

EXHIBIT A1

BY-LAWS

OF

THE TANGLEGROVE TOWNHOUSE CONDOMINIUM ASSOCIATION

The name of the organization shall be The Tanglegrove Townhouse Condominium Association.

ARTICLE I

OBJECT

(Plan of Apartment Ownership)

1. The purpose for which this non-profit Association is formed is to govern the condominium property situated in the County of Harris, State of Texas, which property is described on the attached Exhibit "A", which by this reference is made a part hereof, and which property has been submitted to the provisions of the Condominium Ownership Act of the State of Texas.

2. All present or future owners, 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

MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

1. Membership. Any person on becoming an owner of a condominium unit shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a condominium unit, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with The Tanglegrove Townhouse Condominium during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Managers of the Association or other may have against such former owner and member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Managers may, if it so elects, issue one membership card to the owner(s) of a condominium unit. Such membership card shall be surrendered to the Secretary whenever ownership of the condominium unit designated thereon shall terminate.

2. Voting. Voting shall be based upon the percentage of the undivided interest of each unit owner in the general common elements. An owner of an undivided fractional interest in and to a condominium unit shall be entitled to a vote equal his fractional ownership interest in such unit. Cumulative voting is prohibited.

3. Majority of Unit Owners. As used in these By-Laws the term "majority of unit owners" shall mean those owners of more than fifty percent (50%) of the aggregate in interest of the undivided ownership of the general common elements.

4. Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of unit owners" as defined in paragraph 3 of this Article shall constitute a quorum.

5. Proxies. Votes may be cast in person or by proxy. Proxies may be filed with the secretary before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. The owners of the units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the project through a Board of Managers.

2. Place of Meetings. Meetings of the Association shall be held at such place as the Board of Managers may determine.

3. Annual Meetings. The first annual meeting of the Association shall be held on June 6, 1976. Thereafter, the annual meetings of the association shall be held on the first Monday of June of each succeeding year. At such subsequent meetings there shall be elected by ballot of the owners one new member for the Board of Managers in accordance with the requirements of paragraph 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Managers or upon a petition signed by a majority of the owners and having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths of the owners present, either in person or by proxy.

5. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meetings, stating the purpose thereof as well as the time and place where it is to be held, to each owner of record, at least 5 but not more than 10 days prior to such meeting. The mailing of a notice in the manner provided in this paragraph shall be considered notice served.

6. Adjourned Meeting. If any meeting of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting at a time not less than forty-eight hours from the time the original meeting was called.

7. Order of Business. The order of business at all meetings of the owners of units shall be as follows:

- (a) Roll call.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees.
- (f) Election of managers.
- (g) Unfinished business.
- (h) New business.

ARTICLE IV

BOARD OF MANAGERS

1. Number and Qualification. The affairs of this Association shall be governed by a Board of Managers composed of three persons. The following persons shall act in such capacity and shall manage the affairs of the Association until June 6, 1976, or until their successors are elected, to-wit: J. L. Philips, John L. Blocher, Charles Hardesty.

2. Powers and Duties. The Board of Managers shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential condominium project. The Board of Managers may do all such acts and things as are not by these By-Laws or by the Condominium Declaration for Tanglegrove Townhouses directed to be exercised and done by the owners.

(a) To administer and enforce the covenants, conditions, restriction uses, limitations, obligations, and all other provisions set forth in the Condomini Declaration submitting the property to the provisions of the Condominium Ownership Act of the State of Texas.

(b) To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of this condominium project with the right to amend same from time to time. A copy of such rule and regulations shall be delivered or mailed to each member promptly upon the adoption thereof.

(c) To keep in good order, condition and repair all of the general and limited common elements and all items of personal property used in the enjoyment of the entire premises.

(d) To insure and keep insured all of the insurable general common elements of the property in an amount equal to their maximum replacement value as provided in the Declaration. Maximum replacement value shall be determined annually by one or more written appraisals. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$100,000. per person and \$300,000.00 per accident and \$50,000.00 property damages. To insure and keep insured all of the fixtures, equipment and personal property acquired by the Association for the benefit of the Association and the owners of the condominium units and their first mortgages.

(e) To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the owners towards the gross expenses of the entire premises and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments. To levy and collect special assessments whenever in the opinion of the Board it is necessary to so do in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies, subject to provisions contained in paragraphs 21 and 22 of the Declaration.

(f) To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner as is provided in the Declaration and these By Laws.

(g) To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) To borrow funds in order to pay for any expenditure or outlay required to execute all such instruments evidencing such indebtedness shall be the several obligation of all of the owners in the same proportion as their interest in the general common elements.

(i) To enter into contracts within the scope of their duties and powers.

(j) To establish a bank account for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Managers.

(k) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent accountant, once each year.

(l) To prepare and deliver annually to each owner a statement showing all receipts, expenses or disbursements since the last such statement.

(m) To meet at least once each quarter.

(n) To designate the personnel necessary for the maintenance and operation of the general and limited common elements.

(o) In general, to carry on the administration of this Association : to do all of those things, necessary and reasonable, in order to carry out the communal aspect of condominium ownership.

4. MANAGING AGENT. The Managing Agent whose address is 6415 San Felipe, Houston, Texas, who shall have all of the powers and shall perform the duties of the Board of Managers until June 6, 1976. Subsequent to June 6, 1976, the Board of Managers may employ for the Association a Managing Agent at a compensation to be established by the Board to perform such duties and services as the Board shall authorize including, but not limited to, the duties listed in paragraph 3 of this Article.

5. Election and Term of Office. At the first annual meeting of the Association the term of office of one Manager shall be fixed for three years. The term of office of one Manager shall be fixed at two years, and the term of office of one Manager shall be fixed at one year. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of three years. The three persons acting as Managers shall hold office until their successors have been elected and hold their first meeting. Initial election of the Board of Managers shall be by popular vote of the owners. In the event of joint ownership, owners are entitled to only one vote per unit. Election to the Board of Managers will be the three (3) persons receiving a majority of the popular votes cast. Ties in popular votes that affect the selection of the third member of the Board of Managers will be decided by majority vote of the newly elected Board to include those involved in the tie for third place.

6. Vacancies. Vacancies on the Board of Managers caused by any reason other than the removal of a Manager by a vote of the Association shall be filled by vote of the majority of the remaining Managers, even though they may constitute less than a quorum; and each person so elected shall be a Manager until a successor is elected at the next annual meeting of the Association.

7. Removal of Managers. At any regular or special meeting duly called, any one or more of the Managers may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Manager whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting.

8. Organization Meeting. The first meeting of a newly elected Board of Managers shall be held within ten days of election at such place as shall be fixed by the Managers at the meeting at which such Managers were elected, and no notice shall be necessary to the newly elected Managers in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. Regular Meetings. Regular meetings of the Board of Managers may be held at such time and place as shall be determined, from time to time, by a majority of the Managers, but at least four such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Managers shall be given to each Manager, personally or by mail, telephone or telegraph, at least three days prior to the day named for such meeting.

10. Special Meetings. Special meetings of the Board of Managers may be called by the President on three days' notice to each Manager, given personally, by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Managers shall be called by the President or Secretary in like manner and on like notice on the written request of at least two Managers.

11. Waiver of Notice. Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place there. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Board of Managers' Quorum. At all meetings of the Board of Managers, a majority of the Managers shall constitute a quorum for the transaction of business and the acts of the majority of the Managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If, at any meeting of the Board of Managers, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

and employees of the Association on handling or responsible to furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE V

OFFICERS

1. Designation. The officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Managers.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Managers at the organization meeting of each new Board and 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 of Managers, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Board of Managers, or at any special meeting of the Board called for such purpose.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Managers. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. Secretary. The Secretary shall keep all the minutes of all meetings of the Board of Managers and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Managers may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the apartment unit owned by such members and the garage or parking space and storage space assigned for use in connection with such apartment unit. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

6. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Managers.

ARTICLE VI

INDEMNIFICATION OF OFFICERS AND MANAGERS

The Association shall indemnify every manager or officer, his heirs, executors and administrators, against all loss, costs and expense, including counsel fees reasonably incurred by him in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a manager or officer of the Association, except as to matters as to which he shall be finally adjudged liable in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such manager or officer in connection with the matter involved. The foregoing rights shall not be exclusive of other rights to which such manager or officer may be entitled. All liability, loss, costs and expense incurred or suffered by the Association by reason or arising

or in connection with the foregoing; provided, however, that any expenses so handled by the Association as Common Expenses, provided, however, that this Article VI contained shall be deemed to obligate the Association to indemnify any member or owner of a condominium unit, who is or has been a manager or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of Tanglegrove Townhouse Declaration as a member or owner of a condominium unit covered thereby.

ARTICLE VII

OBLIGATIONS OF THE OWNERS

1. Assessments. All owners shall be obligated to pay the monthly assessments imposed by the Association to meet the common expenses. The assessments shall be due monthly in advance. A member shall be deemed to be in good standing and entitled to vote at any annual or at a special meeting of members, within the meaning of these By-Laws, if any only if he shall have fully paid all assessments made or levied against him and the condominium unit owned by him.

2. Maintenance and Repair.

(a) Every owner must perform promptly at his own expense all maintenance and repair work within his own apartment unit, which if omitted would affect the project in its entirety or in a part belonging to other owners.

(b) All the repairs of internal installations of unit such as patio planting, water, light, gas power, sewage, telephone, air conditioners, sanitary installations, doors, windows, glass, electrical fixtures and all other accessories, equipment and fixtures belonging to the unit area including limited areas shall be at the owner's expense.

(c) An Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any general or limited common element damaged by his negligence or by the negligence of his tenants or agents.

3. Mechanic's Lien. Each Owner agrees to indemnify and to hold each of the other owners harmless from any and all claims of mechanic's lien filed against other apartment units and the appurtenant general common elements for labor, materials, services or other products incorporated in the owner's apartment unit. In the event suit for foreclosure is commenced, then within ninety days thereafter such owner shall be required to deposit with the Association cash or negotiable securities equal to the amount of such claim plus interest for one year together with the sum of One Hundred Dollars. Such sum or securities shall be held by the Association pending final adjudication or settlement of the litigation. Disbursement of such funds or proceeds shall be made to insure payment of or on account of such final judgment or settlement. Any deficiency shall be paid forthwith by the subject owner, and his failure to so pay shall entitle the Association to make such payment and the amount thereof shall be a debt of the owner and a lien against his condominium unit which may be foreclosed as is provided in paragraph 24 of the Declaration.

4. General.

(a) Each owner shall comply strictly with the provisions of the Condominium Declaration for the Tanglegrove Townhouses.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which the Tanglegrove Townhouses project was built.

5. Use of Units - Internal Changes.

(a) All units shall be utilized for single family residential purposes only.

(b) An owner shall not make structural modifications or alterations to his unit or installation located therein without previously notifying the Association in writing through the Managing Agent, or if no Managing Agent is employed then through the President of the Board of Managers. The Association shall have

obligation to answer within 1441 days after such notice, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

6. Use of General Common Elements and Limited Common Elements. Each owner may use the general common elements and the limited common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

7. Right of Entry.

(a) An owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board of Managers in case of any emergency originating in or threatening his unit, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives, when so required, to enter his unit for the purpose of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

8. Rules and Regulations.

(a) All owners shall promptly and completely comply with each of the rules and regulations herein contained or hereafter properly adopted for the utilization of the recreational facilities afforded, and particularly, of the use of the swimming pools and swimming pool areas, Clubhouse and Recreation Areas in order that all owners and their guests shall achieve maximum utilization of such facilities consonant with the rights of each of the other owners thereto.

(b) Nothing shall be done in any residential unit, nor shall same be occupied or used for any purpose, nor shall any commodity, product or personal property be kept therein or thereon, which shall cause such improvements to be uninsurable against loss by fire or the perils included in an extended coverage endorsement under the rules of the State of Texas Insurance Commission or which might cause or warrant any policy or policies covering said premises to be cancelled or suspended by the issuing company.

(c) Owners and occupants of units shall at all times exercise extreme care to avoid making or permitting to be made loud or objectionable noises, and in using or playing or permitting to be used or played musical instruments, radios, phonographs, television sets, amplifiers and any other instruments or devices in such manner as may disturb or tend to disturb owners, tenants, or other occupants of condominium units of Tanglegrove Townhouses. No unit shall be used or occupied in such manner as to obstruct or interfere with the enjoyment of occupants or other residents of adjoining units, nor shall any nuisance, or immoral or illegal activity be committed or permitted to occur in or on any unit or upon any part of the common elements of Tanglegrove Townhouses.

(d) The common area is intended for use for the purpose of affording vehicular and pedestrian movements within the condominium, and of providing access to the units; those portions thereof adapted therefor, for recreational use by the owners and occupants of units; and all thereof for the beautification of the condominium and for providing privacy for the residents thereof through landscaping and such other means as shall be deemed appropriate. No part of the common area shall be obstructed so as to interfere with its use for the purposes hereinabove recited, nor shall any part of the common area (common elements) be used for general storage purposes after the completion of the construction of the units by developer, except maintenance storage room, nor anything done thereon in any manner which shall increase the rate for hazard and liability insurance covering said area and improvements situated thereon. Not more than two small dogs, cats, or other usual small household pets may be kept in any unit, provided always that such household pets shall be allowed on the common areas only as may be specified under reasonable rules therefor promulgated by the Board of Managers. Except as hereinabove stated, no animal, livestock, birds or poultry shall be brought within the condominium or kept in or around any unit thereof.

(e) No resident of the condominium shall post any advertisement, signs, or posters, of any kind in or on the project except as authorized by the Association.

(f) Parking of automobiles shall be only as provided for as parking for each unit; no unattended vehicle shall at any time be left in the alley ways or streets in such manner as to impede the passage of traffic or to impair proper access to parking area. No storage of any objects shall be permitted in any carport area and the same shall at all times be kept free of unreasonable accumulation of debris or rubbish of any kind.

(g) It is prohibited to hang garments, rugs, and/or any other materials from the windows or from any of the facades of the project.

(h) It is prohibited to dust rugs or other materials from the windows, or to clean rugs by beating on the exterior part of the condominium units, or to throw any dust, trash, or garbage out of any of the windows of any of the units.

(i) It is prohibited to throw garbage or trash outside the disposal areas provided for such purposes.

(j) No owner, resident, or lessee shall install wiring for electrical or telephone installation, television antennae, machines or air conditioning units or any other devices whatsoever on the exterior of the project or that protrude through the walls or out of the windows, or on the roof of the project save as are expressly in writing previously approved by the Association.

(k) No owner or other occupant of any condominium unit shall commence or make any alteration, modification, or improvement, nor add any awnings, patio covers or other devices to the common elements or limited common elements of the condominium or to move or remove or add to any planting, structure, fences, furnishings or other equipment or object therefrom except with the written consent of the Association. Architectural control of the foregoing shall be the responsibility of the Board of Managers or its appointed representatives and no approval shall be granted without the submission of plans and specifications showing the nature, kind, shape, height, materials, color and location of the same with regard to harmony or external design and location in relation to surrounding structures and topography.

(l) Reasonable and customary regulations for the use of the swimming pools, clubhouse and recreation areas will be promulgated hereafter and publicly posted at such places. Owners and all occupants of units shall, at all times, comply with such regulations.

9. Destruction or Obsolescence. Each owner shall, upon request therefor, execute a power of attorney in favor of the Association, irrevocably appointing the Association his attorney-in-fact to deal with the owner's condominium unit upon its destruction or obsolescence as is provided in paragraph 28 of the Condominium Declaration for Tanglegrove Townhouses.

ARTICLE VIII

AMENDMENTS TO PLAN OF APARTMENT OWNERSHIP

By-Laws. These By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by owners representing at least 70% of the aggregate interest of the undivided ownership of the general common elements.

ARTICLE IX

MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the President of the Board of Managers, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units".

2. Notice of Unpaid Assessments. The Association shall at the request of a mortgagee of a unit report any unpaid assessments due from the owner of such unit

