529**-**96**-**0931

BY-LAWS THE COMMONS OF LAKE HOUSTON PROPERTY OWNERS ASSOCIATION, INC.

ARTICLE I (Membership, Meetings, Elections, Dues)

A. MEMBERSHIP

Section 1.

The membership of this association shall be composed of qualified property owners of The Commons of Lake Houston Subdivision (the "Project"). The term "member" as referred to hereinafter shall be interpreted to mean a "member in good standing." A member in good standing will be the owner of a tract of land in The Commons of Lake Houston Subdivision being current in all monetary and other obligations to the association or authority.

Section 2.

Membership is automatically bestowed upon any purchaser of lot, tract or parcel of land in The Commons of Lake Houston Subdivision, as set forth in the covenants and restrictions thereof. Membership is appurtenant to ownership of the land and shall not be separated therefrom.

Section 3.

Terms of membership shall be continuous from year to year, so long as one owns property in the project.

B. DUES AND ASSESSMENTS

Section 1.

For the purpose of this section, all payments required to be paid into this association, whether dues, regular assessments or special assessments, whether required under the terms of these by-laws or whether required under the terms of any other instruments of power or authority, said payments will be hereinafter referred to as "dues" or "assessments."

Section 2.

Dues shall be payable annually or monthly or as otherwise set by the Board of Directors and shall be in an amount per tract as needed to accomplish the purposes under the authority given this association. Said authority having been created in those certain instruments of record in the County Clerk's Office of Harris County, Texas

C. ELECTIONS

Section 1.

The Commons of Lake Houston Property Owners Association, Inc. initially shall appoint a five (5) member Board of Directors for the Association with terms running one to five years, who shall serve

until their respective terms expire. On the anniversary date of such appointments, and the same date of each following year, the members of the Association shall meet for the purpose of electing a member or members of the Board of Directors for that year as set torth herem. Such Board of Directors shall have the full powers and duties as may be reasonably necessary to carry out the purposes and duties of the Association. The above stated term and election date may vary fifteen (15) days before or after said date at the option of Board. Mail ballots will be provided for all voters who may return the hallots within the prescribed time and manner or who may bring the completed ballots to the above mentioned meeting. No proxy votes will be allowed.

Section 2.

For purposes of voting, Developer will be construed as an owner and member with the same voting privileges of one (1) vote per acre owned, and a fractional vote for a fractional ownership, and Developer is entitled to one vote for each acre sold so long a Developer retains a financial interest or any ownership in this development.

Section 3.

All Owners shall be entitled to one vote for each full acre owned and a fractional vote for a fraction of an acre owned. When more than one person holds an interest in a given tract, all such persons shall be members and the vote for such tract shall be exercised as they may determine among themselves. In no event shall more than one (1) vote be cast with respect to any acre owned by such members.

Section 4.

Voting may be by petition as prescribed for certain specific procedures herein. However, unless otherwise specifically stated herein, all votes will be by ballots mailed to the last known address of each member. These ballots must be mailed back by the member to a certified public accountant designated by the board. The public accountant will tally all votes and certify the results to be true. Each vote will be identified by a lot, block and section number, stating the acreage owned and the number of votes represented thereby. Any ballot vote mush allow no less than a 30 day period between mail out of ballots and the return of mailed ballots.

Section 5.

There shall be no requirement of quorum for association meetings. A simple majority vote cast by those members present and or mailing in ballots will be required to carry or defeat any proposition properly placed before the members.

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ARTICLE II (Duties of Officers

Section 1.

President. The President shall preside at all meetings of the association and of the Board of Directors and shall supervise the execution of the programs adopted by the Board of Directors. He shall not vote except in the case of a tie vote. He may sign the association's checks for disbursing association funds. The President shall be registered as the Agent for the association, using his own address.

Section 2.

Vice President. The Vice President shall assist the President in the discharge of his duties and shall assume the President's duties in his absence or at his request. When performing the duties of the President, including the signing of checks, the Vice President shall have all the powers of and be subject to all the restrictions of the President. The Vice President may also serve as the Secretary-Treasurer.

Section 3.

Secretary. It shall be the duties of the Secretary of the association to keep a true and correct record of all the proceedings and minutes of the association and of the Board of Directors, receive all communications and conduct all correspondence.

Section 4.

Treasurer. It shall be the duty of the Treasurer to have charge of all the finances of this association and to see that they are safely deposited in a bank or property invested or placed in trust where appropriate to do so. He shall make a report or reports upon the condition of the finances of this association at each regular meeting. He may sign all checks disbursing the monies of the association. He shall keep and be required to account for all monies, credits and property of any nature of this association, and at the end of his term of office, he shall render a formal statement of the account of this association as of the date of expiration of his term and inscribe thereon, under oath before a Notary Public of the State of Texas, that the foregoing statement is a true and correct account of the financial condition so described of The Commons of Lake Houston Property Owners Association, Inc.

ARTICLE IV (Committees)

Section 1.

Committees shall be appointed as deemed necessary by the Board of Directors and as otherwise provided by the membership.

ARTICLE V (Miscellaneous)

Section 1.

A copy of the by-laws shall be furnished each member upon request.

Section 2.

These by-laws may be altered, amended or repealed in whole or in part of the affirmative vote of a majority of the property owners entitled to vote, but such power may be delegated by the members to the Board of Directors.

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ARTICLE VI (Subordination to Covenants)

Section 1.

These by-laws are subject to the covenants of record and to be placed of record by the Developers pertaining to The Commons of Lake Houston. Anything set forth herein contrary to the requirements as set forth in those covenants will be construed to be in error and said covenants will hold over such conflict.

ANY PROVISION HEREN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALO AND UNDERFORCEASILE UNDER FEDERAL LAW THE STATE OF TEXAS COUNTY OF HARRIS

I hereby cartify that this instrument was FILED in file Mumber Sequence on the date and of the time stamped hereon by me; and was duty RECORDED. In the Official Public Records; of Real Property of Litaris County, Toxas on

JAN 3 2000



COUNTY CLERK HARRIS COUNTY TEXAS THARRIS COUNTY CLERK

RECORDER'S MEMORANDUM

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

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TOTAL P.04