

Exhibit F

BYLAWS
OF
3525 SAGE COUNCIL OF CO-OWNERS

3525 SAGE COUNCIL OF CO-OWNERS, a Texas non-profit corporation (the "Council"), is the corporation referred to in the 3525 Sage Declaration of Condominium (the "Declaration"), a condominium regime in Houston, Harris County, Texas, created pursuant to the provisions of the Texas Condominium Act. The terms used in these Bylaws shall have the same meanings given to them in the Declaration, unless otherwise specifically provided herein. In the event of any conflict between the terms and provisions of these Bylaws and the Declaration, the Declaration shall control.

ARTICLE I

Members, Meetings and Voting Rights

Section 1. Members. Each Owner shall be a member of the Council so long as he shall be an Owner of a Residential Unit, all as more fully set forth in the Declaration.

Section 2. Voting. Each Owner shall have a vote in the Council equal to the Percentage Ownership Interest appertaining to its Residence Unit.

Section 3. Qualifications for Voting. No Owner shall be entitled to vote at any meeting of the Council until such Owner has presented evidence of ownership of a Residence Unit in the Condominium to the Secretary of the Board. Any Owner who is in default in the payment of his Common Expense Charges or any other sums owed to the Council may have his right to vote revoked by action of the Board of Directors, pending payment of such amounts. If a Residence Unit is owned by more than one person, they shall exercise their right to vote in such manner as they may among themselves determine, but in no event shall more than one vote be cast for each Residence Unit. Such Owners shall appoint one member who shall be entitled to exercise the vote of that Residence Unit at any meeting of the Council. Such

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EXHIBIT "B"

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designation shall be made in writing to the Board of Directors and shall be revocable at any time by actual notice to the Board. The Board shall be entitled to rely on any such designation until written notice revoking such designation is received by the Board. If a Residence Unit is owned by more than one person and no one of them is so designated to vote, then none of such persons shall be allowed to vote. All members of the Council may attend meetings of the Council and all voting members may exercise their vote at such meetings either in person or by proxy.

Section 4. Annual Meetings. After the election of the first elected Board, the annual meeting of the members of the Council shall be held in the Building or at such other place as may be designated by the Board at 8:00 p.m. on the third Wednesday in March of each calendar year (or the first business day thereafter if such day is a Federal holiday). At the discretion of the Board, the annual meeting of the members of the Council may be held at such other reasonable time as may be designated by written notice of the Board delivered to the members not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting.

Section 5. Notice. Any notice permitted or required to be given to a member of the Board or to an Owner may be delivered personally, by mail, or by placing such notice in the mail distribution facilities of the Building. If delivery is made by mail, it shall be deemed to have been delivered upon deposit in the U.S. Mail postage prepaid, addressed to an Owner at his Residence Unit or to such other address as the Owner may have given in writing to the Secretary of the Council for the purpose of service of notices. Addresses for purposes of notice may be changed from time to time by notice in writing to the Secretary. For the purpose of determining the members entitled to notice of a meeting and to vote at any meeting, the membership of the Council shall be determined at the close of business on the twenty-first day preceding such meeting.

Section 6. Special Meetings. Special meetings of the members may be called at any time by the President or any Vice President, by members having ten percent (10%) of the total voting power in the Council, or by a majority of the Board of Directors. Written or printed notice stating the place, date and time of such special meeting and the purpose or purposes for which the meeting is called shall be deliv-

ered to each member not less than ten (10) nor more than twenty-one (21) days before the date of such meeting.

Section 7. Quorum. The presence in person or by proxy of the Owners representing a majority of the total voting power of the Council shall constitute a quorum for holding any meeting of the Council. The Owners present in person or represented by proxy at a meeting, though less than a quorum, 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.

Section 8. Proxies. At any meeting of the Council, votes may be cast in person or by proxy. Proxies must be in writing and duly signed by the Owner granting the same, and must be filed with the Secretary of the Council at or before the appointed time of each meeting of the Council. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. All proxies shall be revocable unless expressly provided therein, and in no event shall any proxy remain irrevocable for more than eleven (11) months. Each proxy shall automatically terminate upon conveyance by the Owner of his Residence Unit.

Section 9. Majority Vote. Except as otherwise provided by law, in the Declaration, or in these Bylaws, all action to be taken or authorized by the members shall be deemed validly taken or authorized upon adoption by the vote of Owners representing fifty-one percent (51%) of the total voting power of the Council.

Section 10. Cumulative Voting. At all meetings of the Council, cumulative voting shall not be permitted.

ARTICLE II

Board of Directors

Section 1. Number and Qualification. The Board of Directors shall consist of no less than three (3) and no more than thirteen (13) persons, such number to be set by

resolution of the Board of Directors, provided that no decrease in the number of directors that would have the effect of shortening the term of an incumbent director may be made by the Board of Directors. The Directors need not be members of the Council.

Section 2. Election. The Directors shall be elected by the members at each annual meeting. At the initial meeting of the members of the Council, which shall be held at the time provided in the Declaration, the members shall elect one-third of the total number of Directors for terms of one (1) year each, one-third of the total number of Directors for terms of two (2) years each, and one-third of the total number of Directors for terms of three (3) years each, provided that if the total number of Directors set by the Board is not evenly divisible by three, the number of Directors to serve each term shall be adjusted so that the fewer number of Directors serve the shorter terms (and the number of Directors serving the same term shall never be more than one Director in excess of the number of Directors serving any other term). Thereafter, at the annual meeting of the members, the members shall elect the number of Directors necessary in order to fill the positions of the Directors whose terms have expired at the time of the annual meeting, each to serve a term of three (3) years. Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The nominee receiving the highest number of votes (whether or not a majority) shall be elected. All votes shall be cast by written ballot.

The elected members of the Board (other than members of the First Elected Board) shall serve for a term of three (3) years unless sooner terminated by death, resignation or removal.

Section 3. Removal and Vacancies. Any Director may be removed from the Board with or without cause, by the affirmative vote of Owners representing a majority of the voting power in the Council, at a special meeting called for such purpose or at an annual meeting. In such an event, a successor for such removed Director shall be selected by a vote of the Council. Vacancies in the Board of Directors caused by reasons other than removal shall be filled by the remaining Directors. A Director elected or appointed to fill a vacancy created on the Board shall serve for the unexpired term of his predecessor.

Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of members or at a special meeting called for such purpose. The Directors elected to fill such newly created positions shall serve for the term that would bring about the distribution of Directors as described in Section 2 of this Article II.

Section 4. Compensation and Expenses. No Director shall receive any compensation from the Council for acting as such, but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

Section 5. Action by Written Consent. 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 of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 6. Regular Meetings. The annual meeting of the Board shall be held each year immediately following the annual meeting of the members, at the place of such annual meeting, for the election of officers and consideration of any other business that may be properly brought before such annual meeting. 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 Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the date of such meeting.

Section 7. Special Meetings. Special meetings of the Directors may be called by the President or by any two (2) Directors. Not less than three (3) days notice of the meeting shall be given to each Director personally or by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

Section 8. Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting by a signed, written waiver.

Section 9. 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 duly called meeting at which a quorum is present shall constitute the acts of the Board.

Section 10. Nominations. Nominations for election to the Board (except the Appointed Board and the First Elected Board) shall be made by a nominating committee which shall consist of a chairman, who shall be a member of the Board whose term is not expiring, and two or more Owners, who shall be appointed by the Board prior to each annual meeting of the members. Each nominating committee member shall serve until his successor is appointed. The nominating committee shall make as many nominations for election to the Board as there are vacancies to be filled and, in the event new directorships are created, shall nominate the persons to serve as, and shall designate the terms to be filled by, the new Directors. Nominations may also be made from the floor at the annual meeting.

Section 11. Powers and Duties. All of the powers, authority and duties of the Council existing under the Texas Condominium Act, the Declaration and the Bylaws shall be exercised exclusively by the Board, its agents, contractors or employees, subject to approval by Owners only when such is specifically required by the Texas Condominium Act, the Declaration, or the Bylaws.

Section 12. Order of Business. At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board may determine. At the annual meeting of the Board of Directors, a chairman shall be chosen by the Board from among the directors present to preside over all Board meetings for the ensuing year. The Secretary of the Council shall act as secretary of the meetings of the Board of Directors, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 13. Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Council immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE III

Officers

Section 1. Executive Officers. The executive officers of the Council shall be a President, one or more Vice-Presidents, a Treasurer and a Secretary, none of whom need be members of the Council. All officers shall be elected annually by the Board of Directors and shall serve until their successors shall have been elected or until they have been removed or have resigned. All officers shall be subject to removal at any time by the Board of Directors. The Board of Directors may, in its discretion, elect acting or temporary officers and elect officers to fill vacancies occurring for any reason whatsoever, and may, in its discretion, limit or enlarge the duties and powers of any officer elected by it. 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 necessary or advisable to manage the affairs of the Council.

Section 2. President. 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 sign all leases, mortgages, deeds and other written instruments that have been approved by the Board or pursuant to the authority granted by the Board.

Section 3. Vice Presidents. Each 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. If more than one Vice President is elected, the Board of Directors shall designate who is the First Vice President, who is the Second Vice President, etc. In the absence of the President, the First Vice President shall perform the duties of the President. Such authority to act for the President shall vest to the Vice Presidents in the order of their numerical designation by the Board of Directors.

Section 4. Secretary. The Secretary shall record the votes and keep the minutes of all proceedings of the Council

and shall attend to the giving and serving of all notices to the Owners and Directors 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.

Section 5. Treasurer. The Treasurer shall have custody of all property of the Council, including funds, securities and evidences of indebtedness; shall keep the books of the Council in accordance with generally accepted accounting procedures; shall cause an annual statement of the Council's books to be made at the completion of each fiscal year; shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members; and shall perform all other duties assigned to him by the Board of Directors or incident to the office of Treasurer.

Section 6. Compensation. 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 a Director as an employee of the Council nor preclude the Board from contracting with a Director for the management of the Condominium.

ARTICLE IV

Delegation of Board Duties, Committees

Section 1. Notwithstanding anything contained herein otherwise to the contrary, the Board may delegate any of its duties, powers or functions to a Managing Agent. The Directors shall not be liable for any acts or omissions of the Managing Agent.

Section 2. In addition to the committees provided for in the Declaration and the Bylaws, the Board of Directors may appoint such other committees as may be deemed appropriate by the Board.

ARTICLE V

Amendment

Section 1. These Bylaws may be amended from time to time only upon the affirmative vote of members having sixty-seven percent (67%) of the voting power of the Council at an annual meeting or at a special meeting, provided notice of said proposed amendment is contained in the notice of the special meeting.

ARTICLE VI

Loans, Checks, Deposits and Transactions

Section 1. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Council shall be signed by such officer or officers, agent or agents of the Council and in such manner as shall, from time to time, be determined by resolution of the Board of Directors.

Section 2. Deposits. All funds of the Council not otherwise employed shall be deposited, from time to time, to the credit of the Council in such banks, trust companies or other depositories (including certificates of deposit and money market or similar funds) as the Board of Directors may select.

Section 3. Fiscal Year. The fiscal year of the Council shall begin on the first day of January and end on the thirty-first day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

RETURN TO: LAWYERS TITLE COMPANY
517 CAROLINE
HOUSTON, TEXAS 77002

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John Salinas
COUNTY CLERK
HARRIS COUNTY, TEXAS