

BY-LAWS  
OF  
TRANQUILITY LAKE OWNERS ASSOCIATION, INC.  
(A Texas Non-Profit Corporation)  
Harris County, Texas

TRANQUILITY LAK  
CONDOMINIUM & D  
CONDOMINIUM PROJ  
CONDOMINIUM RECORD  
HARRIS COUNTY, TEX  
VOL. 135 PAGE 86

TABLE OF CONTENTS  
FOR BY-LAWS OF  
TRANQUILITY LAKE OWNERS ASSOCIATION, INC.  
(A Texas Non-Profit Corporation)

	<u>Page</u>
ARTICLE I - NAME	
Paragraph 1.1 - NAME	1
ARTICLE II - PURPOSE AND OWNER OBLIGATION	
Paragraph 2.1 - PURPOSE	1
Paragraph 2.2 - OWNER OBLIGATION	1
ARTICLE III - DEFINITIONS AND TERMS	
Paragraph 3.1 - MEMBERSHIP	2
Paragraph 3.2 - VOTING	2
Paragraph 3.3 - MAJORITY OF UNIT OWNERS	3
Paragraph 3.4 - QUORUM	3
Paragraph 3.5 - PROXIES	3
ARTICLE IV - ADMINISTRATION	
Paragraph 4.1 - DECLARANT CONTROL	3
Paragraph 4.2 - ASSOCIATION RESPONSIBILITIES	3
Paragraph 4.3 - PLACE OF MEETINGS	4
Paragraph 4.4 - ANNUAL MEETINGS	4
Paragraph 4.5 - SPECIAL MEETINGS	4
Paragraph 4.6 - NOTICE OF MEETINGS	4
Paragraph 4.7 - ADJOURNED MEETING	5
Paragraph 4.8 - ORDER OF BUSINESS	5

KE  
DECLARATION

SECY

RDS

5

Page

ARTICLE V - BOARD OF DIRECTORS

Paragraph 5.1 - NUMBER AND QUALIFICATION	5
Paragraph 5.2 - POWERS AND DUTIES	6
Paragraph 5.3 - OTHER POWERS AND DUTIES	6
Paragraph 5.4 - ELECTION AND TERM OF OFFICE	8
Paragraph 5.5 - VACANCIES	9
Paragraph 5.6 - REMOVAL OF DIRECTORS	9
Paragraph 5.7 - ORGANIZATION MEETING	9
Paragraph 5.8 - REGULAR MEETINGS	9
Paragraph 5.9 - SPECIAL MEETINGS	9
Paragraph 5.10 - WAIVER OF NOTICE	10
Paragraph 5.11 - BOARD OF DIRECTOR'S QUORUM	10
Paragraph 5.12 - FIDELITY BONDS	10

ARTICLE VI - OFFICERS

Paragraph 6.1 - DESIGNATION	10
Paragraph 6.2 - ELECTION OF OFFICERS	11
Paragraph 6.3 - REMOVAL OF OFFICERS	11
Paragraph 6.4 - PRESIDENT	11
Paragraph 6.5 - VICE PRESIDENT	11
Paragraph 6.6 - SECRETARY	11
Paragraph 6.7 - TREASURER	12

ARTICLE VII - MANAGEMENT CONTRACT

Paragraph 7.1 - MANAGEMENT COMPANY	12
------------------------------------	----

ARTICLE VIII - INDEMNIFICATION OF OFFICERS AND MANAGERS

Paragraph 8.1 - INDEMNIFICATION	15
---------------------------------	----

	<u>Page</u>
ARTICLE IX - OBLIGATIONS OF THE OWNERS	
Paragraph 9.1 - ASSESSMENTS	16
Paragraph 9.2 - GENERAL	17
Paragraph 9.3 - USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS	17
Paragraph 9.4 - DESTRUCTION OR OBSOLESCENCE	17
ARTICLE X - AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP	
Paragraph 10.1 - BY-LAWS	17
ARTICLE XI - MORTGAGES	
Paragraph 11.1 - NOTICE TO ASSOCIATION	18
Paragraph 11.2 - NOTICE OF UNPAID ASSESSMENTS	18
ARTICLE XII - COMPLIANCE	
Paragraph 12.1 - LEGAL REQUIREMENTS	18
ARTICLE XIII - NON-PROFIT ASSOCIATION	
Paragraph 13.1 - NON-PROFIT PURPOSE	19
ARTICLE XIV - PRINCIPAL OFFICE	
Paragraph 14.1 - ADDRESS	19
ARTICLE XV - EXECUTION OF INSTRUMENTS	
Paragraph 15.1 - AUTHORIZED AGENTS	19
ARTICLE XVI - CORPORATE SEAL	
Paragraph 16.1 - CORPORATE SEAL	20
ARTICLE XVII - DEFINITIONS OF TERMS	
Paragraph 17.1 - DEFINITIONS OF TERMS	20
CERTIFICATE	20

BY-LAWS  
OF  
TRANQUILITY LAKE OWNERS ASSOCIATION, INC.  
(A Texas Non-Profit Corporation)

ARTICLE I

NAME

1.1 NAME. The name of the organization shall be TRANQUILITY LAKE OWNERS ASSOCIATION, INC., hereinafter called "Association".

ARTICLE II

PURPOSE AND OWNER OBLIGATION

2.1 PURPOSE. The purpose for which this non-profit Association as formed is to govern the Condominium Property situated in the County of Harris, State of Texas, which Property is described on the attached Exhibit "A", which by this reference is made a part hereof, and which Property has been submitted to a Regime according to the provisions of the Condominium Act of the State of Texas.

2.2 OWNER OBLIGATION. All present or future owners, tenants, future tenants or any other person who might use the facilities of the Project in any manner, are subject to the regulations set forth in these By-Laws. The mere acquisition or rental of any of the Condominium Units (hereinafter referred to as "Units") of the Project or the mere act of occupancy of any of said Units will signify that these By-Laws are accepted, ratified and will be strictly followed.

TRANQUILITY LAKE  
CONDOMINIUM & DECLARATION  
CONDOMINIUM PROJECT  
CONDOMINIUM RECORDS  
HARRIS COUNTY, TEXAS  
VOL. 135 PAGE 87

ARTICLE III

DEFINITIONS AND TERMS

3.1 MEMBERSHIP. Any person on becoming an Owner of a Condominium Unit shall automatically become a Member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Condominium Unit. Such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with TRANQUILITY LAKE CONDOMINIUM during the period of such ownership and membership in this Association, or impair any rights or remedies which the Board of Directors of the Association or others may have against such former Owner and Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto. No certificates of stock shall be issued by the Association, but the Board of Directors, if it so elects, may issue one (1) Membership Card per Unit to the Owner(s) of a Condominium Unit. Such Membership Card shall be surrendered to the Secretary whenever ownership of the Condominium Unit designated thereon is terminated.

3.2 VOTING. Unit ownership shall entitle the Owner(s) to cast one (1) vote per Unit in the affairs of the Association, which vote will be weighted to equal the proportionate share of ownership of the Unit Owner in the Common Elements. Voting shall not be split among more than one (1) Unit Owner. The present number of votes that can be cast by the Unit Owners is one hundred fifty-seven (157). The combined weighted votes calculated in accordance with Exhibit "C" to the Condominium Declaration for TRANQUILITY LAKE CONDOMINIUM shall equal one hundred percent (100%). Should additional property be annexed in accordance with Paragraph 2.11 of the Declaration, the total number of votes shall be increased accordingly, and the weighted average adjusted to total one hundred percent (100%).

3.3 MAJORITY OF UNIT OWNERS. As used in these By-Laws the term "majority of Unit Owners" shall mean those Owners with fifty-one percent (51%) of the votes entitled to be cast.

3.4 QUORUM. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a "majority of Unit Owners" as defined in Paragraph 3.3 of this Article shall constitute a quorum.

3.5 PROXIES. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting.

#### ARTICLE IV

##### ADMINISTRATION

4.1 DECLARANT CONTROL. Notwithstanding any provision herein to the contrary, and in accordance with Paragraphs 4.2 and 4.3 of the Condominium Declaration for TRANQUILITY LAKE CONDOMINIUM, the Declarant, PENN-TEX VENTURES II, INC., a Texas corporation, shall retain control over management of the affairs of the Association. This retention of control shall be for the benefit of the Unit Owners and any First Mortgagees of record and for the purpose of insuring both a complete and orderly buildout and a timely sellout of the Project Units, including any annexations. This control shall last no longer than September 1, 1987, or upon sale of seventy-five percent (75%) of the Units, including subsequent annexations, or when in the sole opinion of the Declarant the Project is viable, self-supporting and operational.

4.2 ASSOCIATION RESPONSIBILITIES. The Owners of the Units will constitute the Association of Unit Owners, hereinafter referred to as "Association", who will have the responsibility of administering the Condominium Project through a Board of Directors.

4.3 PLACE OF MEETINGS. All annual and special meetings of the Association shall be held at the principal office of the Association or at such other suitable and convenient place as may be permitted by law and from time to time fixed by the Directors and designated in the notices of such meetings.

4.4 ANNUAL MEETINGS. Annual meetings shall be held the fourth (4th) Tuesday of January each year. The first (1st) annual meeting shall be called by Declarant after the end of the Declarant Control Period.

4.5 SPECIAL MEETINGS. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by at least one-tenth (1/10) 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 purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of four-fifths (4/5) of the Owners present, either in person or by proxy. 15.7

4.6 NOTICE OF MEETINGS. The Secretary shall mail notices of annual and special meetings to each Member of the Association, directed to his last known post office address, as shown on the records of the Association, by uncertified mail, postage prepaid. Such notice shall be mailed not less than ten (10) days nor more than twenty (20) days before the date of such meeting and shall state the date, time and place of the meeting and the purpose or purposes thereof. In lieu of mailing notice as herein provided, such notice may be delivered by hand or left at his residence in his absence. If requested, any Mortgagee of record or its designee may be entitled to receive similar notice.



4.7 ADJOURNED MEETING. If any meeting of Owners cannot be organized because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is attained.

4.8 ORDER OF BUSINESS. The order of business at all meetings of the Owners of Units shall be as follows:

- a. Roll call.
- b. Proof of notice of meeting or waiver of notice.
- c. Reading of minutes of preceding meeting.
- d. Reports of officers.
- e. Reports of committees.
- f. Election of Directors.
- g. Unfinished business.
- h. New business.

ARTICLE V

BOARD OF DIRECTORS

5.1 NUMBER AND QUALIFICATION. The affairs of this Association shall be governed by a Board of Directors composed initially of three (3) persons. The following persons shall act in such capacity and shall manage the affairs of the Association until their successors are elected, to-wit:

<u>NAME</u>	<u>ADDRESS</u>
Nathan Kline	4433 Airline Houston, Texas 77222
Jim Day	4433 Airline Houston, Texas 77222
Jacqueline Day	4433 Airline Houston, Texas 77222

At the first (1st) annual meeting of the Members of the Association, or any annual meeting thereafter, or special meeting of the Association called for that purpose, the number of Directors may be increased to seven (7).

5.2 POWERS AND DUTIES. 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 a residential Condominium Project. The Board of Directors may do all such acts and things that are not by these By-Laws or by the Condominium Declaration for TRANQUILITY LAKE CONDOMINIUM directed to be exercised and done by the Owners.

5.3 OTHER POWERS AND DUTIES. The Board of Directors shall have the following duties:

- a. To administer and enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Condominium Declaration.
- b. To establish, make and enforce compliance with rules necessary for the orderly operation, use and occupancy of this Condominium Project. (A copy of such rules and regulation shall be delivered or mailed to each Member promptly upon the adoption thereof.)
- c. To keep in good order, condition and repair all of the General and Limited Common Elements and all items of personal property used in the enjoyment of the entire Premises.
- d. To insure and keep insured all of the insurable Common Elements of the Property in an amount equal to their maximum replacement value, as provided in the Declaration. Further to obtain and maintain comprehensive liability insurance covering the entire Premises in amounts not less than One Hundred Thousand Dollars (\$100,000.00) per person, Three Hundred Thousand Dollars (\$300,000.00) per accident and Fifty Thousand Dollars (\$50,000.00) property damages, plus a One Million Dollar (\$1,000,000.00) umbrella policy. To insure and keep insured all the fixtures, equipment and

TRANQUILITY LAKE  
CONDOMINIUM DECLARATION  
PROJECT

ADDS

1. ADAS

AGE 88

To keep and maintain...

CONDOMINIUM  
HARRIS COUNTY  
SEC. 1351

personal property acquired by the Association for the benefit of the Association, the Owners of the Condominium Units and their First Mortgages.

e. To fix, determine, levy and collect the monthly prorated assessments to be paid by each of the Owners; and by majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments subject to provisions of the Declaration; to levy and collect special assessments in order to meet increased operating or maintenance expenses or costs, and additional capital expenses. All monthly or other assessments shall be in itemized statement form and shall set forth in detail the various expenses for which the assessments are being made.

f. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner, as provided in the Declaration and these By-Laws.

g. To protect and defend the entire Premises from loss and damage by suit or otherwise.

h. To borrow funds in order to pay for any required expenditure or outlay; to execute all such instruments evidencing such indebtedness which shall be the several obligations of all of the Owners in the same proportion as their interest in the Common Elements.

i. To enter into contracts within the scope of their duties and power.

j. To establish a bank account for the common treasury for all separate funds which are required or may be deemed advisable by the Board of Directors.

k. 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 any First Mortgagee of a Unit, and to cause a complete audit of the books and accounts by a competent accountant, once each year. The Association shall cause to be prepared and delivered annually to each Owner an audited statement showing all receipts, expenses or disbursements since the last such statement. Such audited financial statements shall be available to any First Mortgagee of a Unit, on request, within ninety (90) days following the fiscal year end of the Project.

l. To meet at least once each quarter.

m. To designate the personnel necessary for the maintenance and operation of the General and Limited Common Elements.

n. In general, to carry on the administration of this Association and to do all of those things, necessary and reasonable, in order to carry out the communal aspect of Condominium ownership.

5.4 ELECTION AND TERM OF OFFICE. At the first (1st) annual meeting of the Association the term of office of three (3) of the Directors shall be fixed for one (1) year, the term of office of two (2) of the Directors shall be fixed at two (2) years, and the term of office of the remaining two (2) Director shall be fixed at three (3) years. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The persons acting as Directors shall hold office until their successors have been elected and hold their first (1st) meeting.

5.5 VACANCIES. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum. Each Director so elected shall serve out the remaining term of his predecessor.

5.6 REMOVAL OF DIRECTORS. At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by a majority of the Owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting.

5.7 ORGANIZATION MEETING. The first (1st) meeting of a newly elected Board of Directors shall be held within ten (10) days of election 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 legally to constitute such meeting, providing a majority of the whole Board shall be present.

5.8 REGULAR MEETINGS. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally, by mail, telephone or telegraph, at least three (3) days prior to the day named for such meeting.

5.9 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or Secretary, or upon the written request of at least two (2) Directors. The President or Secretary will give three (3) days' personal notice to each Director by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting.

- 9 -

6.2 ELECTION OF OFFICERS. The officers of the Association shall be

TRA  
COR  
A C  
CC  
BAR  
VC

5.10 WAIVER OF NOTICE. Before or at 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 shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

5.11 BOARD OF DIRECTOR'S QUORUM. At all meetings of the Board of Directors, a majority of Directors 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. 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. At any such adjourned meeting, any business which might have been transacted at the meeting, as originally called, may be transacted without additional notice.

5.12 FIDELITY BONDS. The Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premium on such bonds shall be paid by the Association.

#### ARTICLE VI

##### OFFICERS

6.1 DESIGNATION. The officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors.

LAKE HILLY LAKE  
CONDOMINIUM & DECLARATION  
CONDOMINIUM PROJECT

CONDOMINIUM RECORDS

DAVIS COUNTY, TEXAS

PL. 135 PAGE 89

6.2 ELECTION OF OFFICERS. The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

6.3 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 may be elected at any regular meeting of the Board of Directors or at any special meeting of the Board called for such purpose.

6.4 PRESIDENT. The President shall be the chief executive officer of the Association. He shall preside at all meetings of both the Association and the Board of Directors. He shall have all 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 among the Owners to assist in the administration of the affairs of the Association. He shall co-sign all promissory notes with the Secretary and co-sign all checks with the Treasurer. The President, or his designated alternate, shall represent the Association at all meetings of TRANQUILITY LAKE OWNERS ASSOCIATION, INC.

6.5 VICE PRESIDENT. The Vice President shall perform all of the duties of the President in his absence and such other duties as may be required of him from time to time by the Board of Directors.

6.6 SECRETARY.

a. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association. He shall have charge of such books and papers as the Board of Directors may direct and shall co-sign all instruments of conveyance; and he shall, in general, perform all the duties incident to the office of the Secretary.

b. The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall show opposite each Member's name, the number of Members living in the Unit, the carport and parking space, and storage space assigned for use in connection with such Unit. 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.

6.7 TREASURER. The Treasurer shall receive and deposit in appropriate bank accounts all money of the Association and shall disburse such 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, including authority to: co-sign all checks; keep proper books of account; cause an annual statement of the Association's books to be made at the completion of each fiscal year; prepare an annual budget and a statement of income expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members; and perform all other duties assigned to him by the Board of Directors.

ARTICLE VII

MANAGEMENT CONTRACT

7.1 MANAGEMENT COMPANY. The Board of Directors shall enter into a management agreement with a management company at a rate of compensation agreed upon by the Board of Directors. In accordance with the Declaration and these By-Laws, the management company shall have, but shall not be limited to, the following functions, duties and responsibilities:



a. Fiscal Management.

(1) Prepare annual operating budget detailed to reflect expected operation for each month. This budget is established to show expected recurring receipts and operating disbursements. It is further used for comparison with actual monthly income and expenditures.

(2) Prepare five (5)-year sinking fund reserve budget projection for capital expenditures on items recurring only periodically, i.e., painting, etc., for Common Elements.

(3) Prepare monthly operating and cash position statements and statements concerning sinking fund reserve accounts.

(4) Analyze and compare operating receipts and disbursements against the Board-approved budget. Where a significant variation is shown (10% above or below the budgeted amount), prepare explanations of variations from budgeted figures. Suggest corrective recommendations, if applicable.

(5) Collect maintenance fees and special assessments; deposit them in checking, savings or other income producing accounts on behalf of the Board and maintain comprehensive records thereof. Establish individual checking and sinking fund reserve accounts, as directed by the Board.

(6) Mail notices of delinquency to any Owner in arrears, and exert reasonable effort to collect delinquent accounts.

(7) Examine all expense invoices for accuracy and pay all bills in accordance with the terms of the property management agreement.

(8) Prepare year-end statement of operations for Owners.

b. Physical Management.

(1) Assume full responsibility for maintenance and control of Common Area improvements and equipment. Maintain the Property in constant repair to reflect Owner pride and to insure high property values in accordance with the provisions of the operating budget, as approved by the Board of Directors.

(2) Enter into contracts and supervise services for lawn care, refuse hauling, pump maintenance, etc., as approved operating budgets.

(3) Select, train and supervise competent personnel, as directed by the Board.

(4) Compile, assemble and analyze data; and prepare specifications and call for bids for major improvement projects. Analyze and compare bids, issue contracts and coordinate the work; maintain close and constant inspection to insure that work is performed according to specifications.

(5) Perform any other projects with diligence and economy in the Board's best interests.

c. Administrative Management.

(1) Inspect contractual services for satisfactory performance. Prepare any necessary compliance letters to Vendors.

CE  
DECLARATION:

DS

FXAS

(2) Obtain and analyze bids for insurance coverage specified in By-Laws, recommend modifications or additional coverages. Prepare claims when required and follow up on payment; act as Board's representative in negotiating settlement.

(3) Exercise close liaison and supervision over all personnel to insure proper operational maintenance and to promote good Management-Resident-Owner relationships.

(4) Act as liaison for the Association in any negotiations or disputes with local, federal or state taxing agencies or regulatory bodies.

(5) Exercise close supervision over hours and working conditions of employed personnel to insure compliance with Wage and Hour and Workman's Compensation Laws.

(6) Assist in resolving individual Owner's problems as they pertain to the Association, Common Elements and governing rules and regulations.

(7) Represent an absentee Owner when requested.

(8) Administer the Condominium Project in such a way as to promote a pleasant and harmonious relationship within the complex for all Owners, Residents and Tenants alike.

ARTICLE VIII

INDEMNIFICATION OF OFFICERS AND DIRECTORS

8.1 INDEMNIFICATION. The Association shall indemnify every Director or officer, his heirs, executors and administrators, against all loss, cost and expense, including counsel fees, reasonably incurred by him in connection with

any action, suit or proceeding to which he may be made a party by reason of his being or having been a Director or officer of the Association, except in matters of gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters in which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director or officer in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director or officer may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association in connection with the foregoing indemnification provision shall be treated and handled by the Association as Common Expenses; provided, however, nothing contained in this Article VIII shall be deemed to obligate the Association to indemnify any Member or Owner of a Condominium Unit, who is or has been a Director or officer of the Association, with respect to any duties or obligations assumed or liabilities incurred by him under and by virtue of the Condominium Declaration for TRANQUILITY LAKE CONDOMINIUM as a Member or Owner of a Condominium Unit covered thereby.

#### ARTICLE IX

##### OBLIGATIONS OF THE OWNERS

9.1 ASSESSMENTS. All Owners shall be obligated to pay the monthly assessments imposed by the Association to meet the Common Expenses as defined in the Declaration. The assessments shall be made pro rata according to the proportionate share of the Unit Owner in and to the Common Elements and shall be due monthly in advance. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these By-Laws, only if he is current in the assessments made or levied against him and the Condominium Unit owned by him.

9.2 GENERAL.

a. Each Owner shall comply strictly with the provisions of the Condominium Declaration for TRANQUILITY LAKE CONDOMINIUM.

b. Each Owner shall always endeavor to observe and promote the cooperative purposes for which the Project was built.

9.3 USE OF GENERAL COMMON ELEMENTS AND LIMITED COMMON ELEMENTS. Each Owner may use the General Common Elements and the Limited Common Elements in accordance with the purposes for which they were intended.

9.4 DESTRUCTION OR OBSOLESCENCE. Each Owner shall, if necessary, execute a power of attorney in favor of the Association, irrevocably appointing the Association his Attorney In Fact to deal with the Owner's Condominium Unit upon its destruction, obsolescence or condemnation, as is provided in Paragraph 6.1 of the Condominium Declaration.

ARTICLE X

AMENDMENTS TO PLAN OF CONDOMINIUM OWNERSHIP

10.1 BY-LAWS.

a. After relinquishment of Declarant control of the Association, as set forth in Article IV, these By-Laws may be amended by the Association at a duly constituted meeting for such purpose, and no amendment shall take effect unless approved by Owners representing at least sixty-six and two-thirds percent (66-2/3%) of the aggregate interest of the undivided Ownership of the Common Elements except for those amendments provided for in Article VIII of the Declaration, which shall require the approval of Owners and Mortgagees as provided therein. In no event shall the By-Laws be amended to conflict with the Declaration. In the event of a conflict between the two (2) documents, the Declaration shall control.

b. Until relinquishment of Declarant control of the Association, these By-Laws may be unilaterally amended by the Declarant to correct any clerical or typographical error or omission, or to change any provision to meet the requirements of Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Veterans Administration or Federal Housing Administration.

ARTICLE XI

MORTGAGES

11.1 NOTICE TO ASSOCIATION. An Owner who mortgages his Unit shall notify the Association through the President of the Association giving the name and address of his Mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Condominium Units".

11.2 NOTICE OF UNPAID ASSESSMENTS. The Association shall, at the request of a Mortgagee of a Unit, report any unpaid assessments due from the Owner of such Unit.

ARTICLE XII

COMPLIANCE

12.1 LEGAL REQUIREMENTS. These By-Laws are set forth to comply with the requirements of the State of Texas Condominium Act. If any of these By-Laws conflict with the provisions of said statute, it is hereby agreed and accepted that the provisions of the statute will apply.

LINCOLN LAKE  
WELLS & DECLARATION  
WELLS PROJECT  
WELLS RECORDS  
WELLS, TEXAS  
PAGE 91

CONDOMINIUM  
CONDOMINIUM  
CONDOMINIUM  
HARRIS COUNTY  
VOL. 135

ARTICLE XIII

NON-PROFIT ASSOCIATION

13.1 NON-PROFIT PURPOSE. This Association is not organized for profit. No Unit Owner, Member of the Board of Directors 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 a salary or as compensation to, or distributed to or inure to the benefit of any Member of the Board of Directors; provided, however, always (1) that reasonable compensation may be paid to any Member while acting as an agent or employee of the Association for services rendered in effecting one (1) or more of the purposes of the Association and (2) that any Member of the Board of Directors 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.

ARTICLE XIV

PRINCIPAL OFFICE

14.1 ADDRESS. The principal office of the Association shall be located at 4433 Airlina, Houston, Texas 77222, but may be located at such other suitable and convenient place as shall be permitted by law and designated by the Directors.

ARTICLE XV

EXECUTION OF INSTRUMENTS

15.1 AUTHORIZED AGENTS. The persons who shall be authorized to execute any and all instruments of conveyance or encumbrances, including promissory notes, shall be the President with the co-signature of the Secretary of the Association.

ARTICLE XVI

CORPORATE SEAL

16.1 CORPORATE SEAL. The Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Association.

ARTICLE XVII

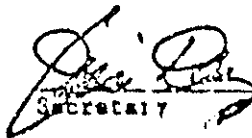
DEFINITIONS OF TERMS

17.1 DEFINITIONS OF TERMS. The terms used in these By-Laws, to the extent they are defined in said Declaration, shall have the same definition as set forth in the Declaration for TRANQUILITY LAKE CONDOMINIUM, as the same may be amended from time to time, recorded in the office of the County Clerk of Harris County, Texas.

CERTIFICATE

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the By-Laws of TRANQUILITY LAKE OWNERS ASSOCIATION, INC., a Texas non-profit corporation, as adopted by the initial Board of Directors at its organization meeting on the 2 day of May, A.D., 1983.

IN WITNESS WHEREOF, I hereunto set my hand and affix the Seal of the Corporation, this the 2 day of May, A.D., 1983.

  
Secretary





# TRANQUILITY LAKE

FINE CONDOMINIUM HOMES

BUILDING	MODEL	UNIT #	SQ. Ft.	Z OWNERSHIP	PARKING #
A	F	100	917	.66624	259
	F	101	-	-	258
	D	102	934	.67863	258
	D	103	-	-	257
	D	104	-	-	255
	D	105	-	-	254
	D	106	-	-	252
	D	107	-	-	253
	D	108	-	-	251
	D	109	-	-	250
	D	110	-	-	248
	D	111	-	-	249
	D	112	-	-	247
	D	113	-	-	246
	D	114	-	-	244
	D	115	-	-	245
	D	116	-	-	243
	D	117	-	-	242
	F	118	917	.66624	240
	F	119	-	-	241
B	F	200	917	.66624	238
	F	201	-	-	239
	D	202	934	.67863	236
	D	203	-	-	237
	D	204	-	-	235
	D	205	-	-	236
	D	206	-	-	234
	D	207	-	-	233
	D	208	-	-	230
	D	209	-	-	231
	D	210	-	-	218
	D	211	-	-	219
	D	212	-	-	217
	D	213	-	-	216
	D	214	-	-	214
	D	215	-	-	215
	D	216	-	-	213
	D	217	-	-	222

# TRANQUILITY LAKE

FINE CONDOMINIUM HOMES

BUILDING	MODEL	UNIT #	SQ. Ft.	Z OWNERSHIP	PARKING #
N	C	1200	850	.61760	77-C
	C	1201	-	-	76-C
	C	1202	-	-	75-C
	C	1203	-	-	74-C
	C	1204	-	-	72-C
	C	1205	-	-	73-C
	C	1206	-	-	71-C
	C	1207	-	-	70-C
N	F	1401	917	.66624	67-C
	F	1403	-	-	66-C
	E	1405	1200	.87191	64-C 65-C
	E	1407	-	-	68-C 69-C
	F	1409	917	.66624	118-C
	F	1411	-	-	117-C
P	F	1501	917	.66624	59-C
	F	1503	-	-	58-C
	E	1505	1200	.87191	57-C 56-C
	E	1507	-	-	55-C 54-C
	D	1508	934	.67863	50-C 52-U
	D	1509	-	-	51-C 53-U
	D	1510	-	-	48-C 78-U
	D	1511	-	-	49-C 46-U
	E	1513	1200	.87191	45-C 44-C
R	E	1601	1200	.87191	43-C 42-C
	D	1602	934	.67863	40-C 35-U
	D	1603	-	-	41-C 37-U
	D	1604	-	-	38-C 35-U
	D	1605	-	-	39-C 79-U
	E	1607	1200	.87191	36-C 33-C
	F	1609	-	-	32-C 31-C
	F	1611	917	.66624	30-C
	F	1613	-	-	29-C

# TRANQUILITY LAKE

FINE CONDOMINIUM HOMES

BUILDING	MODEL	UNIT #	SQ. FT.	% OWNERSHIP	PARKING #	
C	A	300	600	.43595	213-C	
	A	301	-	-	214-C	
	A	302	-	-	212-C	
	A	303	-	-	211-C	
	A	304	-	-	209-C	
	A	305	-	-	210-C	
	A	306	-	-	208-C	
	A	307	-	-	207-C	
	A	308	-	-	216-C	
	A	309	-	-	215-C	
	A	310	-	-	217-C	
	A	311	-	-	218-C	
D	C	400	850	.61760	196-C	
	C	401	-	-	195-C	
	C	402	-	-	194-C	
	C	403	-	-	193-C	
	C	404	-	-	192-C	
	C	405	-	-	191-C	
	C	406	-	-	190-C	
	C	407	-	-	189-C	
	C	408	-	-	187-C	
	C	409	-	-	188-C	
	C	410	-	-	185-C	
	C	411	-	-	186-C	
E	A	500	600	.43595	176-C	
	A	501	-	-	177-C	
	A	502	-	-	178-C	
	A	503	-	-	170-C	
	A	504	-	-	174-C	
	A	505	-	-	175-C	
	A	506	-	-	172-C	
	A	507	-	-	173-C	
	F	F	603	917	.66524	171-C
	F	A	601	600	.43595	170-C
	F	A	602	-	-	169-C
	F	D	603	936	.67863	167-C
F	D	604	-	-	168-C	
F	B	605	700	.50862	166-C	
F	B	606	-	-	165-C	
F	E	607	1200	.87191	163-C	
F	C	608	850	.61760	162-C	
F	C	609	-	-	161-C	

# TRANQUILITY LAKE

FINE CONDOMINIUM HOMES

BUILDING	MODEL	UNIT #	SQ. FT.	% OWNERSHIP	PARKING #	
C	F	701	917	.66624	154-C	
	F	703	-	-	155-C	
	E	705	1200	.87191	153-C	
	E	707	-	-	151-C	
	E	708	-	-	149-C	
	E	711	-	-	147-C	
	F	713	917	.66524	144-C	
	F	715	-	-	143-C	
	H	F	801	917	.66624	143-C
		F	803	-	-	142-C
		B	804	700	.50862	141-C
		B	805	-	-	140-C
B		806	-	-	139-C	
B		807	-	-	138-C	
B		808	-	-	136-C	
B		809	-	-	137-C	
J		C	900	850	.61760	135-C
		C	901	-	-	134-C
		C	902	-	-	133-C
		C	903	-	-	132-C
	B	904	700	.50862	131-C	
	B	905	-	-	130-C	
	B	906	-	-	129-C	
	B	907	-	-	128-C	
	K	F	1001	917	.66624	116-C
		F	1003	-	-	115-C
		E	1005	1200	.87191	114-C
		D	1006	936	.67863	112-C
D		1007	-	-	111-C	
D		1008	-	-	110-C	
D		1009	-	-	109-C	
D		1010	-	-	108-C	
D		1011	-	-	107-C	
L		D	1100	936	.67863	105-C
		D	1101	-	-	106-C
		D	1102	-	-	104-C
	D	1103	-	-	103-C	
	D	1104	-	-	102-C	
	D	1105	-	-	101-C	
	D	1106	-	-	098-C	
	D	1107	-	-	099-C	
	D	1108	-	-	091-C	
	D	1109	-	-	092-C	
	D	1110	-	-	090-C	
	D	1111	-	-	088-C	

TRANQUILITY LAKE  
 CONDOMINIUM 6 DECLARATION  
 A CONDOMINIUM PROJECT

CONDOMINIUM RECORDS

HARRIS COUNTY, TEXAS

VOL. 135 PAGE 112

Being a 14.050 acre tract of land one of the Robert William Taylor, Aves., Harris County, Texas; and being out of and a part of Block 71 of the HOUSTON ORCHARD COMPANY, Webster Subdivision as recorded in Volume 3, Page 73, Map Records, Harris County, Texas; said 16.550 acre tract being more particularly described by situs and bounds as follows:

BEGINNING at a found concrete highway monument in the Southeastly margin of HENDERSON AVENUE; said monument also being in the Southwesterly margin of HIGHWAY F.M. 270;

THENCE South 88°39'17" East with the Southwesterly Margin of F.M. 270, 31.85 feet to a found concrete highway monument for corner;

THENCE South 41°10'13" East with the Southwesterly Margin of F.M. 270, 1260.15 feet to a set 5/8" iron rod for corner in the North top of bank of CLEAR CREEK;

THENCE with the meanders of the top bank of CLEAR CREEK as follows:

- South 34°15'02" West, 48.85'
- South 18°34'05" West, 50.00'
- South 12°17'53" West, 50.36'
- South 23°22'53" West, 50.16'
- South 21°05'17" West, 50.03'
- South 20°03'27" West, 50.01'
- South 17°32'50" West, 50.01'
- South 10°13'28" West, 50.54'
- South 01°36'13" West, 37.93'
- South 01°08'19" West, 30.34'
- South 0°35'33" East, 50.17'
- South 05°21'26" East, 50.00'
- South 15°14'02" East, 50.24'
- South 20°58'53" East, 50.02'
- South 22°55'44" East, 22.91'

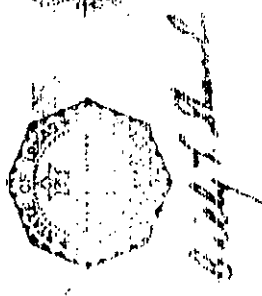
THENCE North 40°46'29" West, 919.26 feet to a set 5/8" iron rod for corner;

THENCE North 46°45'47" East, 1071.67 feet to a set 5/8" iron rod for corner;

P A R K I N G  
 (by plot #)

1-U	1006	60	GUEST	119	GUEST	180	GUEST
2-U	1007	61	GUEST	120	GUEST	181	GUEST
3-U	1008	62	GUEST	121	GUEST	182	GUEST
4-U	1009	63	GUEST	122	GUEST	183	GUEST
5-U	1010	64-C	1405	123	GUEST	184	GUEST
6-U	1011	65-C	1405	124	GUEST	185-C	410
7-U	1100	66-C	1405	125	GUEST	186-C	411
8-U	1101	67-C	1401	126	GUEST	187-C	408
9	GUEST	68-C	1407	127	GUEST	188-C	409
10	GUEST	69-C	1407	128-C	507	189-C	407
11	GUEST	70-C	1207	129-C	506	190-C	406
12	GUEST	71-C	1206	130-C	505	191-C	405
13	GUEST	72-C	1204	131-C	504	192-C	404
14	GUEST	73-C	1205	132-C	503	193-C	403
15	GUEST	74-C	1203	133-C	502	194-C	402
16	GUEST	75-C	1202	134-C	501	195-C	401
17	GUEST	76-C	1201	135-C	500	196-C	400
18	GUEST	77-C	1200	136-C	500	197	GUEST
19	GUEST	78-U	1510	137-C	500	198	GUEST
20-U	1108	79-U	1605	138-C	806	199	GUEST
21-U	1109	80	GUEST	139-C	807	200	GUEST
22	GUEST	81	GUEST	140-C	805	201	GUEST
23	GUEST	82	GUEST	141-C	804	202	GUEST
24	GUEST	83	GUEST	142-C	803	203	GUEST
25	GUEST	84	GUEST	143-C	801	204	GUEST
26	GUEST	85	GUEST	144-C	715	205	GUEST
27	GUEST	86	GUEST	145-C	713	206	GUEST
28	GUEST	87-U	1110	146-C	711	207-C	507
29-C	1613	88-U	1111	147-C	711	208-C	506
30-C	1611	89-C	1111	148-C	709	209-C	504
31-C	1609	90-C	1110	149-C	709	210-C	505
32-C	1607	91-C	1108	150-C	707	211-C	503
33-C	1607	92-C	1109	151-C	707	212-C	502
34-C	1607	93-C	1107	152-C	705	213-C	500
35-U	1604	94-C	1106	153-C	701	214-C	501
36-U	1602	95-U	1107	154-C	705	215-C	508
37-U	1605	96-U	1106	155-C	705	216-C	508
38-C	1604	97-U	1105	156	GUEST	217-C	510
39-C	1605	98-U	1105	157	GUEST	218-C	511
40-C	1602	99-U	1103	158	GUEST	219	GUEST
41-C	1603	100-U	1102	159-U	1604	220	GUEST
42-C	1601	101-C	1105	160-U	1603	221	GUEST
43-C	1601	102-C	1104	161-C	505	222	

-South 02°32'22" West, 50.11'  
 -South 06°42'16" East, 50.00'  
 -South 1°05'23" East, 50.24'  
 -South 15°14'02" East, 47.08'  
 -South 20°58'53" East, 50.02'  
 -South 72°55'34" East, 22.91'  
  
 THENCE North 40°46'29" West, 819.26 feet to a set 3/8" iron rod for corner;  
 THENCE North 46°45'47" East, 107.67 feet to a set 5/8" iron rod for corner;  
 THENCE North 41°10'13" West, 588.51 feet to a set 5/8" iron rod for corner;  
 THENCE North 42°23'23" East, 27.66 feet to a set 5/8" iron rod for corner;  
 THENCE North 41°10'13" West, 282.93 feet to a set 5/8" iron rod for corner  
 at the beginning of a curve to the left;  
  
 THENCE along the arc of a curve to the left, having a chord of North 42°23'23" West, 40.55 feet, a radius of 361.00 feet, a central angle of 06°26'24", a distance of 30.58 feet to a set 3/8" iron rod for corner in the Southeasterly Margin of WENDERSON AVENUE;  
  
 THENCE North 42°23'23" East with the Southeasterly Margin of WENDERSON AVENUE, 376.42 feet to the PLACE OF BEGINNING containing 14.860 acres of land, more or less; same being  
 TRANQUILITY LANE COMMUNITIES.



RECORDED MEMORANDUM:  
 At the time of recording this instrument was found to be inadequate for the purpose of reproduction because of illegibility, carbon or photo copy, electronic paper, etc. All blocks, etc. were re-recorded and the instrument at the time the instrument was recorded is hereby corrected.

EXHIBIT C

LEGAL DESCRIPTION	14.860
ACRES	14.860
SECTION	14
TOWNSHIP	14
RANGE	14
COUNTY	14
STATE	14

152-C	705	213-C	300
153-C	705	214-C	301
154-C	701	215-C	308
155-C	705	216-C	310
156	CHEST	217-C	310
157	CHEST	218-C	311
158	CHEST	219	CHEST
159-H	604	220	CHEST
160-H	603	221	CHEST
161-C	609	222	217
162-C	608	223	216
163-C	607	224	214
164-C	607	225	215
165-C	606	226	213
166-C	605	227	212
167-C	603	228	210
168-C	604	229	211
169-C	602	230	208
170-C	601	231	209
171-C	600	232	206
172-C	500	233	207
173-C	507	234	205
174-C	504	235	204
175-C	505	236	202
176-C	500	237	203
177-C	501	238	200
178-C	502	239	201
179-C	503		
252	106	250	102
253	107	257	105
254	105	258	101
255	104	259	100

250 - 309 U CHEST

95-C	1107	113	206
96-C	1106	112	247
97-H	1106	110	248
98-H	1104	111	209
99-H	1105	109	250
100-H	1102	108	251
101-C	1105		
102-C	1104		
103-C	1103		
104-C	1102		
105-C	1100		
106-C	1101		
107-C	1011		
108-C	1010		
109-C	1009		
110-C	1008		
111-C	1007		
112-C	1006		
113-C	1005		
114-C	1005		
115-C	1003		
116-C	1001		
117-C	1411		
118-C	1409		
240	118		
241	119		
242	117		
243	116		
244	114		
245	115		



U885479

45 Notice

**PRESIDENT'S CERTIFICATE OF  
Tranquility Lake Owners Association, Inc.**

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

02/20/01 300504813 U885479 \$45.00  
KNOW ALL MEN BY THESE PRESENTS:

The undersigned, being the duly elected, qualified, and acting President of Tranquility Lake Owners Association, Inc., a Texas non-profit corporation, the corporation set forth and described in that certain "Condominium Declaration for Tranquility Lake Condominiums Harris County", filed for record under County Clerk's File No. H954903, Volume 135, page 70 et seq., of the Condominium Records of Harris County, Texas, and all amendments there to as (said recorded documents and all exhibits and amendments thereto being referred to as "Declaration"), the undersigned President further being the keeper of the minutes and records of said corporation, does hereby certify that the following are true and correct copies of the following described documents attached hereto"

- (1). Articles of Incorporation for Tranquility Lake Owners Association, Inc.
- (2). Rules and Regulations for Tranquility Lake Owners Association, Inc.
- (3). Corporate Resolution – Application of Funds

IN WITNESS WHEREOF, the undersigned has hereunto set his hand and at Houston, Texas, the 20 day of December, 2000.

Deborah DeRoche  
Deborah DeRoche, President of  
Tranquility Lake Owners Association, Inc.,  
a Texas non-profit Corporation

100

THE STATE OF TEXAS §  
§  
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 20th day of December, 2000, by Deborah DeRoche, President of Tranquility Lake Owners Association, Inc., a Texas non-profit Corporation, on behalf of said corporation.

Kelly Burkett  
Notary Public in and for the State of Texas

Record and Return to: Tranquility Lake Owners Association, Inc.  
c/o Creative Management Company  
8323 Southwest Freeway, Suite #330  
Houston, TX 77074



537-49-1855