

**BYLAWS OF
HERON LAKES TOWNHOME ASSOCIATION, INC.
A NONPROFIT CORPORATION**

**ARTICLE I
DEFINITIONS**

Capitalized terms used in these Bylaws and not otherwise defined herein shall have the same meanings as are ascribed to them in the Declaration of Covenants, Conditions, Restrictions and Easements for Heron Lakes Town Homes Harris County, Texas recorded among the Official Public Records of Harris County, Texas, under Clerk's File No U730121 pertaining to Heron Lakes Town Homes, a subdivision in Harris County, Texas shown on the map or plat thereof filed among the Official Public Records of Real Property of Harris County, Texas under Clerk's File No U641642

**ARTICLE II
OFFICES**

Section 2.01. Principal Office The principal office of the Association shall be located in Harris County, Texas The Association may have such other offices, either within or without the State of Texas, as the Board of Directors may determine from time to time

Section 2.02. Registered Office and Registered Agent The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent whose address is the same as such registered office, as required by the Texas Non-Profit Corporation Act The registered office may, but need not, be the same as the principal office of the Association in the State of Texas and the address of the registered office may be changed from time to time by the Board of Directors

**ARTICLE III
MEMBERSHIP**

The Members of the Association shall be the record Owners of fee simple title to the Lots Members shall have the voting rights described in the Declaration

**ARTICLE IV
MEETING OF MEMBERS**

Section 4.01. Annual Meeting. An annual meeting of the Members shall be held during the first calendar quarter of each year beginning with the year 2002, on a day and time and at a place set by the Board of Directors of the Association for the purpose of electing Directors and for the transaction of other business as may properly come before the meeting If the election of Directors is not held at the time designated herein

for any annual meeting, or any adjournment thereof the Board of Directors shall cause the election to be held at a special meeting of the Members as soon thereafter as possible

Section 4.02. Special Meeting Special meetings of the Members may be called by the President, the Board of Directors or by the holders of no fewer than ten percent (10%) of the votes that could be voted at any such special meeting

Section 4.03. Place of Meetings The Board of Directors may designate any place in Harris County, Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors

Section 4.04. Notice of Meetings Written or printed notice, stating the place, day and hour of any meeting of Members shall be delivered, either personally, by mail, facsimile transmission or electronically to each member entitled to vote at such meeting, not less than ten (10) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the Directors or Members calling the meeting In case of a special meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail, addressed to the Member at his address as it appears on the records of the Association, with postage thereon prepaid

Section 4.05. Informal Action by Members. Any action required by law to be taken at a meeting of the Members or any action which may be taken at a meeting of the Members may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof and filed with the Secretary of the Association

Section 4.06. Quorum Members holding ten percent (10%) of the votes which are entitled to be cast at any meeting shall constitute a quorum at such meeting unless a higher percentage is required by the Declaration If a quorum is not present at any meeting of Members, a majority of the Members present may adjourn the meeting from time to time without further notice until a quorum has been established

Section 4.07. Proxies At any meeting of Members, a Member entitled to vote may vote by proxy executed in writing by the Member, or by his duly authorized attorney-in-fact No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy

ARTICLE V
BOARD OF DIRECTORS

Section 5.01 Powers and Duties. The Board of Directors shall have such powers and duties as are set forth at law and in the Documents of the Association

Section 5.02. Number, Tenure, and Qualifications The Board of Directors shall consist of three (3) Directors named in the Articles and thereafter elected by the Members in accordance with these Bylaws. At the first annual meeting of the Members, the terms of the initial Directors shall expire and one (1) Director shall be elected for a term of one (1) year, one (1) Director shall be elected for a term of two (2) years, and one (1) Director shall be elected for a term of three (3) years. At every annual meeting thereafter, one (1) Director shall be elected for a term of three (3) years. The number of Directors may be increased to five (5) by amendment of this section of the Bylaws and if so increased, the initial term of one additional Director shall be one (1) year and for the other additional Director shall be two (2) years, and terms thereafter for such additional Directors shall be three (3) years. Any Directors elected prior to the Election Date need not be residents of the Property. All Directors elected after the Election Date must be residents of the Property and Members of the Association in good standing.

Section 5.03. Regular Meeting A regular annual meeting of the Board of Directors shall be held without notice other than this section immediately after and at the same place as the annual meeting of Members.

Section 5.04. Special Meetings Special Meetings of the Board of Directors may be called by or at the request of the President or any two (2) Directors. The person or persons authorized to call special meetings of the Board may fix any place in Harris County, Texas as the place for holding any special meetings of the Board called by them and must ensure access to such location by all Directors, the President and the Secretary.

Section 5.05. Notice Notice of any special meeting of the Board of Directors shall be given at least seven (7) days previous thereto by written notice delivered personally or sent by mail, fax, telegram or electronically to each director at his address as shown by the records of the corporation. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Both the business to be transacted at, and the purpose of, any regular or special meeting of the Board must be specified in the notice or waiver of notice of such meeting.

Section 5.06 Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a

majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice

Section 5.07 Manner of Acting The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws

Section 5.08. Removal The Declarant shall be entitled to remove, with or without cause, and appoint any one or more directors to the Board of Directors of the Association prior to the Election Date Following the Election Date, Directors may be removed from office, with or without cause, by a majority vote of the Members of the Association present in person or by proxy at a meeting of the Members duly called for that purpose

Section 5.09 Vacancies Any vacancy occurring in the Board of Directors and any directorship to be filled by a reason of an increase in the number of Directors shall be filled by the Board of Directors A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office

Section 5.10. Compensation Directors as such shall not receive any stated salaries for their services

Section 5.11. Informal Action by Directors Any action required by law to be taken at a meeting of Directors or any action which may be taken at a meeting of Directors may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors or as provided in the Articles of Incorporation

ARTICLE VI OFFICERS

Section 6.01. Officers The Officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, a Treasurer, and such other officers as may be determined necessary by the Board of Directors Any two (2) or more offices may be held by the same person, except the offices of President and Secretary

Section 6.02. Election and Term of Office The Officers of the Association shall be elected annually by the Board of Directors at the meeting of the Board of Directors following the annual meeting of the Members Each officer shall hold office until his successor shall have been duly elected and shall have qualified

Section 6.03. Resignation and Removal. Any officer may be removed by the Board from office with or without cause 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 6.04. Vacancies. A vacancy in any office because of death resignation, disqualification or otherwise may be filled by the Board of Directors for the unexpired portion of the term

Section 6.05. President The President shall be the principal executive officer of the Association and shall supervise and control all of the business and affairs of the Association He shall preside at all meetings of the Members and of the Board of Directors He may sign, with the Secretary or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association, and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time

Section 6.06 Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in order of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions on the President Any Vice President shall perform such other duties as from time to time may be assigned by the President or Board of Directors

Section 6.07. Treasurer If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine He shall have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, deposit all such monies in the name of the Association in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VII of these Bylaws, and in general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors Notwithstanding the foregoing, the duties of the Treasurer may be performed by a manager pursuant to a Management Agreement approved by the Board and entered into in accordance with applicable provisions of the Declaration

Section 6.08. Secretary. The Secretary or another person designated by the President in the absence of the Secretary shall keep the minutes of the meetings of the Members and of the Board of Directors in one or more books provided for that purpose, give, or cause to be given, all notices in accordance with the provisions of these Bylaws

or as required by law, be custodian of the corporate records and of any seal of the Association and affix the seal (if any) of the Association to all documents, the execution of which on behalf of the Association under its seal is duly authorized in accordance with the provisions of these Bylaws, keep, or cause to be kept, a register of the address of each Member which shall be furnished to the Secretary by each Member, and, in general, perform, or cause to be performed, all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors

Section 6.09 Assistant Treasurers and Assistant Secretaries. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Treasurers and Assistant Secretaries in general shall perform such duties as shall be assigned to them by the Treasurer or the Secretary or by the President or the Board of Directors

ARTICLE VII CONTRACTS, CHECKS, DEPOSITS, AND FUNDS

Section 7.01. Authorization. The Board of Directors may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances

Section 7.02. Checks and Drafts. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or an Assistant Treasurer and countersigned by the President or a Vice President of the Association

Section 7.03. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select

Section 7.04. Gifts. The Board of Directors may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association

**ARTICLE VIII
BOOKS AND RECORDS**

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Members Board of Directors and committees having any of the authority of the Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of the Members entitled to vote All books and records of the Association may be inspected by any Member or his agent or attorney for any proper purpose at any reasonable time pursuant to any policy resolutions adopted by the Board of Directors

**ARTICLE IX
FISCAL YEAR**

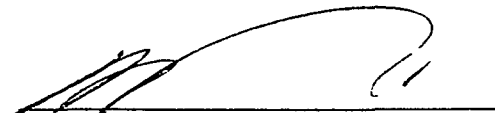
The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year

**ARTICLE X
AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended or repealed and new bylaws may be adopted by the Board of Directors of the Association

**ARTICLE XI
CONFLICT WITH DECLARATION AND
ARTICLES OF INCORPORATION**

In the event anything contained in these Bylaws shall be determined to be in conflict with the provisions of the Declaration or Articles of Incorporation, then the Declaration and the Articles of Incorporation shall be controlling as to the actions of the Association, its Board of Directors and Members



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