

BY-LAWS
OF
PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 1200 South Post Oak Road - Suite 200, Houston, Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Dallas, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Pine Trails Community Improvement Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

ARTICLE III

FUNCTIONS OF THE ASSOCIATION

Section 1. Purposes. The purposes for which Pine Trails Community Improvement Association is formed are civic and social, for the benefit and betterment of the residents and property owners of Pine Trails, a residential development in Harris County, Texas. To carry out such purposes properly, the Association may at the discretion of its Board of Directors perform the following functions and the exercise of such functions shall be deemed to be within the scope of activities contemplated by the corporate charter:

(a) The Association may care for vacant, unimproved and unkempt lots in said development, remove and destroy grass, weeds and rodents therefrom, and any unsightly and obnoxious thing therefrom and do any other things and perform any labor necessary or desirable in the judgment of this Association to keep the property, and the land contiguous and adjacent thereto, neat and in good order.

(b) The Association may enforce charges, restrictions, conditions, and covenants existing upon and created for the benefit of said property over which this Association has jurisdiction; the Association may pay all expenses incidental thereto; the Association may enforce the decisions and rulings of the Association having the jurisdiction over any of said property; the Association may pay all of the expenses in connection therewith; and may reimburse any declarant under any

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of Owners.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "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, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to the Fox & Jacobs, Inc., their successors and assigns if such successors or assigns should acquire more than one developed Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Clerk of Harris County, Texas.

Section 8. "Member" shall mean and refer to every owner of a lot which is subject to assessment. Membership shall be appurtenant to and shall not be separated from ownership of any lot which is subject to assessment.

Section 9. "Alley" shall mean and refer to the pavement and area within the access easement shown upon any recorded subdivision map of the Properties.

declaration of conditions, covenants, restrictions, assessments or charges affecting said property, or any part thereof, for all costs and expenses incurred or paid by it in connection with the enforcement of any of the conditions, covenants, restrictions, charges, assessments or terms set forth in any declaration.

(c) The Association may perform any and all lawful things and acts which this Association at any time and from time to time, shall, in its discretion, deem to be to the best interests of said property and the owners of the building sites thereon, and shall pay all costs and expenses in connection herewith.

(d) Any powers and duties exercised by said Association relating to maintenance, operation, construction or reconstruction of any facilities provided for herein may be contracted for with any qualified contractor as agent.

(e) The Association may provide for garbage and rubbish collection and disposal.

(f) The Association may expend the funds collected by it from assessments, maintenance charges and all other moneys received by the Association for the payment and discharge of all proper costs, expenses and obligations incurred by this Association in carrying out any or all of the purposes for which the Association is formed.

(g) The Association may care for alleys.

Section 2. Area. The activities of the Association shall be limited to the area known as Pine Trails, a development in Harris County, Texas, and to such other areas which may hereinafter through the operations of conditions, covenants, restrictions, easements, reservations or charges pertaining to the same be placed under or submitted to the jurisdiction of this Association and be accepted as within the jurisdiction of this Association by resolution of the Board of Directors of this Association.

ARTICLE IV

VOTING RIGHTS OF MEMBERS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member or members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. 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.

ARTICLE V

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth ($\frac{1}{4}$) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 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, in the case of a special meeting, 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 votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or 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 VI

BOARD OF DIRECTORS: SELECTION:TERM OF OFFICE

Section 1. Number and Term of Office. The business and property of the Association shall be managed and controlled by the Board of Directors, and subject to the restrictions imposed by law, by the charter, or by these By-Laws, the Board of Directors may exercise all the powers of the Association. The number of Directors shall be three (3) but the number of Directors may be increased or decreased from time to time by the affirmative vote of a majority of the members, provided that the number of Directors shall never be less than three (3). The Directors shall be elected each year

at the annual meeting of the Members of the Association or at the adjourned annual meeting of the Members and each Director shall be elected to hold office and to serve until the next annual meeting of the Members and until his successor shall be elected and shall qualify. Directors need not be Members of the Association.

Section 2. Removal. Any director may be removed from the Board, with or without cause, by a majority vote 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 3. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

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 the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman,

who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of Article III hereof. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meeting 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. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

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.

ARTICLE IX

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 infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities 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.

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 meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth ($\frac{1}{4}$) of the Class A members who are entitled to vote;

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

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) 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 shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibility to be bonded, as it may deem appropriate;

(g) cause the Common Area to be maintained.

(h) cause the alleys to be maintained.

ARTICLE X

OFFICERS AND THEIR DUTIES

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

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

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

Section 8. Duties. The duties of the officers are as follows:

President

(a) The president shall preside at all meetings of the Board of Directors; 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.

Vice-President

(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.

Secretary

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

(d) The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds

as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XI

COMMITTEES

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

ARTICLE XII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIII

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association charge or assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment

shall bear interest from the date of delinquency at the rate of ten (10%) per cent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any 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 nonuse of the Common Area or abandonment of his Lot.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Pine Trails Comm. Impvt. Assn.

ARTICLE XV

AMENDMENTS

Section 1. These By-Laws may be 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, except that the Federal Housing Administration or the Veterans Administration shall have the right to veto amendments while there is Class B membership.

Section 2. 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 XVI

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.

AMENDMENTS TO THE BY-LAWS PASSED AT ANNUAL MEETING

DECEMBER 18, 1990

Amendment to Article V, Section 1

The first annual meeting of the members shall be held within one year from the date of incorporation of the association and each subsequent regular annual meeting of the members shall be held on the same day of the month of each year thereafter, at the hour of 7:00 o'clock p.m. Beginning in 1991 the annual meeting will be held the first Tuesday in October at the hour of 7:00 o'clock p.m., and each subsequent regular annual meeting of the members shall be held on the first Tuesday in October, at the hour of 7:00 o'clock p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day followign which is not a legal holiday.

Amendment to Article VI, Section 2

Removal Any director may be removed from the board with or without cause, by a majority vote of a quorum of members present in person or by proxy at the annual meeting of the members duly called and constituted for such purpose. Quorum is defined as the presence at the meeting of members entitled to cast or of proxies entitled to cast, 1/10 (one-tenth) of the votes of each class of membership.

Amendment to By-Laws

Requirement to cause Board of Directors to give notice through U. S. Mail or the Newsletter to all members of association in advance when purchase of asset in excess of \$30,000.00 is contemplated.

CERTIFICATE OF AMENDMENT
TO THE BYLAWS OF
PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION

The undersigned being the duly elected, qualified and acting Secretary of Pine Trails Community Improvement Association, a Texas non-profit corporation, does hereby certify that the following amendment to the Bylaws of this corporation were adopted by the vote of the owners representing a majority of a quorum of members present in person or by proxy at the annual meeting of the members duly called and constituted for such purpose on December 12, 1995:

Article V, Section 4, Quorum is hereby amended such that from this date forward it will read as follows:

The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation or the Declaration. 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. At the subsequent meeting the quorum required for any action shall be equal to the votes present or represented at the subsequent meeting.

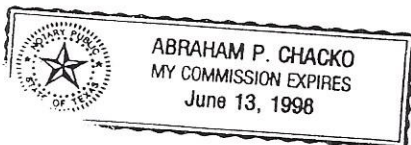
To certify which, witness my hand on December 12th, 1995.

Roger C. Hamilton

Secretary, Pine Trails
Community Improvement
Association

STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on 12th December, 1995 by ROGER C. HAMILTON, Secretary of PINE TRAILS COMMUNITY IMPROVEMENT ASSOCIATION, a Texas corporation, on behalf of said corporation.



Abraham P. Chacko
NOTARY PUBLIC STATE OF TEXAS