

BY-LAWS
OF
HERITAGE CREEK HOMEOWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

The name of the Corporation is HERITAGE CREEK HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at 3118 Richmond Ave., Suite 210, Houston, Texas 77098, but meetings of Members and Directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

All terms used herein shall have the meanings given thereto in the Declaration unless expressly stated to the contrary herein.

Section 1. "The Act" shall mean and refer to the Texas Non-Profit Corporation Act, TEX. REV. CIV. STAT. ANN. art. 1396-1.01 et seq., as amended from time to time.

Section 2. "Architectural Control Committee" shall mean and refer to the HERITAGE CREEK Architectural Control Committee, as provided in the Declaration.

Section 3. "Declaration" shall mean and refer to that certain Declaration of Covenants, Conditions and Restrictions for HERITAGE CREEK filed for record in the office of the County Clerk of Harris County, Texas, under County Clerk's File Number V958353 and any additional recorded amendments thereto.

Section 4. "Director" shall mean a member of the Association's Board of Directors.

Section 5. "Member" shall mean those persons entitled to membership in the Association as provided in the Declaration.

Section 6. "Lot" is any parcel of the Property on which there is built or to be built on residential unit.

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held when called, upon fifteen (15) days' prior written notice to the Members, by the initial Board of Directors of the Association. Such meeting shall be called on the Election Date, as defined in the Declaration.

Thereafter, the regular annual meeting of the Members of the Association shall be held on a day of each year to be determined by the Board of Directors at 7:00 p.m. at the principal office of the Association. If such date 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 which is not a legal holiday. The failure to hold the regular annual meeting at the designated time shall not work a dissolution of the Association.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon the written request of the Members who are entitled to vote one-tenth (1/10) of all of the votes of the membership.

Section 3. Notice of Meetings. Written notice of each special meeting of the Members shall be given by, or at the direction of, the secretary or any person or persons authorized to call a meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and the purpose of the meeting. Notice of annual meetings shall not be required but may be given in a like manner.

Section 4. Quorum. The presence at any meeting of Members entitled to vote, or proxies entitled to cast, fifty-one percent (51%) of the votes of the entire membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, another meeting may be called from time to time, and not subject to the same notice requirements, and the required quorum shall be more than one-half (1/2) of the required quorum at the preceding meeting. As many subsequent meetings as may be required to achieve a quorum may be called. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of their Unit.

Section 6. Voting. Each Member shall have such votes as set forth in the Declaration. Except as otherwise provided in these By-Laws or in the Declaration, all action to be taken or authorized by the Members shall be deemed validly taken or authorized upon adoption by vote of a majority of the Members present, in person or by proxy, at any properly called meeting at which a quorum is present, in person or by proxy.

ARTICLE IV

BOARD OF DIRECTORS

Section 1. Board of Directors. The affairs of the Association shall be managed by a Board of Directors of not less than three (3) directors who need not be Members of the Association. The number of directors may be increased or decreased from time to time by amendment of the By-Laws in accordance with Section 1 of Article XI hereof. Each director shall have one (1) vote.

Section 2. Term of Office. The initial directors for the Association set forth in the Articles of Incorporation shall hold office until the Election Date, as set forth in the Declaration, and thereafter until their successors are duly elected and qualified. There shall be three (3) positions on the Board of Directors. At the first annual meeting, the Members shall elect one director for a term of one (1) year, one director for a term of two (2) years, and one director for a term of three (3) years. At each annual meeting thereafter, the Members shall elect that number of directors equal to the number of directors whose terms expire at such time, such directors to serve for a term of three years each. Any vacancy, from whatever cause, occurring in the Board of Directors shall be filled by appointment made by the remaining director or directors. The person appointed by the remaining directors to fill such vacancy shall serve for the remainder of the unexpired term of said appointed director's predecessor, and thereafter until his or her successor is duly elected and qualified.

Section 3. Nomination. 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 persons who may, but not need be, Members 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. 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 among Members or non-Members.

Section 4. Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected.

Section 5. Removal. No Director shall be removed from office by the Members except for malfeasance in the conduct of his or her duties; provided, however, a Director elected by the Members who is delinquent in the payment of any assessment due the Association for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining members of the Board of Directors and shall serve for the unexpired term of the predecessor.

Section 6. Compensation. No Director shall receive compensation for any service rendered to the Association; provided, however, any Director may be reimbursed for actual expenses incurred in the performance of duties.

ARTICLE V

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the board of Directors shall be held when called by the president of the Association or by any Director after not less than five (5) days' notice to each Director, which such notice may be waived at or prior to such meeting.

Section 3. Quorum. A majority of the number of Directors, but not less than two (2) Directors, shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board of Directors.

Section 4. Action without a Meeting. Any action which may be required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing,

setting forth the action so taken is signed by all of the members of the Board of Directors. Such consent shall be placed in the minute book of the Association with the minutes of the Board of Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the following rights and powers:

- (a) to suspend the voting rights of a Member during the period said Member is in default in excess of thirty (30) days in the payment of any assessment against said Member's Lot; and to suspend such rights for a period not to exceed sixty (60) days for any infraction of its published rules and regulations; and
- (b) in the event any assessments have been or are being expended to provide services for the Members, to terminate or cause to be terminated such services for any Member during the period said Member is in default in excess of thirty (30) days in the payment of any assessment against said Member's Lot; and
- (c) to exercise for the Association all rights, powers, duties and authority granted, vested in or delegated to the Association and not reserved to the membership by the other provisions of these By-Laws, the Articles of Incorporation, or the Declaration; and
- (d) to designate a depository of the funds of the Association and to designate officers or other persons who shall be authorized to withdraw funds and sign checks on such account; and
- (e) to designate an officer of the Association or other person who shall be authorized to sign all leases, mortgages, deeds, promissory notes and other written instruments on behalf of the Association; and
- (f) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and terms of employment of services; and
- (g) to take all such lawful action as the Board of Directors may determine to be necessary, advisable or convenient to effectuate the purposes and provisions of the Declaration, the Articles of Incorporation and the By-Laws; and
- (h) to perform any and all powers allowed to the Board of Directors by applicable law.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs;
- (b) to fix the amount of the annual assessment (and any special assessments) against properties subject to the jurisdiction of the Association for each assessments period at least thirty

(30) days in advance of such date or period and, at that time, prepare a roster of the properties and assessments applicable thereto; and, further, to take such actions as it deems appropriate to secure payment thereof;

(c) to perform any and all duties imposed on the Board of Directors by applicable law.

ARTICLE VII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president; a secretary; and a treasurer, and such other officers as the Board of Directors may from time to time by resolution create. Any person may simultaneously hold more than one of any of the offices, except the offices of president and secretary. The officers may be Members or non-Members.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of the Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year unless said officer shall sooner resign, or shall be removed, or otherwise disqualified to serve. Though elected for a one-year term, officers shall serve until their successors are elected.

Section 4. Special Appointments. The Board of Directors may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board of Directors may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from the office at any time with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors, the president or secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any 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 replaced.

Section 7. Execution of Association Documents. In the absence of a designation by the Board of Directors of an officer or other person authorized to sign all leases, mortgages, deeds, promissory notes, checks and other written instruments that have been approved by the Board of Directors or pursuant to the authority granted by the Board of Directors, any officer of the Association may sign such documents on its behalf except that any two officers must sign each promissory note executed by the Association.

Section 8. Duties. The duties of the officers of the Association are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors and the Members and shall see that orders and resolutions of the Board of Directors are carried out.

Secretary

(b) The secretary shall record the votes and keep the minutes of all of the meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association; serve notice of meetings in conformity with these By-Laws; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board of Directors.

Treasurer

(c) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board of Directors; keep proper books of account; keep accurate books and record of the fiscal affairs of the Association and make the same available for inspection by Members of the Association during normal business hours; prepare an annual budget and a statement of income and expenditure to be presented to the membership at its regular annual meeting, and perform all other duties assigned by the Board of Directors.

ARTICLE VIII

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in Section 3 of Article IV of these By-Laws. The Board of Directors may appoint other committees as deemed appropriate in carrying out the Association's purposes.

ARTICLE IX

BOOKS AND RECORDS

The books, record 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 By-Laws 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.

ARTICLE X

ASSESSMENTS

As more fully provided in the Declaration, each Owner is obligated to pay to the Association certain annual and special assessments which are secured by a continuing lien upon the Unit against which the assessment is made. Any assessments which are not paid when due shall be delinquent. In the event an Owner's assessment is delinquent, the Association may pursue any and all remedies specified in the Declaration or in these By-Laws.

ARTICLE XI

MISCELLANEOUS

Section 1. Amendment. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of a quorum of Members present in person or by proxy.

Section 2. Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control, and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3. 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.

Section 4. Covenant to Obey Laws, Rules and Regulations. Each Member shall be subject to the Declaration and shall abide by the By-Laws and Rules and Regulations as the same are or may from time to time be established by the Board of Directors. Each Member shall observe, comply with, and perform all rules, regulations, ordinances and laws made by any governmental authority of any municipal, state and federal government having jurisdiction over the Property or any part thereof.

IN WITNESS WHEREOF, we, being all of the members of the Board of Directors of the Association have hereunto set out hands effective the 1st day of July, 2002.

Catherine A. McConaughey
July 1, 2002

Kent Shell
KENT SHELL

Randa Redmond
RANDA REDMOND

Gary Romer
GARY ROMER

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS UNLAWFUL AND UNENFORCEABLE UNDER FEDERAL LAW.
THE STATE OF TEXAS
COUNTY OF HARRIS
I solemnly certify that this instrument was FILED in File Number Sequence on the date next at the time stamped herein by me; and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas on

FILE FOR RECORD
8:00 AM

OCT 11 2002

OCT 11 2002



Dorely B. Kaufman
COUNTY CLERK
HARRIS COUNTY, TEXAS

Dorely B. Kaufman
County Clerk, Harris County, Texas