

**FIRST AMENDMENT TO THE BY-LAWS OF  
WORTHAM FALLS HOMEOWNERS ASSOCIATION**

WHEREAS, on October 28, 2002, Morrison Homes of Texas, Inc. filed and recorded the Declaration of Covenants, Conditions and Restrictions for Wortham Falls, Section 1 (the "Declaration"), under County Clerk's File Number W185179 of the Real Property Records of Harris County, Texas; and

WHEREAS, pursuant to the Declaration there has heretofore been formed an entity named Wortham Falls Homeowners Association, (hereinafter referred to as the "Association"), a Texas non-profit corporation, the purposes of which in general are the collection, expenditure and management of the maintenance assessments of the Association, enforcement of the Declaration for Wortham Falls, Section 1 providing for the maintenance, preservation and architectural control within the project, the general overall supervision of all the affairs and well being of the project and the promotion of the health, safety and welfare of the residents within the project; and

WHEREAS, the By-laws of Wortham Falls Homeowners Association (the "By-laws") provide for the internal governance of the Association and the rights and obligations of the owners, directors and officers created thereby.

WHEREAS, on October 8, 2007, the majority of the members present at a duly called meeting at which a quorum was present, have heretofore approved a change in the terms of the directors of the Association, all in accordance with applicable provisions of the Declaration and of the Articles of Incorporation and By-laws of the Association. Accordingly, the following provision of the By-laws is amended as follows:

Article 4(b) entitled Election shall be deleted and the following is substituted therefore:

*Article 4(b). Election. At the 2007 annual meeting, the members shall elect one (1) director for a term of three (3) years, one (1) director for a term of two (2) years, and one (1) director for a term of one (1) year. At each annual meeting thereafter, the members shall elect each director whose term has expired for a term of two (2) years. For convenience and clarity, the directors' positions for the 2007 annual meeting may be identified as follows:*

*Position 1 shall be for a term of three (3) years.*

*Position 2 shall be for a term of two (2) years.*

*Position 3 shall be for a term of one (1) year.*

*Each nominee shall stipulate only one position for which they seek office.*

WORTHAM FALLS HOMEOWNERS ASSOCIATION, by and through its Board of Directors hereby approves and consents to the foregoing First Amendment to the By-Laws for Wortham Falls Homeowners Association.



RECEIVED  
OCT 16 2007

By: John Cline, President

STATE OF TEXAS     §  
                             §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on the 8 day of October, 2007,  
by John Cline, President of Wortham Falls Homeowners Association, a  
Texas non-profit corporation, on behalf of said corporation.



Robin L. Motley  
NOTARY PUBLIC in and for the  
STATE OF TEXAS  
Name: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**BYLAWS OF**  
**WORTHAM FALLS HOMEOWNERS ASSOCIATION**  
**A NON-PROFIT CORPORATION**

1. Definitions. All words, terms and phrases used herein shall have the meaning set out in the (i) Declaration(s) of Covenants, Conditions and Restrictions (the "Declaration") applicable to any section of WORTHAM FALLS SUBDIVISION, said Declaration(s) to be recorded in the Official Public Records of Real Property of Harris County, Texas, said Declaration(s) covering all or part of those certain tracts or parcels of land being more specifically described as Wortham Falls, Section One (1), according to the map or plat thereof, recorded under County Clerk's File No. W025250, Film Code Reference No. 519280, Official Public Record of Real Property of Harris County, Texas), and (ii) the Articles of Incorporation for WORTHAM FALLS HOMEOWNERS ASSOCIATION, filed on October 24, 2002

2. Controlling Documents. In the event of any conflict between the terms and provisions of these Bylaws and the Declaration, the Declaration shall control over these Bylaws.

3. Meetings of Members.

(a) Annual Meetings. The first annual meeting of the Members shall be held on a date selected by the Board of Directors of the Association upon three (3) days prior written notice to the Members. Thereafter, each subsequent regular annual meeting of the Association shall be held at such time as may be set by the Board not less frequently than once every calendar year. At each annual meeting such business as the Members deem proper shall be transacted at such time. All meetings of the Association shall be scheduled for a time and place reasonably convenient to the Members. Membership in the Association shall be determined as set forth and contained in the Declaration.

(b) Notice. Notice of time, place and subject matter of all annual and special meetings shall be given to each Member by mailing such notice to such Member.

(c) Special Meetings. Special meetings of the Association may be called at any time for the purpose of considering matters which, by the terms of the Declaration, require the approval of all or some of the Members, or for any other reasonable purpose. Said meetings shall be called by written notice, signed by the President, or by the Members holding at least one-fourth (1/4) of the Class A votes and delivered not less than fifteen (15) days prior to the date fixed for said meeting. Said notices shall specify the date, time and place of the meeting, and the matters to be considered thereat.

(d) Quorum. The presence in person or by proxy of the Members entitled to cast one-tenth (1/10) of the votes of each class of votes shall constitute a quorum for holding any meeting of the Association, except as otherwise provided herein, the Articles of Incorporation or the Declaration. If, however, such quorum shall not be present or represented at any meeting of the Association, the Members present in person or represented by proxy shall have the power to adjourn and reconvene the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such reconvened meeting, at

which a quorum shall be present or represented by proxy, any business may be transacted as was set out in the notification of the original meeting.

(e) Proxies. At any meeting of the Association, votes may be cast in person or by proxy. Proxies must be filed with the Secretary of the Association at or before the appointed time of each meeting of the Association.

(f) Majority Vote. When a quorum is present at any meeting of the Association, the vote of a majority by Members present in person or by proxy at such meeting shall decide any question brought before such meeting unless the question is one upon which by express provisions of the Articles of Incorporation, the Declaration or the Bylaws, a different vote is required, in which case such express provision shall govern and control a vote on such question. Notwithstanding anything contained to the contrary herein, Class A Members shall be entitled to one (1) vote for each Lot owned and the Class B Member shall be entitled to three (3) votes for each Lot owned, until such time as the Class B membership is converted into Class A membership, on the happening of either of the following events, whichever shall first occur:

(1) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(2) August 1, 2012. The Class A and Class B members shall have no rights as such to vote as a class, except as required by the Texas Non-Profit Corporation Act, and both classes shall vote together upon all matters as one group.

(g) Cumulative Voting Prohibited. At all meetings of the Association, cumulative voting shall not be permitted.

#### 4. Board of Directors.

(a) Number and Qualification. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be Members.

(b) Election. At the first annual meeting of the Association, the Members shall elect three (3) Directors for a term of one year. At each annual meeting thereafter, the Association shall elect Directors for a term of three years, as vacancies occur by expiration of a Director's term of office. The Board in its discretion may elect a Chairman of the Board who shall preside at Board meetings and generally manage the affairs of the Board; otherwise, the President of the Corporation shall preside.

(c) Removal and Vacancies. Any Director may be removed from the Board, with or without cause, by a two-thirds (2/3) vote of the Members voting in person or by proxy at a special meeting called for such purpose or at an annual meeting. In such an event, a successor for such Director as has been removed shall be selected by a vote of the Members. Except as to vacancies provided by removal of Directors by vote of the Members, vacancies in the Board occurring between annual meetings of the Association shall be filled by the remaining Directors. Notwithstanding anything contained herein seemingly to the contrary, no Director appointed by the Declarant may be removed by a vote of the Members prior to the first annual meeting of the

Association called by the Declarant; and, provided further, the Declarant may, at any time and from time to time, remove and replace any Director appointed by the Declarant.

(d) Compensation and Expenses. No member of the Board shall receive any compensation from the Association for acting as such but shall be reimbursed for reasonable expenses incurred while serving in such capacity.

(e) Action by Written Consent. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

(f) Organization Meeting. The organization meeting of a newly elected Board shall be held within ten (10) days of their election at a place and time as shall be fixed by the Directors so elected at the meeting at which they were elected, and no further notice of the organization meeting shall be necessary.

(g) Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings shall be given to each Director, personally or by mail, telephone or telegraph, at least three (3) days prior to the date named for such meeting.

(h) Special Meetings. Special meetings of the Directors may be called by the President and must be called by the Secretary at the written request of two (2) of the Directors. Not less than three days' notice of the meeting shall be given personally by mail, telephone or telegraph, which notice shall state the time, place and purpose of the meeting.

(i) Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting and such waiver, if in writing and signed by such Director, shall be deemed equivalent to the giving of notice.

(j) Quorum. A quorum at Board meetings shall consist of a majority of the entire Board. The acts approved by a majority of those present at a meeting at which a quorum is present shall constitute the acts of the Board, except where approval by a greater number is required by the Declaration or by the Bylaws.

(k) Consent to Action. The joinder of a Director in the action of a meeting by signing and concurring in the minutes thereof shall constitute the presence of such Director for the purpose of determining a quorum.

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

(m) Election. Election to the Board shall be by secret written ballot, at which election the Members may cast, in person or by proxy, in respect to each vacancy, such votes as they are entitled to exercise under the provisions of the Declaration. Persons receiving the largest number of votes shall be elected. Cumulative voting shall not be permitted.

5. Powers and Duties of the Board of Directors.

(a) The Board shall have power to:

(1) adopt and publish rules and regulations governing the use of the Common Properties and Facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction therefor;

(2) suspend the voting rights and right to use of the Common Properties and Facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations;

(3) exercise on behalf of the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

(4) declare the office of a member of the Board to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and

(5) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

(b) It shall be the duty of the Board to:

(1) Cause to be kept a complete record of all of its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A Members who are entitled to vote;

(2) supervise all officers, agents and employees of this Association, and see that their duties are properly performed:

(3) as more fully provided in the Declaration:

(i) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(ii) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(iii) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the Owner personally obligated to pay the same.

(4) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such a certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(5) procure and maintain adequate liability and hazard insurance covering the Association, the Board and any property owned by the Association as it may deem appropriate;

(6) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(7) cause the Common Area and Facilities to be maintained, including but not limited to trimming, watering and trash pick-up, as necessary; and

(8) cause Lots to be maintained as called for by the Declaration in the event of assignment to the Association of such right and obligation by Declarant (defined therein).

6. Officers.

(a) The Executive Officers of the Association shall be a President, who shall be a Director, a Vice President, who shall be a Director, a Secretary and a Treasurer, all of whom shall be elected annually by the Board and who may be peremptorily removed by vote of the Board at any meeting. Any person may hold two or more offices except that the President shall not also be the Secretary. The Board shall from time to time elect such other officers and designate their powers and duties as the Board shall find to be required to manage the affairs of the Association.

(b) The President shall be the chief executive officer of the Association and shall have all of the powers and duties which are usually vested in the office of the President of an organized association, including, but not limited to, the power to appoint committees from among the Members from time to time that, in the exercise of discretion are determined appropriate, to assist in the conduct of the affairs of the Association.

(c) The Vice President shall, in the absence or disability of the President, exercise the powers and perform the duties of the President and shall also generally assist the President and exercise such other powers and perform such other duties as shall be prescribed by the Board.

(d) The Secretary shall keep the minutes of all proceedings of the Board and Association and shall attend to the giving and serving of all notices to the Homeowners and Directors and other notices required by law, shall keep the records of the Association, and shall

perform all other duties incident to the office of Secretary of an organized association and as may be required by the Board of the President.

(e) The Treasurer shall have custody of all property of the Association, including funds, securities and evidences of indebtedness and shall keep the books of the Association in accordance with good accounting practices and shall perform all other duties incident to the office of Treasurer of an organized association and as may be required by the Board or the President.

(f) The compensation of all officers and employees of the Association shall be fixed by the Board. This provision shall not preclude the Board from employing a Director as an employee of the Association.

7. Delegation of Board Duties. Notwithstanding anything contained herein otherwise to the contrary, the Board may delegate any of its duties, powers or functions to a Manager, provided that any such delegation shall be revocable upon notice by the Board. The members of the Board shall not be liable for any omission or improper exercise by the Manager of any such duty, power or function so delegated by written instrument executed by a majority of the Board.

8. Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

9. Assessments. As more fully provided in the Declaration, each Owner is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen per cent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessment provided for herein by nonuse of the Common Properties or Facilities or abandonment of his Lot.

10. Corporate Seal. The Association shall have a seal in circular form having within its circumference the words: "WORTHAM FALLS HOMEOWNERS ASSOCIATION."

11. Amendments. Subject to the provisions of Section 3(f) above, these Bylaws may be amended, at a regular or special meeting of the Members, by vote of a majority of a quorum of Members present in person or by proxy, provided, however, any amendment to the Bylaws will require the prior approval of the Housing and Urban Development/Veterans Administration as long as there is a Class B membership in the Association as set forth and contained in the Declaration.



12. Severability. The invalidity of any provision or provisions of these Bylaws shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of these Bylaws, and in such event, all of the other provisions of these Bylaws shall continue in full force and effect as if such invalid provision had never been included herein.

IN WITNESS WHEREOF, these Bylaws are adopted by the Directors of WORTHAM FALLS HOMEOWNERS ASSOCIATION as the Bylaws of the Association, this 28<sup>th</sup> day of October, 2002.

James Black  
James Black

Bill Ulrich  
Bill Ulrich

Scott Teeter  
Scott Teeter

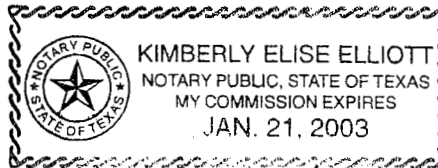
THE STATE OF TEXAS   §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on the 28th day of October, 2002 by James Black.

Kimberly Elise Elliott  
Notary Public in and for the State of Texas

My Commission Expires:  
Jan. 21, 2003

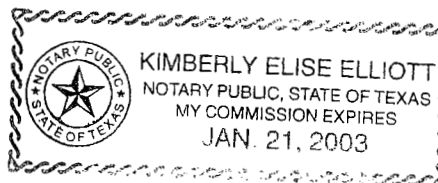
THE STATE OF TEXAS   §  
                                  §  
COUNTY OF HARRIS   §



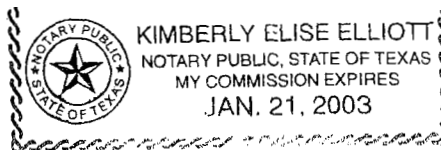
This instrument was acknowledged before me on the 28<sup>th</sup> day of October, 2002 by Bill Ulrich.

Kimberly Elise Elliott  
Notary Public in and for the State of Texas

My Commission Expires:  
Jan. 21, 2003



THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HARRIS     §



This instrument was acknowledged before me on the 28<sup>th</sup> day of October, 2002 by  
Scott Teeter.

Kimberly Elise Elliott  
Notary Public in and for the State of Texas

My Commission Expires:  
JAN. 21, 2003