

CONDOMINIUM BY-LAWS

OF

THE MAPLEWOOD SQUARE COUNCIL OF CO-OWNERS

WHEREAS, a Declaration has been filed in the Condominium Records of Harris County, Texas, establishing a condominium regime over certain property more particularly described therein and to be commonly known as "The Maplewood Square Condominium Project"; and

WHEREAS, pursuant to said Declaration, all of the co-owners of units in the aforesaid condominium project constitute the Council of Co-Owners which shall govern the operation of said project subject to the Act, the Declaration and these by-laws; and

WHEREAS, said Council of Co-Owners has been or is to be organized as a Texas non-profit corporation in connection with said Declaration; and

WHEREAS, Financial Foundation, Inc., the Developer of said condominium project, desires to adopt by-laws to govern the operation of the Council of Co-Owners and its Board of Administrators, pursuant to said Declaration, which by-laws, as amended from time to time as hereinafter provided, shall constitute the Condominium By-Laws of The Maplewood Square Condominium Project pursuant to the Act and the corporate by-laws of The Maplewood Square Council of Co-Owners, a Texas non-profit corporation;

NOW, THEREFORE, the Developer does hereby adopt the following Condominium By-Laws of The Maplewood Square Condominium Project and Corporate By-Laws of The Maplewood Square Council of Co-Owners (hereinafter the "Council of Co-Owners" or the "Council"):

1. Definitions. All words, terms and phrases used herein shall have the meaning set out in the Declaration.

2. Controlling Documents. In the event of any conflict between the terms and provisions of these By-Laws and the Declaration or the Act, or both, the Declaration shall control over these By-Laws and the Act shall control over both the Declaration or these By-Laws.

3. Voting by Co-Owners.

a. Each Co-Owner shall be entitled to one vote for each Unit owned by such Co-Owner.

b. No Co-Owner, other than the Developer, shall be entitled to vote at any meeting of the Council until such Co-Owner has presented evidence of ownership of a Unit in the condominium Project to the Secretary of the Board. The vote of each Co-Owner may only be cast by such Co-Owner or by a proxy given by such Co-Owner to a duly authorized representative. If title to a Unit shall be in the name of two or more persons as Co-Owners, any one of such Co-Owners may vote as the Co-Owner of the Unit at any meeting of the Council and such vote shall be binding on such other Co-Owners who are not present at such meeting until written notice to the contrary has been received by the Secretary of the Board, in which case the unanimous action of all such Co-Owners (in person or by proxy) shall be required to cast their vote. If two or more of such Co-Owners are present at any meeting of the Council, then unanimous action shall be required to cast their vote.

4. Meetings.

a. Annual Meetings. Within thirty (30) days after the sale of the last Unit or at any time prior thereto at the sole discretion of the Developer, whichever shall occur first, the first annual meeting of the Council of Co-Owners shall be held at which time the then officers and Administrators shall resign and a new Board of Administrators shall be elected. Thereafter, each subsequent regular annual meeting of the Council shall be held at such time as may be set by the Board not less frequently than once every calendar year. At each annual meeting the Administrators shall be elected by ballot of the Co-Owners in accordance with the provisions hereinafter set out and such other business as the Co-Owners deem proper shall be transacted at such time.

b. Notice. Notice of time, place and subject matter of all annual and special meetings shall be given to each Co-Owner by mailing such notice to such Co-Owner at the address given by such Co-Owner to the Board. If any Co-Owner shall fail to give an address to the Board for mailing such notices, all such notices shall be sent to the Unit of such Co-Owner and such Co-Owner shall be deemed to have been given notice of any such meeting upon the mailing of such notice irrespective of actual receipt of same.

c. Special Meetings. Special meetings of the Council of Co-Owners may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Co-Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by the President, or by the Co-Owners having one-tenth (1/10) of the total votes and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting, and the matters to be considered thereat.

d. Quorum. The presence in person or by proxy of the Co-Owners of more than 50 percent of the Units shall constitute a quorum for holding any meeting of the Council. If, however, such quorum shall not be present or represented at any meeting of the Council, the Co-Owners present in person or represented by proxy shall have the power to adjourn and reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such reconvened meeting, at which a quorum shall be present or represented by proxy, any business may be transacted as was set out in the notification of the original meeting.

e. Proxies. At any meeting of the Council, votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Board at or before the appointed time of each meeting of the Council.

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f. Majority Vote. When a quorum is present at any meeting of the Council, the vote of a majority (more than 50 percent of Unit votes by Co-Owners present in person or by proxy at such meeting) shall decide any question brought before such meeting unless the question is one upon which by express provisions of the Act, the Declaration or the By-Laws, a different vote is required, in which case such express provision shall govern and control a vote on such question.

g. Cumulative Voting Prohibited. At all meetings of the Council, cumulative voting shall not be permitted.

5. Board of Administrators.

a. Number and Qualification. The affairs of this Council shall be managed by a Board of five (5) Administrators. Each member of the Board must be a Co-Owner with the exception of the members of the first Board who shall be appointed by the Developer (and any replacement Administrators selected by the Developer or the members of the first Board prior to the first meeting of the Council).

b. Election. At the first annual meeting of the Council, the Co-Owners shall elect one (1) Administrator for a term of one year, one (1) Administrator for a term of two years, and three (3) Administrators for a term of three years; and at each annual meeting thereafter, the Council shall elect such Administrators for a term of three years, as vacancies occur by expiration of Administrators' term of office.

c. Removal and Vacancies. Any Administrator may be removed from the Board with or without cause, by a two-thirds (2/3) vote of the Council by Co-Owners voting in person or by proxy at a special meeting called for such purpose or at an annual meeting. In such an event, a successor for such Administrator as has been removed shall be selected by a vote of the Council. Except as to vacancies provided by removal of Administrators by vote of the Council, vacancies in the Board occurring between annual meetings of the Council shall be filled by the remaining Administrators.

d. Compensation and Expenses. No member of the Board shall receive any compensation from the Council for acting as such but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

e. Action by Written Consent. The Administrators shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Administrators. Any action so approved shall have the same effect as though taken at a meeting of the Administrators.

f. Organization Meeting. The organization meeting of a newly elected Board shall be held within ten (10) days of their election at such place and time as shall be fixed by the Administrators so elected at the meeting at which they were elected; and no further notice of the organization meeting shall be necessary.

g. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Administrators. Notice of regular meetings shall be given to each Administrator, personally or by mail, telephone or telegraph, at least three (3) days prior to the date named for such meeting.

h. Special Meetings. Special meetings of the Administrators may be called by the President and must be called by the Secretary at the written request of two (2) of the Administrators. Not less than three days' notice of the meeting shall be given personally by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

i. Waiver of Notice. Any Administrator may waive notice of a meeting before or after the meeting and such waiver, if in writing and signed by such Administrator, shall be deemed equivalent to the giving of notice.

j. Quorum. A quorum at Board meetings shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except where approval by a greater number is required by the Declaration or by the By-Laws.

k. Consent to Action. The joinder of an Administrator in the action of a meeting signing and concurring in the minutes thereof shall constitute the presence of such Administrator for the purpose of determining a quorum.

l. Nomination. Nomination for election to the Board shall be made by a nominating committee which shall consist of a chairman who shall be a member of the Board, and two or more Co-Owners, who shall have been appointed by the Board prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor at the annual meeting.

m. Election. Election to the Board shall be by secret written ballot, at which election the Co-Owners may cast, in person or by proxy, in respect to each vacancy, such votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

n. Powers and Duties. All of the powers and duties of the Council existing under the Act, the Declaration and the By-Laws shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Co-Owners when such is specifically required. Such powers and duties shall include but shall not be limited to the following, subject, however, to the provisions of the Act, the Declaration and the By-Laws:

(1) To make and collect assessments against the Co-Owners for the purposes outlined in the Declaration for the condominium Project and all of its property and facilities;

(2) To use the proceeds of assessments in the exercise of its powers and duties;

(3) To maintain, repair, replace and operate the Property;

(4) To purchase insurance upon the Property and for the protection of the Co-Owners as required by, and pursuant to, the Declaration;

(5) To reconstruct improvements after casualty and further improve the Property;

(6) To amend the original regulations adopted by the Developer and attached hereto as Exhibit "A" and to make such other regulations as it deems necessary respecting the use of the Property;

(7) To approve or disapprove of the transfer, mortgage and ownership of Units in the manner provided by the Declaration, if any;

(8) To arrange for and purchase water, sewer, garbage, electrical, gas and other necessary utility services for the Common Elements and (to the extent not separately metered and charged) for the Units;

(9) To carry out, effect and enforce the provisions of the Act, the Declaration, the By-Laws, and the regulations for the use of the Property; and, in particular, to establish a Rules Committee and procedures for the operation of such Committee to hear and determine the facts with respect to allegations of a failure of a Co-Owner or Co-Owners of a Unit or Units to comply with the provisions of the law and governing documents of the condominium Project, all in accordance with the notice requirements set out in the Declaration, which Committee shall recommend to the Board such action as may be appropriate by way of limitation or use of Common Elements, cessation of furnishing of any common services, or other remedy or action authorized by law or such governing documents;

(10) To contract for management of the Property and to delegate to the contractor all powers and duties of the Board except such as are specifically required by the Act, the Declaration and the By-Laws to have approval of the Co-Owners; provided, however, the Board may delegate to a contract manager the power to approve a proposed lessee of a Unit from a Co-Owner pursuant to the provisions of the Declaration;

(11) To employ personnel to perform the services required for proper operation of the condominium;

(12) To cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Co-Owners at the annual meeting of the Council or at any special meeting when such statement is required in writing by 25 percent or more of the votes of the Council requesting such special meeting.

## 6. Officers.

a. The executive officers of the Council shall be a President, who shall be an Administrator, a Vice President, who shall be an Administrator, a Treasurer and a Secretary, all of whom shall be elected annually by the Board and who may be preemptorily removed by vote of the Board at any meeting. Any person may hold two or more offices except the President shall not also be the Secretary. The Board shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Council.

b. The President shall be the chief executive officer of the Council and shall have all of the powers and duties which are usually vested in the office of President of an organized association including, but not limited to, the power to appoint committees from among the Co-Owners from time to time that, in the exercise of discretion are determined appropriate, to assist in the conduct of the affairs of the Council.

c. The Vice-President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President and shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

d. The Secretary shall keep the minutes of all proceedings of the Board and Council and shall attend to the giving and serving of all notices to the Co-Owners and Administrators and other notices required by law; shall keep the records of the Council, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an organized association and as may be required by the Board or the President.

e. The Treasurer shall have custody of all property of the Council, including funds, securities and evidences of indebtedness and shall keep the books of the Council in accordance with good accounting practices; and shall perform all other duties incident to the office of Treasurer.

f. The compensation of all officers and employees of the Council shall be fixed by the Board. This provision shall not preclude the Board from employing an Administrator as an employee of the Council nor preclude the contracting with an Administrator for the management of the condominium.

7. Delegation of Board Duties. Notwithstanding anything contained herein otherwise to the contrary, the Board may delegate any of its duties, powers or functions to a Manager, provided that any such delegation shall be revocable upon notice by the Board. The members of the Board shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

8. Records. The Board or the Manager shall keep or cause to be kept a set of books with a detailed account of the receipts and expenditures affecting the Project and its administration and specify the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Project. Both the books and vouchers accrediting the entries made thereon shall be available for examination by all the Co-Owners and Mortgagees (or their designees) at convenient hours on working days. All books and records shall be kept in accordance with good accounting procedures.

9. Amendment. These By-Laws may be amended from time to time by a vote of Co-Owners owning 75 percent of the Units and an aggregate number of the holders of record of mortgages on the Units representing 75% of the total vote of all units.

10. Severability. The invalidity of any provision or provisions of these By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these By-Laws, and in such event, all of the other provisions of these By-Laws shall continue in full force and effect as if such invalid provision had never been included herein.

IN WITNESS WHEREOF, these By-Laws are adopted by FINANCIAL FOUNDATION, INC., Developer of The Maplewood Square Condominium Project, by and through its duly authorized officers, this 15th day of February, 1977.

FINANCIAL FOUNDATION, INC. 10

ATTEST:

Sheri Cooper  
Asst. Secretary

By: Jacques C. Shure  
Executive Vice President

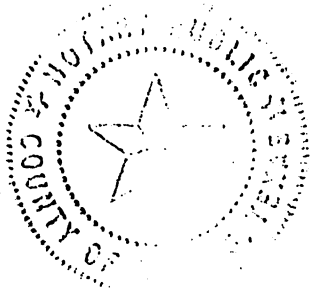
"Developer"

THE STATE OF TEXAS §

COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared Jacques C. Shure, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that the same was the act of the said FINANCIAL FOUNDATION, INC., and that he executed the same as the act of said partnership for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 15th day of February, 1977.



Wickery Altman  
Notary Public in and for  
Harris County, T E X A S