

BY-LAWS

OF

LOHMANS CROSSING ESTATES, SECTION SEVEN,  
HOMEOWNERS ASSOCIATION

(A Texas Non-Profit Corporation)

Lohmans Crossing Estates, Section Seven, Homeowners Association has adopted the following By-Laws for the protection, preservation, upkeep, maintenance, repair, restoration, operation, and replacement of the Common Properties and Common Facilities, as set forth in the Second Declaration of Covenants, Restrictions, and Reciprocal Easement for Lohmans Crossing Estates, Section Seven ("Declaration") duly recorded in the Real Property Records of Travis County, Texas, in connection with the following described real property:

Lots 1 through 14, inclusive, Block A of Lohmans Crossing Estates, Section Seven, an Addition in Travis County, Texas, according to the map or plat thereof recorded in Volume 84, Page 18D, Plat Records of Travis County, Texas; Lots 1 through 15, inclusive, Block B of Lohmans Crossing Estates, Section Seven, an Addition in Travis County, Texas, according to the map or plat thereof recorded in Volume 84, Page 18D, Plat Records of Travis County, Texas; and Lots 1 through 7, inclusive, Block C of Lohmans Crossing Estates, Section Seven, an Addition in Travis County, Texas, according to the map or plat thereof recorded in Volume 84, Page 18D, Plat Records of Travis County, Texas.

ARTICLE I. OFFICES

Section 1.01. Registered Office. The registered office of the Association shall be located at 7900 Washington, Houston, Texas 77007.

Section 1.02. Principal Office. The principal office shall be located at such place designated by the Board of Trustees from time to time.

Section 1.03. Other Offices. The Association may also have an office or offices at such other place or places, within or without the State of Texas, as the Board of Trustees may, from time to time designate, or the business of the Association may require.

ARTICLE II. MEMBERSHIP AND MEMBERS' MEETINGS

Section 2.01. Members and Classes of Members. Each owner of a Lot, including The Creek, Inc., a Texas corporation ("Declarant") shall by virtue of such

ownership automatically be a Member of the Association and shall remain a Member thereof until such time as his total ownership ceases for any reason, at which time his membership in the Association shall also automatically cease. Membership in the Association shall be appurtenant to and shall automatically follow the ownership of each Lot, and upon any transfer of ownership howsoever caused or brought about, the new Owner shall automatically be and become a Member of the Association. The term "Lot" shall have the same definition as that term is used in the Declaration referred to above. The term "Owner" shall mean and refer to the record owner, whether or one or more persons or entities, of the fee simple title to any Lot, but shall not mean or refer to any person or entity having such interest merely as security for the performance or payment of an obligation unless and until such mortgagee has acquired title. The Association shall have two classes of Members. The classes shall be designated as Class A and Class B. The qualifications and rights of the Members of such classes shall be as follows:

Class A: Each Owner of a Lot shall be the Class A Member, and by virtue of such membership, the Owner of each Lot shall be entitled to one vote in the Association. There shall be no fractional votes. When the Owner of a Lot consists of more than one person or entity, they shall designate in writing to the Board one of their number to cast their one vote with respect to such Lot.

Class B: Declarant shall be the sole Class B Member, and by virtue of such membership, shall be entitled to three (3) votes for each Lot owned by it; provided that the Class B Membership shall terminate at the time the total votes outstanding in the Class A Membership shall equal or exceed the total votes outstanding in the Class B Membership; further provided, Declarant shall have the right and option to terminate the Class B Membership at any time by notifying the Association in writing of its election to so terminate its Class B Membership. From and after the happening of whichever of these events occurs earlier, Declarant shall be deemed to be a Class A Member entitled to one vote for each Lot it owns. Ownership of a Lot for purposes of this Section 2.01 shall be evidenced by the ownership of record title thereto; in any instance that Declarant shall be the holder of a recorded deed of trust lien upon a Lot, until such time as such deed of trust lien is released against such Lot by a recorded document executed by Declarant then, notwithstanding anything to the contrary herein, for purposes only of determining votes under this Section 2.01. Declarant shall be deemed to be the owner of record title to such Lot; provided, in such circumstances, the actual record owner of such encumbered Lot, and not Declarant, shall be liable for any regular annual or special assessments imposed upon such Lot.

Section 2.02. Initial Meeting of Members. The initial meeting of the Members of the Association shall be held when called by the Declarant upon thirty (30) days written notice to the Members. Such written notice may be given at any time but must be given not later than ninety (90) days after at least ninety (90%) percent of all of

the Lots owned by Declarant have been sold by the Declarant, a deed therefor recorded and the purchase price paid.

Section 2.03. Annual Meeting of Members. The annual meeting of the Members of the Association shall be held at such other place as may be designated by the Trustees in Austin, Texas at 7:30 o'clock P.M. on the second Saturday in April of each calendar year (or the first business day thereafter if such day is a governmental or religious holiday). At the discretion of the Trustees, the annual meeting of the Members of the Association may be held at such other reasonable time (not more than thirty [30] days prior to or subsequent to the aforesaid date) as may be designated by written notice of the Trustees delivered to the members not less than fifteen (15) nor more than thirty (30) days prior to the date fixed for said meeting.

Section 2.04. Accounting. At the annual meeting, the Board shall present an accounting of the Maintenance Fund.

Section 2.05. Special Meetings. Special meetings of the Members may be called by at least one (1) Trustee at any time or may be called upon petition to the President by members having at least sixty (60%) percent of the votes in the Association. Written or printed notice stating the place, day and hour of such special meeting and the purpose or purposes for which the meeting is called shall be delivered to each Member not more than thirty (30) nor less than twenty-one (21) days before the date of such meeting.

Section 2.06. Notice and Purpose of the Meetings. Written or printed notice, stating the date, hour and place of any meeting of the Members, and, in the case of a special meeting, or where otherwise required by the Texas Non-Profit Corporation Act, the purpose or purposes for which the meeting is called, signed by the President or the Secretary/Treasurer shall be delivered either personally or by mail, with postage prepaid, to each Member of record of the Association entitled to vote at such meeting, and, if by mail, addressed to the Member's last known post office address, or to the address appearing on the books of the Association. Except as otherwise expressly provided by statute, no publication of any notice of a meeting of Members shall be required to be given to any Member who shall attend such meeting in person or by proxy, or who shall, in person or by attorney thereunto authorized, waive such notice in writing or by telegram, cable, radio or wireless, either before or after such meeting. Except where otherwise provided by law, notice of any adjourned meeting of the Members of the Association shall not be required to be given. Such further notice shall be given as may be required by law.

Section 2.07. Quorum. A quorum at any annual or special meeting of Members shall consist of Members representing, either in person or by proxy, a majority of the votes of Members of the Association entitled to vote at such meeting.

If a quorum of Members shall fail to attend in person or by proxy at the time and place fixed by these By-Laws for an annual meeting, or fixed by notice or waiver, or waivers of notice as above-provided for a special meeting, a majority of the votes of Members present in person or by proxy, may adjourn the meeting, after the expiration of at least one (1) hour, to a future time not less than three (3), nor more than seven (7) days later, and the Secretary shall thereupon give at least three (3) days' notice by registered mail to each Member entitled to vote who was absent from such meeting. At any such

adjourned meeting at which a quorum may be present, in person or by proxy, any business may be transacted which might have been transacted at the meeting as originally notified or called. A majority of the votes of Members entitled to vote and thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law. The Members present at a duly organized meeting may not continue to transact business until adjournment if there is a withdrawal of enough members to leave less than a quorum.

Section 2.08. Organization. Meetings of the Members shall be presided over by the President, or if he is not present, by a Chairman to be chosen by a majority of the votes of Members entitled to vote, who are present in person or by proxy at the meeting. The Secretary/Treasurer of the Association shall act as Secretary of every meeting, but if the Secretary/Treasurer is not present, the meeting shall choose any person present to act as Secretary of the meeting.

Section 2.09. Order of Business. At the annual meeting of the Members, the order of business shall be as follows:

1. Calling meeting to order.
2. Proof of notice of meeting.
3. Reading of Minutes of last previous annual meeting.
4. Reports of officers.
5. Accounting of the Maintenance Fund
6. Reports of Architectural Control Committee and other committees.
7. Election of Trustees.
8. Miscellaneous business.
9. New business.
10. Adjournment.

Section 2.10. Fixing Record Date for Determination of Members Entitled to Notice of, and to Vote at, Members' Meetings. For the purpose of determining the Members entitled to notice of a meeting and to vote at any meeting, the membership of the Association shall be determined at the close of business on the thirtieth (30th) day preceding such meeting.

Section 2.11. Members' List. The Secretary shall make, at least ten (10) days before each meeting of Members, a complete list of the Members entitled to vote at such meeting or any adjournment thereof. Such list shall be kept on file at the registered office of the Association, and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall be kept on file at the registered office of the Association and shall be subject to inspection by any Member at any time during the usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall also be subject to inspection by any Member during the whole time of the meeting. Upon the willful neglect or refusal of said officers or Trustees of the Association to produce such a list at any election, they shall be ineligible for election to any office at such election. Failure to comply with the requirements of this Section shall not affect the validity of any action taken at any meeting of the Members.

Section 2.12. Voting of Shares. Subject to the limitations set forth in Section 2.01, Declarant shall be entitled to three (3) votes for each Lot owned by it and each other Member shall be entitled to one (1) vote on each matter submitted to a vote of the meeting of the Members. Members shall not vote cumulatively for the election of Trustees. Each Member may vote either in person or by proxy executed in writing by the Member or 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. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law.

Section 2.13. Method of Voting. Except as otherwise required by statute, the Articles of Incorporation, the Declaration, by these By-Laws, all matters coming before any meeting of the Members shall be decided by a vote of a majority of interest of the Association, present in person or by proxy at such meeting and entitled to vote thereat, a quorum being present. To the extent applicable, Robert's Rules of Order shall govern the conduct of and procedure at all Members' meeting.

Section 2.14. Waiver by Unanimous Consent in Writing. Any action required to be or which may be taken at a meeting of the Members, may be taken without meeting if a consent in writing, setting forth the action to be taken or so taken shall be signed by all of the Members entitled to vote with respect to the subject matter thereof, and then delivered to the Secretary/Treasurer of the Association for inclusion in the Minute Book of the Association.

### ARTICLE III. BOARD OF TRUSTEES

Section 3.01. Powers, Number, Qualifications and Term of Office. The business and affairs of the Association shall be managed and controlled by the Board of Trustees, consisting of three (3) or more persons who are Members of the Association, spouses of Members, or in the event that a Lot is owned by a corporation or other business entity, an officer, director, or shareholder of such entity who resides in the house located upon the Lot owned by such entity. Notwithstanding the preceding qualifications, the Trustees may be Lynn S. Yellen, Phillip V. Ladin, or Ronald M. Ladin. The Members shall be subject to the restrictions imposed by law, by the Articles of Incorporation, the Declaration, or these By-Laws, the Board of Trustees may exercise all the powers of the Association.

The Trustees shall be elected each year at the annual meeting of the Members, or at a special meeting of the Members held in lieu of such annual meeting if the same is not held when provided for in these By-Laws, and each Trustee shall be elected to hold office and serve for a term of one (1) year commencing at the time of his election until his successor is elected or appointed, his death, resignation, removal, or until he is no longer a Member of the Association, whichever is earliest. Any Trustee may be removed from membership on the Board of Trustees, with or without cause, by the affirmative vote of seventy-five (75%) percent of the votes represented at a meeting of the Members of the Association called to consider such action.

In addition to the powers and authority expressly conferred upon them by the Articles of Incorporation, the Declaration, and these By-Laws, the Board of Trustees may exercise all such powers of the Association and do all such lawful acts and things as

are not by statute, by the Articles of Incorporation, the Declaration, or by these By-Laws directed or required to be exercised or done by the Members. Without prejudice to such general powers and the other powers conferred by statute, the Articles of Incorporation, the Declaration, and by these By-Laws, it is hereby expressly declared that the Board of Trustees shall have the following powers, that is to say:

1. To promote the health, safety, and welfare of the co-owners of the Lots.

2. To exercise all of the powers and privileges and to perform all of the duties and obligations of the owners of the Lots as set forth in the Declaration and these Bylaws.

3. To fix, levy, collect, and enforce payment of any charges or assessments as set forth in the Declaration; to pay all expenses in connection therewith and all office and other expenses incidental to the conduct of the business of the Association, including all licenses, taxes, or governmental charges levied or imposed against the property of the Association.

4. To acquire (by gift, purchase, or otherwise), own, hold, improvement, build on, operate, maintain, convey, sell, lease, transfer, dedicate for public use, or otherwise dispose of real or personal property in connection with the affairs of the Association.

5. To borrow money, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

6. To have and to exercise any and all powers, rights, and privileges which a corporation organized under the Texas Non-Profit Corporation Act by law may now or hereafter have or exercise.

7. To levy annual maintenance assessments against the Lots to obtain funds reasonably anticipated to be needed for the purposes stated in the Declaration, including reasonable reserves for contingencies and for maintenance, repairs, and replacements of those elements of the Common Properties that must be replaced on a periodic basis. The amount of the annual maintenance assessment for the Lots shall be \$600.00; except that for any calendar year after the calendar year 1986, the Association may increase said maximum amount of the annual assessment for a Lot, but if any such change increases the maximum amount which can be assessed against a Lot to more than fifteen (15%) percent of the amount assessed in the preceding calendar year, must be approved by seventy-five (75%) percent of the votes represented at a meeting of Members called to consider such action. No Member shall be exempt or excused from the obligation to pay any annual or special assessment by waiver of the use or enjoyment of the Common Properties or Common Facilities, or any part thereof, or by abandonment of his Lot or his interest therein.

8. To appoint any person or Association to accept and hold in trust for the Association any property belonging to the Association, or in which it is interested, or for any other purpose, and to execute such deeds and do all things requisite in relation to any such trust.

9. To delegate any of the powers of the Board in the course of the current business of the Association to any standing or special committee, or any other officer or agent and to appoint any persons the agents of the Association, with such powers, (including the power to sub-delegate), and upon such terms as they think fit.

10. To enter into contracts of employment, which contracts may be for a term longer than that for which the Trustees are elected.

In addition to the powers and authorities hereinbefore or by statute expressly conferred upon it, the Board of Trustees may exercise all such powers and do any and all such acts and things as may be exercised or done by the Association, subject, nevertheless, to the provisions of the laws of the State of Texas, and the Articles of Incorporation, the Declaration and the By-Laws of the Association.

Section 3.02 Architectural Control Committee. The overall plan for the development of the several areas or elements which make up and are collectively commonly known as Lohmans Crossing Estates, Section Seven contemplates centralization of architectural control to enhance, insure and protect the attractiveness, beauty and desirability of the area as a whole, while at the same time permitting compatible distinctiveness of the individual developments within the greater area. For this purpose the Board of Trustees shall constitute the Lohmans Crossing Section Seven Architectural Control Committee (the "Architectural Control Committee"). However, the Architectural Control Committee may employ one or more architects, engineers, attorneys, or other consultants to assist the Architectural Control Committee in carrying out its duties hereunder; and the Association shall pay such consultants for such services as they render to the Committee. The Architectural Control Committee is authorized to grant or approve variances or changes from any or all of the architectural and construction standards, controls or conditions specified in or imposed by the Declaration and shall perform such other functions as set forth in the Declaration.

Section 3.03. Committees. In addition to the Architectural Control Committee, the Board of Trustees may, in its discretion, by the affirmative vote of the majority of the whole Board of Trustees, appoint, from among its members, committees which shall have and exercise such powers as shall be conferred or authorized by the resolution appointing them. A majority of any such committee, if the committee be composed of more than two (2) Members, may determine its action and fix a time and place for its meeting unless the Board of Trustees shall otherwise provide. The Board of Trustees shall have power at any time to fill vacancies in, to change the membership of, or to discharge any such committee. The designation of such committee and the delegation thereof of authority shall not operate to relieve the Board of Trustees, or any member thereof, of any responsibility imposed upon it or him by law. Any such committee appointed by the Board of Trustees shall keep regular Minutes of all of its proceedings and shall report the same to the Board immediately following any such proceedings.

Section 3.04. Interest of Trustees in Contracts. No contract or transaction between the Association and one or more of its Trustees or officers, or between the Association and any other association, partnership, or other organization in which one or more of its Trustees or officers are Trustees or officers or have a financial interest, shall be void or voidable solely for this reason, solely because the Trustee or officer is present

at or participates in the meeting of the Board or committee thereof which authorizes the contract or transaction, or solely because his or their votes are counted for such purpose if: (1) The material facts as to his relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Trustees of the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested Trustees, even though the disinterested Trustees be less than a quorum; or (2) The material facts as to his relationship or interest and as to the contract of transaction are disclosed or are known to the Members entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the Members; or (3) The contract or transaction is fair as to the Association as of the time it is authorized, approved or ratified by the Board of Trustees, a committee thereof, or the Members.

Common or interested Trustees may be counted in determining the presence of a quorum at a meeting of the Board of Trustees or of a committee which authorizes the contract or transaction.

Section 3.05. Liability of Trustees in Certain Cases. Each officer or Trustee shall, in the discharge of any duty imposed or power conferred upon him by the Association, be fully protected if, in the exercise of ordinary care, he acted in good faith and in reliance upon the written opinion of any attorney for the Association, the books of account or reports made to the Association by any of its officials, or by an Independent Certified Public Accountant, or by an appraiser selected with reasonable care by the Board of Trustees or by such committee, or in reliance upon other records of the Association.

Section 3.06. Ratification by Members or Trustees of Certain Acts. The Trustees in their discretion may submit any contract or act for approval or ratification at any Members' meeting, and any contract or act that shall be approved or be ratified by the vote of a majority of the shares represented in person or by proxy at such Members' meeting at which there is a quorum, shall be as valid and binding upon the Association and upon all the Members as if it had been approved or ratified by every Member. Any transaction questioned in any Member's derivative suit on the ground of lack of authority, defective or irregular execution, adverse interest of Trustee, officer or Member, non-disclosure, miscomputation, or the application of improper principles or practices of accounting may be ratified, unless prohibited by law, before or after judgment, by the Board of Trustees or by the Members and, if so ratified, shall have the same force and effect as if the questioned transaction had been originally duly authorized, and said ratification shall be binding upon the Association and its Members and shall constitute a bar to any claim or execution of any judgment in respect of such questioned transaction.

Section 3.07. Vacancies. A particular Trusteeship shall be considered to be vacant upon the happening of any one of the following events:

- (1) Death of the person holding such Trusteeship;
- (2) Resignation of the person holding such Trusteeship;
- (3) The refusal of the person elected to a Trusteeship to manifest his assent to serve;



(4) Removal of a Trustee at a special Members' meeting as provided in these By-Laws;

(5) Such Trustee is no longer a Member of the Association; or

(6) Disqualification of a Trustee under any provision of law, the Articles of Incorporation, the Declaration, or these By-Laws.

Any vacancy occurring on the Board of Trustees may be filled at a special or annual meeting of the Members following the occurrence of such vacancy. A Trustee elected to fill a vacancy shall be elected for the unexpired term of his predecessor in such Trusteeship.

Section 3.08. Annual Meeting. Each newly organized Board of Trustees may hold its first meeting for the purpose of organization, election of officers and the transaction of business, if a quorum be present, immediately after either the annual meeting of the Members or any special meeting of the Members held in lieu thereof, and no notice of such meeting shall be necessary for any purpose; or such meeting may be held at such place and time as may be fixed in a notice of the meeting (given as though it were to be a special meeting and in accordance with the provisions of Section 3.11 of Article III), or such meeting may be held at such place and time as shall be fixed by the consent in writing of all such Trustees.

Section 3.09. Election of Officers. At the first meeting of each newly elected Board of Trustees in each corporate year, at which a quorum shall be present, the Board of Trustees shall proceed to the election of the officers of the Association. No notice or waiver of notice of any such first meeting shall be required or necessary if it be held immediately after either the annual meeting of the Members, or any special meeting of the Members held in lieu thereof, and any and all business of any nature and character may be transacted at such first meeting.

Section 3.10. Regular Meetings. Regular meetings of the Board of Trustees may be held at such times and places as shall, from time to time by resolution, be determined by the Board. Notice of such regular meetings shall not be required. Such meetings may be held either within or without the State of Texas.

Section 3.11. Special Meetings. Special meetings of the Board of Trustees shall be held whenever called by the President or by the Secretary/Treasurer or by a majority of the Trustees at the time being in office.

The Secretary/Treasurer shall, and in the event of his absence, failure, refusal, or omission to do so, any officer of the Association may give notice of any special meeting of the Board of Trustees, by telegraphing, mailing or delivering the same at least three (3) days before the date of the meeting to each Trustee. Unless otherwise indicated, in the notice or waiver or waivers of notice thereof, any and all business, of any nature or character, may be transacted at any special meeting of the Board. Each special meeting shall be held at the principal office of the Association or at such other place, within or without the State of Texas, as may be designated in the notice or waiver or waivers of notice thereof, unless and until the Board of Trustees shall, by resolution, designate a place or places where special meetings of the Board are to be held; and

thereafter, special meetings of the Board shall be held at such place or places so long as such resolution shall continue in force and effect.

At any meeting of the Board of Trustees at which every Trustee shall be present, even though held without notice or waiver or waivers of notice and wherever held, any and all business of any nature or character may be transacted unless otherwise provided by statute. Attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting, except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business, on the ground that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Trustees need be specified in the notice or waiver of notice of such meeting, unless otherwise required herein.

Section 3.12. Quorum. A majority of the Trustees then in office shall constitute a quorum for the transaction of all business; but, if at any meeting of the Board of Trustees there be less than a quorum present, then the Trustees present may adjourn the meeting from time to time without notice, other than by announcement at the meeting, until the transaction of any and all business submitted, or proposed to be submitted, to such meeting or any adjournment or adjournments thereof shall have been completed. The act of a majority of the Trustees present at a meeting at which a quorum or more than a quorum is in attendance shall constitute the act of the Board of Trustees, except as otherwise provided by law, by the Articles of Incorporation, or by these By-Laws.

Section 3.13. Indemnification of Officers and Trustees. Each Trustee or officer, whether or not then in office, subject always to the provisions of the laws of the State of Texas, and the Articles of Incorporation shall be indemnified by the Association to the fullest extent permitted by the Texas Non-Profit Corporation Act against all costs and expenses actually and necessarily incurred by or imposed upon him in connection with or arising out of any action, suit or proceeding in which he is made a party by reason of his being or having been a Trustee or officer of the Association, such expense to include the cost of the reasonable settlements (other than amounts to be paid to the Association itself), made with the view to curtailment of costs of litigation. The Association shall not, however, indemnify any officer or Trustee with respect to matters as to which he shall be finally adjudged in any such action, suit or proceeding, to be liable for negligence or misconduct in the performance of his duties as such Trustee or officer, nor in respect of any matter on which any settlement or compromise is effected, if the total expense, including the cost of such settlement shall substantially exceed the expense which might reasonably be incurred by such Trustee or officer conducting such litigation with final conclusion. The foregoing right of indemnification shall not be exclusive of other rights to which any Trustee or officer shall be entitled as a matter of law and shall be valid only to the extent that said rights are consistent with the provisions of the Texas Non-Profit Corporation Act. Provisions of this Section shall not be modified or repealed except by affirmative vote of a majority of the Members of the Association.

The provisions for indemnification of Trustees and officers, to the extent that they are consistent with the Texas Non-Profit Corporation Act, shall constitute authorization of indemnification in the manner required by the Texas Non-Profit Corporation Act even though such provision or provisions may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

Section 3.14. Order of Business. At meetings of the Board of Trustees, business shall be transacted in such order as from time to time the Board of Trustees may determine.

At the meetings of the Board of Trustees, the President shall preside, and in the absence of the President, a Chairman shall be chosen by the Board from among the Trustees present.

The Secretary/Treasurer of the Association shall act as Secretary/Treasurer of all meetings of the Board of Trustees, but in the absence of the Secretary/Treasurer, the presiding officer may appoint any person to act as Secretary of the meeting.

Section 3.15. Compensation of Trustees. No stated salary shall be paid Trustees, as such, for their services, but by resolution of the Board of Trustees, a fixed sum and expenses of attendance, if any, may be allowed for attending each regular or special meeting of any such Board; provided, that nothing herein contained shall be construed to preclude any Trustee from serving the Association in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 3.16 Waiver by Unanimous Consent in Writing. Any action required to be or which may be taken at a meeting of the Trustees, may be taken without meeting if a consent in writing, setting forth the action to be taken or so taken shall be signed by all of the Trustees entitled to vote with respect to the subject matter thereof, and then delivered to the Secretary of the Association for inclusion in the Minute Book of the Association.

#### ARTICLE IV. OFFICERS

Section 4.01. Number of Officers. The officers of the Association shall consist of a President and a Secretary/Treasurer and such other officers as may be convenient or necessary in the judgment of the Trustees for the administration and operation of the Association. The officers shall be elected for one (1) year by the Trustees at their first meeting after the annual meeting of Members, and who shall hold office until their successors are elected and qualify. The Board of Trustees may also choose Vice-Presidents, and one or more Assistant Secretaries and Assistant Treasurers. All officers of the Association shall be elected from among the Members of the Board of Trustees of the Association. Any two or more offices may be held by the same person, except the offices of President and Secretary/Treasurer.

Section 4.02. Election and Appointment. Immediately after the annual election of Trustees, if a majority of the persons so elected be then present in person, or if not, then at the first meeting of the Board of Trustees thereafter, the Trustees shall choose by a majority vote of those present, a quorum being present, a President, Secretary/Treasurer, and any other officers as they elect to appoint. Each such officer shall hold office until the first meeting of the Board of Trustees following the next annual meeting of the Members, and until his respective successor shall be duly elected and shall qualify, or until his death, resignation, disqualification or removal in the manner herein provided.

Section 4.03. Removal. Any officer, agent, or member of any Committee elected or appointed by the Board of Trustees may be removed by the Board of Trustees whenever, in its judgment, the best interest of the Association would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the persons so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4.04. Vacancy. A vacancy in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Trustees by majority vote of the Trustees present, a quorum being present, for the unexpired portion of the term, and any officer so elected shall hold office until his successor shall be duly elected and shall qualify.

Section 4.05. The President. The President shall be the principal executive officer of the Association and shall, in general, supervise the control of all of the business and affairs of the Association. He shall preside at all meetings of the Members and of the Board of Trustees. He shall sign, with the Secretary/Treasurer, any deeds, mortgages, bonds, contracts or other instruments which the Board of Trustees has authorized to be executed, except in cases where execution thereof shall be expressly delegated by the Board of Trustees to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; shall appoint and remove, employ and discharge and prescribe the duties and fix the compensation of all agents, employees, and clerks of the Association other than the duly appointed officers, subject to the approval of the Board of Trustees; supervise all the officers, agents and employees of the Association; and in general he shall perform all duties incident to the office of President. The Board of Trustees may from time to time enlarge upon or diminish the powers and duties of the President and other officers.

Section 4.06. The Secretary/Treasurer. The Secretary/Treasurer shall:

(a) Keep the Minutes of the Members' and of the Board of Trustees' meetings in one or more books provided for that purpose.

(b) Attend to the giving and serving of all notices in accordance with the provisions of these By-Laws or as required by law.

(c) Serve as custodian of the records of the Association.

(d) Keep a register of the Post Office address of each Member.

(e) 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, and deposit all sums in the name of the Association in such banks, trust companies or other depositories as shall be selected by the Board of Trustees.

(f) Keep or cause to be kept books of detailed account of the receipts and expenditures affecting the Property and Association and its administration and specifying the maintenance and repair expenses of the Common Properties and Common Facilities and any other expenses incurred

by or on behalf of the Association. Both the books of accounts and all vouchers supporting the entries made therein shall be available for examination at the office of the Association by all Owners and their mortgagees at convenient hours on working days and the Board shall cause to be established and announced for general knowledge the days and hours within which such books shall be available for inspection. All such books and records shall be kept in accordance with generally accepted accounting procedures, consistently applied.

(g) In general, perform all the duties incident to the office of Secretary/Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Trustees.

Section 4.07. Absence or Inability to Act. In the case of absence or inability to act, of any officer of the Association or of any person herein authorized to act in his place, the Board of Trustees may, from time to time, delegate the powers or duties of such officer to any other officer or any Trustee, or any person it may select.

Section 4.08. Appointment of Other Officers. The Board of Trustees may appoint such other officers and agents, as it shall deem necessary or expedient, who shall hold their office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Trustees.

Section 4.09. Salaries. The salaries of the officers shall be fixed from time to time by the Board of Trustees, and no officer shall be prevented from receiving such salary by reason of the fact that he is also a Trustee of the Association.

#### ARTICLE V. CERTIFICATE OF MEMBERSHIP

The Board of Trustees may provide for the issuance of certificates evidencing membership in the Association, which shall be in such form as may be determined by the Board. Such certificate shall be signed by the President and by the Secretary/Treasurer. All certificates evidencing membership of any class shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association. If any certificate shall become lost, mutilated, or destroyed, a new certificate may be issued in its place on such terms and conditions as the Board of Trustees may determine.

#### ARTICLE VI. FISCAL YEAR

The fiscal year of the Association shall be as determined by resolution of the Board of Trustees. The Board of Trustees may terminate the first fiscal year of the Association at any time, by resolution.

#### ARTICLE VII. AMENDMENTS

Unless reserved to the Members by the Articles of Incorporation or the Declaration, the power to alter, amend, or repeal the By-Laws or adopt new By-Laws shall be vested in the Board of Trustees, subject to repeal or change by action of the Members.

## ARTICLE VIII. MISCELLANEOUS PROVISIONS

Section 8.01. Contracts. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 8.02. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority may be general or confined to specific instances.

Section 8.03. Notice and Waiver of Notice. Whenever under the provisions of these By-Laws notice is required to be given to any Trustee or Member, such notice shall not be construed to mean personal notice, but such notice may be delivered by mail or by placing such notice in the mail box facilities of each Member if such facilities are present in the subdivision. If delivery is made by mail, it shall be deemed to have been delivered three (3) days after deposit in the U.S. Mail, postage prepaid, addressed to a Member at his house or to such other address as the Member may have given in writing to the Secretary/Treasurer of the Association for the purpose of service of notices. Any address for purposes of notice may be changed from time to time by notice in writing to the Secretary/Treasurer.

Section 8.04. Resignations. Any Trustee or officer may resign at any time. Such resignations shall be made in writing and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the President or Secretary/Treasurer. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 8.05. Checks. All checks, drafts and other orders for the payment of money out of the funds of the Association, and all notes or other evidences of indebtedness of the Association, shall be signed on behalf of the Association and in such manner as shall, from time to time, be determined by resolution of the Board of Trustees; provided that no employee on leave of absence from the service of the Association shall be authorized to sign any check, draft, or other order for the payment of money out of the funds of the Association.

Section 8.06. Persons and Numbers. Wherever appropriate in the construction of these By-Laws, pronouns of the masculine gender shall include persons of the female sex; the singular number shall include the plural, and the plural the singular.

Section 8.07. Section Headings. The headings or captions of the Articles and Sections of these By-Laws are inserted for convenience of reference only and shall not be deemed to be a part hereof or used in the construction or interpretation hereof.

Section 8.08. Construction and Interpretation. The place of these By-Laws, their status and their forum, shall be at all times in the State of Texas; and these By-Laws shall be governed by the Laws of the State of Texas as to all matters relating to their validity, construction and interpretation. In the event that any court of competent jurisdiction shall adjudge to be invalid or unlawful any clause, sentence, paragraph,

sub-section, section or article of these By-Laws, such judgment or decree shall not affect, impair, invalidate or nullify the remainder or these By-Laws, or any other provision hereof, but the effect of such judgment or decree shall be confined to the clause, sentence, paragraph, subsection, section or article so adjudged to be invalid or unlawful.

I HEREBY CERTIFY that the foregoing is a true, complete and correct copy of the By-Laws of Lohmans Crossing Estates, Section Seven, Homeowners Association, a Texas corporation, adopted as of September 19, 1986.

LOHMANS CROSSING ESTATES,  
SECTION SEVEN, HOMEOWNERS  
ASSOCIATION

By: Lynn S. Yellen, Secretary/Treasurer  
Lynn S. Yellen, Secretary/Treasurer

APPROVED:

By: Phillip W. Ladin, President  
Phillip W. Ladin, President