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**AMENDED BY-LAWS OF
BLUE CREEK (HOUSTON) HOMEOWNERS' ASSOCIATION, INC.
(A Texas Non-Profit Corporation)**

**ARTICLE I
DEFINITIONS**

Section 1 Definitions

- a. All terms used herein, such as (but not by way of limitation) "owners", "lot", "land", "Areas of Common Responsibility", "Declarant", and "assessments" shall have the same meanings as set forth in that certain Declaration of Covenants, Conditions and Restrictions filed of record as instrument number V921480 of the Real Property Records of Harris County, Texas.
- b. "Act" shall refer to the Texas Non-Profit Corporation Act, as amended from time to time.
- c. "ACC Committee" shall refer to the Architectural Control Committee.

**ARTICLE II
NAME**

Section 1 Name. The name of this corporation shall be Blue Creek (Houston) Homeowners' Association, Inc. (hereinafter called the "Association").

**ARTICLE III
OFFICES OF THE ASSOCIATION**

Section 1 Principal Office. The initial principal office of the Association shall be located at 9990 Richmond, Suite 400, Houston, Texas, 77042, but meetings of members and directors may be held at such place within the State of Texas as may be designated by the Board of Directors. The Board of Directors has full power and authority to change the principal office.

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

Section 3 Registered Agent. Registered Agent. The name of the registered agent of the corporation at its address is William G. Gammon & Associates PC, 1 Greenway Plaza, Suite 1005, Houston, TX 77046. The Board of Directors has full power and authority to change the registered agent. Any such change must be accompanied by the filing of the requisite form required by the Secretary of State of Texas.

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ARTICLE IV
ASSOCIATION RESPONSIBILITIES AND MEETINGS OF MEMBERS

- Section 1 Association Responsibilities. The members will constitute the Association, which shall be responsible for administering and enforcing the covenants, conditions and restrictions contained in the Declaration, including with respect to the collection and disbursement of charges and assessments as provided therein, and coordinating with other homeowners' associations in the adjacent subdivisions in administering and enforcing such covenants, conditions and restrictions through their respective boards of directors. In the event of any dispute or disagreement between any members relating to the land, or any questions of interpretation or application of the provisions of the Declaration, Articles of Incorporation or these Bylaws, such dispute or disagreement shall be submitted to the Board of Directors of the Association. The resolution of such dispute or disagreement by such Board of Directors shall be binding on each and all such members, subject to the right of members to seek other remedies provided by law after such determination by such Board of Directors.
- Section 2 Place of Meeting. Meetings of the Association shall be held at such suitable place, reasonably convenient to the members, within the State of Texas, County of Harris, as the Board of Directors may determine.
- Section 3 Annual Meetings. The annual meeting of the Association shall be held in the month of October of each year; the date, place and hour shall be designated by the Board of Directors. Elections shall be held for all expired terms. In the event that no quorum is obtained the expired term(s) shall be filled by the incumbent or if no incumbent filled by a Board appointee.
- Section 4 Notice of Meetings. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered by the Secretary or Assistant Secretary of the Association not less than fifteen (15) nor more than thirty (30) days before the date of the meeting, either personally or by mail, to each member of record entitled to vote at such 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 books of the Association, with postage thereon prepaid. Business transacted at any special meeting shall be confined to the purposes stated in the notice or waiver thereof.
- Section 5 Quorum. The holders of one-tenth (1/10) of the votes of each class of membership, represented in person or by proxy, shall constitute a quorum for any meetings of members except as otherwise provided in the Articles of Incorporation, the Declaration or the By-Laws. If, however, such quorum shall not be present or represented at any meeting of the members, the members present, or represented by

proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which may have been transacted at the meeting as originally notified.

Section 6 Annual Meetings. The first meeting of the Association shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter unless otherwise determined by the Board. At such meetings, there shall be elected a Board of Directors by ballot of the members in accordance with the requirements of Article V of these By-Laws. The members may also transact such other business of the Association as may properly come before them at such meeting. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following such day which is not a legal holiday.

Section 7 Special Meetings. It shall be the duty of the President of the Association to call a special meeting of the members as directed by resolution of the Board of Directors or upon receipt of a written request of members entitled to vote at least one-fourth (1/4) of all of the votes of either class of membership. No business except as stated in the notice shall be transacted at a special meeting of the members. Any such meetings shall be held after the first annual meeting and shall be held within forty-five (45) days after receipt by the President of such request.

Section 8 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon conveyance by a member of his lot.

Section 9 Voting by Association and Members. The Association shall not be a voting member of the Association by virtue of its ownership of any lot.

- a. Each owner of a Lot shall be entitled to one vote per lot. Where more than one person holds an interest in any Lot, all such persons shall be Members, but the vote for such lot shall be exercised as they among themselves determine, and in no event shall more than one vote be cast with respect to any Lot.
- b. Only Members in good standing are entitled to vote.
 - i. A Member is considered to be in good standing who is not in default on any annual assessment, approved payment plan, or fine levied by the Association and whose voting rights have not been suspended for violations of the

covenants, conditions, and restrictions contained in the Declaration and these By-Laws.

(1) in the case of a fine levied by the Association, a member who has not paid a levied fine is only not entitled to vote if he/she was given notice of the levied fine by certified return receipt and he/she did not in writing request a hearing before the Board of Directors to appeal the levying of the fine within the time period allowed as stated in the notice of the levying of the fine.

c. At all meetings of the Association, there shall be no cumulative voting. Prior to all meetings the Board of Directors shall determine the number of votes outstanding and the number entitled to vote by the members.

Section 10 Minutes. Minutes of all meetings shall be kept in a business like manner and be available for inspection by the members at all reasonable times.

Section 11 Order of Business. The order of business at all meetings of the Members shall be as follows:

- a. Roll call and certifying proxies;
- b. Proof of notice of meeting or waiver of notice;
- c. Reading and disposal of unapproved minutes of prior meetings;
- d. Reports of officers;
- e. Reports of committees;
- f. Election of directors to expired term positions on the Board of Directors;
- g. Unfinished business;
- h. New business; and
- i. Adjournment

Section 12 Membership List. The officer or agent having charge of the membership books shall make, at least five (5) days before each meeting of members, a complete list of the members entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and number of votes held by each, which list, for a period of five (5) days prior to such meeting, shall be kept on file at the principal office or registered agent's office of the Association, and shall be subject

to inspection by any member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any member during the whole time of the meeting. The original member books shall be prima facie evidence as to who are the members entitled to examine such list or to vote at any such meeting of members.

Section 13 Action Taken Without a Meeting. Any action required by statute to be taken at an annual or special meeting of the members, or any action which is otherwise permitted by law or by these By-Laws, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of members. Subject to the provisions required or permitted by statute for notice of meetings, unless otherwise restricted by the Articles of Incorporation or these By-Laws, the members may participate in and hold a meeting by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other.

ARTICLE V BOARD OF DIRECTORS

Section 1 Number. The affairs of the Association should be governed by a Board of Directors consisting of five (5) members but at no time shall there be less than three (3) members of the Board of Directors.

Section 2 Qualification. A member of the Board of Directors must be:

- a. a member of the Association;
- b. a resident owner of a Lot in the Association;
- c. must not have been delinquent in his/her assessments within the previous 12 months prior to the date of election; and
- d. must undergo and pass a criminal background check.

Section 3 Training. Each member of the Board of Directors shall attend four hours of training every 12 months.

Section 4 Elections and Term of Office. The term of office for each Board of Director shall be three (3) years and shall be staggered so that at least one but not more than two positions are up for election each year. Such term may be extended only for the purposes delineated in Article VI, Section 1(f) of these By-Laws.

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- a. Elections for expired terms of Board of Directors' positions shall be held at an annual meeting of the Association.
 - i. The nominees receiving the highest number of votes shall be elected.
 - ii. There shall be no cumulative voting.

Section 5 Vacancies. Vacancies in the Board of Directors caused by death, resignation or disqualification (i.e., by any reason other than the removal of a Director by a vote of the Association as set forth in Section 6(c) hereof shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum, and each person so elected shall be a Director until his successor is elected at the next annual meeting of the Association to serve out the unexpired term (if any) of his predecessor in office. Vacancies in the Board of Directors caused by a removal of a Director by a vote of the Association shall be filled in the manner set forth in Section 6(c) hereof.

Section 6 Addition of Board of Directors. The number of Directors may be increased by the vote of the Members of the Association or the Board of Directors at a regular or special meeting of the Members or Board of Directors by a vote of a majority of a quorum of Members or Board Members present in person or by proxy. In the event of an increase in the number of members of the Board of Directors, the term of the new directorship position shall be set so as to comply with the staggered system as defined in Article V, Section 4.

- a. If new directorships are created and filled by the Board between annual meetings, the newly elected members to the Board of Directors shall serve until the next annual meeting. At that next annual meeting the newly created position on the Board of Directors shall be filled by election in accordance with Article V, Section 4 of these By-Laws.

Section 7 Removal of Directors.

- a. A majority of the Board of Directors shall remove a Board of Director only for cause as follows:
 - i. for failure to discharge his/her duties including but not limited to the oversight of the management of the Association, the oversight of contractors, the enforcement of deed restrictions, participating in resolution of member issues, attendance of meetings in accordance with Article VI , Section h of these By-Laws;
 - ii. for advocacy and/or acts in support of any platform that is detrimental to the purposes of the Association;

- iii. for dissemination of knowingly false information about the Association;
- iv. for disparagement of the Association;
- v. for advocacy and/or acts in support of a personal agenda that is in conflict with the Association's purpose;
- vi. for incompetency;
- vii. for any malfeasance; and
- viii. for any conviction of a crime.

b. Removal of a Board of Director by the Board of the Directors shall take place at a regular Board or special Board meeting.

- i. Any member of the Board of Director, whose removal was proposed by the Board of Directors shall be given an opportunity to be heard within thirty (3) days of the removal.

c. At any annual or special meeting of the membership that is duly called and at which a quorum is present, the membership may remove a Board of Director, whose term is unexpired, only for cause in accordance with Article V, Section 7(a) of these By-Laws. Any Board of Director whose removal was proposed by the members shall be given an opportunity to be heard at the annual or special meeting. In the event that such Director is removed at the annual or special meeting, his/her successor shall be elected then and there to fulfill the remainder of the unexpired term.

Section 8 Resignation. Any member of the Board of Directors may resign at any time. In order to do so, the member of the Board of Directors must submit to the Secretary of the Association his/her resignation in writing to which must be affixed his/her signature. Such resignation shall take effect on the date such notice is received, or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9 Organizational Meeting. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the members at the annual meeting, and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the members to fix the time and place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the members, the meeting shall be held

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within fourteen (14) days after the annual meeting of the members at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally constitute such meeting, provided a quorum of the Board of Directors shall be present.

Section 10 Regular Meetings. Regular Meetings of the Board of Directors should be held monthly. However, in no event shall there be less than one (1) Board of Directors meeting per quarter per calendar year.

a. For regularly established meetings no notice is necessary.

Section 11 Special Meetings. Special Meetings shall be held when called by the President of the Association or any two Directors, after not less than 3 days notice to each Director.

Section 12 Presiding Officer. The presiding officer at all Board meetings shall be the President. In the absence of the President, the other Directors shall designate any one of their numbers to preside.

Section 13 Notice of Director Meetings. Notice may be made by mail, electronic mail, in person, or telephone.

a. Waiver of Notice. Before or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time and place thereof. If all of the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 14 Meeting by Electronic Means. Members of the Board of Directors may participate in meetings by means or similar communications equipment by means of which all persons participating can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at the meeting.

Section 15 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the Directors in office shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. Directors present by proxy may not be counted toward a quorum. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting, any business which might

have been transacted at the meeting as originally called may be transacted without further notice.

Section 16 Compensation. No member of the Board of Directors shall receive any compensation for acting as such. However, any Director may be reimbursed for his/her actual expenses incurred in the performance of his/her duties as well as receive the current State rate for mileage while on Association business.

Section 17 Minutes. Minutes of all meetings shall be kept in a business like manner and be available for inspection by the members at all reasonable times.

Section 18 Action Taken Without Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at any meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

Section 19 Nominations and Election of Directors. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of a member of the Association. The Nominating Committee shall be appointed by the Board of Directors 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 of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from members only.

- a. Each Member nominated to the Board of Directors, be it from the nominating committee or from the floor at the annual meeting, shall complete a Board of Director Approved nomination questionnaire.
- b. Any time the membership of the Board of Directors changes, the appropriate form designated by the Secretary of State shall be filed in said Office indicating the names and addresses of the members of the Board of Directors so that at all times the membership of the Board of Directors will be current and accurate.

ARTICLE VI POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1 Powers. The Board of Directors shall have the power to:

- a. adopt and publish rules and regulations governing the use of the common areas and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b. to enforce the covenants, conditions, and restrictions contained in the Declaration and these By-Laws and to adopt, establish, and publish penalties and fines for infractions thereof;
- c. to enter upon any lot in the Association to give notice of any violation of the covenants, conditions, and restrictions contained in the Declaration and these By-Laws or to conduct Association business. This provision shall apply to any person appointed by the Board of Directors to conduct such business including but not limited to independent contractors, employees, or other such persons;
- d. to enter upon any lot in the Association only in so far as necessary to remedy any violation of the covenants, conditions, and restrictions contained in the Declaration and these By-Laws. This provision shall apply to any person appointed by the Board of Directors to carry out this function including but not limited to independent contractors, employees, or other such persons;
- e. to employ a manager, an independent contractor, or other such employee as it deems necessary to prescribe its duties;
- f. to institute staggered terms of office and to extend such terms as necessary, at initial institution of staggered terms of office, in order to accommodate the staggering of the terms of office.
- g. to suspend the voting rights of a member during any period in which such member shall be in default of any assessment, payment plan, or fine levied by the Association.
 - i. A member's voting rights may be suspended, after notice and an opportunity for a hearing, for a period not to exceed sixty (60) days for infractions of the covenants, conditions, and restrictions contained in the Declaration and these By-Laws.
 - (1) If after a hearing a member wishes to appeal the determination their voting rights, such member may request mediation.
- h. to declare the office of a member of the Board of Directors vacant in the event that such member shall be absent from three (3) consecutive meetings of the meetings of the Board of Directors or fails to attend at least fifty percent (50%) of all duly called Board meetings in a six month period of office;
- i. Adopt and publish rules regarding the conduct of Board of Directors' meetings.

- j. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of the land in keeping with the character and quality of the area in which it is located. The business and affairs of the Association shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Association and do all such lawful acts and things that are not by statute, the Articles of Incorporation, these By-Laws or the Declaration directed or required to be exercised or done by the members

Section 2 No waiver of Rights. The omission or failure of the Association or any member to enforce the covenants, conditions, restrictions, easements, uses, liens, limitations, obligations or other provisions of the Declaration, these By-Laws or the rules and regulations adopted pursuant thereto or hereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors shall have the right to enforce the same at any time thereafter.

Section 3 Duties

- a. The Association shall be responsible for administering and enforcing the covenants, conditions and restrictions contained in the Declaration and these By-Laws, including with respect to the collection and disbursement of charges and assessments as provided therein, and coordinating with other homeowners' associations in the adjacent subdivisions in administering and enforcing such covenants, conditions and restrictions through their respective boards of directors. In the event of any dispute or disagreement between any members relating to the land, or any questions of interpretation or application of the provisions of the Declaration, Articles of Incorporation or these By-Laws, such dispute or disagreement shall be submitted to the Board of Directors of the Association. The resolution of such dispute or disagreement by such Board of Directors shall be binding on each and all such members, subject to the right of members to seek other remedies provided by law after such determination by such Board of Directors.
- b. The Board of Directors shall:
- i. maintain the common areas,
 - ii. maintain and/or increase the property values of the lots in the Association subject to market conditions,
 - iii. manage the operations of the Association,

- iv. Establish a records retention policy, which shall be reviewed at least every five years,
- v. issue, or to cause an appropriate officer to issue, upon demand by any member or title company person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board of Directors for the issuance of these certificates;
- vi. supervise all officers, agents, and employees of the Association and see that their duties are properly performed;
- vii. file or cause to have filed all federal, state, and local required government documents with appropriate department or agency as specified by law;
- viii. cause all officers or employees having fiscal responsibility to be bonded/insured as it may deem appropriate;

c. The Board of Directors shall

- i. fix the amount of the annual assessments against each lot at least thirty (30) days in advance of each annual assessment period;
- ii. send written notice of each assessment to every lot owner at least thirty (30) days in advance of each annual assessment.

Section 4 Financials

a. Reserves

- i. The Board of Directors shall establish and maintain a capital reserve fund of not less than \$150,000.
 - (1) The purpose of the capital reserve fund is to provide for future major capital expenditures. It shall not be used as an operating fund nor shall it be used for contingencies or unusual expenditures.
 - (2) Upon initial establishment of the capital reserve fund, the Board of Directors shall create and implement a plan to fund the reserve account.
 - (3) Once the capital reserve fund after initial establishment reaches the required minimum amount, in the event that the reserve funds fall

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below the minimum amount, within that same year, there must be a resolution detailing the plan of replenishment.

- (a) Before any expenditure may be made from the capital reserve fund, the members of the Association must be notified in writing of the reason for and estimated amount of the expenditure at least ten (10) days before such expenditure.
 - (4) The capital reserve fund shall be reviewed every two (2) years and shall be updated to include any changes in replacement costs, changes in useful service lives, any technological developments, etc.
- ii. The Board of Directors shall establish and maintain an operating reserve fund. The unappropriated members' equity account may serve as the excess operating fund.
- (1) The purpose of the operating reserve fund is to provide for emergencies, contingencies, and unexpected expenses such as increases in utilities and other operating expenses.
 - (2) The operating reserve account should be between ten (10) and twenty (20) percent of the Association's annual assessments.
 - (3) The operating reserve account shall be reviewed annually.
- iii. The Board of Directors shall establish and maintain an investment policy.
- (1) The investment policy, after initial establishment, shall be reviewed and/or revised as needed.

ARTICLE VII OFFICERS

Section 1 Designation. The officers of the Association shall be a President, one (1) or more Vice-Presidents, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, appoint. Such officers need not be members of the Board of Directors. The office of Secretary and Treasurer may be held by the same person, and the office of Vice-President and Secretary or Assistant Secretary may be held by the same person.

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- Section 2 Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors, and such new officers shall hold office subject to the continuing approval of the Board of Directors.
- Section 3 Resignation and Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor appointed at any regular or special meeting of the Board of Directors called for such purpose. An 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 such notice is received, or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.
- Section 4 Vacancies. A vacancy in any office due to the death, resignation, removal or other disqualification of the officer previously filling such office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.
- Section 5 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from the members from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association, or as may be established by the Board of Directors or by the members of the Association at any annual or special meetings.
- Section 6 Vice-President. The Vice-President shall have all the powers and authority and perform all the functions and duties of the President in the absence of the President or his inability for any reason to exercise such powers and functions or perform such duties, and shall also perform any duties he is directed to perform by the President.
- Section 7 Secretary. The Secretary shall keep all of the minutes of the meetings of the Board of Directors and the Association. The Secretary shall have charge of such books and papers as the Board of Directors may direct, and shall, in general, perform all the duties incident to the office of Secretary as provided in the Declaration, Bylaws and Articles of Incorporation.
- a. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of the members and their last known addresses as shown on the records of the Association. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

Section 8 Assistant Secretary. The Assistant Secretary, if any, shall have all the powers and authority to perform all the functions and duties of the Secretary in the absence of the Secretary or in the event of the Secretary's inability for any reason to exercise such powers and functions or to perform such duties, and also to perform any duties as directed by the Secretary.

Section 9 Treasurer. The Treasurer shall have custody of and be responsible for Association funds and for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall deposit all monies and other valuable effects in the name and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors.

- a. The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer, and of the financial condition of the Association.

ARTICLE VIII INDEMNIFICATION OF OFFICERS AND DIRECTORS

Section 1 Indemnification.

- a. The Association shall indemnify, to the extent provided in the following paragraphs, any person who is or was a director, officer, agent or employee of the Association. In the event the provisions of indemnification set forth below are more restrictive than the provisions of indemnification allowed by Article 1396-2.22A of the Texas Non-Profit Corporation Act (the "Act"), then such persons named above shall be indemnified to the full extent permitted by the Act as it may exist from time to time.
- b. In case of a threatened or pending suit, action or proceeding (collectively, "Suit"), whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), against a person named in paragraph (a) above by reason of such person's holding a position named in such paragraph (a), the Association shall indemnify such person, if such person satisfies the standard contained in paragraph (c) below, for amounts actually and reasonably incurred by such person in connection with the defense or settlement of the Suit as expenses (including court costs and attorneys' fees), amounts paid in settlement, judgments, penalties (including excise and similar taxes), and fines.
- c. A person named in paragraph (a) above will be indemnified only if it is determined in accordance with paragraph (d) below that such person:

- i. acted in good faith in the transaction which is the subject of the Suit; and
- ii. reasonably believed:
 - (1) if acting in his or her official capacity as director, officer, agent or employee of the Association, that his or her conduct was in the best interests of the Association; and
 - (2) in all other cases, his or her conduct was not opposed to the best interests of the Association; and
 - (3) in the case of any criminal proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

The termination of a proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, will not, of itself, create a presumption that such person failed to satisfy the standard contained in this paragraph c.

- d. A determination that the standard in paragraph c above has been satisfied must be made:
 - i. by the Board of Directors by a majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding; or
 - ii. if such quorum cannot be obtained, by a majority vote of a committee of the Board of Directors designated to act in the matter by a majority vote of all Directors, consisting solely of two (2) or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or
 - iii. by special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in subparagraphs i or ii above, or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.
- e. Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by subparagraph (c) above for the selection of special legal counsel.

- f. The Association may reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under paragraphs (a) through (e) above, but only in accordance with the provisions as stated in paragraph (d) above, and only after the person to receive the payment (i) signs a written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under paragraph (c) above, and undertakes (ii) in writing to repay such advances if it is ultimately determined that such person is not entitled to indemnification by the Association. The written undertaking required by this paragraph must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment.
- g. The indemnification provided by paragraphs (a) through (e) above will not be exclusive of any other rights to which a person may be entitled by law, bylaw, agreement, vote of members or disinterested Directors, or otherwise.
- h. The indemnification and advance payment provided by paragraphs (a) through (f) above will continue as to a person who has ceased to hold a position named in paragraph (a) above and will inure to such person's heirs, executors and administrators.
- i. The Association may purchase and maintain insurance on behalf of any person who holds or has held any position named in paragraph (a) above against any liability incurred by such person in any such position, or arising out of such person's status as such, whether or not the Association would have the power to indemnify such person against such liability under paragraphs a through (f) above.
- j. Indemnification payments and advance payments made under paragraphs (a) through (i) above are to be reported in writing to the members of the Association in the next notice or waiver of notice of annual meeting, or within twelve (12) months after the payments are made, whichever is sooner.
- k. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason of or arising out of, or in connection with, the foregoing indemnification provisions shall be treated and handled by the Association as an expense subject to special assessment.

Section 2 The Board of Directors, officers, or representatives of the Association shall enter into contracts or other commitments as agents for the Association, and they shall have no personal liability for any such contract or commitment (except such liability as may be ascribed to them in their capacity as Owners).

Section 3 Interested Directors and Officers.

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- a. If paragraph (b) below is satisfied, no contract or transaction between the Association and any of its Directors or officers (or any other corporation, partnership, association or other organization in which any of them directly or indirectly have a financial interest) shall be void or voidable solely because of this relationship or because of the presence or participation of such Director or officer at the meeting of the Board of Directors or committee thereof which authorizes such contract or transaction, or solely because such person's votes are counted for such purpose.
 - b. The contract or transaction referred to in paragraph (a) above will not be void or voidable if:
 - i. the contract or transaction is fair to the Association as of the time it is authorized, approved or ratified by the Board of Directors, a committee of the Board of Directors, or the members; or
 - ii. the material facts as to the relationship or interest of each such Director or officer as to the contract or transaction are known or disclosed (A) to the members entitled to vote thereon and they nevertheless in good faith authorize or ratify the contract or transaction by a majority of the members present, each such interested person to be counted for quorum and voting purposes, or (B) to the Board of Directors or a committee of the Board of Directors and the Board of Directors or committee nevertheless in good faith authorizes or ratifies the contract or transaction by a majority of the disinterested Directors present, each such interested Director to be counted in determining whether a quorum is present but not in calculating the majority necessary to carry the vote.
 - c. The provisions contained in paragraphs (a) and (b) above may not be construed to invalidate a contract or transaction which would be valid in the absence of such provisions.

ARTICLE IX RESTRICTION ON USE OF LOTS

Section 4 Applicability Owners, their family members, guests, invitees or lessees and their family members, guests, or invitees must adhere to all the restrictions in this Article. The owner will be held responsible for any violations by his or her family members, guests, invitees, lessees and their family members, guests, or invitees.

Section 5 Restriction on Resubdivision. No Lot shall be subdivided into smaller lots.

Section 6 Residential Use

- a. The Subdivision shall be a single-family residential subdivision and shall be used solely for residential purposes.
 - i. Each residence shall be limited to occupancy by only one family consisting of persons related by blood, adoption, or marriage or no more than two unrelated persons residing together as a single housekeeping unit. At no time shall there be more than 2 person per the number of bedrooms contained in the dwelling.
- b. No building shall be erected, altered, placed, or permitted to remain on any Lot other than one(1) detached single family residence per Lot, which residence may not exceed two and one-half stories in height and a private garage as provided below, which residence shall be constructed to minimum Federal Housing Authority (FHA) and Veteran's Administration (VA) standards, unless otherwise approved in writing by the Association.
- c. No Lot or improvement thereon shall be used for a business, professional, commercial or manufacturing purpose of any kind for any length of time. No business activity may be conducted on the Lot which is not consistent with single family residential purposes. Nothing in this subparagraph shall prohibit an Owner's use of a residence for quiet, inoffensive activities such as tutoring or giving art lessons so long as such activities do not materially increase the number of cars parked on the street or interfere with adjoining homeowners' peaceful use and enjoyment of their residences and yards.
- d. No obnoxious, unpleasant, unsightly, or offensive activity shall be carried on, nor may anything be done, which can be reasonably be construed to constitute a nuisance, public or private in nature. No owner may cause or permit any obnoxious noises or odors or cause any condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of the other dwellings in the Subdivision.. Any question with regard to the interpretation of this section shall be decided by the Board of Directors whose decision shall be final.
- e. Nothing shall be done or kept on a lot or on the common area that would increase the rate of insurance relating to a lot or the common area without the prior written consent of the Association. No owner or owners shall permit anything to be done or kept on a lot or the common area that would result in cancellation or nonrenewal of insurance on any residence or on any part of the common area or that would be a violation of the law.

Section 7 Garages and Driveways

- a. Garages are to be used for the parking of vehicles and storage only.
- b. All garages must be maintained and function as garages and no garage, garage house, or other outbuilding may be converted to living space in any residence.
- c. Garages and driveways may not be used as living space including, but not limited, to living rooms, kitchens, cooking areas, gamerooms, dens, dining rooms, exercise rooms, TV rooms, porches, etcetera.
- d. Garages and driveways may not be used for parties, gyms, barbering, hair dressing, cosmetology, concerts, dance halls, or other social gatherings.
- e. Garage doors must remained closed except upon entry and exit.
- f. All driveway shall be surfaced with concrete or similar substance approved by the Association.
 - i. All driveways must be kept in a neat, clean, and attractive condition.
 - ii. No items, objects, debris, furniture, appliances, trash cans, etc. other than an automobile in good condition and in compliance in with Article VII, Section 15 of these By-Laws may be on the driveway.
- g. Each residence shall have an enclosed garage suitable for parking a minimum of two (2) standard size automobiles, which garage shall conform in design and materials to the main structure.

Section 8 Landscaping

- a. All front and side lawns must be maintained as such with grass covering.
- b. All lawn maintenance in which motorized or electronically powered equipment creating sound, including but not limited to lawn mowers, weed eaters, edgers, leaf blowers, is used may not be done prior to 7:00am and after 9:00pm Monday through Friday and may not be done prior to 9:00am on Saturday and Sunday or after 9:00pm on Saturday and Sunday.
- c. No stone, gravel, or paving of any type shall be used as a lawn.

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- d. All driveways must be concrete and free of all objects including, but not limited to debris, stains, barbeque grills, smokers, grills, outdoor fryers, tables, chairs, children's toys, moonwalks, trash cans, coolers. No driveway may be used storage of any items of any kind except passenger vehicles with current registration and inspection stickers may be parked in the driveway.
- e. Each lot must have in the front yard a tree of comparable age, maturity, and size of that of the majority of the trees in the subdivision.
- f. No weeds, underbrush, or other unsightly growth shall be permitted to grow or remain on any lot. Nor refuse or unsightly objects shall be allowed to be placed or suffered to remain on any lot.
- g. All lawns, landscaping, and sprinkler systems and any property, structure, improvement and appurtenance shall at all times be kept in good, safe, clean, neat, and attractive condition.
- h. Only one flag mounted on a standard size flag pole inserted into a bracket on a house shall be permitted on any Lot provided that the location and size shall not exceed five (5) feet in length.

Section 9 Satellite Dishes, Antenna and Ariels

- a. Except with the written permission of the ACC Committee or as preempted by the FCC or other governmental agency, no antennas, satellite dishes, or other equipment for receiving or sending sound or video signals shall be permitted on or on the Lot, except that one satellite dish or similar antenna that must be no greater than one (1) meter in diameter and must be placed in the least conspicuous location on a Lot where an acceptable quality signal can be received so long as it is completely screened from view from any adjacent street or public area.

Section 10 Fences

- a. All fences shall be designed and constructed so as to be compatible with the neighborhood.
- b. All fences must be constructed of masonry, wood, or brick or other material approved by the ACC Committee.
- c. No fence, wall, or hedge shall extend nearer to any street than the front of the residence thereon.
- d. Except as otherwise specifically approved by the ACC Committee, all street side yard fencing on corner Lots shall be set no closer to the abutting side street than the property line of such Lot.
- e. No Portion of any fence shall exceed eight (8) feet in height.
- f. Any fence or portion thereof that faces a public street shall be constructed so that all structural members and support posts will be on the side of the fence away from the street and are not visible from any street.
- g. No fence, wall, hedge, or shrub planting which obstructs sight lines at an elevation between three and six feet above any roadway shall be placed or permitted to remain on any corner Lot within the triangular area formed within twenty feet of any street right-of-way lines, or in the case of a rounded property corner, from the intersection of the street right-of-way lines as extended. The same sight line limitations shall apply on any Lot within that area which is ten feet from the intersection of a street right-of-way line with the edge of a private driveway or alley pavement. No tree shall be permitted to remain in such distance of such intersections unless foliage line is maintained at a minimum height of six feet above the adjacent ground line.

Section 11 Clotheslines

- a. Outdoor clotheslines or racks and outdoor clothes drying activities are prohibited in the subdivision except within an area in the backyard of a lot that is screened so as to bar viewing of the drying activities from the street and adjacent Lots.

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Section 12 Windows

- a. Windows, jambs, and mullions shall be composed of anodized aluminum.
- b. All divided light windows shall be white, bronze, or mill finish.
- c. All window treatments shall be curtains and draperies with backing material of white, light beige, cream, light tan; Blinds shall be of the same colors or natural stained wood.

Section 13 Signage

- a. No sign or emblem of any kind may be kept or placed on any lot or mounted, painted, or attached to any dwelling, fence or other improvement upon such Lot so as to be visible from public view except the following:
 - i. For Sale Signs. An Owner may erect one (1) sign on his lot, not exceeding 2'x3' in area, fastened only to a stake in the ground and extending not more than three (3) feet above the surface of such Lot advertising the property for sale.
 - ii. Political Signs. Political signs may be erected upon any Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue, or proposal, provided that such signs are not erected more than sixty (60) days in advance of the election to which they pertain and shall be removed within one (1) week after such election.
 - iii. Official School/educational Institution Signs. Signs containing information about one or more children residing in the dwelling and the school they attend shall be permitted so long as the sign is not more than 3'x3' and is fastened only to a stake in the ground. There shall be no more than one sign three (3) signs per Lot. Said signs shall not be displayed for more than three (3) months in A Calendar Year or ten (10) days in a any calendar month.
 - iv. Security Signs/ Stickers. Signs or sticlars provided to an Owner by a commercial security or alarm company providing service to the dwelling unit shall be permitted so long as the sign is not more than 8"x8" or the sticker is no more than 4"x4". There shall be no more than one sign and no more than four (4) stickers located on any Lot.

- v. All signs are subject to the ACC Guidelines and Bulletins promulgated by the Board of Directors and/or the ACC Committee.

Section 14 Animals

- a. No animals, livestock, or poultry of any kind shall be raised, bred, kept, or maintained on any lot for commercial purposes or for food.
 - i. It is the purpose of these provisions to restrict the use of the Property so that no person shall quarter on the premises wild animals, cows, horses, bees, hogs, sheep, goats, guinea fowls, ducks, chickens, roosters, turkeys, skunks, or any other animals that may interfere with the peace, quiet and health and safety of the community.
 - ii. The determination of what is or what may be a wild animal or what type of animal interferes with the peace, quiet and health and safety of the community shall be determined by the Board in its sole discretion. Any such decision shall be final and binding.
- b. Dogs, cats, or other qualified animals may be kept as household pets.
 - i. No more than four pets will be permitted on each Lot.
 - ii. Pets must be restrained or confined to the homeowner's rear yard within a secure fenced area or within the house.
 - iii. It is the pet owner's responsibility to keep the Lot clean and free of pet debris or odor noxious to adjoining lots.
 - (1) Pet Owners are responsible for the removal of waste caused by their pet on any area of the subdivision.
- c. No animals may be permitted to run free outside a residence. They must be kept on a leash at all times when not in the closed backyard. All animals must be properly registered and tagged for identification in accordance with local, state, and federal laws. Owners must be in compliance with all local, state, and federal regulations and laws regarding the keeping of animals.

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Section 15 Maintenance of Property

- a. The exterior of each dwelling will at all times be maintained and kept so that it presents a clean and like new appearance. Each owner must keep his or her lot at all times in a neat and attractive condition.
- b. Following the occupancy of the Home on any Lot, each Owner shall maintain and care for the home, all improvements and all trees, foliage, plants, and lawns on the Lot and otherwise keep the Lot and all improvements thereon in a clean and like new condition and repair, such maintenance and repair to include but not be limited to:
- i. The replacement of worn and/or rotted components,
 - ii. The painting, staining, and cleaning of residences, garages, exterior surfaces, front doors, back doors and accessory buildings from time to time so as to maintain a like new appearance,
 - iii.
 - (1) Prior to painting or staining, an owner must obtain ACC approval.
 - iv. The maintenance, repair, replacement of roofs, rain gutters, downspouts, exterior walls, fences, windows, doors, walks, drives, parking areas and other exterior portions of the improvements, and
 - v. Regular mowing, edging, and weeding of grass and flowerbeds and landscaping areas. At no time shall grass be more than four inches in height.
- c. No outbuilding, shed, shack, tent, garage, trailer, van, or temporary building of any kind shall be used as a residence either temporarily or permanently.
- d. No outbuilding, shed, shack, garage, tent, trailer, van, or temporary building of any kind shall be used for living space, either temporarily or permanently. This provision does not apply to lawn tents in the backyard.
- e. No air-conditioning apparatus shall be installed on the ground in front of a residence. No air-conditioning apparatus shall be attached to any wall or window of a residence. No evaporative cooler shall be installed on the wall or window of a residence.
- f. Barbequing, which is visible from the front of the Lot, is not permitted in the Subdivision.

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- i. All barbeques, smokers, grill, pits, outdoor fryers, and other similar items must be used and stored only in the backyard.
- g. No individual water supply system shall be permitted on any Lot.
- h. No individual sewage disposal system shall be permitted on any Lot.
- i. Except within fireplaces in the main residential dwelling and equipment for outdoor cooking, no burning of anything shall be permitted anywhere on the Lot.
- j. If an owner fails to maintain his/ her lot as provided above, the Association after ten (10) days written notice to the owner, has the right to enter onto the property to correct, repair, restore, paint, mow, trim, and maintain any of the lot to the condition required. The Owner is obligated, when presented with an itemized statement to reimburse the Association for the costs related to such work within ten (10) days after presentment of such statement. All costs related to such work including attorneys' fees shall be a special assessment against the lot.
- k. No rubbish including but not limited to refuse, junk, garbage, trash, debris, broken or rusty equipment, disassembled or inoperative cars, discarded furniture, or discarded appliances shall be deposited, dumped, or allowed to remain on any Lot.
 - i. Trash, garbage, or other debris shall be kept in sanitary containers in appropriate areas concealed from public view. Sanitary containers and trash cans may be placed at the end of the driveway no earlier than the night before trash collection day and must be removed no later than the following day.
- l. No rubbish, refuse, junk, garbage, trash, or debris shall be burned on any Lot or on any part of the Subdivision.
- m. The Association's Architectural Control Guidelines are herein incorporated by reference.

Section 16 Casualty Destruction to Improvements

- a. In the event that a structure or other improvement is damaged or destroyed by casualty loss or other loss, then within a reasonable period of time after such incident, as determined by the Board of Directors, the owner thereof shall either commence to rebuild or repair the damaged structure or improvement and diligently continue such rebuilding or repairing until completion or properly clear the damaged structure or improvement and restore or repair the dwelling unit in a manner aesthetically satisfactory to the Board. As to any such reconstruction of a destroyed structure or improvement, the same shall only be replaced with structures or improvements as are approved by the Board of Directors.

Section 17 Construction

- a. All lines, pipes, or wires for telephones, electricity, power, gas, water, cable or otherwise shall be placed underground. No such wires shall be shown on an exterior of any home unless the same shall be underground or in a conduit attached to a building.
- b. Within those easements on each Lot as designated on the Plat of Development or other public record, no improvement, structure, planting, or materials shall be placed or permitted to remain which might damage or interfere with the installation, operation, and maintenance of public utilities, or which might alter the direction of flow within drainage channels or which might obstruct or retard the flow of water through drainage channels. The general grading, slope, and drainage plan of a Lot as established by the Declarant's approved development plans may not be altered without the approval of the City and/or other appropriate agencies having authority to grant such approval.
- c. No detached accessory buildings or sheds may be erected or maintained on any lot unless they are constructed of the same materials and are of the same architectural design of home.
- d. Except for children's play houses, dog houses, greenhouses, gazebos and buildings for storage of lawn maintenance equipment, no building previously constructed elsewhere shall be moved onto any Lot, it being the intention that only new construction be placed and erected on the Lot.
- e. No dog houses shall be erected on any lot except behind the principal home and in such a manner that such dog house shall not be visible from the street.

Section 18 Outdoor Recreational Equipment

- a. All outdoor recreational equipment including but not limited to soccer goals, badminton, cricket, horseshoes, etcetera must be kept in the backyard.
- b. Basketball goals, if in the front, must be in the driveway near the garage and must be kept in an upright position at all times.
 - i. No rocks, cement, tires, or other any other such extraneous material not part of the basketball goal shall be permitted.
 - ii. All goals must be maintained in a neat and attractive condition.

Section 19 Fireworks Fireworks are permitted only on the Fourth of July and New Year's Eve and are subject to the following restrictions:

- a. On the Fourth of July all fireworks must be concluded by 11:00pm;
- b. On New Year's Eve all fireworks must be concluded by 1:00am;
- c. All fireworks must be cleaned and cleared from the street, driveways, and surrounding areas within 24 hours;
- d. In the event that the fireworks become a nuisance, the Association the Board of Directors has the authority to ban fireworks in the Subdivision upon fifteen(15 days written notice.

Section 20 Trucks, Vehicles, Commercial Vehicles, Recreation Vehicles(including but not limited to All Terrain Vehicules, wave runners, jet skis, four wheelers), Mobile Homes, Boats, Campers, and Trailers

- a. No commercial truck, commercial van, rig, tractor, recreational vehicle, bus, mobile home, camper or trailer may be kept, parked, or stored on any lot for any length of time.
- b. No temporary dwelling shop, trailer, or mobile home of any kind or any improvement of a temporary character (except children's playhouses, dog houses, greenhouses, gazebos, and buildings for the storage of lawn maintenance equipment which may be placed on a Lot only in places which are not visible from any street on which the Lot fronts) shall be permitted on any Lot except that the builder or contractor may have temporary improvements (such as sales office and/or construction trailer) on a

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specifically permitted Lot during construction of the residence on that Lot. No Building material of any kind or character shall be placed or stored upon the Property until construction is ready to commence, and then such material shall be placed totally within the property lines of the Lot upon which the improvements are to be erected.

- c. No boat, marine craft, hovercraft, aircraft, recreational vehicle, pick-up camper, travel trailer, motor home, camper body or similar vehicle or equipment may be parked in the driveway or front yard of any dwelling or parked on any street in the Subdivision, nor shall such vehicle or equipment be parked in the side or rear yard of any residence unless properly concealed from public view. No such vehicle shall be used as a residence or office temporarily or permanently. This restriction shall not apply to any vehicle temporarily parked while in use for the construction, maintenance or repair of a residence in the Subdivision.
- d. No vehicle of any kind which is required by law to be registered and/or bear a license plate shall be permitted in the subdivision unless the requirements have been met. However, such vehicles may be placed in the garage on the lot provided that the garage door remains closed except upon entry and exit.
- e. All repair work of vehicles must be done inside the enclosed garage attached to the dwelling.
- f. No vehicle of any size which transports flammable or explosive cargo may be kept on the Property at any time.
- g. No motorized vehicle or similar equipment shall be parked or stored in an area visible from any street except passenger automobiles, passenger vans, motorcycles, pick-up trucks that are in operating condition and have current license plates and inspection stickers and are in current use.
 - i. Junk vehicles, vehicles in disrepair, or vehicles without current registration and inspection stickers shall not be stored or permitted to remain on any lot. However, such may be placed in the garage on the lot provided that the garage door remains closed except upon entry and exit.

Section 21 Parking

- a. No vehicle may be parked in front of the community gang mailboxes, in front of a fire hydrant, on the grass, or on the curb.

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- b. No vehicle may block an intersection or obstruct the sight view of any street by other drivers:
- i. There shall be no parking of any vehicle within 15 feet of a fire hydrant;
 - ii. There shall be no parking of any vehicle within 20 feet of a crosswalk at an intersection; and
 - iii. There shall be no parking of any vehicle within 30 feet on the approach to a flashing signal, stop sign, yield sign, or traffic-control signal located at the side of a roadway.
- c. All vehicles permitted to be parked in the Subdivision shall be parked parallel to the curb or edge of the roadway in the direction of authorized traffic movement with the right-hand wheels within 18 inches of the right-hand curb.
- d. No more than 2 vehicles may be parked in front of one house at any time.
- e. No vehicle may be parked or stored in or on any street in excess of forty-eight (48) hours.
- f. No vehicles with painted advertisements shall be permitted to park overnight in the Subdivision.

Section 22 Streets and Sidewalks

- a. No owner may obstruct, block, or prevent temporarily or permanently the use a street or sidewalk.
- b. No street may be used as a play area or playground.
- c. Each owner is responsible for keeping the portion of sidewalk in front of his or her lot clean and free of debris.
- d. Each owner is also responsible for keeping the 18 inches of street directly in front of his/her property line clean and free of debris.

Section 23 Restrictions on Lease of Residential Property

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- a. All rental and lease agreements between an owner and lessee or tenant must be in writing and provide that the lease agreement is subject to all terms and provision of the Covenants, ACC Guidelines, By-Laws and that any failure by the tenant or lessee under the lease agreement will be treated as a material default and breach of the agreement.

Section 24 Enforcement

- a. The Board of Directors has the authority to promulgate rules and regulations concerning enforcement of the deed restrictions.
- b. The Board of Directors shall have the right to establish and impose penalties and/or fines for the violation of any of the covenants or restrictions contained in the Covenants, By-Laws, Architectural Control Guidelines, or Articles of Incorporation.
- c. The Association or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, easements, reservations, liens and charges now or later imposed by the provisions of the Covenants, By-Laws, Architectural Control Guidelines, or Articles of Incorporation. Failure by the Association or by any owner to enforce any covenant or restriction contained herein shall in no event be deemed a waiver of the right to do so at a later date.
- d. The Association has the right to collect attorney fees, interest, and costs from Any Owner that is in violation of the deed restrictions contained in these By-Laws, Architectural Control Guidelines, and Covenants and Declarations.

**ARTICLE X
AMENDMENT TO BYLAWS**

Section 1 Amendment to Bylaws. These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members in good standing and present in person or by proxy; provided, however, that the Board of Directors may so amend the bylaws if permitted to do so by the Act. In connection therewith, the Federal Housing Administration (FHA), the Veterans Administration ("VA") and/or the U.S. Department of Housing and Urban Development (HUD) shall have the right to veto any amendments to these Bylaws as long as there is a Class B membership but only if the FHA or VA has approved the subdivision and has insured any mortgages secured by first liens on the lots and houses in the subdivision. 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 XI
EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS

- Section 1 Proof of Ownership. Except for those owners who purchase a lot from Developer, any person, on becoming an owner of a lot, shall furnish to the Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest or ownership in the lot, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first met.
- Section 2 Registration of Mailing Address. The owner or several owners of a lot shall have the same registered mailing address to be used by the Association for mailing of monthly statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons to be used by the Association. Such registered address of an owner or owners shall be deemed to be the mailing address of the lot owned by said owner or owners unless a different registered address is furnished by such owner(s) to the Board of Directors within fifteen (15) days after transfer of title, or after a change of address. Such registration shall be in written form and signed by all of the owners of the lot or by such person(s) as are authorized by law to represent the interest of all of the owner(s) thereof.

ARTICLE XII
GENERAL PROVISIONS

- Section 1 Assessments and Liens. As more fully provided in the Declaration, each Member shall pay to the Association annual and special assessments which are secured by a continuing lien upon the lot against which the assessment is made.
- Section 2 Abatement and Enjoinment. The violation of any rule or regulation, or the breach of any Bylaw or any provision of the Declaration, shall give the Board of Directors the right, in addition to any other rights set forth in the Declaration or herein, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of such violation or breach.
- Section 3 Committees. The Association may appoint an Architectural Control Committee, subject to the terms of and as provided in the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

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- Section 4 Books and Records. The books, records and accounts of the Association shall, at reasonable times upon reasonable written notice, be subject to inspection by any member at such member's sole cost and expense. 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, and copies of such documents may be purchased from the Association or its agent at a reasonable cost.
- Section 5 Corporate Seal. The Association, if deemed necessary by the Board of Directors, shall have a seal in a circular form having within its circumference the words: Blue Creek (Houston) Homeowners' Association Inc.
- Section 6 Non-Profit Association. This Association is not organized for profit. No member of the Association, member of the Board of Directors, officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any member of the Board of Directors, officer or member; provided, however, that (a) reasonable compensation may be paid to any member, Director or officer while acting as an agent or employee of a third party for services rendered to the Association in effecting one or more of the purposes of the Association, and (b) any member, Director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.
- Section 7 Execution of Documents. The persons who shall be authorized to execute any and all contracts, documents, instruments of conveyance or encumbrances, including promissory notes, shall be the President or any Vice President, and the Secretary or any Assistant Secretary, of the Association.
- Section 8 Parliamentary Authority. The rules contained in current edition of Robert's Rules of Order Newly Revised shall govern this organization in all cases to which they are applicable and in which they are not inconsistent with these By-Laws or any rule or regulation promulgated under these By-Laws.
- Section 9 Proxy for Beneficiary or Mortgagee Under Deed of Trust. Owners shall have the right to irrevocably constitute and appoint their Mortgagees their true and lawful attorney to vote their lot membership in this Association at any and all meetings of the Association and to vest in such beneficiary or his nominees any and all rights, privileges and powers that they have as owners under the Bylaws of this Association or by virtue of the Declaration. Such proxy shall become effective upon the filing of a notice by the beneficiary with the Secretary or Assistant Secretary of the Association at such time or times as the beneficiary shall deem its security in

jeopardy by reason of the failure, neglect or refusal of the Association or the owners to carry out their duties as set forth in the Declaration. Such proxy shall be valid until such time as a release of the beneficiary's deed of trust is executed and a copy thereof delivered to the Secretary or Assistant Secretary of the Association, which shall operate to revoke such proxy. Such proxy may be terminated prior to such revocation by the beneficiary's delivering written notice of such termination to the Secretary or Assistant Secretary of the Association. Nothing herein contained shall be construed to relieve owners of, or to impose upon the beneficiary of the Deed of Trust, the duties and obligation of an owner.


Section 10 Conflicting or Invalid Provisions. Notwithstanding anything contained herein to the contrary, should all or part of any Article or Section of these Bylaws be in conflict with the provisions of the Act or any other Texas law, such Act or law shall control, and should any part of these Bylaws be invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall be valid and operative.


Section 11 Notices. All notices to members of the Association shall be given by delivering the same to each owner in person, by depositing on the front of the residence, or by depositing the notices in the U.S. Mail, postage prepaid, addressed to each owner at the address last given by each owner to the Secretary of the Association. If an owner shall fail to give an address to the Secretary for mailing of such notices, all such notices shall be sent to the street address of the lot of such owner. All owners shall be deemed to have been given notice of the meetings upon the proper mailing of the notices to such addresses irrespective of the actual receipt of the notices by the owners.

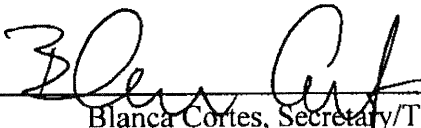
Section 12 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year (except that the first fiscal year shall begin on the date of incorporation of the Association), or as otherwise determined by the Board.


HP 048-16-0562

Adopted by the Board of Directors on June 24, 2007.

Attest: 
Tamika Harris, President

Attest: 
Manuel Francia, Vice-President

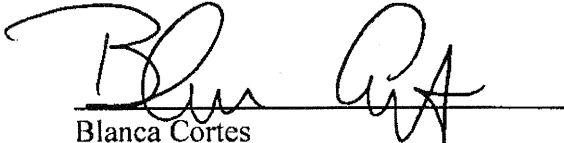
Attest: 
Blanca Cortes, Secretary/Treasurer

After Recording Return To: 
William G. Gammon & Associates
Attorneys at Law
1 Greenway Plaza, Suite 1005
Houston, TX 77046

REF 243-16-8563

CERTIFICATE OF SECRETARY OF BLUE CREEK
(HOUSTON) HOMEOWNERS ASSOCIATION, INC.

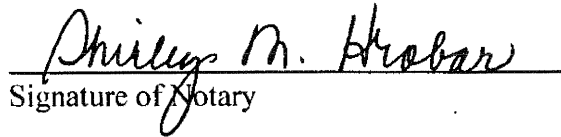
I, Blanca Cortes, certify that I am the duly elected and acting secretary of Blue Creek (Houston) Homeowners Association, Inc. (Hereinafter Association) and that these Amended Bylaws constitute the Association's Bylaws. These Bylaws were duly adopted at a meeting of the Board of Directors held on June 24, 2007.


Blanca Cortes
Secretary/Treasurer

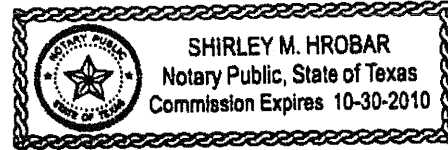
2007 AUG - 6 PM 3:48
COUNTY CLERK
HARRIS COUNTY, TEXAS
Emily B. Kayman

FILED

SUBSCRIBED AND SWORN TO BEFORE ME on August, 6th 2007.


Signature of Notary

Shirley M Hrobar
Printed Name



Notary Public in and for the State of Texas

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 the number Sequence on the date and at the place named by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County Texas on

My commission expires 10-30-2010

AUG - 6 2007



Emily B. Kayman
COUNTY CLERK
HARRIS COUNTY, TEXAS

2007 AUG 16 0564