

BY-LAWS  
OF  
MISSION BEND HOMEOWNERS ASSOCIATION

ARTICLE I. NAME AND LOCATION.

The name of the corporation is Mission Bend Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at the home of the Association President, but meetings of members and directors may be held at such places within the State of Texas, Counties of Harris or Fort Bend, as may be designated by the Board of Directors.

ARTICLE II. DEFINITIONS

SECTION 1. "Association" shall mean and refer to MISSION BEND HOMEOWNERS ASSOCIATION, a Texas non-profit corporation incorporated pursuant to the Act on December 17, 1975, its successors and assigns, as provided for in the Declarations.

SECTION 2. "Properties" shall mean and refer to that certain property described in the Declaration of Covenants, Conditions and Restrictions for Mission Bend, Sections One, Two, Four, Nine, Ten, and Eleven, subdivisions in Harris and Fort Bend Counties, Texas, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "Lot" shall mean and refer to a plot of land subject to the jurisdiction of the Association as is more fully specified in the Declaration.

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 a 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 any obligation.

SECTION 5. "Declarant" shall mean and refer to the Declarant in the Declaration, its successors and assigns.

SECTION 6. "Declaration" shall mean and refer to Declaration of Covenants, Conditions and Restrictions for Mission Bend, Sections One, Two, Four, Nine, Ten, and Eleven.

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

SECTION 8. "Common area" shall mean all real property (including the improvements thereto) owned by the association for the common use and enjoyment of the owners.

ARTICLE III. MEETING OF MEMBERS

SECTION 1. REGULAR MEETINGS. There shall be two regular meetings of the members of the Association to be held in the months of March and October of each year.

SECTION 2. SPECIAL MEETINGS. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon the written request of a quorum of members.

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 any person or persons authorized to call a meeting, by mailing a copy of such notice, postage paid, at least 10 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.

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 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 aforementioned shall be present or be represented.

SECTION 5. PROXIES. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

#### ARTICLE IV. BOARD OF DIRECTORS

SECTION 1. BOARD OF DIRECTORS. The affairs of this Association shall be governed by, a Board of not less than five (5) Directors, who must be members of the Association. The number of Directors may be increased or decreased from time to time by Amendment to the By-Laws in accordance with Article XIII.

SECTION 2. TERM OF OFFICE. The present directors for the Association set forth in the Articles of Incorporation shall hold office until the next annual meeting, at which time the members shall elect two directors for a term of one year, three directors for a term of two years; thereafter all directors shall be elected to two year terms upon expiration of the one year terms.

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 one member, 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 until the close of that 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 shall be made from among 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 as many votes as they are entitled to cast under the provisions of the Declaration for each vacancy. 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 at a special or annual meeting of the members of the Association. In the event of death, resignation or removal of a director his successor shall be selected 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 service 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 monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board.

SECTION 2. SPECIAL MEETINGS. Special meetings of the Board of Directors shall be held when called by the president of the Association or by any director after not less than three (3) days notice to each director, which such notice may be waived at or prior to such meeting.

SECTION 3. QUORUM. A majority of the number of directors 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 TAKEN WITHOUT A MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all of the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### ARTICLE VI. POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. The Board of Directors shall have power 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 infractions thereof;
- (b) 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 60 days for infraction of published rules and regulations;
- (c) 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;
- (d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties and the terms of employment or services.

SECTION 2. DUTIES. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meetings of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) to fix the amount of the annual assessment against properties subject to the jurisdiction of the Association and to take such actions as it deems appropriate to collect such assessments and to enforce the liens given to secure payment thereof;
- (d) to charge the maximum interest rate allowed by law on delinquent assessments.
- (e) to indemnify any Director, officer, agent or employee of the association as set forth in Article VIII below;
- (f) issue, or to 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 an assessment has been paid, such certificate 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 by the Association;

- (h) cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.
- (i) arrange for an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year.
- (j) to present for discussion at the October meeting of the members a preliminary budget for the following year

#### ARTICLE VII. OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICES. 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, a Treasurer, Operations Manager, and a Parliamentarian, 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 the March 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 be disqualified to serve.

SECTION 4. SPECIAL APPOINTMENTS. 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. 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 6. 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 7. MULTIPLE OFFICES. No person shall simultaneously hold more than one office except in the case of special offices created pursuant to Section 1 of this Article.

SECTION 8. CONSECUTIVE OFFICES. No person shall hold the same office for more than two (2) years consecutively.

SECTION 9. DUTIES. The duties of the officers of the Association are as follows:

(a) The PRESIDENT shall preside at all meetings of the Board of Directors and 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 checks and promissory notes.

(b) The VICE-PRESIDENT shall act in the place and stead 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; shall initiate bids on new contracts, seek legal counsel to interpret contracts in effect, and schedule contract renewals; and shall, in the absence of the treasurer, co-sign all checks and promissory notes.

(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.

(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 to make the same available for inspection by members of the Association during normal business hours. The treasurer shall be bonded at the Association's expense.

(e) The OPERATIONS MANAGER shall be responsible for the installation, maintenance, and renovation operations for all Common facilities. Policies and budgets affecting these operations shall be established by the Board. The operations manager will handle day-to-day contacts with necessary service contractors and homeowners regarding operations.

(f) The PARLIAMENTARIAN shall develop for approval by the Board of Directors, and thereafter enforce, rules of order for the conducting of meetings of the Membership, which rules of order may include, without limitation, rules governing the presentation of motions, recognition of speakers, debate, nominations, voting, the order of business and the agenda. Such rules of order, as adopted by the Board of Directors, shall be supplemented, as necessary, by the then most recent edition of Robert's Rules of Order. The parliamentarian shall assist the president in insuring such rules of order are followed and in resolving questions raised concerning points of order.

#### ARTICLE VIII. NONLIABILITY AND INDEMNIFICATION

Except as provided herein, no right, power or responsibility conferred on the Board of Directors, officers, agents, or employees of the Association by the Declaration, the Articles or these Bylaws shall be construed as a duty, obligation or disability charged upon the Board of Directors, or such officers, agents, or employees of the Association. No such person shall be liable to any other person (other than the Association or a person claiming in the name of the Association) for injuries or damage resulting from such person's acts or omissions within what such person reasonably believed to be the scope of his Association duties ("Official Acts"), except to the extent that such injuries or damage resulting from such person's willful or malicious misconduct. No such person shall be liable to the Association (or to any other person claiming in the name of the Association) for injuries or damage resulting from such person's Official Acts, except to the extent that such injuries or damage result from such person's negligence or willful or malicious misconduct.

Except to the extent covered by insurance, the Association shall pay all expenses incurred by, and satisfy any judgement or fine levied against, any person as a result of any action or threatened action against such person to impose liability on such person for his Official Acts, provided that:

- (1) The Board of Directors determines that such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Association;
- (2) In the case of a criminal proceeding, the board of Directors determines that such person had no reasonable cause to believe his conduct was unlawful;
- (3) In the case of an action or threatened action by or in the right of the Association, the Board of Directors determines that such person acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Any determination of the Board of Directors required under this Article VIII must be approved by a majority vote of a quorum consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board of Directors fails or refuses to make any such determination, such determination may be made by the vote of a majority of a quorum of the Members of the Association voting at a meeting of the Association called for such purpose, provided that the person to be indemnified shall not be entitled to vote.

Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This Article VIII shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law. However, no employee, officer, or Director of Declarant serving the Association as an appointee of Declarant shall be granted indemnification hereunder. The entitlement to indemnification hereunder shall inure to the benefit of the estate, executor, administrator, heirs, legatees, or devisees of any person entitled to such indemnification.

ARTICLE IX. COMMITTEES

The Board of Directors shall appoint a Nominating Committee, as provided in these By-Laws. The Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X. 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 members. 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 XI. ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association certain annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessment which is 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 maximum rate allowed by law, 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 such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any of the facilities or services provided by the Association or by abandonment of his Lot.

ARTICLE XII. CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the name of the Association and the word "Texas".

ARTICLE XIII. AMENDMENTS

SECTION 1. AMENDMENT. These Amended and Restated Bylaws are intended to supersede in their entirety the original Bylaws of the Association, dated October 4, 1976. These Bylaws may be further amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

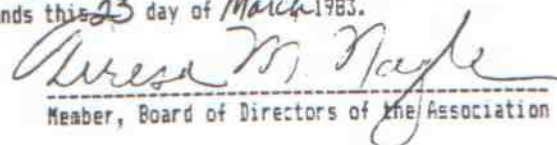
SECTION 2. CONFLICT. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV. 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 fiscal year shall begin on the date of incorporation.

In WITNESS of the adoption of these Amended and Restated Bylaws by a majority of a quorum of Members present in person or by proxy at a meeting of the Members held on October 27, 1982, we, being all the members of the Board of Directors of Mission Bend Homeowners Association, have hereunto set our hands this 23 day of March 1983.

  
Member, Board of Directors of the Association

  
Member, Board of Directors of the Association

  
Member, Board of Directors of the Association

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of the Mission Bend Homeowners Association, a Texas non-profit corporation, and,

That the foregoing Amended and Restated Bylaws constitute the Bylaws of said Association, as duly adopted by majority vote at a meeting of the Members held on the 27th day of October, 1982, and at which a quorum of Members was present in person or by proxy.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 23rd day of March, 1983.

Secretary

J. Migliavacca

