

**BYLAWS
OF
VILLAGE OF KINGS LAKE HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I

NAME AND LOCATION

The name of the corporation is the VILLAGE OF KINGS LAKE HOMEOWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The meetings of members and directors may be held at such places within the State of Texas as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Member(s)" shall mean and refer to those persons or entities so designated in the Articles of Incorporation of the Association.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration(s) of Covenants, Conditions and Restrictions filed of record covering sections of VILLAGE OF KINGS LAKE, a residential subdivision in Harris County, Texas, and such additional sections of VILLAGE OF KINGS LAKE as may hereinafter be brought within the jurisdiction of the Association.

Section 3. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision plat of the Properties with the exception of commercial reserves, if any, which may be excluded from the scope of the Declaration of Covenants, Conditions and Restrictions.

Section 4. "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 5. "Restrictions" shall mean and refer to the Declaration(s) of Covenants, Conditions and Restrictions applicable to Village of Kings Lake, recorded or to be recorded in the Official Public Records of Real Property of Harris County, Texas, and any amendments thereafter.

ARTICLE III

MEETING OF MEMBERS

Section 1. Membership. Every Owner is a Member of the Association. Membership is appurtenant to and may not be separated from ownership of a Lot. Members have one vote per Lot. When more than one person is an Owner, each is a Member, but only one vote may be cast for a Lot.

Section 2. Annual Meetings. Annual Meetings of the members shall be held at such times that the Board shall choose. Meetings of the Association may be held at the Properties or at a suitable place convenient to the Members, as determined by the Board of Directors. At least one (1) Annual Meeting must be held each year.

Section 3. Special Meetings. Special meetings of the Members may be called at any time by the President of the Association or by the Board of Directors of the Association, or upon written request of t Members who are entitled to vote twenty percent (20%) of the votes of the membership.

Section 4. Notice of Meetings. Written notice of each meeting of members shall be given by, or to the direction of, the secretary or other person authorized to call the meetings by mailing a copy of such notice, postage prepaid not later than the 10th day or earlier than the 60th day before such meeting to each member, 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 receiving notice. Such notice shall specify the day, hour, and place of the meeting, and in the case of a special meeting, the purpose of the meeting, including a statement that no business may be conducted except as stated in the notice. Notice to a Member is deemed given when hand delivered or mailed. If mailed, notice is deemed given (whether actually received or not) when deposited with the United States Postal Service, postage prepaid.

Section 5. Quorum. For a meeting of the Members at which a Director or Directors will be elected, the members present in person or by proxy at the meeting shall constitute a quorum for the purpose of conducting elections. For all other meetings, the presence at any meeting of the Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of the Membership shall constitute a quorum for any action, except as otherwise provided in the Articles of Incorporation, Restrictions or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the Members entitled to vote therein shall have power to adjourn the meeting from time to time without notice of other than an announcement at the meeting until a quorum shall be present or represented.

Section 6. Proxies & Members Right to Vote. At all meetings of members, each member may vote in person or by proxy, absentee ballot, or electronic ballot (e-mail, facsimile, or posting on an internet website). All members may vote; no member may be disqualified from voting for any reason. All proxies shall be in writing and filed with the

secretary. Subject to Section 6 of this Article, all proxies and ballots must be in writing and filed with the Secretary. Electronic votes are considered written and signed. Absentee ballots must contain each proposed action with an opportunity to vote for or against, ballot mailing or delivery instructions, and a disclaimer that the ballot will not be counted if the proposal is changed at the meeting. Absentee ballots will not be counted if the member attends the meeting and votes in person or if the language of the vote changes from what was listed on the absentee ballot. Individual ballots may be disqualified for any of the following reasons, including, but not limited to, failure to sign the written ballot, failure to identify property to validate ownership, conflict between votes of two members of the same property, unreadable or ambiguous markings for vote, or voting for more candidates than open positions. Proxies shall be revocable, and the proxy of any owner shall automatically terminate on conveyance by him of his Lot.

The Association is not required to provide an owner with more than one voting method; however, an owner must be allowed to vote by absentee ballot or proxy.

Section 7. Secret Ballots. The Board may adopt rules to allow voting by secret ballot by members. If secret ballots will be used, the Board must take measures to reasonably ensure that:

- (a) a member cannot cast more votes than the member is eligible to cast in an election or vote;
- (b) the association counts every vote cast by a member that is eligible to cast a vote; and
- (c) in any election for the Board, each candidate may name one person to observe the counting of the ballots, provided that this does not entitle any observer to see the name of the person who cast any ballot, and that any disruptive observer may be removed.

Secret ballots may not be used for a vote conducted outside of a meeting, in an election to fill a position on the Board, on a proposed adoption or amendment of a dedicatory instrument, on a proposed increase in the amount of a regular assessment or the proposed adoption of a special assessment; or on the proposed removal of a Board member, must be in writing and signed by the member.

Section 8. Vote Tabulator. A person who is a candidate in an election to the Board or who is otherwise the subject of an Association election, or a person related to that person within the third degree by consanguinity or affinity, may not tabulate or otherwise be given access to the ballots cast in that election except as provided by law. The person who tabulates votes in the election may not disclose to any other person how an individual voted. Only a person who tabulates votes or who performs a recount under Section 209.0057(c) of the Texas Property Code, may be given access to the ballots cast in the election or vote. This Section may not be construed to affect the Association's obligation to comply with a court order for the release of ballots or other voting records.

Section 9. Conduct of Meetings. The president will preside over Members meetings. The secretary will keep minutes of the meetings.

Section 10. Recount of Votes. Any member may, not later than the 15th day after the later of the date of the meeting at which the election or vote was held or the date of the announcement of the results of the election or vote, require a recount of the votes.

(a) A demand for a recount must be submitted in writing either: (1) by verified mail or by delivery by the United States Postal Service with signature confirmation service to the Association's mailing address as reflected on the most recently filed management certificate; or (2) in person to the Association's managing agent as reflected on the most recently filed management certificate or to the address to which proxies and absentee ballots are mailed.

(b) The Association must estimate the costs for performance of the recount by a person qualified to tabulate votes under Subsection (c) below and must send an invoice for the estimated costs to the requesting owner at the owner's last known address according to Association records not later than the 20th day after the date the Association receives owner's demand for the recount. The owner demanding a recount under this section must pay the invoices described by this Section in full to the Association on or before the 30th day after the date the invoice is sent to the owner. If the invoice is not paid by the deadline prescribed in this Section, the owner's demand for a recount is considered withdrawn and a recount is not required.

(c) If the estimated costs under Subsection (b) are lesser or greater than the actual costs the Association must send a final invoice to the owner on or before the 30th business day after the date the results of the recount are provided. If the final invoice includes, additional amounts owed by the owner, any additional amounts not paid to the Association before the 30th business day after the date the invoice is sent to the owner may be added to the owner's account as an assessment. If the estimated costs exceed the final invoice amount, the owner is entitled to a refund. The refund shall be paid to the owner at the time the final invoice is sent under this subsection.

(d) Following receipt of payment under Subsection (b), the Association shall, at the expense of the member requesting the recount, retain for the purpose of performing the recount, the services of a person who:

- 1.) is not a member of the Association or related to a member of the Board within the third degree by consanguinity; and
 - i. a current or former county judge, county elections administrator, justice of the peace, or county voter registrar; or
 - ii. a person agreed on by the Association and the member requesting the recount.

(e) On or before the 30th day after the date of receipt of payment for a recount in accordance with subsection (b), the recount must be completed and the Association must

provide each owner who requested the recount with notice of the results of the recount. If the recount changes the results of the election, the Association shall reimburse the requesting owner for the cost of the recount not later than the 30th day after the date the results of the recount are provided. Any action taken by the Board in the period between the initial election vote tally and the completion of the recount is not affected by any recount.

Section 11. Meetings by Remote Communications Technology. The Board of Directors, at its sole discretion, may determine to hold the annual meeting or any special meeting of the Association by remote communications technology. Notice of any meeting held by remote communications technology shall be provided in accordance with the By-Laws and Texas Property Code. The Board is authorized to adopt rules and regulations governing the conduct and voting at any meeting held by remote communications technology as the Board shall deem necessary or advisable. At any meeting of the Association held by remote communications technology, where voting by electronic ballot by posting on an Internet website is allowed, voting on any matter before the members may take place during the meeting if authorized by the Board. If electronic voting by posting on an Internet website is not available for a meeting held by remote communications technology or the Board does not authorize electronic voting during the meeting, voting on any matter before the members may only take place prior to the commencement of the meeting, and the Board may establish a date and time prior to the commencement of the meeting after which votes cast by the members will no longer be accepted or considered valid.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION AND TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a board of three (3) to five (5) directors, who must be Members of the Association. A majority of the directors must live onsite.

Section 2. Term of Office. At the first annual meeting the Members shall elect one (1) director for a term of one (1) year, two (2) director for a term of two (2) years, and two (2) directors for terms of three (3) years. At each annual meeting, the members shall elect at least one (1) Director for a term of three years. The terms of the Directors will be staggered. At least one-third of the Board will be elected each year. The candidate or candidates receiving the most votes will be elected at each annual meeting.

Section 3. Removal. Any director may be removed from the Board of Directors, 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 of Directors 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.

ARTICLE V

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a nominating committee or through solicitation of nominees as required by the Texas Property Code. Nominations may also be made from the floor at any annual meeting of the Members.

Section 2. Election. Election to the Board of Directors shall be conducted by any voting method listed in Article IV. 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 Declaration. Cumulative voting is not permitted. If the election is uncontested, the slate may be accepted by acclamation.

ARTICLE VI

MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place and hour as may be fixed from time to time by the Board of Directors.

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 (2) 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 of Directors.

Section 4. Meetings Requirements. Regular and special meetings of the Board of Director must be open to members, subject to the right of the Board to adjourn a board meeting and reconvene in closed executive session to consider actions involving personnel, pending or threatened litigation, contract negotiations, enforcement actions, confidential communications with the Association's attorney, matters involving the invasion of privacy of individual members, or matters that are to remain confidential by request of the affected parties and agreement of the board. Following executive session, any decision made in the executive session must be summarized orally and placed in the minutes, in general terms, without breaching the privacy of individual members, violating any privilege, or disclosing information that was to remain confidential at the request of the affected parties. The oral summary must include a general explanation of expenditures approved in executive

session, if any.

The Board meeting may be held by electronic or telephonic means provided that:

- (a) Each Director may hear and be heard by every other Director;
- (b) Except for any portion of the meeting conducted in executive session:
 - 1. All owners in attendance at the meeting may hear all Directors; and
 - 2. Owners are allowed to listen using any electronic or telephonic communication method used or expected to be used by a Director to participate; and

(c) The notice of the meeting includes instructions for owners to access any communication method required to be accessible under Subsection (b)(2) listed above.

Section 5. Notice to Members. Members shall be given notice of the date, hour, place, and general subject of a regular or special Board of Directors meeting, including a general description of any matter to be brought up for deliberation in executive session. The notice shall be:

(a) mailed to each member not later than the 10th day or earlier than the 60th day before the date of the meeting; or

(b) provided at least 144 hours for regular meetings and 72 hours for special meetings before the start of the meeting by:

- 1. posting the notice in a conspicuous manner reasonably designed to provide notice to the members: in a place located on the Association's Common Areas; or, with the member's consent, on other conspicuously located privately owned property within the subdivision; or on any internet website maintained by the Association or other Internet media; and
- 2. sending the notice by e-mail to each member who has registered an e-mail address with the Association for this purpose.

Section 6. Action Taken by the Board of Directors. The Board may take action outside of a meeting, including voting by electronic or telephonic means, without prior notice to owners under this Article, if each Director is given a reasonable opportunity, considered 48 hours, to express the Director's opinion to all other Directors and to vote. Any action taken without notice to owners under this Section must be summarized orally, including an explanation of any known actual or estimated expenditures approved at the meeting, and documented in the minutes of the next regular or special board meeting.

The Board of Directors may not, without prior notice to members, consider or vote on:

- (a) fines;
- (b) damage assessments;

- (c) initiation of foreclosure actions;
- (d) initiation of enforcement actions, excluding temporary restraining orders or violations involving a threat to health or safety;
- (e) increases in assessments;
- (f) levying of special assessments;
- (g) appeals from a denial of architectural control approval; or
- (h) a suspension of a right of a particular Member before the Member has an opportunity to attend a board meeting to present the Member's position, including any defense, on the issue.
- (i) lending or borrowing money;
- (j) the adoption of amendment of a dedicatory instrument;
- (k) the approval of an annual budget or the approval of an amendment of an annual budget that increases the budget by more than 10 percent;
- (l) the sale or purchase of real property;
- (m) the filling of a vacancy on the board;
- (n) the construction of capital improvements other than the repair, replacement, or enhancement of existing capital improvements; or
- (o) the election of an officer.

Section 7. Minutes of the Meetings. The Board shall keep a record of each regular or special board meeting in the form of written minutes of the meeting. The Board shall make meeting records, including approved minutes, available to a member for inspection and copying on the member's written request to the Association's managing agent at the address appearing on the most recently filed management certificate.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing use of Common Area and facilities, if any, and the personal conduct of the Members and their guests thereon, and to establish penalties for infractions thereof;
- (b) suspend a Member's right to use the facilities during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such right may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infractions of published rules and regulations.
- (c) exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the membership by other provisions of these Bylaws or the Articles of Incorporation, or the Declaration(s) of Covenants, Conditions and Restrictions;

(d) declare the office of a member of the Board of Directors to be vacant in the event each such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ manager(s), accountant(s), bookkeeper(s), attorney(s), and independent contractor(s), 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 (1/4th) of the Members who are entitled to vote;

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

(c) as more fully provided in the Declaration(s) of Covenants, Conditions and Restrictions, to: fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and, send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.

(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 of Directors before the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

(f) to cause all officers or employees having fiscal responsibilities to be bonded, as the Board of Directors may deem appropriate; and,

(g) to cause the private streets and alleys to be maintained.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of the Association shall be a President, who shall at all times be members of the Board of Directors, a Secretary, a Treasurer, and such other officers that the Board of Directors, from time to time, by

resolution may 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 of Directors and each shall hold office for one (1) year unless he shall sooner resign, be removed or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board of Directors 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 of Directors 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 of Directors. Any officer may resign at any time giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of receipt of said 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 of Directors. 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.

President

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all written instruments of the Association.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members, keep the corporate seal of the Association and affix it upon the minutes of the meetings of the Board of Directors and Members and upon all other papers requiring said seal; serve notice of meetings of the Board of Directors and of the Members; keep appropriate records showing the Members of the Association together with their addresses; and perform such other duties as required by the Board of Directors.

Treasurer

The Treasurer shall receive and deposit or cause to be received and deposited in appropriate bank accounts all monies of the Association and shall disburse or direct the disbursement of such funds as directed by the Board of Directors; shall co-sign all promissory notes of the Association; keep proper books of account, cause a report of the Association's books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting. Copies of these documents shall be available for purchase at a reasonable cost.

ARTICLE IX

COMMITTEES

The Association shall appoint all committees as provided in the Declaration(s) of Covenants, Conditions and Restrictions or as provided by these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

Subject to the terms of the Association's Records Production and Copying Policy, if adopted, the books, records, and papers of the Association shall be subject to inspection by any member during ordinary business hours. The Articles of Incorporation, the Bylaws of the Association and the Restrictions shall be available for inspection by any Member at the principal office of the Association where copies may be purchased at a reasonable cost.

ARTICLE XI

REMEDIES FOR NON-PAYMENT OF ASSESSMENT

As more fully provided in the Restrictions, each Member is obligated to pay to the Association annual 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 eighteen percent (18%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same, and interest, costs and reasonable attorneys' fees of any such action shall be added to the amount of such assessment. No Member may waive or otherwise escape liability for the assessments provided for herein by abandonment of his Lot.

ARTICLE XII

AMENDMENTS

Section 1. These Bylaws may be amended, by a majority vote of the Board of Directors.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Restrictions and the Bylaws, the Restrictions shall control.

ARTICLE XIII

FISCAL YEAR

The fiscal year of the Association shall begin on the 1st 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.

ARTICLE XIV

MISCELLANEOUS NOTICE TO MEMBERS

Section 1. Alternate Notice to Members. The Association may adopt a method that may be used to provide a notice from the Association to a property owner. The Association may use an alternative method to provide a notice for which another method is prescribed by law only if the owner to whom the notice is provided has affirmative opted to allow the Association to use the alternative method of providing notice to provide to the owner notices for which another method is prescribed by law. An owner may not be required to allow the Association to use an alternative method of providing notice.

Section 2. Membership Voting Outside of a Meeting. For any vote of the members, including an election, which is not conducted at a meeting, the Association shall give notice of the vote to all owners entitled to vote on any matter under consideration. The notice shall be given not later than the 20th day before the latest date on which a ballot may be submitted to be counted.

CERTIFICATION

