

EXHIBIT "D"

PROPOSED BY-LAWS OF
THE 18TH AT WALDEN

A CONDOMINIUM PROJECT

THE STATE OF TEXAS §
COUNTY OF MONTGOMERY § KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, VON HAGGE & DEVLIN LIMITED PARTNERSHIP NO. 1, a Texas limited partnership acting by and through Robert Von Hagge, Bruce Devlin and Charles H. Swann, its General Partners, is the sole owner of the real property hereinafter described, and is improving and developing said property by constructing an apartment project thereon, consisting of three (3) multiple-unit apartment buildings, containing a total of seventy-two (72) individual apartments, together with certain other facilities and structures as appurtenances thereto, which apartment project is known as "The 18th At Walden, A Condominium Project"; and,

WHEREAS, the Developer reserves the right to expand the condominium apartment project from time to time until four phases have been constructed containing no more than two hundred and ten (210) individual apartment units in accordance with the terms and conditions set out in Paragraph 10 of the Enabling Declaration, which Paragraph is incorporated herein for all purposes; and,

WHEREAS, VON HAGGE & DEVLIN LIMITED PARTNERSHIP NO. 1 desires to establish the By-Laws pertaining to the operation of said project;

NOW, THEREFORE, VON HAGGE & DEVLIN LIMITED PARTNERSHIP NO. 1 does hereby establish the following By-Laws governing the said The 18th At Walden Condominium:

ARTICLE I

PLAN OF APARTMENT OWNERSHIP

1. The 18th At Walden Condominium located on the following described land is hereby submitted to the provisions of the

Texas Condominium Act:

Being a tract of land out of the Thos. Corner Survey A-10, Montgomery County and being out of Reserve "A" of Walden on Lake Conroe, Section 9 and being more particularly described by metes and bounds as follows:

Beginning at a 3/8" iron rod in the south right of way of Walden Road and being the most northerly corner of said Reserve "A",

Thence south along a curve to the left with a radius of 1750.00 ft, central angle 14°28'27.5" and arc length 442.05 ft along said Walden Road to a 5/8" iron rod being the most northerly corner and point of beginning of the herein described tract,

Thence south along a curve to the left with a radius of 1750.00 ft, central angle 7°12'04.5" and arc length 219.99 ft to a 3/8" iron rod for a corner,

Thence south along a curve to the right with a radius of 25.00 ft, central angle 85°45'41" and arc length 37.42 ft. to a 3/8" iron rod set on the west right of way of Lake Island Drive,

Thence S 25°20'43" W along said drive a distance of 13.64 ft. to a 3/8" iron rod for a corner,

Thence south along a curve to the left with a radius of 210.00 ft, central angle 25°12'32" and arc length 92.40 ft. to a 3/8" iron rod for a corner,

Thence south along a curve to the right with a radius of 210.00 ft, central angle 25°12'32" and arc length 92.40 ft. to a 3/8" iron rod for a corner,

Thence S 25°20'43" W along said Lake Island Drive a distance of 158.43 ft to a 3/8" iron rod for a corner,

Thence N 64°39'17" W a distance of 20.00 ft to a 3/8" iron rod for a corner,

Thence S 76°51'34" W a distance of 195.00 ft to a 3/8" iron rod for a corner,

Thence S 86°55'51" W a distance of 11.92 ft to a 3/8" iron rod for a corner,

Thence S 76°51'34" W a distance of 65.00 ft to a 3/8" iron rod for a corner,

Thence N 13°08'26" W a distance of 302.34 ft to a 5/8" iron rod for a corner,

Thence N 76°51'34" E a distance of 240.00 ft to a 5/8" iron rod for a corner,

Thence N 25°43'38" E a distance of 62.51 ft to a 5/8" iron rod for a corner,

Thence N 9°12'47.5" W a distance of 100.00 ft to a 5/8"

iron rod for a corner,

Thence N 36°47'12.5" E a distance of 30.00 ft to a 5/8" iron rod for a corner and the point of beginning of the herein described tract.

Said tract to be referred to as Tract 1a, with included acreage of 3.3166 acres.

2. The provisions of these By-Laws shall be applicable to the said The 18th At Walden Condominium.

3. All present or future owners, tenants, future tenants, mortgagees, or future mortgagees, or the employees of either of them or any person that might use the facilities of the The 18th At Walden Condominium in any manner, are subject to these By-Laws and to the Enabling Declaration. Any person, firm, or corporation acquiring, leasing, occupying, or renting any of the units in The 18th At Walden Condominium accepts and ratifies these By-Laws, and the Enabling Declaration, and agrees that the terms and provisions of both will be complied with.

ARTICLE II

VOTING, MAJORITY OF OWNERS, QUORUMS, PROXIES

1. Voting shall be on a percentage basis. The percentage of the vote to which each owner is entitled is the percentage established for undivided ownership in the general common elements by paragraph 7 of the Enabling Declaration or any amendments thereof.

2. As used in these By-Laws, the term "majority of owners" shall mean those owners possessing fifty-one (51%) percent of the total votes in accordance with the percentage established for undivided ownership in the general common elements by paragraph 7 of the Enabling Declaration.

3. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of owners" as defined in Section 2 of this Article shall constitute a quorum.

4. Votes may be cast in person or by proxy; proxies

must be filed with the Secretary before the appointed time of each meeting.

5. An annual meeting of the members of the Council of Co-Owners shall be held each year for the election of officers and the transaction of such other business as may properly be brought before the meeting. Annual meetings shall be held on such dates and at such time and places as the Board of Administration shall annually determine, or on such date and at such time and place as the Council may decide upon at any meeting. Written notice stating the date, time and place of any annual meeting shall be mailed or personally delivered to all members not less than ten (10) days nor more than fifty (50) days before the meeting. Unless otherwise specified by the Board of Administration, all annual meetings shall be held on the Project Property.

6. Special meetings of the Council of Co-Owners may be called by the President, or by a majority of the members of the Board of Administration, or by owners having at least ten (10%) percent of the votes entitled to be cast at such meeting. Said meetings shall be called by written notice mailed or personally delivered not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting. The notices shall specify the date, time and place of the meeting and the matters to be considered. Unless otherwise specified in the notice of the meeting, all special meetings shall be held on the Project Property.

7. Any notice which shall be given to a member of the Council of Co-Owners by mail with respect to any meeting or for any purpose shall be deemed to have been properly delivered when deposited in the United States Mail with postage prepaid and addressed to the member's address as it appears on the records of the Council of Co-Owners. Any notice required or permitted to be given to a member of the Council of Co-Owners hereunder may be

waived by execution of a written waiver by such member before or after the time stated therein. Such waiver shall be the equivalent of giving notice.

8. The order of business at all meetings of the Council of Co-Owners shall be determined by the presiding officer or majority vote of the meeting. The latter shall govern in case of any objection to the former.

9. Any action required or permitted to be taken at a meeting of the Council of Co-Owners may be taken without a meeting, if a consent in writing specifying the action so taken, is signed by all of the owners. A unanimous consent signed by all of the owners shall have the same force and effect as a unanimous vote at a meeting of the Council of Co-Owners.

10. Where officers are to be elected, such election may be conducted by mail in such manner as the Board of Administration shall determine.

ARTICLE III

ADMINISTRATION

1. The Board of Administration shall designate a Managing Agent with the powers and duties necessary for the administration of the affairs of the Council of Co-Owners and who shall be authorized to do all such acts and things as are not by law or these By-Laws directed to be done and/or exercised by the owners and in accordance with a Management Contract if one is approved by the Council of Co-Owners.

2. In addition to duties imposed by these By-Laws or by resolution of the Council of Co-Owners, the Agent shall be responsible for the following:

(a) Care, upkeep and surveillance of the condominium and the common elements and facilities and the limited common elements and facilities.

(b) Assessing and collecting the monthly assess-

ments from the owners and any special assessments authorized by the Council of Co-Owners under Paragraph 12, Section 1, of the Enabling Declaration.

(c) Keeping a book with a detailed account of the receipts and any other expenses incurred by, or in behalf of, the condominium. Both the book and the vouchers accrediting the entries made thereon shall be available for examination by all the Co-Owners at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and be audited at least once a year by an auditor outside of the organization.

(d) Designation and dismissal of the personnel necessary for the maintenance and operation of the condominium, the common elements and facilities and the limited common elements and facilities.

(e) Without limiting the rights of any owner, action may be brought by Agent, or other persons designated by the By-Laws or the Council of Co-Owners, in either case in the discretion of the Council of Co-Owners, on behalf of two or more of the apartment owners, as their respective interests may appear, with respect to any cause of action relating to the common elements of more than one apartment.

3. The Agent shall conduct this business for the Co-Owners for actual cost.

4. Agent shall have the right to engage in rental contracts with the individual owners as the sole rental agent, this being a contract with each owner at his option. Nothing herein shall require the owner to use the Agent, or any employee of the Agent, it being understood that the owner may, at his discretion, either rent or not rent his unit, and if he does desire to rent his unit, it is understood that he may use any

rental agent he so desires.

ARTICLE IV

OFFICERS

1. The principal officers of the Council of Co-Owners shall be a President, a Vice-President and a Secretary-Treasurer, all of whom shall be elected by and from the Council of Co-Owners, and be known as the Board of Administration. The officers may appoint an Assistant Secretary-Treasurer and such other officers as in their judgment may be necessary.

2. The officers of the Council of Co-Owners shall be elected annually and shall hold office for one (1) year.

3. Upon an affirmative vote of a majority of the members of the Council of Co-Owners any officer may be removed, either with or without cause, and his successor elected at any regular meeting or at any special meeting called for such purpose.

4. The President shall be the chief executive officer. He shall preside at all meetings of the Council of Co-Owners. 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 the owners from time to time as he may decide is appropriate to assist in the conduct of the affairs of the Council of Co-Owners.

5. The Vice-President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Council of Co-Owners shall appoint some other member of the Co-Owners to do so on an interim basis. The Vice-President shall also perform such other duties as shall from time to time be imposed upon him by the Council of Co-Owners.

6. The Secretary-Treasurer shall keep the minutes of all meetings of the Council of Co-Owners and he shall have charge of such books and papers as may be directed, and he shall, in

general, perform all the duties incidental to the office of Secretary. He shall also have responsibility for the funds and securities belonging to the Council of Co-Owners, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Council of Co-Owners. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Council of Co-Owners in such depositories as may from time to time be designated by the Council.

7. Officers, as such, shall not receive any salary for their services, provided that nothing herein contained shall be construed to preclude any officer from serving the Council of Co-Owners in any other capacity and receiving compensation therefor. The salaries for officers for services other than as such shall be fixed by the members of the Co-Owners.

8. The first meeting of each newly elected Board of Administration shall be held without notice immediately following the annual meeting of the Council of Co-Owners at the same place, unless by unanimous consent of the officers then elected and serving, such time or place shall be changed.

9. Regular meetings of the Board of Administration may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Administration, but at least two (2) such meetings shall be held during each fiscal year. Notice of the date, time and place of regular meetings shall be given to each member of the Board of Administration personally or by mail, telephone or telegraph, at least three (3) days prior to the date designated for such meeting.

10. Special meetings of the Board of Administration may be called by the President and shall be called by the Secretary on the written request of two (2) members of the Board of Administration. Notice of any special meeting of the Board of

Administration shall be given to each member at least three (3) days before the date of the meeting.

11. Absent actual notice, proper notice shall be deemed to have been given of any special meeting of the Board of Administration if notice in writing or by telephone or telegraph message shall have been sent to either the usual business or residence address of the person entitled to receive notice not less than three (3) days preceding the date of the meeting.

12. Before or after any meeting of the Board of Administration, any member may waive notice of the time, date, place and purpose of such meeting by execution of a waiver thereof in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Administration at any meeting of the Board of Administration shall be deemed as a waiver of the required notice of such meeting. If all the members of the Board of Administration are present at any meeting, no notice thereof shall be required and any business may be transacted at such meeting.

13. At all meetings of the Board of Administration a majority of the members of the Board of Administration shall constitute a quorum for the transaction of business, and the acts and decisions of the majority of the members present at any duly-called meeting at which a quorum is present and of which notice was properly given or waived shall be the acts of the entire Board of Administration.

14. Any action required or permitted to be taken at a meeting of the Board of Administration may be taken without a meeting if a consent in writing specifying the actions so taken is signed by all of the members of the Board of Administration. A unanimous consent signed by all of the officers shall have the same force and effect as a unanimous vote at a meeting of the officers.

15. Vacancies in the Board of Administration caused by any reason other than an increase in the authorized number of officers or the removal of a board member by vote of the Council of Co-Owners shall be filled for the unexpired term by a vote of the majority of the remaining members of the Board of Administration even though they may constitute less than a quorum. Each person so elected shall be a member until a successor is elected at the next annual meeting of the Council of Co-Owners or special meeting called for that purpose.

16. Any member of the Board of Administration may resign at any time by giving written notice of resignation to the President or any other officer of the Council of Co-Owners.

ARTICLE V

OBLIGATIONS OF THE OWNERS

1. All owners of units in the condominium project are bound and obligated to contribute monthly or as otherwise periodically assessed by the Council of Co-Owners, or by the Board of Administration when authorized to do so by these By-Laws or by resolution of the Council of Co-Owners, their pro-rata part, in the same percentages established for undivided ownership of the general common elements by Paragraph 7 of the Enabling Declaration, or any amendments thereto, of the expenses of administration, upkeep, maintenance, and repair of the general common elements of the condominium, and in the proper case, of the limited common elements, as any and all such common elements are described and defined in said Declaration, and toward any other expense lawfully agreed upon by the Council of Co-Owners, each of which assessments shall become due and payable within ten (10) days from the date each such assessment is made, unless otherwise specified in the assessment. All such assessments shall pro-rata become liens against the respective units of the project at the time each of such assessments becomes due and payable, subordinate, however,

to certain other liens as stated in the Enabling Declaration. These assessments may include, but are not limited to amounts necessary to pay premiums for a liability insurance policy, non-ownership vehicle liability, and an insurance policy to cover repair and reconstruction in case the improvements are damaged or destroyed by fire, earthquake, hurricane or other hazard, and bonds, and other insurance the Board of Administration may obtain. The President of the Council of Co-Owners is authorized to negotiate and settle, on behalf of the Co-Owners of such condominium, with any insurance company or companies insuring the Co-Owners of such condominium from any casualty or catastrophe loss to any portion of such condominium concerning any particular loss occurring to such property, including negotiating and settling with respect to final approval of repairs, signing proofs of loss, and accepting and endorsing checks from such insurance company or companies paying the amount of the loss as so negotiated and agreed upon. However, nothing included herein shall prejudice the right of each Co-Owner to insure his unit on his own account and for his own benefit.

2. Every owner must promptly perform all maintenance and repair work within his own unit, which if omitted would affect the property in its entirety or in a part belonging to other owners, being expressly responsible for the damages and liabilities that his failure to do so may engender. However, any repairs to the common elements in an individual unit and any damage to an individual unit caused by the common elements shall be the obligation of all the unit owners.

3. All the repairs of internal installations such as water, light, gas, power, sewage, telephone, air conditioners, sanitary installations, doors, windows, lamps and all other accessories belonging to the unit area shall be at the owner's expense.

4. An owner shall reimburse the Council of Co-Owners for any expenditures incurred in repairing or replacing any common elements and facilities damaged through his negligence.

5. All apartment units shall be used and occupied for residential purposes only.

6. An owner shall not make structural modifications or alterations in his unit or installations located therein without previously notifying the Council of Co-Owners in writing, through the Management Agent, if any, or through the President of the Board of Administration, if no Management Agent is employed. The Council of Co-Owners through said Agent or President of the Board shall have the obligation to answer within ten (10) days, and failure to do so within said time shall mean that there is no objection to the proposed modification or alteration. However, if such owner shall be notified of any reasonable objection thereto, then such owner shall not make such structural modifications or changes.

7. An owner shall not place or cause to be placed in the lobbies, halls, vestibules, stairways, elevators, if any, or other areas of a similar nature, any furniture, packages, or objects of any kind. These areas shall be used for no other purpose than for normal transit through them.

8. The Management Agent, if one is employed, or any other person authorized by the Board of Administration or the Council of Co-Owners may enter any apartment in case of serious emergency originating in or threatening such apartment, whether the owner is present at the time or not.

9. An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time con-

venient to the owner. In case of an emergency, such right of entry shall be immediate.

10. No resident of the condominium project shall post any advertisements or posters of any kind in or on the buildings except as authorized by the Board of Administration.

11. Residents shall exercise extreme care about making noises or the use of musical instruments, radios, television and amplifiers that may disturb other residents.

12. It is prohibited to hang garments, rugs, or any other items from the windows or from any of the facades of the buildings.

13. It is prohibited to dust rugs or any other items from the windows, or to clean rugs or any other items by beating on the exterior part of the buildings.

14. It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes in the service areas.

15. No owner, resident, or lessee shall install wiring for electrical or telephone installation, television antennae, machines, or air conditioning units, etc. on the exterior of the buildings or that protrude through the walls or the roof of the buildings, except as authorized by the Board of Administration.

16. Reasonable and customary regulations for the use of the swimming pool and recreation areas will be promulgated hereafter and publicly posted at such places. Owners and all occupants of units shall, at all times, comply with such regulations.

17. All pets on the condominium project shall be on a leash and attended by their owner at all times.

18. Skate boards and other similar type devices shall not be used on porches or balconies.

ARTICLE VI

RULES AND ENFORCEMENT

1. Subject to the approval of the Council of Co-Owners, the Board of Administration shall have the power to make rules for their own government and for the government of the Council of Co-Owners; to prescribe and enforce penalties for violations of the rules and By-Laws of the Council of Co-Owners; to assess and fix charges to be levied against the members of the Council of Co-Owners; and to exercise such other powers as may be necessary or proper to attain the object of the Council of Co-Owners.

2. The failure of the Board of Administration or any apartment owner to enforce any covenant, restriction or other provision of the Condominium Act, the Declaration, these By-Laws or the regulations adopted pursuant thereto shall not constitute a waiver of the right to do so thereafter.

3. In addition to any other rights or remedies available to any apartment owner, any violation or threatened violation of any of the rules and By-Laws of the Council of Co-Owners may be enjoined or prevented by suit for injunction by the apartment owner or the Board of Administration of the condominium regime.

ARTICLE VII

AMENDMENTS

1. These By-Laws may be amended by the Council of Co-Owners in a duly constituted special meeting for such purpose or in any regular meeting. No amendment shall take effect unless approved by owners representing at least fifty-one (51%) percent of the total votes in accordance with percentages established for undivided ownership in the general common elements by paragraph 7 of the Enabling Declaration.

ARTICLE VIII

MORTGAGEES

1. An owner who mortgages his unit shall notify the Council of Co-Owners through the Agent, if any, or the Council of

Co-Owners, giving the name and address of his mortgagee; and the Council of Co-Owners shall maintain such information in a book kept for that specific purpose.

2. The Council of Co-Owners shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit.

ARTICLE IX

COMPLIANCE

These By-Laws are set forth to comply with the requirements of the Texas Condominium Act, Vernon's Annotated Civil Statutes of Texas, Article 1301a. In case these By-Laws conflict with the provisions of said Act, it is hereby agreed and accepted that the provisions of the Act will govern.

DATED AND EXECUTED by the undersigned "Developer" this the 7 day of February, 1979.

VON HAGGE & DEVLIN LIMITED
PARTNERSHIP NO. 1

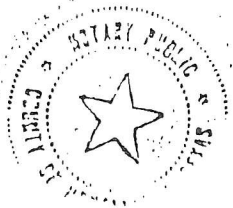
By Charles H. Swann
Charles H. Swann, General Partner

THE STATE OF TEXAS

COUNTY OF MONTGOMERY

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Charles H. Swann, General Partner, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Von Hagge & Devlin Limited Partnership No. 1, a Texas limited partnership, and that he executed the same as the act of such limited partnership for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 7th day of February, 1979.



Pamela R. Bowen
Notary Public in and for
Montgomery County, Texas