owner of a condominium unit or interest therein.

Such membership card shall be surrendered to the Secretary whenever ownership of the condominium unit or interest therein designated thereon shall terminate.

2. Voting. The members of the Association shall be entitled to cast one (1) vote for each condominium unit owned by them. If a condominium unit is owned by a corporation, the person entitled to cast the vote for the owner shall be designated by a certificate of appointment or proxy signed by the president or vice-president and attested by the secretary or assistant secretary of such corporation and filed with the Secretary of the Association at any time prior to the meeting at which such vote shall be cast. Such certificate shall be valid until revoked in writing or superseded by a subsequent certificate. Joint owners of a unit may cast their one (1) vote jointly or each such owner shall be entitled to a vote equal to his fractional ownership interest, whether such interest is undivided or not.

3. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of members entitled to cast a majority of the votes of the Association shall constitute a quorum. The acts approved by a majority of the votes present at a meeting at which a quorum is present shall constitute the acts of the Association unless a greater number of votes is required by the Declaration or these By-Laws.

ARTICLE III.

ADMINISTRATION

1. Association Responsibilities. The members of the Association will have the responsibility of governing and administering the condominium regime through a Board of Managers.

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

3. Annual Meetings. The first annual meeting of the Association shall be held not less than ten (10) nor more than thirty (30) days after the sale of seventy-five percent (75%) of all units in this condominium regime. Thereafter, annual meetings of the Association shall be held on the anniversary date of such first meeting.

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 Managers 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 three-fourths (3/4ths) 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 ten (10) 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 to a time not more than forty-eight (48) hours from the time the original meeting was called.

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

- (a) Roll Call
- (b) Proof of notice of meeting or waiver of notice
- (c) Reading of minutes of preceding meeting
- (d) Reports of officers
- (e) Reports of committees
- (f) Election of Managers
- (g) Unfinished business
- (h) New business

ARTICLE IV.

BOARD OF MANAGERS

1. Number and Election. The affairs of this Association shall be governed by a Board of Managers composed of three (3) persons. Until seventy-five percent (75%) of all the units have been sold, Rayburn Country, Inc. and/or DMI Investment Corp. shall act as a Managing Agent with all of the rights, powers, duties and responsibilities of the Board of Managers as provided in the Declaration and in these By-Laws. As expressed herein, the term Board of Managers shall include the term Managing Agent, until such time as the Managing Agent is no longer authorized to act in such capacity. At the first annual meeting of the Association as provided in Article III, Paragraph 3 hereof, a Board of Managers shall be elected. Thereafter, the Association shall elect a Board of Managers at each annual meeting.

2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a residential condominium regime.

The Board of Managers may do all such acts and things as are not by these By-Laws or by the Declaration directed to be exercised and done by the owners.

3 Other Powers and Duties. The Board of Managers shall be empowered and shall have the following duties:

(a) To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations, and all other provisions set forth in the Declaration submitting the property to the provisions of the Condominium 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 regime 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 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 living units as provided in the Declaration.

(e) To fix, determine, levy and collect the regular and the special assessments as provided in the Declaration. The determination of the periods (monthly, quarterly, etc.) shall be determined by the Board of Managers and may be changed from time to time as is deemed necessary by the Board.

(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 for the maintenance of the common elements and to execute all such instruments evidencing such indebtedness; and any such indebtedness shall be the several obligations of all of the owners in the same proportion as their interest in the general common elements. The Board is authorized to levy an assessment for the payment of any such indebtedness.

(i) To enter into contracts within the scope of their duties and powers.
(j) To establish bank accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Managers.

(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 of 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 condominium regime.

(o) In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in the operation of the condominium regime for the mutual benefit of all of the members of the Association.

4. Managing Agent. Rayburn Country, Inc. and/or DMI Investment Corp. shall be the Managing Agent as herein provided in Article IV., Paragraph 1. After the election of a Board of Managers as therein also provided, the Board of Managers 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.

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

6. Removal of Managers. At any regular or special Association meeting duly called, any one or more of the Managers 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 Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

1. Organization Meeting. The first meeting of a newly elected Board of

rs shall be held within ten (10) days of election at such place as shall be determined by the Managers and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, provided the whole Board be present at the meeting at which they were elected.

8. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined from time to time, by a majority of the Managers, but at least one (1) such meeting shall be held yearly following the first annual meeting of the Association. Notice of all regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least seven (7) days prior to such meeting, unless notice is waived by the respective Managers.

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

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

11. Board of Managers' Quorum. At all meetings of the Board of Managers a majority of the Managers shall constitute a quorum for the transaction of business, and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers, 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.

12. Fidelity Bonds. The Board of Managers 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.

OFFICERS

1. Designation: The officers of the Association shall be a President, a Secretary, and a Treasurer, all of whom shall be elected by the Board of Managers.
2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers 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 Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.
4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. 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 is appropriate to assist in the conduct of the affairs of the Association.
5. Secretary. The Secretary shall keep all the minutes of all meetings of the Board of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such members. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.
6. Treasurer. The treasurer shall 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 Managers.

ARTICLE VI.

INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every manager and officer, his heirs, executors and administrators, against all loss, costs and expenses, 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 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 Manager or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Declaration as a member or owner of a condominium unit covered thereby.

ARTICLE VII.

1. Assessments. All owners shall be obligated to pay the assessments imposed by the Association to meet the common expenses. The assessments shall be made pro rata according to fractional interest in and to the general common elements and shall be due as provided in the Declaration and these By-Laws. A member shall be deemed to be in good standing and entitled to vote at any

annual or 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 living unit or interest therein owned by him.

2. Maintenance and Repair.

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

(b) All the repairs of internal installations of the unit such as water, light, gas power, sewage, telephone, air conditioning and heating system, sanitary installations, doors, windows, electrical fixtures and all other accessories, equipment and fixtures belonging to the unit area shall be at the owner's expense, except as otherwise provided in the Declaration, the Restrictions or these By-Laws.

(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 common element damaged by his negligence or willfulness or by the negligence or willfulness of his tenants, agents or guests.

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 living 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 ninety (90) days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one year, together with the sum of One Hundred Dollars (\$100.00). 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 any such judgment and any deficiency 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 living unit which may be foreclosed as is provided in Section 12.04 of the Declaration.

4. General.

(a) Each owner shall comply strictly with the provisions of the Declaration, these By-Laws and all rules and regulations duly adopted by the Board of Managers.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for which this condominium regime and Association were formed.

5. Use of Units - Internal Changes.

(a) All units shall be utilized for residential purposes only.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein, without previously notifying the Association in writing through the Managing Agent, or if no Managing Agent is employed, then through the President of the Board of Managers. The Association shall have the obligation to answer within five (5) days after such notice, and failure to do so within the stipulated time shall mean there is no objection to the proposed modification or alteration.

6. Use of General Common Elements. Each owner may use the general common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

7. Right of Entry. An owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board of Managers in case of any emergency originating in and threatening his unit or any other unit whether the owner is present at the time or not.

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 by the Association. All owners and their guests shall enjoy maximum utilization of all condominium facilities consonant with the rights of each of the other owners thereto.

(b) Nothing shall be done in any condominium 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 uninsurable 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 objectional noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants, or other occupants of other living units. No unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of other residents or 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.

(d) The common area is intended for use for the purpose of affording vehicular and pedestrian movement within the condominium units, and of providing access to the units; those portions thereof adopted therefor, for recreational use by the owners and occupants of units; and all such common area as is appropriate therefor, for the beautification of the entire area 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 recited, nor shall any part of the common areas or common elements be used for general storage purposes after the completion of the construction of the units, 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) Not more than one dog, cat, or other usual small household pet may be kept in any unit, provided always that such household pet shall be allowed on the common areas only when accompanied by its owner or as may be otherwise specified under reasonable rules therefor promulgated by the Board of Managers. Except as hereinabove stated, no animal, livestock, birds or poultry shall be brought within the condominium or kept in or around any unit thereof.

(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 Restrictions, the Declaration or the Association.

(g) Parking of automobiles shall be only in parking areas; and then only in such manner as not to impede the passage of traffic or to impair proper access to parking areas.

(h) It is prohibited to hang garments, rugs and/or any other materials or objects of any kind from the windows or from any of the exterior portions of a condominium unit.

(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 living 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 installations provided for such purposes.

(k) No owner, resident, or lessee shall install wiring for electrical or telephone installation, television or radio antennae, machines or air conditioning units or any other devices whatsoever on the exterior of the building or that protrude through the walls or out of the windows, or on the roof of the building except by express prior written consent of the Environmental Control Committee.

(l) No owner or other occupant of any living unit shall make any alteration or improvement to the common elements of the condominium or any exterior portion of a living unit or remove any planting, structure, furnishings or other equipment or object therefrom except with the prior written consent of the Environmental Control Committee.

9. Destruction or Obsolescence. Each owner shall, upon becoming an owner of a living unit, be deemed to have executed a power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's living unit upon its destruction or obsolescence as is provided in Article 14 of the Declaration.

ARTICLE VIII

ENVIRONMENTAL CONTROL COMMITTEE

1. An Environmental Control Committee of three (3) shall be appointed by the Managing Agent or the Board of Managers to serve for terms of three (3) years. Such Committee shall function in accordance with the Declaration, the Restrictions and these By-Laws.

2. Two (2) copies of plot plan, plans and specifications and details of any proposed construction or alteration, including proposed construction material, color scheme and landscaping on any lot on the Property shall be

delivered to said Environmental Control Committee together with an examination fee of Thirty Dollars (\$30.00) to defray Committee expenses. Such plans shall be approved or disapproved within thirty (30) days after submission (except that, if not disapproved within such thirty (30) days, the plans shall be deemed approved), and all construction shall conform in detail to such plans and specifications so approved. Approval by this Committee shall in no way render the Committee or the Association liable for any defects in the plans or the work.

3. The Environmental Control Committee may allow reasonable variances and adjustments in the building restrictions in order to overcome practical difficulties and overcome hardships, and may render advisory rulings regarding such variances, provided the variance shall not be materially detrimental to other property in the Condominium component.

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 Managers, giving the name and address of his mortgagee. The Association shall maintain such information in its records in conveniently accessible form.
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 Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

ARTICLE XI.

This Association is not organized for profit. No member, member of the Board of Managers 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 Managers; 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 Managers may, from time to time be reimbursed for his actual and reasonable expenses incurred in connection with its administration of the affairs of the Association.

ARTICLE XII.

The Registered office and the principal office for the transaction of business of this Association shall be the offices of Rayburn Country, Inc., Sam Rayburn, Texas, until such time as another Managing Agent is designated as herein provided.

ARTICLE XIII.

The persons who shall be authorized to execute any and all instruments on behalf of the Association, including Promissory Notes, shall be the President and the Secretary of the Association.

ARTICLE XIV.

POWER OF ACQUISITION AND MERGER

(a) Acquisition. The Association shall have the power to acquire other property, both real and personal, upon approval of the owners of a majority of living units in this condominium regime at a duly constituted meeting of the Association. Such property shall include, but not limited to, condominium units under the Association's right of first refusal as specified in the Declaration, recreational property and facilities and any other property which the Association deems to be mutually beneficial to the members.

(b) Merger. The Association may, with the unanimous consent of all members and all first mortgagees of condominium units in this condominium regime, merge this regime and this Association with any other condominium regime and its governing association, provided that such other condominium regime is located in Rayburn Country.

ARTICLE XV.

AMENDMENTS TO 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 the owners of a majority of condominium units in this condominium regime.

Filed for Record 4-11 1980at 10:50 o'clock A M.

EVELYN STOTT

Clerk, County Court, Jasper County, Tex.

By Brenda Vaughan Deputy

DULY RECORDED, EVELYN STOTT, CLERK, COUNTY COURT, JASPER COUNTY, TEXAS

BY: Marion Hains DEPUTYSTATE OF TEXAS
COUNTY OF JASPER

I, Evelyn Stott, County Clerk of Jasper County, Texas, do hereby certify that the foregoing is a true and correct copy of the original record and as same appears on record in Vol. 1

Page 249, of the Condo records of Jasper, County, Texas.

Given under my hand and seal of office this 4 day of October, 1985

EVELYN STOTT COUNTY CLERK
JASPER COUNTY, TEXAS
BY: Brenda Vaughan

