

BYLAWS

OF

CCR SECTION ONE HOMEOWNERS ASSOCIATION

(A Texas Non-Profit Corporation)

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THESE BYLAWS GOVERN THE AFFAIRS OF CCR SECTION ONE HOMEOWNERS ASSOCIATION, A NON-PROFIT CORPORATION (HEREINAFTER REFERRED TO AS THE "ASSOCIATION"), ORGANIZED UNDER THE TEXAS NON-PROFIT CORPORATION ACT. THE ASSOCIATION HAS BEEN ORGANIZED FOR THE PRIMARY PURPOSE OF ADMINISTERING THE PROVISIONS OF THAT CERTAIN DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF SUBDIVISION AS FILED IN THE REAL PROPERTY RECORDS OF HARRIS COUNTY, TEXAS UNDER CLERK'S FILE NO. U885126 AND AS MAY BE AMENDED FROM TIME TO TIME (THE "DECLARATION"). ACCORDINGLY, THE DECLARATION, AS IT MAY FROM TIME TO TIME BE AMENDED, IS INCORPORATED HEREIN BY THIS REFERENCE. TO THE EXTENT THERE IS ANY INCONSISTENCY BETWEEN THE PROVISIONS OF TEXAS LAW, THE DECLARATION, THE ARTICLES OF INCORPORATION, AND/OR THESE BYLAWS, THEN THE PROVISIONS OF TEXAS LAW, THE DECLARATION, THE ARTICLES OF INCORPORATION, AND THE BYLAWS (IN THAT ORDER) SHALL CONTROL.

ARTICLE I  
PRINCIPAL OFFICE AND DEFINITIONS

Section 1.1 Principal Office. The principal office of the Association in the State of Texas shall be located at 2727 North Loop West, Suite 200, Houston, Texas 77008. The Association may have such other offices, either within or outside the State of Texas, as the Board of Directors may determine.

Section 1.2 Definitions. The terms used in these Bylaws shall have the same meaning set forth in the Declaration unless the context clearly requires otherwise.

ARTICLE II  
MEETINGS OF MEMBERS

Section 2.1 Members. Each Owner shall, upon and by virtue of becoming an Owner, automatically become a Member of the Association and shall remain a Member thereof until his ownership ceases for any reason. Whenever the legal ownership of any Lot passes from one person or entity to another, by whatever means, it shall not be necessary that any instrument provide for transfer of membership in the Association, as such membership is appurtenant to and automatically follows and passes with the legal ownership of a Lot. Membership in the Association is expressly limited to the Owners.

Section 2.2 Annual Meetings. The first annual meeting of the Members, for the purpose of electing the members of the Board of Directors or for the transaction of such other proper business as may come before such meeting, shall be held within one year from the date of

incorporation of the Association and immediately following the annual meeting of the Board of Directors. Subsequent regular annual meetings shall be set by the Board so as to occur at least one hundred and fifty (150) but not more than one hundred and eighty (180) days after the close of the Association's fiscal year on a date and at a time set by the Board of Directors. If the date selected for the annual meeting falls on a legal holiday, the annual meeting shall be held at the same time on the next following business day thereafter.

Section 2.3 Special Meetings. Special meetings of the Members for any purpose or purposes whatsoever may be called at any time by the (i) Declarant, (ii) President, (iii) Board of Directors, or (iv) Members having not less than ten percent (10%) of the votes entitled to be cast at such meeting.

Section 2.4 Regular Meetings. Regular meetings of the Members may also be called by the Association and may be held on a regularly scheduled basis as determined by the Association. Regular meetings are not subject to the notice requirements set forth in Section 2.6 hereof. Notice of such meetings shall instead be given in the manner prescribed by the Association.

Section 2.5 Place of Meetings. All meetings of the Members shall be held at the principal office of the Association, or any other place within the State of Texas, as may be designated for that purpose from time to time by the Board of Directors.

Section 2.6 Notice of Meeting. Notice of an annual or special meeting, stating the place, date, and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given in writing by or at the direction of the Declarant, the President, the Board of Directors, the Secretary, or the Members calling the meeting, which notice shall be given to each Member entitled to vote at the meeting by either personal delivery, facsimile transmission, or mail. Such notice of a meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting; except that, in the case of a meeting called for the purpose of taking any action authorized under Section 3 or 4 of Article III of the Declaration relating to increasing the maximum level of annual assessments or the levy of a special assessment, such notice shall be given not less than thirty (30) days nor more than sixty (60) days before the date of the meeting.

If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Association, with postage thereon paid. If transmitted by facsimile, notice is deemed to be delivered on successful transmission of the facsimile. Unless otherwise notified in writing by a Member, the address of each Member for purposes of such notice shall be the address of any Lot owned by him.

Section 2.7 Quorum. Except as otherwise required by these Bylaws, the presence of Members entitled to cast ten percent (10%) of the total eligible votes of the membership in person or by proxy shall constitute a quorum.

For purposes of taking any action authorized under Section 3 or 4 of Article III of the Declaration relating to increasing the maximum level of annual assessments or the levy of a

special assessment, the presence of the Members holding sixty percent (60%) of all eligible votes entitled to be cast or their proxies shall constitute a quorum. If the required quorum is not present, additional meetings may be called subject to the same notice requirements and the required quorum at each subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 2.8 Voting Rights. There shall be two classes of membership entitled to voting rights in the Association with respect to the Subdivision and they shall be as follows:

(a) Class A: All Owners other than Declarant, shall be considered Class A Members, and for each Lot owned shall be entitled to one (1) vote on each matter coming before the Members at any meeting or otherwise, unless their voting rights have been suspended by the Board of Directors as provided in Article IV, Section 1(b) of the Declaration. When a particular Lot is owned by more than one individual or entity, all the individuals or entities holding an ownership interest in that Lot shall be considered Class A Members; however, for that particular Lot they shall be entitled to a total of no more than one vote on each matter coming before the Members at any meeting or otherwise. The vote for such Lot shall be exercised as they among themselves determine. No cumulative voting shall be permitted.

(b) Class B: Class B Member shall be the Declarant, and for each Lot owned it shall be entitled to three (3) votes on each matter coming before the Members at any meeting or otherwise. Once a Lot is sold to an individual or individuals who would be classified as Class A Members, the three (3) votes attached to that Lot shall be converted into Class A Memberships. Additionally, all Class B memberships with respect to the Subdivision shall cease and be automatically converted into Class A Memberships on the happening of any of the following events, whichever occurs later:

(i) Ten (10) years from the date this Declaration of Covenants, Conditions and Restrictions is filed in the Real Property Records of Harris County, Texas; or

(ii) At such earlier time as the Class B Member, in its sole discretion, shall elect.

Section 2.9 Suspension of Voting Rights. The Association shall have the right to suspend the voting rights of any Member:

(a) for any period during which any assessment against his Lot or any other sum due the Association under any of the provisions of the Declaration remains unpaid; or

(b) for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations. (Such suspension may be imposed after written notice thereof from the Association to the Member.)

The Association's right to suspend the voting rights shall not be exclusive, but shall be cumulative of, and in addition to, any and all other rights and remedies of the Association including, specifically, rights to damages.

Section 2.10 Voting: Action of Members. Only those persons entitled to vote in accordance with the Articles of Incorporation of the Association and these Bylaws on the date on which notice of the meeting is held (as determined by the Board of Directors) shall be entitled to vote at a meeting of the Members, unless some other date is fixed by the Board of Directors for the determination of the Members entitled to vote at such meeting. No Member shall have the right to cumulate his votes at any election for Directors of this Association. Voting for the election of Directors shall be by voice unless any Member demands a ballot vote before the voting begins. On a vote by ballot, each ballot shall be signed by the Member voting or by the Member's proxy.

(a) The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy at a meeting at which a quorum is present, shall be the act of the Members meeting, unless the vote of a greater number is required by law, the Declaration, the Articles of Incorporation, or these Bylaws.

(b) Any action authorized under Section 3 or 4 of Article III of the Declaration relating to increasing the maximum level of annual assessments or the levy of a special assessment requires the approval of two-thirds (2/3) of the total eligible votes of Members who are voting in person or by proxy at a meeting duly called for such purpose.

Section 2.11 Proxies. Every Member entitled to vote may do so either in person or by proxy executed in writing by the Member or his duly authorized attorney-in-fact. The attendance at any meeting by a Member who may have theretofore given a proxy shall not have the effect of revoking the same unless the Member shall, in writing, so notify the secretary of the meeting prior to the voting of such proxy.

Section 2.12 Action Without Meeting. Action may be taken by Members without a meeting if each Member entitled to vote signs a written consent to the action.

### ARTICLE III BOARD OF DIRECTORS

Section 3.1 Powers. The Board of Directors shall act only as a Board and an individual Director shall have no power as such. All corporate powers of the Association shall be exercised by or under the authority of the Board of Directors, and the business and affairs of the Association shall be controlled by the Board of Directors; subject, however, to such limitations as are imposed by law, the Articles of Incorporation of the Association, the Declaration, and these Bylaws. Without limiting the generality of the preceding sentence, or any power vested in it by law, the Board of Directors shall have the power (a) to establish, levy, assess, and collect assessments or provide for the collection of the assessments in accordance with the Declaration, subject to the Members' approval of any increase in the maximum level of annual assessments and any levy of a special assessment in accordance with Sections 3 and 4 of Article III of the Declaration, (b) to manage and maintain the Common Area in accordance with

the Declaration, (c) to exercise on behalf of the Association all powers, duties, and authority vested in or delegated to the Association. The Board of Directors may, by contract or otherwise, give general or limited or special power and authority to the officers and employees of the Association to transact the general business or any special business of the Association, and may give powers of attorney to agents of the Association to transact any special business requiring such authorization.

Section 3.2 Classification of Board. The Board of Directors shall consist of three (3) members who shall be divided into three classes with respect to the time for which they severally hold office. Each class is to be as nearly equal in number as possible, as determined by the Board of Directors. The three classes shall be known as Class One, Class Two, and Class Three, respectively, with one director in each class. The names and addresses of the directors of the initial Board of Directors and the class to which each shall belong are as follows:

Class One

Mark A. Kilkenny 2005  
2727 North Loop West, Suite 200  
Houston, Texas 77008

Class Two 2006

Walter R. Corson  
2727 North Loop West, Suite 200  
Houston, Texas 77008

Class Three 2007

Roy R. Behrens, Jr.  
2727 North Loop West, Suite 200  
Houston, Texas 77008

The number of Directors may be increased or decreased by amendment to these Bylaws (providing such decrease does not shorten the term of any incumbent Director). The number of Directors shall never be less than three (3) or more than five (5). Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting of the Members or at a special meeting of the Members called for that purpose.

Section 3.3 Term of Office and Resignations. The term of office of the Class One director above named shall expire at the third annual meeting; the term of the Class Two director shall expire at the fourth annual meeting; and the term of the Class Three director shall expire at the fifth annual meeting. Upon expiration of the terms of office of the directors as classified above, their successors shall be elected for the term of three years each, so that one-third of the number of directors of the Corporation shall be elected annually. Any Director may resign at any time by giving written notice to the Board of Directors or the Secretary of the Association. Any such resignation shall take effect at the time specified thereon, or, if the time is not specified, shall take effect immediately upon its receipt.

Section 3.4 Vacancies. Upon the death, resignation or removal of any Director, a majority of the remaining Directors, though less than a quorum, shall elect a Director to fill the vacancy. A Director elected or appointed and qualified to fill a vacancy shall do so for the unexpired term of his predecessor in office.

Section 3.5 Removal of Directors. Any Director or Directors may be removed from office with or without cause, at any time at any regular or special meeting of the Board of Directors, by a majority vote of such Directors.

Section 3.6 Regular Meeting. Regular meetings of the Board of Directors shall be held without notice, immediately preceding each annual meeting of the Members of the Association, or at such other times as the Directors may determine.

Section 3.7 Special Meetings. Special meetings of the Board of Directors for any purpose may be called at any time by the President or the Secretary of the Association, or by a majority of the Directors. The Secretary shall give or cause to be given notice of each special meeting in person, by mail, or by facsimile, to each Director at least two (2) days before the meeting.

Section 3.8 Place of Meetings. All meetings of the Board of Directors shall be held at the principal office of the Association or at such place within the State of Texas as may be designated from time to time by resolution of the Board of Directors or by the written consent of all of the members of the Board of Directors.

Section 3.9 Quorum. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the Directors present shall be regarded as the act of the Board of Directors, unless a greater number be required by law, by the Articles of Incorporation of the Association, or by the Declaration.

Section 3.10 Order of Business. At the meetings of the Board of Directors, matters pertaining to the purposes of the Association shall be considered in such order as the Board of Directors may determine from time to time. At all meetings of the Board of Directors, the President shall preside, and in the absence of the President, a chairman shall be chosen by the Board from among the Directors present. The Secretary of the Association shall act as secretary of all meetings of the Board of Directors, but in the absence of the Secretary, the person presiding over the meeting may appoint any person to act as secretary of the meeting.

Section 3.11 Adjournment - Notice. A quorum of the Board of Directors may adjourn any Board of Director's meeting to meet again at a stated day and hour. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place is fixed at the meeting adjourned. In the absence of a quorum, a majority of the Directors present at any Director's meeting, either regular or special, may adjourn until the time fixed for the next regular meeting of the Board.

Section 3.12 Board Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, and shall have the same force

and effect as a unanimous vote of Directors, if all members of the Board of Directors shall individually and collectively consent in writing to such action.

Section 3.13 Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services.

#### ARTICLE IV COMMITTEES

Section 4.1 Executive Committees. The Board of Directors may, by resolution passed by a majority of the Board of Directors, designate one or more committees, each of which shall consist of two (2) or more persons, one (1) of whom shall be a Director. The remaining members of the committee need not be Directors. The committees shall act in the manner provided in such resolution. The committees so designated shall keep regular minutes of their meetings and shall report the same to the Board of Directors at the next regular meeting of the Board of Directors.

Section 4.2 Architectural Review Committees. The Architectural Review Committees shall consist of the New Construction Committee and the Modifications Committee and each shall consist of three (3) members who shall be appointed by the Declarant, each of whom shall serve until his successor is appointed. The rights, obligations and duties of the Architectural Review Committees are more specifically set out in the Declaration. Any member of the Architectural Review Committees may be removed, with or without cause, by the Declarant. In the event of the death, resignation or removal of any member of the Architectural Review Committees, the Declarant shall have the authority to designate successor member(s) to the Architectural Review Committees. A majority of the Architectural Review Committees may designate one or more representatives to act for it and such representative(s) shall have the full right, authority, and power to carry out the functions of the Architectural Review Committees.

Section 4.3 Assignment of Architectural Review Committees Duties. The duties and powers of the members of the Architectural Review Committees, their successors, assigns, and designated representative(s) shall cease on the later of twenty (20) years from the date the Declaration is recorded in the Real Property Records of Harris County, Texas, or the date upon which all Lots subject to the jurisdiction of the Association become Occupied Lots. Thereafter, the duties and powers of the Architectural Review Committees shall vest in the Board of Directors of the Association or an Architectural Review Committees composed of three (3) or more representatives appointed by the Board of Directors of the Association. The approval required in Article VI of the Declaration and the duties and powers vested in the Architectural Review Committees and its successors shall continue so long as the Declaration remains in force and effect. The then current members of the Architectural Review Committees may at any time voluntarily transfer all their duties and powers to the Board of Directors of the Association. To be effective, such a transfer shall be evidenced by a document executed by each of the then current members of the Architectural Review Committees.

Section 4.4 Compensation of Committee Members. No person serving on any committee shall be entitled to compensation for services performed; however, the Architectural Review Committee may employ one or more architects, engineers, attorneys or other consultants



to assist the Architectural Review Committees in carrying out its duties hereunder, and the Association shall pay such consultants for services rendered to the Architectural Review Committee.

Section 4.5 Indemnification. Each member of a committee shall be entitled to the same immunities and indemnification as are provided for officers and Directors of the Association.

## ARTICLE V OFFICERS

Section 5.1 Corporate Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof and their respective titles to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be appointed at the discretion of the Board of Directors in accordance with Section 5.1(b) below.

(a) In addition to the officers specified above, the Board of Directors may appoint such other officers as the Board of Directors may deem necessary or advisable, including one or more Assistant Secretaries and one or more Assistant Treasurers, each of whom shall hold office for such period; have such authority, and perform such duties as the Board of Directors may from time to time determine.

Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 5.2 Appointment, Term of Office, and Qualifications. The officers of the Association, except such officers as may be appointed in accordance with Sections 5.1(b) or 5.5, shall be elected by the Board of Directors at the Board of Directors' annual meeting. Each officer shall hold office for a term of one (1) year or at the pleasure of the Board of Directors and shall serve until such officer's earlier death, resignation, removal, or disqualification to serve or until the officer's successor shall be elected and qualified, but in no event shall serve for a term exceeding three (3) years.

Section 5.3 Removal. Any officer of the Association may be removed, with or without cause, at any time at any regular or special meeting of the Board of Directors by a majority vote of such Directors.

Section 5.4 Resignations. Any officer may resign at any time by giving written notice of such officer's resignation to the Board of Directors, the President, or the Secretary of the Association. Any such resignation shall take effect at the time specified therein, or, if the time is not specified, upon receipt thereof by the Board of Directors, the President, or the Secretary. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.5 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or other event, may be filled for the unexpired portion of the term thereof in the manner prescribed in these Bylaws for regular appointments to such office.

Section 5.6 President. The President of the Association shall preside at all meetings of the Members, and at all meetings of the Board of Directors, as provided in Section 3.10 herein. The President shall have, subject to the control of the Board of Directors, general and active supervision and management over the business of the Association and over its officers and employees, and shall perform all of the duties incident to the office of President and such other duties as may from time to time be assigned to the President by the Board of Directors.

Section 5.7 Vice Presidents. Each Vice President shall have such powers and perform such duties as the Board of Directors may from time to time prescribe. At the request of the President, or in case of the President's absence or inability to act upon the request of the Board of Directors, a Vice President shall perform the duties of the President and when so acting, shall have all the powers of, and be subject to all the restrictions upon, the President.

Section 5.8 Secretary. The Secretary shall have the duty to record the proceedings of all meetings of the Board of Directors and of the Members. The Secretary shall (i) see that all notices are duly given in accordance with these Bylaws and as required by law; (ii) maintain a list of all Members which shall have the name, address, class of membership for each Member; and (iii) perform all the duties incident to the office of Secretary and such other duties as may from time to time be assigned to the Secretary by the Board of Directors.

Section 5.9 Treasurer. The Treasurer shall supervise, have custody of, and be responsible for all funds and securities of the Association. The Treasurer shall deposit or cause to be deposited all such funds in the name of the Association in such banks, trust companies or other depositories as shall be selected by the Board of Directors or selected by the Treasurer in accordance with authority delegated by the Board of Directors. The Treasurer shall exercise general supervision over expenditures and disbursements made by officers, agents and employees of the Association and the preparation of such records and reports in connection therewith. The Treasurer shall, in general, perform all other duties incident to the office of Treasurer and such other duties as may from time to time be assigned to the Treasurer by the Board of Directors.

## ARTICLE VI INDEMNIFICATION

Section 6.1 Indemnification. The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a Director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee, or an agent of another corporation, partnership, joint venture, trust, or other enterprise, or is or was a director, an officer, or an affiliate of the Declarant or any partner of the Declarant (if the Declarant is a partnership), if such action, suit or proceeding arises out of such person's activities in connection with the Association, to the fullest extent permitted by Texas law and the Association's Articles of Incorporation.

ARTICLE VII  
EXECUTION OF INSTRUMENTS

Section 7.1 Authorization. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, agent or agents, employee or employees, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the Association. Unless so authorized by the Board of Directors or these Bylaws, no officer, agent, employee or other person shall have any power or authority to bind the Association by any contract or other engagement or to pledge its credit or to render it liable for any purpose or any amount.

ARTICLE VIII  
BOOKS AND RECORDS

Section 8.1 Books and Records. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors and committees, and a record of the names and addresses of each Member entitled to vote, all at its registered office or principal office in Texas. All books and records of the Association may be inspected by any Member or Director or their agents or attorneys, for any proper purpose at any reasonable time.

ARTICLE IX  
AMENDMENTS

Section 9.1 Amendment of Bylaws. The power to alter, amend, or repeal these Bylaws or to adopt new Bylaws is vested in the Board of Directors.

Section 9.2 Conflicts. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE X  
MISCELLANEOUS

Section 10.1 Fiscal Year. The fiscal year of the Association shall be the calendar year.

Section 10.2 Waiver of Notices. Whenever notice is required to be given under these Bylaws, the Declaration, or the Articles of Incorporation of the Association, the person entitled to said notice may waive such notice in writing, either before or after the time stated therein, and such waiver shall be deemed equivalent to notice. Attendance of a person at a meeting (whether in person, or in the case of a meeting of Members, by proxy) shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any meeting of the Members, the Board of Directors, or members of a committee of the Board of Directors need be specified in any written waiver of notice.

CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and Secretary of the CCR Section One Homeowners Association, Inc., a Texas non-profit corporation, and,


THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 20<sup>th</sup> day of FEB, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 21 day of FEB, 2000.



Mark A. Kilkenny, Secretary

IN WITNESS WHEREOF, We, being all of the directors of the Association, have hereunto set our hands this 20<sup>th</sup> day of FEB., 2001.

  
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ROY R. BEHRENS, JR.

  
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MARK A. KILKENNY

  
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WALTER R. CORSON