

**BY-LAWS OF  
SOUTHBELT INDUSTRIAL PARK ASSOCIATION**

**A TEXAS NON-PROFIT CORPORATION**

**ARTICLE I**

**DEFINITIONS**

The following words, when used in these By-Laws, shall have the following meanings (unless a different meaning or intent clearly appears from the context):

- (a) **Applicable Deed**: The deed of a particular Tract within the Property by the Developer or any successor developer.
- (b) **Association**: The corporation incorporated by the Articles of Incorporation executed of even date to be known as "Southbelt Industrial Park Association"
- (c) **Board of Directors**: The governing body of the Association appointed or elected pursuant to the By-Laws of the Association, as applicable..
- (d) **Common Area**: The "Private Streets" (as defined in the Declaration) and any "Improvements" (as defined in the Declaration) located within the Private Streets and detention or retention ponds or adjacent areas owned by the Developer and used for the benefit of the Property and any other property now or hereafter owned by the Association.
- (e) **Declaration**: That certain Declaration of Protective Covenants and Easements of Southbelt Industrial Park dated August 29, 1996, recorded in the Official Public Records of Real Property of Harris County, Texas under Clerk's File No. S101432.
- (f) **Member**: Each Owner as provided in Article III herein.
- (g) **Mortgagee**: The holder of a mortgage or deed of trust on any of the Tracts, provided that such lender has provided written notice of such lender's lien to the Association.
- (h) **Owner**: The legal holder of record title, whether one or more, to any Tract, but shall not mean a Person holding only a lien, mineral or royalty interest, easement, leasehold estate or other interest burdening such fee title.
- (i) **Person**: All or any individual, partnership, corporation, company, co-tenancy, trust, trustee or other entity, in the singular or in the plural, as applicable.
- (j) **Tract**: Portions of the Property subdivided by the Applicable Deed or by plat.

(k) Property: That real property situated in Harris County, Texas and described in Exhibit "A" attached hereto and made a part hereof.

## ARTICLE II

### OFFICES

Section 1. Principal Office. The principal office of the Association shall be located at 14421 Chrisman, Houston, Texas 77039.

Section 2. Other Offices. The Association may also have offices at such other places, within and without the State of Texas, as the Board of Directors may from time to time determine or as the business of the Association may require.

## ARTICLE III

### MEMBERSHIP

Section 1. Membership. The members of the Association shall from time to time consist of and be limited to each person or entity who is then an Owner. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Tract. The Association may issue nontransferable certificates evidencing membership in the Association. Change of membership in the Association shall be established only when the following have been accomplished:

(a) a deed or other instrument of transfer establishing a change in the record title to a Tract shall have been duly executed and recorded in the Real Property Records of Harris County, Texas; and

(b) the Owner transferring the Tract shall have notified the Board of Directors in writing of the name and address of the transferee and the nature of the transfer and the Tract transferred, as well as such other information relative to the transfer and transferee as the Board of Directors may reasonably request. Such notice shall also contain an executed or certified copy of the instrument of transfer.

The provisions of this Article III shall apply to any and all sales, conveyances or transfers of Tracts, including bulk sales of Tracts. The interest of each Member in the Association shall not be assigned, hypothecated or transferred in any manner whatsoever except as an appurtenance to a Tract. Notwithstanding anything to the contrary herein, an Owner may not sell, convey or otherwise transfer less than all of its Tract without (i) designating the Owner who shall hold the voting rights appurtenant to the Tract, and (ii) allocating a proportionate share of any obligations hereunder with respect to such portion of the Tract so sold, conveyed or otherwise transferred.

Section 2. Payment of Assessments. The rights of membership are subject to the payment of assessments levied by the Association, the obligation of which assessments is imposed against the Owner of and becomes a lien upon each Tract against which such assessments are made as provided by Article V of the Declaration (the terms of which are incorporated herein and made a part hereof by this reference for all purposes).

#### ARTICLE IV

##### PROPERTY RIGHTS, RIGHTS OF ENJOYMENT

Each Member, its tenants or invitees, as the case may be, shall be entitled to the use and enjoyment of the Common Areas in accordance with and subject to the terms and conditions set forth in the Declaration, these By-Laws, and the rules and regulations adopted from time to time by the Board of Directors. Any Member may also delegate the aforementioned rights of enjoyment to its tenants, guests or invites, subject to any applicable rules and regulations that may be adopted from time to time by the Board of Directors of the Association.

#### ARTICLE V

##### BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number; Qualification. The business and affairs of the Association shall be managed by a Board of Directors (the "Board" or "Board of Directors"). The Board of Directors of the Association shall consist of not less than three (3) nor more than five (5), the exact number, if other than three (3), to be fixed from time to time by the majority vote of the Owners. The initial Board of Directors shall be appointed by the Developer. The initial Directors shall hold office for the initial term of three (3) years and, thereafter, until their successors are duly elected and qualified. Directors need not be residents of the State of Texas, but they must be Owners or agents or employees of Owners. If an Owner is a partnership, corporation or other entity, any partner, officer, agent or employee thereof shall qualify as an Owner for purposes hereof and may be a Director.

Section 2. Election; Term. As provided above, the three (3) initial Directors named in the Articles of Incorporation (the "Articles") shall serve for a period of three (3) years. After such time, a new Board of Directors may be elected. The Directors shall be elected by a majority vote of the Owners. Of the Directors so elected at such first meeting, the term of office of two (2) Directors shall be fixed at two (2) years and the term of office of the remaining Director shall be fixed at one (1) year. The two (2) directors receiving the most votes at the first meeting shall serve for two (2) years and the term of office of the third director elected shall be one (1) year. If the initial directors appointed by the Developer resign as a group prior to the expiration of their three (3) year terms, their successors shall be elected at a meeting of the Owners in the same manner as if the election of their successors was held following the expiration of their three (3) year term. Nothing

contained herein shall be construed to prohibit any Director from election to successive terms of office. Directors shall serve until their respective successors are elected, or until their death, resignation or removal; provided, however, that if any Director ceases to be an Owner his/her membership on the Board shall thereupon terminate, and his/her position on the Board shall be filled in the manner provided below.

Section 4. Compensation. Directors shall serve without pay unless expressly approved by the vote of Owners holding a majority of the votes. However, a Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the unanimous written approval of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Board.

Section 6. Vacancies. Vacancies in the Board of Directors caused by death, resignation or disqualification, or by reason other than the removal of a Director by a vote of the Association, shall be filled by vote of the majority of the remaining Directors, even though they constitute less than a quorum. Each person so appointed or elected shall be a Director until a successor is elected or appointed, as the case may be, at the next annual meeting of the Association.

Section 7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a majority of Owners entitled to cast votes in the Association, and a successor(s) may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an adequate opportunity to be heard at the meeting called for the proposed removal. Any Director who fails to attend three (3) or more consecutive regular or special meetings of the Board of Directors may be removed by a majority vote of the other Directors, though the remaining Directors constitute less than a quorum.

## ARTICLE VI

### MEETING OF DIRECTORS

Section 1. Place of Meetings. Meetings of the Board of Directors regular or special, may be held either within or without the State of Texas.

Section 2. First Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the Members at the annual meeting and no notice of such meeting shall be necessary to the newly elected Directors in order to legally constitute the meeting, providing a quorum (as specified in Section 5 hereof) shall be present. In the event of the failure of the Members to fix the time and place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by

the Members, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for a special meeting of the Board of Directors, or as shall be specified in a written waiver signed by all of the Directors.

Section 3. Regular Meetings. Regular meetings of the Board of Directors (in addition to the first meeting provided in Section 2 above) shall not be held without notice, and shall be held at such place and hour as may be fixed from time to time by resolution of the Board of Directors. Should the day so fixed be a legal holiday, a Saturday or a Sunday, then the meeting shall be held at the same time on the next succeeding business day. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the president and shall be called by the secretary on the written request of two Directors of the Board of Directors. Written notice of special meetings of the Board of Directors shall be given to each Director at least three (3) days before the date of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 5. Quorum. A majority of the Directors shall constitute a quorum for the transaction of business and the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a greater number is specifically required by the Articles. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

## ARTICLE VII

### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors by the Members shall be made by a nominating committee (the "Nominating Committee"). Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members of the Association in which Directors are to be elected, to serve from the close of such annual meeting until the close of the next annual meeting in which Directors are to be elected, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members of the Association or their proxies may cast as many votes as they

are entitled to exercise by the terms hereof. Directors shall be elected by a majority vote of the Members. Runoff elections will be held, if necessary, so that all Directors elected by the Members are elected by a majority vote of the Members.

#### ARTICLE VIII

#### FUNCTIONS AND RESPONSIBILITIES OF THE ASSOCIATION; POWERS AND DUTIES OF THE BOARD OF DIRECTORS

**Section 1. Association's Responsibilities and Functions.** The Association will have the responsibility to perform such duties, rights and responsibilities expressly delegated to the Association under the Declaration and such duties, rights and responsibilities as the Developer may assign to the Association pursuant to the terms of the Declaration. To carry out said responsibilities, purposes and functions properly, the Association shall, to the extent required by the Declaration, or these By-Laws, and, may, to the extent permitted by the Declaration or approved by the Board of Directors, perform any or all of the following functions, and the exercise of such functions shall be deemed to be within the scope of activities contemplated by the Articles:

- (a) Accept conveyances of and own Common Areas (whether by fee simple title or easements) within or adjacent to the Property.
- (b) Own, control, maintain, repair and operate the Common Areas, and any improvements thereon.
- (c) Pay legal and other expenses incurred in connection with the enforcement of all recorded charges, covenants, restrictions and conditions affecting property to which the assessments apply.
- (d) Do all other things necessary or desirable in the opinion of the Association to keep the Property in neat and good order, or which it considers of general benefit to the Owners of the Tracts, it being understood that the judgment of the Association with respect to the expenditure of said funds shall be final and conclusive so long as such judgment is exercised in good faith.
- (e) Acquire by gift, purchase, or otherwise, own, hold, improve upon, build, enjoy, operate, maintain, convey, sell, lease, transfer, mortgage, dedicate for public use, or otherwise dispose of, real or personal property in connection with the business of the Association, all in accordance with the terms of the Declaration and these Bylaws.
- (f) Borrow money on an unsecured basis in the name of the Association for the purpose of carrying out the affairs of the Association, with the consent (either by written instrument or by the affirmative vote at a meeting duly called for such purpose) of not less than two-thirds (2/3rds) of the Board of Directors. The Association, (provided that seventy percent [70%] or more of the Members consent either by written instrument or by voting at

a meeting duly called for such purpose) may mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred, but in no event may the Association lend, contract for a loan, or issue evidences of indebtedness to any of its directors, officers, or Disqualified Persons (as that term is defined in Section 4946[a] of the Internal Revenue Code of 1986 [the "Code"] or any amendment or successor thereto).

(g) Exercise jurisdiction and control over any property made subject to the jurisdiction of the Association.

Section 2. Powers. The performance of the Association's responsibilities and the business and affairs of the Association shall be managed by its Board of Directors, which may exercise all such powers as are not by law, the Articles or these By-Laws directed or required to be exercised and/or performed by the Members of the Association. The power and authority of the Board of Directors shall include, but shall not be limited to, all powers, duties and authority vested in or delegated to the Board of Directors in the Declaration or these By-Laws. Without limiting the authority of the Board of Directors, the Board of Directors shall have the power to:

(a) adopt and publish rules and regulations consistent with the provisions of the Declaration governing the use of the Property and all Improvements thereon, and the personal conduct of the members or their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights of a Member during any period in which such Member shall be delinquent in the payment of any assessment levied by the Association in excess of sixty (60) days. Such rights may also be suspended for infraction of published rules and regulations; and

(c) delegate any responsibility or authority of any officer of the Association to a manager, an independent contractor, or such other employees as the Board of Directors deems necessary, and to prescribe their duties, including, without limitation, delegating any responsibility or authority of any officer of the Association to a management company employed by the Association to manage the Property.

Section 3. Duties. It shall be the duty of the Board of Directors:

(a) to make available to each Owner within ninety (90) days after the end of each year an annual report and, upon the written request of the Owners entitled to exercise two-thirds (2/3rds) of the votes, to have such report audited by an independent certified public accountant, which audited report shall be made available to each Owner within thirty (30) days after completion and the cost of which shall be borne by the Association;

- (b) to supervise all officers, agents and employees of the Association, and to see that their duties are properly performed;
- (c) to set the annual assessment (as described in the Declaration) and to send written notice of each assessment to every Owner subject thereto by no later than the time set forth in the Declaration;
- (d) to establish and maintain capital and operating reserves for maintaining the Common Areas;
- (e) to establish the "Maintenance Fund" (as defined in the Declaration) and to hold, manage, invest and expend the assessments collected by the Association for the purposes permitted by the Declaration and these Bylaws;
- (f) to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (g) to procure and maintain adequate liability and hazard insurance on property owned or maintained by the Association and to adjust the amount, collect, and use any insurance proceeds to repair damage or replace lost property; and if proceeds are insufficient to repair damage or replace lost property, to assess all Tracts in proportionate amounts to cover the deficiency;
- (h) if desired by the Board, to procure and maintain adequate fidelity coverage to protect against dishonest acts by officers, Directors, trustees and other employees of the Association having fiscal responsibilities and all others who are responsible for handling funds of the Association;
- (i) to cause the Common Areas to be operated, maintained, repaired or replaced;
- (j) to cause any ad valorem or other taxes assessed against Common Areas to be paid by the Association, including, without limitation, street lighting, street sweeping and street maintenance and repair of the Private Streets, maintenance of entry markers, green belts, signs, esplanades, landscape reserves owned by the Association; and
- (k) to perform any and all other duties and exercise any and all other powers specified in either the Declaration or the Articles, including, without limitation, entering into any contracts and agreements necessary to perform any of the above described duties or exercise any of the above described powers.



Section 4. Services. No director or officer of the Association shall be required to devote his time or render services exclusively to the Association. Each director and officer of the Association shall be free to engage in any and all other business and activities either similar or dissimilar to the business of the Association without liability to the Association. Likewise, each and every director and officer of the Association shall be entirely free to act for and serve any other corporation or corporations, entity or entities, in any capacity or capacities and become a director, trustee, or officer of any other corporation or corporations, entity or entities, whether or not similar to the purposes, business and activities of the Association, without breach of duty to the Association or its members and without liability of any character or description to the Association or its members. Subject to the provisions of Section 5 of Article X hereof, any contract or other transaction of the Association shall be valid and effective, notwithstanding the fact that any director or officer of the Association is interested in, or connected with, any party to such contract or transaction, or is a party to such contract or transaction, provided that such contract or transaction shall be approved by a majority of the directors present at a meeting of the Board of Directors at which such contract or transaction shall be authorized or confirmed.

## ARTICLE IX

### COMMITTEES

The Board of Directors, by resolution adopted by a majority of the Board, may designate two (2) or more members of the Association to constitute special committees, including, without limitation, an architectural control committee, all of which committees, to the extent provided in such resolution, shall have and may exercise all of the authority of the Board of Directors within its field of responsibility except when the action of the Board of Directors is expressly required by statute. Vacancies in the membership of the committee shall be filled by the Board of Directors at a regular or special meeting of the Board. The committees shall keep regular minutes of their proceedings and report the same to the Board when required.

## ARTICLE X

### MEETINGS OF MEMBERS

Section 1. Place of Meetings. Meetings of the Members shall be held at the principal office of the Association, at 14421 Chrisman, Houston, Texas 77039, or at such other suitable and convenient place as may be permitted by and from time to time fixed by the Board of Directors and designated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual Meeting. A regular annual meeting of the Members shall be held on the second (2<sup>nd</sup>) Tuesday of March in each year. The date of the annual meeting may be changed from time to time by resolution duly adopted by the Board of Directors of the Association.

Section 3. Special Meetings. Special meetings of the Members shall be called by the secretary upon written request of (a) two (2) members of the Board of Directors, or (b) Members of the Association holding at least twenty-five percent (25%) of the votes.

Section 4. Notice. Written notice of each annual meeting, and each special meeting of the Members, specifying the date, hour and place of the meeting, shall be delivered to each Owner (and, upon request, to each Mortgagee, which shall be permitted to designate a representative to attend all such meetings) not less than ten (10) nor more than fifty (50) days prior to the date fixed for said meeting. Notices of special meetings shall in addition specify the general nature of the business to be transacted at the meeting.

Section 5. Purposes. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

Section 6. Quorum. The presence at any meeting of Members entitled to cast a majority of the votes in the Association, represented in person or by proxy, shall constitute a quorum. If a quorum is not present at any meeting, the Members present, though less than a quorum, may adjourn the meeting to a later date and give notice thereof to all the Members in accordance with the provisions of Section 5 of this Article X, and at that meeting the presence of Members entitled to cast greater than fifty percent (50%) of the votes in the Association shall constitute a quorum. If a quorum is not present at the second meeting, the Members present, though less than a quorum, may again adjourn the meeting to a later date and give notice thereof to all Members in accordance with the provisions of Section 5 of this Article X and at the third meeting whatever Members are present shall constitute a quorum.

Section 7. Majority Vote. The vote of Members holding fifty-one percent (51 %) of the votes entitled to be cast shall constitute a "majority of the votes". The vote of Members holding a majority of the votes thus represented at a meeting at which a quorum is present shall be the act of the Members at that meeting, unless the vote of a greater voting percentage is required by law, the Declaration, the Articles or these By-Laws. In the event a quorum is not present at the time any election is called for, the provisions of Section 6 hereof shall be in force.

Section 8. Voting Rights. Each Owner shall be entitled to cast that number of votes that is equal to, in whole numbers, each 10,000 gross square feet of land area within the Property owned by such Owner. There shall be no partial votes. In the event there is more than one (1) Owner of a Tract, such Owners must vote in unison or assign such voting rights to a party who shall thereafter vote with respect to such Tract. If more than one Owner of a Tract attempts to vote without a written assignment of voting rights, the votes of such Owner(s) shall not be counted.

Section 9. Proxies. Any Member may attend and vote at any meeting of members in person or by an agent duly appointed by an instrument in writing signed by the Member and filed with the Board of Directors before the appointed time of each meeting. No proxy shall be valid after eleven (11) months from the date of execution unless otherwise specifically provided in the proxy

instrument. Whenever there is more than one (1) record Owner of a Tract, any designation of an agent to act for such record Owners must be signed by all such record Owners for it to be valid. Otherwise, the vote of the agent purporting to act for such Owner shall not be counted. However, if a Tract has been conveyed after such record date, the transferor may designate an agent of the transferee to exercise the voting rights of such transferor Member.

Section 10. List of Members. The officer or agent having charge of the corporate books shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of each, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the principal office of the Association and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during, the whole time of the meeting.

Section 11. Record Date. The Board of Directors may fix in advance a date, not exceeding thirty (30) days preceding the date of any meeting of Members, as a record date for the determination of the members entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, and in such case such Members and only such Members as shall be Members of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting, and any adjournment thereof, notwithstanding any change of membership on the books of the Association after any such record date fixed as aforesaid, except as otherwise provided in Section 9, above.

Section 12. Action Without Meeting. Except as otherwise provided by the Declaration, any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Members entitled to cast a majority of the votes in the Association; provided, however, that if any greater percentage of voting power is required for such action at a meeting, then the written consents of Members holding such greater percentage shall be required.

## ARTICLE XI

### NOTICES

Section 1. Delivery. Any notice to a Director or Member shall be in writing and delivered personally or mailed to the Director or Member, as the case may be, addressed at such address as may be of record with the Association. Notice by mail shall be deemed to be given at the time when deposited in the United States Mail addressed to the Member or Director, as the case may be, with postage thereon prepaid. Notice to Directors may also be given by (i) telegram and shall be deemed to be given when given to the telegraph company and (ii) a nationally recognized air courier service and shall be deemed to be given when delivered by the air courier service to the Director's or Member's address of record with the Association.

Section 2. Waivers. Whenever any notice is required to be given to any Member or Director by law, the Declaration, the Articles or these By-Laws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

Section 3. Attendance at Meetings. Attendance of any Member or Director at a meeting shall constitute a waiver of notice of such meeting, except when a Member or Director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

## ARTICLE XII

### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a president (who shall at all times be a member of the Board of Directors), a vice president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointment. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board of Directors, and his successor elected at such time, or at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or otherwise of the officer previously filling such office may be filled by appointment of the Board. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7.     Duties.   The duties of the officers are as follows:

The President

(a)     The president shall be the chief executive officer of the Association, shall preside at all meetings of the members and the Board of Directors, shall have general and active management of business of the Association, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall execute bonds, mortgages and other contracts without the necessity of a seal or attestation, except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Association.

The Vice Presidents

(b)     The vice presidents in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president. They shall perform such other duties and have such other powers as the Board of Directors shall prescribe.

The Secretary and Assistant Secretaries

(c)     The secretary shall attend all meetings of the Board of Directors and all meetings of the Members and record all the proceedings of the meetings of the Association and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the Members and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be. He shall keep in safe custody the seal of the Association and, when authorized by the Board of Directors, affix the same to any instrument requiring it and, when so affixed, it shall be attested by his/her signature or by the signature of the treasurer or an assistant secretary.

(d)     The assistant secretaries (if any) in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary. They shall perform such other duties and have such powers as the Board of Directors may from time to time prescribe.

The Treasurer and Assistant Treasurers

(e)     The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

(f) The treasurer shall disburse the funds of the Association as may be authorized by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors at its regular meetings or when the Board of Directors so requires an account of all his transactions as treasurer and of the financial condition of the Association.

(g) If required by the Board of Directors, the treasurer shall, at the expense of the Association, give the Association a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Association, in case of his/her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his control belonging to the Association.

(h) The treasurer shall prepare (i) an annual budget and (ii) a statement of income and expenditures, to be presented to the membership at its regular annual meetings, a copy of each of which shall be made available to each member upon request. If requested by the Board of Directors or by two-thirds (2/3rds) of the Owners, the treasurer shall cause an annual audit of the Association's books to be made by a certified public accountant at the completion of the applicable fiscal year of the Association.

(i) The assistant treasurers (if any) in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

Section 8. Directors Authority to Contract with Third Parties. The Board of Directors is authorized, and may, by majority vote, enter into contracts with third parties, including a manager of the affairs of the Association, such that said third parties perform and exercise the acts, duties, powers and obligations as set forth herein, of the President, Secretary, Treasurer and/or Assistant Treasurer, as the case may be, for such compensation as is agreed upon by the Board; provided, that said third party responsible for performing the duties of Treasurer or Assistant Treasurer, as the case may be, shall be subject to a fidelity bond in such amount and issued by such institution(s) as may be acceptable to the Board of Directors. In the event the Board determines, in its sole discretion, to contract with third parties to perform the duties of the President, Secretary, Treasurer and/or Assistant Treasurer, then the Board may by majority vote decide to either (i) terminate the position so contracted for until such time as the Board decides to terminate its contractual relationship with the third party acting in such capacity and reinstate the person duly elected to such position or (ii) direct the person elected to such office to generally oversee and coordinate with the third party "officer" and make periodic reports to the Board and Association, as appropriate.

## ARTICLE XIII

### CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, ETC.

Section 1. Contracts. The Board of Directors, except as otherwise provided by these By-Laws and the Declaration, may authorize any officer or officers, agent or agents, in the name of and on behalf of the Association, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; and, unless so authorized by the Board of Directors or expressly authorized by these By-Laws or the Declaration, no officer or agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or for any amount.

Section 2. Loans. No loan shall be contracted on behalf of the Association, and no negotiable papers shall be issued in its name unless by a vote of the Board of Directors and/or Members, as hereinabove provided.

Section 3. Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Association, and all notes or other evidence of indebtedness of the Association shall be signed by the President on behalf of the Association or by such other directors or officers in such manner as from time to time shall be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks or other depositories as the Board of Directors may select and for the purpose of such deposit the President, a Vice President, the Treasurer, the Secretary, or any other officer or agent, or employee of the Association to whom such power may be delegated by the Board of Directors, may endorse, assign, and deliver checks, drafts, and other orders for the payment of money that are payable to the order of the Association.

Section 5. Transactions with Directors and Officers. All contracts, transactions and acts entered into by the directors or officers on behalf of the Association shall be at arm's length and not violate any limitations provided in these By-Laws against the Association's use or application of its funds for private benefit; provided further that no contract or transaction shall be entered into on behalf of the Association if such contract or transaction is a prohibited transaction or would result in the denial of the tax exempt status of the Association under any section of the Internal Revenue Code of the United States and its Regulations as they now exist or as they hereafter may be amended, or if such contract or transaction is at prices or rates that are not competitive with or more favorable to the Association than prices or rates otherwise prevailing on the market for similar or comparable goods, services or arrangements. In no event, however, shall any person or other entity dealing with the directors or officers be obligated to inquire into the authority of the directors and officers to enter into and consummate any contract, transaction, or other action.

## ARTICLE XIV

### BOOKS AND RECORDS

Upon request, the Declaration, the Articles, these By-Laws, and the books, records and financial statements of the Association shall, during normal business hours and under other reasonable circumstances, be subject to inspection by any Member. Copies of the Declaration, the Articles and these By-Laws of the Association may be purchased at reasonable cost at the principal office of the Association.

## ARTICLE XV

### MISCELLANEOUS

Section 1. Covenant to Obey Laws, Rules and Regulations. Each Member shall be subject to the Declaration and shall abide by the By-Laws and Rules and Regulations as the same are or may from time to time be established by the Board of Directors. Each Member shall observe, comply with and perform all rules, regulations, ordinances and laws made by any governmental authority or any municipal, state and federal government having jurisdiction over the Property or any part thereof.

Section 2. Notice and Hearing. Except as otherwise provided in the Declaration, prior to imposition of any sanction hereunder or under the Declaration, the Board of Directors or its delegated committee shall serve the alleged violator with written notice describing the nature of the alleged violation, the proposed sanction to be imposed, a period of not less than ten (10) days within which the alleged violator or its representative may present a written request to the Board of Directors for a hearing; and a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed; provided, the Board of Directors may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the ten (10) day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

If a hearing is requested within the allotted ten (10) day period, the hearing shall be held before the Architectural Committee, if any, appointed pursuant to Article IX hereof, if applicable, or if none, then before the Board of Directors in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the



meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

#### ARTICLE XVI

##### CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Association, the year of its organization and the word "Texas". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

#### ARTICLE XVII

##### AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the Members, by the affirmative vote of those Members entitled to vote two-third (2/3rds) or more of the total votes of the Members, whether present in person or by proxy, provided that no amendment shall be made which would cause these By-Laws to be in conflict with the terms or provisions of the Articles, the Declaration or any law currently in effect.

#### ARTICLE XVIII

##### CONFLICTS

In the case of any conflict between the Articles and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

#### ARTICLE XIX

##### FISCAL YEAR

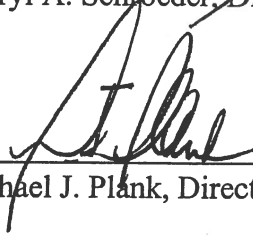
The fiscal year of the Association shall be the calendar year, unless a different fiscal year is fixed by resolution of the Board of Directors.

[Signature Page to By-Laws Of Southbelt Industrial Park Association]

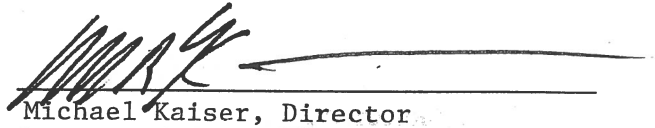
To be effective as of the 29 day of December, 2000



Darryl A. Schroeder, Director



Michael J. Plank, Director



Michael Kaiser, Director

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