

# EXHIBIT B

## BY-LAWS

### OF

#### EAGLE SPRINGS COMMUNITY ASSOCIATION, INC.

##### Article I

##### Name, Principal Office and Definitions

Section 1. Name. The name of the Association shall be Eagle Springs Community Association, Inc. (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 that Declaration of Protective Covenants for Eagle Springs recorded in the Harris County, Texas public records (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.

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 either within the Properties or as convenient thereto as possible and practical.

Section 3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one (1) year from the date of incorporation of the Association. Meetings shall be of the Voting Representatives or their alternates. 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 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.

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

Voting Representatives 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 Voting Representatives shall be delivered, either personally or by mail, to each Voting Representative entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) 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 the 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 Voting Representative 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 Voting Representatives shall be deemed the equivalent of proper notice. Any Voting Representative may, in writing, waive notice of any meeting of the Voting Representatives, either before or after such meeting. Attendance at a meeting by a Voting Representative or alternate shall be deemed waiver by such Voting Representative of notice of the time, date and place thereof, unless such Voting Representative 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 Voting Representatives who are present at such meeting, either in person or by alternate, 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. 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 Voting Representatives in the manner prescribed for regular meetings.

The Voting Representatives present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Voting Representatives to leave less than a quorum, provided that Voting Representatives or their alternates representing at least twenty-five (25%) percent of the total Class "A" votes of the Association remain in attendance, and provided further that any action taken is approved by at least a majority of the Members required to constitute a quorum.



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.

Section 9. Proxies. Voting Representatives may not vote by proxy but only in person or through their designated alternates.

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 alternate of the Voting Representatives representing a majority 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.

Section 12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary or designated Managing Agent 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.

Section 13. Action Without A Meeting. Any action required by law to be taken at a meeting of the Voting Representatives, or any action which may be taken at a meeting of the Voting Representatives, may be taken without a meeting if written consent shall have the same force and effect as a unanimous vote of the Voting Representatives.

### 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; provided, however, no person and his or her spouse may serve on the Board at the same time. In the case of an Owner 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 a director.

Section 2. Directors During Declarant Control Period. Subject to the provision 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 until the first to occur of the following:

(a) when ninety-five (95%) percent of the total number of Units permitted for the property described on the land use plan ("General Land Use Plan") for the development of Eagle Springs, as it may be amended, which includes all of the property described in Exhibit A to the

Declaration and all or a portion of the property described in Exhibit C to the Declaration have been conveyed to Persons other than the Declarant or builders holding title solely for purposes of development and sale; or

(b) when, in its discretion, the Class "B" Member so determines.

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 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, Sections 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 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 be not less than three (3) nor more than five (5), as provided in Section 6 below. The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5. Nomination of Directors. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and three (3) or more Voting Representatives. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the Voting Representatives to serve a term of one (1) year or until their successors are appointed, 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 in no event less than the number of positions to be filled. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Voting Representatives and to solicit votes.

Section 6. Election and Term of Office. Notwithstanding any other provision contained herein:

(a) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own fifty (50%) percent of the Units permitted for the property described on the General Land Use Plan or whenever the Class "B" Member earlier determines, the Association shall call a special meeting at which Voting Representatives shall elect one (1) of the directors. The remaining directors shall be appointees of the Class "B" Member. The director elected by the Voting Representatives shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (b) below, whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b) below, a successor shall be elected for a like term.

(b) Within thirty (30) days after the time Class "A" Members, other than the Declarant or a builder holding title solely for purposes of development and sale, own seventy-five (75%) percent of the Units permitted for the property described on the General Land Use Plan or whenever the Class "B" Member earlier determines, the Board shall be increased to five (5) directors. The Association shall call a special meeting at which Voting Representatives representing the Class "A" Members shall elect two (2) of the five (5) directors, who shall serve as at-large directors. The remaining three (3) directors shall be appointees of the Class "B" Member. The directors elected by the Voting Representatives shall not be subject to removal by the Class "B" Member acting alone and shall be elected for a term of two (2) years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

(c) Within thirty (30) days after termination of the Declarant Control Period, the Association shall call a special meeting at which Voting Representatives representing the Class



“A” Members shall elect three (3) of the five (5) directors. The remaining two (2) directors shall be appointees of the Class “B” Member. The directors elected by the Voting Representatives shall not be subject to removal by the Class “B” Member acting alone and shall serve until the first annual meeting following the termination of the Declarant Control Period. If such annual meeting is required to be held within ninety (90) days after termination of the Declarant Control Period, this subsection shall not apply and directors shall be elected in accordance with subsection (d) below.

(d) At the first annual meeting of the membership after the termination of the Declarant Control Period, the directors shall be selected as follows: Five (5) directors shall be elected by the Voting Representatives. Three (3) directors shall be elected for a term of one (1) year. At the expiration of the initial term of office of each member of the Board of Directors and at each annual meeting thereafter, a successor shall be elected to serve for a term of two (2) years.

Each Voting Representative shall be entitled to cast one (1) vote with respect to each vacancy to be filled. There shall be no cumulative voting. The candidate(s) receiving the most votes shall be elected. The directors elected by the Voting Representatives shall hold office until their respective successors have been elected by the Association. Directors may be elected to serve any number of consecutive terms.

Section 7. Removal of Directors and Vacancies. Any director elected by the Voting Representatives may be removed, with or without cause, by the vote of Voting Representatives holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. A director who was elected solely by the votes of Voting Representatives other than the Declarant may be removed from office prior to the expiration of his or her term only by the votes of a majority of Voting Representatives other than the Declarant. Upon removal of a director, a successor shall then and there be elected by the Voting Representatives entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

Any director elected by the Voting Representatives who has three (3) consecutive unexcused absences from Board meetings, who is delinquent in the payment of any assessment or other charge due the Association for more than thirty (30) days, or who is in violation of the Declaration 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 a director, a vacancy may be declared by the Board, and it may appoint a successor.

#### B. Meetings.

Section 8. Organizational Meetings. The first meeting of the Board of Directors shall be held prior to the Association conducting business.

Section 9. 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



639-95-2715

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 written consent to holding of the meeting.

Section 10. 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 any three (3) directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one 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.

Section 11. 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 12. 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. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. 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 13. Compensation. No director shall receive any compensation from the Association for acting as such unless approved by Voting Representatives representing a majority of the total Class "A" vote of the Association at a regular or special meeting of the Association; provided any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors.



Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary or designated Managing Agent 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 15. Open Meetings. Subject to the provisions of Section 16 of this Article, all meetings of the board shall be open to all Voting Representatives, but Voting Representatives other than directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Voting Representative may speak. Notwithstanding the above, the President may adjourn any meeting of the Board of Directors and reconvene in executive session, excluding Voting Representatives, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

Section 16. 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 17. 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 Voting Representatives or the membership generally.

The Board of Directors shall delegate to one of its 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 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;



539-35-2712

(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 directors' 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 contacting 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 it 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, as provided in the Declaration, and paying the premium cost thereof;

(k) paying the costs 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, current copies of the Declaration, the Articles of Incorporation, the By-Laws rules governing the Unit and all other books, records, and financial statements of the Association; and

(o) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties.

8122-33-669

Section 18. 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 17 of this Article. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager.

Section 19. Accounts and Reports. The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

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

(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; any thing 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 an accrual 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 fifteenth (15<sup>th</sup>) day following the due date unless otherwise determined by the Board of Directors); and

(g) an annual report consisting of at least the following shall be distributed to all Members upon request within one hundred twenty (120) days after the close of the fiscal year: (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 Declarant Control Period, the annual report shall include certified financial statements.

Section 20. 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 Voting Representatives of the Association. The Board shall also have the power to borrow money for other purposes; provided, the Board shall obtain Voting Representative approval in the same manner provided in Section 10.4 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 ten (10%) percent of the budgeted gross expenses of the Association for that fiscal year.

Section 21. Rights of the Association. With respect to the Area of Common Responsibility, and in accordance with the Articles of Incorporation 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 Properties. Such agreements shall require the consent of a majority of all directors of the Association.

Sections 22. Enforcement. The Board shall have the power 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 hereunder; provided, however, nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a Unit. 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 fine shall first be assessed against the occupant; provided, however, if the fine is not paid by the occupant within the time period set by the Board, the Owner 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.



639-85-2728

(a) Notice. Prior to imposition of any sanction hereunder, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than ten (10) days within which the alleged violator may present a written request to the Board of Directors for a hearing; and (iv) 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.

(b) Hearing. If a hearing is requested within the allotted ten (10) day period, the hearing shall be held in executive session affording the alleged violator 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 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. 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.

(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 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 following each annual meeting of the Voting Representatives, as herein set forth in Article III. 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 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. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Texas law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts between the provisions of Texas law, the Articles of Incorporation, the Declaration, and/or these By-Laws, then the provisions of Texas law, the Declaration, the Articles of Incorporation, 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 Articles of incorporation, any amendments to the foregoing, the rules and regulations of the Association, the membership register, 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 or Voting Representative, at the address which the Member or Voting Representative 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 Voting Representative; 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 amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. So long as it still owns property described in Exhibits "A" or "B" of the Declaration for development as part of the 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.



Thereafter and otherwise, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Voting Representatives representing seventy-five (75%) percent of the total Class "A" votes in the Association, including seventy-five (75%) percent of the Class "A" votes held by Members other than the Declarant, and the consent of the Class "B" Member, so long as such membership exists. In addition, the approval requirements set forth in Article XIV of the Declaration shall be met, if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to the effective must be recorded in the public records of Harris County, Texas.

If an Owner consents to any amendment to the Declaration or these By-Laws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

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.

## EXHIBIT C

Metes and Bounds Description  
1,361.576 Acres (59,310,267 Square Feet)  
Englebert Ruhl Survey, A-657  
W.M. Vickens Survey, A-822  
O.P. Hairgrove Survey, A-1636  
James W. Singleton Survey, A-701  
Harris County, Texas

Being a 1,361.576 acre (59,310,267 square feet) tract of land situated in the Englebert Ruhl Survey, A-657; W.M. Vickens Survey, A-822; O.P. Hairgrove Survey, A-1636 and the James W. Singleton Survey, A-701 in Harris County, Texas, and being the same land conveyed to Westbrook Lake Houston, L.P., a Delaware limited partnership in that certain deed dated August 19, 1997 and recorded under File Number S599198, Film Code Number 514-41-3064 of the Harris County Official Public Records of Real Property (H.C.O.P.R.R.P.). Said 1,361.576 acre tract being more particularly described by metes and bounds as follows, with all bearings referenced to the Texas Coordinate System, South Central Zone (NAD83, 1986 adjustment):

BEGINNING at a concrete monument found for the southeast corner of the herein described tract and being the recognized southeast corner of the Englebert Ruhl Survey, A-657, same being the recognized southwest corner of the David Harris Survey, A-26, and being located in the north line of the Victor Blanco Survey, A-2; said monument also being the southwest corner of a tract conveyed to SHCR Corporation and recorded under File Number P883570, Film Code Number 098-70-1240 of the H.C.O.P.R.R.P. and in the north line of a tract conveyed to Robert F. Wheless, Et al and recorded under File Number N007491, Film Code Number 199-77-1768 of the H.C.O.P.R.R.P.;

THENCE, South 87°23'57" West, 8701.68 feet along the south line of said Englebert Ruhl Survey, A-657, the north line of said Victor Blanco Survey, A-2, and the north line of the aforementioned Wheless tract to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southwest corner of the herein described tract and being the southeast corner of a 50-foot wide road easement as recorded under File Number F230895, Film Code Number 171-03-1828 of the H.C.O.P.R.R.P.;



539-85-2725

THENCE, North 02°02'31" West, 4123.81 feet along the east end of said 50-foot wide road easement and continuing along the east line of a 140-foot wide Harris County Flood Control District (H.C.F.C.D.) Drainage Fee Strip as recorded under File Number G017785, Film Code Number 123-93-0227 of the H.C.O.P.R.R.P. to a 5/8-inch iron rod found for the most westerly northwest corner of the herein described tract and being the southwest corner of a called 36.8849 acre tract as recorded under File Number L486085, Film Code Number 134-00-2045 of the H.C.O.P.R.R.P.; said rod also being located at the intersection of the east line of said 140-foot wide H.C.F.C.D. Drainage Fee Strip with the north line of a called 1.204 acre H.C.F.C.D. drainage easement as recorded under File Number K303520, Film Code Number 032-65-2416 of the H.C.O.P.R.R.P.;

THENCE, North 87°57'29" East, 1000.11 feet along the north line of said 1.204 acre drainage easement and south line of said 36.8849 acre tract to a 5/8-inch iron rod found for an angle point;

THENCE, South 89°10'34" East, 200.00 feet continuing along said common line to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for an angle point;

THENCE, North 87°57'29" East, 963.15 feet continuing along the north line of said 1.204 acre drainage easement to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the beginning of a tangent curve to the left and being in the southeasterly line of a called 48.2865 acre tract of land as recorded under File Number L486085, Film Code Number 134-00-2045 of the H.C.O.P.R.R.P.;

THENCE, along the common line between said 48.2865 acre tract and 1.204 acre drainage easement, the following courses:

477.80 feet along the arc of said curve to the left (Central Angle = 62°13'04"; Radius = 440.00 feet; Chord Bearing and Distance = North 56°50'57" East, 454.67 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for a point of a compound curve to the left;

663.18 feet along the arc of said curve to the left (Central Angle = 18°10'50"; Radius = 2090.01 feet; Chord Bearing and Distance = North 16°39'00" East, 660.40 feet) to a 5/8-inch iron rod found for a point of a reverse curve to the right;

306.36 feet along the arc of said curve to the right (Central Angle = 02°17'33"; Radius = 7656.81 feet; Chord Bearing and Distance = North 08°42'21" East, 306.34 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for a point of tangency;

North 09°51'08" East, 473.90 feet to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC" set for the intersection of said common line with the south right-of-way line of Will Clayton Parkway (100 feet wide right-of-way) as recorded in Volume 341, Page 35 of the Harris County Map Records (H.C.M.R.) and being in the arc of a non-tangent curve to the right;

THENCE, 167.58 feet along the arc of said curve to the right and said south right-of-way line of Will Clayton Parkway (Central Angle = 02°25'51"; Radius = 3950.00 feet; Chord Bearing and Distance = North 82°33'58" East, 167.57 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set at the northeast corner of a called 14.7367 acre H.C.F.C.D. drainage easement as recorded under File Number K420478, Film Code Number 039-71-2373 of the H.C.O.P.R.R.P and the northwest corner of a called 50.6000 acre tract of land as recorded under File Number L486085, Film Code Number 134-00-2045 of the H.C.O.P.R.R.P.;

THENCE, along the common line between said 14.7367 acre drainage easement and 50.6000 acre tract, the following courses:

South 09°51'08" West, 523.64 feet departing the south right-of way line of said Will Clayton Parkway to a 5/8-inch iron rod found for the beginning of a tangent curve to the left;

299.96 feet along the arc of said curve to the left (Central Angle = 02°17'33"; Radius = 7496.81 feet; Chord Bearing and Distance = South 08°42'21" West, 299.94 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for a point of a reverse curve to the right;

713.89 feet along the arc of said curve to the right (Central Angle = 18°10'44"; Radius = 2250.01 feet; Chord Bearing and Distance = South 16°38'57" West, 710.90 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southwest corner of said 50.6000 acre tract;

THENCE, South 73°44'30" East, 1250.63 feet along the south line of said 50.6000 acre tract and its extension, to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the beginning of a non-tangent curve to the right and being the southeasterly corner of Timber Forest Drive (100 feet wide right-of-way) as dedicated and recorded under File Number K988299, Film Code Number 074-63-0694 of the H.C.O.P.R.R.P.;



539-85-2727

THENCE, along the easterly right-of-way line of Timber Forest Drive, the following courses:

642.32 feet along the arc of said curve to the right (Central Angle =  $04^{\circ}24'27''$ ; Radius = 8350.00 feet; Chord Bearing and Distance = North  $18^{\circ}28'05''$  East, 642.16 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for point of tangency;

North  $20^{\circ}40'18''$  East, 655.24 feet to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the beginning of a tangent curve to the left;

507.68 feet along the arc of said curve to the left (Central Angle =  $10^{\circ}21'50''$ ; Radius = 2806.66 feet; Chord Bearing and Distance = North  $15^{\circ}29'23''$  East, 506.99 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for point of tangency;

North  $10^{\circ}18'28''$  East, 28.97 feet to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southwest corner of a radial cutback at the southeast corner of the intersection of Timber Forest Drive and Will Clayton Parkway and being the beginning of a tangent curve to the right;

THENCE, 38.29 feet along the arc of said radial cutback and curve to the right (Central Angle =  $87^{\circ}44'35''$ ; Radius = 25.00 feet; Chord Bearing and Distance = North  $54^{\circ}10'45''$  East, 34.65 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the point of tangency;

THENCE, South  $82^{\circ}19'47''$  East, 5.91 feet along the east right-of-way line of Will Clayton Parkway to a 5/8-inch iron rod found for angle point;

THENCE, North  $08^{\circ}02'33''$  East, 100.00 feet along the east end of Will Clayton Parkway to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southeast corner of a radial cutback at the northeast corner of the intersection of Timber Forest Drive and Will Clayton Parkway and being in the arc of a non-tangent curve to the right;

THENCE, 40.26 feet along the arc of said curve to the right and east right-of-way line of Timber Forest Drive (Central Angle =  $92^{\circ}15'25''$ ; Radius = 25.00 feet; Chord Bearing and Distance = North  $35^{\circ}50'25''$  West, 36.05 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the point of tangency;

THENCE, North  $10^{\circ}17'18''$  East, 234.40 feet along said easterly right-of-way line of Timber Forest Drive to a 5/8-inch iron rod found for the beginning of a tangent curve to the left;

539-85-2728

THENCE, 2340.96 feet along the arc of said curve to the left and easterly right-of-way line of Timber Forest Drive (Central Angle =  $33^{\circ}07'04''$ ; Radius = 4050.00 feet; Chord Bearing and Distance = North  $06^{\circ}16'14''$  West, 2308.51 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for point of tangency;

THENCE, North  $22^{\circ}49'46''$  West, 870.00 feet continuing along said easterly right-of-way line of Timber Forest Drive to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southwest corner of a radial cutback at the southeast corner of the intersection of Timber Forest Drive and Atascocita Road;

THENCE, 39.27 feet along the arc of said radial cutback and curve to the right and continuing along said easterly right-of-way line of Timber Forest Drive (Central Angle =  $90^{\circ}00'00''$ ; Radius = 25.00 feet; Chord Bearing and Distance = North  $22^{\circ}10'14''$  East, 35.36 feet) to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for a point of tangency and being in the southerly right-of-way line of said Atascocita Road (100 feet wide);

THENCE, North  $67^{\circ}10'14''$  East, 3742.43 feet along the southerly right-of-way line of Atascocita Road to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for an angle point;

THENCE, North  $67^{\circ}19'25''$  East, 1039.48 feet continuing along the south right-of-way line of Atascocita Road to a 5/8-inch iron rod found for the northeast corner of the herein described tract and the northwest corner of a called 65.720 acre tract as recorded under File Number S938756, Film Code Number 100-92-1198 of the H.C.O.P.R.R.P.; said rod also being in the common line of the James W. Singleton Survey, A-701 and the David Harris Survey, A-26;

THENCE, South  $02^{\circ}31'55''$  East, along the common line of the James W. Singleton Survey, A-701 and the David Harris Survey, A-26, at 977.86 feet pass a found 1 1/4-inch iron pipe, continuing in all a total distance of 3170.30 feet to a 5/8-inch iron rod found for the northeast corner of a called 25 acre tract as recorded in Volume 5, Page 45 of the H.C.M.R.; said point also being in the common line of the David Harris Survey, A-26 and the O.P. Hairgrove Survey, A-1636;

THENCE, South  $86^{\circ}17'47''$  West, 995.30 feet along the north line of said 25 acre tract, departing said common line of the David Harris Survey, A-26 and the O.P. Hairgrove Survey, A-1636, to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the northwest corner of said 25 acre tract;

THENCE, South  $03^{\circ}16'08''$  East, 1088.42 feet along the west line of said 25 acre tract to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southwest corner of said 25 acre tract;



THENCE, North 86°37'05" East, 831.18 feet to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the northwest corner of Harris County Municipal Utility District 106 (H.C.M.U.D. 106) Director Lot 7 as recorded under File Number J225045, Film Code Number 064-83-1376 of the H.C.O.P.R.R.P.;

THENCE, South 02°31'55" East, 100.01 feet to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southwest corner of said H.C.M.U.D. 106 Director Lot 7;

THENCE, North 86°37'05" East, 100.01 feet to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southeast corner of H.C.M.U.D. 106 Director Lot 6 as recorded under File Number J225047, Film Code Number 064-83-1380 of the H.C.O.P.R.R.P.;

THENCE, North 02°31'55" West, 100.01 feet to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the northeast corner of said H.C.M.U.D. 106 Director Lot 6 and being in the south line of said 25 acre tract;

THENCE, North 86°37'05" East, 50.01 feet along the south line of said 25 acre tract to a 3/4-inch iron rod with a plastic cap stamped "SURVCON INC." set for the southeast corner of said 25 acre tract; said rod also being in the common line of the David Harris Survey, A-26 and the Englebert Ruhl Survey, A-657;

THENCE, South 02°31'55" East, along said common line of the David Harris Survey, A-26 and the Englebert Ruhl Survey, A-657, at 89.78 feet pass a found 1-inch galvanized iron pipe, at 199.66 feet pass a found 5/8-inch iron rod, at 1443.01 feet pass a found 1/2-inch iron rod, at 2071.72 feet pass a found 1/2-inch iron pipe, at 2714.33 feet pass a found 1 1/4-inch iron pipe, at 3343.90 feet pass a found 1 1/4-inch iron pipe, continuing in all for a total distance of 3753.99 feet to a 1 1/4-inch iron pipe found for an angle point in the east line of the herein described tract and being the southwest corner of a called 100 acre tract as recorded under File Number S251895, Film Code Number 509-70-3364 of the H.C.O.P.R.R.P. and the northwest corner of a called 155.1495 acre tract as recorded under File Number P883570, Film Code Number 098-70-1240 of the H.C.O.P.R.R.P.;

THENCE, South 02°34'28" East, 2714.34 feet along the common line of the David Harris Survey, A-26 and the Englebert Ruhl Survey, A-657 and along the west line of said 155.1495 acre tract to the POINT OF BEGINNING containing within its bounds, a computed area of 1,361.576 acres (59,310,267 square feet) of land.

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 at Harris County, Texas on

MAY - 9 2001

6

RECORDER'S MEMORANDUM

AT THE TIME OF RECORDATION, THIS INSTRUMENT WAS FOUND TO BE INADEQUATE FOR THE BEST PHOTOGRAPHIC REPRODUCTION BECAUSE OF ILLEGIBILITY, CARBON OR PHOTO COPY, DISCOLORED PAPER, ETC.

\*\* TOTAL PAGE.007 \*\*



*Dorothy B. Kaufman*

COUNTY CLERK  
HARRIS COUNTY, TEXAS

RECORDS OF THE  
COURT OF THE STATE OF TEXAS  
COUNTY OF DALLAS  
FILE NO. 1000-2-2001  
MAY 2 2001

COURT CLERK  
JAMES C. CRAWFORD

