

BY-LAWS OF  
THE REGENCY HOUSE CONDOMINIUM ASSOCIATION

ARTICLE I

OBJECT

(Plan of Ownership)

1. The purpose for which this non-profit Association is formed is to govern The Regency House Condominium, at 2701 Westheimer, Houston, Texas, a condominium property which has been submitted to the provisions of the Condominium Ownership Act of the State of Texas.

2. All present or future owners, owners of Condominium Units hereafter annexed to said project, tenants, future tenants, or any other person that might use the facilities of the project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the condominium Units (hereinafter referred to as "Units") of the project or the mere act of occupancy of any of said Units will signify that these By-Laws are accepted, ratified, and will be complied with.

ARTICLE II

MEMBERS, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

SECTION 1. Members. The Members of The Regency House Condominium Association, a Texas non-profit corporation, shall consist of the Unit Owners of The Regency House Condominium in accordance with the respective percentage of ownership interest in the Common Elements of the Property owned by the respective Unit Owners (these and other terms are used in these By-Laws as they are defined in the Declaration of Condominium for The Regency House, which Declaration is recorded in the Office of the County Clerk of Harris County, Texas. The word "member" or "members" as

used in these By-Laws means and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration). If a Unit Owner is a corporation or partnership, the member may be an officer, or partner of such Unit Owner.

SECTION 2. Succession. The membership of each Unit Owner shall terminate when he ceases to be a Unit Owner, and upon the sale, transfer or other disposition of his ownership interest in the Property, his membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interests.

SECTION 3. Annual Meetings. The first annual meeting of Unit Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the Board; provided, however, that said First Meeting shall be held not less than thirty (30) days and not more than one hundred and twenty (120) days after the earlier to occur of June 1, 1980, or the date on which the Declarant has sold and delivered its deed for at least 51% of the Units. For purposes of this provision, 51% of the Units shall mean Units which correspond, in the aggregate, to 51% of the undivided ownership of the Common Elements, as set forth in Exhibit B of the Declaration. Subsequent to the First Meeting, there shall be an annual meeting of Unit Owners held each year on a date which is within thirty (30) days of the anniversary of the First Meeting. All such meetings of Unit Owners shall be held at such place in Harris County, Texas, and at such time as specified in the written notice of such meeting which shall be given to all Unit Owners at least ten (10) days prior to the date of such meeting.

SECTION 4. Special Meetings. Special meetings of the Unit Owners may be called by the President of the Association and it shall be the duty of the President to call a special meeting of the Unit Owners upon receipt of a petition signed by a majority of the directors of the Board or by Unit Owners having at least one-tenth (1/10) of the votes entitled to be cast at such meeting. Said special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days prior to the date of said meeting, stating the date, time and place of said special meeting and the matters to be considered. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Unit Owners present in person or by proxy. It shall be the duty of the Secretary to deliver notices of meetings. Notices of meetings may be delivered either personally or by mail to a Unit Owner at the address given to the Board by said Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board.

SECTION 5. Voting. The aggregate number of votes for all members of the Association shall be divided among the respective Unit Owners in accordance with their respective percentage of ownership interest in the Common Elements as set forth in Exhibit "B" to the Declaration. Notwithstanding anything to the contrary in this paragraph, during the period in which the Declarant owns 15% or more of the Common Elements, Declarant shall be entitled to multiply by six (6) the number of votes attributable to Units owned by Declarant. Declarant may from time to time waive the right to apply the voting multiple provided for in this paragraph. When more than one person holds an interest in any Unit, all such persons shall be members of the Association, but the vote attributable to such Unit shall be exercised only by the person designated by the owners of a majority in interest of the Unit.



SECTION 6. Quorum. A quorum of Unit Owners for any meeting shall be Unit Owners holding fifteen (15%) percent of the votes entitled to be cast at such meeting. The affirmative vote of the majority of votes entitled to be cast by the members present, shall be the act of the meeting, unless the vote of a greater number is required by law, the Articles of Incorporation, the Declaration, or these By-Laws.

### ARTICLE III

#### Board of Directors

SECTION 1. Number, Qualification and Term. The Board of Directors of the Association (referred to herein as the "Board") shall consist of seven (7) members (hereinafter referred to as "directors"). Directors shall be elected at the annual meeting of Association members by the vote of Unit Owners, except that the directors listed in the Articles of Incorporation of the Association (hereinafter called "members of the First Board") shall be appointed by the Declarant. Those candidates for election as director receiving the greatest percentage of votes cast either in person or by proxy at the meeting shall be elected. Every director, except for members of the First Board, shall hold office for the term of three years and until his successor shall be elected and qualified. Two (2) members of the First Board shall hold office until the second regular annual meeting of Association members, and three (3) other members of the First Board shall hold office until the third regular annual meeting of Association members.

SECTION 2. Qualification. Except for members of the First Board, each director shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a trustee of a trust, a director may be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, a director may be an officer or partner of such Unit



Owner or beneficiary). If a director shall cease to be a director then his place on the Board shall be deemed vacant.

SECTION 3. Vacancies. Any vacancy occurring in the Board shall be filled by a majority vote of the remaining members thereof, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by the Declarant. Any director so elected or appointed to fill a vacancy shall hold office for a term equal to the unexpired term of the director whom he succeeds.

SECTION 4. Meetings. A regular annual meeting of the Board shall be held immediately following the regular annual meeting of Unit Owners. Special meetings of the Board shall be held upon a call by the President or by a majority of the Board on not less than forty-eight (48) hours notice in writing to each director, delivered personally or by mail or telegram. Any director may waive notice of a meeting, or consent to the holding of a meeting without notice, or consent to any action proposed to be taken by the Board without a meeting. A director's attendance at a meeting shall constitute his waiver of notice of said meeting.

SECTION 5. Removal. Any director may be removed from office by the vote of fifty-one percent (51%) of the votes entitled to be cast as set out in Article II Section 5.

SECTION 6. Compensation. Directors shall receive no compensation for their services as directors, unless expressly provided for in resolutions duly adopted by a majority of the Unit Owners.

SECTION 7. Quorum. Four (4) directors shall constitute a quorum.

SECTION 8. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;

- (b) to administer the affairs of the Association and the Property;
- (c) to engage the services of an agent (hereinafter sometimes called the "Managing Agent"), to maintain, repair, replace, administer and operate the Property or any part thereof for all of the Unit Owners, upon such terms and for such compensation and with such authority as the Board may approve; provided, however, that the First Board, appointed as provided herein shall have authority to ratify and approve a Management Agreement between the Declarant, on behalf of the Association, and a management corporation, which may be a corporation related to the Declarant, to act as Managing Agent for the Property for a maximum of three (3) years commencing on the date the first Unit is sold and the deed recorded and terminable for cause upon thirty (30) days' notice from the Board, which ratification and approval shall not be subject to the provisions of Article IV, Section 6 hereof;
- (d) to formulate policies for the administration, management and operation of the Property and the Common Elements thereof;
- (e) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;
- (f) to provide for the maintenance, repair, and replacement of the Common Elements and payments therefor, and to approve payment vouchers or to delegate such approval to the officers of the manager or Managing Agent;

- (g) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements, and to delegate any such powers to the Managing Agent (and any such employees or other personnel who may be the employees of a Managing Agent);
- (h) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (i) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (j) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Unit Owners their respective shares of such estimated expenses, as herein provided;
- (k) to enter into any lease or purchase agreement for the lease or purchase of premises suitable for use as custodian apartments, upon such terms as the Board may approve;
- (l) unless otherwise provided herein or in the Declaration of Condominium for the Regency House, to comply with the instructions of a majority of the Unit Owners (as said majority is defined in Paragraph 1(g) of the Declaration); as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;
- (m) to enter such contracts and agreements in addition to the Management Agreement relating to the providing of maintenance, management and operation services as the Board may deem advisable,



including such Contracts as are referred to in Paragraph 7(c) of the Declaration;

- (n) to enter into such leases of portions of the Common Elements as the Board may deem advisable; and
- (o) to exercise all other powers and duties of the Council of Co-owners or Unit Owners as a group referred to in the Act, and all powers and duties of a Board of Directors referred to in the Declaration or these By-Laws.

SECTION 9. Non-Delegation. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

#### ARTICLE IV

##### Officers

SECTION 1. Designation. At each regular annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

- (a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;
- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect.

SECTION 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

SECTION 3. Term of Office. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified.

SECTION 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining members thereof at a special meeting of said Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by vote of two-thirds (2/3) of the total membership of the Board at a special meeting thereof.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by a majority of the Unit Owners.

## ARTICLE V

### Assessments

SECTION 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including but not limited to salaries, wages, payroll taxes, legal and accounting fees, working capital fund, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and all other common expenses. To the extent that the assessments and other cash income collected from the

Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall also take into account the estimated net available cash income for the year from the lease, operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board.

SECTION 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as his respective monthly assessment for the common expenses, one-twelfth (1/12) of his proportionate share of the common expenses for such year as shown by the annual budget. Such proportionate share for each Unit Owner shall be in accordance with his respective ownership interest in the Common Elements, as set forth in Exhibit B of the Declaration. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as last determined. Each Unit Owner shall pay his monthly assessment on or before the first day of each month to the Managing Agent or as may be otherwise directed by the Board. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit, the Common Elements, or the Limited Common Elements.



SECTION 3. Partial Year or Month. For the first fiscal year, the annual budget shall be as approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date that a Unit Owner acquires ownership of his Unit each Unit Owner shall pay his assessment for the following month or fraction of a month which assessment shall be in proportion to his respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be as computed by the Board.

SECTION 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

SECTION 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made on each Unit Owner for his proportionate share of such supplemental budget.

SECTION 6. Expenditures. Except for the Management Agreement described in Article II, Section 8(c) hereof and expenditures and