

NOTICE

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INSTRUMENT TO RECORD DEDICATORY INSTRUMENTS

This Instrument is being recorded by Homeowners Association of Parkway at Eldridge, a Texas non-profit corporation (the "Association") pursuant to Section 202.006 of the Texas Property Code.

Section 202.006 of the Texas Property Code requires a property owners' association to record each dedicatory instrument in the real property records of the County in which the property to which the dedicatory instrument relates is located, if such instrument has not previously been recorded; and

Restrictive covenants and other matters concerning the Parkway at Eldridge Subdivision are set forth in the Declaration of Protective Covenants for Parkway at Eldridge, Section One (1) dated January 31, 2014, and recorded in the Real Property Records of Harris County, Texas, under County Clerk's File No. 20140044130.

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The Association is currently subject to the following additional dedicatory instruments which have not been previously recorded, to-wit:

1. Certificate of Formation of Homeowners Association of Parkway at Eldridge.
2. Bylaws of Homeowners Association of Parkway at Eldridge.

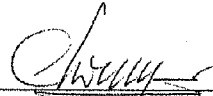
Pursuant to Section 202.006 of the Texas Property Code, the Association does hereby record such additional dedicatory instruments, copies of which are attached hereto in the order set forth hereinabove. Each dedicatory instrument attached hereto is subject to amendment pursuant to the amendatory procedures applicable thereto.

Executed on the 5 day of February, 2014.

HOMEOWNERS ASSOCIATION OF
PARKWAY AT ELDRIDGE, a Texas non-profit
corporation

1OR

By:



John Chiang, President

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STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on February 5th, 2014 by John Chiang, the President of Homeowners Association of Parkway at Eldridge, a Texas non-profit corporation, on behalf of said corporation.



Rachel L. Herron
Notary Public, State of Texas

WHEN RECORDED RETURN TO:
Mark K. Knop
Hoover Slovacek, LLP
5847 San Felipe, Suite 2200
Houston, TX 7210-4547
File No. 111118-00003

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CERTIFICATE OF FORMATION

NOV 12 2013

OF

Corporations Section

HOMEOWNERS ASSOCIATION OF PARKWAY AT ELDRIDGE

I, the undersigned, being a natural person of the age of twenty-one (21) or more, a citizen of the State of Texas, acting as incorporator of a corporation under the Texas Business Organizations Code, do hereby adopt the following Certificate of Formation for such corporation:

ARTICLE I.

NAME OF CORPORATION

The name of the corporation is Homeowners Association of Parkway at Eldridge, hereinafter called the "Association."

ARTICLE II.

REGISTERED OFFICE

The initial registered office of the Association is 1800 West Loop South, Suite 1300, Houston, Texas 77027-3211.

ARTICLE III.

REGISTERED AGENT

John Chiang is hereby appointed the initial registered agent of the Association, whose address is the same as that of the initial registered office.

ARTICLE IV.

DURATION

The period of duration of the Association is perpetual.

ARTICLE V.

PURPOSES AND POWERS OF THE ASSOCIATION

The Association is organized to be operated for the sole purpose of carrying on as a "homeowners association," as that term is defined by Section 528(c) of the Internal Revenue Code of 1986. Specifically, the Association is formed to provide for the administration, maintenance and preservation of the "Properties," including the "Units" (as such terms are defined in that certain Declaration of Protective Covenants for Parkway at Eldridge, Section One (1), filed or to be filed for record in the office of the County Clerk of Harris County, Texas [the "Declaration"]) in accordance

with the Declaration; to exercise the duties and prerogatives of the Association set forth in the Declaration; to exercise all of the powers and duties set forth in the Bylaws of the Association and the Declaration; to have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Business Organizations Code may now or hereafter have or exercise; and, to the extent permitted by law, to do any and all other things necessary to implement or accomplish the purposes set forth in the Bylaws of the Association and the Declaration.

ARTICLE VI.
MEMBERSHIP

Each owner of a Unit encumbered by the Declaration shall upon and by virtue of becoming such owner, automatically become and shall remain a member of the Association until ownership of the Unit ceases for any reason, at which time the membership in the Association shall also automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of such Lot and may not be separated from such ownership.

The Association shall have two (2) classes of Members:

A. Class "A". Class "A" Members shall be all Owners (as such term is defined in the Declaration), with the exception of Declarant (as such term is defined in the Declaration). Each Class "A" Member shall be entitled to one (1) vote for each Unit owned by such Member in the Properties; provided, however, when more than one person holds an interest in any Unit, all such persons shall be Members, and the single vote for such Unit shall be exercised by them as they among themselves determine but in no event shall more than one (1) vote be cast with regard to any Unit owned by a Class "A" Member. The votes of the Class "A" Members are referred to herein as the "Class 'A' votes".

B. Class "B". The Class "B" Member shall be Declarant. The Class "B" Member shall be allowed ten (10) votes for each Unit in the Properties owned by Declarant. All Class "B" votes shall cease to exist and automatically be converted to Class "A" votes on the happening of any of the following events, whichever occurs earlier:

1. When the total number of Class "A" votes entitled to be cast with respect to the Properties equals the total number of Class "B" votes entitled to be cast with respect to the Properties;
2. Twenty-five (25) years from the date the Declaration is filed in the Office of the County Clerk of Harris County, Texas; or
3. At such earlier time as the holder of the Class "B" votes may, in its sole discretion, elect.

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C. Reinstatement of Class "B" Votes. Notwithstanding the prior provisions of subsection B above, if additional land is made subject to the jurisdiction of the Association pursuant to a Supplemental Declaration such that Declarant owns more than twenty-five percent (25%) of the total of all Units, then the provisions in said paragraph B of Article VI shall be automatically reinstated *ipso facto*.

ARTICLE VII
BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors of the Association is three (3) and the names and addresses of the persons who are to serve as the initial Directors are:

Name	Address
John Chiang	1800 West Loop South, Suite 1300 Houston, Texas 77027-3211
Tom McQuilling	1800 West Loop South, Suite 1300 Houston, Texas 77027-3211
Doug Bergen	1800 West Loop South, Suite 1300 Houston, Texas 77027-3211

ARTICLE VIII
ORGANIZOR

The name and street address of the organizer is:

Name	Address
John Chiang	1800 West Loop South, Suite 1300 Houston, Texas 77027-3211

ARTICLE IX
NON-PROFIT CORPORATION

The Association is a non-profit corporation, without capital stock organized solely for the purposes specified in Article V, and no part of its property, whether income or principal, shall ever inure to the benefit of any director, officer, Member or employee of the Association, nor shall any such director, officer, Member, employee, or individual receive or be lawfully entitled to receive any profit from the operations of the Association for reimbursement of expenses except to the extent permitted by the Bylaws or the Declaration.

ARTICLE X
PROHIBITED ACTS

The Association shall not pay dividends or other corporate income to its Members, directors, or officers or otherwise accrue distributable profits or permit the realization of private gain. This prohibition shall not apply to acquiring, constructing, or providing management, maintenance, and care of Association property, or the rebate of excess membership dues, fees, or assessments to the Members of the Association.

The Association shall have no power to take any action prohibited by the Texas Business Organizations Code.

ARTICLE XI
LIMITATION ON LIABILITY OF DIRECTORS

A director is liable to the Association and/or its members for monetary damages for an act or omission in the director's capacity as director only as provided in the Declaration.

ARTICLE XII
INDEMNIFICATION

The Association may indemnify a person who was, is, or is threatened to be named defendant or respondent in litigation or other proceedings because the person is or was a director or other person related to the Association, as provided by the Bylaws of the Association. The terms and conditions of such indemnification shall be set forth in the Declaration or the Bylaws.

ARTICLE XIII
ACTIONS WITHOUT MEETINGS

Any action required by the Texas Business Organizations Code to be taken at a meeting of the Members or Directors of the Association or any action that may be taken at a meeting of the Members or Directors or of any committee may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by a sufficient number of Members, directors, or committee members as would be necessary to take that action at a meeting at which all of the Members, directors, or members of the committee were present and voted.

ARTICLE XIV
DISSOLUTION

Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created or shall be granted, conveyed, and assigned to any non-profit corporation, association, trust, or other organization devoted to such similar purposes.

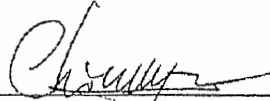
ARTICLE XV
AMENDMENTS

This Certificate of Formation may be amended, at a regular or special meeting of the Members, by a majority of a quorum of Members present, in person or by proxy.

ARTICLE XVI
EXECUTION

The undersigned affirms that the person designated as registered agent has consented to the appointment. The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized to execute this filing instrument.

IN WITNESS WHEREOF for the purpose of forming this Association under the laws of the State of Texas, I, the undersigned incorporator of this Association, have executed the Certificate of Formation this 4 day of NOVEMBER, 2013.



John Chiang, Organizer
Address: 1800 West Loop South, Suite 1300
Houston, Texas 77027-3211

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**BY-LAWS
OF
HOMEOWNERS ASSOCIATION OF
PARKWAY AT ELDRIDGE**

**Article I
Name, Principal Office, and Definitions**

Section 1. **Name.** The name of the Association shall be Homeowners Association of Parkway at Eldridge (hereinafter sometimes referred to as the "Association").

Section 2. **Principal Office.** The principal office of the Association in the State of Texas shall be located in Harris County. The Association may have such other offices, either within or outside the State of Texas, as the Board of Directors may determine or as the affairs of the Association may require.

Section 3. **Definitions.** The words used in these By-Laws shall have the same meaning as set forth in the Declaration of Protective Covenants for Parkway at Eldridge, Section One (1) recorded in the Real Property Records of Harris County, Texas (said Declaration, as amended, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), unless the context shall prohibit.

**Article II
Association: Membership, Meetings, Quorum, Voting, Proxies**

Section 1. **Membership.** The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Declaration, the terms of which pertaining to membership are specifically incorporated herein by reference. Every Owner of a Unit shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Unit. When ownership of any Unit is held by more than one person or by a legal entity which is not a natural person, all such Owners shall be Members of the Association, however, the voting rights of such Members shall be limited to one (1) vote for each Unit owned and shall be exercised as they among themselves shall determine.

Section 2. **Place of Meetings.** Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as may be designated by the Board of Directors.

Section 3. **Annual Meetings.** The first annual meeting of the Members shall be held at a time to be designated by the Board of Directors, but in any event, within one (1) year after the date of formation of the Association and each subsequent regular annual meeting of the Members shall be held in the same month of each year thereafter, the place and time to be provided by the Board of Directors by giving written notice to the Members as set forth herein. If the day for the annual meeting of the Members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 4. **Special Meetings.** The President may call special meetings. In addition, it

shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Members representing at least ten (10%) percent of the total Class "A" votes of the Association. The notice of any special meeting shall state the date, 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.

Section 5. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of the Members shall be delivered, either personally or by mail, to each Member not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage thereon prepaid.

Section 6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member or by proxy shall be deemed a waiver by such Member of notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting, of which proper notice was not given, is raised before the business is put to a vote.

Section 7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called without notice other than announcement at the meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Section 8. Voting. The voting rights of the Members shall be as set forth in the Declaration, and such voting rights provisions are specifically incorporated herein. Except as otherwise specifically provided herein or in the Declaration, the votes allocated to each Unit shall be cast only by the Member or his or her duly appointed proxy, as more particularly provided in Article III, Section 2 of the Declaration. Methods of voting shall be all methods allowed by law and as determined appropriate by the Board of Directors.

Section 9. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon cessation of membership or restriction of the Member's voting rights.

Section 10. Majority. As used in these By-Laws, the term "Majority" shall mean those votes, owners, or other group as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

Section 11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of the Members representing ten (10%) percent of the total eligible Class "A" votes in the Association shall constitute a quorum at all meetings of the Association. Any provision in the Declaration concerning quorums is specifically incorporated herein. Notwithstanding anything contained herein to the contrary, the quorum requirement for a meeting of the Members, as such meeting pertains to the election of directors, shall be those Members present, in person or by proxy, absentee ballot, electronic ballot or any other method of representative or delegated voting (determined appropriate by the Board of Directors) at such meeting.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

Article III

Board of Directors: Number, Powers, Meetings

A. Composition and Selection.

Section 1. Governing Body, Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one (1) vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members or spouses of such Members; In the case of a Member which is a corporation or partnership, the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as director. All directors shall represent and consider the best interests of the Association and its Members as a whole.

Section 2. Election and Term. Subject to the provisions of Section 6 below, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member from the date hereof until the first to occur of the following (the "Class B Control Period"):

(a) when seventy-five (75%) percent of the dwelling units shown or described on the Master Plan have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale;

- (b) December 31, 2043; or
- (c) when, in its discretion, the Class "B" Member so determines.

Thereafter, a meeting of the Members of the Association shall be called for the express purpose of electing a new Board of Directors. At such meeting, the Members shall elect one (1) director for a term of one (1) year; one (1) director for a term of two (2) years; and one (1) director for a term of three (3) years; and at each annual meeting thereafter, Members shall elect a director for a term of three (3) years to fill each expiring term.

Notwithstanding anything to the contrary above, at least one-third (1/3rd) of the members of the Board of Directors must be elected by the Class "A" Members on or before the earlier of: (i) 120 days after 75% of the Units that may be created and made subject to the Declaration are conveyed to Class "A" Members (this includes all additional Units that are anticipated by the Declarant to be annexed into the Properties and into the jurisdiction of the Association); or (ii) ten years from the date the Declaration is recorded in the Real Property Records of Harris County, Texas.

Section 3. Right to Disapprove Actions. This Section 3 may not be amended without the express, written consent of the Class "B" Member as long as the Class "B" membership exists. So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove actions of the Board and any committee, as is more fully provided in this Section. This right shall be exercisable only by the Class "B" Member, its successors, and assigns who specifically take this power in a recorded instrument. The right to disapprove shall be as follows:

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless:

(a) The Class "B" Member shall have been given written notice of all meetings and proposed actions to be approved at meetings of the Board or any committee thereof by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III, Section 8, 9, and 10, of these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program to be implemented by the Board, any committee thereof, or the Association. The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class "B" Member shall have and is hereby granted a right to disapprove any such action, policy, or program authorized by the Board of Directors or any committee thereof and to be taken by the Board, such committee, the Association, or any individual member of the Association, if Board, committee, or Association approval is necessary for such action. This right may be exercised by the Class "B" Member, its representatives, or agents at any time within ten (10) days following

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the meeting held pursuant to the terms and provisions hereof. This right to disapprove may be used to block proposed actions but shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

Section 4. Number of Directors. The number of directors in the Association shall not be less than three (3) nor more than five (5), as provided in Section 6 below.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors may be made by the Board of Directors. The Board of Directors may make as many nominations for election to the Board of Directors as it shall in its discretion determine. Nominations shall also be permitted from the floor. Directors nominated for election must own one (1) or more Units. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 6. Removal of Directors and Vacancies. Any director elected by the Members may be removed, with or without cause, at a meeting of the Members by the vote, in person or by proxy, of Members holding a total at least fifty-one percent (51%) of the total votes. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director as set forth above, a successor director shall then and there be elected by the Members to fill the vacancy for the remainder of the term of such removed director.

Any director appointed by the Board of Directors may be removed, with or without cause, by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

Any director elected by the Members who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days may be removed by a majority of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term. In the event of the death, disability, or resignation of an elected director or a director appointed by the Board, a vacancy may be declared by the Board, and it may appoint a successor.

B. Meetings.

Section 1. Organizational Meetings. The first meeting of the Board of Directors following each annual meeting of the membership shall be held within forty-five (45) days thereafter at such time and place as shall be fixed by the Board.

Section 2. Regular Meetings. Regular meetings of the Board of Directors may be held

at such time and place as shall be determined from time to time by a majority of the directors, but at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the time and place of the meeting shall be communicated to directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Notice of regular meetings of the Board of Directors shall also be given to the Members as may be required by Texas law.

Section 3. Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by written notices signed by a majority of the directors. The notice shall specify the time and place of the meeting. The notice shall be given to each director by one (1) of the following methods: (a) by personal delivery; (b) written notice by first class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given at the director's telephone number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least seventy-two (72) hours before the time set for the meeting. Notice of special meetings of the Board of Directors shall also be given to the Members as may be required by Texas law.

Section 4. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 5. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors who are present at such meeting may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the date the original meeting was called. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Compensation. No director shall receive any compensation from the Association for acting as such; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.

Section 7. Conduct of Meeting. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 8. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

Section 1. Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do or cause to be done, all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the Members.

The Board of Directors shall delegate to one of its Board members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By-Laws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to establish policies relating to, and shall be responsible for performing or causing to be performed, the following, in way of explanation, but not limitation:

(a) preparation and adoption, in accordance with Article X, Section 2 of the Declaration, of annual budgets in which there shall be established the contribution of each Owner to the Common Expenses and Neighborhood Expenses;

(b) making assessments to defray the Common Expenses and Neighborhood Expenses, establishing the means and methods of collecting such assessments, and establishing the payment schedule for Base Assessments and any Neighborhood Assessments, if other than annual;

(c) providing for the operation, care, upkeep, and maintenance of all of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and the maintenance, operation, repair, and replacement of its property and the Area of Common Responsibility and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository

which it shall approve, and using the proceeds to operate the Association; provided, any reserve fund may be deposited, in the director's best business judgment, in depositories other than banks;

- (f) making and amending rules and regulations;
- (g) opening of bank accounts on behalf of the Association and designating the signatories required;
- (h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Declaration and these By-Laws after damage or destruction by fire or other casualty;
- (i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules and regulations adopted by the Association and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;
- (j) obtaining and carrying insurance against casualties and liabilities, including but not limited to blanket "all-risk" property insurance on the Units within the TH Neighborhood, as provided in the Declaration, and paying the premium cost thereof;
- (k) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;
- (l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred;
- (m) maintaining a membership register reflecting, in alphabetical order, the names, Unit addresses and mailing addresses of all Members;
- (n) making available to any prospective purchaser of a Unit, any Owner of a Unit, any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any Unit, upon written request, current copies of the Declaration, the Certificate of Formation, the By-Laws, rules governing the Unit and other books, records, and financial statements of the Association pertaining to the Owner's Unit or Common Area; and
- (o) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

Section 2. **Management.** The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a), (b), (f), (g), and (i) of Section 1 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 3. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) cash accounting, as defined by generally accepted accounting practices, shall be employed;

(b) accounting and controls should conform to generally accepted accounting practices;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; anything of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on a cash basis.

(ii) a statement reflecting all cash receipts and disbursements for the preceding period;

(iii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iv) a balance sheet as of the last day of the preceding period; and

(v) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (Any assessment or installment thereof shall be considered to be delinquent on the thirty-first (31st) day following the due date unless otherwise determined by the Board of Directors); and

(g) within one hundred twenty (120) days after the close of the fiscal year, an annual report shall be prepared and made available for review by all Members at the offices of the Association or a place to be determined by the Board of Directors. The Annual Report shall consist of at least the following: (1) a balance sheet; (2) an operating (income) statement; and (3)

a statement of changes in financial position for the fiscal year. The annual report referred to above shall be prepared on an audited or reviewed basis, as determined by the Board by an independent public accountant; provided, upon written request of any holder, guarantor or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement. During the Class "B" Control Period, the annual report shall include certified financial statements.

Section 4. Borrowing. The Board of Directors shall have the power to borrow money for the purpose of maintenance, repair or restoration of the Area of Common Responsibility without the approval of the Members of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Member approval in the same manner provided in Article X, Section 4, of the Declaration for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year. Notwithstanding anything to the contrary contained in the Declaration, these By-Laws, or the Certificate of Formation, during the Class "B" Control Period, no Mortgage lien shall be placed on any portion of the Common Area without the affirmative vote or written consent, or any combination thereof, of at least fifty-one (51%) percent of the Members other than the Declarant and the Declarant's nominees.

Section 5. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Certificate of Formation and the Declaration, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing, this right shall entitle the Association to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, both within and without the Residential Properties. Such agreements shall require the consent of a majority of the total number of directors of the Association.

The Association shall not be bound, either directly or indirectly, by any contract, lease, or other agreement (including any management contract) executed during the Class "B" Control Period unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time, with or without cause, upon not more than ninety (90) days notice to the other party.

Section 6. Enforcement. The Board shall have the power to adopt and amend a fining policy and to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner, and to suspend an Owner's right to vote or any person's right to use the Common Area for violation of any duty imposed under the Declaration, these By-Laws, or any rules and regulations duly adopted by the Association; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit by an Owner. In addition, the Association shall be entitled to suspend any services provided by the Association to a Unit in the event that the Owner of such Unit is more than thirty (30) days delinquent in paying any assessment due to the Association. In the event that any occupant, guest or invitee of a Unit violates the Declaration, By-Laws, or a rule or regulation and a fine is imposed, the Owners shall pay the fine upon notice from the Association. The failure of the

Board to enforce any provision of the Declaration, By-Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter.

(a) **Sanction Notice.** Prior to imposition of any sanction hereunder, the Board of Directors or its delegate shall serve the alleged violator with written notice (the "Sanction Notice") describing the violation or property damage and demanding that the violation be cured or if applicable, demand that the Owner reimburse the Association for costs to replace, or to repair damage done by the Owner to, personal property or common area owned or maintained by the Association. The Sanction Notice will allow the Owner a reasonable period to cure the violation and avoid the Association levying a fine and/or pursuing legal action, unless the Owner has previously been given notice and a reasonable opportunity to cure a similar type or classification of violation within the then current calendar year. The Sanction Notice will inform the Owner that the Owner has a period of thirty (30) days from receipt of such notice to make a written request for a hearing before the Board regarding the violation. The Sanction Notice will inform the Owner that if the violation is not cured as set forth in the Sanction Notice, that the Association intends to levy a fine against the Owner and/or pursue legal action against the Owner. If the Association pursues legal action against the Owner, the Owner will be responsible for the attorneys' fees and other costs the Association may incur, and such fees and costs will be charged to the Owner's account. If the Association has given the Owner notice and a reasonable opportunity to cure a similar violation within the then current calendar year, or if the Association files a suit seeking expedited relief in the form of a temporary restraining order or a temporary injunction, the Association shall not be required to send the Owner a Sanction Notice. If timely challenge is not made, the Board of Directors may impose the sanction stated in the Sanction Notice.

(b) **Notice Exemption.** In situations in which the Board of Directors seeks expedited relief in the form of a temporary restraining order or a temporary injunction. The Association reserves its rights to file suit and seek such relief from the court without any prior notice to the Owner and/or occupant, guest, or invitee.

(c) **Additional Enforcement Rights.** Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors, may elect to enforce any provision of the Declaration, these By-Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above. In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred.

Article IV Officers

Section 1. **Officers.** The officers of the Association shall be a President, Vice President, Secretary, and Treasurer, to be elected from among the members of the Board. The Board of Directors may appoint such other officers, including one (1) or more Assistant Secretaries and

one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 2. Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after January 1 of each year. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the 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. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors.

Article V
Committees

Section 1. General. In addition to the New Construction Committee and the Modifications Committee established pursuant to Article XI, Sections 1 and 2 of the Declaration, and other committees specifically authorized herein, the Board of Directors is hereby authorized to establish committees to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Each committee established by the Board shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee and such rules as are adopted by the Board of Directors.

Article VI
Miscellaneous

Section 1. Fiscal Year. The fiscal year of the Association shall be set by resolution of the Board of Directors. In the absence of a resolution, the fiscal year shall be the calendar year.

Section 2. Parliamentary Rules. Upon Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Certificate of Formation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of Texas law, the Plat, the Certificate of Formation, the Declaration, and/or these By- Laws, then the provisions of Texas law, the Plat, the Declaration, the Certificate of Formation, and the By- Laws (in that order) shall prevail.

Section 4. Books and Records.

(a) Inspection by Members and Mortgagees. The Declaration, By-Laws, and Certificate of Formation, any amendments to the foregoing, the rules and regulations of the Association, the books of account, and the minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, Member of the Association, or by the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in the Unit at the office of the Association or at such other place within the Properties as the Board shall prescribe.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and a copy of relevant documents at the expense of the Association.

Section 5. Notices. Unless otherwise provided in these By-Laws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail first class postage prepaid:

(a) if to a Member at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board of Directors, or the managing agent, at the

principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend these By-Laws. After such conveyance, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is (a) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule or regulation, or judicial determination; (b) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (c) required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Units; or (d) necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on the Units; provided, however, any such Owner shall consent thereto in writing. So long as it still owns property described in Exhibits "A" of the Declaration for development as part of the Residential Properties, the Declarant may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

Except as otherwise specifically provided above, these By-Laws may be amended, altered or repealed and new By-Laws adopted by the majority vote of the Board of Directors. Any amendment to be effective must be recorded in the Real Property Records of Harris County, Texas.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege.

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e-Filed & e-Recorded in the
Official Public Records of
HARRIS COUNTY
STAN STANART
COUNTY CLERK
Fees 96.00

RECORDERS MEMORANDUM

This instrument was received and recorded electronically and any blackouts, additions or changes were present at the time the instrument was filed and recorded.

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under federal law.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED in the Official Public Records of Real Property of Harris County, Texas.



Stan Stanart

COUNTY CLERK
HARRIS COUNTY, TEXAS