

By-Laws for Contemporary Plaza 5, Madeline Alyssa Homeowner's Association

WHEREAS, pursuant to said Declaration of Covenants and Restrictions, all the owners in the aforesaid Community constitute a Homeowner's Association, which shall govern the operation of said community subject to the Declaration of Covenants and Restrictions and these By-Laws, and

WHEREAS, said Homeowner's Association has been organized as a Texas non-profit corporation in connection with said Declaration of Covenants and Restrictions.

WHEREAS, the board of the Homeowner's Association desires to adopt By-Laws to govern the operation of The Contemporary Plaza 5 Madeline Alyssa Homeowner's Association and its Board of Administrators, pursuant to said Declaration of Covenants and Restrictions, which By-Laws, as amended from time to time, as hereinafter provided, shall constitute the Homeowner's By-Laws of the Homeowner's Association pursuant to the Corporate by-Laws., of the Contemporary Plaza 5 Madeline Alyssa Homeowner's Association, a Texas non-profit corporation:

NOW, THEREFORE, the board does hereby adopt the following Homeowner's By-Laws of the Homeowner's Association and corporate By-Laws of The Contemporary Plaza 5 Madeline Alyssa Homeowner's Association (hereinafter called "The Association"):

DEFINITIONS: All words, terms and phrases used herein shall have the meaning set out in the Declaration of Covenants and Restrictions.

CONTROLLING DOCUMENTS: In the event of any conflict between the terms and provisions of these By-Laws and the Declaration of Covenants and Restrictions of Covenants and Restrictions, the Declaration of Covenants and Restrictions shall control over these By-Laws.

Voting by Owner.

Each owner shall be entitled to one vote for each home owned by such owner equal to the percentage of interest of such property in the Common Elements.

No owner shall be entitled to vote at any meeting of the association until such Owner has presented evidence of ownership of a home in the community to the Secretary of the Board. The vote of each Owner may only be cast by such Owner or by a Proxy given by such Owner to a duly authorized representative. If title to a home shall be in the name of two or more persons as Owners, any one of such Owners may vote as the Owner of the Home at any meeting of the Association and such vote shall be binding on such other Owners who are not present at such meeting until written notice to the contrary has been received by the Secretary of the Board, in which case the unanimous action of all such Owners (in person or by Proxy) shall be required to cast their vote. If two or more of such Owners are present at any meeting of the Association, then unanimous action shall be required to cast their vote, provided, that they shall be deemed to be in unanimous agreement, if one of them votes and none of such other Owners makes prompt protest to the person presiding over the meeting.

If any action of the Owners or Board of Administrators is taken by Non-Unanimous Consent, any articles or documents filed with the Secretary of State as a result of such action shall state, in lieu of any statement required by the Texas Non-Profit Corporation Act concerning any vote of the members or directors, that written consent has been given in accordance with the provisions of Article 1396-9.10 of such Act and that any written notice required by such Article 1396-9.10 has been given.

Officers:

The executive officers of the Association shall be a President, who shall be an Administrator, a Treasurer who shall be an Administrator, and a Secretary who shall be an Administrator, all of whom shall be elected annually by the Board and who may be removed by vote of the Board at any meeting, with or without cause. Any person may hold two or more offices, except the President shall not also be the Secretary. The Board shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

a. The President shall be the chief executive officer of the Association and shall have all the powers and duties that are usually vested in the office of President of an organized association, including, but not limited to, the power to appoint committees from among the Owners from time to time, to assist in the conduct of the affairs of the Association, as the President determines in his or her discretion.

b. The Secretary shall keep the minutes of all proceedings of the Board and Association, and shall attend to the giving and serving of all notices to the Owners and Administrators and other notices required by law, shall keep the records of the Association, except those of the Treasurer, and shall perform all other duties incident to the office of Secretary of an organized association and as may be required by the Board or the President.

c. The Treasurer shall have oversight of all property of the Association, including funds, securities and evidences of indebtedness and shall oversee the books of the Association in accordance with good accounting practices, and shall perform all other duties incident to the office of Treasurer.

The compensation of all officers and employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing an Administrator as an employee of the Association nor preclude the contracting with a Management company for the management of the Homeowner's Association.

Any amendments to the Declaration of Covenants and Restrictions, as are approved pursuant to the procedures set forth in the Declaration of Covenants and Restrictions, shall be prepared, executed, certified and recorded by the President and Secretary of the Association.

Delegation of Board Duties:

Notwithstanding anything contained herein to the contrary, the Board may, by written instrument executed by a majority of the Board, delegate any of its duties, powers or functions to a Manager, provided that any such delegation shall be revocable upon notice by the Board. The members of the Board shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated.

Records:

The Board or the Manager shall keep, or cause to be kept, a set of the following records at the registered office or principal office of the Association in Texas;

a. Detailed financial records of all financial transactions of the Association, including all income and expenditures that comply with generally accepted accounting principles (GAAP), and that are sufficiently detailed to enable the Association to prepare a resale certificate as required by the Act.

b. The name and mailing address of each Owner, including a list of all Owners entitled to vote at meetings of the Association:

c. Voting records, proxies and correspondence relating to amendments to the Declaration of Covenants and Restrictions

d. Minutes of meetings of the Association, the Board and any Committees authorized by the Board.

All such records shall be reasonably available at the office of the Association, during normal business hours, for examination by an Owner and an Owner's agents, at such Owner's expense. The Association shall, as a common expense, annually obtain an independent audit of its financial records, which shall be performed by a certified public accountant if required by a vote of the Board or by majority vote of the Owner's at a meeting of the Association. Copies of the audit shall be made available to the Owners at the offices of the Association, during normal business hours. All financial records and annual audits shall be kept for at least three (3) years after the closing of the fiscal year to which they apply.

Owner Information:

Within thirty (30) days after acquiring an interest in a home, each Owner shall provide the Manager with:

a. the Owner's mailing address, telephone number email address, and driver's license number, if any;

b. the name and address of the holder of any lien against the home, and any loan number;

c. the name and telephone number of any person occupying the home other than the Owner: and

d. the name, address and telephone number of any person managing the home as agent of the Owner.

e. an Owner shall notify the Manager within thirty (30) days after such Owner has notice of a change in any such information, and shall provide the information on request by the Manager, the Board, or the Association.

Meetings:

I. Regular Board 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 Administrators. Notice of regular meetings shall be given to each Administrator, personally or by telephone, facsimile or email, at least ten (10) days prior to the date named for such meeting or by mail by depositing in the mail, postage prepaid, at least fifteen (15) calendar days prior to such date.

a. Open Meetings: Meetings of the Board must be open to home owners, subject to the right of the Board to adjourn a meeting of the Board and reconvene in closed executive session to consider actions involving personnel, pending litigation, contract negotiations, enforcement actions, matters involving the invasion of privacy of individual Home Owner's or matters that are to remain confidential by request of the affected parties and agreement of the Board. The general nature of any business to be considered in closed executive session must first be announced at the open meeting of the Board.

b. Notice of Board Meetings to Home Owners: On the written request of a Home Owner to an officer or Administrator of the Association, such officer or Administrator shall inform the Owner of the time and place of the next regular or special meeting of the Board or inform such Owner of where such time and place may be obtained.

c. Waiver of Notice: The attendance of any Administrator shall constitute waiver of notice of such meeting, unless such attendance is for the purpose of objecting that the meeting is not properly called

d. Quorum: A quorum at Board meetings shall consist of a majority (more than fifty-one percent (51%)) of the entire Board. The acts approved by a majority of those present and voting at a meeting at which a quorum is present Shall constitute the acts of the Board, except where approval by a greater number is required by the Declaration of Covenants and Restrictions or by the By-Laws.

II. Annual Meetings. The first annual meeting of the Homeowner's Association shall be held, at which time the officers and Board of Administrators shall be elected. Thereafter, each subsequent Annual Meeting of the Association shall be held at such time as may be set by the Board not less frequently than once every calendar year. At each annual meeting, the Administrators shall be elected by ballot of the Owners in accordance with the provisions hereinafter set out and such other business as the Owners deem proper shall be transacted at such time. All meetings of the Association shall be scheduled for a time and place reasonably convenient to the Owners of the community.

Notice: Notice of the time and place of all annual meetings, and the time, place and subject matter of all special meetings, shall be given to each Owner by either personally delivering, faxing or mailing such notice to such Owner. Notice of annual meetings shall be personally delivered, faxed or deposited in the mail, postage prepaid, at least ten (10) but no more than sixty (60) days prior to an annual meeting. If any Owner shall fail to give an address to the Board for mailing such notices, all such notices shall be sent to the Home of such Owner and such Owner shall be deemed to have been given notice of any such meeting upon the mailing of such notice irrespective of actual receipt of same. Attendance by an Owner at any meeting, whether in person or in proxy, shall constitute waiver of notice of such meeting. Upon written request to the Secretary, a mortgagee shall be sent a copy of all notices and may designate a representative to attend any meetings.

III. Special Meetings: Special meetings of the Homeowner's Association may be called at any time for the purpose of considering any matter which, by the terms of the Declaration of Covenants and Restrictions, require the approval of all or some of the Owners, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by the President, a majority of the Board or by the Owners having at least twenty-five percent (25%) of the total votes and either personally delivered, faxed or deposited in the mail, postage prepaid, not less than fifteen (15) nor more than forty (40) days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting and the matters to be considered thereat.

IV. Quorum. The presence in person or by proxy of the Owners of fifty percent (50%) or more of the votes of all homes shall constitute a quorum for holding any meeting of the Association. If, however, such quorum shall not be present or represented at any meeting of the Association, the Owners present in person or represented by proxy shall have the power to adjourn and reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such reconvened meeting, at which a quorum shall be present or represented by proxy, any business may be transacted as was set out in the notification of the original meeting.

V. Proxies: At any meeting of the Association, votes may be cast in person or by Proxy. Proxies must be in writing, dated and duly executed by an Owner, and filed with the Secretary of the Board at or before the appointed time of each meeting of the Association. If a home is owned by more than one Owner, each Owner may vote or register protest to the casting of votes by the other Owners of such home through a proxy duly executed by such Owner. An Owner may not revoke a proxy except by giving actual notice of revocation to the person presiding over a meeting of the Association. A proxy is void if it is not dated or if it purports to be revocable without notice. A proxy terminates one year after its date unless it specifies a shorter or longer time.

VI. Majority Vote: When a quorum is present at any meeting of the Association, the vote of a majority (more than fifty-one percent (51%) of the weighted votes by Owners present in person or by proxy at such meeting) shall decide any question brought before such meeting unless the question is one upon which by express provisions of the Declaration of Covenants and Restrictions or the By-Laws, a different vote is required, in which case such express provision shall govern and control a vote on such question.
Cumulative Voting Prohibited- At all meetings of the Association, cumulative voting shall not be permitted.

Board of Administrators:

a. Number and Qualifications: The affairs of this Association shall be managed by a Board of three (3) Administrators, two (2) of whom shall thereafter be appointed by the board as president and vice-president of the Association. Each member of the Board must be an Owner who has not been delinquent on payment of HOA maintenance fees in more than three of the preceding twelve months.

b. Election: At the first annual meeting of the Association, the Owners shall elect three board members to be administrators the one with the most votes for a term of three (3) years, the second most votes for a term of two (2) years, and the one with the third most votes for a term of one (1) year; and at each annual meeting thereafter, the Association shall elect Administrators for a term of three (3) years, as vacancies occur by expiration of an Administrator's term of office

c. Removal and Vacancies: Any Administrator may be removed from the Board, with or without cause, by a fifty-one percent (51%) vote of the Association by Owners voting in person or by proxy at a special meeting called for such purpose or at an annual meeting. In such an event, a successor for such Administrator that has been removed shall be selected by a vote of the Association, and shall serve for the remainder of the term of the removed Administrator. Except as to vacancies provided by removal of Administrators by vote of the Association, vacancies in the Board occurring between annual meetings of the Association shall be filled by the remaining Administrators, and the successor shall serve for the remainder of the term of the replaced Administrator.

d. Compensation and Expenses: No member of the Board shall receive any compensation from the Association for acting as such but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

e. Organization Meeting: The organizational meeting of a newly elected Board shall be held within thirty (30) days of their election at such place and time as shall be fixed by the Administrators so elected at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary. At each such organization meeting, the Board shall elect officers and address such other business as may come before the meeting.

f. Nomination: Nomination for election to the Board shall be made by a nominating committee, which shall consist of a chairman who shall be a member of the Board, and two or more Owners, all of whom shall have been appointed by the Board prior to each annual meeting of the Association, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. At the next annual meeting following its selection, the nominating committee shall make as many nominations for election to the Board as it shall in its discretion determine but not less than the number of vacancies that are to be filled. Nominations may also be made from the floor at the annual meeting.

g. Election: Election to the Board shall be by secret written ballot, at which election the Owners may cast, in person or by proxy, in respect to each vacancy, such votes as they are entitled to exercise under the provisions of the Declaration of Covenants and Restrictions. Persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

h. Powers and Duties: All the powers and duties of the Association existing under the Act, the Declaration of Covenants and Restrictions and the By-Laws, shall be exercised exclusively by the Board, its agents, contractors or employees, subject only to approval by Owners when such is specifically required. Such powers and duties shall

include, but shall not be limited to, the following; subject, however, to the provisions of the Act, the Declaration of Covenants and Restrictions and the By-Laws:

- 1. To make and collect assessments against the Owners for the purposes outlined in the Declaration of Covenants and Restrictions for the Homeowner's Project and all its property and facilities;**
- 2. To use the proceeds of assessments in the exercise of its powers and duties;**
- 3. To maintain, repair, replace and operate the Property;**
- 4. To purchase insurance upon the Property and for the protection of the Owners as required by, and pursuant to, the Declaration of Covenants and Restrictions;**
- 5. To reconstruct improvements after casualty and further improve the Property;**
To amend the original regulations attached hereto as Exhibit "A" and to make such other regulations as it deems necessary respecting the use of the Property;
- 6. To approve or disapprove of the transfer, mortgage and ownership of Homes in the manner provided by the Declaration of Covenants and Restrictions, if any;**
- 7. To arrange for and purchase water, sewer, garbage, electrical, gas and other necessary utility services for the Common Elements and (to the extent not separately metered and charged) for the Homes;**
- 8. To carry out, effect and enforce the provisions of — the Declaration of Covenants and Restrictions, the By-Laws and the regulations for the use of the Property, and, in particular, to establish a Rules Committee and procedures for the operation of such Committee to hear and determine the facts with respect to allegations of a failure of a Owner or Owners of a home or homes to comply with the provisions of the law and governing documents of the Homeowner's Association, all in accordance with the notice requirements set out in the Declaration of Covenants and Restrictions which Committee shall recommend to the Board such action as may be appropriate by way of limitation of use of Common Elements, cessation of furnishing of any common services or other remedy or action authorized by law or such governing documents. To contract for management of the Property and to delegate to the Manager all power and duties of the Board, except those that require the consent of the Owners such as are specifically required by the Declaration of Covenants and Restrictions and the By-Laws: provided, however, the Board may delegate to a contract manager the power to approve a proposed lessee of a home from a Owner pursuant to the provisions of the Declaration of Covenants and Restrictions; provided, further any management contract shall be cancelable upon such terms as are approved by the Board;**
- 9. To employ personnel to perform the services required for proper operation of the common property;**
- 10. To cause to be kept a complete record of all its acts and affairs and to present a statement thereof to the Owners at the annual meeting of the Association or at any special meeting when such statement is required in a writing signed by twenty-five percent (25%) or more of the weighted votes of the Owners calling such special meeting.**

Actions by Written Consent; Telephone Meetings

Written Consent. Any action required or permitted to be taken at any meeting of the Owners, the Board of Administrators, or any committee authorized by the Board of Administrators may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by a sufficient number of Owners, Administrators or committee members as would be necessary to take such action at a meeting at which all of the Owners, Administrators or committee members were present and voted. Any such action taken by less than unanimous written consent (hereinafter a "Non-Unanimous Consent") must comply with the following requirements:

Each Non-Unanimous Consent must: (1) bear the date of signature of each Owner, Administrator or committee member who signs the consent, and: (2) be delivered to the Association, by hand or by certified or registered mail, return receipt requested, to the Association's principal place of business (addressed to the president or principal executive officer), or to its registered office, registered agent, transfer agent, registrar, exchange agent or an officer or agent of the Association having custody of the corporate books in which meetings of the Owners, Administrators and committee members are recorded.

A transmission by an Owner, Administrator or committee member, or a photographic, facsimile or similar reproduction of a writing signed by such person, shall be regarded as signed by such person for purposes of this paragraph. No Non-Unanimous Consent shall be effective unless the requisite minimum number of consents is delivered to the Association, as required, within sixty (60) days after the date of the earliest dated consent so delivered.

Prompt notice of action by the Owners, Board of Administrators or committee members by Non-Unanimous Consent shall be given to all Owners, Administrators or committee members, as applicable, who did not consent to such action.

Amendments: These By-Laws may be amended from time to time by a vote of Owners owning more than fifty percent (50%) of the weighted votes of all Homes: Notice of the specific text of a proposed By-Law amendment shall be included in the notice of any meeting at which the amendment is to be considered. Notice of such meeting shall be provided to each Owner no sooner than twenty (30) days, and no later than ten (10) days before the day of the meeting and shall be either personally delivered, with a receipt signed by the Owner, or deposited in the United States mail, postage prepaid. The date of delivery is the date of personal delivery or the postmark date, whichever is applicable.

Severability: The invalidity of any provision or provisions of these By-Laws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these By-Laws, and in such event, all the other provisions of these By-Laws shall continue in full force and effect as if such invalid provisions had never been included herein.

Fiscal Year: The Board of Administrators shall have the authority to set the fiscal year of the Association. In the absence of Board action, the fiscal year shall be the calendar year.

Waiver: No provision in these By Laws or the attached Rules is abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

Collections Policy:

- 1. Due Date for Monthly Assessments:** All monthly maintenance assessments are due in full on the first (1st) day of each month and shall be considered late if not received by 5PM on the fifteenth (15th) day of each month. Any monthly assessment payment that is not received by the fifteenth (15th) day of any month will be subject to a Late Fee as set out below, in addition to any collection charges levied by the Association's management company, for any expenses incurred to collect the delinquent assessment.
- 2. Late Fees:** Late fees shall be in the amount as fixed by the Board at any meeting, and shall be applicable to all past due assessment accounts. The current late charge shall be in the amount of fifteen dollars (\$15.00) per month. The late charge may be increased or decreased by the Board at any meeting, and the new charge shall be effective as of the first (1st) of the next calendar month after the meeting. Notice of any such change shall be given to all owners by first class mail to each owner's registered address within fifteen (15) days of the meeting, but no later than the twenty-fifth (25th) of the month preceding the effective date of the change.
- 3. Management Company Notice Letter:** If there is a balance due on an owner's assessment account after the fifteenth (15th) day of any month, then after that date the Association's Management Company will send a notice advising the owner of the delinquency, and that the owner's assessment account must be brought current. The letter must include notice of an approved Payment Plan to cover the delinquencies, allowing the owner a period on no less that Three Months and no more than Eighteen Months to bring their account current. If no response is received within thirty (30) days of the date of the letter, the owner's assessment account will be subject to being turned over to the Association's attorney to proceed with legal action. The letter will further advise the delinquent owner of the owner's right to dispute the amount shown to be due before the Board, if a written request to do so is received from the owner within thirty (30) days of the date of the letter. The charge for such letter shall be a collection charge payable by the delinquent owner, and shall be in addition to the assessments and late charges.
- 4. Legal Action:** Any owner's assessment account which remains past due for a period of ninety (90) days, or which has a balance exceeding five-hundred dollars (\$500.00) in assessments, late fees, and/or collection charges, will be submitted to the Board for approval to send to the Association's attorney to begin legal action. In such event, the delinquent owner will be responsible for payment of all attorney fees and court costs incurred in connection with any legal action taken by the Association's attorney, including the sending of demand letters and the filing and prosecution of any lawsuit.
- 5. Attorney's Initial Demand:** Once turned over to the Association's attorney, the attorney will be authorized to send a Demand Letter demanding payment within thirty (30) days of the full amount due on the owner's assessment account, including the attorney's fee for the sending of such Demand Letter.
- 6. Attorney's Second Demand:** If a delinquent owner fails to bring the owner's assessment account current by payment in full of all charges within the time required by the attorney's initial Demand Letter, the attorney will send a second Demand Letter,

demanding payment in full of the account balance, plus the attorney's additional fees for the second Demand Letter, within thirty (30) days of the date of such letter.

- 7. Lawsuit: In the event a delinquent owner fails to bring the owner's assessment account current by payment in full of all charges, within the time required by the attorney's second Demand Letter, then the attorney shall proceed with the filing of a lawsuit seeking to collect all monies then due on the Owner's assessment account, plus all assessments, late fees, collection charges, attorney's fees and court costs which are applied to the delinquent owner's account during the pendency of the lawsuit, in addition to a Court Order allowing the foreclosure of the association's lien against the delinquent owner's property.**
- 8. Judgment and Foreclosure: If a judgment is taken against a delinquent owner and such owner's property is posted for foreclosure, and if the owner has not made arrangements to pay the judgment amount prior to the date of foreclosure as set out in the foreclosure posting notice, the owner's property may be foreclosed and sold at foreclosure sale. The Association may bid in at such sale by and through its attorney or management company. In such event, the Association's minimum bid will be in the amount of the judgment.**
- 9. Notice of Foreclosure: After any foreclosure, the owner and the lender holding the first lien on the owner's property will be notified of the Association's action at the last known addresses on file with the Association or any other addresses located by the Association's attorney or management company.**
- 10. Deficiency: Following any foreclosure sale, if the amount paid at the foreclosure sale is not sufficient to pay the full amount of the judgment, the Association's attorney will be authorized to pursue recovery from the delinquent owner of any deficiency amount.**
- 11. Payment Arrangements: Prior to any foreclosure sale, the Board will be open to considering reasonable payment arrangements with a delinquent owner for the purpose of collecting all amounts owed to the Association. However, any payment arrangement; (i) must include timely payment of all monthly assessments which are to come due during the period of repayment... (ii) must include the attorney fees or management company fees for any payment agreement... (iii) must provide for monthly payments of the past due amounts... (iv) may not exceed a period of six (6) months.**
- 12. Application of Charges and Payments: During the collection process, all late fees, collection charges, attorney fees, and court costs will be charged to the delinquent owner's assessment account. All payments received from any delinquent owner will be applied to the oldest amounts due on the account, and each owner's assessment account will remain delinquent until all assessments, late fees, collection charges, attorney fees and costs of court have been paid in full.**
- 13. Water Cut-off: Provided that the Declaration, as amended, provides for the cutting off of the water serving the delinquent owner's property, the Board may authorize the Association's management company to cut off the water in accordance with the Declaration, as amended.**