



NOTICE:

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BY-LAWS OF THE AMBASSADOR AT POST OAK (NO.1.)

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Houston Apartment homes, Inc., a Texas corporation, (hereinafter referred to as "Developer being the sole owner in fee simple of the project land and project property submitted to the provisions of the Condominium Act of the State of Texas (hereinafter referred to as the "Act") by the recordation of the Declaration to which these by-laws are attached, as such sole owner does hereby adopt the following by-laws which shall govern the administration of such condominium regime as provided for and in compliance with said Act.

ARTICLE I. - NAME

This Condominium Apartment project and Regime shall be known and designated is

"THE AMBASSADOR AT POST OAK (No. 1.)".

ARTICLE II. - DEFINITION

The definitions set out in the foregoing and attached Declaration are adopted for the purpose of these by-laws.

ARTICLE III - ADMINISTRATIVE BODY

1. Council of Co-owners - Each owner of an apartment unit in this Condominium Project and Regime shall automatically be a member of the "Council of Co-owners" (hereinafter called and referred to as "The Council") which shall be the governing and administrative body for all unit owners for the protection, preservation, upkeep, maintenance, repair, and replacement of the Common Elements and the government, operation, and administration of this Condominium Regime, and shall remain a member thereof until such time as his ownership ceases for any reason. Upon any transfer of ownership of any apartment unit, however accomplished, the now unit owner acquiring or succeeding to such ownership interest, shall likewise automatically succeed to such membership in the Council.

2. Organizational and Annual Meeting - As soon as practical after Developer has paid and conveyed forty-five (45) apartment units, but in no event later than thirty (30) days prior to the expiration of twenty-four months from the date of recordation hereof, the developer shall give each unit owner written notice of the date, time and place of a meeting to organize the

Council of Co-owners. Thereafter annual meetings of the Council shall be held on such date and at such times and places as the Board of Administration or its representative shall annually determine or on such date and at such time and such place as the Council may decide upon at any meeting. At any annual meeting the Council may transact any business which may be properly brought before the meeting.

3. Special Meetings - Special meetings of the Council may be called by the President or by a majority of the members of the Board of Administration, or by unit owners representing at least 25% ownership interest in the Common Elements. Notices of special meetings shall be in writing and may be mailed or personally delivered, and shall state the date, time, place and general purpose of the meeting. No business shall be transacted at any special meeting which is not generally stated in said notice unless Unit Owners representing at least 51 votes, either in person or by proxy, consent to the transaction of such business.

4. Votes - The aggregate number of votes for all unit owners at all meetings of the Council shall be 100, which votes shall be divided proportionately among the respective unit owners in accordance with and in proportion to their respective ownership interest in the common elements as allocated to each apartment in paragraph 12 of this Declaration. Votes at any meeting may be cast in person or by proxy. The Developer, through any officer or representative in person or by proxy, may cast the votes allocated to the apartment units owned by it.

5. Quorum - A quorum of unit owners for any meeting of the Council shall be constituted by Unit Owners represented in person or by proxy and holding 51% or more of the total votes of all unit owners, If any meeting of the Council cannot be organized because a quorum is lacking, then by majority vote of the unit owners present, either in person or by proxy, the meeting may be adjourned to the same hour of a date not less than ten (10) nor more than thirty (30) days from the date on which such meeting was to have been originally held, and at any such adjourned meeting a quorum shall be constituted by unit owners present in person or by proxy and holding more than 40% of the total votes of all unit owners. No notice of such adjourned meeting need be given if it is to be held at the same place of the originally scheduled meeting; otherwise notice of such adjourned meeting must be given. The term "majority vote" as used in these by-laws shall mean a simple majority, that is more than 50% of the votes cast on any question. The term "majority of unit owners" or "majority of owners" means tile owner or owners of apartment units whose aggregate undivided percentage ownership interest in the Common Elements is 50% or more.

6. Order of business - The order of business at all meetings of the Council shall be determined by the presiding officer or majority vote of the unit owners present at such meeting in person or by proxy. The latter shall govern in case of any objection to the former.

ARTICLE IV. BOARD OF ADMINISTRATION

1. Composition and Election - At the organizational meeting of the Council it shall elect a Board of Administration (hereinafter referred to as "Board") which shall be composed of not less than seven (7) persons. If the owner of any apartment may be an officer, director, partner, shareholder, agent or other representative of such unit owner, At each subsequent annual meeting of the Council, it shall elect new members to the Board in place of those whose terms have expired. For the election of the Board Members, each member of the Council may exercise his vote as many times as there are board members to be elected, and cumulative voting shall be allowed so that all votes of any member may be cast for one candidate. The candidate receiving the most votes shall be deemed elected.

2. Duties and authority - The Board shall manage and administer the affairs of the Council it shall have all such duties, rights, powers and authority given to it by the Act, the Declaration of these By-laws, and as may be from time to time delegated to it by the Council, in addition to the following:

(a) To elect officers of the Council as hereinafter provided.

(b) To administer the affairs of the Council and the Common Elements and common interests of the Project property and the unit owners.

(c) To keep or cause to be kept sufficient books and records with account of the receipts and expenditures affecting the project buildings and its administration, and specifying the maintenance and repair expenses of the Common Elements, both the books and vouchers accrediting the entries made thereon shall be available for examination by all the co-owners at convenient hours on working days that shall be set and announced for general knowledge. All books and records shall be kept in accordance with good accounting procedures and shall be audited at least once a year by an auditor outside of the organization, as provided by the act.

(d) To engage the services of a Manager or Managing Agent who shall manage and operate the Common Elements for all the unit owners, upon such terms and for such compensation and with such duties and authority as the board may specify or from time to time delegate to him.

(e) To formulate and enforce policies, rules and regulations to govern the use, management and operation of the Common Elements, without depriving any unit owner of the rights and privileges given to him by the Act of Declaration.

(f) To plan and adopt from time to time an annual budget for the estimated annual common expenses for the maintenance, repair, upkeep, protection, insurance, replacement, management and administration of the Common Elements as well as for the common insurance, utilities and other services and for all other common benefits or purposes, and to provide the manner of assessing and collecting from the unit owners each month their pro-rata share of such estimated common expenses.

(g) To provide for the designation, hiring and removal of employees and other personnel, including bookkeepers and accountants, and to engage or contract for the services of others, and in general to make purchases of labor, materials and/or services for the repair, upkeep, maintenance, replacement, protection, insurance, management or administration of the Common Elements and for the common utility and other services and in general to perform such other acts and do such other things which are not required to be done or performed exclusively by the Council for the orderly and efficient management and administration of this condominium regime.

3. Term of Office - At the first meeting of the Council at which Board members are elected, the term of office of three (3) members shall be fixed at two (2) years and the term of office of four (4) members shall be fixed at one (1) year; and at the expiration of the initial term of office of each respective Board member, his successor shall be elected to serve a term of two (2) years. The Board members shall hold office for their respective terms and until their successors have been duly elected and hold their first meeting.

4. Vacancies - Vacancies in the Board caused by any reason other than the removal of a Board Member by vote of the Council shall be filled for the unexpired term by vote of the majority of the remaining Board Members, even though they may constitute less than a quorum; and each person so elected shall be a Board Member until a successor is elected at the next annual meeting of the Council or special meeting called for that purpose.

5. Resignation - Any member of the Board may resign at any time by giving written notice of resignation to the President or any other officer of the Council.

6. Automatic Resignation and Removal - Any Director may be removed by a vote of a majority of the remaining Directors as the result of the Director's failure, without just cause, to

attend three (3) consecutive, regularly scheduled meeting of the Board of Directors¹. “Just cause” means any event that, in the reasonable, good faith judgment of the Board, prevents a Director from attending a meeting and includes, without limitation, death or serious injury to a member of the Director’s family or other person with whom the Director has a long-term relationship, a mental or physical ailment or impairment that prevents the Director from attending a meeting, and any mandatory business engagement related to the Director’s livelihood and/or employment. Any vacancy on the Board resulting from the removal of a Director for his/her failure, without just cause, to attend three (3) consecutive, regularly scheduled meetings of the Board of Directors shall be filled by a vote of a majority of the remaining Directors. The successor shall serve until the annual meeting next following the date of removal, at which time the members shall elect a person to serve the then remaining unexpired term of the Director previously removed.

7. Removal by Council - At any regular or annual meeting or at any special meeting called for that purpose, the Council may by majority vote remove any one or more members of the Board, with or without cause, provided that a successor or successors shall then and there be elected to fill the vacancy or vacancies this created, for the unexpired term of the Board Member or Members removed. Any Board Member whose removal has been proposed shall be given an opportunity to be heard at such meeting.

8. Organizational Meeting - The first meeting of the newly elected Board shall be held within ten (10) days of election at such place as they shall fix at the meeting at which they were elected, and no notice shall be necessary to the newly elected members in order to legally constitute such meeting, providing a majority of the whole board shall be present.

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

10. Special Meetings - Special meetings of the Board may be called by the President on three (3) days notice to be given as in the case of regular meetings, stating the time, date, place and purpose of the meeting. Special meetings of tile Board may be called by the

¹ Amended April 28, 2004

President or Secretary in the manner and on like notice on the written request of at least three (3) Board Members.

11. Waiver of Notice - Before or at any meeting of the Board, any member may verbally or in writing waive notice of the time, date, place and purpose of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Member of the Board at any meeting of the Board shall be deemed as a waiver of the required notice of such meeting. If all the Members of the Board are present at any meeting, no notice thereof shall be required and any business may be transacted at such meeting.

12. Quorum – At all meetings of the Board, the presence of a majority² of the Board members shall constitute a quorum for the transaction of business, and the acts and decisions of the majority of the members present at any meeting at which a quorum is present shall be decisive on any question and shall be the acts of the entire Board.

ARTICLE V - OFFICERS

1. Designation - The principal officers of the Council shall be a president, one or more vice presidents, a secretary and a treasurer, and the office of secretary and treasurer may be held at the same time by the same person. The Board may appoint an assistant secretary and assistant treasurer and such other officers as in their judgment may be necessary.

2. Election of Officers - The officers of the Council shall be and appointed annually by the Board at the organizational meeting of each new board and they shall hold office at the pleasure of the Board.

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

4. President - The President shall also be a member of the Board. He shall be the chief executive officer of the Council and shall preside over meetings of the Board and of the Council. He shall have all the general powers and duties which are usually vested in the office of the president of an organization, including, but not limited to, the power to appoint committees for various purposes as he shall deem appropriate.

² Amended April 28, 2004

5. **Vice President** - The vice-president shall take the place of the president and perform his duties whenever the president is absent or unable to act.

6. **Secretary** - The secretary shall keep the minutes of all meetings of the Board and of all meetings of the Council. he shall in general perform all the duties incident to the office of Secretary. The Secretary may be the managing agent or a representative of the managing agent.

7. **Treasurer** - The Treasurer shall have responsibility for the Council funds and securities and shall be responsible for keeping the financial records and books of account.

8. **Vacancies** - Vacancies in any office may be filled by the Board at any meeting thereof.

9. **No Compensation** - The officers shall receive no compensation for their services as such, except that if the managing agent holds any office he may be paid for his services as managing agent, including performance of the duties of his office.

ARTICLE VI- ASSESSMENTS

1. **Budget** - (a) The Board shall prepare or cause to be prepared, an estimated annual budget for each fiscal year of the Council, such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, supplies, materials, parts, services, maintenance, repairs, replacement, landscaping, insurance, water service, power and other common utilities, management fees and other common expenses. The annual budget shall also take into account and provide for a reserve for contingencies for the year and a reserve for replacements of the common elements, in reasonable amounts ad fixed by the Board. Any surplus or deficits in regards to previous budgets shall also be considered.

(b) Copies of the annual budget shall be furnished to each unit owner not later than thirty (30) days prior to the beginning of each fiscal year. The annual budget as estimated and adopted by the Board shall serve as the basis for the regular monthly assessments against the unit owners, unless such budget is changed, altered or amended at any regular or special meeting called for that purpose by the Council of Co-owners, in which case such budget as so changed, altered or amended shall be the basis for the regular monthly assessments.

2. **Obligation of Unit Owners** - On or before the first day of the first month and of each succeeding month of the fiscal year covered by the annual budget, each Unit Owner shall pay to

the Board or such person as the Board may designate, as his respective regular monthly charge and assessment for the common expenses, one-twelfth (1/12th) of his proportionate share of the estimated annual common expenses as shown by such annual budget. Such proportionate share for each Unit Owner shall be in the ratio and proportion to his respective ownership interest in the common elements as assigned and set out in paragraph 12 of the Declaration. The Board or other person authorized to collect and receive the monthly assessments shall receive, hold and disburse the same in trust and as trustee for the use and benefit of each unit owner, and shall use, disburse and expend the same for the purpose authorized in these By-laws or in said Act or Declaration. All assessments so received and collected shall be deposited in and constitute the "Maintenance Fund" of this condominium regime.

The Board or its representative may cause a statement to be sent each month to each unit owner for his respective assessment each month, but the failure to send or receive any such statements shall not relieve or excuse the obligation of any unit owner to pay his monthly assessments as they become due.

In the event the Board shall not approve an estimated budget for any year, then the Council may approve or adopt such budget at any regular meeting or special meeting called for that purpose, in any event until such time as the board or the Council approves a new budget for a new fiscal year and notifies each unit owner of such, each unit owner shall continue to pay each month the amount of his monthly assessment as last determined.

3. Supplemental Budget - In the event it shall appear to the Board that the estimated annual budget for any fiscal year shall be inadequate to cover the estimated common expenses in respect to the common elements or the project property or other expenses or special assessments lawfully agreed to by the Council of the unit owners in accordance with the provisions of the Act or Declaration, then the Board shall prepare or cause to be prepared a supplemental estimated budget to cover the estimated deficiency for the remainder of the fiscal year and each unit owner shall be assessed and pay his proportionate part of such supplemental annual budget in the same ratio of his percentage of ownership interest in the common elements as established in the Declaration.

4. Capital Expenditures - Contracts - The Board shall not approve any capital expenditures for new improvements on any part of the common elements, excluding repair or

replacement of existing improvements in excess of TEN THOUSAND DOLLARS (\$10,000.00)³ without the approval of the Council.

5. Assessments During Period of Administration by Developer as Temporary Administrator

(a) Assessments against apartment units owned by persons other than developer - No budget or estimated budget for the common expenses shall be prepared or adopted during the period of time this condominium regime is being governed and administered by Developer as Temporary Administrator. Instead, during such period the purchaser and each subsequent owner of an Apartment Unit sold and conveyed by Developer shall be assessed and obligated to pay each month as his share and part of the usual and ordinary common expenses for the maintenance, upkeep, repair, replacement, operation, protection, government and administration of the common elements, and for the common insurance, utilities and other common services, as well as for the repair, upkeep maintenance, replacement, operation and administration of all other areas outside of the project property which the Unit Owners have the right to use or enjoy in common with persons other than unit owners of this regime, a fixed sum as set out below; the owner of each apartment, other than Developer shall pay as his said monthly assessments during said period the amount set out below opposite the amount of his percentage of ownership interest in the Common Elements, to-wit:

PERCENTAGE INTEREST IN COMMON ELEMENTS	AMOUNT OF MONTHLY ASSESSMENT
1.5590%.....	\$59.00
1.8240%.....	69.00
2.0883%	79.00
2.3525%	89.00

It is understood, however, that the amounts of monthly assessments above set out and to be paid during said period of administration by Developer as Temporary Administrator, are only the monthly assessments for the usual and ordinary common as hereinabove mentioned, and do not include payment for any special assessment which might be made for special purposes, such as, but not limited to, assessments for the purchase, lease or rental of an Apartment Unit pursuant to the exercise of the right of first refusal given to the co-owners as set in the declaration, assessments for the cost and expense of repairing or reconstructing any

³ Amended July 28, 1981

damage or destruction due to fire, storm, flood, rising waters or other casualty, in excess of the insurance indemnity, if any, and any and all special assessments to discharge other liabilities or obligations, other than of the nature hereinabove set out, in excess of the insurance indemnity, if any. Any special assessments so made by Developer as Temporary Administrator shall be paid in addition to the monthly assessments above set out.

(b) Assessments Against Apartment Units Owned by Developer - During said period of administration by Developer as Temporary Administrator, there shall be no assessments against Developer or Apartment Units owned by it for said usual and ordinary common expenses above mentioned; instead, however, Developer shall and agrees to pay during such period such amounts over and above the fixed amounts collected from the other Unit Owners as may be needed to pay the said usual and ordinary common expenses actually incurred each month it being agreed that Developer as Temporary Administrator shall first use and expend the sums collected each monthly from the other Unit Owners towards payment of said usual and ordinary common expenses actually incurred each month, and if said sums so collected shall be insufficient to pay such actual costs and expenses, then Developer as its own obligation shall and agrees to pay the deficiency. However, in the case of special assessments, as above mentioned, Developer shall pay its pro-rata part and share of the same in properties to the percentage of ownership interest owned by it in the Common Elements as any other unit owner; and, after the administration of this condominium regime for Developer as Temporary Administrator has ceased, then Developer shall be assessed and pay its pro-rata share and part of all common expenses in the proportion to its ownership interest in the Common Elements, on the same basis as the other unit owners.

ARTICLE VII. - MORTGAGES

1. An owner who places a mortgage or other lien on his apartment unit shall notify the Board or its representative, if any, of the name and address of his mortgagee, and the Board shall maintain a record of such information.

2. At the request of any mortgagee of any apartment unit, the Board or its representative shall report any unpaid assessment due from the owner of such unit.

ARTICLE VIII. - AMENDMENTS

During the period of the administration of this Condominium Regime by Developer as temporary administrator, as provided for in the Declaration, these By-laws may be amended or modified from time to time during such period by the Developer as such temporary administrator

and representative of the Council of Co-owners and Board of Administration; thereafter these By-laws may be amended or modified from time to time by majority vote of the Council of Co-owners at any annual or special meeting called for that purpose. All amendments shall be filed for record in the Condominium Records of Harris County, Texas.

ARTICLE IX. - SEVERABILITY

If any article, paragraph, sentence, section, clause or phrase of these By-laws or the application thereof in any circumstance shall be invalid or unenforceable, the validity or enforceability of the remainder of these By-laws and of the application of any such Article, paragraph, section, sentence, clause or phrase in any other circumstance shall not be affected thereby.

DATED AND ADOPTED by the undersigned Houston Apartment Homes, Inc., a Texas corporation the sole owner in fee simple of the property constituting a condominium project and regime known as “**THE AMBASSADOR AT POST OAK (No. 1.)**”, this the 15th day of October 1969.

Houston Apartment Homes, Inc.

By: D . F . Chapman

Vice President