

BYLAWS
OF
TURTLE CREEK HOMES ASSOCIATION, INC.

ARTICLE I

Definitions

Section 1. "Association" shall mean and refer to the Turtle Creek Homes Association, Inc., a nonprofit corporation organized and existing under the laws of the State of Texas.

Section 2. "The Properties" shall mean and refer to Turtle Creek Village, a subdivision in Wharton County, Texas, according to the plat thereof recorded in Vol. 1, Page 24, of the Plat Records of Wharton County, Texas, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by annexation as provided in Article VI, Section 2.

Section 3. "Common Properties" shall mean and refer to parks, playgrounds, swimming pools, commons, streets, footways, including buildings, structures, personal properties incident thereto, and any other properties owned and maintained by the Association for the common benefit and enjoyment of the residents within The Properties.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions dated April 13, 1972, to which The Properties are subject and which are recorded in Vol. 424, at Page 155, of the Deed Records of Wharton County, Texas. A copy of the Declaration, marked Exhibit A, is attached hereto.

ARTICLE II

Location

Section 1. The principal office of the Association shall be located at Route 2, Box 137, Wharton, Texas.

ARTICLE III

Membership

Section 1. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Section 2. The rights of membership are subject to the payment of annual and special assessments levied by the Association, the obligation of which assessments is imposed against each owner of and becomes a lien upon the property against which such assessments are made, as provided by and more fully set forth in Article VI of the Declaration.

Section 3. The membership rights of any person whose interest in The Properties is subject to assessments under Section 2 of this Article III, whether or not he be personally obligated to pay such assessments, may be suspended by action of the Directors during the period when the assessments remain unpaid; but, upon payment of such assessments, his rights and privileges shall be automatically

restored. If the Directors have adopted and published rules and regulations governing conduct of any person thereon, as provided in Article IX, Section 1, they may, in their discretion, suspend the rights of any such person for violation of such rules and regulations for a period not to exceed thirty (30) days.

ARTICLE IV

Voting Rights

Section 1. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Developer (as defined in the Declaration), and shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III hereof. When more than one person holds such interest or interests in any Lot, all such persons shall be members, and vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Developer (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article III hereof. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1980.

From and after the happening of either such event, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interest required for membership under Article III.

ARTICLE V

Property Rights and Rights of Enjoyment of Common Property

Section 1. Each member shall be entitled to the use and enjoyment of the Common Properties as provided in Article V of the Declaration.

Section 2. Any member may delegate his rights of enjoyment in the Common Properties and Facilities to the members of his family who reside upon The Properties, or to a purchaser under a contract of sale, or to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person. The rights and privileges of such person are subject to suspension under Article III, Section 3, to the same extent as those of the member, and the member shall remain responsible for all assessments so long as he is the record owner of the property.

ARTICLE VI

Association Purposes and Powers

Section 1. The Association has been organized for the specific purpose of providing maintenance, preservation and architectural control of the residence Lots and Common Area within The Properties and to promote the health, safety, and welfare of the residents within The Properties and any additions thereto as may hereafter be brought within the jurisdiction of the Association for this purpose.

Section 2. The Association shall have jurisdiction and power over all additional lands made subject to the Declaration pursuant to the provisions of Article II, Section 2(a) and (b) thereof, or pursuant to the provisions of Article III(f) of the Association's Articles of Incorporation.

Section 3. The Association may participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, provided that any such merger or consolidation shall have the assent of two-thirds (2/3) of each class of members.

Section 4. The Association may borrow money and, with the assent of two-thirds (2/3) of each class of members, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

Section 5. The Association may dedicate, sell or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or

transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer.

Section 6. The Association shall have and may exercise all the other rights and powers set forth in its Articles of Incorporation or in the Declaration.

ARTICLE VII

Board of Directors

Section 1. The direction and management of the affairs of the Association and the control and disposition of its properties and funds shall be vested in a Board of Directors composed of such number of persons (not less than three and not more than nine) as may be fixed from time to time in accordance with the provisions hereof. The original number of directors and the number of directors until these by-laws are amended, shall be three. The directors designated in the Association's Articles of Incorporation shall continue to serve until their successors are selected and qualify.

Section 2. Vacancies in the Board of Directors shall be filled by the remaining directors, any such appointed director to hold office until his successor is elected by the Members, who may make such election at the next annual meeting of the Members or at any special meeting duly called for that purpose.

ARTICLE VIII

Election of Directors; Nominating Committee; Election Committee

Section 1. Election to the Board of Directors shall be by

written ballot as hereinafter provided. At such election, the members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise. The names receiving the largest number of votes shall be elected.

Section 2. Nominations for election to the Board of Directors shall be made by a Nominating Committee which shall be one of the Standing Committees of the Association.

Section 3. 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 such annual meeting.

Section 4. 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, as the Committee in its discretion shall determine, provided that the Committee shall seek suggestions from all corporate mortgage lenders who hold home mortgages within The Properties and shall so exercise its discretion in the matter of nominations that there shall be, at all times, at least one member of the Board of Directors who represents the interests of such mortgage lenders. Nominations shall be placed on a written ballot as provided in Article VIII, Section 5 and shall be made in advance of the time fixed in said Section 5 for the mailing of such ballots to members.

Section 5. All elections to the Board of Directors shall be made on written ballot which shall: (a) describe the vacancies to be filled; (b) set forth the names of those nominated by the Nominating Committee for such vacancies; and (c) contain a space for a write-in vote by the members for each vacancy. Such ballots shall be prepared and mailed by the Secretary to the members at least fourteen (14) days in advance of the date set forth therein for a return (which shall be a date not later than the day before the annual meeting or special meeting called for elections).

Section 6. Each member shall receive as many ballots as he has votes. Notwithstanding that a member may be entitled to several votes, he shall exercise on any one ballot only one vote for each vacancy shown thereon. The completed ballots shall be returned as follows: Each ballot shall be placed in a sealed envelope marked "Ballot" but not marked in any other way. Each such "Ballot" envelope shall contain only one ballot, and the members shall be advised that, because of the verification procedures of Article VIII, Section 7, the inclusion of more than one ballot in any one "Ballot" envelope shall disqualify the return. Such "Ballot" envelope, or envelopes (if the member or his proxy is exercising more than one vote) shall be placed in another sealed envelope which shall bear on its face the name and signature of the member or his proxy, the number of ballots being returned, and such other information as the Board of Directors may determine will serve to establish his right to cast the vote or votes presented in the ballot or ballots contained therein. The ballots shall be returned to the Secretary at the following address:

Section 7. Upon receipt of each return, the Secretary shall immediately place it in a safe or other locked place until the day set for the annual or other special meeting at which the elections are to be held. On that day, the external envelopes containing the "Ballot" envelopes shall be turned over, unopened, to an Election Committee which shall consist of five members appointed by the Board of Directors. The Election Committee shall then adopt a procedure which shall:

(a) establish that the number of envelopes marked "Ballot" corresponds to the number of votes allowed to the member of his proxy identified on the outside envelope containing them; and

(b) that the signature of the member or his proxy on the outside envelope is genuine; and

(c) if the vote is by proxy that a proxy has been filed with the Secretary as provided in Article XIV, Section 2, and that such proxy is valid.

Such procedure shall be taken in such manner that the vote of any member or his proxy shall not be disclosed to anyone, even the Election Committee.

The outside envelopes shall thereupon be placed in a safe or other locked place and the Election Committee shall proceed to the opening of the "Ballot" envelopes and the counting of the votes. If any "Ballot" envelope is found to contain more than one ballot, all such ballots shall be disqualified and shall not be counted. Immediately after the announcement of the results, unless a review of the procedure is demanded by the members present, the

and the outside envelopes shall be destroyed.

ARTICLE IX

Powers and Duties of the Board of Directors

Section 1. The Board of Directors shall have power:

(a) To call special meetings of the members whenever it deems necessary and it shall call a meeting at any time upon written request of one-tenth (1/10) of the voting membership, as provided in Article XIII, Section 2.

(b) To appoint and remove at pleasure all officers, agents and employees of the Association, prescribe their duties, fix their compensation, and require of them such security or fidelity bond as it may deem expedient. Nothing contained in these Bylaws shall be construed to prohibit the employment of any Member, Officer or Director of the Association in any capacity whatsoever.

(c) To establish, levy and assess, and collect the assessments or charges referred to in Article III, Section 2.

(d) To adopt and publish rules and regulations governing the use of the common properties and facilities and the personal conduct of the members and their guests thereon.

(e) To exercise for the Association all powers, duties and authority vested in or delegated to this Association, except those reserved to the members herein, or in the Association's Articles of Incorporation or in the Declaration.

(f) In the event that any member of the Board of Directors of this Association shall be absent from three (3) consecutive regular meetings of the Board of Directors, the Board may by action

taken at the meeting during which said third absence occurs, declare the office of said absent Director to be vacant.

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

(a) To 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 is requested in writing by one-tenth (1/10) of the voting membership, as provided in Article XIII, Section 2.

(b) To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.

(c) As more fully provided in Article VI of the Declaration:

(1) To fix the amount of the assessment against each Lot for each assessment period at least thirty days in advance of such date or period and, at the same time;

(2) To prepare a roster of the properties and assessments applicable thereto which shall be kept in the office of the Association and shall be open to inspection by any member and, at the same time;

(3) To send written notice of each assessment to every owner subject thereto.

(d) To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid.

ARTICLE X

Directors' Meetings

Section 1. A regular meeting of the Board of Directors shall be held on the first Tuesday of each month at 8:00 o'clock P.M., provided that the Board of Directors may, by resolution, change the day and hour of holding such regular meeting.

Section 2. Notice of such regular meeting is hereby dispensed with. If the day for the regular meeting shall fall upon a holiday, the meeting shall be held at the same hour on the first day following which is not a holiday, and no notice thereof need be given.

Section 3. Special meetings of the Board of Directors shall be held when called by any officer of the Association or by any two directors after not less than three (3) days' notice to each director.

Section 4. The transaction of any business at any meeting of the Board of Directors, however called and noticed, or wherever held, shall be as valid as though made at a meeting duly held after regular call and notice if a quorum is present and, if either before or after the meeting, each of the directors not present signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made part of the minutes of the meeting.

Section 5. The majority of the Board of Directors shall constitute a quorum thereof.

ARTICLE XI

Officers

a secretary, and a treasurer. The president and the vice-president shall be members of the Board of Directors.

Section 2. The officers shall be chosen by majority vote of the directors.

Section 3. All officers shall hold office during the pleasure of the Board of Directors for such terms not exceeding three (3) years as the Board shall prescribe.

Section 4. The president shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

Section 5. The vice-president shall perform all the duties of the president in his absence.

Section 6. The secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall sign all certificates of membership. He shall keep the records of the Association. He shall record in a book kept for that purpose the names of all members of the Association together with their addresses as registered by such members (see Article XIII, Section 3).

Section 7. The treasurer shall receive and deposit in appropriate bank accounts all moneys 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

adopted by the Board. The treasurer shall sign all checks and notes of the Association, provided that such checks and notes shall also be signed by the president or the vice-president.

Section 8. The treasurer shall keep proper books of account and cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year. He shall prepare an annual budget and an annual balance sheet statement and the budget and balance sheet statement shall be presented to the membership at its regular annual meeting.

ARTICLE XII

Committees

Section 1. The Standing Committees of the Association shall be:

The Nominations Committee
The Recreation Committee
The Maintenance Committee
The Architectural Control Committee
The Publicity Committee
The Audit Committee

Unless otherwise provided herein, each committee shall consist of a Chairman and two or more members and shall include a member of the Board of Directors prior to each annual membership meeting 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 such annual meeting. The Board of Directors may appoint such other committees as it deems desirable. Notwithstanding anything herein to the contrary, no such committee (standing or otherwise) shall have or exercise any authority vested by law in the Board of Directors except upon a Board resolution so providing adopted in compliance with applicable law.

Section 2. The Nominations Committee shall have the duties and functions described in Article VIII.

Section 3. The Recreation Committee shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines.

Section 4. The Maintenance Committee shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Common Properties and Facilities of the Association, and shall perform such other functions as the Board, in its discretion, determines.

Section 5. The Architectural Control Committee shall have the duties and functions described in Article VII of the Declaration. It shall watch for any proposals, programs, or activities which may adversely affect the residential value of The Properties and shall advise the Board of Directors regarding Association action on such matters.

Section 6. The Publicity Committee shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association.

Section 7. The Audit Committee shall supervise the annual audit of the Association's books and approve the annual budget and balance sheet statement to be presented to the membership at its regular annual meetings as provided in Article XI, Section 8. The treasurer shall be an ex officio member of the Committee.

Section 8. With the exception of the Nominations Committee and the Architectural Control Committee (but then only as to those functions that are governed by Article VII of the Declaration), each committee shall have power to appoint a subcommittee from among its membership and may delegate to any such subcommittee any of its powers, duties and functions.

Section 9. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XIII

Meetings of Members

Section 1. The regular annual meeting of the members shall be held at Wharton, Texas, on the first Tuesday of the month of February in each year, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the members shall fall upon a holiday, the meeting will be held at the same hour on the first day following which is not a holiday.

Section 2. Special meetings of the members for any purpose may be called at any time by the President, the Vice-President, the Secretary or Treasurer, or by any two or more members of the Board of Directors, or upon written request of the members who have a right to vote one-tenth (1/10) of the votes of the Class A membership.

Section 3. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any meeting, regular or special, shall be mailed at least ten (10) days in advance of the meeting, and shall set forth in general the nature of the business to be transacted, provided however, that if the business of any meeting shall involve an election governed by Article VIII or any action governed by the Articles of Incorporation or by the Declaration, notice of such meeting shall be given or sent as therein provided.

Section 4. 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 governed by these Bylaws. Any action governed by the Articles of Incorporation or by the Covenants applicable to The Properties shall require a quorum as therein provided.

ARTICLE XIV

Proxies

Section 1. At all corporate meetings of members, each member may vote in person or by proxy.

Section 2. All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of eleven (11) months, and every proxy shall automatically cease upon sale by the

ARTICLE XV

Books and Papers

Section 1. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to the inspection of any members.

ARTICLE XVI

Corporate Seal

Section 1. The Association shall have no seal.

ARTICLE XVII

Amendments

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of each class of members present in person or by proxy, provided that those provisions of these Bylaws which are governed by the Articles of Incorporation of this Association may not be amended except as provided in the Articles of Incorporation or applicable law; and provided further that any matter stated herein to be or which is in fact governed by the Declaration may not be amended except as provided therein.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

98123

SECOND SUPPLEMENTARY DECLARATION OF COVENANTS AND RESTRICTIONS

THIS SECOND SUPPLEMENTARY DECLARATION, made this 30th day May, 1977, by Caney Creek Farm, Inc., hereinafter called Developer;

WITNESSETH:

WHEREAS, Developer is the owner of Turtle Creek Village, Section I, a subdivision in Wharton County, Texas, according to the map of plat thereof of record in Book 1, Page 24, Plat Records of Wharton County, Texas; and

WHEREAS, Developer is creating on said Turtle Creek Village, Section I, a residential community with permanent parks, playgrounds, open spaces, and other common facilities for the benefit of the residents of Turtle Creek Village, and to that end has subjected said Turtle Creek Village Section I, to certain covenants, restrictions, easements, charges and liens, as set forth in a Declaration of Covenants and Restrictions of record in Vol. 424, Page 155, Deed Records of Wharton County, Texas;

WHEREAS, by Supplementary Declaration of Covenants and Restrictions recorded in Vol. 432 on Page 131 of the Deed Records of Wharton County, Texas, Turtle Creek Village, Section II, a subdivision in Wharton County, Texas, according to the map or plat thereof of record in Book 1, on Page 32 of the Plat Records of Wharton County, Texas, was brought within the scheme of said original Deed Declaration; and,

WHEREAS, it was intended that certain GREEN AREAS, being seven 12' wide by 12' long areas as more particularly described in Exhibit "A", attached hereto, incorporated herein and made a part hereof, be included and shown on the official map of Turtle Creek Village, Section II, plat of which is recorded in the Map Records of Wharton County, Texas in Book 1 on Page 31 thereof, as Public Easement areas as set forth in Section 15 and Section 16 of the original DECLARATION OF COVENANTS AND RESTRICTIONS; however, the designation of these areas as Public Easement Areas was inadvertently omitted from said Plat;

NOW, THEREFORE, the Developer does hereby declare that the real property described in Exhibit "A", being the seven 12' long portions of GREEN AREAS be and the same are hereby declared to be perpetual easement areas as described in Section 15 and Section 16 of the DECLARATION OF COVENANTS AND RESTRICTIONS recorded in Vol. 424 on Page 155 of the Deed Records of Wharton County, Texas, and pertaining to Turtle Creek Village, Section 2, as per Supplementary Declaration of Covenants and Restrictions recorded in Vol. 432, on Page 131 of the Wharton County Deed Records for the purpose of installing, repairing and maintaining or conveying to proper parties so that they may install, repair and maintain, electrical power, water, sewerage, gas, telephone and similar utility facilities and services, for all of the lots and properties in said Subdivision as more fully set forth in said above described Section 15, and Section 16.

EXECUTED THIS 30th day of May, 1977

CANEY CREEK FARM, INC.

BY: 
RAYMOND C. HARRISON, President

12 FT. UNDERGROUND UTILITIES-EASEMENT
TURTLE CREEK VILLAGE - SECTION 11

(11)

SITUATED IN WHARTON COUNTY, TEXAS, IN THE MARTIN ALLEN LEAGUE, ABSTRACT NO. 1, AND BEING SEVEN 12 FT. WIDE BY 12 FT. LONG EXTENSIONS OF UNDERGROUND UTILITIES EASEMENTS SHOWN ON THE OFFICIAL MAP OF "TURTLE CREEK VILLAGE" - SECTION 11, PLAT OF WHICH IS RECORDED IN THE MAP RECORDS OF WHARTON COUNTY, TEXAS, AND SAID SEVEN 12 FT BY 12 FT EASEMENT EXTENSIONS ARE DESCRIBED AS FOLLOWS:

- (1) A 12 ft strip across the South end of 12 ft wide GREEN AREA between Lot 83 and Lots 56 and 57;
- (2) A 12 ft strip across the North end of 12 ft wide GREEN AREA between Lot 84 and Lot 58;
- (3) A 12 ft strip across the South end of 12 ft wide GREEN AREA between Lot 100 and Lots 62 and 63;
- (4) A 12 ft strip across the South end of 12 ft wide GREEN AREA between Lot 80 and Lot 81;
- (5) A 12 ft strip across the North end of 12 ft wide GREEN AREA between Lot 86 and Lot 87;
- (6) A 12 ft strip across the West end of 12 ft wide GREEN AREA between Lot 73 and Lot 74;
- (7) A 12 ft strip across the East end of 12 ft wide GREEN AREA between Lot 91 and Lot 92.

Prepared in the Office:

March 30, 1977.

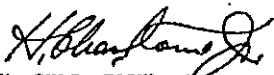

H. CHAS. KOEHL, JR.
REGISTERED PUBLIC SURVEYOR

EXHIBIT "A"

12

I, Delfin Marek, Clerk of the County Court in and for Wharton County, Texas do hereby certify that the foregoing instrument of writing, with its certificate of authentication, was filed for record in my office the 2nd day of June, A. D. 1977 at 8:00 o'clock A.M., and duly recorded the 7th day of June A. D. 1977 at 3:00 o'clock P.M. on the Deed Records of said County, in Vol. 680 on page 364

Witness my hand and seal of the County Court, of said County, at Wharton, Texas, the day and year last above written.
**DELFIN MAREK, CLERK COUNTY COURT,
 WHARTON COUNTY, TEXAS**
Delfin Marek, Deputy