

By-Laws
of
Sugarberry Place Phase II Homeowners' Association, Inc.

Article I

Name and Location

The name of the corporation is **Sugarberry Place Phase II Homeowners' Association, Inc.**, hereinafter referred to as the "Association." The principal office of the corporation shall be located at **9850 Boudreaux Road, Tomball, Texas 77375**, but meetings of the 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

Section 1. "Association" shall mean and refer to **Sugarberry Place Phase II Homeowners' Association, Inc.**, a Texas non-profit corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property or properties described in the Declaration of Covenants, Conditions, and Restrictions and any additional properties which may hereafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded map of the Properties, with the exception of the Common Areas, if any.

Section 4. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties subject to a maintenance charge assessment by the Association, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 5. "Declarant" shall mean and refer to **Sugarberry Place, Phase II, Ltd.**, a Texas limited partnership, its successors and assigns if such successors or assign should acquire more than one undeveloped Lot from the Declarant for the purpose of development and or so designated as successor declarant in writing.

Section 6. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the properties recorded or to be recorded in the Office of the County Clerk, Harris County, Texas, and any additions and supplements thereto.

Section 7. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration and Articles of Incorporation.

Section 8. "Common Area" shall mean all real property, if any, owned by the Association for the common use and enjoyment of the Owners.

Article III

Meeting of Members

Section 1. Annual Meetings. An organization meeting for the purpose of electing officers, and transacting such other business as may be necessary for the Association to carry on business until the first annual meeting shall be held within thirty (30) days of the date the Articles of Incorporation are filed with the Texas Secretary of State. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting shall be held on the same day of the same month of every year thereafter, at the hour of 7:30 p.m., at the principal office of the corporation. 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 which is not a legal holiday. Notice of annual meetings shall not be required. The Board of Directors of said Association may change the meeting place of the annual meeting and subsequently notice of the annual meeting will be required to be mailed to all members.

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 written request of the members who are entitled to vote one-fourth (1/4) of all the votes of each class of the membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, not less than fifteen (15) or more than fifty (50) 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 the annual meetings shall not be required unless meeting place of the annual meeting is changed, as referred to in Section 1 above.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of 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, the members entitled to vote thereat shall have 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 represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be removable and shall automatically cease upon conveyance by the member of his Lot. Proxies will not be used in meetings of the Board of Directors.

Article IV

Board of Directors

Section 1. Board of Directors. The affairs of this Association shall be managed by a Board of three (3) directors, who need not be members of this Association.

Section 2. Term of Office. The initial directors for the Association set forth in the Articles of Incorporation shall hold office until the first annual meeting. At said annual meeting, the members shall elect one (1) director for a term of three (3) years, one (1) director for a term of (2) years, and one (1) director for a term of one (1) year.

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 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, 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 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. Cumulative voting shall not be permitted.

Section 5. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. If any director fails to attend three (3) consecutive meetings of the directors, he may be removed from the Board. In the event of death, resignation, or removal of a director, his successor shall be elected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 6. Compensation. No director shall receive compensation for any services he may render to the Association; provided, however, any director may be reimbursed for his actual expenses incurred in the performance of his 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 legal 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 two (2) directors after not less than three (3) days notice to each director. Such notice may be waived at or prior to such meeting by unanimous consent of the Board.

Section 3. Quorum. A majority of the number of 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.

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 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 Association

Section 1. Powers. The Association, by and through its Board of Directors, shall have the following rights and powers:

- a. suspend the voting rights and right to the use of any facilities or services provided by the Association of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of the published rules and regulations;
- b. exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- c. declare the office of a member of the Board to be vacant in the event such board member shall be absent from three (3) consecutive meetings of the Board of Directors;
- d. employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment of services; and
- e. to exercise such other rights and powers granted to it under the Declarations, the Articles of Incorporation, or these By-Laws.

Section 2. Duties. It shall be the duty of the Sugarberry Place Phase II Homeowners' Association, by and through its Board of Directors, to:

- a. adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b. cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the membership who are entitled to vote, at least ten (10) days prior to the annual meeting or special meeting;
- c. supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- d. as more fully provided in the Declaration, to fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- e. send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- f. issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment has been paid, such certificates shall be conclusive evidence of such payment;
- g. procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned or leased by the Association, including, but not limited to the following:
 - (1) The Association shall keep all insurable improvements and fixtures of the Common Area insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the

property for which the insurance was carried. Premiums for all insurance carried by the Association are Common Expenses included in the Common Assessments made by the Association;

- (2) In addition to casualty insurance on the Common Area, the Association, through the Board of Directors, may elect to obtain and continue in effect, on behalf of all Owners, adequate blanket casualty and fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all of the Dwelling Units, including the structural portions and fixtures thereof, owned by such Owners. Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association shall be a Common Expense of the Association to be included in the regular Common Assessments of the Owners, as levied by the Association. The insurance coverage with respect to the Dwelling Units shall be written in the name of, and the proceeds thereof shall be payable to the Association as Trustee for the Homeowners;
- (3) In the event of damage to or destruction of any part of the Common Area Improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a special assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other Assessments made against such Lot Owner; and
- (4) All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed;

- h. cause the mowing, edging and maintenance of the front yard of each Lot, and the side yard facing a street of corner Lots, as provided in the Declaration; and
- i. cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

Article VII

Officers and Their Duties

Section 1. Enumeration of Officers. The officers of this Association shall be a president, who shall be at all times a member of the Board of Directors; a vice president; a secretary; and a treasurer; and such other officers as the Board may from time to time by resolution create.

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 this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointment. The Board 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 may, from time to time, determine.

Section 5. Authority to Sign Checks. The Board, from time to time, may authorize any person or persons, who need not be officers or directors of the Association, to sign checks of the Association. Such agents may be authorized to sign singly or jointly, as the Board in its discretion may decide. The Board may at any time rescind and revoke such authority granted to any person. Such authority may be given to a person or persons in conjunction with or in lieu of the authority of the treasurer to sign checks. In the absence of any appointments by the Board under this Section 5, the treasurer of the Association shall have sole authority to sign the Association's checks.

Section 6. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the 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 7. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 8. Multiple Offices. No person shall simultaneously hold both the offices of president and secretary. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 9. Duties. The duties of the officers of the Association are as follow:

President

- a. The President of the Association shall preside at all meetings of the Board of Directors of the Association; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes.

Vice President

- b. The Vice President shall act in the place and instead of the President in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

- c. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; 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.

Treasurer

- d. 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; shall sign all checks and promissory notes of the Association; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association and make the same available for inspection by members of the Association during normal business hours.

Article VIII

Committees

The Association may appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

Article IX

Books and Records

The books, records 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 member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten (10%) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessment

provided for herein by nonuse of the facilities or services provided by the Association or by abandonment of his Lot.

Article XI

Corporate Seal

The Association shall have a seal in circular form having within its circumference the words "Sugarberry Place Phase II Homeowners' Association Inc." and within the center the word "Texas."

Article XII

Amendments

Section 1. Amendments. The By-Laws may be amended, at a regular or special meeting of the Board of Directors, by a vote of a majority of a quorum of Board members present, except that the HUD, the Federal Housing Administration and Veterans Administration shall have the right to veto amendments while there is a Class B membership.

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

Article XIII

Miscellaneous

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 year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all of the directors of Sugarberry Place Phase II Homeowners' Association Inc., have hereunto set our hands this 13th day of November, 2001.



MICHAEL L. MARTZ, Director



RHONDA MARTZ, Director



TRACEY FREEMAN, Director

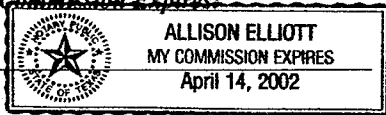
THE STATE OF TEXAS:

COUNTY OF HARRIS:

This instrument was acknowledged before me on the 13th day of November, 2001, by MICHAEL L. MARTZ.


Notary Public in and for the State of TEXAS

My Commission Expires:



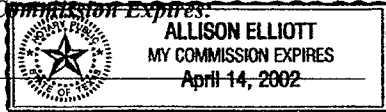
THE STATE OF TEXAS:

COUNTY OF HARRIS:

This instrument was acknowledged before me on the 13th day of November, 2001, by RHONDA MARTZ.


Notary Public in and for the State of TEXAS

My Commission Expires:



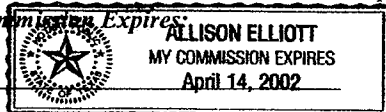
THE STATE OF TEXAS:

COUNTY OF HARRIS:

This instrument was acknowledged before me on the 13th day of November, 2001, by TRACY FREEMAN.


Notary Public in and for the State of TEXAS

My Commission Expires:



CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting secretary of the Sugarberry Place Phase II Homeowners' Association Inc., a Texas Non-Profit corporation,

THAT the foregoing By-Laws constitute the original By-Laws of said Sugarberry Place Phase II Homeowners' Association Inc., as duly adopted at a meeting of the Board of Directors thereof, held on the 13th day of November, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Seal of said Association this 13th day of November, 2001.


TRACEY FREEMAN, Secretary