

BY-LAWS OF
LAKESIDE TOWNHOMES

R. G. CONNER, R. B. SALDRIDGE and R. B. ST. GERMAIN named in the Townhouse Joint Agreement (and hereinafter called "Developer"), being the sole owner in fee simple of the project property, does hereby adopt the following By-Laws which shall govern the administration of such Townhomes.

ARTICLE I - NAME

This townhouse project shall be known as "LAKESIDE TOWNHOMES".

ARTICLE II - ADMINISTRATION

1. Council of Co-Owners. Any person on becoming an owner of a townhouse in LAKESIDE TOWNHOMES, including Developer, shall automatically be subject to these By-Laws and become a member of the Council of Co-Owners (hereinafter called the "Council"). The Council shall be the governing and administrative body for all townhouse owners for the protection, preservation, maintenance and repair of the common elements, and the government, operation and administration of the townhouses. The membership of any owner shall terminate whenever such person ceases to own a townhouse, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with the Lakeside Townhomes during the period of such ownership and membership in this Council.

2. Annual Meetings. The first meeting of the Council shall be on such date and at such time and place as shall be specified in a notice

which Developer shall give to each townhouse owner upon termination of the temporary administration by Developer as provided for in the Joint Agreement and Restrictions. Thereafter, annual meetings shall be held on such date as the Board of Administration shall determine.

3. Special Meetings. It shall be the duty of the President to call a special meeting of the Council as directed by a resolution of the Board of Administration or upon a petition signed by a majority of the owners and presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of sixty-six and two-thirds (66-2/3rds) percent of the townhouse owners present.

4. Voting. Voting shall be on a unit basis, each townhouse owner is entitled to one vote. If any person, including the Developer, shall own more than one townhouse, he may cast the one vote allocated to each townhouse owned, each townhome lot if undeveloped, based on 17 units per acre of undeveloped land.

(a) Proxies. Votes may not be cast by proxy.

(b) Majority of Townhouse Owners. As used in these By-Laws, the term "majority of townhouse owners" shall mean those owners of more than fifty percent (50%) of the aggregate in votes of record owners, and lot or land owners based on Section 4.

(c) Quorum. Except as otherwise provided in these By-Laws, the presence in person of a "majority of owners" as defined in Section 4

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(c) of this Article shall constitute a quorum.

5. Order of Business. The order of business at all meetings shall be as determined by the presiding officer or by a majority of the owners.

ARTICLE III: BOARD OF ADMINISTRATION.

1. Composition. At the first meeting of the Council, it shall elect a Board of Administration (hereinafter called the "Board"), which shall be composed of five (5) members at least three (3) of which shall be persons owning or having an ownership interest in a townhouse. If the owner of any townhouse is a corporation, partnership, trust or other legal entity capable of holding title to real property, then any officer, director, partner or beneficiary of said townhouse owner shall be deemed to be a townhouse owner for the purpose of qualifying and serving as a Board Member. The Developer shall be one of the five (5) members of the Board as long as he holds ownership of two (2) or more unsold townhouses or lots in the Development. All provisions herein are subject to Section 11 of the Townhouse Agreement.

2. Term of Office. At the first meeting of the Council, the term of office of two (2) Board members shall be fixed at two (2) years, and the term of office of two (2) Board members shall be fixed at one (1) year. At the expiration of the initial term of office of each Board member, his successor shall be elected to serve a term of two (2) years. The Board members shall hold office for their respective terms and until their successors have been elected and held their meeting. Board members shall serve without compensation for their services as Board

members.

3. Powers and Duties. The Board shall have the powers and duties necessary for the administration of the affairs of the Council and may do all things and acts as are not by these By-Laws or by the Townhouse Joint Agreement and Restrictions directed to be exercised and done by the owners.

4. Other Duties. The Board shall be empowered and shall have the duties as follows:

(a) To elect officers of the Council as hereinafter provided.

(b) To administer the affairs of the Council and the common elements of the project property.

(c) To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof at any reasonable time by each of the owners, and to cause a complete audit of the books and accounts by a competent certified public accountant once each year.

(d) To engage the services of a Managing Agent who shall manage and operate the common elements for all of the townhouse owners, upon such terms and for such compensation and with such specific duties and authority as the board may approve or as may be specified in the contract of employment executed by the Board on behalf of all townhouse owners. The compensation paid to the Managing Agent shall be a part of the common expenses. Management Contracts may not exceed one (1) year in duration.

(e) To fix, determine, levy and collect the monthly pro-rata assessments to be paid by each of the townhouse owners toward the common

expenses of the townhouse project. In this connection, the Board shall adopt an annual budget for the estimated common expenses for each year.

(f) To provide for the designation, hiring and removal of the employees and other personnel necessary for the maintenance and operation of the general and limited common elements.

(g) To provide for the maintenance, repair, upkeep, protection and replacement of the general and limited common elements and to insure all of the insurable townhouse project property.

(h) To delegate any of its duties, powers and authority to the Managing Agent employed by the Board.

(i) To allocate any of the above duties as the Council finds expedient and practical.

(j) In general, to carry on the administration of the Council and to do all of those things necessary and reasonable in order to carry out the communal aspect of the Townhouse ownership.

5. Vacancies. Vacancies in the Board caused by any reason other than the removal of a Board member by a vote of the Council shall be filled for the unexpired term by a vote of the majority of the remaining Board members, even though they may constitute less than a quorum; and each person so elected shall be a Board member until a successor is elected at the next annual meeting of the Council or at a special meeting called for the purpose.

6. Resignation. Any member of the Board may resign at any time by giving written notice of resignation to the President or any other officer of the Council. Whenever any member of the Board who was the

owner of a Townhouse interest therein at the time of his election or appointment to the Board shall sell or otherwise dispose of or in any way cease to be the owner of such townhouse or interest therein. Such member shall automatically be deemed to have effectively resigned from the Board, and he shall automatically be removed therefrom.

7. Removal of Board Members. At any regular or special meeting duly called, any one or more of the Board members may be removed with or without cause by a majority of the owners, except the Board member representing the Developers, and a successor may then and there be elected to fill the vacancies thus created. Any Board member whose removal has been proposed by the owners shall be given an opportunity to be heard at such meeting.

8. Organization Meeting. The first meeting of the newly elected Board shall be held within ten (10) days from the time of their election at such place as they shall fix at the meeting at which they were elected, and no notice shall be necessary to the newly elected members in order to legally constitute such meeting, providing, a majority of the whole Board shall be present.

9. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the Board members, but at least two (2) such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member personally or by mail, telephone, or telegraph at least three (3) days prior to the day designated for such meeting.

10. Special Meetings. Special meetings of the Board may be called

by the President on three (3) days notice to each Board Member, to be given as in the case of regular meetings, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President in like manner and on like notice on the written request of at least two (2) Board members.

11. Waiver of Notice. Before or at any meeting of the Board, any member may verbally or in writing waive notice of the time, date, place and purpose of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting of the Board shall be deemed as a waiver of the required notice of such meeting. If all the members of the Board are present at any meeting, no notice thereof shall be required, and any business may be transacted at such meeting.

12. Board Quorum. At all meetings of the Board a majority of the members shall constitute a quorum for the transaction of business, and the acts and decisions of the majority of Board members present at any meeting at which a quorum is present shall be the acts of the entire Board.

ARTICLE IV - OFFICERS

1. Designation. The officers of the Council shall be a President, a Vice-President, a Secretary and a Treasurer, and the same person may hold the office of Secretary and Treasurer.

2. Election of Officers. The officers of the Council shall be elected and appointed annually by the Board at the organizational meeting of each new Board and they shall hold office at the pleasure of the Board.

3. Removal of Officers. Upon an Affirmative vote of a majority of

the members of the Board, or by a majority vote of the Council at any meeting, any officer may be removed, either with or without cause and his successor elected at any regular meeting of the Board or at any special meeting called for such purpose, excepting the Developer, who is a permanent member.

4. President. The President shall also be a member of the Board. He shall be the chief executive officer of the Council and shall preside over meetings of the Board and of the Council. 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 for various purposes as he shall deem appropriate.

5. Vice-President. The Vice-President shall take the place of the President and perform his duties whenever the President is absent or unable to act.

6. Secretary. The Secretary shall keep the minutes of all meetings of the Board and of all meetings of the Council. He shall in general perform all the duties incident to the Office of Secretary.

7. Treasurer. The Treasurer shall have responsibility for Council funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in appropriate books and records of the Council.

8. Vacancies. Vacancies in any office may be filled by the Board at any meeting thereof.

9. Compensation. The officers shall receive no compensation for their services as such.

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or agents.

3. Use of Family Units - Internal Charges.

(a) All units shall be utilized for single family unit residential purposes only.

(b) An owner shall not make structural modifications or alterations to his unit or installations located therein without previously notifying the Council in writing, through the Managing Agent, if any or through the President of the Council if no Management Agent is employed. The Council shall have the obligation to answer within fifteen (15) days after such notice, and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

4. Use of a General Common Element and Limited Common Elements.

Each owner may use the general common elements and the limited common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of other owners.

5. Right of Entry.

(a) An owner shall grant the right of entry to the Managing Agent or to any other person authorized by the Board in case of an emergency originating in or threatening his townhouse, whether the owner is present at the time or not.

(b) An owner shall permit other owners, or their representatives when so required, to enter his townhouse for the purposes of performing installations, alterations or repairs to the mechanical or electrical services, provided that requests for entry are made in advance and that

such entry is at a time convenient to the owner. In case of an emergency, such right of entry shall be immediate.

6. Rules of Conduct.

(a) Owners and occupants of the townhouses shall at all times exercise extreme care to avoid making or permitting to be made unreasonable noises or disturbances to others. No unlawful, immoral, obnoxious or offensive activities shall be carried out in any townhouse or elsewhere on the project property. No townhouse shall be used or occupied in such a manner as to obstruct or interfere with the enjoyment of occupants or other residents of adjoining townhouses. A maximum of two (2) pets with a total maximum weight of fifty-five (55) pounds will be allowed any single unit.

(b) Townhouse owners shall not paint, decorate or adorn the outside walls of any townhouse building or install any canopy, awning, radio or television antenna or other fixtures or items of any kind outside the townhouse, except with the written approval of the Board.

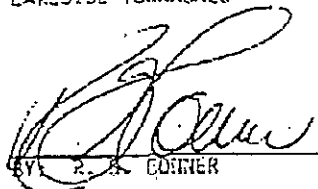
(c) Trash, garbage and other wastes shall be kept in sanitary containers, and shall be disposed of as directed or provided for by the Board or Managing Agent. It is prohibited to dust rugs or other items from the windows, or to throw any dust, trash or garbage out of any windows in any of the townhouses.


(d) No townhouse owner or other occupant shall make any alteration or improvement to the common elements of the townhouse project nor do anything which would change the appearance of the outside of the townhouse without the prior written consent of the Board.

2. Notice of Unpaid Assessments. The Council shall at the request of a mortgagee of any townhouse, report any unpaid assessments due from the owner of such townhouse.

DATED AND ADOPTED BY the undersigned, the Developer and sole owner in fee simple of LAKESIDE TOWNHOMES, this the 16 Day of October 1979.

LAKESIDE TOWNHOMES


BY: R. G. CONNER


BY: R. B. BALDRIDGE


BY: RAY ST. GERMAIN

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared R. G. Conner, R. B. Baldrige, and Ray St. Germain known to me to be the person whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and

