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Notice
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AFFIDAVIT OF PROPERTY OWNERS' ASSOCIATION
(PURSUANT TO TEXAS PROPERTY CODE, SECTION 202.006)

PROPERTY OWNERS'
ASSOCIATION:

MEMORIAL LOFTS HOMEOWNERS ASSOCIATION, a Texas
non-profit corporation

AFFIANT:

TRACY BROWN, President

20100267808
06/24/2010 RP2 \$212.00

PROPERTY DESCRIPTION:

MEMORIAL COVE LOFTS, a condominium in Harris County, Texas, as fully
described in and located, delineated and as defined in the Declaration of Memorial
Cove Lots, a condominium declaration, together with the Survey Plats, By-Laws and
Exhibits attached hereto, recorded in Clerk's Film Code No. 180004, et seq.,
Condominium Records of Harris County, Texas. *lee*

Affiant on oath swears that the following statements are true:

1. Affiant is over the age of eighteen, of sound mind and fully competent to make this
affidavit. Affiant is a property manager of and for the above designated property owners' association
and property, and a custodian of the records of said association. As such Affiant is duly authorized
to make this affidavit on behalf of the association. Affiant has personal knowledge of the facts stated
herein which are all true and correct.

2. Attached hereto are the originals or exact duplicates of the originals of each of the
following instruments applicable to the above designated property owners' association and property
which have not previously been filed of record: (A) articles of incorporation; (B) bylaws; and (C)
rules and regulations. Notice is also hereby given that any reference to "Association Management,
Inc.", "AMI" or equivalent in the rules and regulations or any other Governing Documents means
and refers to the Association's current managing agent or management company.

MEMORIAL LOFTS HOMEOWNERS ASSOCIATION *lee*

By: *Tracy Brown*

TRACY BROWN, President

SWORN TO AND SUBSCRIBED BEFORE ME by the said TRACY BROWN, President
of Memorial Lofts Homeowners Association, on this the 15 day of June, 2010.



Stacy Jacob
Notary Public, State of Texas

My Commission Expires: 6/8/14

AFTER RECORDING, PLEASE RETURN TO:

Mr. Lou W. Burton
Williams, Birnberg & Andersen, L.L.P. *✓*
2000 Bering Drive, Suite 909
Houston, Texas 77057-3746

County Clerk
HARRIS COUNTY, TEXAS

2010 JUN 24 AM 9:34

FILED

ARTICLES OF INCORPORATION
OF
MEMORIAL LOFTS HOMEOWNERS ASSOCIATION
(a non-profit corporation)

We, the undersigned persons of the age of eighteen years or more, acting as an incorporator of a corporation under the Texas Non-Profit Corporation Act, hereby adopt the following Articles of Incorporation for such corporation.

Article 1.
CORPORATE NAME.

The name of the corporation is Memorial Lofts Homeowners Association, hereinafter referred to as the "Association".

Article 2.
LEGAL STATUS.

The Association is a nonprofit corporation organized pursuant to the Texas Non-Profit Corporation Act.

Article 3.
DURATION.

The period of duration of the Association is perpetual.

Article 4.
PURPOSES.

The purposes for which the Association is formed are as follows:

- a. Specifically and primarily to provide an organization for the management, maintenance, preservation, and architectural control of the condominium project in Harris County, Texas, commonly known as Memorial Cove Lofts (the "Project"), being more particularly described in the condominium plat (the "Plat") filed (or to be filed) for record in the Official Records of Real Property of Harris County, Texas, and by that Declaration of Memorial Cove Lofts recorded (or to be recorded) in the Official Records of Real Property of HARRIS County, State of TEXAS (the "Declaration").

b. Generally, the Association is formed for the following purposes:

- i. To promote the health, safety, and welfare of the owners of the units within the Project ("Owners").
- ii. To exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declaration and in the Bylaws of the Association, as they may be amended from time to time.
- iii. To fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration and to pay all expenses in connection with such charges or assessments, all office expenses, and all other expenses incidental to the conduct of the operations of the Association including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.
- iv. To acquire (by gift, purchase, or otherwise), own, hold, improve, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association.
- v. To borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of the Association's real or personal property as security for money borrowed or debts incurred.
- vi. To have and to exercise any and all powers, rights, and privileges that a corporation organized under the Texas Non-Profit Corporation Act by law may now or at a later time have or exercise, provided, however, that such exercise of power shall in no event conflict with the status of the Association as an organization exempt from taxation under section 528 of the Internal Revenue Code of 1986, as amended or revised from time to time (the "Internal Revenue Code").
- vii. To act in the capacity of principal, agent, joint venturer, partner, or otherwise.

c. Notwithstanding any of the above statements of purposes, the Association shall not take any of the following actions:

- i. Provide any part of its net earnings to the benefit of any private shareholder or individual, except through the acquisition, construction,

management, maintenance, and care of association property or through the rebate of excess membership dues, fees, or assessments.

ii. Derive less than sixty percent (60%) of its gross income for the taxable year from membership dues, fees, or assessments from owners of the condominium units or make less than ninety percent (90%) percent of its expenditures for the taxable year for the acquisition, construction, management, maintenance, and care of the association's property, as defined in the Internal Revenue Code.

iii. Engage in any activities or exercise any powers, except to an insubstantial degree, that are not in furtherance of the primary purposes of the Association.

Article 5.

INITIAL REGISTERED OFFICE AND AGENT.

The name of its initial registered agent is A. Richard Wilson, and the street address of the initial registered office of the Association is as follows: 7887 San Felipe, Suite 122, Houston, Texas 77063

Article 6.

INITIAL BOARD OF DIRECTORS.

The initial Board of Directors shall consist of 3 directors. The number of Directors may be increased or decreased (but never less than three) from time to time in the manner provided in the Bylaws, except that no decrease shall have the effect of shortening the term of any incumbent Director. In the absence of a Bylaw providing for the number of Directors, or should the Corporation fail to determine the number of Directors in the manner provided in the Bylaws, the number shall be the same as the number of Directors constituting the initial Board of Directors. The Directors need not be residents of the State of Texas or shareholders of the Corporation. The names and addresses of the persons who are to serve as Directors until the first annual meeting of the shareholders and until their successors shall have been elected and qualified, unless the same shall be replaced in accordance with the provisions of the Bylaws, are:

A. Richard Wilson
7887 San Felipe, Suite 122
Houston, Texas 77063

Gerald W. Russell
7887 San Felipe, Suite 122
Houston, Texas 77063

William M. Bell, Jr.
PO Box 926
Fulshear, Texas 77441-0926

Article 7.
MEMBERS.

The Corporation shall have members. The Owners of the Units in the Project (as such terms are defined in the Declaration) shall be the "Members" of the Association.

Article 8.
INCORPORATOR.

The names and addresses of the incorporators of the Corporation are as follows:

William M. Bell, Jr.
PO Box 926
Fulshear, Texas 77441-0926

Article 9.
INDEMNIFICATION.

The Corporation may indemnify a person who was, is, or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a Director or other person related to the Corporation as provided in the Act. The Board of Directors shall have the power to define the requirements and limitations for the Corporation to indemnify Directors, officers, or others related to the Corporation. These requirements may be contained in the Bylaws of the Corporation, an agreement with the person indemnified, by general or specific resolution of the Board of Directors, or other method permitted by the Act.

IN WITNESS WHEREOF, we have set our hands, this 23rd day of April, 2001.



William M. Bell, Jr.

BYLAWS

OF

MEMORIAL LOFTS HOMEOWNERS ASSOCIATION

a Texas Non-Profit Corporation

RP 172-62-0489

BYLAWS
OF
MEMORIAL LOFTS HOMEOWNERS ASSOCIATION

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BYLAWS
OF
MEMORIAL LOFTS HOMEOWNERS ASSOCIATION

Article I.
Offices

Section 1. Principal Office: The principal office of the Memorial Lofts Homeowners Association (the "Association") in the State of Texas shall be located at 7887 San Felipe, Suite 122, Houston, Texas 77063. The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may designate or as the operations of the Association may require from time to time.

Section 2. Registered Office: The registered office of the Association required by the Texas Non-Profit Corporation Act to be maintained in the State of Texas may be, but need not be, identical with the principal office 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.
Project/Declaration

Section 1. Project: The Association has been formed in connection with condominium project commonly known as Memorial Cove Lofts (the "Project"), as is more fully described in the Declaration (defined below). Each of the Units of the Project (as defined in the Declaration) is referred to in these Bylaws as a "Unit". The Project is being developed by Memorial Lofts Management, L.P. ("Developer").

Section 2. Declaration: The Project is subject to and governed by the provisions of Declaration of Memorial Cove Lofts, filed (or to be filed) in the Official Records of Real Property of Harris County, Texas (the "Declaration"). Unless otherwise defined in these Bylaws, any capitalized term will have the meaning described in the Declaration. If any of these Bylaws appear to conflict with the any provision of the Declaration, then the terms of the Declaration shall control. These Bylaws may be amended or replaced from time to time by the Board, as provided herein.

Section 3. Personal Application: These Bylaws bind following persons (present or future), who are each subject to the terms and conditions hereof: Owners, tenants, employees or other persons that use or occupy any portion of the Project in any manner. The act of using, occupying or acquiring title to any portion of the Project shall constitute such person's full acceptance and ratification of these Bylaws.

Article III.
Members

Section 1. Members: A member ("Member") of the Association shall be the person(s) described in the Declaration as the Owner of a Unit, who is identified as the person who will represent the Unit, as provided in the Declaration. Developer is also a Member of the Association, as provided in the Declaration. Membership in the Association is appurtenant to ownership of a Unit, as provided herein and in the Declaration. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of a Unit in the Project. Such deed shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

Section 2. First Meeting: The first meeting of the Members of the Association shall be held on or before the "Transition Date" (which is the date 120 days after the conveyance of fifty percent (50%) of the Units (that exist or may be created) to unit Owners other than the Declarant, as described in Section 8.3 of the Declaration). At the first meeting thereof, the Members of the Association (other than the Declarant) shall elect not less than one-third of the members of the Board of Directors, in the same manner as an annual meeting of the Members.

Section 3. Annual Meeting: Unless otherwise determined by the Board of Directors, the annual meeting of the Members shall be held on the third Tuesday in the fourth month after the end of the Association's fiscal year for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Texas, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the Members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as convenient.

Section 4. Special Meeting: Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by law or by the Articles of Incorporation, may be called by the Chairman of the Board, the Board of Directors, the President, or at least fifty percent (50%) of the Members entitled to vote at the meeting. Business transacted at all special meetings shall be confined to the purpose or purposes stated in the notice of the meeting.

Section 5. Place of Meeting: Meetings of the Members may be held at any place, within or without the State of Texas, designated in the notice or waiver of notice of the meeting. If no designation is so made, meetings of the Members shall be held at the principal office of the Association.

Section 6. Notice of Meeting: Written notice stating the place, date, and time of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than fifty days before the date of the meeting.

either personally or by mail, by or at the direction of the President, the Secretary, or the officer or persons calling the meeting, to each Member of record entitled to vote at such meeting. Such notice shall have been given if hand-delivered or mailed to each Unit.

Section 7. List of Members: A complete list of the Members entitled to vote at each Members' meeting or any adjournment thereof, arranged in alphabetical order, with the address of the Unit owned by each Member, shall be prepared by the Secretary and kept on file at the registered office of the Association. Such list shall be subject to inspection by any Member of the Association during usual business hours for a period of at least ten days prior to each meeting and shall be produced and kept open at each meeting and at all times during each meeting. The membership roll maintained by the Secretary of the Association shall be prima facie evidence as to who are the Members entitled to vote at any meeting of the Members.

Section 8. Quorum: Members representing at least fifty percent (50%) Members entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of the Members. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

Section 9. Adjournments: If the number of Members necessary to constitute a quorum shall fail to attend any meeting of the Members in person or by proxy, then the Members present at such meeting, representing a majority of the Members, in person or by proxy, may adjourn any such meeting from time to time without notice, provided that they shall announce (at such time) the time and place at which the meeting will reconvene. Members representing a majority of the Members entitled to vote and present at such meeting (in person or represented by proxy) may also adjourn any meeting of the Members from time to time and without notice, provided that they shall announce (at such time) the time and place at which the meeting will reconvene. If the adjournment is for more than 60 days, or if after adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at such meeting. At any such adjourned meeting at which a quorum is present, in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified or called.

Section 10. Proxies: At all meetings of the Members a Member may vote by proxy executed in writing by the Member or by his duly authorized attorney in fact. To be effective, such proxy must be in writing and must be filed with the Secretary of the Association before or at the time of the meeting. No proxy shall be valid after the occurrence of any of the following events: (a) eleven months from the date of the execution of such proxy, unless otherwise provided in the proxy; (b) the death of the person that granted the proxy, or the declaration in a court of competent jurisdiction that the person that granted the proxy is legally incompetent; or (c) the conveyance of the interest in the project held by the person that granted the proxy, so that he/she is no longer a Member. A proxy shall be revocable unless expressly provided therein to be irrevocable or unless otherwise made irrevocable by law. Should a proxy designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have

and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if any even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the number of Members that is represented by such proxies.

Section 11. Nomination and Election: Nominations for election to the Board of Directors shall be made by the Members from the floor at the annual meeting of Members, with respect to each Directorship subject to election. Members (or their properly authorized proxies) may cast the number of votes to which they are entitled under the Declaration. The nominee receiving the highest number of votes shall be elected.

Section 12. Voting by Members: Except as otherwise provided by law, the Articles of Incorporation, or these Bylaws the following shall apply:

A. When a quorum is present at any meeting, the vote of Members representing a majority of the Members entitled to vote and present at such meeting (in person or represented by proxy) shall decide any matter submitted to such meeting, unless the matter is one upon which by law, the Articles of Incorporation, or these Bylaws the vote of a greater number is required, in which case the vote of such greater number shall govern and control the decision of such matter.

B. All voting shall be by oral vote, except that upon the determination of the Chairman of the meeting or upon the demand of any qualified voter or his proxy, voting on any question, matter, or business at such meeting shall be by ballot. In the event any business, question, or matter is so voted upon by ballot, then each ballot shall be signed by the Member voting or by his proxy and shall state the number of Members so voted.

C. IN THE EVENT THAT AN OWNER OF A RESIDENTIAL UNIT IS IN DEFAULT IN THE PAYMENT OF ASSESSMENTS UNDER THE DECLARATION, THEN SUCH RESIDENTIAL UNIT (AND THE MEMBER REPRESENTING SUCH RESIDENTIAL UNIT) SHALL NOT BE ENTITLED TO VOTE WITH RESPECT TO SUCH RESIDENTIAL UNIT. For purposes of these Bylaws, all Assessments shall be deemed to be valid and the proper exercise of the Board's power unless and until a final, non-appealable judgement is entered overturning such Assessment.

Section 13. Voting by Certain Members:

A. The vote of a Unit owned by a corporation may be exercised by the President of such corporation or any other officer, agent, or proxy as the bylaws or resolution of such corporation may prescribe, or other person acceptable to the Board of Directors.

B. The vote of a Unit owned by a partnership, joint venture or other entity may be exercised by any person who is duly authorized by such entity, or by any other partner, member, owner, or agent thereof acceptable to the Board of Directors.

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C. The vote of a Unit subject to a duly appointed administrator, executor, guardian, or conservator may be exercised by such administrator, executor, guardian or conservator as a Member on behalf of such Unit, either in person or by proxy, without a transfer of the Unit into his/her name.

D. The vote of a Unit that is held in the name of a trustee may be exercised by the trustee, either in person or by proxy, but no trustee shall be entitled to vote on behalf of a Unit without transfer of such Unit into his/her name.

E. The vote of a Unit standing in the name of or under the control of a receiver may be exercised by such receiver, without the transfer of such shares into his/her name, if authority to vote as a Member of the Association is contained in an appropriate order of the court by which such receiver was appointed.

F. A Member whose Unit is subject to a lien, mortgage, deed of trust or other security interest shall be entitled to vote as a Member of the Association until legal title to the Unit has been transferred on the books and records of the Association into the name of the mortgagee or other transferee, and thereafter the transferee shall be entitled to vote as a Member of the Association.

Section 14. Order of Business and Rules of Procedure: The President of the Association, or in the event of his absence, omission, or refusal to so act, a Vice President of the Association, shall call each meeting of the Members to order and shall act as Chairman of such meeting. If neither the President nor a Vice President of the Association acts or will act as the Chairman of the meeting of the Members, then the Members may appoint a Chairman who shall act as Chairman of the meeting.

The Secretary of the Association, or in the event of his absence, omission, or refusal to act, an Assistant Secretary, shall act as Secretary of each meeting of the Members. If neither the Secretary nor an Assistant Secretary acts or will act as Secretary of the meeting of the Members, then the Chairman of the meeting or, if he fails to do so, the Members, may appoint any person to act as Secretary of the meeting and such person shall act as Secretary of the meeting.

The Chairman of any meeting shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seems to him in order. Unless the Chairman of the meeting shall otherwise determine, the order of business shall be as follows:

- (1) Call to order.
- (2) Election of a Chairman and the appointment of a Secretary, if necessary.
- (3) Presentation of proof of due calling and notice of the meeting.
- (4) Presentation and examination of proxies.

- (5) Ascertainment and announcement of presence of quorum.
- (6) Approval or waiver of approval of prior minutes.
- (7) Report of officers.
- (8) Nomination for Directors.
- (9) Receiving motions and resolutions.
- (10) Discussion of election of Directors, motions, and resolutions.
- (11) Vote on Directors, motions, and resolutions.
- (12) Any other unfinished business.
- (13) Any other new business.
- (14) Receipt of report of inspector on results of election and vote on motions and resolutions.
- (15) Adjournment.

In all matters pertaining to conduct of the Members' meetings, the procedures set forth in Robert's Rules of Order shall be followed. Legal counsel to the Association, or such other person as is specified in notice of the meeting, shall act as parliamentarian.

Section 15. Inspectors of Election: In advance of any meeting of the Members, the Board of Directors may appoint one or more inspectors of election. If there is no such appointment made in advance, or if any appointed person refuses or fails to serve, the Chairman of the meeting may appoint such inspectors or appoint a replacement for any inspector refusing or failing to serve. Inspectors of election shall determine the legal ownership of the Units, the Member who is qualified to vote with respect to such Unit, whether the Owners of such Unit(s) is in default in the payment of Assessments, the existence of a quorum, and authenticity, validity, and effect of proxies. The inspectors shall receive votes, ballots, assents, and consents, and hear and determine all challenges and questions in any way arising in connection with a vote. They shall count and tabulate all votes, assents, and consents, and determine and announce results and do all other acts as may be proper to conduct elections or votes with fairness to all of the Members.

Section 16. Action Without a Meeting: Any action required by law or permitted to be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members and filed with the Secretary of the Association.

Article IV.
Board of Directors

Section 1. **General Powers:** The business and affairs of the Association shall be managed by its Board of Directors. In addition to the powers and authorities expressly conferred upon them by these Bylaws, the Board of Directors may exercise all such powers of the Association and do all such lawful acts and things as are not by law or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the Members.

Section 2. **Number, Tenure, and Qualifications:** The number of Directors of the Association shall be determined from time to time by resolution adopted by a majority of the Board of Directors or by the Members (but in no event shall be less than three); provided, however, that no decrease in the number of Directors by the Board of Directors shall have the effect of shortening the term of any incumbent Director. If the Board of Directors makes no such determination, the number of Directors shall be the number set forth in the Articles of Incorporation. Each Director shall hold office until the next annual meeting of the Members, or special meeting held for the purpose of electing Directors, and until his successor shall have been elected and qualified. Directors need not be Owners or residents of the State of Texas or Members of the Association.

Section 3. **Regular Meetings:** A regular meeting of the Board of Directors shall be held without other notice than these Bylaws immediately after, and at the same place as, the annual meeting of the Members. The Board of Directors may provide by resolution, the time and place, either within or without the State of Texas, for the holding of additional regular meetings without other notice than such resolution.

Section 4. **Special Meetings:** Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President, or a majority of the Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board of Directors called by them.

Section 5. **Notice:** Notice of any special meeting shall be given at least three (3) business days in advance by written notice, telephone, telegram, or other reasonable means of communication. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting.

Section 6. **Quorum:** A majority of the number of Directors fixed by Section 2 of this Article IV (but not less than three Directors) shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a quorum is present at a meeting, a majority of the Directors present at such meeting may adjourn the meeting from time to time without further notice, other than by announcement at such meeting of the time and place

at which the meeting will reconvene, until the transaction of any and all business submitted or proposed to be submitted to such meeting or any adjournment thereof shall have been completed.

Section 7. Manner of Acting: The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws. Regular and Special meetings of the Board of Directors shall be open to all Members of the Association; provided, however, that Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of the Board present at such meeting. The Board may, with the approval of a majority of the Board present at such meeting, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, and other business of a confidential nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

Section 8. Removal: At any meeting of the Members (after the Transition Date) called expressly for that purpose, any Director or the entire Board of Directors may be removed from office, with or without cause, by a vote of the Members who represent at least seventy-five percent (75%) of the Units then entitled to vote at an election of Directors. Any vacancy or vacancies in the Board resulting therefrom may be filled as described below.

Section 9. Resignation: Any Director may resign at any time by giving written notice to the President or Secretary. Such resignation shall take effect at the time specified therein and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective. Any vacancy or vacancies in the Board resulting therefrom may be filled as described below.

Section 10. Vacancies: Any vacancy occurring in the Board of Directors may be filled by the appointment of a successor by a majority of the remaining Directors, though less than a quorum of the Board of Directors. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office. Any Directorship to be filled by reason of any increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of the Members called for that purpose, or by the Board of Directors, for a term of office continuing only until the next election of one or more Directors by the Members; provided, however, that the Board of Directors may not fill more than two such Directorships during the period between any two successive annual meetings of the Members.

Section 11. Compensation: By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as a Director. No such payment shall preclude any Director from serving the Association in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 12. **Presumption of Assent:** A Director of the Association who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken 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 the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who abstained or voted in favor of such action.

Section 13. **Chairman of the Board:** The Board of Directors may select from among its members a Chairman of the Board who may, if so elected, preside at all meetings of the Board of Directors and approve the minutes of all proceedings thereat, and he shall be available to consult with and advise the officers of the Association with respect to the conduct of the business and affairs of the Association and shall have such other powers and duties as designated in accordance with these Bylaws and as from time to time may be assigned to him by the Board of Directors.

Article V. Officers

Section 1. **Principal Officers:** The officers of the Association shall be a President and a Secretary, each of whom shall be elected by the Board of Directors. The Association may also establish one or more Vice Presidents, a Treasurer, and such other officers and assistant officers as the Board of Directors may deem to be necessary. All such offices shall be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person, other than the office of the President and the Secretary, which must be held by different persons.

Section 2. **Election and Term of Office:** The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Members. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as convenient. Each officer shall hold office until his successor shall have been duly elected and shall have been qualified or until his death or until he shall resign or shall have been removed from office in the manner hereinafter provided.

Section 3. **Removal:** Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4. **Resignation:** Any officer may resign at any time by giving written notice thereof to the Board of Directors or to the President or Secretary of the Association. Any such resignation shall take effect at the time specified therein and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 5. **Vacancies:** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 6. **Powers and Duties of Officers:** The officers shall perform the duties and exercise the powers expressly conferred or provided for in these Bylaws, as well as the usual duties and powers incident to such offices, respectively, and such other duties and powers as may be assigned to them by the Board of Directors or by the President.

Section 7. **President:** Subject to the Board of Directors, the President shall be the chief executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 8. **Vice President:** In the absence of the President or in the event of his death, inability, or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9. **Secretary:** The Secretary shall keep the minutes of the Members' and the Board of Directors' meetings in one or more books provided for that purpose; see that all notices are given in accordance with the provisions of these Bylaws and as required by law; be custodian of the corporate records and of the seal of the Association and see that the seal of the Association is affixed to all documents the execution of which on behalf of the Association under its seal is duly authorized; keep a register of the address of each Member which shall be furnished to the Secretary by such Member; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 10. **Treasurer:** If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies, or other depositories as shall be selected in accordance with the provisions of these Bylaws; and shall in general perform all of

the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 11. Assistant Secretaries and Assistant Treasurers: The Assistant Secretaries, when authorized by the Board of Directors, may sign with the President or a Vice President. The Assistant Treasurers shall, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 12. Compensation: The compensation of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such compensation by reason of the fact that he is also a Director of the Association.

Article VI. Committees

Section 1. Committees of Directors: The Board of Directors may by resolution designate and appoint one or more committees, each of which shall consist of two or more Directors, which committees, to the extent provided in such resolution, shall exercise the authority of the Board of Directors in the management of the Association. However, no such committee shall have the authority of the Board of Directors in reference to amending, altering, or repealing the Bylaws; electing, appointing, or removing any member of any such committee or any Director or officer of the Association; amending the Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another Association; authorizing the sale, lease, or exchange of all or substantially all of the property or assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Association; or amending, altering, or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on it or him by law.

Section 2. Other Committees: Other committees not having and exercising the authority of the Board of Directors in the management of the Association may be designated by resolution adopted by the Board of Directors. Except as otherwise provided in such resolution, the President of the Association shall appoint the members thereof. Any members thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the Association shall be served by such removal.

Section 3. Term of Office: Each member of a committee shall continue as such until the next annual meeting of the members of the Association and until his successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

Section 4. **Chairman:** One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 5. **Vacancies:** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 6. **Quorum:** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

Section 7. **Rules:** Each committee may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Article VII.

Indemnification and Interested Transactions

Section 1. **Indemnification:**

A. **Defined Terms:** The following terms used in this Article VII are specifically defined as follows:

(1) "Association" includes any domestic or foreign predecessor entity of the Association in a merger, consolidation, or other transaction in which the liabilities of the predecessor are transferred to the Association by operation of law and in any other transaction in which the Association assumes the liabilities of the predecessor but does not specifically exclude liabilities that are the subject matter of this Article VII.

(2) "Director" means any person who is or was a Director of the Association and any person who, while a Director of the Association, is or was serving at the request of the Association as a Director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic Association, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

(3) "Expenses" include court costs and attorneys' fees.

(4) "Official Capacity" means:

(a) when used with respect to a Director, the office of Director in the Association; and

(b) when used with respect to a person other than a Director, the elective or appointive office in the Association held by the officer or the employment or agency relationship undertaken by the employee or agent on behalf of the Association; BUT

(c) Neither Paragraph (a) nor (b) includes service for any other foreign or domestic corporation or any partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise.

(5) "Proceeding" means any threatened, pending or contemplated action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such an action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding.

B. The Association may indemnify any person who was, is, or is threatened to be made a named defendant or respondent in any Proceeding because, in whole or in part, he is or was a Director only if it is determined in accordance with these Bylaws that the person:

- (1) conducted himself in good faith;
- (2) reasonably believed:
 - (a) in the case of conduct in his Official Capacity as a Director of the Association, that his conduct was in the Association's best interests; and
 - (b) in all other cases, that his conduct was at least not opposed to the Association's best interests; and
 - (c) in the case of any criminal Proceeding, had no reasonable cause to believe his conduct was unlawful.

C. Except to the extent permitted by Section 1.E. of this Article VII, a Director shall not be indemnified under Section 1.B. of this Article VII with respect to obligations resulting from a Proceeding:

- (1) in which the person is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's Official Capacity; or
- (2) in which the person is found liable to the Association.

D. The termination of a Proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, be determinative that the person did not meet the requirements for indemnification set forth in Section 1.B. of this Article VII. A person shall be deemed to have been found liable in respect of any claim, issue or matter only after the person shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom.

E. A person may be indemnified under Section 1.B. of this Article against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable Expenses actually incurred by the person in connection with the Proceeding; but if the person is found liable to the Association or is found liable on the basis that personal benefit was improperly received by the person, the indemnification (1) is limited

to reasonable expenses actually incurred by the person in connection with the proceeding, and (2) shall not be made in respect of any proceeding in which the person shall have been found liable for willful or intentional misconduct in the performance of his duty to the Association.

F. Indemnification under Section 1.B. of this Article VII (unless ordered by a court of competent jurisdiction) shall be made:

(1) by a majority vote of a quorum of the Board of Directors at a meeting thereof, which quorum consists of Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(2) if such a quorum (described in subparagraph (1)) cannot be obtained, then by a majority vote of a committee of the Board of Directors, which committee shall be designated to act in the matter by a majority vote of the full Board of Directors (in which vote Directors who are named defendants or respondents may participate), which committee shall consist solely of two or more Directors who at the time of the vote are not named defendants or respondents in the Proceeding;

(3) by special legal counsel, selected by (i) the Board of Directors or (ii) a committee of the Board of Directors by vote as set forth in subparagraphs (1) or (2) of this Section 1.F., or (iii) (if such quorum of the full Board of Directors cannot be obtained and such a committee cannot be established) by a majority vote of the full Board of Directors (in which vote Directors who are named defendants or respondents may participate); or

(4) by the Members in a vote that excludes the Members who are Directors named defendants or respondents in the Proceeding.

G. Authorization of indemnification and determination as to reasonableness of Expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination as to reasonableness of Expenses must be made in a manner specified in Section 1.F.(3) of this Article VII for the selection of such special legal counsel. In the event a determination is made under Section 1.F. of this Article VII that the Director has met the applicable standard of conduct as to some matters but not as to others, amounts to be indemnified may be reasonably pro rated.

H. A Director who has been wholly successful, on the merits or otherwise, in the defense of any Proceeding in which he is a party because he is or was a Director shall be indemnified by the Association against reasonable Expenses incurred by him in connection with the Proceeding.

I. If, in a suit for the indemnification required by Section H of this Article VII, a court of competent jurisdiction determines that the Director is entitled to indemnification under that Section, the court shall order indemnification and shall award to the Director the expenses incurred in securing the indemnification.

J. If, upon application of a Director, a court of competent jurisdiction determines, after giving any notice the court considers necessary, that the Director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not he has met the requirements set forth in subsection 1.B. of this Article VII or has been found liable in the circumstances described in Section 1.C. of this Article VII, the court may order the indemnification that the court determines is proper and equitable; however, the court shall limit indemnification to reasonable Expenses actually incurred by the person in connection with such Proceeding, if the Proceeding is brought by or in behalf of the Association or if the Director is found liable on the basis of circumstances described in Section 1.C., whether or not the benefit resulted from an action taken in the person's Official Capacity.

K. Reasonable Expenses incurred by a Director who was, is, or is threatened to be made a named defendant or respondent in a Proceeding may be paid or reimbursed by the Association in advance of the final disposition of such Proceeding and without the determination specified in Section F of this Article VII or the authorization or determination specified in Section G of this Article VII, after the Association receives the following: (i) a written affirmation by the Director of his good faith belief that he has met the standard of conduct necessary for indemnification set forth in this Article VII, and (ii) a written undertaking by or on behalf of the Director to repay the amount paid or reimbursed if it is ultimately determined that he has not met that standard, or if it is ultimately determined that indemnification of the Director against Expenses incurred by him in connection with that Proceeding is prohibited by Section E of this Article VII. A provision contained in the Articles of Incorporation of the Association, the Bylaws of the Association, a resolution of Members or Directors or an agreement that makes mandatory the payment or reimbursement permitted under this section shall be deemed to constitute authorization of that payment or reimbursement.

L. The written undertaking required by Section K of this Article VII must be an unlimited general obligation of the Director but need not be secured. It may be accepted without reference to financial ability to make repayment.

M. A provision for the Association to indemnify or to advance Expenses to a Director who was, is, or is threatened to be made a named defendant or respondent in a Proceeding, whether contained in the Articles of Incorporation, these Bylaws, a resolution of Members or Directors, an agreement, or otherwise (except as contemplated by Section 2. of this Article VII), is valid only to the extent that it is consistent with this Article VII or, to the extent that indemnity hereunder is limited by the Texas Non-Profit Corporation Act or the Articles of Incorporation, if any such limitations exist. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which

those indemnified may be entitled under any statute, agreement, insurance policy, vote of Members or disinterested Directors or otherwise, both as to action in their Official Capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of such a person. The indemnification provided by this Article VII shall be subject to all valid and applicable laws, including, without limitation, Article 2.22A of the Texas Non-Profit Corporation Act, and, in the event this Article VII or any of the provisions hereof or the indemnification contemplated hereby are found to be inconsistent with or contrary to any such valid laws, the latter shall be deemed to control and this Article VII shall be regarded as modified accordingly, and, as so modified, to continue in full force and effect.

N. Notwithstanding any other provision of this Article VII, the Association may pay or reimburse Expenses incurred by a Director in connection with his appearance as a witness or other participation in a Proceeding at a time when he is not a named defendant or respondent in the Proceeding.

O. An officer of the Association shall be indemnified as and to the same extent provided in Sections H, I and J of this Article VII for a Director and is entitled to seek indemnification under those sections to the same extent as a Director. The Association may indemnify and advance Expenses to an officer, employee, or agent of the Association to the same extent that it may indemnify and advance Expenses to Directors pursuant to this Article VII.

P. The Association may indemnify and advance Expenses to a person who is not or was not an officer, employee, or agent of the Association but who is or was serving at the request of the Association as a Director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise to the same extent that it may indemnify and advance expenses to Directors under this Article VII.

Q. The Association may indemnify and advance Expenses to an officer, employee, or agent or person who is identified Section P of this Article VII and who is not a Director to such further extent, consistent with law, as may be provided by the Articles of Incorporation, these Bylaws, general or specific action of the Board of Directors, or contract or as permitted or required by common law.

R. Any indemnification of or advance of Expenses to a Director in accordance with this Article VII shall be reported in writing to the Members with or before the notice or waiver of notice of the next Members' meeting or with or before the next submission to Members of a consent to action without a meeting pursuant to these Bylaws and/or the Texas Non-Profit Corporation Act, and in any case, within the 12-month period immediately following the date of the indemnification or advance.

S. For purposes of this Article VII, the Association shall be deemed to have requested a Director to serve an employee benefit plan whenever the performance by him of his duties to the Association also imposes duties on, or otherwise involves services by, him to the plan or participants or beneficiaries of the plan. Excise taxes assessed on a Director with respect to an employee benefit plan pursuant to applicable law shall be deemed fines. Action taken or omitted by him with respect to an employee benefit plan in the performance of his duties for a purpose reasonably believed by him to be in the interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose which is not opposed to the best interests of the Association.

T. The provisions of this Article VII: (i) are for the benefit of, and may be enforced by, each Director and officer of the Association, the same as if set forth in their entirety in a written instrument duly executed and delivered by the Association and such Director or officer; and (ii) constitute a continuing offer to all present and future Directors and officers of the Association. The Association, by its adoption of these Bylaws: (a) acknowledges and agrees that each present and future Director and officer of the Association has relied upon and will continue to rely upon the provisions of this Article VII in accepting and serving in any of the capacities referred to in this Article VII; (b) waives reliance upon, and all notices of acceptance of, such provisions by such Directors and officers; and (c) acknowledges and agrees that no present or future Director or officer of the Association shall be prejudiced in his right to enforce the provisions of this Article VII in accordance with their terms by any act or failure to act on the part of the Association.

U. No amendment, modification, or repeal of this Article VII or any provision hereof shall in any manner terminate, reduce, or impair the right of any past, present, or future Director or officer of the Association to be indemnified by the Association, nor the obligation of the Association to indemnify any such Director or officer, under and in accordance with the provisions of this Article VII as in effect immediately prior to such amendment, modification, or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification, or repeal, regardless of when such claims may arise or be asserted.

Section 2. Insurance:

(1) The Association may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee, or agent of the Association, or who is or was serving at the request of the Association as a Director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another foreign or domestic Association, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against any liability asserted against him and incurred by him in such a capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against such liability under the provisions of the Texas Non-Profit Corporation Act or this Article VII.

(2)

(a) In addition to the powers described in Subsection (1), the Association may purchase, maintain, or enter into other arrangements on behalf of any person who is or was a director, officer, or trustee of the Association against any liability asserted against him and incurred by him in such capacity or arising out of his status as such a person, whether or not the Association would have the power to indemnify him against that liability under this Article VII.

(b) If the other arrangement is with a person or entity that is not regularly engaged in the business of providing insurance coverage, the arrangement may provide for payment of a liability with respect to which the corporation would not have the power to indemnify a person only if coverage for that liability has been approved by the Members of the Association.

(c) Without limiting the power of the Association to procure or maintain any kind of other arrangement, the Association, for the benefit of persons described in Subsection (2)(a) may:

- i create a trust fund;
- ii establish any form of self-insurance;
- iii secure its indemnity obligation by grant of a security interest or other lien on the assets of the Association; or
- iv establish a letter of credit, guaranty, or surety arrangement.

(3) The insurance may be procured or maintained with an insurer, or the other arrangement may be procured, maintained, or established within the Association or with any insurer or other person considered appropriate by the Board of Directors, regardless of whether all or part of the stock or other securities of the insurer or other person are owned in whole or in part by the Association. In the absence of fraud, the judgment of the Board of Directors as to the terms and conditions of the insurance or other arrangement and the identity of the insurer or other person participating in an arrangement is conclusive, and the insurance or arrangement is not voidable and does not subject the directors approving the insurance or arrangement to liability, on any ground regardless of whether directors participating in the approval are beneficiaries of the insurance or arrangement.

Section 3. Interested Transactions: No contract or transaction between the Association and one or more of its Directors or officers, or between the Association and any other Association, partnership, association, or other organization in which one or more of its Directors or officers are Directors or officers or have a financial interest, shall be void or voidable solely for this reason, solely because the Director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or

solely because his or their votes are counted for such purpose, if: (i) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors be less than a quorum; or (ii) the material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Members; or (iii) the contract or transaction is fair as to the Association as of the time it is authorized, approved, or ratified by the Board of Directors, a committee thereof, or the Members. Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

Article VIII. Miscellaneous

Section 1. Fiscal Year: The fiscal year of the Association shall be determined by resolution of the Board of Directors.

Section 2. Seal: The Association may have a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association and the state of incorporation.

Section 3. Contracts: The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 4. Loans: No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 5. 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 Association, shall be signed by such officer or officers, agent or agents, and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 6. Deposits: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 7. Notice and Waiver of Notice: Except as otherwise expressly provided herein, whenever any notice whatever is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in a box in a sealed postpaid wrapper addressed to the person entitled thereto at his post office address as it appears on the books of the Association, and such notice shall be deemed to have been given when deposited in the United States mail. A waiver of notice, signed by the person or persons entitled

to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Neither the business to be transacted at, nor the purposes of, any regular or special meeting of the Board of Directors or the Members need be specified in the waiver of notice of such meeting.

Section 8. Amendments: The Board of Directors shall have the power to alter, amend, or repeal these Bylaws and adopt new Bylaws, but any Bylaws so adopted, altered, or amended by the Board of Directors may be altered or repealed by the Members.

Memorial Lofts Homeowners
Rules and Regulations
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RULES OF MEMORIAL LOFTS HOMEOWNERS

These Rules have been adopted by the Board of Directors of Memorial Lofts Homeowners, a Texas nonprofit corporation and condominium association (the "Association"), in accordance with the provisions of Article XX of the Declaration of Memorial Lofts Homeowners (the "Declaration"), to be recorded in the Real Property Records of Harris County, Texas.

These Rules apply to the Units and Common Elements of Memorial Lofts ("Memorial" or the "Lofts"). By owning or occupying a Unit in Memorial Lofts, all Owners and Residents agrees to abide by these Rules, as well as the obligations of Owners and Residents provided in the Declaration and Bylaws.

COMPLIANCE

For the convenience of Owners and Residents of Memorial Lofts, these Rules restate some of the rules and covenants contained in the Declaration. Most of these Rules, however, are in addition to the restrictions found in the Declaration. Words and phrases defined in the Declaration shall have the same meaning when used in these Rules. In the event of a conflict between Governing Documents (as defined herein), the hierarchy of authority shall be as follows: Declaration (highest) Articles of Incorporation, Bylaws, these Rules (lowest).

Owners shall comply with the provisions of these Rules, the Declaration, the Bylaws, and community policies promulgated by the Board of Directors to supplement these Rules, as any of these may be revised from time to time (collectively, the "Governing documents"). Owners additionally, shall be responsible for compliance with the Governing Documents by the occupants of their units, and their respective families, invitees, tenants, agents, employees, or contractors. Use of "Owner" or "Resident" in these Rules shall be deemed to include and apply to the owner of a unit in Memorial Lofts and to all persons for whom the owner is responsible. Owners should contact the Board of Directors if they have any questions about these Rules.

Each Resident shall comply with all rules and signs posted from time to time on the Condominium by the Association, including those regulating the use of the facilities. Such posted rules are incorporated in these Rules by reference. Each Resident shall comply with notices communicated by the Association, from time to time, in the nature of seasonal or temporary rules, or notice of a change affecting use of the Condominium. Such temporary rules are incorporated in these Rules by reference.

Certain circumstances may warrant waiver or variance of these Rules. Owners must make written application to the Board of Directors for such waiver or variance. If the Board of Directors deems the waiver or variance warranted, the Board of Directors may condition its approval, which must be in writing to be effective.

1. ALTERATIONS

- A. No alterations of any kind may be made to any Common Element or Limited Common Element of the building without the written consent of the Board in accordance with the By-Laws and Declaration.
- B. No alterations of any kind may be made to a unit's structural elements, walls, electric circuitry, conduit, heating and ventilating systems, windows, doors, cable system, or plumbing without prior written approval from the Board. Requests for alterations along with drawings of existing and proposed changes must be submitted to the Board before any work is undertaken.
- C. No person may:
 - 1. Post signs, notices, or advertisements on the common elements or in a Unit if visible from the outside of the Unit.
 - 2. Place or hang an object in, on, from, or above any window, interior window sill, balcony, or patio that, in the Board of Director's opinion, detracts from the appearance of the Condominium.
 - 3. Hang, shake, or otherwise display linens, clothing, towels, rugs, shoes, mops, bedding or other similar items from windows, doors, balconies, patios, or passageways.
 - 4. Erect or install exterior horns, lights speakers, aerials, antennas, or other transmitting or receiving equipment, or cause anything to protrude through an exterior wall or roof.
 - 5. Place decorations on exterior walls or on the general common elements.

2. APPLIANCES

Washer and dryer hook-ups are provided in each Unit and Owners shall be responsible for the installation and maintenance of such. Conversion of appliances to 220 volts must first be approved by the Board of Directors.

Under no circumstances whatsoever, may any Resident, directly or indirectly, vent or cut into any chute, duct, conduit or vertical chase or any plumbing that serves a Unit for the purpose of venting any appliances.

Refrigerator water filters need to be replaced every six months or in accordance with the manufacturer's specifications and recommendations listed in the appliance manual.

3. ASSOCIATION RECORDS

Owners are entitled to review the books and records of the Association with a proper purpose. The following policies apply:

- A. A notice of intent to inspect must be submitted in writing to the Board of Directors or its duly authorized managing agent at least one working day prior to the planned inspection.
- B. The notice must specify with particularity which records are to be inspected.
- C. All records shall be inspected at the registered office of the Association between the hours of 9:00 a.m. and 5:00 p.m. Monday through Friday.

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- D. At the discretion of the Board of Directors, or its agent, records may be inspected in the presence of a Board Member or employee of the managing agent.
 - E. The person(s) requesting access shall not disrupt the ordinary business activities of the registered office or its employees during the course of inspection.
 - F. No records may be removed from the office without the express written consent of the Board of Directors.
 - G. When applicable, all costs of inspection shall be borne by the person(s) requesting access. In the event the person reviewing the records is desirous of making photocopies, all costs of copying will be incurred by the person requesting same.
 - H. Limitations of Access:

Consistent with an individual's right to privacy and applicable law, the following records will not be made available without the express written consent of the Board of Directors.

1. Minutes of Executive Sessions;
 2. minutes of Administrative Hearings pertaining to the imposition of punitive measures;
 3. where disclosure would violate a constitutional or statutory provision or applicable public policy;
 4. where disclosure could result in a discernable harm to the Association or any of its members;
 5. personnel records;
 6. inter-office memoranda;
 7. litigation files;
 8. preliminary data, information or investigations which have not been formally approved by the Board of Directors, such as contractor bid prospects;
 9. where disclosure may result in an invasion of personal privacy, breach of confidence or privileged information;
 10. where disclosure would unreasonably interfere with or disrupt the operation of the Association; and,
 11. where access results in a private harm or damage that outweighs the right to access.
- I. The Association is under no obligation for any additional information other than that which is required by law.

4. BALCONIES/PATIOS

Balconies/patios are limited common elements and may not be altered in any way. Prior written approval from the Board must be obtained for any electrical wiring or lighting in any balcony.

Balcony walls, ceiling, floor and railings may not be painted or altered in any way. All exterior portions of each Unit (including draperies, window frames, sliding doors, etc.) must conform to the building standard.

Radios, televisions and audio equipment must only be played at levels which do not disturb neighbors or create a nuisance. None of these devices may be used after 10:00 p.m. on the balconies.

The Board of Directors reserves the right to prohibit or restrict the use of all or certain outdoor cooking grills if, in the Board of Director's discretion, such grills constitute a fire hazard. If the use of outside grills is permitted, (i) open fires must be supervised at all times, (ii) gas tanks must be properly used and maintained, (iii) no flames may be higher than the cooking surfaces and (iv) a grill may not be used near combustible materials.

NOTHING IS TO BE THROWN FROM ANY BALCONY. Any object dropped from a balcony becomes a deadly missile in its free fall. Do not leave small or lightweight objects unattended. Fines will be imposed against those who throw any objects from balconies.

Each Resident shall keep his or her Unit and patio or balcony in a good state of cleanliness, taking care that the cleaning of his or her patio or balcony does not annoy or inconvenience other Residents. A patio or balcony may not be enclosed or used for storage purposes. If the Board of Directors determines that a patio/balcony is unsightly, the Owner shall be given notice by the Board of Directors to correct the problem within 5 days, after which the Board of Directors may take corrective action at the Owner's expense.

Any use of balconies that creates a nuisance (such as feeding pigeons) is forbidden.

Nothing is to be hung from any balcony railing or on the outside of the building.

5. BICYCLES

Bicycles shall be brought into and taken out of the building only through the garage.

6. CEILINGS & FLOORS OF INTERIOR UNITS

Because of possible damages to structural elements in the building, drilling of any kind into the ceiling or floor of any Unit is prohibited without the prior approval of the Board. If damage occurs, repairs will be billed to the Owner. Owners must sign a waiver prior to drilling in floors or ceilings. There can be NO penetration into any demising walls.

7. CHILDREN

Children shall not be permitted to play on the stairways, in the halls, vestibules, elevators, building lobby or garage. Children are allowed to play at the pool and patio deck under close supervision of a parent or guardian.

8. CLOSINGS AND TRANSFER OF OWNERSHIP - STATEMENTS OF ACCOUNTS

In the event of the resale of a Unit, the managing agent shall prepare and provide resale certificate information for a fee, currently \$125. In the event of a refinance, the managing agent charges a fee, currently \$154 for resale certificate preparation. The Association's managing agent shall provide any owner, upon ten (10) days notice, a statement of his or her account, setting forth the amount of any unpaid assessments and other charges due and owing from such owner.

9. COMMUNITY ETIQUETTE

Residents shall endeavor to use their Units and the common elements in a manner calculated to respect the rights and privileges of other Residents.

Residents shall avoid doing or permitting anything to be done that will annoy, harass, embarrass, or inconvenience other Residents or their guests, or the Association's employees and agents.

Residents shall exercise reasonable care to avoid making or permitting to be made loud, disturbing, or objectionable noises or obnoxious odors that are likely to disturb Residents of other Units.

Residents shall avoid doing or permitting anything to be done that may unreasonably interfere with the television, radio, telephonic, or electronic reception on the Condominium.

Each Resident agrees that the Association is not responsible for any item or article left with or delivered to the Association's employees or agents on behalf of such Resident.

Residents may not use the Condominium for unlawful activities. Residents shall comply with applicable laws and regulations of the United States and of the State of Texas, and with ordinances, rules, and regulations of Houston, Texas. Residents who violate this provision shall hold the Association and other Owners and Residents harmless from all fines, penalties, costs, and prosecutions for the Resident's violation or noncompliance.

10. DELIVERIES

Vendor delivery hours are from 8:00 am to 4:00 pm, Monday through Friday. Association personnel are not responsible for lost items.

Residents must be present or arrange for someone to be present in their Unit at the time of a delivery to a Unit.

11. ELECTRICITY

No one may change the electric circuitry in a Unit without prior approval of the Board. If damage occurs, repair costs will be billed to the owner.

12. EMERGENCIES

Building emergencies include but are not limited to: Fire or smoke activated smoke detector; water leak or sewer back up; medical emergency; window breakage; loss of heat or electric service; strong odor of gas, etc.

In case of emergency call 911 and be prepared to give the following information:

- The address - 6007 Memorial Drive, Houston, Texas 77007
- The name of the person needing assistance
- The person's location
- The nature of the injury
- The name and phone number of the person's doctor
- The name of anyone to be notified

13. ENFORCEMENT POLICIES

Any complaint which alleges a violation of the Association's Declaration, By-Laws or Rules and Regulations shall be made in writing and addressed to the Board of Directors.

If a Resident violates or is otherwise liable for a violation of any of the provisions of the Declaration, By-Laws, and/or Rules and Regulations of the Association, the following shall occur:

1. The Association shall give an owner in violation of the Governing Documents a written notice: (1) describing the violation, (2) stating the amount of the proposed fine, (3) advising the Owner that, not later than the 30th day after the date of the notice, a hearing before the Board of Directors may be requested in writing to contest the fine, and (4) allowing the Owner a reasonable time, by a specified date, to cure the violation and avoid the fine unless the Owner has previously been given notice and a reasonable opportunity to cure a similar violation within the preceding twelve months. If a request for a hearing to contest a fine is received within the specified time frame, a hearing shall be scheduled on a date and time set by the Board of Directors. The hearing shall occur within thirty days from the date of the Owner's request for a hearing. After the hearing or if the Owner fails to timely request a hearing, the Association, acting through its Board of Directors, is hereby authorized to levy fines as follows.

- (A) If the violation continues from day to day (as determined at the sole discretion of the Board of Directors):

<u>FINE SCHEDULE:</u>	First Violation:	\$25.00 per day
	Second Violation:	\$50.00 per day
	Third Violation:	\$100.00 per day
	Each Additional Violation:	\$100.00 per day OR

- (B) If the violation consists of single or separate incidents (as determined at the sole discretion of the Board of Directors):

<u>FINE SCHEDULE:</u>	First Violation:	\$100.00
	Second Violation:	\$250.00
	Third Violation:	\$500.00
	Each Additional Violation	\$1,000.00

The Association shall give notice of a levied fine to an Owner not later than the 30th day after the Owner fails to timely request a hearing, or the Board of Directors reaches an affirmative decision to levy a fine after the hearing. The Association, acting through its Board of Directors, is authorized at its sole discretion to impose a lesser fine or no fine at all for a violation of the Governing Documents. Any adjustment to the Fine Schedule should not be construed as a waiver of the Fine Schedule or the Governing Documents.

Notice is deemed to be made when deposited in the United States mail, to the owner at the Unit address, or to such other address as the Owner shall have previously provided to the Board.

14. ESTATE AND GARAGE SALES

Owners may not conduct on the property any sale or activity that is advertised to the public, including estate sales, yard sales or garage sales. This section does not apply to marketing the sale or rental of a Unit, unless combined with a prohibited activity.

15. FIRE

In the event of fire:

- A. Notify the Houston Fire Department by calling 911. Tell them the address is 6007 Memorial Drive, Houston, TX. 77007. Be sure to provide the floor as well as the Unit number.
- B. Leave your Unit immediately. Heat and smoke will travel upward. If you are below the fire, you are safer. Always try to go down toward street level. There is no exit to the rooftop.

- C. Do not fight the fire. Remember, you have called the Fire Department and they are on the way. Once the fire department arrives, they are in complete control of the building.
- D. Be sure to close the door behind you when you leave if the fire is in your apartment. This will help contain the heat and smoke. Do not lock the door. The firefighters will have to get in.
- E. DO NOT USE THE ELEVATOR, USE THE STAIRWELL. Elevators can become jammed or stuck between floors. The elevators have a Fire Department control switch for emergency use, and will need to be used by the firemen.
- F. If you are on an upper floor and the smoke from below blocks your exit, return to your floor, close the stairwell door, and return to your Unit. Close your door to the hallway and remain calm.
- G. The self closing mechanism on your door is required by city ordinance as a fire protection device and must not be disconnected. The building is of fire resistant construction. If the doors are closed, fires will usually be contained within a Unit.

16. GARAGE

All parking is at Owner's risk. The Association assumes no responsibility for any damage to vehicles or property stored in vehicles.

All parking spaces are individually assigned to Owners. No Resident, guest or contractor may use another Resident's parking space without permission of that Resident. Residents may allow temporary use of their own spaces for guests, contractors, visitors, etc.

No parking spaces may be rented to any individual who does not reside at 6007 Memorial Drive. Any leases of parking spaces to Residents of the building must in writing and submitted to management.

All vehicles must be parked within the lines for assigned spaces. No cars may be parked in unlined areas, in driveways or in front of emergency exits.

No unlicensed or unregistered vehicles may be parked in the Garage or on the Association property.

Replacement and extra door opening devices will be issued at the Owner's expense.

The Association assumes no liability for personal items left in vehicles.

The speed limit in the garage is five (5) miles per hour.

No repairs, engine running or maintenance work will be allowed in the garage except the changing of a flat tire, and in case of emergencies.

Garbage and ashtrays must be emptied in the trash cans provided.

No items shall be stored in the parking space, suspended from the ceiling or pipes, or hung on the walls. No bicycles may be stored in parking spaces. No flammable or combustible items may be kept anywhere in the parking space.

Residents should report any door malfunctions or improper door closings and latching to Association Management, Inc.

Any suspected illegal activities or suspicious persons should immediately be reported to 911.

17. HALLS AND EXTERIORS

In accordance with Fire Department Regulations, DO NOT PLACE mats, boots, strollers or items in the hall outside your door. Under no circumstances are items to be placed in front of stairway exit doors.

The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors, halls, lobbies and storage area hallways must not be obstructed or encumbered or used for any purpose other than ingress or egress to and from the premises. Storage of any kind is expressly prohibited in common areas.

The roof and other areas outside of the building may not be used in any way except as designated for use.

Signs, advertisements, signals or illuminations shall not be inscribed or exposed on any window or other part of the building.

Rollerblading, bicycling and any games or other activity which create a nuisance, damages the common property, or disrupts the peace are prohibited in the halls, common areas, lobby, driveways and exterior common areas of the building.

18. INSURANCE

The Master Property Insurance Program covers – “The building and everything that is legally a part of the building including but not limited to alterations, fixtures, installations, and additions which are part of the building and contained within the interior surfaces of the perimeter walls, floors and ceilings of the Unit including specifically floor coverings, wall coverings, decorative trim, ceiling coverings, acoustical finishing materials, paint, fixtures, and built-in appliances, window coverings, air-conditioning, ventilation, refrigeration, cooking, and dishwashing equipment, interior partition walls, and doors.”

All the property is covered at full replacement value except floor coverings within Units. Floor coverings within Units are subject to depreciation and are covered at their actual depreciated value. The Master Policy does not include your personal property. Essentially, everything that you would take with you when you move out of the Unit is not covered under the Master property Insurance Policy. It is up to the owner to insure that property.

This policy has a \$5,000 deductible and a \$25,000 deductible for Windstorm, Hurricane and Hail.

The Association has coverage for liability insurance for the common areas, Directors & Officers Liability insurance, Umbrella Liability insurance, Workers Compensation and Employee Dishonesty coverage.

Owners should purchase Condominium Owners Insurance, covering any part of the interior of the Unit that may not be covered by the Master Policy, and personal contents in the Unit. This policy may also provide Residents and Owners with liability coverage arising out of the ownership and occupancy of the unit, additional living expenses and loss assessment protection. With this coverage, the difference in the deductible on your HO-CON policy and the Association Master Policy will usually be paid by the HO-CON policy. For example, if you have a fire in your Unit and the deductible is \$5,000 under the Master Policy, and your own HO-CON policy had a deductible of \$500, your policy would pay \$4,500 of the Association's deductible. If you own your Unit but rent it out, please check with your personal lines agent to determine what coverage is available.

A Condominium Loss Assessment Endorsement when added to your HO-CON policy will pay for your share of any special assessment charged by the association as a result of an insurance deductible for a loss to collectively owned property.

Flood and rising water coverage is NOT part of the Master Policy and must be purchased separately.

In accordance with the Texas Uniform Condominium Act, claims for any loss covered by the policy must be submitted by and adjusted with the Association. These rates are subject to change annually based on the premiums determined to provide adequate coverage for the Association.

19. LATE FEES

All Owners are required to submit their monthly assessment by the tenth (10th) day of each month to Association Management, Inc. Payments must be received and deposited into the Memorial Lofts Homeowners Association account by the tenth (10th) in order to not incur Late Fees. A \$200.00 Late Fee will be charged for each month the assessments are delinquent beyond the tenth (10th) of the month due. After the second month an account is delinquent, given notice provided by Association Management of the delinquency, the account will be directed to an attorney for additional collection proceedings. Additional legal fees will be incurred with processing of these delinquencies and charged to the owner of the delinquent account.

20. LEASES, TENANTS AND NON-RESIDENT OWNERS

All Owners who do not reside in a Unit owned by them shall provide the Association with their permanent address and home and work telephone numbers where they may be reached in an emergency. Any expenses incurred by the Association to locate an Owner who fails to provide such information shall be assessed to that Owner's account.

Unless otherwise provided by law, Owners who fail to provide such information shall be deemed to have waived the right to receive notices at any address other than the address of their Unit. The Association shall not be liable for any loss, damage, injury or prejudice to the rights of said Owner caused by any delays in receiving notice resulting therefrom.

No Owner may lease less than the entire Unit, nor may any Unit be leased for transient or hotel purposes. No Unit may be leased for less than twelve (12) months.

Every lease must be in writing and shall be subject to the provisions of the Declaration, By-Laws and Rules and Regulations of the Association.

Owners who lease their Units must provide a signed copy of the original lease to the Association prior to the occupancy date of the Unit.

Prior to move-in, Tenants must obtain from the Owner of the unit a copy of the Memorial Lofts Homeowners Rules and Regulations.

Owners shall be responsible for providing tenants with copies of the Declaration and Bylaws.

In the event of any violation of the Declaration, Bylaws or Rules and Regulations of the Association by a tenant, the Board, in its discretion, shall determine what action(s) are necessary. When the Board, in its discretion, determines that a violation or series of violations warrant termination of the lease, the Board may take the action(s) that are necessary to terminate the lease.

Any expenses incurred by the Association related to any violations under these Rules, shall be assessed to the account of the Owner responsible.

Provisions herein that relate to the execution of new leases shall become effective upon the expiration of any lease which is currently in effect. Owners shall provide the Association with a photocopy of any existing lease within thirty days.

When moving out of the building, Owners and tenants must return all building and garage access devices and provide the Association with a forwarding address.

21. LOBBY

Any addition to, removal from, or change of lobby furniture is prohibited without prior approval by the Board of Directors.

Ads, notices, signs, etc. may not be placed in the lobby or in the elevators, except informational notices posted by the Association.

Appropriate attire must be worn when in all common areas.

22. MAINTENANCE

Owners, at their expense, shall maintain their Units and keep them in good repair, including the inner, finished surfaces of the Unit's perimeter walls, floors, and ceilings.

Owners are responsible for all portions of their Units including, but not limited to, fixtures, appliances, interior doors and windows, carpeting, wall coverings, painting and all systems serving only individual Units.

Owners, at their expense, shall maintain, repair, and replace the heating and cooling equipment serving their Units and replace filters and clean drains on a regular basis.

Refrigerator water filters need to be replaced every six months or in accordance with the manufacturer's specifications and recommendations listed in the appliance manual.

The building maintenance staff is available to assist Residents with minor repairs within Units only after employee work hours. Association employees do so on their own time and at the Owner's expense. Please be aware that the building maintenance staff is not covered by the Association's insurance policy while on their own time.

For emergency service after office hours, please contact AMI at (713) 932-1122.

Owners will be billed for materials and services supplied for repairs which are not the Association's responsibility, as defined in the Governing Documents.

No items or objects of any type shall be stored, placed, or maintained anywhere on the general common elements, including window sills, passageways and courtyards, without the prior written consent of the Board of Directors. Items of personal property found on general common elements are deemed abandoned and may be disposed of by the Board of Directors.

Residents shall immediately report to the Association their discovery of any leak, break, or malfunction in any portion of their Unit or the adjacent common elements for which the Association has responsibility. The failure to report promptly a problem may be deemed negligence by Residents, who may be liable for any additional damage caused by the delay.

23. MOVE-INS AND MOVE-OUTS

1. The Owner/Resident's Moving Company **must** provide the Memorial Lofts Homeowners Association a copy of their Certificate of Liability Insurance stating the Memorial Lofts Homeowners Association as additional insured **prior** to the Move In/Out Scheduled date. They may have their insurance company fax a copy to (713) 932-6059.
2. Supervisor to the workers for the Resident's Moving Company **must** notify the day porter on duty upon arrival. (8am-12pm)
3. The Move In/Out must start **after** 8:00 a.m., Monday through Friday. The Move In/Out must be completed by **4:00 p.m.** This time frame is set in place in order for the Memorial Lofts Porter to return the Memorial Lofts Garage Elevator back to normal operating status at a respectful time

4. When moving furniture, either in or out of a Unit, the Garage Elevator must be reserved in advance through Association Management, Inc (713-84-7216). When supplies are being transported in the elevator, care must be taken to protect elevator surfaces. Any ladder or pieces of furniture over 9' must be transported via the stairs.
5. To limit the inconvenience to other Residents in the building, only one move-in or move-out is permitted per day.
6. **A \$250 deposit in advance of future move-ins and move-outs is required of all unit owners.** If the elevator or other common areas are undamaged after the move is complete the deposit will be returned. Repairs for any damage to walls, hallways or elevators caused by a Resident's move will be charged to the Owner.
7. All common area hallways (carpets & walls) must be protected from dirty foot traffic while moving tools, supplies, etc. to and from the residence. Contractor is responsible for all clean up of that particular floor – **No Exceptions.**
8. The trash receptacles of the building are not available for moving/construction debris. **Contractors are responsible for the removal of all trash. Contractors are not permitted to use the residential carts.**
9. No debris or supplies are to be stationed in common hallways.
10. Noise levels are to be kept to a minimum.
11. No vehicles may block driveways. During a scheduled move, the Day Porter must be provided with the Unit number and telephone number where the moving vehicle's operator may be reached in case the moving vehicle must be moved.

24. NOISE AND NUISANCES

No musical instrument shall be played, no audio equipment shall be operated and no vocal or instrumental practice shall be permitted at any time on the property that will disturb or annoy Residents.

No noises, including those made by pets, shall be made on the property that will disturb or annoy Residents.

Drunken, disorderly, or offensive behavior and physical or verbal abuse of any Owner, Resident guest, or staff member shall be deemed to be a nuisance and a violation of these Rules and Regulations.

Please minimize noise after 10:00 p.m. on the weekdays and 12:00 midnight on the weekends.

25. PARKING

The Association is not responsible for parked vehicles.

Commercial vehicles may park in permitted areas for normal commercial purposes so long as such parking is only for the period of time necessary to provide the commercial services requested by a Resident.

No unlicensed or unregistered vehicle may be parked in Garage or on the Association property.

No vehicle may be parked, maintained or stored in a manner that interferes with ingress to and egress from a driveway or other portion of the property.

No vehicle may be maintained or stored on Association property so as to obstruct passage of other permitted vehicles, pedestrians, or emergency vehicles.

When an unauthorized vehicle is parked in the driveways or loading zones, the vehicle may be towed without notice to the owner.

When a vehicle is towed pursuant to these Rules and Regulations, all costs and expense incurred shall be the responsibility of the vehicle owner.

26. PETS

Residents may not keep or permit on the Condominium a pet or animal of any kind, at any time, except as permitted by these Rules and the Governing Documents.

Subject to these Rules, Residents may keep in their Unit not more than two house pets (two cats, or two dogs, or one cat and one dog). Permitted house pets include domesticated dogs, cats, caged birds, and aquarium fish. Permitted house pets also include specially trained animals that serve as physical aids to handicapped Residents, regardless of the animal's size or type.

No Resident may keep a dangerous or exotic animal, pit bull terrier, trained attack dog, or any other animal deemed by the Board of Directors to be a potential threat to the well-being of people or other animals. No animal or house pet may be kept, bred, or maintained for a commercial purpose.

A permitted pet must be maintained inside the Unit, and may not be kept on patios or balconies. No pet is allowed on general common elements unless carried or leashed. No pet may be leashed to any stationary object on the common elements.

Pets shall be kept in a manner that does not disturb Residents rest or peaceful enjoyment of their Unit or the common elements. No pet shall be permitted to bark, howl, whine, screech, or make other loud noises for extended or repeated periods of time.

Residents are responsible for any property damage, injury, or disturbance their pet(s) may cause or inflict. Residents who keep a pet on the property shall be deemed to have indemnified and agreed to hold harmless the Board of Directors, the Association, and other Owners and Residents, from any loss, claim, or liability of any kind or character whatever resulting from any action of his or her pet or arising by reason of keeping or maintaining such pet on the property.

Residents are prohibited from allowing their pets to urinate or defecate anywhere on the property. Residents are responsible for the removal of their pets' waste from the common elements. The Board of Directors may levy a fine against an Owner if pet waste is discovered on the common elements and attributed to an animal in the custody of that Unit's Resident.

Any Residents having control of a pet that violate these Rules shall be given written notice by the Board of Directors to correct the problem. If the problem is not corrected within the time specified in the notice (not less than 10 days), the Resident, upon written notice from the Board of Directors, may be required to remove the pet. Residents agree to permanently remove violating pets from the property within 10 days after receipt of notice from the Board of Directors.

27. PLUMBING

Residents and Owners are responsible for damage to Units beneath or adjacent to their own, caused by the overflow or leaking of drains or plumbing which is the result of improper maintenance or use of fixtures by Owner, tenant, or guests.

Plumbing fixtures shall be used only for the purpose for which they are designed, and no sweepings, rubbish, rags, paper, ashes or other substances shall be thrown therein.

Water must not be run for any unreasonable or unnecessary length of time in the premises, nor may the water be run to humidify a Unit.

28. PROPERTY DAMAGE

An Owner, family member, guest, agent, employee, invitee, tenant or other authorized occupant or visitor of such Owner, is responsible for damages to any portion of the common elements or limited common elements or any Unit due to the act or neglect of same. Such Owner shall, upon notice and demand pursuant to enforcement procedures contained in these Rules reimburse the Association for amounts paid to repair such damage.

29. PROPERTY TAXES

Owners are responsible for the payment of property taxes on their individual Units. Property taxes are not included in your monthly assessment. Questions regarding your property taxes should be directed to the Harris County Appraisal District. You can access your property tax account and pay your taxes on line at the HCAD website – www.hcad.org.

30. REMODELING AND USE OF CONTRACTORS

Residents are responsible for the actions of contractor while they are on Association property.

Specific instructions for submitting proposals are outlined in the Architectural Guidelines.

Any work, whether performed by contractors or Residents, is only permitted Monday through Friday between 8:00 a.m. and 4:00 p.m. No construction activity is allowed on Saturdays, Sundays or legal holidays except for emergency repairs. All construction debris must be

removed by the Owner or contractor.

Paints, chemicals or solvents that are a nuisance to other residents shall not be used. Remodeling or renovation of units which involves sanding, cutting, moving or removing walls or ceilings, replacement of windows or balcony doors, or any changes which could affect the structure or common systems of the buildings (e.g., electrical, plumbing, air conditioning), must have the prior written approval of the Board of Directors. Plans or drawings must be submitted through the Association for approval by the Board of Directors before any work commences. All requirements set by law or government regulations regarding permits to be obtained and notice to be given must also be met before any work commences.

31. RIGHT OF ENTRY

The Association may enter a Residence in case of an emergency originating in or threatening the Residence, other Residences, Common Elements or Limited Common Elements, whether or not the Owner is present at the time. This right of entry may be exercised by the Association's Manager, directors, officers, agents, and employees, and by all police officers, firefighters, and other emergency personnel in the performance of their respective duties. Also, the Association may enter a Residence to perform installations, alterations, or repairs to the mechanical, electrical, or utility services which, if not performed, would affect the use of other Residences or the Common Elements; provided that, if possible, requests for any entry shall be made in advance and at a time convenient to the Owner. In case of an emergency, the right of entry is immediate and if the Owner has failed to provide a door key or refuses to provide entry, the Owner is liable for the cost of repairs to the Residence or Common Elements caused by the Association's chosen method of access under such circumstances

32. SMOKE DETECTORS

Current city ordinances require the installation of operating smoke detectors outside every sleeping area and kitchen. Basic requirements are:

1. Test smoke detectors monthly and replace batteries as required
2. Vacuum the vents in the detector at least once a year
3. Do not install smoke detectors in front of an air conditioner vent that could blow away the smoke before the detector can sound the alarm.
4. **Do not disconnect** your smoke alarm if it is sounding. It is directly connected to the panels, elevators and emergency systems for the entire building.

33. SOLICITATIONS & ADVERTISEMENTS

Soliciting, advertising and peddling on Association property are prohibited. The distribution of advertising materials within the building is prohibited. Distribution of printed material to Units is permitted only with the prior written permission of the Board.

34. STORAGE LOCKERS

Vacant storage lockers may not be used without the permission of the Owner to whom the locker is assigned.

The Association is not liable for the contents of any storage locker.

All items must be stored within the locker. Items not within the locker will be removed.

No flammable or combustible liquids may be stored in any locker.

No food, pets, or live plants are allowed.

Residents must provide and maintain their own lock.

35. SUGGESTIONS AND COMPLAINTS

Suggestions and complaints on building operations should be submitted in writing to the Association. Please include your name and unit number.

36. TOWING

The Association has signs posted on the property giving notice that violators of the Association's Parking Rules may be towed. This is in accordance with the requirements and spirit of the law. Signs are posted on the access gate.

All towing shall be authorized on an individual basis only; there shall be no general authorization given to a towing company to tow unauthorized vehicles, or vehicles which are parked in violation of these Rules.

37. TRASH

Residents' cooperation is necessary in keeping all public areas clean, particularly the stairwells, and the trash chute areas located on each floor. Garbage must be carefully wrapped and deposited down the chute with care that nothing spills on the floor. If spills occur, please clean them up. For carpet spills, please contact staff on duty immediately.

Combustible materials, grease, and liquid materials should never be put down the chute. Never leave trash/debris on the floor outside of the trash chute. This is a fire hazard. No boxes of any kind are to be put into the trash chute (including pizza boxes).

All garbage, trash, refuse and disassembled paper cartons from Units shall be wrapped in a plastic or plastic-lined bag and placed in the trash chute located on each floor. Food waste and wet garbage shall be deposited in the Unit garbage disposal appliance rather than in the trash containers whenever possible. Owners and Residents with cartons or other items not suitable for the trash chute should call the On-Site Porter for assistance. Residents are reminded to use receptacles provided in the common elements for the proper disposal of casual trash such as cigarettes, candy wrappers, etc. No debris or supplies are to be left in the lobby or common hallways or outside the front entrance.

Never place trash that blocks the exits to stairwells.

Do not empty vacuum cleaner bags or kitty litter down the chute.

Please dispose of your garbage from 7:00 a.m. to 10:00 p.m. in consideration of Residents on either side of the chute area.

38. USE AND OCCUPANCY RESTRICTIONS

All Owners and Residents are required to complete an Owner/Resident information form and return it to the Association within 30 days of occupancy.

Residents shall maintain their Units in a safe, clean and sanitary condition, and shall not permit such Unit or the limited common elements appurtenant thereto to become a public or private nuisance.

Each Unit must be used solely for Residential use, and may not be used for commercial or business purposes except for home professional pursuits. This restriction shall not prohibit Residents from using their Unit for personal business or professional pursuits, provided that: (i) such use is incidental to the Unit's Residential use; (ii) such use conforms to all applicable laws and ordinances; (iii) there is no external evidence of such use; and (iv) except as otherwise provided herein, such use does not involve visits to the Unit by the public, employees, suppliers, or clients.

In accordance with familial status under fair housing law, no Unit may be occupied by more than two persons per bedroom.

Residents may not keep or do anything within any Unit, common element or limited common element of the property that may be calculated to reduce the desirability of the Condominium as a residential community.

No person under the age of 18 years of age may occupy a Unit unless such occupancy is with an Owner or tenant who is a parent, legal guardian, or designee in writing of such minor's parent or legal guardian. Owners must provide satisfactory proof of the ages and relationships among the occupants of such Owner's Unit upon request of the Association.

Units may not be occupied by a person who constitutes a threat to the health or safety of other persons, or whose occupancy could result in substantial physical damage to the property of others.

39. UTILITIES

Residents are responsible for arranging telephone, electricity and premium bulk cable services. Units are separately metered for electricity. Water is provided by the Association and is included in the monthly assessment.

40. WATERBEDS/HOT TUBS

Water furniture or waterbeds are not allowed. Water furniture has the potential for extensive

damage to Units and common areas from leaks, breakage and/or excessive weight.

The use or installation of hot tubs, whirlpools, or Jacuzzis (portable or permanently installed) in a Unit or on a balcony and/or patio is prohibited. This does not apply to a customary bathtub fixture with water jets located within the Unit that is installed pursuant to all applicable plumbing codes.

41. WATER LEAKS/OVERFLOWS

Owners are responsible for water damage to common elements and adjoining Units which originates from their Unit, including leaks or overflows of sinks, tubs, showers, shower pans, toilets, dishwashers, and clothes washers. In case of continuous water overflow, Residents should immediately turn off water in the unit and turn the shut-off valves, e.g. behind the toilet or under the sink, to the "off" position.

Refrigerator water filters need to be replaced every six months or in accordance with the manufacturer's specifications and recommendations listed in the appliance manual.

42. WATER SHUT-OFF

Except in case of an emergency, Residents may not interfere with or interrupt the building's water lines, including water lines to an individual Unit, without the prior knowledge and consent of the Association. Residents requiring a water cut-off for remodeling must request through the Association a minimum of five days in advance. The Association's plumbing contractor will perform all work relating to shutting off the building's water supply and Residents requesting the shut-off will be responsible for reimbursing the Association.

43. WINDOWS AND DOORS

The front doors of Units must conform to the building standard unless otherwise approved in advance by the Board of Directors. No awnings, shades or shutters shall be erected over and/or outside any windows, patios and/or balconies appurtenant to any Unit, and no exterior doors shall be removed, replaced or changed in any way, without the prior written consent of the Board of Directors. All window treatments visible from the exterior of the Unit shall be neutral in color. Nothing shall be placed on the outside of window sills or projections, or upon any patio railings, without the prior written consent of the Board of Directors. Nothing shall be thrown or swept out of any windows or doors, and no mops, brooms, dusters, rugs or bedding shall be shaken or beaten from any windows or doors, or any portion of the common elements. No screen or storm doors or windows shall be installed within any existing door or window openings that form part of the common elements. If applicable, window mullions -- the strips that divide a glass into smaller panes -- may not be removed. Owners may not alter the color or appearance of the glass surfaces in Unit windows from the building standard.

Residents may install window treatments inside their Units, at their sole expense, provided:

1. Any window treatment, including drapes, blinds, shades, or shutters, must be neutral when viewed outside the Unit;
2. Aluminum foil and reflective window treatments are expressly prohibited; and

3. Window treatments must be maintained in good condition, and must be removed or replaced if they become stained, torn, damaged, or otherwise unsightly in the opinion of the Board of Directors.

Owners, at their sole cost and expense, shall promptly repair and replace any broken or cracked glass in their Unit's windows and doors.

44. REVISIONS TO RULES AND REGULATIONS

The Board of Directors frequently informs the owners and residents of new or revised rules via the Association newsletter, or in notices to Owners and Residents. Please carefully read these publications and file them with these Rules and Regulations for later reference.

IMPORTANT TELEPHONE NUMBERS

For Questions regarding your assessment payments:

Association Management, Inc.

(713) 932-1122

46. AUTHORITY

RESOLVED, that the officers of the Corporation are hereby severally authorized to (a) sign, execute, certify to, verify, acknowledge, deliver, accept, file and record any and all such instruments and documents, and (b) take, or cause to be taken, any and all such action in the name of and on behalf of the Corporation or otherwise (as in any such officer's judgment shall be necessary, desirable or appropriate) in order to effect the purposes of the foregoing resolutions.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW, THE STATE OF TEXAS, COUNTY OF HARRIS
I hereby certify that this instrument was FILED in the proper Sequence on the date and at the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County Texas on

JUN 24 2010

RECORDER'S MEMORANDUM:

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc. All blackouts, additions and changes were present at the time the instrument was filed and recorded.



Dorothy B. Kayman

COUNTY CLERK
HARRIS COUNTY, TEXAS