

BYLAWS

OF

THE COURTS AT MID LANE  
ASSOCIATION, INC.

A TEXAS NON-PROFIT CORPORATION

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BYLAWS  
OF  
THE COURTS AT MID LANE ASSOCIATION, INC.

A Texas Non-Profit Corporation

ARTICLE I  
*Names; Offices*

1.1 *Name.* The name of the corporation is THE COURTS AT MID LANE ASSOCIATION, INC., (hereinafter referred to as the “Association”).

1.2 *Principal Office.* The principal office of the Association shall be 4265 San Felipe Rd., Suite 1100, Houston, Texas 77027. The address of the principal office may be changed from time to time as shall be directed by resolution of the Board of Directors effective immediately upon the giving of notice of such change of address to all owners. The Association may also have offices at such other places as the Board of Directors may from time to time designate or as its business may require.

1.3 *Registered Office and Agent.* The Association shall have an continuously maintain in the State of Texas a registered offices and a registered agent whose business office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be identical with the principal office of the Association. The registered agent and address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II  
*Definitions*

In addition to any other definitions where are sent forth in the Declaration and these Bylaws which definitions are hereby incorporated by reference, the following terms shall have the following meanings:

2.1 “*Assessments*” shall mean and refer to any and all assessments, annual, special or specific, and any other monetary obligation owned by any Member or Owner to the Association as provided for and in accordance with the Governing Documents.

2.2 “*Architectural Control Committee*” or “*ACC*” shall mean the committee established pursuant to Article IV of the Declaration.

2.3 “*Association*” shall mean THE COURTS AT MID LANE ASSOCIATION, INC., a Texas non-profit corporation, and its predecessors, successors by merger, consolidation or otherwise and assigns.

2.4 “*Board*” or “*Board of Directors*” shall mean the Board of Directors of the Association.

2.5 “*Bylaws*” shall mean these Bylaws of the Association, as from time to time amended, modified or repealed in accordance with applicable provisions of the Bylaws.

2.6 “*Common Area Easement*” shall have the meaning as set forth in, and as defined in the Declaration.

2.7 “*Declarant*” shall mean MIDLANE PARTNERS, L.P., a Texas Limited Partnership, and its successors and assigns if such successors or assigns:

2.8 “*Declaration*” shall mean that certain instrument entitled “Declaration of Covenants, Conditions, Restrictions for THE COURTS AT MID LANE” filed under Clerk’s File Number U054689 of the Real Property Records of Harris County, Texas, as from time to time amended, modified or repealed in accordance with applicable provisions of the Declaration.

2.9 “*Development Period*” shall mean the period of time beginning on the date of Declarant’s acquisition of the Property subject to the Declaration and ending on the earlier occurrence of either of the following events:

(a) the sale by Declarant of all of the Lots; or

(b) upon recordation of Declarant’s statement in the Real Property Records of Harris County, Texas, that the Development Period has ended or has been terminated by Declarant.

2.10 “*Governing Documents*” shall mean all documents and applicable provisions thereof as set forth in the Declaration, these Bylaws and the Articles of Incorporation of the Association, Rules and Regulations and Architectural Guidelines as defined in the Declaration, all written decisions and resolutions of the ACC and Board, and any and all lawful amendments or modifications to any of the foregoing.

2.11 “*Lot*” shall mean any of the twelve lots described and set forth in the Declaration.

2.12 “*Member*” shall mean every Person who holds a membership in the Association. Every Member which is not a natural person shall designate a representative of such entity who is a natural person as provided in these Bylaws.

2.13 “*Owner*” shall mean the owner, whether one or more Persons, of the fee simple title to a Building Site, including any mortgagee or lien holder who acquires such ownership through judicial or non-judicial foreclosure or proceedings in lieu thereof, and each Person who is otherwise deemed a Member of the Association as provided in Section 3.1(a) hereof,

but excluding any Person holding a lien or other encumbrance, easement, mineral interest or royalty interest burdening title or otherwise having an interest merely as security for the performance of an obligation.

2.14 “*Person*” shall mean any natural person, as well as a corporation, joint venture, partnership (general or limited), association, trust or other entity.

2.15 “*Property*” shall mean the Property subject to the Declaration as described in the Declaration.

2.16 “*Subdivision*” means THE COURTS AT MID LANE, a residential subdivision in Harris County, Texas as more particularly described in the Declaration, and any other real property subjected to the Declaration as thereof provided from time to time.

### ARTICLE III *Membership; Voting Rights*

#### 3.1 *Membership*

(a) *Owners as Members.* Every Person who is the owner of a fee simple title or undivided fee simple title interest in any Lot that is subject to the Declaration shall be deemed to have a membership in the Association. The Association shall be entitled to rely on the Real Property Records of Harris County, Texas in determining the owner(s) of each Lot (the “Record Owner”). If the actual owner(s) of any Lot is different than the Record Owner then the actual Owner(s) and the Record Owner shall be jointly and severally liable for full compliance with, and performance of all obligations established by, the Governing Documents through the date of recordation of proof of any change of ownership from that reflected by the Real Property Records of Harris County, Texas. The foregoing is not intended to include Persons who hold an interest merely as security for performance of an obligation, and the giving of a security interest shall not terminate any Owner’s membership. No Owner, whether one or more Persons, shall have more than one (1) membership per Lot. Memberships shall be appurtenant to and may not be separated from ownership of any Lot, and shall automatically pass with the title to the Lot.

(b) *When Member Required to Designate Representative; Effect.* Each Member which is not a natural person shall be required to designate one (1) natural person to act on such Member’s behalf as herein provided. The designation shall be by written and dated notice stating (i) the name and contact address and telephone number of the designated representative, and (ii) the effective date of such designation which effective date shall be midnight of the date stated in the notice or midnight of the date of receipt of the notice by the Association, whichever is later. The Association shall not be required to recognize any person as being authorized to represent or act on behalf of any Member which is not a natural person until such designation has been received by the Association. A designation as aforesaid shall fully authorize the designated representative to bind the designating entity as to all

matters, decisions and actions of the designated representative whether or not such authority is expressly stated in the written designation; provided, the Board may require any designated representative to show authority to act in such manner as the Board may reasonably require. Any designated representative may be changed from time to time in the same manner as required for original designation. In the event of conflict between designations, the most currently dated designation shall control. Any such representative may serve as a Director as provided in Section 5.2(d) hereof.

### 3.2 *Voting Rights of Members.*

(a) *Development Period.* During the Development Period there shall be two (2) classes of membership in the Association which shall be as follows:

(i) *Class A:* All Members of the Association, other than the Declarant shall be considered Class A non-voting Members.

(ii) *Class B:* Class B Members shall be those Persons who are herein defined as “Declarant”, and for each Lot owned they shall be entitled to one (1) vote on each matter coming before the Members.

(b) *Post-Development Period.* Upon termination of the Development Period, any remaining Class B membership shall automatically convert to Class A membership, Class A Membership shall be deemed to be voting members, and thereafter there shall be only one (1) class of voting membership. Upon termination of the Development Period, all Class A Members shall be entitled to one (1) vote for each Lot owned on each matter coming before the members unless their voting rights have been suspended as herein provided.

(c) *Multiple Owners.* When more than one Person holds an ownership interest in a Lot, all such Persons shall be Members, but in no event shall they be entitled to more than one (1) vote with respect to each particular Lot owned. The single vote of such joint Owners shall be case in accordance with the decision of a majority, or if such joint Owners cannot reach a majority decision, then none of the joint Owners shall be permitted to vote as to any such matter upon which a majority decision cannot be reached. Any individual Owner from among such joint Owners shall be conclusively presumed to be acting in accordance with the decision of the majority in voting either in person or by proxy unless another joint Owner is voting to the contrary in person or by proxy.

3.3 *Cumulative Voting Prohibited.* Cumulative voting shall not be permitted as to any matter placed before the membership for a vote, including election of Directors.

3.4 *Suspension of Voting Rights.* All voting rights appurtenance to ownership of a Lot shall or may be suspended in accordance with the following:



(a) *Automatic Suspension.* All voting rights appurtenant to a Lot shall be suspended during any period of time any Assessments are owed to the Association, and during such suspension, no Owner of such Lot shall be entitled to vote upon any matters coming before the membership.

(b) *Suspension After Notice.* Upon not less than ten (10) days written notice, the Board of Directors may suspend the voting rights appurtenant to any Lot as to which the Owner or any occupant thereof, or their respective agents, employees, guests or invitees, are in violation of any provisions of the Governing Documents as determined in the sole good faith discretion of the Board of Directors. During such period of suspension no Owner of the affected Lot shall be entitled to vote upon any matters coming before the membership. In the event of such suspension, any affected Owner shall be entitled to petition the Board of Directors in writing for reinstatement of voting rights, and to be heard at a regular or special meeting of the Board of Directors thereon.

(c) *Good Standing.* A Member shall *not* be deemed in good standing during any period during which the member's voting rights have been suspended, including any period during which any Assessments are owed to the Association.

3.5 *Voting Procedures.* Voting on any matter brought before the membership shall be conducted in accordance with the following:

(a) *Right to and Manner of Vote.* At all meetings of Members, voting may be in person or by proxy. Voting by proxy shall be deemed voting in person for all purposes. As to election of Directors, the Board of Directors may also authorize and adopt procedures whereby Members may cast a ballot vote by mail, by facsimile transmission or by any combination of the two (herein referred to as the "Mail-In Ballot"). Voting as to election of Directors by Mail-In Ballot shall be deemed voting in person only as to the election.

(b) *Form of Proxy or Ballot; Voting Procedures.*

(i) All proxies or ballots (including Mail-In Ballots) shall be in writing dated and signed by the Member giving or casting same, and shall set forth the printed name(s) of the Member(s) and the address(es) of each Lot as to which voting rights are being exercised.

(ii) As to (i) election of Directors by Members, (ii) amendment, modification or repeal of any Governing Documents when a vote of the Members as to same is required, (iii) merger, consolidation or dissolution of the Association, (iv) sale, lease or exchange of all, or substantially all, the property and assets of the Association, and (v) any other matters as from time to time determined by the Board of Directors, members shall be required to vote by proxy, ballot or mail-in ballot.

(iii) Proxies and Mail-In Ballots must receive by the Association by the date of the meeting to which same pertains, or such earlier date certain as stated therein

which date certain shall not be more than three (3) business days prior to the meeting. That date shall be automatically extended in the case of adjournment of the meeting to which same applies to the last business day prior to the date of the adjourned meeting.

(iv) When acting pursuant to a proxy, each proxy holder shall sign and date the original proxy or a copy thereof and any ballot cast pursuant thereto.

(v) A proxy or ballot (including a Mail-In Ballot) shall only be valid for the meeting to which same pertains or subsequent adjourned meetings thereof provided the adjourned meetings are held within ninety (90) days of the date of the original meeting.

(vi) Any proxy, ballot, or Mail-In Ballot which is not in writing and signed by the Member giving or casting same shall be invalid. Any undated proxy, ballot or Mail-In Ballot shall be dated as of the date received by the Association or as of the date of the meeting to which same pertains. The validity of any proxy or ballot (including a Mail-In Ballot) due to any other defect in form shall be determined by the Vote Tabulators or counsel to the Association whose good faith decisions thereon shall be final.

(c) *Revocation of Proxy or Mail-In Ballot.* All proxies and Mail-In Ballots shall be revocable unless and only to the extent otherwise expressly provided therein until the call for voting upon the matter to which same pertain; provided once delivered to the custody of the Association, no proxy or Mail-In Ballot shall be revoked except in writing, either by printing "revoked" on same and signing and dating such notation, or by separate instrument which specifically identifies the proxy or Mail-In Ballot to be revoked and which is dated and signed; and any such revocation shall be effective only if actually received by the Association prior to call for voting upon the matter to which the revocation pertains.

(d) *Voice or Show Votes.* Except as provided in Section 3.5(b)(ii) or as otherwise required by the Declaration or law, the Members (or their proxy holders) may vote on any matters by voice, by rising or by show of hands as the Chairperson of the meeting shall direct.

3.6 *Verification and Tabulation of Voting Results.* Voice or show voting results as provided in Section 3.5(d) hereof shall be verified by the Chairperson of the meeting to which same pertains. Proxy or ballot voting results (including Mail-In Ballots) shall be verified, tabulated and maintained by the Board of Directors, or by legal counsel to the Association and/or such other committee of three (3) or more persons as may be designated by the Board of Directors (the "Vote Tabulators"). In either case the following to the extent applicable shall also apply:

(a) *Verification of Right to Vote.* Satisfactory proof of membership, or of a Member's good standing to entitle the Member to vote or any other qualifications necessary to the validity of a ballot or proxy may be required if in the sole good faith opinion of the Vote Tabulators reasonable doubt as to same exists.

(b) *Proxies or Ballots Confidential.* No ballot or proxy shall be available for inspection by any Person other than the Vote Tabulators and/or legal counsel to the Association. The Vote Tabulators and/or legal counsel shall inspect ballots and proxies solely for the purposes of validating same and tabulating the results of any vote of the membership, and the contents of same shall be held in confidence by all such parties.

(c) *Minimum Period of Retention of Ballots or Proxies.* Proxies and ballots shall be maintained by the Association for four (4) years from the date of the meeting or other action to which same pertain after which such ballots and proxies may be destroyed.

(d) *Announcement of Voting Results.* The membership shall be notified of the results of tabulation of any vote (i) verbally at the meeting to which same pertains, subject to later confirmation as provided in subparagraph (e) below, or (ii) after the meeting by written notice given to all Members if only a tentative result can be determined at the meeting. In either case, the final results shall be made a part of the minutes of the meeting.

(e) *Verification of Ballot or Proxy Votes.* When tabulating any voting results at a meeting, the Vote Tabulators may disregard any proxy or ballot the validity of which is reasonably in doubt as determined in the sole good faith opinion of the Vote Tabulators. If after tabulating the results of any vote of the membership disregarding any doubtful ballots or proxies, the results of such tabulation could not be changed even if all such doubtful ballots or proxies were counted as votes against the results otherwise obtained, a final tabulation shall be announced at the meeting. If the results of any vote could be changed by counting the doubtful ballots or proxies as aforesaid, a tentative result shall be announced at the meeting after which a final tabulation will be made as soon as practicable. When a tentative result has been announced, the Vote Tabulators and/or legal counsel to the Association shall make every reasonable effort to finally validate all doubtful ballots and proxies. If in the sole opinion of the Vote Tabulators and/or legal counsel to the Association a conclusive result cannot be announced due to the number of doubtful ballots and/or proxies, then such vote shall be declared void and the membership shall be so notified.

(f) *Verification of Voice or Show Vote.* If the Chairperson at any meeting is in doubt as to the results of any vote by voice, the Chairperson may call for verification by re-vote or by rising or show of hands, and/or as to either method require a specific count. If a specific count is taken, the results shall be made a part of the minutes of the meeting. By majority vote, the Members present at the meeting may require verification of any voice vote in the same manner.

#### ARTICLE IV *Meetings of Members*

4.1 *Annual Meeting.* The first annual meeting of the Members of the Association shall be held within ninety (90) days following the end of the Development Period. Each annual meeting thereafter shall be held at such date and time as determined by the Board of

Directors, and at such place within Harris County, Texas as determined by the Board of Directors, which is within sixty (60) days (either before or after) the anniversary date of the immediately preceding annual meeting date.

4.2 *Special Meetings.* Special meetings of the Members may be called at any time by the President, or by the majority of the Board of Directors, or by written petition signed by not less than one-third (1/3) of the membership.

4.3 *Notice of Meetings.* Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or such other person authorized to call the meeting, not less than ten (10) nor more than sixty (60) days before such meeting to each Member according to the records of the Association. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes of the meeting.

4.4 *Quorum.* The presence, in person or by proxy and whether or not in good standing, at any meeting of Members representing not less than one half (1/2) of the Lots then contained in the Subdivision shall constitute a quorum for any action except as otherwise required by law, the Articles of Incorporation, the Declaration or these Bylaws. If a quorum shall not be present or represented at any meeting, the Chairperson of the meeting shall have power to adjourn the meeting from time to time without any further notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented; provided, the adjourned meeting or meetings shall be held within ninety (90) days of the date of the original meeting. At any such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally called.

4.5 *Majority Vote.* The vote, in person or by proxy, of a majority of the votes entitled to be cast at a meeting at which at least a quorum is presented or represented shall be the act of the Members' meeting except as otherwise provided or required by law, the Articles of Incorporation, the Declaration, or these Bylaws. Any such act of a Member's meeting shall be binding upon all Owners.

## ARTICLE V *Board of Directors*

5.1 *Composition.* The affairs of the Association shall be managed by a Board of three (3) Directors. The number of Directors may be increased or decreased from time to time by amendment of these Bylaws, provided the Board shall at all times have not less than three (3) Directors. Declarant shall appoint all Directors until conducting of the first annual meeting of the Members of the Association. Unless otherwise expressly required by law or other applicable provision of the Governing Documents, the Board of Directors shall exercise and have all rights, powers, authority and responsibilities of the Association.

5.2 *Qualifications.* Except for Sections 5.2(a) and 5.2(b) which shall not apply during the Development Period, all persons seeking election as a Director and will be serving as a Director shall be Members of the Association. A designated representative appointed as provided in Section 3.1(b) hereof may hold a directorship.

5.3 *Term of Office.* The initial Board of Directors named in the Association's Articles of Incorporation or such other persons as shall be appointed by Declarant during the Development Period shall serve until the first annual meeting of the Members. At the first annual meeting of the Members, one (1) Director shall be elected for a three (3) year initial term, one (1) Director shall be elected for a two (2) year initial term, and one (1) Director shall be elected for a one (1) year initial term (the candidate receiving the higher number of votes receiving the initial three (3) year term; the candidate receiving the next highest number of votes receiving the initial two (2) year term, and the candidate receiving the next highest number of votes receiving the initial one (1) year term). Thereafter, all Directors shall be elected for three (3) year terms.

5.4 *Nomination; Election.* Nominations for election to the Board of Directors shall be made by the Board of Directors which nominees shall be listed in or included with the notice of each annual meeting. Nominations may also be made from the floor at each annual meeting. Election to the Board of Directors shall be by ballot or proxy. At each election the Members or their proxies may cast, in respect of each vacancy, as many votes as they are entitled to exercise under the provisions of these Bylaws. The persons receiving the largest number of votes shall be elected. Cumulative voting shall be permitted.

5.5 *Vacancies on Board of Directors.*

(a) *Development Period.* Declarant shall have the exclusive right to remove any Director and to fill all vacancies on the Board of Directors until conducting of the first annual meeting of the Members of the Association.

(b) *Designation, Death, or Incapacity.* In the case of resignation, death, or incapacity to serve of any Director, the vacancy shall be filled by the appointment, by affirmative vote of a majority of the remaining Directors then in office though less than a quorum of the entire Board, and any Directors so appointed shall hold office for the remainder of the unexpired term or until their successors are elected and have qualified.

(c) *Removal.* Any Director may be removed, either for or without cause, at any special meeting of Members by affirmative vote of two-thirds (2/3rds) of the Members voting in person or by proxy. The notice calling such meeting shall give notice of the intention to act upon such matter. If the notice so provides, the vacancy caused by such removal may be filled at such meeting by a majority vote of the Members voting in person or by proxy. For cause, a Director may be removed at any special meeting of Directors by the affirmative vote of a majority of the remaining Directors. Without regard to the foregoing, any Director who is absent from three (3) consecutive meetings of the Board or who is absent from three (3) meetings of the Board during any one (1) year, or any Director whose voting

rights as a Member have been suspended as provided in the Declaration or these Bylaws may be removed by the affirmative vote of a majority of the remaining Directors. Unless otherwise provided in the notice of a meeting to remove a Director, vacancies caused by removal shall be filled as provided in Section 5.5(b).

5.6 *Compensation.* No Director shall receive compensation for any services rendered to the Association in his or her capacity as a Director; provided, however, any Director may be reimbursed for actual expenses incurred in the performance of his or her duties; and provided further, any Director may serve the Association in any other capacity as an agent or employee or otherwise and receive compensation therefore.

5.7 *Powers and Duties of the Board of Directors.* The Board of Directors shall exercise for the Association all powers, duties and authority vested in or delegated to this Association and not expressly reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration. It shall also 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 each annual meeting 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 regular or annual assessments, and to take such actions as it deems appropriate to collect all assessments due to the Association, regular, special or specific, and to enforce the liens given to secure payment thereof, all as more particularly described in the Declaration.
- (d) procure and maintain such liability and hazard insurance as it may deem appropriate on any property or facilities owned by the Association, including insurance coverage required by the Declaration;
- (e) cause any officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (f) in general, to manage, operating and maintain the Subdivision in accordance with and to enforce the provisions of all Governing Documents.

5.8 *Settlement of Claims.* The Board of Directors is specifically authorized to compromise and settle any and all claims, demands, liabilities and causes of action whatsoever held by or asserted against the Association upon such terms and conditions as the Board may determine, and the good faith decisions of the Board as to any of the foregoing shall be final and conclusive.

ARTICLE VI  
*Meeting of Directors*

6.1 *Place of Meeting.* Meeting of the Board of Directors shall be held within Harris County, Texas, at such place as is specified by the officer or Directors calling a meeting. in the absence of specific designation, the meeting shall be held at the principal office of the Association.

6.2 *Annual Organizational Meeting.* Within thirty (30) days after each annual meeting of Members, the Board of Directors shall hold an annual organizational meeting at such time and place as shall be agreed upon by a majority of the Directors for the purposes of (i) electing all officers of the Association, (ii) electing all Chairpersons of any Advisory Committees of the Association, (iii) electing Chairpersons and all Vice Chairpersons of all Executive Committees; and (iv) the transaction of such other business as may be properly brought before it. No notice of such organizational meeting need be given to either old or new members of the Board of Directors.

6.3 *Regular Meetings.* Regular 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 of each Director, which such notice may be waived at or prior to such meeting.

6.4 *Special Meetings.* Special meetings of the Board of Directors shall be held when call by the President of the Association or by any two (2) Directors after not less than three (3) days notice of each Director, which such notice may be waived at or prior to such meeting.

6.5 *Quorum.* A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting. 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.

6.6 *Notice of Meetings.* No notice of annual organizational meetings or regular meetings need be given to any Director. Oral or written notice of all special meetings of the Board of Directors stating the place, date, time and the purpose or purposes of such special meeting shall be given or sent by mail or telegram to the last known address of each Director at least three (3) days before the special meeting. Notice of any special meeting may be waived in writing before or after such meeting. Attendance of a Director at any meeting shall constitute a waiver of notice thereof, except where he or she attends for the announced purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called or convened.

6.7 *Open Meetings.* Except as provided in Section 6.8 of these Bylaws, all meetings of the Board of Directors shall be open to all Members of the Association; provided, Members who are not on the Board may not participate in any deliberation or discussion unless: (i)

such Member has filed a written request with any Director to be placed on the meeting agenda at least forty-eight (48) hours prior to the meeting stating in such request the purpose or purposes of his or her attendance, and in such case the requesting Member's participation shall be limited to the stated purpose(s); or (ii) expressly so authorized by vote of the Board.

6.8 *Executive Sessions.* The Board of Directors may adjourn a meeting and reconvene in closed executive session to review, discuss and/or vote on any communications or documents not subject to inspection of Members and other business of a confidential nature as set forth in Article X hereof and Section 3.2(c) of the Declaration. The general nature of any and all business to be considered in executive session shall first be announced in open session.

6.9 *Proxies.* A director may vote on any specific matters by a ballot type proxy which specifies all matters to be votes on and directs the manner in which the proxy holder shall vote as to each such matter. No Directors may vote pursuant to a general or blanket type proxy. No Director's proxy shall be valid unless dated and signed, and no such proxy shall be valid after ninety (90) days from the date thereof. A Directors attending a meeting by proxy may be counted for purposes of determining a quorum only as to the specific matters covered by the applicable proxy.

6.10 *Action Taken Without a Meeting.* The Directors shall have the right to take any action or make any decision in the absence of a meeting which they could take at a meeting by unanimous written consent of all of the Directors, or by telephone conference call in which all persons participating can hear each other and otherwise conducted in the same manner as at a meeting in person of Directors. Any action or decision so approved shall have the same affect as though taken at a meeting of the Directors.

## ARTICLE VII *Committees*

7.1 *Establishment.* The Board of Directors may, by resolution adopted by a majority of the Directors in office, from time to time appoint, organize, re-organize and abolish such committees as it shall deem desirable.

## ARTICLE VIII *Officers and Chairpersons*

8.1 *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, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.2 *Election; Term.* The officers of this Association shall be elected annually by the Board at its annual organizational meeting, and each shall hold office for one (1) year and



until his or her successor is elected and qualified unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.3 *Resignation and Removal.* Any officer may be removed from office at any time and with or without cause by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or any member thereof, or to the President. 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 by the Board of Directors shall not be necessary to make it effective.

8.4 *Vacancies.* A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

8.5 *Multiple Offices.* The same person shall not simultaneously hold the offices of President and Secretary. Any two (2) or more offices may otherwise be held by the same person.

8.6 *Chairpersons for Member and Board Meetings.* The President of the Association shall act as the Chairperson of all meetings of the Members and all meetings of the Board of Directors. In the President's absence, the Chairperson shall be, in the following order if any such officer is absent, the Vice President, Treasurer or Secretary; or in the event of absence of all officers, one (1) of the remaining Directors shall be elected by majority vote of the Directors present at the Member or Board meeting to act as Chairperson.

## ARTICLE IX

### *Duties of Officers and Chairpersons*

9.1 *President.* 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 as President all leases, mortgages, deeds and other written instruments and shall co-sign with any other officer all checks and promissory notes which have been first approved by the Board of Directors unless the board has authorized the signature(s) by lesser officers; and, subject to advice of the Board of Directors, shall have general supervision, direction, and control of the affairs of the Association, and shall discharge such other duties as may be required by the Board of Directors.

9.2 *Vice-President.* 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.

9.3 *Secretary.* The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; give 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.

9.4 *Treasurer.* The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by the Board of Directors; keep proper books of account; and keep accurate books and records of the fiscal affairs of the Association, and report on and make the same available for inspection by Members of the Association as required by the Board, these Bylaws or the Declaration.

9.5 *Other Officers.* Such other officers as the Board of Directors shall create shall have such duties as directed or required by the Board.

9.6 *Chairpersons.* Chairpersons shall establish agendas for meetings, call to order and preside over meetings, verify quorums, call for and conduct voting and verify results thereof, resolve procedural disputes, decide who is entitled to the floor and limit the duration thereof as to any one (1) person, establish limits on the period of time to be allowed for discussion of any given issue, motion or other matters, and in general shall supervise the orderly conduct of meetings and obtaining of correct expressions of the decisions made thereat. The Chairperson's determinations as to any of the foregoing matters shall be final so long as made in good faith.

9.7 *Checks.* All Checks or similar drafts shall be signed by at least two (2) officers and as otherwise directed from time to time by the Board.

## ARTICLE X *Books and Records*

### 10.1 *Inspection by Members.*

(a) *General Right of Inspection.* Upon written request stating a proper purpose thereof, any Member of the Association or the Member's duly appointed representative shall be entitled to make a reasonable examination of the books and records of the Association at any reasonable time and for a proper purpose reasonably related to the Member's interest as a Member. Any such examination shall be conducted at the office of the Association or at such other place in Harris County, Texas as the Board of Directors shall prescribe. No Member shall remove any books and records from the possession of the Association for any reason. Any Member may request copies of books and records which the Member is entitled to inspect upon written request stating the specific books and records desired and a proper purpose for the request.

(b) *Exclusions.* Notwithstanding Section 10.1(a), no Member or Member representative shall be entitled to examine any documents regarding and the Association shall have a privilege to refuse to disclose any confidential communications regarding (i) any confidential communications by and between past or current legal counsel to the Association

and the Board of Directors of the Association, or any officer, agent, employee, representative or committee of either, (ii) Member communications regarding alleged violation of any Governing Documents, (iii) any confidential communications as determined by the Board of Directors in accordance with Section 10.2 or as otherwise provided in the Declaration, and (iv) any communications privileged under the Texas Rules of Civil or Criminal Procedure, the Texas Rules of Civil or Criminal Evidence, and any other applicable statute or law of the State of Texas or United States of America.

10.2 *Confidential Communications.* By vote of two-thirds (2/3rds) of all Directors then in office, the Board of Directors shall be entitled to designate such books, records and communications confidential as the Board shall deem in its sole good faith opinion the best interests of the Association require be kept confidential, including without limitation confidentiality deemed necessary for the protection of the privacy rights of individual Members, consideration of competitive bids until a final bid is accepted, and matters where any conflict of interest exists between a Member and the Association and disclosure would detrimentally effect the interests of the Association.

10.3 *Rules for Inspection.* The Board of Directors may from time to time establish reasonable rules for inspection of any books and records of the Association with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when inspections may be made; and (iii) payment of reasonable duplication and administrative costs of inspection the payment of which shall be condition precedent to the right of any Member to obtain copies of any books and records.

## ARTICLE XI *Amendment*

11.1 *By Declarant.* During the Development Period, Declarant shall have the sole right to amend, modify or repeal these Bylaws in accordance with the Declaration without joinder or consent of any Owner, mortgagee or any other Person.

11.2 *By Association.* The Association by vote of the Board of Directors may amend, modify or repeal these Bylaws in the same manner and for the limited purpose provided for in the Declaration.

11.3 *By Members.* After the Development Period, these Bylaws may be amended or otherwise modified or repealed, in whole or in part, at any annual or special meeting of the Members by the affirmative vote of two-thirds (2/3rds) of the votes entitled to be cast by the Members present, in person or by proxy, at a meeting of the Members at which a quorum is present, in person or by proxy. Any such amendment, modification or repeal so adopted shall be binding upon all Members and all Owners.

11.4 *Notice for Amendment by Owners.* The notice for any meeting of the Members at which any amendment or other modification or repeal of these Bylaws is to be considered

shall state such purpose, and shall contain or be accompanied by a true and correct copy of the proposed amendment(s) or a summary statement thereof. A true and correct copy of the complete text of all adopted amendments or other modifications or repeal shall be delivered to all Members in the same manner as other notices to Members as soon as reasonably practicable after adoption.

## ARTICLE XII *Miscellaneous*

12.1 *Notices.* Unless otherwise expressly provided herein, all notices or other communications permitted or required under these Bylaws shall be in writing and shall be deemed properly given if but only if given in accordance with Section 14.01 of the Declaration.

12.2 *Conflicts.* 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.

12.3 *Interpretation.* The provisions hereof are to be liberally construed to give full effect to their intent and purposes. The captions of each Article and Section hereof as to the contents of each Article and Section are inserted only for convenience, and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer. Wherever the context requires, all words in these Bylaws in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

12.4 *Severability.* Whenever possible, each provision of these Bylaws shall be interpreted in such manner as to be effective and valid, but if the application of any provisions of these Bylaws to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application, and, to this end, the provisions hereof are declared to be severable.

12.5 *Power of Attorney.* A Person may execute any instrument related to the Association by means of a written power of attorney if an executed copy of the power of attorney is filed with the Association to be kept with the corporate records. Any such power of attorney may be revoked only by expiration of a stated term expressly set forth in the power of attorney or by filing of a written revocation with the Association, and the Association shall not be required to determine or comply with any other conditions for termination.

12.6 *Applicability of Bylaws.* All present or future Members and Owners, tenants thereof, and their respective officers, agents, employees, guests or invitees, or any other Person occupying or residing within or upon the Subdivision or any Lot or Lot or utilizing

any Community Properties in any manner, shall be subject to these Bylaws. The mere acquisition, occupancy, use or rental of any Lot or Lot or utilization of any Community Properties shall constitute acceptance and ratification of these Bylaws, and agreement to strictly comply therewith.

12.7 *Fiscal Year.* The fiscal year of the Association shall be established from time to time by the Board of Directors absent which same shall begin on the first (1st) day of January and end on the thirty-five (31st) day of December of each year.

12.8 *Effective Date.* These Bylaws of THE COURTS AT MID LANE ASSOCIATION, INC., a Texas Non-Profit Corporation, shall be effective from and after the 10 day of November, 1999.

CERTIFICATION BY SECRETARY

I, the undersigned, Robert F. Bland, Jr., do hereby certify:

That I am the duly elected and acting Secretary of THE COURTS AT MID LANE ASSOCIATION, INC., a Texas non-Profit corporation, and

That the foregoing Bylaws of THE COURTS AT MID LANE ASSOCIATION, INC., a Texas Non-Profit Corporation, is a complete, true and correct statement of the bylaws of THE COURTS AT MID LANE ASSOCIATION, INC., duly adopted by unanimous written consent of the Board of Directors of the Association.

DATED: 11/10, 1999.

Robert F. Bland, Jr.