

BY-LAWS
OF
NORTHMEAD VILLAGE COMMUNITY ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is NORTHMEAD VILLAGE COMMUNITY ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located at Houston, Texas, but meetings of members and directors may be held at such places within the State of Texas, County of Harris, as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

Section 1. "Association" shall mean and refer to Northmead Village Community Association, Inc., a nonprofit corporation incorporated under the laws of the State of Texas, its successors and assigns.

Section 2. "Board" shall mean and refer to the duly elected Board of Directors of the Association.

Section 3. "Declarant" shall mean and refer to Friendswood Development Company, a corporation incorporated under the laws of the State of Arizona, its successors and assigns.

Section 4. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Official Public Records of Real Property of Harris County, Texas.

Section 5. "Commercial Unit" shall include all land areas and reserves other than Lots (see Section 7) and shall contain ten thousand (10,000) square feet of commercial land which shall be the equivalent of one "Lot" or proportional fraction thereof for purposes of membership, voting rights and assessment in and by the Association.

Section 6. "Common Area" shall mean all real property owned in fee or held in easement by the Association for exclusive common use and enjoyment of the Owners and shall include areas designated by Declarant to be conveyed by deed or easement to the Association.

Section 7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map upon which there has been or will be constructed a single-family residence, but shall not mean or include any Common Area.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation of the Association.

Section 9. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to the surface estate in any Lot or Commercial Unit 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.

1584

ARTICLE III
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held on a date selected by the Board upon three (3) days prior written notice to the Members, and each subsequent regular annual meeting of the Members shall be held on the anniversary date, at the hour of eight o'clock, P.M. If the day for the annual meeting of the Members falls on a legal holiday or on a weekend, the meeting will be held at the same hour on the first following business day.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings. Except as to the first annual meeting as hereinabove set forth, no written notice will be required for the annual meetings of the Members. Written notice of each Special 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 fifteen (15) days before such meeting to each Member entitled to vote 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 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 or Commercial Unit.

ARTICLE IV
BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association.

Section 2. Term of Office. At the first annual meeting of the members, the members shall elect three (3) directors for a term of one (1) year, and two (2) directors for a term of two (2) years; and at each annual meeting thereafter, the members shall elect two (2) directors for a term of two (2) years in the number required to maintain the membership of the Board at five (5).

Section 3. 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 4. 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 5. 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 Board.

ARTICLE V NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of Members. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next 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 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 may be by secret written ballot or by a voice vote as determined by the President of the Association or such other officer as may preside over the meeting. 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 the Articles of Incorporation and the Declaration. The persons receiving the largest number of votes shall be elected.

ARTICLE VI MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held quarterly 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 or on a weekend, then the meeting shall be held at the same place and hour on the first following business day.

Section 2. Special Meetings. Special meetings of the Board shall be held when called by the President of the Association, or by any two directors, upon 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 any meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board 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 Common area 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 sixty (60) days for infraction of published rules and regulations;

(c) exercise on behalf of 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 to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and prescribe their duties.

Section 2. Duties. It shall be the duty of the Board 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 (1/4) of the Class A Members who are entitled to vote;

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

(c) as more fully provided in the Declaration:

(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 bring an action at law against the Owner personally obligated to pay the same.

(d) issue, or 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 such a certificate. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance covering the Association, the Board and any property owned by the Association as it may deem appropriate;

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

(g) cause the Common Area and esplanades, if any, to be maintained, including but not limited to trimming, watering and trash pick-up, as necessary; and

(h) cause Lots and Commercial Units to be maintained as called for by the Declaration in the event of assignment to the Association of such right and obligation by Declarant.

ARTICLE VIII OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President, a Vice-President and a Secretary-Treasurer who shall at all times be members of the Board.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board 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 unable to do so by reason of resignation, removal, or disqualification.

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 no more than one (1) year, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary-Treasurer. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. No person shall simultaneously hold more than one of any of the 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

The President shall preside at all meetings of the Board; shall see that orders and resolutions of the Board are carried out; shall have authority to sign all leases, mortgages, promissory notes, deeds and other written instruments.

Vice-President

The Vice-President shall act in the place 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-Treasurer

The Secretary-Treasurer 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, receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board; have authority to sign promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a competent accountant at the completion of each fiscal year; prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting and deliver a copy of each to the Members, and perform such other duties as required by the Board.

ARTICLE IX
COMMITTEES

The Board shall appoint an Architectural Review Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board shall appoint such other committees as deemed appropriate in carrying out its purpose.

ARTICLE X
BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any 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 XI
ASSESSMENTS

As more fully provided in the Declaration, each Member is obligated to pay to the Association annual and special 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 six per cent (6%) 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 Member shall be relieved or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot or Commercial Unit.

ARTICLE XII
APPEALS

Section 1. Right of Appeal. A Member may appeal any decision of the Architectural Review Committee or any other committee appointed pursuant to Article IX hereof to the Board

provided that all subordinate avenues of resolution have been pursued and provided further that all parties involved comply with the decision of such committee until such time, if any, as the Board amends or reverses the committee's decision.

Section 2. Appeals Petitions. Appeals petitions shall be legibly written and shall be submitted in form satisfactory to the Board.

Section 3. Hearing. Any Member filing an appeal as hereinabove set forth shall be entitled to a hearing before the Board upon at least seven (7) days prior written notice to all interested parties.

Section 4. Decision. Following the hearing, the Board may, by majority vote of a quorum as herein provided, uphold the decision of the committee in its entirety, may amend such decision, or may overturn such decision.

Section 5. Further Action. A Member shall exhaust all available remedies as herein provided before such Member may resort to a court of law for relief with respect to any committee decision, provided that such limitation shall not apply to the Board or any Member where the complaint alleges non-payment of assessments.

ARTICLE XIII
CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: NORTHMEAD VILLAGE COMMUNITY ASSOCIATION, INC.

ARTICLE XIV
MISCELLANEOUS

Section 1. 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.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall be superior; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall be superior.

ARTICLE XV
AMENDMENTS

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.

IN WITNESS WHEREOF, we, being all the Directors of NORTHMEAD VILLAGE COMMUNITY ASSOCIATION, INC., have hereunto set our hands this 5th day of June, 1979.

R. F. Bradley
R. F. Bradley

D. R. Breeland
D. R. Breeland

A. C. Gurkhalter, Jr.
A. C. Gurkhalter, Jr.

J. F. Hartwell
J. F. Hartwell

T. R. Wussow
T. R. Wussow