

BY-LAWS
OF
ASHFORD HOLLOW COMMUNITY IMPROVEMENT ASSOCIATION, INC.

ARTICLE I
NAME AND LOCATION

The name of the corporation is ASHFORD HOLLOW COMMUNITY IMPROVEMENT 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 ASHFORD HOLLOW COMMUNITY IMPROVEMENT 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. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions under County Clerk's File No. F881081 and Film Code Number 114-84-2091 in the Official Public Records of Real Property of Harris County, Texas.

Section 4. "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 5. "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 6. "Member" shall mean and refer to those persons entitled to membership as provided in the Articles of Incorporation of the Association.

Section 7. "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 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 8. "Properties" shall mean all of the real property described in the Declaration.

ARTICLE III
MEETINGS OF MEMBERS

Section 1. Annual Meetings. The annual meeting of the Members shall be held on the third Tuesday in the month of January of each year at 7:30 p.m. in Houston, Texas and at such place as shall be determined by the Board of Directors.

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-third (1/3) of all of the votes of the membership.

Section 3. Notice of Meetings. 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 pre-paid, at least fifteen (15) but not more than fifty (50) 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, hour and purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-third (1/3) of the votes of all of the Members shall constitute a quorum for any meeting except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws.

Section 5. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing, notarized and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

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 must be members of the Association.

Section 2. Term of Office. At the annual meeting the members shall elect directors for a term of two (2) years in the number required to maintain the membership of the Board at five (5). Three directors shall be elected in even numbered years, two others shall be elected in odd numbered years. Each term in office shall officially begin at the conclusion of the annual meeting at which such director is elected to office.

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 or verbal 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 other 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. The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion deem appropriate, but not less than the number of vacancies that are to be filled. Such nominations may be made from among 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. Should a quorum of Members or their proxies not be present at the meeting, Board positions may be filled by vote of the other Board Members.

ARTICLE VI
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board shall be held at least quarterly, at such place and hour as may be fixed from time to time by resolution of the Board. Regular meetings may be held without notice to the Members.

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. Special meetings may be held without notice to the Members.

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.

*2nd Monday
Feb 9th
7:30 P.M.*

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 an accountant, a manager, an independent contractor, or such other employees as they deem necessary or appropriate 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-third (1/3) of the 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 the due date of each annual assessment; and

(3) file a lien against any property for which assessments are not paid and take all appropriate action in connection with enforcing such lien; and/or bring an action at law against the Owner personally obligated to pay the

same, when the Board determines such action to be necessary or desirable.

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

(g) cause the Common Area to be maintained, including but no limited to trimming, watering and trash pick-up, as necessary; and

(h) cause Lots to be maintained as called for by the Declaration.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a President, two Vice-Presidents, a Secretary and a 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-Presidents

A Vice-President shall act in the place of the President in the event of his absence, inability of refusal to act. Each Vice-President shall have such powers and duties as may be assigned to him by the Board of Directors.

Treasurer

The treasurer shall have custody of all the funds and securities of the corporation which come into his hands. When necessary or proper, he may endorse, on behalf of the corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the corporation in such bank or banks or depositories as shall be designated in the manner prescribed by the Board of Directors; he may sign all receipts and vouchers for payments made to the corporation, either alone or jointly with such other officer as is designated by the Board of Directors; whenever required by the Board of Directors, he shall render a statement of his cash account; he shall enter or cause to be entered regularly in the books of the corporation to be kept by him for that purpose full and accurate accounts of all monies received and paid out on account of the corporation; he shall perform all acts incident to the position of treasurer subject to the control of the Board of Directors; he shall, if required by the Board of Directors, give such bond for the faithful discharge of his duties in such form as the Board of Directors may require.

Secretary

The secretary shall keep the minutes of all meetings of the Board of Directors in books provided for that purpose; he shall attend to the giving and serving of all notices; in furtherance of the purposes of this corporation, he may sign with the president in the name of the corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the corporation; he shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and

securities of which the treasurer shall have custody and charge, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to the inspection of any director upon application at the office of the corporation during business hours, and he shall in general perform all duties incident to the office of secretary subject to the control of the Board of Directors.

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, with reasonable notice, 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 and 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 no less than ten percent (10%) 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 assessment provided for herein by nonuse of the Common Area or abandonment of his Lot.

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 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 fourteen (14) 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. Such limitation shall not apply to any Member where the complaint alleges non-payment of assessments, or to business of the Board.

ARTICLE XIII

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words:
ASHFORD HOLLOW COMMUNITY IMPROVEMENT 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.

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 of ASHFORD HOLLOW COMMUNITY IMPROVEMENT ASSOCIATION, INC. may be amended, at a regular or special meeting of the Members, by a vote of a majority of Members present in person or by proxy. Notice of said meeting shall be required as provided in Article III, Section 3. Should a quorum of members or their proxies not be present at the meeting, amendments can be made by a four-fifths (4/5ths) vote of the Directors of the corporation.