

**Bylaws of District 12 Condominiums,
formerly known as Lou Ann Condominiums**

Basic Information

Association: District 12 Condominiums, a Texas non-profit corporation, established as Lou Ann Condominium Owners Association by the certificate of formation filed with the Secretary of State of Texas on August 19, 1983, and amended to its current name pursuant to that certificate of amendment filed with the Secretary of State of Texas on May 18, 2023, under file number 66840101.

Principal Office: 1400 Speight Avenue, Waco, Texas 76706, but may be located at such other suitable and convenient place as shall be permitted by law designated by the Directors.

Declaration: The Declaration of District 12 Condominiums (formerly known as Lou Ann Condominium Owners Association), a condominium, filed for record with McLennan County on August 12, 1983; as the same was previously amended by Amendment No. 1 to Declaration, which was filed for record with McLennan County on March 1, 1984; as the same was further amended by Amendment No. 2 to Declaration, which was filed for record with McLennan County on May 29, 1986; as the same was further amended by the First Amended and Restated Declaration of District 12 Condominiums, formerly known as Lou Ann Condominium, which was filed for record with McLennan County on July 14, 2023.

Definitions: Capitalized terms used but not defined in the Bylaws have the meaning set

forth in the Declaration.

Voting Members: Members entitled to vote or their proxies. Any Member delinquent in payment of any Assessment is not a Voting Member.

A. Members and Members Meetings

A.1. Membership. Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Unit.

A.2. Place of Members Meetings. Members meetings will be held at the Association's principal office or at another place designated by the Board.

A.3. Annual Meetings. The first Members meeting has already been held. Subsequent regular annual Members meetings will be held on January 31 of each year.

A.4. Special Meetings. The president, a majority of the Board, or Owners having at least 20 percent of the votes of the Association may call special meetings.

A.5. Notice of Members Meetings.

A.5.a. Requirements. Except as provided in paragraph G.5., written notice stating the place, day, and hour of each Members meeting, other than a reconvened meeting, must be given to each Member not less than ten nor more than sixty days before the meeting. The special Members meeting notices must also state the meeting's purpose, and no business may be conducted except as stated in the notice. Notice to a Member is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, properly addressed, postage prepaid. Upon written request of a Member, the Association shall inform the Member of the time and place of the next regular or special meeting of the Association Members.

A.5.b. Meetings at which Amendments Considered. The Members cannot meet to adopt

an amendment or other change to the Declaration, articles of incorporation, bylaws, or rules of the Association (the “Governing Documents”) unless written notice is given to each Member, in a document showing the specific amendment or other change that would be made to the Governing Documents, after the twentieth day but before the tenth day preceding the meeting, by either (i) personal delivery as shown by a receipt signed by the Member, or (ii) deposit in the United States mail as shown on the postmark date.

A.6. Waiver of Notice. A Member may, in writing, waive notice of a meeting. Attendance at a meeting is a waiver of notice of the meeting, unless the Member objects to lack of notice when the meeting is called to order.

A.7. Quorum. Members holding more than 50 percent of the votes in the Association, in person or by proxy, are a quorum. If a Members meeting cannot be held because a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the reconvened meeting, 33 percent of the Voting Members is a quorum. If a quorum is not present, a majority of the Voting Members who are present may adjourn the meeting. At the second reconvened meeting, 25 percent of the Voting Members is a quorum. Written notice of the place, date, and hour of each reconvened meeting must be given to each Member not more than 60 nor less than 10 days before the reconvened meeting.

A.8. Majority Vote. Votes representing more than 50 percent of the votes at a meeting at which a quorum is present are a majority vote.

A.9. Proxies. Voting Members may vote by written proxy.

A.10. Conduct of Meetings. The president will preside over Members meetings. The secretary will keep minutes of the meetings and will record Member action at the meeting in the minutes book.

B. Board

B.1. Governing Body; Composition. The affairs of the Association are governed by the Board. Each director has one vote. The initial Board is composed of the directors appointed in the certificate of formation. Each director must be a Member or, in the case of an entity Member, a person designated in writing to the secretary.

B.2. Number of Directors. The Board consists of not less than three nor more than 15 directors. Within those limits, the Board may change the number of directors. No decrease may shorten the term of a director.

B.3. Term of Office. The initial directors serve until the first annual meeting of Members. The terms of directors will be staggered. At least one-third of the Board will be elected each year. The initial Board will determine the initial term, not to exceed 3 years, of each director. At the expiration of the initial term of a director, each successor will have a term of 3 years. Directors may serve consecutive terms.

B.4. Election. Within 120 days after Declarant has conveyed 50 percent of the Units to Owners other than Declarant, the Members shall elect not less than one-third of the Board members at a meeting held for such purpose. Not later than the 120th day after conveyance of 75 percent of the Units to Owners other than Declarant, the Voting Members will elect the directors of the Association and its officers as herein provided. At subsequent annual Members meetings, successors for each director whose term is expiring will be elected. Cumulative voting is prohibited. The candidate or candidates receiving the most votes will be elected. The directors elected by the Voting Members will hold office until their respective successors have been elected.

B.5. Removal of Directors and Vacancies

B.5.a. Removal of Directors. Any director may be removed, with or without cause, by a majority of the Voting Members. Any director whose removal is sought will be given notice of the proposed removal. Any director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting.

B.5.b. Vacancies. A director's position becomes vacant if the director dies, becomes incapacitated, resigns, or is no longer a Member.

B.5.c. Successors. If a director is removed or a vacancy exists, a successor will be elected by the remaining directors for the remainder of the term.

B.6. Compensation. Directors will not receive compensation. A director may be reimbursed for expenses approved by the Board.

B.7. Powers. The Board has all powers necessary to administer the Association's affairs.

B.8. Management. The Board may employ a managing agent and delegate specified powers of the Board to the managing agent. Declarant, or an affiliate of Declarant, may be the managing agent.

B.9. Accounts and Reports. Accounting must conform to good accounting practices. The Association shall obtain an annual audit of its records in accordance with section 82.114(c) of the Act. Accounts will not be commingled with accounts of other persons. The following financial reports will be prepared at least annually:

- a. An income statement reflecting all income and expense activity for the preceding period.
- b. A statement reflecting all cash receipts and disbursements for the preceding period.

- c. A variance report reflecting the status of all accounts in an “actual” versus “approved” budget format.
- d. A balance sheet as of the last day of the preceding period.
- e. A delinquency report listing all Owners who are delinquent in paying any Assessment and describing the status of any action to collect those delinquent Assessments.

B.10. Borrowing. The Board may borrow money to maintain, repair, or restore the Common Elements without the approval of the Members. If approved in advance by the Members in the same manner as approving a Special Assessment, the Board may borrow money for any other purpose.

B.11. Rights of Association. With respect to the Common Elements, and in accordance with the Declaration, the Association will have the right to contract with any person for the performance of various duties and functions. Such agreements require the approval of the Board.

C. Board Meetings

C.1. Regular Meetings. Regular meetings of the Board will be held at such time and place as determined by the Board, but at least 4 such meetings will be held during each fiscal year. Notice of the time and place of the meetings will be given to directors not less than 3 days and not more than 30 days before the meetings. Board meetings must be open to Members, subject to the right of the Board to adjourn a meeting of the Board and convene in executive session to consider actions involving personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of Members, or matters that are to remain confidential by request of the affected parties and agreement of the Board. The general

nature of any business to be considered in executive session must first be announced at the open meeting.

C.2. *Special Meetings.* Special meetings will be held when called by written notice signed by the president or by any 2 directors. The notice will specify the time and place of the meeting and the matters to be covered at the meeting.

C.3. *Subsequent Meetings.* Upon written request of a Member, the Association shall inform the Member of the time and place of the next regular or special meeting of the Board.

C.4. *Meetings at which Amendments Considered.* The Board cannot meet to adopt an amendment or other change to the Declaration, articles of incorporation, bylaws, or rules of the Association (the "Governing Documents") unless the Board gives written notice to each Member, in a document showing the specific amendment or other change that would be made to the Governing Documents, after the twentieth day but before the tenth day preceding the meeting, by either (a) personal delivery as shown by a receipt signed by the Member, or (b) deposit in the United States mail as shown on the postmark date.

C.5. *Waiver of Notice.* The actions of the Board at any meeting are valid if (a) a quorum is present and (b) either (i) proper notice of the meeting was given to each director and all Members who are entitled to notice of the meeting or (ii) a written waiver of notice is given by any director who did not receive proper notice of the meeting and all Members who are entitled to notice of the meeting. Proper notice of a meeting will be deemed given to any director or Member who attends the meeting without protesting before or at its commencement about the lack of proper notice.

C.6. *Quorum of Board.* At all meetings, a majority of the Board will constitute a quorum, and the votes of a majority of the directors present at a meeting at which a quorum is

present constitutes the decision of the Board. If the Board cannot act because a quorum is not present, a majority of the directors who are present may adjourn the meeting to a date not less than 1 nor more than 7 days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business that may have been transacted at the meeting originally called may be transacted without further notice.

C.7. Conduct of Meetings. The president will preside at Board meetings. The secretary will keep minutes of the meetings and will record in a minute book the votes of the directors.

C.8. Action without Meeting. Unless the Association's certificate of formation or the Declaration provides otherwise, the Board may act by unanimous written consent of all the directors, without a meeting, if (a) the Board action does not involve voting on a fine, damage assessment, appeal from a denial of architectural control approval, or suspension of a right of a particular Association Member before the Member has an opportunity to attend a Board meeting to present the Member's position, including any defense on the issue; and (b) a record of the Board action is filed with the minutes of Board meetings.

C.9. Proxies. Directors may vote by written proxy provided, however, that any director present through written proxy may not be counted towards a quorum.

D. Officers

D.1. Officers. The officers of the Association are a president, vice president, secretary, treasurer, and any other position designated by the Board. The officers have the authority and duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of president and secretary.

D.2. Election, Term of Office, and Vacancies. Officers will be elected annually by

the Board at the first meeting of the Board following each annual meeting of the Voting Members. A vacancy in any office may be filled by the Board for the unexpired portion of the term.

D.3. Removal. The Board, by the affirmative vote of a majority of the Board, may remove any officer whenever, in the Board's judgment, the interests of the Association will be served thereby.

D.4. Powers and Duties. Officers have such powers and duties as are generally associated with their respective offices and as may be specifically conferred by the Board. The president is the chief executive officer of the Association. The treasurer has primary responsibility for the preparation of the budget and financial reports and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

D.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the president, or the secretary. Resignation takes effect on the date of the receipt of the notice or at any later time specified in the notice.

E. Indemnification of Officers and Directors

E.1. The Association shall have the power to indemnify any officer, Director, or managing agent thereof, who was, or is a party, or is threatened to be made a party, to any threatened, pending, or completed action, suit, or proceeding, whether, civil, criminal, administrative, or investigative (whether or not by or in the right of the Association) by reason of the fact that such person is or was an officer, Director, or managing agent of the Association, against expenses (including, but not limited to, attorneys' fees in settlement) actually and reasonably incurred by such person in connection with or in defense of such action, suit, or proceeding if such person acted in good faith and in a manner in which such person reasonably believed to be in or not opposed to the best interests of the Association. Provided that, with

respect to: (1) any criminal action or proceeding, such person had no reasonable cause to believe that his conduct was unlawful; or (2) any civil claim, issue or matter, such person shall not be guilty of gross negligence or willful misconduct in the performance of his/her duties to the Association. Termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, itself, create a presumption that such person had reasonable cause to believe that his/her conduct was unlawful, or that such person did not act in good faith or in a manner which he/she reasonably believed to be in or not opposed to the best interests of the Association, all such matters being solely and exclusively for the purpose of indemnification as herein provided.

E.2. Indemnification in the preceding paragraph shall be made by the Association only as authorized in each specific case upon the determination that indemnification of such person is proper in the circumstances because such person has met the applicable standards of conduct as set forth herein. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of Directors who were not a party to such action, suit, or proceeding; or (2) if such a quorum is not obtainable, by (a) independent legal counsel in a written opinion, or (b) the Members of the Association, and no Member shall be disqualified from voting because such Member is or was a party to such action, suit, or proceeding. Indemnification so determined may be paid, in part, before the termination of such action, suit, or proceeding upon the receipt by the Association of an agreement by or on behalf of the person claiming such indemnification agreeing to repay all sums so advanced if it is subsequently determined that such person is not entitled thereto as provided in this Section E. Notwithstanding anything in this Section E to the contrary, to the extent that an officer, Director, or managing agent of the Association has been successful on the merits or otherwise in the defense of any action, suit, or proceeding, whether

civil or criminal, such person shall be indemnified against such expenses (including costs and attorneys' fees) actually and reasonably incurred by him/her in connection therewith.

E.3. Indemnification provided herein shall be exclusive of any and all other rights and claims to which those indemnified may be entitled as against the Association, and every Director or officer thereof under any Bylaw, resolution, agreement or law and any request for payment hereunder shall be deemed waiver of all such rights, claims or demands as against the Association and each Director, officer and employee thereof. The indemnification provided herein shall inure to the benefit of the heirs, executors, administrators, and successors of any person entitled thereto under the provision of this Section E.

E.4. The Association shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association against any liability asserted against such person and incurred by such person in any such capacity, or rising out of such person's status as such, whether or not the Association would otherwise have the power to indemnify him/her against such liability under the provisions of this Section E.

E.5. All liability, loss, damage, cost and expenses 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 maintained in this Section E shall be deemed to obligate the Association to indemnify any member or owner of a condominium who is or has been a manager or officer of the Association with respect to any duties or obligations assumed or liability incurred by such person under and by virtue of the Declaration and these Bylaws that were assumed or incurred outside of such person's conduct specifically related to the fulfillment of his/her duties as an

officer or Director of the Association.

F. Committees

The Board may establish committees by resolution and authorize the committees to perform the duties described in the resolution.

G. Miscellaneous

G.1. Fiscal Year. The Board may establish the Association's fiscal year by resolution. In the absence of a Board resolution determining otherwise, the Association's fiscal year is a calendar year.

G.2. Rules for Meeting. The Board may adopt rules for the conduct of meetings of Members, Board, and committees.

G.3. Conflict. The Declaration controls over these Bylaws.

G.4. Short-Term Rentals. Units may be rented on a short-term basis so long as the Units are rented in accordance with applicable laws as well as any and all rules and regulations that may be adopted by the Board from time to time.

G.5. Examination of Books and Records

G.5.a. Examination by Member. After a written request to the Association, a Member may examine and copy, in person or by agent, any Association books and records relevant to that purpose. The Board may establish rules concerning the (i) form of the request; (ii) reasonable hours and days of the week for the inspection; and (iii) payment of costs related to a Member's inspection and copying of books and records.

G.5.b. Examination by Director. A director has the right, at any reasonable time and at the Association's expense, to examine and copy the Association's books and records at the Association's Principal Office and to inspect the Association's properties.

G.6. *Notices.* Any notice required or permitted by the Dedicatory Instruments must be in writing. Notices regarding enforcement actions must be given by certified mail, return receipt requested. All other notices may be given by regular mail. Notice is deemed delivered (whether actually received or not) when properly deposited with the United States Postal Service, addressed to a Member at the Member's last known address according to the Association's records and the Association, the Board, or a managing agent at the Association's Principal Office or another address designated in a notice to the Members. Unless otherwise required by law or the Dedicatory Instruments, actual notice, however delivered, is sufficient.

G.7. *Amendment.* These Bylaws may be amended only by the vote of 66 ²/₃ percent of the Voting Members in the Association and/or the vote of 66 ²/₃ percent of the Members of the Board. The officers who are authorized to prepare, execute, certify, and record amendments to the Declaration on behalf of the Association are the president and secretary.

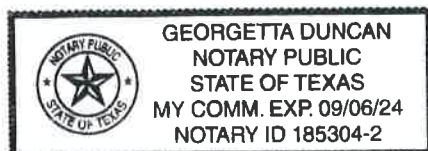
DISTRICT 12 CONDOMINIUMS

By: _____
Name: Rick Schultz
Title: president

STATE OF TEXAS §
COUNTY OF MCLENNAN §

Before me, the undersigned notary public, on this day personally appeared Rick Schultz, president of District 12 Condominiums, known to me to be the person whose name is subscribed on the foregoing instrument, acknowledged to me that she executed the same for the purpose and in the capacity therein expressed.

SUBSCRIBED AND SWORN TO BEFORE ME by this 25th day of July, 2023.



Georgetta Duncan
Notary Public in and for the State of Texas