

By-Laws Voted on at 1/19/84 Annual Meeting

Executed copy filed at Anita Kestelner, Merri County
Clerk, on 5/16/84 (Vol. 145, Page 120 of Condominium
Records)

BY-LAWS

FORUM PARK III TOWNHOMES OWNERS' ASSOCIATION, INC.

Table of Contents

	<u>Page</u>
ARTICLE I - NAME, OFFICE AND AGENT.....	1
1.1 Name.....	1
1.2 Principal Office.....	1
1.3 Registered Office and Registered Agent.....	1
ARTICLE II - DEFINITIONS.....	1
2.1 Articles of Incorporation.....	1
2.2 By-Laws.....	2
2.3 Common Elements.....	2
2.4 Declaration.....	2
2.5 Director.....	2
2.6 Member.....	3
2.7 Limited Common Elements.....	3
2.8 Nominating Committee.....	3
2.9 Project.....	3
2.10 Property.....	3
2.11 Unit.....	4
ARTICLE III - MEMBERS, MEETINGS, AND VOTING RIGHTS..	4
3.1 Composition and Powers.....	4
3.2 Annual Meetings.....	5
3.3 Time and Place of Meeting.....	5
3.4 Notice of Meetings.....	5
3.5 Quorum and Adjournment.....	5
3.6 Proxies.....	6
ARTICLE IV - BOARD OF DIRECTORS.....	6
4.1 Board of Directors.....	6
4.2 Term of Office.....	7
4.3 Nomination of Candidates.....	7
4.4 Election.....	7
4.5 Removal.....	7
4.6 Compensation and Expenses.....	8
4.7 Quorum.....	8
4.8 Action Taken Without a Meeting.....	8
4.9 Meetings.....	9
4.10 Indemnification.....	9

Table of Contents (Cont'd)

	<u>Page</u>
ARTICLE V - POWERS AND DUTIES OF THE BOARD OF DIRECTORS.....	9
5.1 Responsibility to Act for the Association.....	9
5.2 Duties of the Board.....	9
5.3 Discretionary Powers of the Board.....	11
ARTICLE VI - OFFICERS AND THEIR DUTIES.....	12
6.1 Enumeration and Qualification of Officers..	12
6.2 Election of Officers.....	12
6.3 Term.....	12
6.4 Resignation and Removal.....	12
6.5 Vacancies.....	12
6.6 Multiple Offices.....	13
6.7 Duties.....	13
ARTICLE VII - AMENDMENT.....	14
7.1 Amendment.....	14
7.2 Conflict.....	14
ARTICLE VIII - FISCAL YEAR.....	14
8.1 Fiscal Year.....	14
ARTICLE IX - SEVERABILITY.....	14
9.1 Severability.....	14

JWD02:08

BY-LAWS

FORUM PARK III TOWNHOMES
OWNERS' ASSOCIATION, INC.

ARTICLE I

NAME, OFFICE AND AGENT

1.1 Name.

The name of the corporation is FORUM PARK III TOWNHOMES OWNERS' ASSOCIATION, INC. (hereinafter referenced as the "Association").

1.2 Principal Office.

The Principal Office of the Association shall be located at One West Loop South, Suite 110, Houston, Texas 77057, but meetings of Members and Directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

1.3 Registered Office and Registered Agent.

The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with the registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the Association in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

DEFINITIONS

All terms used herein shall have the meaning given thereto in the Declaration unless expressly stated to the contrary herein.

2.1 Articles of Incorporation.

The term "Articles of Incorporation" shall mean and refer to the Articles of Incorporation of the Association, as amended from time to time.

2.2 By-Laws.

The term "By-Laws" shall mean and refer to these By-Laws of the Association, as amended from time to time.

2.3 Common Elements.

The term "Common Elements" shall mean and refer to the land, buildings, and all other improvements located on the land, except for those portions herein defined as Units or as Limited Common Elements. If additional property is annexed into the Project pursuant to Article XI of the Declaration, the Certificate filed in conjunction therewith shall designate the portions of such property to be treated as Land, Buildings, Units, Common Elements and Limited Common Elements. Without limiting in any way the generality of the foregoing, the Common Elements shall include those items defined as "General Common Elements" in the Act, including foundations, bearing walls and columns, roofs, halls, lobbies, stairways, entrances, exits, communication way, swimming pools, tennis courts, club rooms, or managerial offices and managerial apartments, mail rooms, areas used for storage of janitorial supplies, maintenance equipment and materials, guard post, driveways, all parking spaces shown on Exhibit "B" to the Declaration that are not designated by number and as such are not assigned to a specific unit as a Limited Common Element, and in general all apparatus and installations existing for the common use, necessary or convenient to the operation, maintenance, and use of the Project as a condominium.

2.4 Declaration.

The term "Declaration" shall mean and refer to the condominium DECLARATION FOR FORUM PARK III TOWNHOMES (A CONDOMINIUM), as amended from time to time, establishing the Forum Park Townhomes as a condominium regime in Houston, Harris County, Texas, pursuant to Article 1301a of the Texas Revised Civil Statutes, a copy of which Declaration is recorded in the Official Public Records of Real Property of Harris County, Texas, under Harris County Clerk's File No. G941441 (Harris County Condominium Records Vol. 116, page 110, et seq.).

2.5 Director.

The term "Director" shall mean and refer to a Member of the Association's Board of Directors.

2.6 Member.

The term "Member" shall mean and refer to those persons entitled to membership in the Association as provided in the Declaration.

2.7 Limited Common Elements.

The term "Limited Common Elements" shall mean those portions of the Common Elements reserved for the exclusive use of one or more Owners to the exclusion of other such Owners, such Limited Common Elements being more particularly designated as such on Exhibit "B" to the Declaration and being the patios, balconies, and numbered parking spaces on Exhibit "B" to the Declaration; patios are designated by the letter "P" and balconies are designated by the letter "B" on said Exhibit "B". Exclusive use of the patios and balconies as Limited Common Elements is reserved in the Declaration to the Owner of the Unit which each such patio and balcony adjoins, as indicated on Exhibit "B" to the Declaration. The parking spaces numbered on Exhibit "B" to the Declaration are assigned to the Unit with the corresponding number, and the Owner of each such Unit is entitled to the exclusive use of such assigned parking space as a Limited Common Element.

2.8 Nominating Committee.

The term "Nominating Committee" shall mean a committee formed for the purpose of interviewing and thereafter nominating candidates for election to the Board of Directors as contemplated by Article IV, Section 2 of these By-Laws.

2.9 Project

The term "Project" shall mean and refer to the Land, the Buildings, the Units, the Limited Common Elements, and the Common Elements; use of the term "Project" herein is intended to the reference the entire condominium regime established by the Declaration and shall also include any additional Land, Buildings, Units, Common Elements and Limited Common Elements annexed pursuant to Article XI of the Declaration.

2.10 Property.

"Property" shall mean and refer to that real property described in the Declaration as the "Land".

2.11 Unit.

The term "Unit" shall mean an enclosed space consisting of one or more rooms occupying part of the floor or floors in a Building, which enclosed space is not owned in common with the owners of other units in the Project. The boundaries of a Unit shall be the interior surface of its perimeter walls, floors, and ceilings, and shall include the portions of the Building so described and the air space thereby enclosed. All heating and air conditioning equipment, ducts, and lines and all utility pipes, lines, systems and fixtures that serve only one Unit shall also be included within the definition of a "Unit", whether such items are located within the space enclosed by the boundaries of such Unit or not.

ARTICLE III

MEMBERS, MEETINGS, AND VOTING RIGHTS

3.1. Composition and Powers.

Every Owner shall be a Member of the Association and shall continue to be a Member for so long as he owns a Unit, all as more fully set out in the Declaration. If more than one person or entity owns a Unit, only one of such Owners shall be a Member, which designation shall be made by a majority vote of all such Owners, and shall be specified in a written notice to the Board of Directors of the Association by such Owners. The foregoing is not intended to include persons or entities holding an interest in a Unit merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, the ownership of any Unit. Except as otherwise provided in these By-Laws or in the Declaration, all action to be taken or authorized by the Members shall be deemed validly taken or authorized upon adoption by vote of a majority of the Members present, in person or by proxy, at any properly called meeting at which a quorum is present, in person or by proxy.

3.2 Annual Meetings.

The annual meeting of the Members shall be held on the third Monday in the month of January of each year unless changed by the Board of Directors in which case written notice of such change must be submitted to the Members not less than ten (10) nor more than fifty (50) days prior to the new meeting date. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.3 Time and Place of Meeting.

All meetings of the Members, special or annual, shall be held at the Principal Office or at such other place within Harris County as shall be determined by the Board of Directors and at the time determined by the Board of Directors which shall give notice of the location and time by submitting them to the Members consistent with these By-Laws.

3.4 Notice of Meetings.

Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or other person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least ten (10) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied in writing by such Member to the Association for the purpose of notice. Such notice shall specify the place, date, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Any Member may waive the ten (10) day notice period by either submitting written waiver of that period to the board or by attending the meeting and voting on issues presented; provided that attendance at any meeting for the single limited purpose of objecting to holding of the meeting for failure to give proper notice shall not constitute a waiver of the ten (10) day notice period.

3.5 Quorum and Adjournment.

The presence at any meeting, in person or by proxy, of Members entitled to cast twenty-five (25%) percent of the votes in the Association shall constitute a quorum for any action, except as otherwise provided in the Articles of

Incorporation, the Declaration, or these By-Laws. Any meeting of the Association, whether annual or special, may be adjourned from time to time, whether a quorum is present or not, without notice other than announcement at the meeting, and such adjournment may be to such time, date and place as may be determined by a majority of the votes cast at such meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting as originally called.

3.6 Proxies.

Unless otherwise provided in the Declaration of these By-Laws, each Member entitled to vote may vote in person or by proxy at all meetings of the Members. Every proxy shall be in writing stating the specific meeting and issue(s) for which it is given, executed by the Member or his duly appointed attorney-in-fact, and filed with the Secretary at or before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon the earlier of conveyance by the Member of his interest in his Unit or completion of the meeting for which it is given. Proxies may not be used at meetings of the Board of Directors.

ARTICLE IV

BOARD OF DIRECTORS

4.1 Board of Directors.

The affairs of the Association shall be managed by a Board of Directors comprised of five (5) Members duly elected in accordance with the provisions hereof. Each Director must be a Member of the Association and must remain current in payment of all assessments levied by the Association, both annual and special, and of any other monies owed to the Association throughout the entirety of his or her respective term. The number of Directors may be increased or decreased from time to time by amendment to the By-Laws in accordance with Article VII hereof.

4.2 Term of Office.

At the first annual meeting following the adoption of these By-laws, the Members shall elect one (1) Director for a term of one (1) year, two (2) Directors for terms of two (2) years each, and two (2) Directors for a term of three (3) years each; and at each annual meeting thereafter the Members shall elect one (1) or two (2) Directors, as the case may be, for a term of three (3) years.

4.3 Nomination of Candidates.

A proposed slate of nominees for election to the Board of Directors shall be made and presented to the Members by a Nominating Committee. The Nominating Committee shall be comprised of a Chairman and two (2) or more Members, one of whom shall be a Member of the Board of Directors. The Nominating Committee shall be appointed and announced by the incoming Board of Directors at each annual meeting of the Members, to serve from the close of such annual meeting until the election of the Board of Directors at the next succeeding annual meeting. The total number of candidates on any slate shall be not less than the number of vacancies to be filled.

Nominations can be made from the floor by any Member during any properly called election meeting of the Members. Each nomination requires a second by a Member.

4.4 Election.

Election to the Board of Directors shall be by secret written ballot. At such election the Members entitled to vote or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these By-Laws. The candidates receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

4.5 Removal.

Any Director may be removed from the Board of Directors for cause by an affirmative vote of a majority of the other Board Members; provided, however, before taking a removal vote, the remaining Board Members shall hold a closed meeting to disclose to the Board Member being considered for removal the basis of such consideration and to allow such Board Member to respond. If the Board thereafter votes to

remove, the removed Board Member shall have ten (10) days to request a special meeting of the Members which shall sit as an appellate body to affirm or reverse, by majority vote, and presentation of both sides, the removal decision of the Board. The remaining Board Members shall call the special meeting of the Members within thirty (30) days after notice of appeal from the removed Board Member.

In addition to the foregoing, "cause" shall automatically exist and the offending Board Member may be removed by a majority vote of the remaining Members of the Board without a hearing as described above upon the failure of a Director to remain current in his/her financial obligations to the Association or upon failure of a director to attend three consecutive meetings without having been granted advance a waiver of this provision by reason of unusual circumstances.

In the event of death, resignation or removal of a Director, his/her successor shall be elected by the remaining Members of the Board of Directors and shall serve out the unexpired term of the predecessor.

Any Board Member may be removed with or without cause by a majority vote of all Members.

4.6 Compensation and Expenses.

No Director shall receive compensation for any service rendered to the Association; provided, however, that any Director may be reimbursed for actual out of pocket expenses incurred in the performance of his/her duties.

4.7 Quorum.

A majority of Members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of such Board of Directors. A vote of the Directors shall be valid if a majority present at a meeting concur.

4.8 Action Taken Without a Meeting.

On an emergency basis, the Directors shall have the right to take any action without a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

4.9 Meetings.

Regular meetings of the Board of Directors shall be held at such times and places as the Board of Directors may determine. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than three (3) days' written notice to each Director, which notice may be waived by attendance and participation at the meeting or by written waiver provided that attendance for the single limited purpose of objecting to holding the meeting for inadequate notice shall not constitute a waiver.

4.10 Indemnification.

The Association shall indemnify, hold harmless, and defend each Director from any claim or liability arising out of any action taken by the Director on behalf of the Association in his capacity as director; provided, however, that the Association's obligation to defend and hold harmless is conditioned upon the prompt notice to the Board of any claim and cooperation of the Director with the Association and its counsel in defense of any claim.

ARTICLE V.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

5.1 Responsibility to Act for the Association.

All of the powers and duties of the Association existing under the Declaration and these By-Laws shall be exercised exclusively by the Board of Directors, its agents, contractors, or employees, subject only to approval by the Members when such approval is specifically required. Such powers and duties shall include, but shall not be limited to, those set out in the remainder of this Article V; subject, however, to the provisions of the Articles of Incorporation, the Declaration, the By-Laws, and applicable law.

5.2 Duties of the Board.

The Board of Directors shall:

- (a) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of

the Members or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Memberships entitled to vote thereat;

(b) Supervise all officers, agents, and employees of the Association to see that their duties are properly performed;

(c) Consistent with requirements of the Declaration, prepare an annual budget of expenses anticipated for the upcoming fiscal year, and raise and spend funds consistent with the budget and best interest of the Association; provided that the Board of Directors may borrow money only upon the approval of the Members at a regular or special meeting;

(d) Fix the amount of the annual assessment against each Unit consistent with the requirements of the budget and subject to the provisions of the Declaration and take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;

(e) Issue, or cause an appropriate officer to issue, upon demand of any person, a certificate setting forth whether or not any assessment has been paid. A reasonable fee may be charged by the Board for the issuance of a certificate. If a certificate states that an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(f) Procure and maintain such liability and hazard insurance as is required by the Declaration;

(g) Cause any officers or employees having fiscal responsibilities to be bonded, as it deems appropriate;

(h) Maintain the Common elements as required by the Declaration;

(i) Assure the continuing architectural design integrity and harmony of all improvements on the Property as required by the Declaration; and

(j) Keep or cause to be kept a set of books with 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 Association. Both the books and any vouchers accrediting the entries made therein shall be available for examination by all of the Members and mortgagees (or their designees) at convenient hours by appointment. All books and records shall be kept in accordance with generally accepted accounting procedures and shall be subject to independent review at least once a year and to certified audit every third year by a certified public accountant.

5.3 Discretionary Powers of the Board.

The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the Common Area and facilities and the personal conduct of Members and their guests thereon, and to establish penalties for infraction thereof;

(b) Limit or suspend the voting right and the right to use of any facilities or services provided by the Association of any Members not current in the payment of all assessments levied by the Association, both special and annual, and of any other monies owed to the Association for so long as such status shall persist; provided, however, that the power to suspend the voting right shall not extend to any vote with respect to any of the following (1) levy of any special assessment by the Association, or (2) borrowing money;

(c) Limit or suspend the right of any Member to use of any of the facilities or services provided by the Association, after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(d) Notwithstanding any provision contained herein, the Board may delegate any of its duties, powers, or functions to a manager, provided that such delegation shall be revocable upon notice by the Board. 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.

(e) Consistent with the provisions of the Declaration, employ a manager, an independent contractor, or such other employees as it may deem necessary and prescribe the duties and terms of employment or service of such manager, independent contractor, or other employees.

ARTICLE VI

OFFICERS AND THEIR DUTIES

6.1 Enumeration and Qualification of Officers.

The officers of this Association shall be a President, one Vice President, a Secretary and a Treasurer and such other officers as the Board may from time to time by resolution create. All officers shall be elected annually by the Board of Directors from among the sitting Board Members.

6.2 Election of Officers.

Officers shall be elected by the Board of Directors at the first meeting of the Board following each annual meeting of the Members.

6.3 Term.

Each officer elected by the Board shall serve for a period of one (1) year unless he shall sooner resign, or shall be removed, or shall otherwise be disqualified to serve.

6.4 Resignation and Removal.

Any officer may be removed from office under the same conditions and procedures as a Board Member. Any officer may resign at any time by giving written notice to the Board President or Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; the acceptance of such resignation shall not be necessary to make same effective.

6.5 Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the vacated term.

6.6 Multiple Offices.

Any two (2) or more offices may be held by the same person, except the offices of Secretary and President.

6.7 Duties.

The duties of the officers of the Association are as follows:

(a) President -- The President shall preside at all meetings of the Association; shall be responsible for the agenda of business at any such meeting; shall see that orders and resolutions of the Board are carried out; and shall sign on behalf of the Association all leases, mortgages, deeds, and other written instruments and may co-sign all checks and promissory notes consistent with directions from the Board of Directors. In addition, the President shall serve as the Chief Executive Officer of the Association and shall have all 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 Members from time to time as he in exercise of his discretion may deem appropriate to assist with the conduct of the affairs of the Association.

(b) Vice President -- 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.

(c) Secretary -- The Secretary shall keep the minutes of all proceedings of the Board and the Association; shall attend to giving and serving of all notices to the Members and other notices required by law; shall keep the records of the Association, except those of the Treasurer, and shall perform all of the duties incident to the office of secretary of an organized association and as may be required by the Board or the President.

(d) Treasurer -- The Treasurer shall assure receipt of and deposit in appropriate bank accounts all monies of the Association, shall disburse such funds as

directed by resolution of the Board of Directors, may sign all checks and promissory notes of the Association, shall assure that proper books of account and accurate records of the fiscal affairs of the Association are kept, and that the books of account and records of fiscal affairs are made available for inspection by Members of the Association upon reasonable notice at a reasonable time and place.

ARTICLE VII

AMENDMENT

7.1 Amendment.

These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members represented in person or by proxy.

7.2 Conflict.

In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE VIII

FISCAL YEAR

8.1 Fiscal Year.

The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year.

ARTICLE IX

SEVERABILITY

9.1 Severability.

The invalidity of any provision(s) of these By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability, or affect 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, we, being all of the Directors of
the Forum Park III Townhomes Owners' Association, Inc. have
hereunto set our hands this _____ day of _____, 198_.

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____
day of _____, 198__ by _____.

Notary Public in and for
The State of T E X A S

My Commission Expires:

Printed/Typed Name of Notary

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____
day of _____, 198__ by _____.

Notary Public in and for
The State of T E X A S

My Commission Expires:

Printed/Typed Name of Notary

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____
day of _____, 198__ by _____.

Notary Public in and for
The State of T E X A S

My Commission Expires:

Printed/Typed Name of Notary

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____
day of _____, 198__ by _____.

Notary Public in and for
The State of T E X A S

My Commission Expires:

Printed/Typed Name of Notary

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 198__ by _____.

Notary Public in and for
The State of T E X A S

My Commission Expires:

Printed/Typed Name of Notary

JWD02:1

CERTIFICATE OF THE SECRETARY

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Forum Park III Townhomes Owners' Association, Inc., a Texas non-profit corporation; and

That the foregoing By-Laws constitute the amended By-Laws of the Association, as duly adopted at a meeting of the Members of the Association thereof held on the ____ day of _____, 198_.

IN WITNESS WHEREOF, I hereunto subscribed my name this
____ day of _____, 198_.

SECRETARY